EDENTREE
INVESTMENT FUNDS FOR CHARITIES

Interim Report and Unaudited Financial Statements

For the period ended 31 December 2018

Contents

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 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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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").

Directors of EdenTree Investment Management Limited

MCJ Hews, BSc, FIA (Chairman)
SJ Round
RW Hepworth
RDC Henderson
DP Cockrem (Appointed 17 December 2018)
RS Hughes (Appointed 3 December 2018)
IG Campbell (Resigned 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 SE
50 Bank Street, Canary Wharf,
London E14 5NT

Auditor

Deloitte LLP
Statutory Auditor
110 Queen Street
Glasgow G1 3BX

Report of the Authorised Corporate Director - Investment Environment

Investment Environment

Global equity markets ended the calendar year in near bear territory with the US bearing the worst of the meltdown. The S&P 500 had the worst December since the Great Depression and most European indices registered double-digit declines over the past 6 months. The FTSE 100 fell 12% in the second half of 2018 suffering the worst year in a decade and finished the year at a level not seen since the height of the TMT (Technology, Media and Telecoms) bubble in 1999. The Bank of England only raised interest rates once in the year highlighting the fragility of the economy. Sterling has been volatile against the US Dollar largely due to sentiment around Brexit rising to a high of $1.32 before ending the year at $1.25. The US, which has enjoyed a 10 year bull market also performed poorly in the period as doubts grew over a trade war truce with China and fears over a potential US recession. Interestingly, the Federal Reserve continued to raise interest rates and signalled that it will continue to tighten policy, although its tone was less hawkish then on previous occasions. European markets were not spared with Germany lower by 13% and France lower by more than 10% on a Sterling basis over the period. In Asia, the Japanese market was off over 10% and only Hong Kong and Singapore were spared, but both were still in negative territory. The oil price fell over 30% from its peak in the period amidst fears over a global economic slowdown. The world's debt has more than doubled from 15 years earlier, largely fuelled by government and corporate borrowing. Bitcoin had a year to forget after a stellar 2017 with the original cryptocurrency plunging below $3,500 from a $16,700 high in January. At a sector level, 2018 was a year of defensives with Utilities and Healthcare outperforming, whilst Energy, Materials and Financials underperformed.

United Kingdom

The UK market hit an all-time record high in the first part of the 2018, but suffered a torrid final quarter dragging all major indices deep into the red for the calendar year. The small and mid-cap indices bore the brunt of the meltdown posting losses of 12% and 16% respectively over the period. Much of the relative disparity between the indices was attributable to the fall in Sterling, which helped the larger export led companies in the FTSE 100. At a sector level, Tobacco was the worst performer in the FTSE All-Share Index, with British American Tobacco falling over 30% on the back of a crackdown by US regulators on flavoured e-cigarettes and menthol cigarettes. General Retailers struggled with several prominent high street names facing liquidation with consumers shifting to online shopping. The house builders came under great pressure throughout the year over concerns over a hard or no deal Brexit, with both Taylor Wimpey and Persimmon down over 20% over the period. Healthcare had a very strong 2018 with both Pharmaceuticals and Medical Technology posting strong returns. The former was boosted by a successful bid for Shire by Japan's Takeda and both UK giants, GlaxoSmithKline and AstraZeneca, were beneficiaries of a decline in sterling and strong defensive end markets. The global medical technology industry had a strong year of consolidation, building on a banner year in 2017 and Smith & Nephew was one of the largest risers in the FTSE 100.

Within the fixed interest market, government bond yields rose in the third quarter, particularly in response to better-than-expected economic data. The Bank of England had increased its base rate by 25bps to 0.75% in August after concluding that the weakness in the first quarter was temporary. The US Federal Reserve also raised its benchmark interest rate in September, with the European Central Bank (ECB) unwilling to provide further guidance beyond its decision to terminate its QE (Quantitative Easing) programme. The last three months of 2018 saw a marked deterioration in risk appetite however, driving strong safe haven demand for gilts and credit spread widening. Geo-politics and global trade concerns were recurring themes as was the stalemate in UK-EU separation negotiations. With no resolutions in sight, uncertainty remained high. In December, the Fed raised its benchmark interest rate again, whilst signalling a slower pace of future hikes. The ECB ended its asset purchase programme, confirming previous guidance. Whilst both central banks acknowledged market volatility, neither thought it necessary to counteract it, choosing to focus on incoming data as well as the potential impact of financial developments on economic growth. The 10-year gilt yield rose from 1.28% to a high of 1.73% in October, before falling to end the period unchanged.

After a relatively benign summer, credit spreads widened in the final quarter in tandem with the sell-off in risky assets and the higher market volatility. Corporate bonds, notably those at the lower end of the credit quality spectrum registered the biggest rise in risk premia, with high yield underperforming considerably. This left corporates to underperform gilts over the period.

Europe (Excluding the UK)

Equity markets on the continent were not spared in the final quarter meltdown with most indices ending the year with double-digit losses. Germany was the worst performer in the region 13% lower on a Sterling basis over the period. The Swiss market was 2% down in local currency terms, but currency tailwinds for Sterling investors pushed returns into positive territory at 2.5%. The Eurozone has suffered a series of external shocks since March with political tensions escalating leading to a sharp decline in business confidence spurred on by the US President's announcement on tariffs on steel and aluminium imports. Export led industries were further impacted by a slowdown in the Chinese economy. The Brexit negotiations have dominated the political and economic agenda with both sides trying to defend their respective positions with no clear outcome in prospect, leading to continued market volatility.

The "gilet jaunes" protests about living standards in France which began in November have been unhelpful for the economy leading to lower output and consumption. The largest economy in the region, Germany, which is normally the bedrock, has come under sustained pressure over the new emission regulations which have disrupted its auto industry. The decision of the long tenured Chancellor, Angela Merkel, to step down in 2021 on the back of local electoral setbacks in October, only added to the already heightened political uncertainty in the Eurozone. Meanwhile, December saw the end of the long-running dispute over Italy's 2019 budget, as the Italian government agreed to delay some spending measures, meaning 2019's budget deficit will be 2.04% compared to the 2.4% initially envisaged. As expected, the ECB confirmed the end of its bond-buying programme in December and reiterated that interest rates would remain on hold "at least through the summer of 2019".

United States

The US equity market had a remarkable year with the S&P 500 reaching an all-time high at the end of the third quarter, followed by a near collapse at the end of the year, with the worst December since the Great Depression. The calendar year marked the first time in 40 years that the Dow Jones finished in negative territory after rising in the first three quarters. The technology led Nasdaq also failed to hold on to gains over the same period for the first time since 1987. All three main indices ended the year in the red, but Sterling investors had the benefit of currency tailwinds with the Nasdaq posting 3.1% on a total return basis. The Dow Jones and S&P 500 returned 0.6% and -3.6% (GBP total return) respectively over the period. US corporates took advantage of the tax reforms to buy back their own shares at a record level, $800 billion worth in 2018, up from the $640 billion spent in 2017.

At a sector level Healthcare, Utilities and Consumer Discretionary had positive returns, with Healthcare having one of its best years despite concerns over pricing on prescription drugs. The gains by the sector were made at the expense of high-flying technology shares, with investors seeking a safe haven and lower volatility. Facebook suffered a decline of $120 billion in market value in a single day, the largest one day fall by a listed company in US history. Energy, Materials and Financials had a dismal year posting double-digit loses. The value of Wall Street's big six banks fell by more than $200 billion in the final quarter of the year. The year saw cannabis stocks moving into the mainstream with both retail investors and major brand-name companies embracing the trend.

The US economy continued to expand in 2018 despite concerns over trade tariffs, political gridlock, fading of the tax reform stimulus and concerns over the Federal Reserve which has continued to pursue a tighter monetary policy, leading to fears of a potential recession in the short to medium term. The economy enjoyed the best year for job creation since 2015 with a higher labour participation rate and meaningful wage inflation of 3.2%. The level of unemployment fell to 3.7%, a level not seen since 1969. Manufacturing experienced a strong rebound posting the best numbers for jobs since the start of the financial crisis with healthcare, construction and retail posting strong numbers. However, the strong data has somewhat been tempered by the political standoff in Congress which has become substantially bi-partisan ensuring that the US administration is going to struggle to pass any meaningful legislation and the possibility of impeachment remains a real threat to the economy.

Asia Pacific (Excluding Japan)

In Asia, the region's equity markets suffered their biggest losses since 2011 with China posting the worst performance in the region, slumping by over 12% on a Sterling basis. The Chinese economy showed signs of slowing and failed to respond to renewed efforts by the government to stimulate growth. The aggressive tactics by the US administration on trade negotiations haven't helped to assuage investors who enjoyed a strong 2017. The government's ability to grow GDP at 6.5% will require more and more stimulus and greater reliance on credit and debt. The wider region remains very much aligned to China's economic system which is showing signs of deceleration. Elsewhere, markets in Singapore and Hong Kong fared much better, but still ended the year in red territory. The only markets in positive territory in the region over the period were India and Indonesia which posted returns of 4.3% and 9.6% respectively (GBP total return basis).

Japan

Japanese equities had a very poor year, with the Topix index returning -14% over the six month period, however, currency tailwinds reduced the loss for sterling-based investors to -10%. The major driver of Japanese equities over the course of the year has been the trade related uncertainty in an export led-market. Nearly 40% of Japanese exports go to China (20%) and the US (19.3%) and weaker exports remains the biggest risk facing Japan. On the domestic economic front, the unemployment rate declined to 2.5%, a multi-decade low, however the tightness of the labour market has been eased with more prime working-age women, elderly and foreign workers adding to the labour participation rate.

The Bank of Japan continues its substantial quantitative easing programme and currently holds 40% of total government debt outstanding. Inflation remained muted and the fall in the oil price will only help to suppress some of the negative impact of the proposed VAT rise from 8% to 10% in October 2019. The electoral win by the Prime Minister's Liberal Democratic Party in September means that Shinzo Abe is on course to become Japan's longest serving Prime Minister. The country's economic prospects remain closely aligned to the US and China, both which are seeing headwinds appear on several fronts, including a slowdown in economic growth and an escalation in geopolitical tensions.

Outlook

The end of 2018 ushered in greater volatility in global markets and as we move in to 2019 prospects are marred by a number of geopolitical risks, ranging from a no deal or hard Brexit, the rise of populist political parties and electoral uncertainty in Europe, an escalation in the trade war between the US and China leading to global protectionism, a slowdown in the Chinese economy and the US administration's continued unpredictable behaviour. In the UK infighting within the Conservative Party continues over the shape of the future relationship with the European Union (EU) and this has not been helped by Cabinet resignations and a leadership challenge against the Prime Minister. Tensions both within the Conservative Party and with the EU are likely to continue with the Commons vote on the Prime Minister's Brexit deal scheduled for early in the New Year and the prospect of a hard Brexit ever increases. The US administration has become increasingly unpredictable and this has manifested itself with increasing concern over a potential damaging trade war with China. A flattening yield curve has stoked fears over a potential US recession and fears are likely to continue with the release of mixed economic data. Although the political risks remain significant, the economic fundamentals remain broadly supportive with modest wage pressure and continued employment gains suggesting that the current bull market still may have longer to run, albeit at a slower pace.

January 2019

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 period from 1 July 2018 to 31 December 2018.

Over the course of the period under review, the Amity Global Equity Fund for Charities returned -3.4% versus the benchmark return of -7.5%.

The Fund's overweight position in the UK and Europe ex UK delivered positive returns, whilst the US was the stand out region with both absolute and relative outperformance, driven by a combination of stock selection and currency tailwinds. The underweight position in Asia including Japan was neutral over the period.

At sector level, the Fund benefitted from the positions in Healthcare, Materials and Information Technology. The positions in Utilities, Industrials and Communication Services acted as a drag on performance.

At a stock level Pfizer (Pharmaceuticals), Merck (Pharmaceuticals), Bioventix (Biotechnology), Novartis (Pharmaceuticals) and BT (Telecoms) were amongst the top contributors, whilst top detractors include Smurfit Kappa (Materials), LyondellBasell Industries (Chemicals), ING (Banks) and Victrex (Chemicals).

In respect of Fund activity, notable new holdings include Dechra Pharmaceuticals (Animal Health), Medtronic (Medical Technology), Sabre Insurance (Insurance) and Greatview Aseptic Packaging (Containers & Packaging).

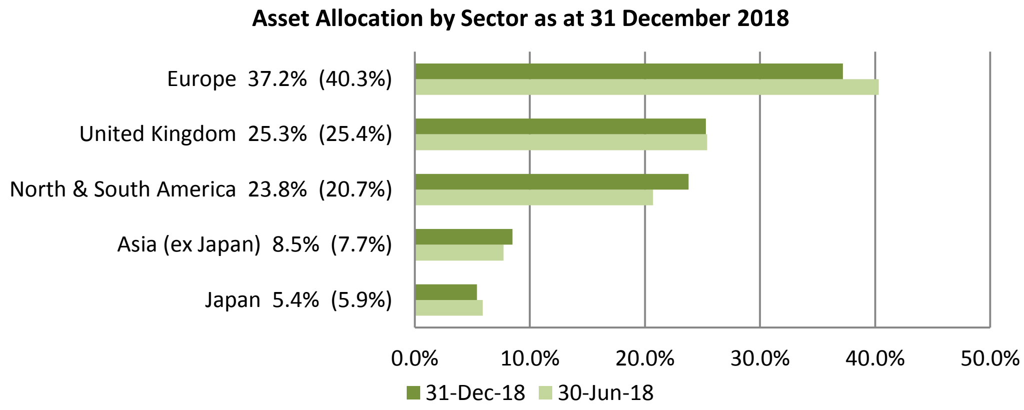
The positions in several holdings were augmented – Mears (Support Services), Prudential (Insurance), Schneider Electric (Electrical Equipment), BT (Telecoms), Deere (Agricultural Equipment), PostNL (Logistics) and Borregaard (Speciality Chemicals). Positions in Siemens (Industrials), WPP (Media) and Veoneer (Auto Parts) were sold off entirely. The positions in Bioventix (Biotechnology), Pfizer (Healthcare), Victrex (Chemicals) and ASR Netherland (Insurance) were trimmed following strong performance.

Prospects

Global equity markets ended the calendar year in near bear territory with the US bearing the worst of the meltdown. The S&P 500 had the worst December since the Great Depression and most European indices registered double-digit declines over the past 6 months. In the UK, infighting within the Conservative Party continues over the shape of the future relationship with the EU and this has not been helped by Cabinet resignations and a leadership challenge against the Prime Minister. Tensions both within the Conservative Party and with the EU are likely to continue with the Commons vote on the Prime Minister's Brexit deal scheduled for early January and the prospect of a hard Brexit ever increases. Sterling has been volatile against the US Dollar largely due to sentiment around Brexit. This coupled with trade war talk could mean that Sterling continues to weaken. The Bank of England has held interest rates which highlights the fragility of the economy. European growth has slowed and there remains the risk that populism, electoral uncertainty and global protectionism will destabilise the region. The US administration has become increasingly unpredictable and this has manifested itself with increasing concern over a potential damaging trade war with China. A flattening yield curve has stoked fears over a potential US recession and fears are likely to continue with the release of mixed economic data. 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.

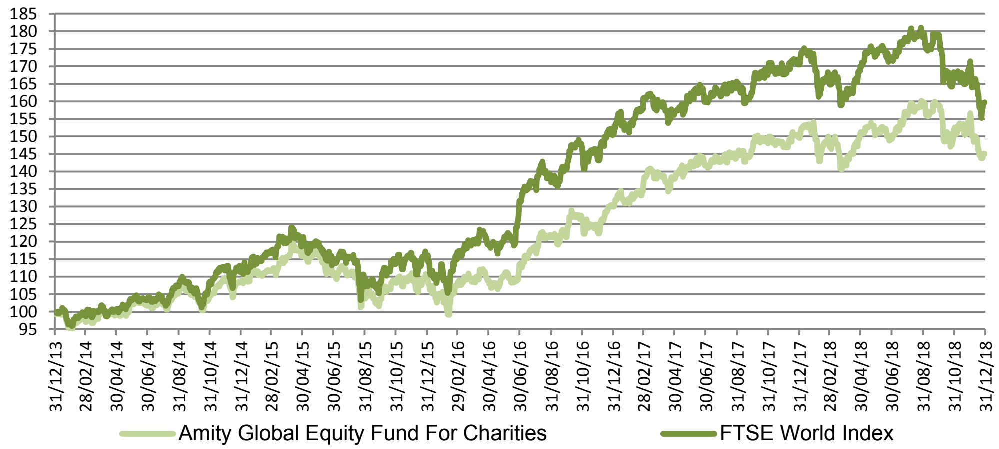
Asset allocation by sector 31 December 2018

The figures in brackets show allocation at 30 June 2018.



Figures exclude cash

Performance



Graph showing the return of the Amity Global Equity Fund for Charities compared to FTSE World Index from 31 December 2013 to 31 December 2018, mid-to-mid basis excluding initial charges with gross income reinvested. Prices re-based to 100. Source: Morningstar.

Amity Global Equity Fund for Charities

Performance

	Amity Global Equity Fund for Charities Total Return	FTSE World Index Total Return
01/07/18 – 31/12/18	-3.4%	-7.5%
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 31 December 2018
Microsoft	3.91%
Cisco Systems	3.90%
Pfizer	3.64%
Bioventix	3.44%
Taiwan Semiconductor Manufacturing DR	2.72%
ASR Nederland	2.54%
AbbVie	2.51%
Deere	2.39%
GlaxoSmithKline	2.32%
Merck	2.21%

Ongoing Charges Figure

As at	Class A
31 December 2018	0.73%
30 June 2018	0.72%

Risk Reward Profile

Lower risk | Higher risk

Typically lower Rewards | Typically higher rewards

1 2 3 4 **5** 6 7

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.

Share prices, Fund size and Net income distribution

	Share price range		Fund size			Net income distributions
Accounting Year	Highest for the year (p)	Lowest for the year (p)	Net asset value (£'000)	Net asset value (p)	Number of shares in issue	Pence per share
31 December 2018*						
Share Class A	134.90	120.50	12,209	121.18	10,074,604	1.2000
30 June 2018						
Share Class A	133.10	121.50	12,004	126.14	9,516,639	4.4306
30 June 2017						
Share Class A	128.20	101.70	11,134	122.79	9,067,365	4.1814
30 June 2016						
Share Class A	106.40	92.14	9,242	101.83	9,076,191	4.1971

* for the accounting period from 1 July 2018 to 31 December 2018.

The Fund currently issues Class A shares which are income distributing shares. The Fund also has the ability to issue Class B income accumulating shares, although at present, does not do so.

Amity Balanced Fund for Charities

Report of the Authorised Corporate Director

This review covers the period from 1 July 2018 to 31 December 2018.

Over the course of the period under review, the Amity Balanced Fund for Charities returned -5.1%, compared to the -2.4% 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 experienced a -5.5% return over the period while the FTSE Gilts All Stocks index posted a 0.2% return.

The asset allocation of the portfolio continues to differ from the benchmark, with just under 30% invested in UK fixed interest and 70% invested in UK and overseas equities including infrastructure funds and real estate investment trusts. The underweight position in fixed income investment remains as we continue to believe that the gilt market appears expensive and that the investment prospects from defensive and undervalued stocks offer the opportunity for capital gains and an attractive dividend yield.

Global equity markets had a difficult second half of the year with returns dominated by significant falls in the fourth quarter. A year of turbulent geopolitics and US's trade war with China culminated in investors flocking for safe assets as a global slowdown appeared closer with macroeconomic indicators starting to weaken. The overweight position in equities was a source of underperformance with the circa 45% allocation of UK equities having a significant negative impact as the UK FTSE All Share finished the half year down 11.0%, heavily underperforming the FTSE World index.

At the sector allocation level, an underweight position in Healthcare had a negative impact. The lack of exposure to energy companies due to their poor environmental record and adverse impact on climate change proved favourable as the sector experienced the biggest fall over the period suffering from the steep fall in oil prices. Being underweight in Technology stocks had a positive effect as the sector fell and performance was further aided as the portfolio selections in the sector generated positive returns.

Some of the strongest performance contributors were the infrastructure investments; John Laing Infrastructure Fund (JLIF), HICL infrastructure, 3i infrastructure and John Laing Environmental Assets, which proved their defensive characteristics amid the market turbulence. BT was a noteworthy performer as its new CEO announced plans to address issues facing the company that have previously been concerns for investors. Telecommunications holdings in Orange and Deutsche Telekom were also positive contributors as defensive companies were more favourable. Negative contributors to performance include PostNL and Royal Mail which are both very dependent on a strong business cycle. Whilst a slowdown may take hold, these businesses should continue to grow as e-commerce sales overtake conventional shopping trends driving parcel volumes higher and also offer attractive dividend yields. WPP saw its share price fall as fears of advertising budgets being cut took hold.

Fund activity include the purchases of two global packaging producers in Greatview Aseptic Packaging and DS Smith. Imerys, a speciality chemicals company was also added. Sequoia Economic Infrastructure was added to the Fund replacing John Laing Infrastructure which was taken over. Trading in the Fund include some timely sales with AstraZeneca sold in August following news that it beat earnings expectations and that its cancer treatment products have excelled. Growing security concerns for Huawei was good news for Ericsson which was believed to benefit in winning 5G network infrastructure contracts providing a good opportunity to exit as the yield no longer matched Fund requirements.

Prospects

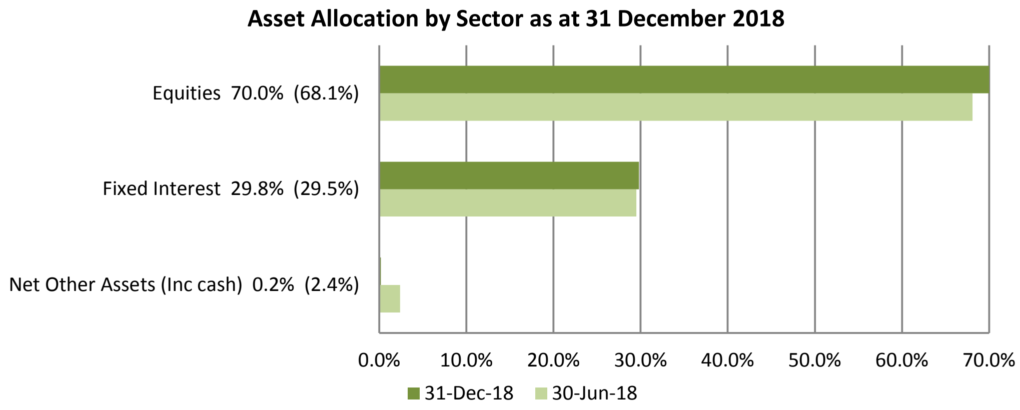
Geopolitical concerns and growing evidence of slower global economic growth led to a sharp sell off in the equity markets. At the time of writing US's trade war with China continues unabated as does his budgetary standoff with Democrats in Congress causing the longest government shutdown in US history. The UK political situation continues to mystify though there is growing hope of a softer or even delayed Brexit to the originally stated March 2019 deadline. Europe also faces growing issues with the rise of populist movements across Europe and the ECB's decision to end quantitative easing in December 2017 looking increasingly premature as growth stagnates. Furthermore, France has joined Italy in trying to defy the European Union Stability and Growth pact as forecasts indicate a larger budget deficit than the Italian government. Still these geopolitical concerns in the UK, US and Europe could rapidly blow over and this could form a basis of a rally in the equity markets.

The UK gilt market remains expensive and very vulnerable to any sign of increased inflation pressures especially considering the tightness of the labour market. There remain good opportunities to pick up high yields in niche areas of the fixed interest market including preference shares and building society PIBS.

The Fund will retain a high weighting in equities and a corresponding low investment in bonds as the equity market currently offers significantly higher yields than fixed interest with the prospect of capital growth. There appears 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 continue to 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.

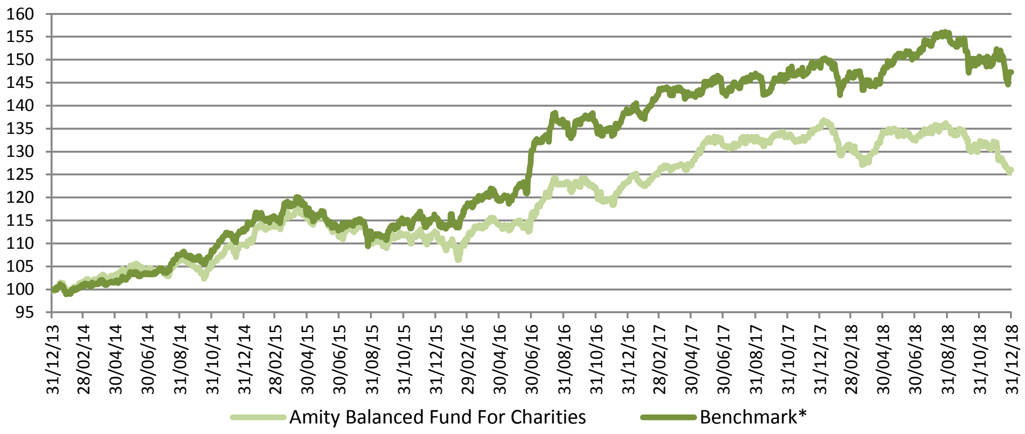
Asset allocation by sector 31 December 2018

The figures in brackets show allocation at 30 June 2018.



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 31 December 2013 to 31 December 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
01/07/18 – 31/12/18	-5.1%	-2.4%
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 31 December 2018
GlaxoSmithKline	3.16%
HICL Infrastructure	2.54%
John Laing Environmental Assets	2.45%
Greencoat UK Wind	2.32%
Direct Line Insurance	2.20%
Tate & Lyle	2.13%
Orange	2.05%
Greatview Aseptic Packaging	2.00%
BT Group	1.98%
Sainsbury (J) 6.50% Perpetual	1.93%

Ongoing Charges Figure

As at	Class A
31 December 2018	0.66%
30 June 2018	0.64%

Amity Balanced Fund for Charities

Risk Reward Profile

Lower risk	Higher risk
Typically lower Rewards	Typically higher rewards

1 2 3 **4** 5 6 7

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.

Share prices, Fund size and Net income distribution

	Share price range			Fund size		Net income distributions
Accounting Year	Highest for the year (p)	Lowest for the year (p)	Net asset value (£'000)	Net asset value (p)	Number of shares in issue	Pence per share
31 December 2018*						
Share Class A	112.90	102.80	21,679	102.00	21,254,183	2.4000
30 June 2018						
Share Class A	117.20	108.10	23,307	109.71	21,244,160	5.8054
30 June 2017						
Share Class A	118.60	106.10	21,806	113.95	19,135,864	5.6284
30 June 2016						
Share Class A	110.30	100.80	22,565	106.13	21,261,458	5.6445

* for the accounting period from 1 July 2018 to 31 December 2018.

The Fund currently issues Class A shares which are income distributing shares. The Fund also has the ability to issue Class B income accumulating shares, although at present, does not do so.

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 period 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.
London, United Kingdom
27 February 2019

Portfolio Statement

Amity Global Equity Fund for Charities

Unaudited as at 31 December 2018

Holdings at 31 December 2018		Market Value £	Percentage of Total Net Assets %
	UNITED KINGDOM 24.20% (24.98%)		
30,000	Arix Bioscience	49,500	0.40
3,500	Berkeley	121,765	1.00
14,000	Bioventix	420,000	3.44
105,000	BT Group	249,953	2.05
16,000	Close Brothers Group	230,400	1.89
7,500	Dechra Pharmaceuticals	155,100	1.27
19,000	GlaxoSmithKline	283,328	2.32
24,000	HSBC	155,232	1.27
400,000	Lloyds Banking Group	207,080	1.70
65,000	Mears	211,900	1.73
20,000	National Grid	152,840	1.25
15,500	Prudential	217,310	1.78
50,000	Sabre Insurance Group	136,500	1.12
100,000	Taylor Wimpey	136,250	1.12
10,000	Victrex	227,200	1.86
	Total UNITED KINGDOM	**2,954,358**	**24.20**
	CHINA 1.52% (0.77%)		
250,000	Greatview Aseptic Packaging	106,248	0.87
16,000	Tarena International DR*	78,822	0.65
	Total CHINA	**185,070**	**1.52**
	DENMARK 1.46% (1.47%)		
5,000	Novo Nordisk 'B'	178,560	1.46
	Total DENMARK	**178,560**	**1.46**
	FRANCE 10.46% (10.91%)		
13,750	AXA	232,206	1.90
3,000	Cie Generale des Etablissements Michelin 'B'	232,249	1.90
20,000	Orange	253,899	2.08
2,000	Sanofi	135,406	1.11
4,000	Schneider Electric	214,240	1.76

Holdings at 31 December 2018		Market Value £	Percentage of Total Net Assets %
	FRANCE (continued)		
13,000	Veolia Environnement	208,464	1.71
	Total FRANCE	**1,276,464**	**10.46**
	GERMANY 4.87% (5.75%)		
1,575	Allianz	248,155	2.03
10,000	Deutsche Telekom	132,958	1.09
1,250	Muenchener Rueck	213,451	1.75
	Total GERMANY	**594,564**	**4.87**
	HONG KONG 1.98% (2.32%)		
175,000	Dah Sing Banking	241,845	1.98
	Total HONG KONG	**241,845**	**1.98**
	IRELAND 1.53% (2.31%)		
9,000	Smurfit Kappa	186,133	1.53
	Total IRELAND	**186,133**	**1.53**
	JAPAN 5.03% (5.82%)		
20,000	Amada	140,621	1.15
2,000	Horiba	63,756	0.52
5,000	Sony	189,453	1.55
8,500	Sumitomo Mitsui Financial	220,708	1.81
	Total JAPAN	**614,538**	**5.03**
	NETHERLANDS 7.80% (9.49%)		
2,000	AkzoNobel	125,488	1.03
10,000	ASR Nederland	310,131	2.54
25,000	ING Group	210,984	1.73
2,700	Koninklijke DSM	172,169	1.41
75,000	PostNL	133,855	1.09
	Total NETHERLANDS	**952,627**	**7.80**

Portfolio Statement

Amity Global Equity Fund for Charities
Unaudited as at 31 December 2018

Holdings at 31 December 2018		Market Value £	Percentage of Total Net Assets %
	NORWAY 1.15% (1.24%)		
20,832	Borregaard	140,597	1.15
	Total NORWAY	**140,597**	**1.15**
	SINGAPORE 1.95% (1.85%)		
17,500	DBS	238,460	1.95
	Total SINGAPORE	**238,460**	**1.95**
	SPAIN 0.62% (0.73%)		
21,664	Banco Santander DR*	75,844	0.62
	Total SPAIN	**75,844**	**0.62**
	SWEDEN 0.68% (1.32%)		
1,500	Autoliv DR*	82,596	0.68
	Total SWEDEN	**82,596**	**0.68**
	SWITZERLAND 7.05% (6.38%)		
3,000	Nestle	190,530	1.56
4,000	Novartis	267,541	2.19
1,150	Roche	222,781	1.83
2,500	Swiss Re	179,234	1.47
	Total SWITZERLAND	**860,086**	**7.05**
	TAIWAN 2.72% (2.67%)		
11,500	Taiwan Semiconductor Manufacturing DR*	332,264	2.72
	Total TAIWAN	**332,264**	**2.72**
	UNITED STATES 22.80% (20.45%)		
4,250	AbbVie	306,832	2.51
14,000	Cisco Systems	475,877	3.90
2,500	Deere	291,999	2.39
4,000	Hawaiian Electric Industries	114,693	0.94
4,000	LyondellBasell Industries	260,558	2.13
2,000	Medtronic	142,497	1.17
4,500	Merck	269,478	2.21

Holdings at 31 December 2018		Market Value £	Percentage of Total Net Assets %
	UNITED STATES (continued)		
6,000	Microsoft	477,726	3.91
13,000	Pfizer	444,330	3.64
	Total UNITED STATES	**2,783,990**	**22.80**
	Portfolio of Investments 95.82% (98.46%)	**11,697,996**	**95.82**
	Net other assets	510,743	4.18
	Total net assets	**12,208,739**	**100.00**

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

* Depositary Receipt.

Comparative percentage holdings by market value at 30 June 2018 are shown in brackets.

Portfolio Statement

Amity Balanced Fund for Charities
Unaudited as at 31 December 2018

Holdings at 31 December 2018		Market Value £	Percentage of Total Net Assets %
	UNITED KINGDOM 69.54% (71.05%)		
	UK Corporate Bonds 19.99% (19.60%)		
£100,000	Alpha Plus 5.00% 31/03/2024	103,958	0.48
£300,000	Brit Insurance 6.625% 09/12/2030	299,700	1.38
£50,000	Cheltenham & Gloucester 11.75% Perpetual	106,742	0.49
£200,000	Co-operative 11.00% 20/12/2025	247,918	1.14
£200,000	Coventry Building Society 6.375% Perpetual	197,232	0.91
£219,000	Coventry Building Society 12.125% Perpetual	409,530	1.89
£135,000	Leeds Building Society 13.375% Perpetual	264,600	1.22
£350,000	Liverpool Victoria 6.50% 22/05/2043	367,099	1.69
£100,000	London Stock Exchange 9.125% 18/10/2019	105,699	0.49
£150,000	Manchester Building Society 6.75% Perpetual	17,924	0.08
£100,000	Marks & Spencer 6.125% 02/12/2019	103,308	0.48
£150,000	Nationwide Building Society 6.875% Perpetual	150,900	0.70
£83,000	Newcastle Building Society 10.75% Perpetual	128,027	0.59
£250,000	PGH Capital 6.625% 18/12/2025	254,259	1.17
£120,000	Prudential 11.375% 29/05/2039	124,592	0.58
£170,000	Retail Charity Bond 5.00% 12/04/2026	184,110	0.85
£200,000	RL Finance Bonds 6.125% 30/11/2043	216,252	1.00
£400,000	Sainsbury (J) 6.50% Perpetual	418,366	1.93
£200,000	Scottish Widows 7.00% 16/06/2043	229,324	1.06
£275,000	Yorkshire Building Society 13.50% 01/04/2025	403,452	1.86
	Total UK Corporate Bonds	**4,332,992**	**19.99**
	UK Corporate Preference Shares 5.34% (5.49%)		
150,000	Aviva 8.375%	189,000	0.87
150,000	Aviva 8.75%	193,500	0.89
210,000	Bristol Water 8.75%	304,500	1.41
140,000	Northern Electric 8.061%	187,600	0.87
250,000	RSA Insurance 7.375%	282,500	1.30
	Total UK Corporate Preference Shares	**1,157,100**	**5.34**
	UK Equities 44.21% (45.96%)		
99,473	3i Infrastructure	257,138	1.19
80,000	Aviva	300,400	1.39

Holdings at 31 December 2018		Market Value £	Percentage of Total Net Assets %
	UK Equities (continued)		
180,000	BT	428,490	1.98
200,000	Centrica	269,800	1.25
111,428	Connect	47,635	0.22
150,000	Direct Line Insurance	477,750	2.20
135,000	DS Smith	403,650	1.86
80,000	DX	7,360	0.03
46,000	GlaxoSmithKline	685,952	3.16
400,000	Greencoat UK Wind	502,400	2.32
350,000	HICL Infrastructure	550,200	2.54
60,000	HSBC	388,080	1.79
506,566	John Laing Environmental Assets	531,894	2.45
40,000	Land Securities	321,760	1.48
120,000	Legal & General	277,200	1.28
750,000	Lloyds Banking	388,275	1.79
100,000	Marks & Spencer	247,100	1.14
200,000	N Brown	183,200	0.85
32,083	National Grid	245,178	1.13
5,000	Next	199,550	0.92
71,376	Phoenix	401,847	1.85
400,000	Picton Property Income	336,800	1.55
60,000	Royal Mail	163,260	0.75
94,339	Sequoia Economic Infrastructure	107,075	0.49
36,000	SSE	388,980	1.80
345,454	Target Healthcare	367,909	1.70
70,000	Tate & Lyle	462,000	2.13
200,000	Vodafone	305,800	1.41
40,000	WPP	338,640	1.56
	Total UK Equities	**9,585,323**	**44.21**
	AUSTRALIA 0.60% (0.52%)		
82,500	Telstra	129,974	0.60
	Total AUSTRALIA	**129,974**	**0.60**

Portfolio Statement

Amity Balanced Fund for Charities
Unaudited as at 31 December 2018

Holdings at 31 December 2018		Market Value £	Percentage of Total Net Assets %
	FRANCE 10.45% (9.66%)		
	French Corporate Bonds 3.13% (3.06%)		
£200,000	Credit Agricole 7.50% Perpetual	206,926	0.95
£400,000	Electricite de France 5.875% Perpetual	373,978	1.73
£100,000	Electricite de France 6.00% Perpetual	96,997	0.45
	Total French Corporate Bonds	**677,901**	**3.13**
	French Equities 7.32% (6.60%)		
17,500	AXA	295,535	1.36
5,000	Covivio	377,575	1.74
3,000	Imerys	112,680	0.52
14,000	Mercialys	150,294	0.70
35,000	Orange	444,323	2.05
20,000	Suez	206,186	0.95
	Total French Equities	**1,586,593**	**7.32**
	GERMANY 7.72% (6.89%)		
2,500	Allianz	393,897	1.81
30,000	Deutsche Telekom	398,875	1.84
4,000	Hugo Boss	192,787	0.89
12,000	Talanx	320,284	1.48
120,000	Telefonica Deutschland	368,498	1.70
	Total GERMANY	**1,674,341**	**7.72**
	HONG KONG 3.50% (1.71%)		
1,020,000	Greatview Aseptic Packaging	433,491	2.00
295,000	Kowloon Development	243,075	1.12
1,200,000	Samson	62,399	0.29
600,000	Trinity	20,099	0.09
	Total HONG KONG	**759,064**	**3.50**

Holdings at 31 December 2018		Market Value £	Percentage of Total Net Assets %
	IRELAND 0.81% (0.57%)		
	Irish Corporate Bonds 0.81% (0.57%)		
£100,000	Catalyst Healthcare Manchester Financing 2.411% 30/09/2040	175,125	0.81
	Total Irish Corporate Bonds	**175,125**	**0.81**
	NETHERLANDS 1.15% (1.22%)		
140,000	PostNL	249,863	1.15
	Total NETHERLANDS	**249,863**	**1.15**
	NEW ZEALAND 0.49% (0.46%)		
	New Zealand Corporate Bonds 0.49% (0.46%)		
£100,000	Chorus 6.75% 06/04/2020	105,612	0.49
	Total New Zealand Corporate Bonds	**105,612**	**0.49**
	NORWAY 0.83% (0.81%)		
6,000	Yara International	180,331	0.83
	Total NORWAY	**180,331**	**0.83**
	SINGAPORE 1.72% (1.74%)		
514,533	Mapletree	372,903	1.72
	Total SINGAPORE	**372,903**	**1.72**
	SWEDEN 0.00% (1.52%)		
	UNITED STATES 1.03% (1.05%)		
10,000	AT&T	223,449	1.03
	Total UNITED STATES	**223,449**	**1.03**
	Portfolio of Investments 97.84% (97.20%)	**21,210,571**	**97.84**
	Net other assets	468,415	2.16
	Total net assets	**21,678,986**	**100.00**

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

Portfolio Statement

Amity Balanced Fund for Charities
Unaudited as at 31 December 2018

Holdings at 31 December 2018		Market Value £	Percentage of Total Net Assets %
	UNITED STATES (continued)		

Comparative percentage holdings by market value at 30 June 2018 are shown in brackets.

Debt Security Allocation is as follows:

	Percentage of Debt Securities
Debt Securities above investment grade	42.01
Debt Securities below investment grade	28.47
Unrated Debt Securities	29.51

Statement of Total Return

Unaudited for the period ended 31 December 2018
(comparatives for the period ended 31 December 2017)

	Amity Global Equity Fund for Charities		Amity Balanced Fund for Charities	
	2018 £'000	2017 £'000	2018 £'000	2017 £'000
Income				
Net capital (losses)/gains	**(493)**	630	**(1,631)**	283
Revenue	**156**	125	**576**	509
Expenses	**(45)**	(41)	**(76)**	(76)
Net revenue before taxation for the period	**111**	84	**500**	433
Taxation	**(9)**	(7)	**(4)**	(4)
Net revenue after taxation for the period	**102**	77	**496**	429
Total return before distributions	**(391)**	707	**(1,135)**	712
Distributions for Interim	**(115)**	(110)	**(507)**	(443)
Change in net assets attributable to shareholders from investment activities	**(506)**	597	**(1,642)**	269

Statement of Change in Net Assets Attributable to Shareholders

Opening net assets attributable to shareholders	**12,004**	11,134	**23,307**	21,806
Amounts receivable on creation of shares	**712**	163	**1,314**	2,364
Amounts payable on cancellation of shares	**(1)**	(33)	**(1,300)**	(52)
	711	130	**14**	2,312
Change in net assets attributable to shareholders from investment activities (see above)	**(506)**	597	**(1,642)**	269
Closing net assets attributable to shareholders	**12,209**	11,861	**21,679**	24,387

The difference between the opening net assets and the comparative closing net assets is the movement in the second half of the prior year.

Balance Sheet

Unaudited as at 31 December 2018
(comparatives as at 30 June 2018)

	Amity Global Equity Fund for Charities		Amity Balanced Fund for Charities	
	31/12/18 £'000	30/06/18 £'000	31/12/18 £'000	30/06/18 £'000
ASSETS				
Fixed assets:				
Investments	**11,698**	11,820	**21,211**	22,655
Current assets:				
Debtors	**59**	307	**185**	362
Cash at bank	**525**	268	**709**	822
Total assets	**12,282**	12,395	**22,105**	23,839
LIABILITIES				
Creditors:				
Distribution payable	**(60)**	(231)	**(255)**	(511)
Other creditors	**(13)**	(160)	**(171)**	(21)
Total liabilities	**(73)**	(391)	**(426)**	(532)
Net assets attributable to shareholders	**12,209**	12,004	**21,679**	23,307

Note to the Financial Statements

Accounting Policies

The Financial Statements have been prepared in accordance with the historical cost convention, as modified by the revaluation of investments, and in accordance 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 (IA), in May 2014.

Distribution Statements

Amity Global Equity Fund for Charities

Unaudited for the period ended 31 December 2018

First Interim Distribution (in pence per share)
Group 1: Shares purchased prior to 1 July 2018
Group 2: Shares purchased on or after 1 July 2018

Share Class A - Dividend Stream Group	Net Income	Equalisation	2018 Paid	2017 Paid
1	0.6000	–	0.6000	0.6000
2	0.1341	0.4659	0.6000	0.6000

Second Interim Distribution (in pence per share)
Group 1: Shares purchased prior to 1 October 2018
Group 2: Shares purchased on or after 1 October 2018

Share Class A - Dividend Stream Group	Net Income	Equalisation	2018 Paid	2017 Paid
1	0.6000	–	0.6000	0.6000
2	0.0912	0.5088	0.6000	0.6000

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% of the second interim income distribution is received as franked investment income; and

ii) 0.00% of the second interim 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 Fund for Charities

Unaudited for the period ended 31 December 2018

First Interim Distribution (in pence per share)
Group 1: Shares purchased prior to 1 July 2018
Group 2: Shares purchased on or after 1 July 2018

Share Class A - Dividend Stream Group	Net Income	Equalisation	2018 Paid	2017 Paid
1	0.8976	–	0.8976	0.7318
2	0.1763	0.7213	0.8976	0.7318

First Interim Distribution (in pence per share)
Group 1: Shares purchased prior to 1 July 2018
Group 2: Shares purchased on or after 1 July 2018

Share Class A - Non-Dividend Stream Group	Net Income	Equalisation	2018 Paid	2017 Paid
1	0.3024	–	0.3024	0.3682
2	0.0594	0.2430	0.3024	0.3682

Second Interim Distribution (in pence per share)
Group 1: Shares purchased prior to 1 October 2018
Group 2: Shares purchased on or after 1 October 2018

Share Class A - Dividend Stream Group	Net Income	Equalisation	2018 Paid	2017 Paid
1	0.7546	–	0.7546	0.5972
2	0.3049	0.4497	0.7546	0.5972

Second Interim Distribution (in pence per share)
Group 1: Shares purchased prior to 1 October 2018
Group 2: Shares purchased on or after 1 October 2018

Share Class A - Non-Dividend Stream Group	Net Income	Equalisation	2018 Paid	2017 Paid
1	0.4454	–	0.4454	0.5028
2	0.1800	0.2654	0.4454	0.5028

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

Or visit us at
www.edentreeim.com/charityinvestments

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