



# EDENTREE INVESTMENT FUNDS FOR CHARITIES

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Annual Report and Audited Financial Statements

For the year ended 30 June 2018



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# Management Contact Details

## Authorised Corporate Director

The Authorised Corporate Director (ACD) is EdenTree Investment Management Limited (EIM). The investments of EdenTree Investment Funds for Charities (EIFC) are managed by the ACD. The ACD has prepared financial statements that comply with the Financial Reporting Standard 102 (FRS 102) and the Statement of Recommended Practice: "Financial Statements of UK Authorised Funds" issued by the Investment Association in May 2014.

EdenTree Investment Management Limited  
Beaufort House, Brunswick Road,  
Gloucester GL1 1JZ

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Email [charityinvestments@edentreeim.com](mailto:charityinvestments@edentreeim.com)  
[www.edentreeim.com](http://www.edentreeim.com)

Authorised and regulated by the Financial Conduct Authority

## Constitution

EIFC (referred to as the "Company") is an Open-Ended Investment Company (OEIC). It has variable capital and was incorporated with limited liability under the Open-Ended Investment Companies Regulations 2001 (OEIC Regulations) in Great Britain under registered number IC 000866. It is authorised and regulated by the Financial Conduct Authority as a non-UCITS retail scheme.

The Company is an 'umbrella' company and comprises of two authorised investment securities sub-funds (individually referred to as the "Fund").

## Changes to the Company

Investors should be aware that with effect from 1 January 2018, the Amity Global Equity Income Fund for Charities became known as the Amity Global Equity Fund for Charities, following minor changes to the investment objective and investment policy which were approved at the EGM held on 20 December 2017. The fund's current objective is to deliver longer term capital appreciation and an income from a portfolio of global equities. The investment policy is to primarily invest in a diversified portfolio of equities of UK and international companies which make a positive contribution to society and the environment through sustainable and socially responsible practices. All other aspects of the fund, including its structure and investment process remain unchanged.

As Authorised Corporate Director of the umbrella Company, we are also required to bring to your attention the fact that following an internal restructure the Depositary has changed from the BNY Mellon Trust & Depositary (UK) Limited to The Bank of New York Mellon (International) Limited with effect from 1 February 2018.

## Directors of EdenTree Investment Management Limited

MCJ Hews, BSc, FIA (Chairman)  
SJ Round  
RW Hepworth  
RDC Henderson  
IG Campbell (Resignation date 31 August 2018)

## Ultimate Parent Company of the ACD

Allchurches Trust Limited  
Beaufort House, Brunswick Road,  
Gloucester GL1 1JZ

## Depositary

The Bank of New York Mellon (International) Limited  
One Canada Square, Canary Wharf,  
London E14 5AL

Authorised and regulated by the Financial Conduct Authority

## Registrar

Northern Trust Global Services PLC  
50 Bank Street, Canary Wharf,  
London E14 5NT

## Auditor

Deloitte LLP  
Statutory Auditor  
110 Queen Street  
Glasgow G1 3EX

# Report of the Authorised Corporate Director - Investment Environment

## Investment Environment

It was a tale of two halves for global investment markets over the twelve-month period to the end of June 2018. One of the main characteristics of the first six months was the almost unnatural calm across financial markets, which moved serenely ahead, boosted by robust global growth, stable interest rates and an absence of inflationary pressures. However, the following six months demonstrated a stark contrast as volatility returned abruptly to financial markets, triggered by strong wage growth numbers from the US. The speed of the acceleration in wage growth caused financial markets to re-evaluate the pace of monetary policy tightening and as a result some investors de-risked their portfolios. Further volatility was provoked by the increasing possibility of a global trade war, as policymakers in the US and China threatened to impose a number of tariffs which could restrict trade between the two nations and systematically reduce global economic activity. What began with an introduction of a 25% tariff on \$34 billion of goods was quickly reciprocated by the Chinese, and targeted on goods in President Trump's political strongholds. Subsequently, this has escalated rapidly into plans for additional 10% tariffs on \$200 billion of Chinese imports, plus an additional \$350 billion worth of tariffs targeted on auto imports from the European Union.

Despite these headwinds, global equities delivered positive returns over the year, however, US dollar strength and mounting risk aversion among investors drove a significant disparity in the performance of equity bourses in developed economies relative to those in emerging economies, with the former outperforming the latter by almost 4%. In global bond markets, yields rose broadly across both government and corporate credit markets as growth and inflation expectations continued to build. Global commodity markets were mixed over the twelve month period. The price of crude oil continued to rally strongly, supported by President Trump's decision to withdraw the US from the Iran nuclear accord, which drove prices higher despite OPEC announcing plans to boost supply. Conversely, industrial and precious metals were broadly weak and largely reflected ongoing geopolitical uncertainty.

## UK

The FTSE All-Share Index delivered a gain of 5.0%, underperforming the global market, however, the FTSE 100 Index (4.4%) somewhat overshadowed the stronger performance delivered by both the FTSE 250 Mid-Cap (7.7%) and FTSE Small-Cap (5.2%) indices. Investor concerns on global trade and ongoing political uncertainty surrounding the UK's formal exit from the European Union weighed heavily on the value of domestic companies and drove the market into a technical correction in February. Since then, however, improving investor sentiment towards the UK, increased levels of corporate investment activity and the absence of a much-anticipated interest rate hike from the Bank of England (which contributed to a renewed decline in the value of sterling against a strong US dollar) all aided in driving a spectacular recovery in the UK equity market.

Overall, at a sector level, Energy was among the standout performers, as the strong rally in the price of oil (up approximately 50% in sterling terms over the period) improved the prospects of future profitability for the industries incumbents. Conversely, yield curve flattening and weakness in emerging markets stemming from escalating global trade war rhetoric, negatively impacted the Financial sector, which was one of the major laggards over the period. Ongoing merger and acquisition activity was an additional source of support for returns over the period, most notably, J Sainsbury's bid for rival Asda, which if approved by regulators, will create a retailing group worth more than £10 billion.

Higher equity market volatility saw risk assets such as corporate bonds weaken over the period. This was particularly apparent for Financials and lower quality debt, whose credit spreads rose considerably as risk aversion increased. Consequently, corporate debt underperformed gilts over the twelve-month period. UK government bonds (as measured by the FTSE Actuaries Government All Stock Index) delivered a total return of 1.8% over the year and corporate bonds (as measured by the iBoxx Sterling Non Gilt Index) returned 0.6% over the same period.

## Europe

Equity markets in continental Europe delivered negative returns over the period, with the bulk of the declines coming in the first three months of 2018. The period was marked by the return of political risk as Italy struggled to form a government following the inconclusive outcome of the nation's general election in March. Investors feared that this would turn into an effective referendum on Italy's membership of the euro, which led to a sharp increase in Italian government borrowing costs, weighing on Italian equity returns and the European Financial sector more broadly. However, a governing coalition was eventually formed between populist parties, the League and the Five Star Movement. Spain also saw a change of government, although this was largely greeted with calm by markets. Late in the period, German Chancellor

Angela Merkel clashed with sister party the CSU over immigration policy. Economic data from the eurozone pointed to steady growth but at a slower pace than last year. GDP growth for the first quarter was 0.4%, down from 0.7% in Q4 2017. However, forward looking indicators such as the region's composite purchasing managers' index have improved since that release, suggesting improved economic conditions. During the period, the European Central Bank (ECB) announced that it expects to end its quantitative easing programme in December 2018. The ECB added that interest rates will remain at current levels through the summer of 2019.

Overall, the FTSE World Europe (excluding the United Kingdom) Index declined by 1.3%, however the relative strength of the euro against sterling reduced the loss for UK-based investors to 0.5% over the period. At a national level, the equity market in Germany was a standout laggard over the course of the year. The country exports more than it imports with a foreign trade balance of €244.9 billion as at the end of 2017. As one of the largest beneficiaries of open trade with a large current account surplus, Germany would be expected to lose the most if global trade was to be curbed. The German-based automotive manufacturers were notably weak over the course of the period, as President Trump threatened to apply tariffs on cars made by European manufacturers, which he characterised as "freely pouring into the US". The warning came after European officials upped the ante in a transatlantic war of words over trade, saying they would counteract any US tariffs, which penalise European goods.

## US

The US equity market advanced further over the course of the twelve month period, as positive earnings momentum and supportive economic data ultimately outshone escalating US and China trade posturing. The S&P 500 Index delivered a return of 12.2% and the technology-focused Nasdaq Composite Index gained 22.3%, however, the strength of sterling relative to the US dollar decreased returns for UK-based investors to 10.6% and 20.6% for the respective indices. At a sector level over the period, energy, consumer discretionary and technology stocks performed well, with the latter boosted further by the strong growth of its incumbents and the ongoing demonstration of the sector's ability to capture a share of the global economy. Consumer confidence remained strong and retail sales data suggested a rebound in consumption in the second quarter following a relatively weak first quarter. The unemployment rate also reached an eighteen-year low of 3.8%, accompanied by robust wage growth. Average earnings in May were 2.7% higher than a year earlier. A strong US economy gave the Federal Reserve (Fed) the confidence to raise its target rate for Federal Funds by 0.25% in June and signal two further hikes to come this year, followed by three more next year.

### Asia Pacific (Excluding Japan)

In Asia, the region's equity markets underperformed the global benchmark over the period as US dollar strength and escalating global trade tensions contributed to weakness across a number of indices. The FTSE World Asia Pacific (excluding Japan) delivered a negative return of 1.9% (in sterling terms) over the twelve-month period. Equity markets in the southeast of the region (ASEAN) were among the weakest at a national level, while Korea also fell sharply. This was despite positive developments with regards to peace on the Korean peninsula; an Inter-Korea Summit in April saw leaders from the South and North pledge to agree a formal end to the war between the two sides. US President Trump subsequently met with North Korean leader Kim Jong-un in Singapore in June. In Malaysia, the market declined after the unexpected election victory of Mahathir Mohamad's Harapan alliance ended the ruling coalition's 60 years in power. Taiwan also underperformed with Technology sector names leading the market lower.

### Japan

Global trade tensions dominated news flow and company commentary over the period. The most important aspect for Japan has been the increased potential for the US to apply tariffs to auto imports. Although Japanese makers already have consistently moved production facilities offshore, auto exports still represent a significant part of Japan's trade balance. The complexity of auto supply chains creates further uncertainty for Japanese automakers who are already re-evaluating their global strategy in the light of the new-found propensity of the US to tear up pre-existing trade agreements. However, the domestic economic backdrop remains robust. Japanese wages are growing at the fastest pace in 15 years, which is a positive in a country where incomes have stagnated for a generation. Tourism is also growing strongly, with the number of inbound holidaymakers growing at the fastest rate ever. The Tankan survey of business sentiment has also turned positive again. Crucially, the Bank of Japan remains highly accommodative, contrary to worries in the first quarter of 2018 that it was reining in its stimulus. With investors tending to be wary of taking additional risks during this period of uncertainty, most cyclical areas of the market, such as shipping companies and machinery producers were weaker, while there was clear outperformance from defensive sectors including foods and railways. The Nikkei 225 Index registered a return of 11.3% over the period in local currency terms.

### Outlook

The outlook for global growth still looks healthy and corporate earnings are growing strongly, but there are a number of potential political risks to markets over the second half of the year and beyond. In particular, the UK Conservative Party splits over "Brexit" talks are likely to continue in the medium term and hence further market volatility is highly likely. Furthermore, the passing of Brexit legislation is likely to come under

intense scrutiny in both the House of Lords and House of Commons whilst the government needs to remain mindful of the wishes of its partner in government, the DUP. Additionally, the strength of the US economy is also causing the Fed to gradually remove the punch bowl from the party. The US fiscal stimulus should keep growth going strong into 2019, but once the fiscal sugar rush wears off at around the same time that tighter monetary policy could start to bite, the economy could be left nursing a hangover heading into 2020. However, while some political and economic risks lie ahead, we remain focused on finding new long-term investment opportunities in companies that have a sustainable competitive advantage, are run by strong management teams with a history of good capital allocation and prudent balance sheet management.

July 2018

# Investment Objectives and Policies

These Funds are marketable to all UK registered charitable organisations, that is any body, organisation or trust that has been established exclusively for charitable purposes.

These Funds will consist primarily of transferable securities but may also invest in units in collective investment schemes (both regulated and unregulated), money market instruments, derivatives and forward transactions, deposits, nil and partly paid securities, bonds, convertible bonds, cash or near cash as deemed economically appropriate to meet the Fund's objectives.

The Funds will invest in derivatives only for the purposes of hedging, with the aim of reducing the risk profile of the Funds in accordance with principles of efficient portfolio management. Derivatives can expose the Scheme Property to a higher degree of risk. The investment policy of the Funds can only be changed to include investment in derivatives in order to meet its investment objectives by giving 60 days' notice to shareholders. If derivatives are used for the purpose of meeting the investment objective of the Fund in future this may alter the risk profile of the Funds.

## Amity Global Equity Fund for Charities

The Fund's primary objective is to deliver longer term capital appreciation and an income from a portfolio of global equities.

The Fund seeks to primarily invest in a diversified portfolio of equities of UK and international companies which make a positive contribution to society and the environment through sustainable and socially responsible practices.

The Fund seeks to avoid investment in certain areas such as companies which have material involvement in alcohol, tobacco, weapon production, gambling and publication of violent or explicit materials and companies using animals to test cosmetic or household products. The ACD's socially responsible investment approach and research is made available to investors on request.

## Amity Balanced Fund for Charities

The Fund is a Tax Elected Fund and aims to achieve a balance between capital growth and income.

The Fund seeks to primarily invest in a diversified portfolio of UK and international equities and fixed interest securities issued by governments and companies which make a positive contribution to society and the environment through sustainable and socially responsible practices.

The Fund seeks to avoid investment in certain areas such as companies which have material involvement in alcohol, tobacco, weapon production, gambling and publication of violent or explicit materials and companies using animals to test cosmetic or household products. The ACD's socially responsible investment approach and research is made available to investors on request.

# Risk Profile

## Amity Global Equity Fund for Charities

The investment's value may be affected by changes in exchange rates.

The equity markets invested in might decline, thus affecting the prices and values of the assets.

All expenses are taken from capital not income so the capital value of the Fund could be reduced over time.

Some of the investments may be in emerging markets, which can be more volatile and carry risks associated with changes in their economies and political status. Also they may not offer the same level of investor protection as would apply in more developed jurisdictions.

Selecting stocks due to our ethical criteria means that the choice of stocks is limited to a sub-set of the stock market and this could lead to greater volatility.

## Amity Balanced Fund for Charities

Most of the assets are invested in the UK and overseas equities so will be impacted by volatility in the equity markets.

The Fund holds Corporate and Government bonds of a spread of durations.

The various bonds have a spread of different security ratings as the investment managers do not set minimum security standards for such bonds.

All expenses are taken from capital not income so the capital value of the Fund could be reduced over time.

An issuer of fixed interest stock may default, so causing a reduction in the capital and income value of the Fund.

The investment's value may be affected by changes in exchange rates and interest rates.

Selecting stocks due to our ethical criteria means that the choice of stocks is limited to a sub-set of the stock market and this could lead to greater volatility.

# Amity Global Equity Fund for Charities

## Report of the Authorised Corporate Director

This review covers the year from 1 July 2017 to 30 June 2018.

Over the course of the year under review, the Amity Global Equity Fund returned 6.0%, underperforming the blended benchmark return of 8.1%.

The Fund's overweight position in the UK delivered positive returns, whilst the overweight position in Europe ex UK and the underweight position in Asia Pacific were detractors. The US was a positive contributor, despite the Fund's underweight position, driven by a combination of stock selection and currency tailwinds. At a currency level, the Euro and US dollar added to performance, whilst the Swiss franc and the Japanese yen were detractors.

At sector level, the Fund benefitted from being overweight in Basic Materials and Healthcare which performed strongly. The overweight positions in Financials and Telecoms and underweight in Oil & Gas and Industrials acted as a drag on performance.

At a stock level Victrex (Speciality Chemicals), Bioventix (Biotechnology), AbbVie (Pharmaceuticals), LyondellBasell Industries (Chemicals) and Cisco Systems (IT Hardware) were amongst the top contributors, whilst top detractors included GlaxoSmithKline (Pharmaceuticals), Merck (Pharmaceuticals), Mears Group (Support Services), Tarena International DR (Education Services) and Borregaard (Speciality Chemicals).

In respect of Fund activity, notable new holdings included Deutsche Telekom (Telecoms), Swiss Re (Reinsurance), WPP (Media) and PostNL (Transportation & Logistics). The positions in several holdings were augmented – Mears Group (Support Services), Lloyds Banking Group (Banks), GlaxoSmithKline (Pharmaceuticals), Pfizer (Pharmaceuticals), BT Group (Telecoms), Veolia Environment (Utilities), Orange (Telecoms), Munich RE (Reinsurance), Novo Nordisk 'B' (Pharmaceuticals), Borregaard (Speciality Chemicals), Tarena International DR (Educational Services), National Grid (Utilities), Smurfit Kappa (Packaging) and JLEN (Renewables).

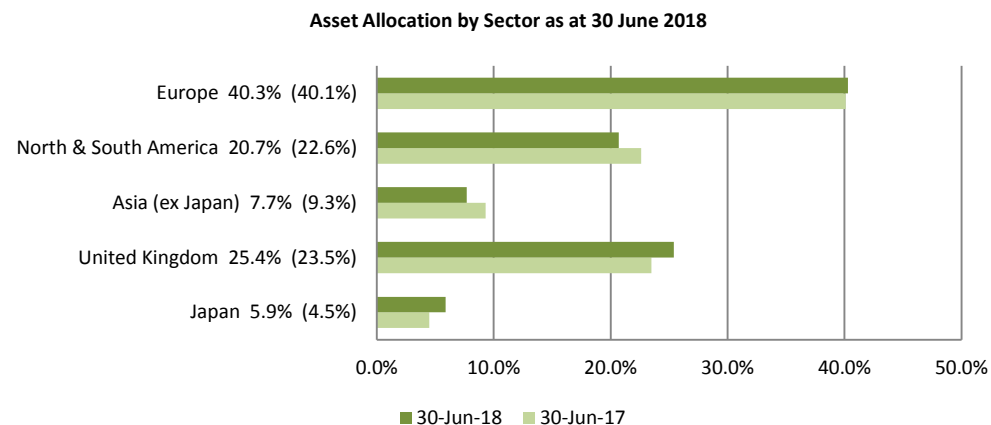
Positions in Aviva (Life Insurance), AstraZeneca (Pharmaceuticals), Wells Fargo (Banks), Bayer (Chemicals), Telefonica (Telecoms), Yara International (Chemicals), Minth (Auto Parts), Sky (Media), Technopro Holdings (IT Services) and Zojirushi (Consumer Discretionary) were sold off entirely. The positions in Siemens (Industrials), ASR Nederand (Life Insurance) and Bioventix (Biotechnology) were trimmed following strong performance.

## Prospects

Global equity markets ended the year on record highs on many bourses, underwritten by improving economic growth tailwinds and negative real interest rates. Investors shrugged off concerns over geopolitics, choosing to back a global economy that is enjoying a synchronized upswing. The fact that wages are now growing at the same time as commodity prices are rallying and capex intentions are accelerating should mean that investors face an inflation backdrop in 2018. The Bank of England is likely to continue on its path of raising interest rates, which could have a negative effect on the economy. Doubts persist over the highly indebted UK consumer remaining the engine for GDP growth. European growth continues although there remains the risk that populism and electoral uncertainty will destabilise the region. The US President finally passed his first major piece of legislation, although investigations into his potential links with Russia are likely to loom over his administration. The Fund delivered an elevated level of dividend payments this year on the back of 5 special dividends which we would expect to repeat next year. Within this context we continue to adhere to our bottom-up, stock-picking investment process, taking a long-term view and seeking out attractively valued companies with sound balance sheets and strong growth outlooks who have temporarily fallen out of favour with markets and therefore represent enticing buying opportunities.

## Asset allocation by sector 30 June 2018

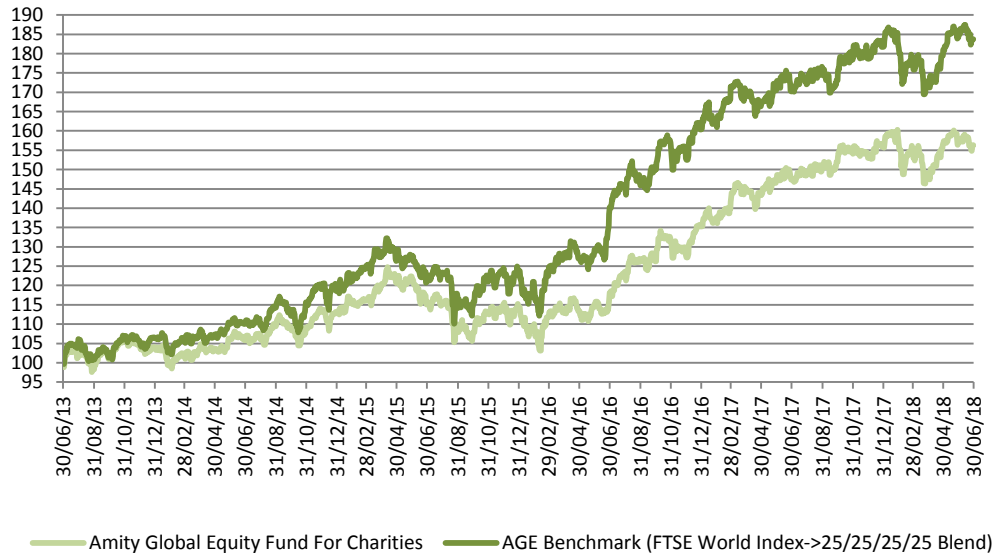
The figures in brackets show allocation at 30 June 2017.



Figures exclude cash

# Amity Global Equity Fund for Charities

## Performance



Graph showing the return of the Amity Global Equity Fund for Charities compared to FTSE World Index from 30 June 2013 to 30 June 2018, mid-to-mid basis excluding initial charges with gross income reinvested. Prices re-based to 100. Source: Morningstar.

## Performance

	Amity Global Equity Fund for Charities Total Return	FTSE World Index Total Return
01/07/17 – 30/06/18	6.0%	8.1%
01/07/16 – 30/06/17	27.0%	22.9%
01/07/15 – 30/06/16	0.9%	14.6%

Table showing % return of the Amity Global Equity Fund for Charities against FTSE World Index. Figures compared on a mid-to-mid basis excluding initial charges with gross income reinvested. Source: Morningstar.

## Major Holdings

Top ten holdings	Percentages of total net assets at 30 June 2018
Bioventix	4.35%
Cisco Systems	3.82%
Microsoft	3.75%
ASR Nederland NV	3.25%
Pfizer	3.22%
LyondellBasell Industries	2.79%
Victrex	2.67%
Taiwan Semiconductor Manufacturing DR	2.67%
AbbVie	2.50%
GlaxoSmithKline	2.42%



# Amity Global Equity Fund for Charities

## Fund Information

The Comparative Table in the opposite gives the performance of the only active share class in the Fund.

The 'Return after charges' disclosed in the Comparative Table is calculated as the return after operating charges per share divided by the opening net asset value per share. It differs from the Fund's performance disclosed in the ACD's report, which is calculated based on the latest published price.

Portfolio transaction costs are incurred when investments are bought or sold by a Fund in order to achieve the investment objective. These transaction costs affect an investor in different ways depending on whether they are joining, leaving or continuing with their investment in the Fund.

Direct transaction costs include broker commission and taxes. Prior to January 2018 broker commission included the fee paid to a broker to execute the trades and research costs. Post January 2018, following the implementation of MiFID II, all research costs are paid for by the ACD.

In addition, there are indirect portfolio transaction costs arising from the 'dealing spread' – the difference between the buying and selling prices of underlying investments in the portfolio. Unlike shares whereby broker commissions and stamp duty are paid by a fund on each transaction, other types of investments (such as bonds, money instruments, derivatives, collective investment schemes) do not have separately identifiable transaction costs; these costs form part of the dealing spread. Dealing spreads vary considerably depending on the transaction value and money market sentiment.

## Class A

	2018 pence per share)	2017 pence per share)	2016 pence per share)
Change in Net Asset Value per Share			
Opening net asset value per share	122.79	101.83	103.88
Return before operating charges*	8.70	26.27	3.05
Operating charges	(0.92)	(1.13)	(0.91)
Return after operating charges*	7.78	25.14	2.14
Distributions on income shares	(4.43)	(4.18)	(4.19)
Closing net asset value per share	126.14	122.79	101.83
* after direct transaction costs of**:	0.10	0.11	0.08
<b>Performance</b>			
Return after charges	6.34%	24.69%	2.06%
<b>Other Information</b>			
Closing net asset value (£'000)	12,004	11,134	9,242
Closing number of shares	9,516,639	9,067,365	9,076,191
Operating charges†	0.72%^	0.97%	0.91%
Direct transaction costs	0.08%	0.10%	0.08%
<b>Prices</b>			
Highest share price	133.10	128.20	106.40
Lowest share price	121.50	101.70	92.14

\*\*Direct transaction costs are stated after deducting the proportion of the amounts collected from dilution adjustments or dilution levies that relate to direct transaction costs. A negative transactions costs figure might arise where there is a timing difference between inflows and the settlement of the resultant purchases.

†Operating charges, otherwise known as the OCF is the ratio of the Fund's total disclosable costs (excluding overdraft interest) to the average net assets of the Fund. The OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a Fund and is calculated based on the last period's figures. Included within the OCF are synthetic costs which include the OCF of the underlying funds weighted on the basis of their investment proportion.

^From 1 July 2017, annual management fee rate has been reduced from 0.75% to 0.55%.

# Amity Global Equity Fund for Charities

### Risk Reward Profile



The risk category above is not a measure of capital loss or gains, but of how significant the rises and falls in the Share Class price have been historically.

For example a share class whose price has experienced significant rises and falls will be in a higher risk category, whereas a share class whose price has experienced less significant rises and falls will be in a lower risk category.

As the Share Class risk category has been calculated using historical data, it may not be a reliable indication of the Share Class future risk profile.

Please note that the Share Class risk category may change in the future and is not guaranteed. The lowest risk category does not mean a risk free investment.

The Share Class is in risk category 5 as its price has experienced significant rises and falls historically.

# Amity Balanced Fund for Charities

## Report of the Authorised Corporate Director

This review covers the year from 1 July 2017 to 30 June 2018.

Over the course of the year under review, the Amity Balanced Fund returned 1.3%, compared to the 5.7% return of the composite benchmark. The fund benchmark is split 50/50 between a UK gilt index and a global equity index. The FTSE World index returned 9.4% over the period while the FTSE Gilts All Stocks index returned 1.9%.

The current asset allocation varies substantially from the benchmark with less than 30% invested in UK fixed interest instruments and over 70% invested in UK and overseas equities including infrastructure funds and real estate investment trusts. The underweight position towards fixed interest is due to our belief that the gilt market appears expensive especially given the low level of unemployment in the UK and the fact that the Bank of England has already started to tighten rates and may pursue further rate rises later in the year. The corporate bond market also seemed expensive with credit spreads down at levels not experienced since before the credit crisis though spreads did widen towards the end of the period, which may provide opportunities going forward.

Equity markets performed well over the period but 'growth' stocks strongly outperformed 'value' stocks in high yielding areas of the market, which created a negative headwind for the Fund compared to the benchmark. This was exacerbated by the strong performance of the Energy sector where the Fund had no exposure, primarily due to the high carbon intensity and poor environmental record of most oil and gas companies. The Fund also suffered from an overweight position to telecommunications, which was the worst performing sector over the period despite improved operational performance in many markets.

Some of the strongest contributors to performance included Royal Mail, Next (which benefitted from strong growth in its e-commerce business) and Hugo Boss. Pearson also performed well but was subsequently sold, as it no longer matched the yield requirements of the Fund. Negative contributors over the period included BT Group, which appears very good value but also faces a large deficit on its pension fund. N Brown, which has taken the decision to close its small retail store business and concentrate on e-commerce where it continues to perform well, and other telecom companies such as Telefonica Deutschland, Telstra and Deutsche Telekom which all suffered from the general sell off of the sector.

Fund Activity included the purchase of Tate & Lyle, the food ingredients business, SSE, the utility company, WPP, the advertising company and PostNL, the Dutch postal and parcel delivery company, all of which were trading at low valuations offering high and sustainable dividend yields. Sales included London Metric Property, a warehousing property company, which had performed very strongly and was trading at a premium to NAV and no longer matched the yield requirements of the Fund. Other sales included HCP, Man Group and Verizon Communications. The Fund also added to its holding in infrastructure funds through purchases of HICL Infrastructure and John Laing Infrastructure.

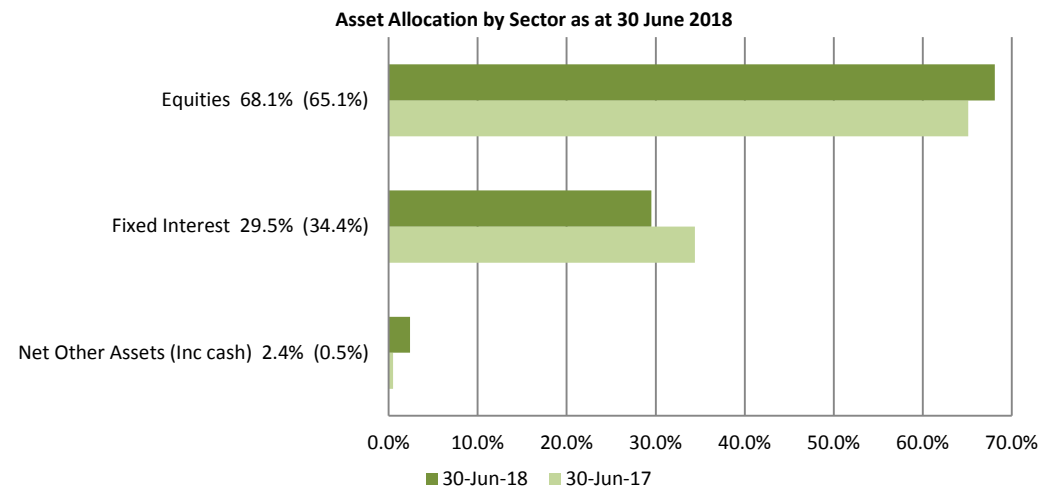
## Prospects

From a purely economic standpoint the global equity markets appear attractive over the next year particularly 'value' areas which have de-rated in valuation terms compared to the rest of the market, and in absolute terms. Geopolitical concerns may well overwhelm this positive economic environment with Donald Trump's increasing obsession with pursuing trade wars likely to have a damaging impact on the global economy. The UK may also struggle as uncertainty and the potential harmful impact of Brexit is likely to weigh on the UK equity market particularly on more domestic focused companies. The fixed interest markets appear to be expensive and very vulnerable to any sign of increased inflation pressures, especially considering the tightness of the labour market.

The Fund will retain a high weighting in equities and a corresponding low investment in bonds given the current investment environment and economic outlook. There appear to be reasonable opportunities to find good quality companies on attractive valuation multiples offering high and sustainable yields within the equity market. Infrastructure funds, green energy and real estate investment trusts also offer good opportunities to find investments to support the objective of the fund to both achieve some capital growth, and also deliver a high and growing level of yield.

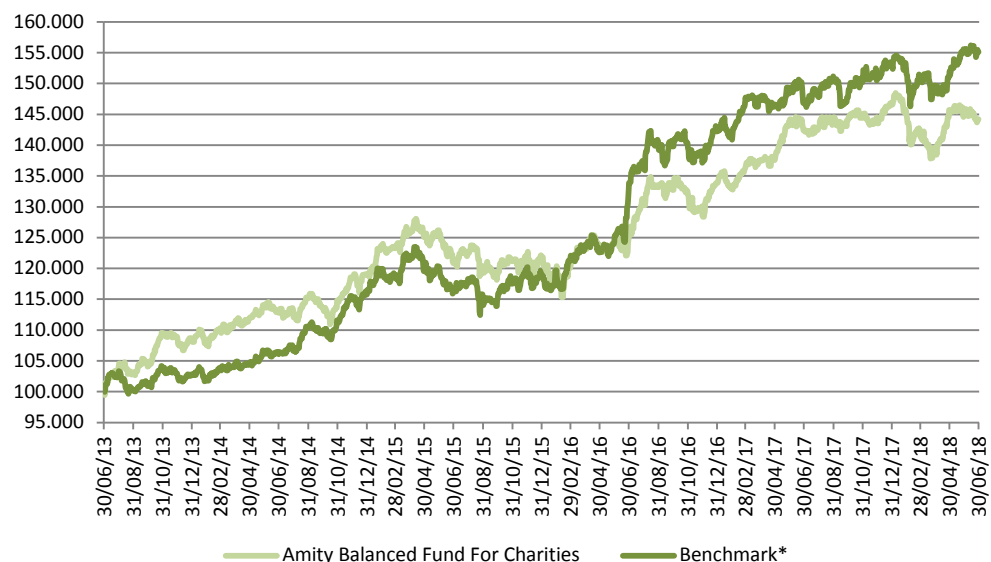
## Asset allocation by sector at 30 June 2018

The figures in brackets show allocation at 30 June 2017.



# Amity Balanced Fund for Charities

## Performance



\*Benchmark: 50% FTSE Actuaries Government Securities UK Gilts All Stock Index and 50% FTSE World Index

Graph showing the return of the Amity Balanced Fund for Charities compared to Benchmark from 30 June 2013 to 30 June 2018, mid-to-mid basis excluding initial charges with gross income reinvested. Prices re-based to 100. Source: Morningstar.

	Amity Balanced Fund for Charities Total Return	Benchmark Total Return
01/07/17 – 30/06/18	1.3%	5.7%
01/07/16 – 30/06/17	14.0%	10.6%
01/07/15 – 30/06/16	3.4%	14.3%

Table showing % return of the Amity Balanced Fund for Charities against Benchmark. Figures compared on a mid-to-mid basis excluding initial charges with gross income reinvested. Source: Morningstar.

## Major holdings

Top ten holdings	Percentages of total net assets at 30 June 2018
GlaxoSmithKline	3.48%
Direct Line Insurance Group	2.21%
HICL Infrastructure	2.17%
Greencoat UK Wind	2.15%
SSE	2.09%
WPP	2.05%
John Laing Infrastructure	2.03%
Tate & Lyle	1.94%
Orange	1.91%
Coventry Building Society PIBS 12.125% Perpetual	1.90%

## Fund Information

The Comparative Table on the following page gives the performance of the only active share class in the Fund.

The 'Return after charges' disclosed in the Comparative Table is calculated as the return after operating charges per share divided by the opening net asset value per share. It differs from the Fund's performance disclosed in the ACD's report, which is calculated based on the latest published price.

Portfolio transaction costs are incurred when investments are bought or sold by a Fund in order to achieve the investment objective. These transaction costs affect an investor in different ways depending on whether they are joining, leaving or continuing with their investment in the Fund.

Direct transaction costs include broker commission and taxes. Prior to January 2018 broker commission included the fee paid to a broker to execute the trades and research costs. Post January 2018, following the implementation of MiFID II, all research costs are paid for by the ACD.

In addition, there are indirect portfolio transaction costs arising from the 'dealing spread' – the difference between the buying and selling prices of underlying investments in the portfolio. Unlike shares whereby broker commissions and stamp duty are paid by a fund on each transaction, other types of investments (such as bonds, money instruments, derivatives, collective investment schemes) do not have separately identifiable transaction costs; these costs form part of the dealing spread. Dealing spreads vary considerably depending on the transaction value and money market sentiment.

# Amity Balanced Fund for Charities

## Fund Information (continued)

Class A

Change in Net Asset Value per Share	2018 pence per share)	2017 pence per share)	2016 pence per share)
Opening net asset value per share	113.95	106.13	107.31
Return before operating charges*	2.30	14.41	5.34
Operating charges	(0.73)	(0.96)	(0.88)
Return after operating charges*	1.57	13.45	4.46
Distributions on income shares	(5.81)	(5.63)	(5.64)
Closing net asset value per share	109.71	113.95	106.13
* after direct transaction costs of**:	0.04	0.09	0.03
<b>Performance</b>			
Return after charges	1.38%	12.68%	4.16%
<b>Other Information</b>			
Closing net asset value (£'000)	23,307	21,806	22,565
Closing number of shares	21,244,160	19,135,864	21,261,458
Operating charges†	0.64%^	0.86%	0.83%
Direct transaction costs	0.03%	0.08%	0.03%
<b>Prices</b>			
Highest share price	117.20	118.60	110.30
Lowest share price	108.10	106.10	100.80

\*\*Direct transaction costs are stated after deducting the proportion of the amounts collected from dilution adjustments or dilution levies that relate to direct transaction costs. A negative transactions costs figure might arise where there is a timing difference between inflows and the settlement of the resultant purchases.

†Operating charges, otherwise known as the OCF is the ratio of the Fund's total disclosable costs (excluding overdraft interest) to the average net assets of the Fund. The OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a Fund and is calculated based on the last period's figures. Included within the OCF are synthetic costs which include the OCF of the underlying funds weighted on the basis of their investment proportion.

^From 1 July 2017, annual management fee rate has been reduced from 0.75% to 0.55%.

## Risk Reward Profile

Lower risk

Higher risk

Typically lower Rewards

Typically higher rewards



The risk category above is not a measure of capital loss or gains, but of how significant the rises and falls in the Share Class price have been historically.

For example a share class whose price has experienced significant rises and falls will be in a higher risk category, whereas a share class whose price has experienced less significant rises and falls will be in a lower risk category.

As the Share Class risk category has been calculated using historical data, it may not be a reliable indication of the Share Class future risk profile.

Please note that the Share Class risk category may change in the future and is not guaranteed. The lowest risk category does not mean a risk free investment.

The Share Class is in risk category 4 as its price has experienced average rises and falls historically.

# Authorised Status

If each sub-fund were an Open-Ended Investment Company in respect of which authorisation had been granted by the FCA, it would be a securities company. The Company is marketable to all UK registered charitable organisations.

The Company is a Non-UCITS retail scheme which complies with the FCA's Collective Investment Schemes Sourcebook and the FCA's Investment Funds Sourcebook ("FUND").

No sub-fund held shares in any other sub-fund of the umbrella company at the year end.

# Certification of Accounts

Each sub-fund represents a segregated portfolio of assets and accordingly, the assets of a sub-fund belong exclusively to that sub-fund and shall not be used or made available to discharge (directly or indirectly) the liabilities of, or claims against, any other person or body, including any other sub-funds, and shall not be available for such purpose.

Please note that shareholders are not liable for the debts of EdenTree Investment Funds for Charities.

MCJ Hews, Director

RW Hepworth, Director

For and on behalf of EdenTree Investment Management Limited.  
Authorised Corporate Director of EdenTree Investment Funds for Charities.  
Gloucester, United Kingdom  
5 October 2018

# Statement of the Authorised Corporate Director's Responsibilities

The Authorised Corporate Director ("ACD") of EdenTree Investment Funds for Charities (the "Company") is responsible for preparing the Annual Report and the financial statements in accordance with the Open-Ended Investment Companies Regulations 2001 ("the OEIC Regulations"), the Financial Conduct Authority's Collective Investment Schemes Sourcebook ("COLL"), the FCA's Investment Funds Sourcebook ("the FUND") and the Company's Instrument of Incorporation.

The OEIC Regulations and COLL require the ACD to prepare financial statements for each annual accounting year which:

- are in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Statement of Recommended Practice: "Financial Statements of UK Authorised Funds" ("SORP") issued by the Investment Association in May 2014; and
- give a true and fair view of the financial position of the Company and each of its sub-funds as at the end of that period and the net revenue and the net capital gains or losses on the property of the Company and each of its sub-funds for that period.

In preparing the financial statements, the ACD is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether the applicable IA SORP has been followed;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in operation.

The ACD is responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the applicable IA SORP and UK GAAP. The ACD is also responsible for the system of internal controls, and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In accordance with COLL 4.5.8BR, the Annual Report and the audited financial statements were approved by the board of directors of the Authorised Corporate Director of the Company and authorised for issue on 5 October 2018.

MCJ Hews, Director

RW Hepworth, Director

For and on behalf of EdenTree Investment Management Limited.  
Authorised Corporate Director of EdenTree Investment Funds for Charities.  
Gloucester, United Kingdom  
5 October 2018

# Statement of the Depositary's Responsibilities

The Depositary must ensure that the Company is managed in accordance with the Financial Conduct Authority's Collective Investment Schemes Sourcebook, the Investment Funds Sourcebook, the Open-Ended Investment Companies Regulations 2001 (SI 2001/1228), as amended, the Financial Services and Markets Act 2000, as amended, (together "the Regulations"), the Company's Instrument of Incorporation and Prospectus (together "the Scheme documents") as detailed below.

The Depositary must in the context of its role act honestly, fairly, professionally, independently and in the interests of the Company and its investors.

The Depositary is responsible for the safekeeping of all custodial assets and maintaining a record of all other assets of the Company in accordance with the Regulations.

The Depositary must ensure that:

- the Company's cash flows are properly monitored and that cash of the Company is booked into the cash accounts in accordance with the Regulations;
- the sale, issue, repurchase and cancellation of shares are carried out in accordance with the Regulations;
- the value of shares of the Company are calculated in accordance with the Regulations;
- any consideration relating to transactions in the Company's assets is remitted to the Company within the usual time limits;
- the Company's income is applied in accordance with the Regulations; and
- the instructions of the Alternative Investment Fund Manager ("the AIFM") are carried out (unless they conflict with the Regulations).

The Depositary also has a duty to take reasonable care to ensure that Company is managed in accordance with the Scheme documents and the Regulations in relation to the investment and borrowing powers applicable to the Company.

# Report of the Depositary to the Shareholders of the Company

Having carried out such procedures as we consider necessary to discharge our responsibilities as Depositary of the Company, it is our opinion, based on the information available to us and the explanations provided, that in all material respects the Company, acting through the AIFM:

- i) has carried out the issue, sale, redemption and cancellation, and calculation of the price of the Company's shares and the application of the Company's income in accordance with the Regulations and the Scheme documents of the Company; and
- ii) has observed the investment and borrowing powers and restrictions applicable to the Company in accordance with the Regulations and Scheme documents of the Company.

For and on behalf of The Bank of New York Mellon (International) Limited  
One Canada Square  
London E14 5AL  
5 October 2018



# Portfolio Statement

## Amity Global Equity Fund for Charities

As at 30 June 2018

Holdings at 30 June 2018	Market Value £	Percentage of Total Net Assets %
<b>UNITED KINGDOM 24.98% (23.02%)</b>		
30,000 Arix Bioscience	58,500	0.49
3,500 Berkeley Group	132,405	1.10
18,000 Bioventix	522,000	4.35
90,000 BT Group	195,975	1.63
16,000 Close Brothers Group	237,600	1.98
19,000 GlaxoSmithKline	290,662	2.42
24,000 HSBC	170,568	1.42
400,000 Lloyds Banking Group	252,080	2.10
50,000 Mears Group	167,500	1.40
20,000 National Grid	167,680	1.40
10,000 Prudential	173,450	1.44
100,000 Taylor Wimpey	178,900	1.49
11,000 Victrex	320,320	2.67
11,000 WPP	131,230	1.09
<b>Total UNITED KINGDOM</b>	<b>2,998,870</b>	<b>24.98</b>
<b>CHINA 0.77% (1.12%)</b>		
16,000 Tarena International DR*	92,180	0.77
<b>Total CHINA</b>	<b>92,180</b>	<b>0.77</b>
<b>DENMARK 1.47% (0.89%)</b>		
5,000 Novo Nordisk 'B'	176,196	1.47
<b>Total DENMARK</b>	<b>176,196</b>	<b>1.47</b>
<b>FRANCE 10.91% (10.73%)</b>		
13,750 AXA	255,930	2.13
3,000 Cie Generale des Etablissements Michelin 'B'	277,070	2.31
20,000 Orange	254,081	2.12
2,000 Sanofi	121,601	1.01
3,000 Schneider Electric	189,763	1.58
13,000 Veolia Environnement	210,760	1.76
<b>Total FRANCE</b>	<b>1,309,205</b>	<b>10.91</b>

Holdings at 30 June 2018	Market Value £	Percentage of Total Net Assets %
<b>GERMANY 5.75% (7.09%)</b>		
1,575 Allianz	247,139	2.06
10,000 Deutsche Telekom	117,561	0.98
1,250 Muenchener Rueck	200,715	1.67
1,250 Siemens	125,468	1.04
<b>Total GERMANY</b>	<b>690,883</b>	<b>5.75</b>
<b>HONG KONG 2.32% (3.67%)</b>		
175,000 Dah Sing Banking	279,059	2.32
<b>Total HONG KONG</b>	<b>279,059</b>	<b>2.32</b>
<b>IRELAND 2.31% (1.29%)</b>		
9,000 Smurfit Kappa	277,469	2.31
<b>Total IRELAND</b>	<b>277,469</b>	<b>2.31</b>
<b>JAPAN 5.82% (4.40%)</b>		
20,000 Amada	146,537	1.22
2,000 Horiba	106,360	0.89
5,000 Sony	194,764	1.62
8,500 Sumitomo Mitsui Financial	251,452	2.09
<b>Total JAPAN</b>	<b>699,113</b>	<b>5.82</b>
<b>NETHERLANDS 9.49% (8.80%)</b>		
2,000 AkzoNobel	129,344	1.08
13,000 ASR Nederland NV	390,423	3.25
25,000 ING Group	272,641	2.27
2,700 Koninklijke DSM	204,609	1.70
50,000 PostNL	142,190	1.19
<b>Total NETHERLANDS</b>	<b>1,139,207</b>	<b>9.49</b>
<b>NORWAY 1.24% (2.21%)</b>		
18,163 Borregaard	148,784	1.24
<b>Total NORWAY</b>	<b>148,784</b>	<b>1.24</b>

# Portfolio Statement

## Amity Global Equity Fund for Charities

As at 30 June 2018

Holdings at 30 June 2018		Market Value £	Percentage of Total Net Assets %
	<b>SINGAPORE 1.85% (1.56%)</b>		
15,000	DBS Group	222,630	1.85
	<b>Total SINGAPORE</b>	<b>222,630</b>	<b>1.85</b>
	<b>SPAIN 0.73% (1.64%)</b>		
21,664	Banco Santander DR*	87,879	0.73
	<b>Total SPAIN</b>	<b>87,879</b>	<b>0.73</b>
	<b>SWEDEN 1.32% (1.13%)</b>		
1,500	Autoliv DR*	117,631	0.98
1,500	Veoneer	40,300	0.34
	<b>Total SWEDEN</b>	<b>157,931</b>	<b>1.32</b>
	<b>SWITZERLAND 6.38% (5.54%)</b>		
3,000	Nestle	176,524	1.47
4,000	Novartis	230,648	1.92
1,150	Roche	194,230	1.62
2,500	Swiss Re	164,108	1.37
	<b>Total SWITZERLAND</b>	<b>765,510</b>	<b>6.38</b>
	<b>TAIWAN 2.67% (2.78%)</b>		
11,500	Taiwan Semiconductor Manufacturing DR*	319,982	2.67
	<b>Total TAIWAN</b>	<b>319,982</b>	<b>2.67</b>
	<b>UNITED STATES 20.45% (22.20%)</b>		
4,250	AbbVie	299,808	2.50
14,000	Cisco Systems	458,480	3.82
2,000	Deere	212,809	1.77
4,000	Hawaiian Electric Industries	104,448	0.87
4,000	LyondellBasell Industries	334,381	2.79
4,500	Merck	207,885	1.73
6,000	Microsoft	450,291	3.75

Holdings at 30 June 2018		Market Value £	Percentage of Total Net Assets %
	<b>UNITED STATES (continued)</b>		
14,000	Pfizer	386,666	3.22
	<b>Total UNITED STATES</b>	<b>2,454,768</b>	<b>20.45</b>
	<b>Portfolio of Investments 98.46% (98.07%)</b>	<b>11,819,666</b>	<b>98.46</b>
	Net other assets	184,528	1.54
	<b>Total net assets</b>	<b>12,004,194</b>	<b>100.00</b>

Securities are admitted to an official stock exchange listing or traded on another regulated market unless otherwise stated.

\*Depository Receipt.

Comparative percentage holdings by market value at 30 June 2017 are shown in brackets.

# Portfolio Statement

## Amity Balanced Fund for Charities

As at 30 June 2018

Holdings at 30 June 2018	Market Value £	Percentage of Total Net Assets %
<b>UNITED KINGDOM 71.05% (70.39%)</b>		
<b>UK Corporate Bonds 19.60% (23.01%)</b>		
£100,000 Alpha Plus Holdings 5.00% 31/03/2024	106,775	0.46
£300,000 Brit Insurance 6.625% 09/12/2030	309,000	1.33
£50,000 Cheltenham & Gloucester 11.75% Perpetual	107,553	0.46
£200,000 Co-Operative Bank 11.00% 20/12/2025	256,724	1.10
£200,000 Coventry Building Society 6.375% Perpetual	204,000	0.87
£219,000 Coventry Building Society PIBS 12.125% Perpetual	442,380	1.90
£60,000 Leeds Building Society 13.375% Perpetual	133,800	0.57
£350,000 Liverpool Victoria 6.50% 22/05/2043	382,019	1.64
£100,000 London Stock Exchange 9.125% 18/10/2019	109,990	0.47
£150,000 Manchester Building Society 6.75% Perpetual	23,541	0.10
£100,000 Marks & Spencer 6.125% 02/12/2019	106,233	0.46
£150,000 Nationwide Building Society 6.875% Perpetual	153,138	0.66
£83,000 Newcastle Building Society 10.75% Perpetual	135,290	0.58
£250,000 PGH Capital 6.625% 18/12/2025	275,652	1.18
£120,000 Prudential 11.375% 29/05/2039	130,223	0.56
£170,000 Retail Charity Bond 5.00% 12/04/2026	188,394	0.81
£200,000 RL Finance Bonds 6.125% 30/11/2043	220,954	0.95
£400,000 Sainsbury (J) 6.50% Perpetual	426,766	1.83
£200,000 Scottish Widows 7.00% 16/06/2043	240,363	1.03
£200,000 St Modwen Properties 6.25% 07/11/2019	207,494	0.89
£275,000 Yorkshire Building Society 13.50% 01/04/2025	407,137	1.75
<b>Total UK Corporate Bonds</b>	<b>4,567,426</b>	<b>19.60</b>
<b>UK Corporate Preference Shares 5.49% (6.26%)</b>		
150,000 Aviva 8.375%	220,500	0.95
150,000 Aviva 8.75%	228,000	0.98
210,000 Bristol Water 8.75%	317,100	1.36
140,000 Northern Electric 8.061%	194,600	0.83
250,000 RSA Insurance 7.375%	320,000	1.37
<b>Total UK Corporate Preference Shares</b>	<b>1,280,200</b>	<b>5.49</b>
<b>UK Equities 45.96% (41.12%)</b>		
99,473 3i Infrastructure	222,422	0.95

Holdings at 30 June 2018	Market Value £	Percentage of Total Net Assets %
<b>UK Equities (continued)</b>		
8,000 AstraZeneca	420,240	1.80
70,000 Aviva	352,660	1.51
180,000 BT Group	391,950	1.68
200,000 Centrica	315,300	1.35
111,428 Connect Group	34,375	0.15
150,000 Direct Line Insurance Group	514,350	2.21
80,000 DX Group	7,632	0.03
52,994 GlaxoSmithKline	810,702	3.48
400,000 Greencoat UK Wind	500,000	2.15
350,000 HICL Infrastructure	505,050	2.17
60,000 HSBC	426,420	1.83
415,390 John Laing Environmental Assets	429,929	1.85
400,000 John Laing Infrastructure	472,800	2.03
40,000 Land Securities Group	382,760	1.64
120,000 Legal & General	319,080	1.37
700,000 Lloyds Banking Group	441,140	1.89
100,000 Marks & Spencer	295,100	1.27
200,000 N Brown	338,600	1.45
32,083 National Grid	268,984	1.15
5,000 Next	302,400	1.30
22,710 Phoenix Group	36,795	0.16
48,666 Phoenix Group Holdings	329,225	1.41
400,000 Picton Property Income	364,000	1.56
60,000 Royal Mail	303,240	1.30
36,000 SSE	487,620	2.09
295,454 Target Healthcare	326,477	1.40
70,000 Tate & Lyle	452,760	1.94
100,000 Vodafone	183,800	0.79
40,000 WPP	477,200	2.05
<b>Total UK Equities</b>	<b>10,713,011</b>	<b>45.96</b>

# Portfolio Statement

## Amity Balanced Fund for Charities

As at 30 June 2018

Holdings at 30 June 2018	Market Value £	Percentage of Total Net Assets %
<b>AUSTRALIA 0.52% (0.96%)</b>		
82,500 Telstra	120,801	0.52
<b>Total AUSTRALIA</b>	<b>120,801</b>	<b>0.52</b>
<b>FRANCE 9.66% (10.08%)</b>		
<b>French Corporate Bonds 3.06% (3.29%)</b>		
£200,000 Credit Agricole 7.50% Perpetual	214,919	0.92
£400,000 Electricite de France 5.875% Perpetual	395,640	1.70
£100,000 Electricite de France 6.00% Perpetual	101,625	0.44
<b>Total French Corporate Bonds</b>	<b>712,184</b>	<b>3.06</b>
<b>French Equities 6.60% (6.79%)</b>		
17,500 AXA	325,729	1.40
5,000 Covivio	388,475	1.66
14,000 Mercialys	184,430	0.79
35,000 Orange	444,642	1.91
20,000 Suez Environnement	195,610	0.84
<b>Total French Equities</b>	<b>1,538,886</b>	<b>6.60</b>
<b>GERMANY 6.89% (7.64%)</b>		
2,500 Allianz	392,284	1.68
21,000 Deutsche Telekom	246,878	1.06
4,000 Hugo Boss	275,768	1.18
12,000 Talanx	332,325	1.43
120,000 Telefonica Deutschland	358,584	1.54
<b>Total GERMANY</b>	<b>1,605,839</b>	<b>6.89</b>
<b>HONG KONG 1.71% (1.61%)</b>		
295,000 Kowloon Development	252,661	1.09
1,200,000 Samson	95,445	0.41
600,000 Trinity	49,468	0.21
<b>Total HONG KONG</b>	<b>397,574</b>	<b>1.71</b>

Holdings at 30 June 2018	Market Value £	Percentage of Total Net Assets %
<b>IRELAND 0.57% (0.78%)</b>		
<b>Irish Corporate Bonds 0.57% (0.78%)</b>		
£100,000 Catalyst Health 2.411% 30/09/2040	133,982	0.57
<b>Total Irish Corporate Bonds</b>	<b>133,982</b>	<b>0.57</b>
<b>NETHERLANDS 1.22% (0.00%)</b>		
100,000 PostNL	284,379	1.22
<b>Total NETHERLANDS</b>	<b>284,379</b>	<b>1.22</b>
<b>NEW ZEALAND 0.46% (0.52%)</b>		
<b>New Zealand Corporate Bonds 0.46% (0.52%)</b>		
£100,000 Chorus 6.75% 06/04/2020	108,366	0.46
<b>Total New Zealand Corporate Bonds</b>	<b>108,366</b>	<b>0.46</b>
<b>NORWAY 0.81% (0.79%)</b>		
6,000 Yara International	189,153	0.81
<b>Total NORWAY</b>	<b>189,153</b>	<b>0.81</b>
<b>SINGAPORE 1.74% (1.22%)</b>		
107,100 CapitaLand Commercial	99,162	0.43
450,233 Mapletree	306,369	1.31
<b>Total SINGAPORE</b>	<b>405,531</b>	<b>1.74</b>
<b>SPAIN 0.00% (0.51%)</b>		
<b>SWEDEN 1.52% (1.51%)</b>		
60,000 Ericsson 'B'	353,349	1.52
<b>Total SWEDEN</b>	<b>353,349</b>	<b>1.52</b>

# Portfolio Statement

## Amity Balanced Fund for Charities

As at 30 June 2018

Holdings at 30 June 2018	Market Value £	Percentage of Total Net Assets %
<b>UNITED STATES 1.05% (3.48%)</b>		
10,000 AT&T	244,378	1.05
<b>Total UNITED STATES</b>	<b>244,378</b>	<b>1.05</b>
<b>Portfolio of Investments 97.20% (99.49%)</b>	<b>22,655,059</b>	<b>97.20</b>
Net other assets	651,587	2.80
<b>Total net assets</b>	<b>23,306,646</b>	<b>100.00</b>

Securities are admitted to an official stock exchange listing or traded on another regulated market unless otherwise stated.

Comparative percentage holdings by market value at 30 June 2017 are shown in brackets.

### Debt Security Allocation is as follows:

	Percentage of Debt Securities
Debt Securities above investment grade	44.14
Debt Securities below investment grade	22.55
Unrated Debt Securities	33.31

# Independent Auditor's Report to the Shareholders of EdenTree Investment Funds for Charities

## Report on the audit of the financial statements

### Opinion

In our opinion the financial statements of EdenTree Investment Funds for Charities (the "Company"):

- give a true and fair view of the financial position of the Company as at 30 June 2018 and of the net revenue and the net capital gains and losses on the property of the Company for the year ended 30 June 2018; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", the Statement of Recommended Practice: "Financial Statements of UK Authorised Funds", the rules in the Collective Investment Schemes Sourcebook and the Instrument of Incorporation.

We have audited the financial statements which comprise for each sub-fund:

- the statement of total return;
- the statement of change in net assets attributable to shareholders;
- the balance sheet;
- the distribution statements; and
- the related consolidated and individual notes 1 to 20.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice), the Statement of Recommended Practice: "Financial Statements of UK Authorised Funds" issued by the Investment Association in May 2014, the Collective Investment Schemes Sourcebook and the Instrument of Incorporation.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (FRC's) Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Conclusions relating to going concern

We are required by ISAs (UK) to report in respect of the following matters where:

- the authorised corporate director's (ACD's) use of the going concern basis of accounting in preparation of the financial statements is not appropriate; or
- the ACD has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of these matters.

### Other information

The ACD is responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in respect of these matters.

### Responsibilities of depositary and ACD

As explained more fully in the depositary's responsibilities statement and the ACD's responsibilities statement, the depositary is responsible for the safeguarding the property of the company and the ACD is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the ACD determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the ACD is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the ACD either intends to liquidate the company or to cease operations, or have no realistic alternative but to do so.

### Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

# Independent Auditor's Report to the Shareholders of EdenTree Investment Funds for Charities

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

## Report on other legal and regulatory requirements

### Opinion on other matters prescribed by the Collective Investment Schemes Sourcebook

In our opinion:

- proper accounting records for the Company and the sub-funds have been kept and the financial statements are in agreement with those records;
- we have received all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit; and
- the information disclosed in the annual report for the year ended 30 June 2018 for the purpose of complying with Paragraph 4.5.9R of the Collective Investment Schemes Sourcebook is consistent with the financial statements.

### Use of our report

This report is made solely to the Company's shareholders, as a body, in accordance with Paragraph 4.5.12R of the Collective Investment Schemes Sourcebook of the Financial Conduct Authority. Our audit work has been undertaken so that we might state to the Company's shareholders those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

Deloitte LLP  
Statutory Auditor  
Glasgow, United Kingdom  
5 October 2018

# Statement of Total Return

For the year ended 30 June 2018

	Notes	Amity Global Equity Fund for Charities		Amity Balanced Fund for Charities	
		2018 £'000	2017 £'000	2018 £'000	2017 £'000
<b>Income</b>					
Net capital gains/(losses)	5	<b>378</b>	2,038	<b>(760)</b>	1,780
Revenue	7	<b>433</b>	411	<b>1,230</b>	1,165
Expenses	8	<b>(83)</b>	(101)	<b>(151)</b>	(197)
Net revenue before taxation for the year		<b>350</b>	310	<b>1,079</b>	968
Taxation	9	<b>(28)</b>	(28)	<b>(20)</b>	(22)
Net revenue after taxation for the year		<b>322</b>	282	<b>1,059</b>	946
<b>Total return before distributions</b>		<b>700</b>	2,320	<b>299</b>	2,726
Distributions for Interim and Final	10	<b>(406)</b>	(383)	<b>(1,210)</b>	(1,143)
<b>Change in net assets attributable to shareholders from investment activities</b>		<b>294</b>	1,937	<b>(911)</b>	1,583

# Statement of Change in Net Assets Attributable to Shareholders

<b>Opening net assets attributable to shareholders</b>	<b>11,134</b>	9,242	<b>21,806</b>	22,565
Amounts receivable on creation of shares	<b>765</b>	349	<b>3,145</b>	3,290
Amounts payable on cancellation of shares	<b>(189)</b>	(394)	<b>(733)</b>	(5,632)
	<b>576</b>	(45)	<b>2,412</b>	(2,342)
Change in net assets attributable to shareholders from investment activities (see above)	<b>294</b>	1,937	<b>(911)</b>	1,583
<b>Closing net assets attributable to shareholders</b>	<b>12,004</b>	11,134	<b>23,307</b>	21,806



# Balance Sheet

As at 30 June 2018

	Notes	Amity Global Equity Fund for Charities		Amity Balanced Fund for Charities	
		2018 £'000	2017 £'000	2018 £'000	2017 £'000
<b>ASSETS</b>					
Fixed assets:					
Investments		<b>11,820</b>	10,918	<b>22,655</b>	21,696
Current assets:					
Debtors	11	<b>307</b>	174	<b>362</b>	359
Cash and bank balances	12	<b>268</b>	326	<b>822</b>	674
Total assets		<b>12,395</b>	11,418	<b>23,839</b>	22,729
<b>LIABILITIES</b>					
Creditors:					
Bank overdrafts		-	-	-	(19)
Distribution payable	10	<b>(231)</b>	(189)	<b>(511)</b>	(426)
Other creditors	13	<b>(160)</b>	(95)	<b>(21)</b>	(478)
Total liabilities		<b>(391)</b>	(284)	<b>(532)</b>	(923)
<b>Net assets attributable to shareholders</b>		<b>12,004</b>	11,134	<b>23,307</b>	21,806

# Notes to the Financial Statements

For the year ended 30 June 2018

## 1. Accounting Policies

### a. Basis of accounting

The Financial Statements have been prepared in compliance with UK Financial Reporting Standard 102 (FRS 102) and in accordance with the Statement of Recommended Practice: "Financial Statements of UK Authorised Funds" issued by the Investment Association in May 2014 (2014 SORP).

## 2. Summary of Significant Accounting Policies

### a. Basis of preparation

The Financial Statements have been prepared under the historical cost basis, as modified by the revaluation of investments and in accordance with the Statement of Recommended Practice: "Financial Statements of UK Authorised Funds" issued by the Investment Association in May 2014.

The ACD is confident that the Company will continue in operation for at least 12 months from the date of signing the audited financial statements. The Company has adequate financial resources and its assets consist of securities which are readily realisable. As such, the financial statements have been prepared on the going concern basis.

### b. Functional and presentation currency

The functional and presentation currency of the Fund is pound sterling because it is the currency of the primary economic environment in which the company operates.

### c. Valuation of investments

All investments are valued at their fair value as at close of business on 29 June 2018, being the last business day of the financial year. The fair value of non-derivative quoted securities is bid price, excluding any accrued interest. Unquoted investments are shown at the ACD's valuation.

### d. Foreign exchange

The values of assets and liabilities denominated in foreign currencies have been converted into pound sterling at the exchange rate prevailing at close of business on 29 June 2018. Any exchange differences arising on translation of investments and capital assets and liabilities other than investments are included in "Net capital gains/(losses)". Any exchange differences arising on translation of other assets or liabilities are included in net revenue.

### e. Revenue

All dividends on investments declared ex-dividend up to the accounting date are shown as gross revenue. Bank and other interest receivable is included on an accruals basis. Accrued interest purchased and sold on interest bearing securities is excluded from the capital cost of these securities and dealt with as part of the revenue of the Company. Revenue from interest bearing securities is accounted for on an effective yield basis, irrespective of the level of discount or premium, and is calculated with reference to the purchase price of the securities. Revenue is allocated to the share classes of each sub-fund based on the proportion of assets held by each share class. Underwriting commission is taken to revenue and is recognised when the issues take place, except where the sub-fund is required to take up all or some of the shares underwritten, in which case an appropriate proportion of the commission is deducted from the cost of these shares.

### f. Expenses

All expenses are charged to capital. Expenses relating to each sub-fund are allocated to the share classes based on the proportion of assets held within each share class.

### g. Taxation

The sub-funds are liable to Corporation Tax applied at a rate of 20% on interest, overseas dividend revenue and underwriting commission. Deferred tax is provided for by the liability method on all short-term timing differences. Overseas dividends continue to be disclosed gross of any foreign tax suffered, the tax element being shown separately in the taxation note.

Where overseas tax has been deducted from overseas revenue that tax can, in some instances, be set off against the corporation tax payable, by way of double tax relief.

### h. Deferred taxation

The charge for deferred tax is based on the net revenue for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Deferred tax is provided using the liability method on all timing differences, calculated at the rate at which it is anticipated the timing differences will reverse based on tax rates and laws that have been enacted or substantively enacted. Deferred tax assets are recognised only when, on the basis of available evidence, it is more likely than not that there will be taxable profits in the future against which the deferred tax asset can be offset. Deferred tax liabilities are not discounted.

### i. Valuation technique

Level 1 inputs are quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date. A quoted market price in an active market provides the most reliable evidence of fair value and is used without adjustment to measure fair value whenever available, with limited exceptions. If an entity holds a position in a single asset or liability and the asset or liability is traded in an active market, the fair value of the asset or liability is measured within Level 1 as the product of the quoted price for the individual asset or liability and the quantity held by the entity, even if the market's normal daily trading volume is not sufficient to absorb the quantity held and placing orders to sell the position in a single transaction might affect the quoted price.

Level 2 inputs are inputs other than quoted market prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include: quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability, for example interest rates and yield curves observable at commonly quoted intervals, implied volatilities, credit spreads, inputs that are derived principally from or corroborated by observable market data by correlation or other means ('market-corroborated inputs').

For EdenTree Investment Funds for Charities, there are corporate bonds which fall in to this category as despite quoted prices being available, trading can be irregular and there are often significant lengths of time between traded arm's length transactions.

Level 3 inputs are unobservable inputs for the asset or liability. Unobservable inputs are used to measure fair value to the extent that relevant observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability at the measurement date. An entity develops unobservable inputs using the best information available in the circumstances, which might include the entity's own data, taking into account all information about market participant assumptions that is reasonably available.

## 3. Distribution Policies

### a. Revenue distribution to corporate shareholders

A shareholder liable to UK Corporation Tax receives the dividend distribution as franked investment income to the extent that the revenue from which the distribution is made is franked investment income.

The shares of class 'A' are distribution shares.

# Notes to the Financial Statements

For the year ended 30 June 2018

## 3. Distribution Policies (Continued)

### b. Equalisation

Equalisation applies only to units purchased during the distribution period (Group 2 units). It is the average amount of revenue included in the purchase price of all Group 2 units and is refunded to the holders of these units as a return of capital. Being capital it is not liable to Income Tax but must be deducted from the cost of units for Capital Gains Tax purposes.

### c. Treatment of stock and special dividends

The ordinary element of stocks received in lieu of cash dividends, which form part of the distribution, is recognised as revenue of the sub-funds based on the market value of the investments on the day they are quoted ex-dividend. Any enhancement above the cash dividend is treated as a capital gain on the investment. Special dividends are recorded as revenue or capital depending on the underlying substance of the transaction.

### d. Treatment of interest from debt securities

Interest from debt securities which form part of the distribution, is recognised as revenue using an effective yield basis, irrespective of the level of discount or premium.

### e. Treatment of management expenses

The expenses are charged against the capital of the sub-funds. The capital value of the sub-funds could be reduced over time. The expenses are charged against revenue in the first instance (other than those relating to the purchases and sales of investments) and are reimbursed by capital for distribution purposes.

### f. Unclaimed distribution

Distributions which have remained unclaimed by shareholders for more than six years are credited to the capital property of the sub-funds.

### g. Fund's distribution

Each Fund's distribution is determined based on the individual authorised fund's net revenue after taxation.

## 4. Risk Management Policies

The main risks arising from the Company's financial instruments are market price, foreign currency, interest rate, liquidity and credit risks. The ACD reviews policies for managing each of these risks. These policies have remained unchanged since the beginning of the year to which these financial statements relate.

The ACD regularly considers the asset allocation of the portfolio in order to minimise the risk associated with particular countries or industry sectors whilst continuing to follow the investment objective. Individual fund managers have responsibility for monitoring the existing portfolio selected in accordance with the overall asset allocation parameters described above and seek to ensure that individual stocks also meet the risk reward profile that is acceptable.

The ACD chose not to use derivative instruments to hedge the investment portfolio against market risk, because in its opinion, the cost of such a process would result in an unacceptable reduction in the potential for capital growth. No derivatives were held during the year under review.

- Market risk: arises mainly from uncertainty about future prices of financial instruments held. It represents the potential loss the Company might suffer through holding market positions in the face of price movements.

If market prices had increased by 10% at the balance sheet date, the net asset value of the Fund would have increased by the following amounts. If market prices had decreased by 10% as at the balance sheet date, the net asset value of the Fund would have decreased by the following amounts.

	Increase	Decrease
Amity Global Equity Fund for Charities	£1,181,967	£1,181,967
Amity Balanced Fund for Charities	£2,265,506	£2,265,506

- Currency risk: the revenue and capital value of the Company's investments can be affected by foreign currency translation movements as some of the Company's assets and income are denominated in currencies other than pound sterling which is the Company's functional currency. This is monitored closely and is considered to be an integral part of the overall investment management decision making process.

The ACD has identified three principal areas where foreign currency risk could impact on the Company. These are movement in exchange rates affecting the value of investments, short-term timing differences such as exposure to exchange rate movement during the period between commencement of the investment transaction and the date when settlement of the investment occurs, and finally movements in exchange rates affecting income received by the Company. The Company converts all receipts of revenue, received in currency, into pound sterling on the day of receipt.

At the year end date, a portion of the net monetary assets of the Company was denominated in currencies other than pound sterling with the effect that the balance sheet and total return can be affected by exchange rate movement.

If GBP to foreign currency exchange rates had strengthened/increased by 10% as at the balance sheet date, the net asset value of the Fund would have decreased by the following amounts. If GBP to foreign currency exchange rates had weakened/decreased by 10% as at the balance sheet date, the net asset value of the Fund would have increased by the following amounts. These calculations assume all other variables remain constant.

	Increase	Decrease
Amity Global Equity Fund for Charities	£902,651	£902,651
Amity Balanced Fund for Charities	£517,586	£517,586

# Notes to the Financial Statements

For the year ended 30 June 2018

## 4. Risk Management Policies (Continued)

■ Interest rate risk: the Company invests in both fixed rate and floating rate securities. Any change to the interest rates relevant for particular securities may result in either revenue increasing or decreasing, or the ACD being unable to secure similar returns on the expiry of contracts or the sale of securities. In addition changes to prevailing rates or changes in expectations of future rates may result in an increase or decrease in the value of the securities held.

If interest rates had increased by 0.1% as at the balance sheet date against all investments in bonds, the net asset value of the Fund would have increased by the following amounts. If interest rates had decreased by 0.1% as at the balance sheet date against all investments in bonds, the net asset value of the Fund would have decreased by the following amounts. These calculations assume all other variables remain constant.

	Increase	Decrease
Amity Global Equity Fund for Charities	£Nil	£Nil
Amity Balanced Fund for Charities	£26,301	£26,301

- Liquidity risk: the Company's assets comprise mainly of readily realisable securities, which can be sold. The main liability of the Company is the redemption of any shares that investors wish to sell.
- Credit risk: certain transactions in securities that the Company enters into expose it to the risk that the counterparty will not deliver the investment (purchase) or cash (sale) after the Company has fulfilled its responsibilities.
- Credit rating risk: the current fixed interest portfolio consists of a range of fixed interest instruments including government securities, preference shares, permanent interest bearing shares, overseas bonds and corporate loans and bonds. Limits are imposed on the credit ratings of the corporate bond portfolio and exposures regularly monitored.

The Company only buys and sells investments through brokers which have been approved by the ACD as an acceptable counterparty. In addition, limits are set as to the maximum exposure to any individual broker that may exist at any time. These limits are reviewed regularly.

## 5. Net capital gains/(losses)

	Amity Global Equity Fund for Charities		Amity Balanced Fund for Charities	
	2018 £'000	2017 £'000	2018 £'000	2017 £'000
Non derivative securities*	<b>378</b>	2,044	<b>(762)</b>	1,780
Currency gains/(losses)	<b>1</b>	(3)	<b>2</b>	1
Security transaction fees	<b>(1)</b>	(3)	-	(1)
Net capital gains/(losses)	<b>378</b>	2,038	<b>(760)</b>	1,780

\* The Amity Global Equity Fund for Charities' non-derivative securities include realised losses of £1,900,389 and unrealised gains of £2,277,914 (2017: realised losses of £316,912 and unrealised gains of £2,361,374). The Amity Balanced Fund for Charities' non-derivative securities include realised losses of £1,390,514 and unrealised gains of £628,786 (2017: realised gains of £305,253 and unrealised gains of £1,474,221). The realised (losses) /gains on investments in the accounting year include amounts previously recognised as unrealised (losses)/gains in the prior accounting year.

# Notes to the Financial Statements

For the year ended 30 June 2018

## 6. Purchases, sales and transaction costs

	Amity Global Equity Fund for Charities		Amity Balanced Fund for Charities	
	2018 £'000	2017 £'000	2018 £'000	2017 £'000
Analysis of total purchase costs:				
Equities: purchases in period before transaction cost	<b>2,752</b>	2,541	<b>4,463</b>	3,997
Bonds: purchases in period before transaction cost	–	–	<b>283</b>	166
Commissions:				
Equities total value paid	<b>5</b>	4	<b>4</b>	7
Bonds total value paid	–	–	–	–
	%	%	%	%
Equities: average commission costs on purchases as % of purchases total	<b>0.18</b>	0.17	<b>0.09</b>	0.17
Bonds: average commission costs on purchases as % of purchases total	–	–	–	–
Equities: average commission costs on purchases as % of average NAV	<b>0.04</b>	0.04	<b>0.02</b>	0.03
Bonds: average commission costs on purchases as % of average NAV	–	–	–	–
	£'000	£'000	£'000	£'000
Taxes:				
Equities total value paid	<b>1</b>	–	<b>2</b>	3
Bonds total value paid	–	–	–	–
	%	%	%	%
Equities: average taxes costs on purchases as % of purchases total	<b>0.04</b>	0.01	<b>0.04</b>	0.07
Bonds: average taxes costs on purchases as % of purchases total	–	–	–	–
Equities: average taxes costs on purchases as % of average NAV	<b>0.01</b>	–	<b>0.01</b>	0.01
Bonds: average taxes costs on purchases as % of average NAV	–	–	–	–
<b>Total gross purchases</b>	<b>2,758</b>	2,545	<b>4,752</b>	4,172

# Notes to the Financial Statements

For the year ended 30 June 2018

## 6. Purchases, sales and transaction costs (Continued)

	Amity Global Equity Fund for Charities		Amity Balanced Fund for Charities	
	2018 £'000	2017 £'000	2018 £'000	2017 £'000
Analysis of total sale proceeds:				
Equities: sales in period before transaction cost	<b>2,224</b>	2,617	<b>2,155</b>	5,041
Bonds: sales in period before transaction cost	–	–	<b>226</b>	1,322
Commissions:				
Equities total value paid	<b>(4)</b>	(5)	<b>(2)</b>	(8)
Bonds total value paid	–	–	–	–
	%	%	%	%
Equities: average commission costs on sales as % of sales total	<b>0.18</b>	0.21	<b>0.09</b>	0.16
Bonds: average commission costs on sales as % of sales total	–	–	–	–
Equities: average commission costs on sales as % of average NAV	<b>0.03</b>	0.05	<b>0.01</b>	0.04
Bonds: average commission costs on sales as % of average NAV	–	–	–	–
	£'000	£'000	£'000	£'000
Taxes:				
Equities total value paid	–	–	–	–
Bonds total value paid	–	–	–	–
	%	%	%	%
Equities: average taxes costs on sales as % of sales total	–	0.02	–	–
Bonds: average taxes costs on sales as % of sales total	–	–	–	–
Equities: average taxes costs on sales as % of average NAV	–	–	–	–
Bonds: average taxes costs on sales as % of average NAV	–	–	–	–
<b>Total gross sales</b>	<b>2,220</b>	2,611	<b>2,379</b>	6,355

### Average portfolio dealing spread

The portfolio transaction costs tables above include direct transaction costs suffered by the Fund during the year.

Separately identifiable direct transaction costs (commissions and taxes etc.) are attributable to the Fund purchase and sale of equity shares. Additionally for equity shares, there is a dealing spread cost (the difference between the buying and selling prices) which will be suffered on purchase and sale transactions.

The Funds' average portfolio dealing spread expressed as a percentage of the value determined by reference to the buying price are as follows: Amity Global Equity Fund for Charities 0.55% (2017: 0.31%) and Amity Balanced Fund for Charities 0.97% (2017: 0.62%).

For the Fund investment transactions in debt instruments any applicable transaction charges form part of the dealing spread for these instruments.

# Notes to the Financial Statements

For the year ended 30 June 2018

## 7. Revenue

	Amity Global Equity Fund for Charities		Amity Balanced Fund for Charities	
	2018 £'000	2017 £'000	2018 £'000	2017 £'000
Bank interest	-	4	-	-
Franked PID revenue	-	1	2	14
Franked UK dividends	125	101	452	359
Interest on fixed interest stocks^	-	-	355	369
Overseas dividends	308	301	391	391
Unfranked CIS revenue	-	-	-	14
Unfranked PID revenue	-	4	30	18
<b>Total revenue</b>	<b>433</b>	<b>411</b>	<b>1,230</b>	<b>1,165</b>

^Interest on fixed interest stocks net of amortization of premium or discount.

## 8 Expenses

	Amity Global Equity Fund for Charities		Amity Balanced Fund for Charities	
	2018 £'000	2017 £'000	2018 £'000	2017 £'000
<b>Payable to the Authorised Corporate Director or associates of the Authorised Corporate Director:</b>				
ACD's charge	64	80	130	173
<b>Payable to the Depositary or associates of the Depositary:</b>				
Depositary fees	6	6	9	8
Safe custody fee	3	3	2	3
	9	9	11	11
<b>Other expenses:</b>				
Registration fee	1	1	1	1
Audit fee	9	11	9	12
	10	12	10	13
<b>Total expenses</b>	<b>83</b>	<b>101</b>	<b>151</b>	<b>197</b>

# Notes to the Financial Statements

For the year ended 30 June 2018

## 9. Taxation

	Amity Global Equity Fund for Charities		Amity Balanced Fund for Charities	
	2018 £'000	2017 £'000	2018 £'000	2017 £'000
<b>a. Analysis of charge for the year:</b>				
Overseas withholding tax	27	28	20	22
Prior year adjustments	1	-	-	-
<b>Total taxation</b>	<b>28</b>	<b>28</b>	<b>20</b>	<b>22</b>

The tax amounts assessed for the current and prior periods are lower than the amounts resulting from applying the standard rate of corporation tax in the UK for an Open-Ended Investment Company (20%). The differences are explained in table below.

### b. Factors affecting taxation charge for the year:

Net revenue before taxation	350	310	1,079	968
Net revenue multiplied by the standard rate of Corporation Tax of 20% (2017: 20%)	70	62	216	194
<b>Effects of:</b>				
Interest distributions	-	-	(51)	(34)
Franked Investment revenue	(25)	(20)	(91)	(75)
Overseas withholding tax	27	28	20	23
Double taxation relief	-	-	-	(5)
Non-taxable overseas stock dividends	-	(57)	-	-
Tax payable in different periods	(1)	(2)	(4)	(2)
Excess management expenses	17	17	-	(11)
Non taxable overseas dividends	(61)	-	(70)	(68)
Prior year adjustments	1	-	-	-
<b>Total tax (note a)</b>	<b>28</b>	<b>28</b>	<b>20</b>	<b>22</b>

### c. Deferred tax

There are no deferred tax provisions for the current or prior year

The Amity Global Equity Fund for Charities has not recognised a potential deferred tax asset of £100,356 (2017: £83,719) arising as a result of having unutilised management expenses. The Amity Balanced Fund for Charities has not recognised a potential deferred tax asset of £nil (2017: £nil) arising as a result of having unutilised management expenses. These are not expected to be utilised in the foreseeable future unless the nature of the Fund revenue or capital gains/(losses) changes.



# Notes to the Financial Statements

For the year ended 30 June 2018

## 10. Distributions

The distributions take account of revenue received on the creation of shares and revenue deducted on cancellation of shares, and comprise:

	Amity Global Equity Fund for Charities		Amity Balanced Fund for Charities	
	2018 £'000	2017 £'000	2018 £'000	2017 £'000
Interim distributions	<b>183</b>	192	<b>712</b>	701
Final distributions	<b>231</b>	189	<b>511</b>	426
Income tax withheld	–	–	<b>(1)</b>	–
<b>Total net distributions for the year</b>	<b>414</b>	381	<b>1,222</b>	1,127
Add: Revenue deducted on shares cancelled	<b>1</b>	3	<b>10</b>	45
Deduct: Revenue received on shares created	<b>(9)</b>	(1)	<b>(22)</b>	(29)
	<b>406</b>	383	<b>1,210</b>	1,143
Reconciliation between net revenue and distributions				
Net revenue after taxation	<b>322</b>	282	<b>1,059</b>	946
Add: Fee charged to capital (net of tax relief)	<b>84</b>	101	<b>151</b>	197
	<b>406</b>	383	<b>1,210</b>	1,143

## Distributions

## 11. Debtors

	Amity Global Equity Fund for Charities		Amity Balanced Fund for Charities	
	2018 £'000	2017 £'000	2018 £'000	2017 £'000
Amounts receivable for creation of shares	<b>225</b>	–	<b>118</b>	–
Accrued revenue	<b>42</b>	33	<b>223</b>	210
Overseas tax recoverable	<b>40</b>	35	<b>21</b>	19
PID income tax recoverable	–	–	–	1
Sales awaiting settlement	–	106	–	127
CIS income tax recoverable	–	–	–	2
	<b>307</b>	174	<b>362</b>	359

# Notes to the Financial Statements

For the year ended 30 June 2018

## 12. Cash and bank balances

	Amity Global Equity Fund for Charities		Amity Balanced Fund for Charities	
	2018 £'000	2017 £'000	2018 £'000	2017 £'000
Sterling	<b>256</b>	317	<b>811</b>	664
Overseas balances	<b>12</b>	9	<b>11</b>	10
<b>Cash and bank balances</b>	<b>268</b>	326	<b>822</b>	674

## 13. Creditors

	Amity Global Equity Fund for Charities		Amity Balanced Fund for Charities	
	2018 £'000	2017 £'000	2018 £'000	2017 £'000
Accrued expenses	<b>16</b>	17	<b>21</b>	24
Amount payable for cancellation of shares	-	-	-	454
Purchases awaiting settlement	<b>143</b>	78	-	-
Currency Deals awaiting Settlement	<b>1</b>	-	-	-
	<b>160</b>	95	<b>21</b>	478

# Notes to the Financial Statements

For the year ended 30 June 2018

## 14. Contingent liabilities and outstanding commitments

The sub-fund Amity Global Equity Fund for Charities had a contingent liability on warrants of £nil on the balance sheet date (2017: £18,609).

## 15. Related parties

EdenTree Investment Management Limited is regarded as a controlling party by virtue of having the ability to act in concert in respect of the operations of the Company.

EdenTree Investment Management Limited acts as a principal on all the transactions of shares in the Company. The aggregate monies received through creations and liquidations are disclosed in the Statement of Change in Net Assets Attributable to Shareholders and amounts due from EdenTree Investment Management Limited in respect of share transactions at the year end are disclosed in note 11.

Amounts paid to EdenTree Investment Management Limited in respect of the ACD's periodic charges are disclosed in note 8. £10,817 (2017: £14,179) was due from the sub-fund Amity Balanced Fund for Charities and £5,487 (2017: £7,070) was due from the sub-fund Amity Global Equity Fund for Charities at the year end. EdenTree Investment Management Limited did not enter into any other transactions with the Company during the year under review.

As at 30 June 2018, the ultimate parent company of the ACD, Allchurches Trust Limited owned:

Amity Global Equity Fund for Charities

Share class	No of shares	2018	No of shares	2017
A	5,014,322	53%	5,014,322	55%

Amity Balanced Fund for Charities

Share class	No of shares	2018	No of Shares	2017
A	5,013,011	24%	5,013,011	26%

## 16. Financial instruments

In pursuing its investment objectives set out on page 4, the Company may hold a number of financial instruments, these comprise:

- equity and non-equity shares, fixed income securities and floating rate securities. These are held in accordance with the Company's investment objectives and policies;
- cash, liquid resources and short-term debtors and creditors that arise directly from its operations;
- shareholders' funds which represent investors' monies which are invested on their behalf; and
- short term borrowings used to finance investment activity.

# Notes to the Financial Statements

For the year ended 30 June 2018

## 17. Risks of financial instruments

### Currency exposures:

A proportion of the net assets of the Company are denominated in currencies other than pound sterling, with the effect that the balance sheet and the total return can be affected by currency movements.

	Amity Global Equity Fund for Charities		Amity Balanced Fund for Charities	
	2018 £'000	2017 £'000	2018 £'000	2017 £'000
Australian dollar	–	–	121	210
Danish kroner	177	99	–	–
Euro	3,437	3,200	3,447	3,144
Hong Kong dollar	279	409	398	362
Japanese yen	848	496	–	–
Norwegian krone	152	249	192	176
Singapore dollar	223	174	410	266
Pound sterling	2,977	2,722	18,131	16,550
Swedish krona	158	126	353	329
Swiss franc	778	623	–	–
US dollar	2,975	3,036	255	769
<b>Net Assets</b>	<b>12,004</b>	<b>11,134</b>	<b>23,307</b>	<b>21,806</b>
Monetary exposures	(21)	159	6,138	6,218
Non-monetary exposures	2,998	2,563	11,993	10,332
<b>Net Assets</b>	<b>2,977</b>	<b>2,722</b>	<b>18,131</b>	<b>16,550</b>

The split of currency exposures into monetary and non-monetary exposures is shown only for pound sterling, as this is the only currency which has material monetary exposure.

# Notes to the Financial Statements

For the year ended 30 June 2018

## 17. Risks of financial instruments (Continued)

	Amity Global Equity Fund for Charities		Amity Balanced Fund for Charities	
	2018	2017	2018	2017
	£'000	£'000	£'000	£'000
<b>Interest rate risk profile of financial assets and liabilities:</b>				
Fixed rate financial assets	–	–	<b>2,141</b>	2,698
Floating rate	–	–	<b>3,381</b>	3,433
Nil interest-bearing securities	<b>11,820</b>	10,918	<b>17,133</b>	15,565
<b>Net Assets</b>	<b>11,820</b>	10,918	<b>22,655</b>	21,696

The split of the interest rate risk profile shown above excludes assets and liabilities other than investments, as in the ACD's opinion, this does not enhance the user's understanding of the financial statements. The pound sterling floating interest rates are determined after LIBOR, other currencies are determined by the relevant authority.

None of the liabilities of the Funds carry any interest.

	Amity Global Equity Fund for Charities		Amity Balanced Fund for Charities	
	2018	2017	2018	2017
	%	%	%	%
<b>Weight average of fixed interest rates:</b>				
Pound sterling	–	–	<b>4.05</b>	4.33

	Amity Global Equity Fund for Charities		Amity Balanced Fund for Charities	
	2018	2017	2018	2017
	years	years	years	years
<b>Weight average period for financial asset with interest rates:</b>				
Pound sterling	–	–	<b>8.67</b>	12.57

# Notes to the Financial Statements

For the year ended 30 June 2018

## 18. Fair Value

The fair value of a financial instrument is the amount for which it could be exchanged between knowledgeable, willing parties in an arm's length transaction. There is no significant difference between the value of the financial assets, as shown in the financial statements, and their fair value.

Valuation technique as at 30 June 2018	Amity Global Equity Fund for Charities				Amity Balanced Fund for Charities			
	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
<b>Assets</b>								
Equities	<b>11,820</b>	-	-	<b>11,820</b>	<b>17,133</b>	-	-	<b>17,133</b>
Debt Securities	-	-	-	-	-	<b>5,522</b>	-	<b>5,522</b>
<b>Total</b>	<b>11,820</b>	-	-	<b>11,820</b>	<b>17,133</b>	<b>5,522</b>	-	<b>22,655</b>

Valuation technique as at 30 June 2017	Amity Global Equity Fund for Charities				Amity Balanced Fund for Charities			
	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
<b>Assets</b>								
Equities	<b>10,918</b>	-	-	<b>10,918</b>	<b>15,567</b>	-	-	<b>15,567</b>
Debt Securities	-	-	-	-	-	<b>6,129</b>	-	<b>6,129</b>
<b>Total</b>	<b>10,918</b>	-	-	<b>10,918</b>	<b>15,567</b>	<b>6,129</b>	-	<b>21,696</b>

The valuation technique has been disclosed under note 2i on page 24.

When individual stocks are suspended or delisted, the ACD will, in the first instance, price the stock at the suspension or last traded price. This will be reviewed on a regular basis by the ACD who will decide whether or not to write down the price further based on information available from the company itself, its brokers, auditors or any other reliable market source.

# Notes to the Financial Statements

For the year ended 30 June 2018

## 19. Shareholders' Funds

The Company currently has one share class, Class A Gross Income.

The distribution per share is given in the distribution tables on pages 38 to 39. All shares have the same rights on winding up.

The ACD's service charge for the class of each share is as follows:

Class A*	0.55%
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\*From 1 July 2017 the ACD's service charge for the class of each share has been reduced from 0.75% to 0.55%.

The following table shows the shares in issue during the year:

<b>Amity Global Equity Fund for Charities</b>	<b>Class A Gross Income</b>
Opening Shares	9,067,365
Shares Created	598,452
Shares Liquidated	(149,178)
Closing Shares	9,516,639

<b>Amity Balanced Fund for Charities</b>	<b>Class A Gross Income</b>
Opening Shares	19,135,864
Shares Created	2,765,580
Shares Liquidated	(657,284)
Closing Shares	21,244,160

## 20. Post Balance Sheet Events

### Amity Global Equity Fund for Charities

There have been no significant events since the year end that impact the Fund and require disclosure in the financial statements.

### Amity Balanced Fund for Charities

There have been no significant events since the year end that impact the Fund and require disclosure in the financial statements.

# Distribution Statements

## Amity Global Equity Fund for Charities

For the year ended 30 June 2018

First Interim Distribution (in pence per share)

Group 1: Shares purchased prior to 1 July 2017

Group 2: Shares purchased on or after 1 July 2017

Share Class A - Dividend Stream Group	Net Income	Equalisation	2017 Paid	2016 Paid
1	0.6000	–	0.6000	0.6000
2	0.5011	0.0989	0.6000	0.6000

Second Interim Distribution (in pence per share)

Group 1: Shares purchased prior to 1 October 2017

Group 2: Shares purchased on or after 1 October 2017

Share Class A - Dividend Stream Group	Net Income	Equalisation	2017 Paid	2016 Paid
1	0.6000	–	0.6000	0.6000
2	0.3209	0.2791	0.6000	0.6000

Third Interim Distribution (in pence per share)

Group 1: Shares purchased prior to 1 January 2018

Group 2: Shares purchased on or after 1 January 2018

Share Class A - Dividend Stream Group	Net Income	Equalisation	2018 Paid	2017 Paid
1	0.8000	–	0.8000	0.9000
2	0.6786	0.1214	0.8000	0.9000

Final Distribution (in pence per share)

Group 1: Shares purchased prior to 1 April 2018

Group 2: Shares purchased on or after 1 April 2018

Share Class A - Dividend Stream Group	Net Income	Equalisation	2018 Paid	2017 Paid
1	2.4306	–	2.4306	2.0814
2	0.6770	1.7536	2.4306	2.0814

A shareholder liable to UK Corporation Tax receives the distribution and associated tax credit as franked investment income to the extent that the gross income from which the distribution is made is itself franked investment income. Where the gross income from which the distribution is made is not wholly franked investment income, part of the distribution is received by the shareholder as an annual payment from the Scheme from which income tax at the lower rate has been deducted.

Of the distribution:

- i) 100.00% of the final income distribution is received as franked investment income; and
- ii) 0.00% of the final income distribution is received as an annual payment from which income tax at the lower rate has been deducted. The gross amount of this portion of total income distribution is liable to UK Corporation Tax. It is not franked investment income.



# Distribution Statements

## Amity Balanced for Charities

For the year ended 30 June 2018

First Interim Distribution (in pence per share)

Group 1: Shares purchased prior to 1 July 2017

Group 2: Shares purchased on or after 1 July 2017

Share Class A - Dividend Stream Group	Net Income	Equalisation	2017 Paid	2016 Paid
1	0.7318	–	0.7318	0.6014
2	0.5224	0.2094	0.7318	0.6014

First Interim Distribution (in pence per share)

Group 1: Shares purchased prior to 1 July 2017

Group 2: Shares purchased on or after 1 July 2017

Share Class A - Non-Dividend Stream Group	Net Income	Equalisation	2017 Paid	2016 Paid
1	0.3682	–	0.3682	0.4986
2	0.2628	0.1054	0.3682	0.4986

Second Interim Distribution (in pence per share)

Group 1: Shares purchased prior to 1 October 2017

Group 2: Shares purchased on or after 1 October 2017

Share Class A - Dividend Stream Group	Net Income	Equalisation	2017 Paid	2016 Paid
1	0.5972	–	0.5972	0.5791
2	0.3489	0.2483	0.5972	0.5791

Second Interim Distribution (in pence per share)

Group 1: Shares purchased prior to 1 October 2017

Group 2: Shares purchased on or after 1 October 2017

Share Class A - Non-Dividend Stream Group	Net Income	Equalisation	2017 Paid	2016 Paid
1	0.5028	–	0.5028	0.5209
2	0.2937	0.2091	0.5028	0.5209

Third Interim Distribution (in pence per share)

Group 1: Shares purchased prior to 1 January 2018

Group 2: Shares purchased on or after 1 January 2018

Share Class A - Dividend Stream Group	Net Income	Equalisation	2018 Paid	2017 Paid
1	0.7116	–	0.7116	0.6718
2	0.2087	0.5029	0.7116	0.6718

Third Interim Distribution (in pence per share)

Group 1: Shares purchased prior to 1 January 2018

Group 2: Shares purchased on or after 1 January 2018

Share Class A - Non-Dividend Stream Group	Net Income	Equalisation	2018 Paid	2017 Paid
1	0.4884	–	0.4884	0.5282
2	0.1432	0.3452	0.4884	0.5282

Final Distribution (in pence per share)

Group 1: Shares purchased prior to 1 April 2018

Group 2: Shares purchased on or after 1 April 2018

Share Class A - Dividend Stream Group	Net Income	Equalisation	2018 Paid	2017 Paid
1	2.0242	–	2.0242	1.7358
2	0.5892	1.4350	2.0242	1.7358

Final Distribution (in pence per share)

Group 1: Shares purchased prior to 1 April 2018

Group 2: Shares purchased on or after 1 April 2018

Share Class A - Non-Dividend Stream Group	Net Income	Equalisation	2018 Paid	2017 Paid
1	0.3812	–	0.3812	0.4926
2	0.1109	0.2703	0.3812	0.4926

The Amity Balanced Fund for Charities has elected to join the Tax Elected Fund regime.

For further information call us on

**0800 358 3010**

Monday to Friday 8am to 5pm. We may monitor or record calls to improve our service

You may email us at

**[charityinvestments@edentreeim.com](mailto:charityinvestments@edentreeim.com)**

Or visit us at

**[www.edentreeim.com/charityinvestments](http://www.edentreeim.com/charityinvestments)**

