

28th April 2023

Dear Investor

Upcoming changes to the Sub-Funds within the EdenTree Investment Funds – Series 1 and EdenTree Investment Funds - Series 2 Fund Umbrellas (the “Funds”)

We are writing to let you know about some changes that we are making to the Funds. The changes, which are described below, will take effect from 3rd July 2023. You do not have to take any action in response to this letter.

1. Introduction of an Anti- Dilution Adjustment

When investors enter or exit a Fund, their trades generate transaction costs as a result of investing their subscriptions or liquidating securities to pay their redemptions. These costs are usually picked up by the existing investors in the Fund through the deduction of these costs from the net asset value (“NAV”) of the Fund concerned. The effect of this reduction in value is referred to as “dilution”. In order to protect existing investors from the effects of dilution, EdenTree Investment Management (“we”, “us”, or “EdenTree”) currently have an anti-dilution policy in place which permits us, as the Fund Manager to exercise our discretion to charge transaction costs to an investor entering or exiting the Fund when we consider the transaction costs will have a material impact on the value of the Fund as a whole, for example, in the case of large trades. Dilution also occurs when there is a lot of trading activity in a Fund and in these circumstances longer-term investors can be most disadvantaged by the effects of dilution.

As the result of a review into our Anti-Dilution processes, we have decided to change the policy that currently applies to all of our Funds from an Anti-Dilution Levy (“ADL”) model to an Anti-Dilution Adjustment model (also commonly known as “Swing Pricing”). This change has been made in order to move to a model which we believe will better protect the interests of investors in our Funds.

Under a Swing Pricing policy, a Fund’s price will swing upwards when there are net subscriptions on a dealing day and will swing downwards when there are net redemptions on a dealing day.

The amounts by which a Fund will swing will depend on the level of transaction costs a Fund will be expected to pay, and indicative numbers will be disclosed within our prospectus going forward. We may choose to apply a threshold that net subscriptions or net redemptions needs to exceed before applying a swing. When a Fund’s price is swung, all subscriptions and redemptions for that dealing day will take place at the single swung price. It will not be possible to predict whether a price will swing on any particular day.

The change to Swing Pricing will take effect on 3rd July 2023. After this date we will cease to apply ADL, and instead will “swing” the price of the Fund to cover the transaction costs associated with investing the proceeds from subscriptions or liquidating securities to pay out redemptions.

Please read the “Your questions answered” section overleaf which provides additional information on the upcoming change.

2. Change to the way we charge Fund Administration Fees

We are also changing the way fees are charged to the Funds. EdenTree currently subsidises a number of costs that would typically be charged to the Funds. These were paid by EdenTree to ensure that the Funds could grow to a viable scale, without being restricted by the level of fees being charged.

As the Fund range has now reached a viable size, EdenTree will cease subsidising the Fund Administration fee, which covers Fund Accounting and NAV production (the valuing of Fund assets and calculation of Fund price). In future, this fee will be charged to the Funds, as permitted in the existing Fund Prospectus. The effect of charging this fee will vary by Fund, and the expectation is that the change will result in a fee increase of between 0.03% and 0.05%, depending on the Fund. The change will take effect on 3rd July 2023.

This change will not affect the ongoing charges figure (the "OCF") on any Fund where an OCF cap is being applied. We typically cap the OCFs for newly launched Funds until they reach a viable scale and will continue to apply this cap for the time being. The fee change will not affect the Amity Global Equity Fund for Charities or the Amity Balanced Fund for Charities, however these two Funds will be subject to the change in dilution policy described above.

We will continue to monitor our fund expenses to ensure that they provide value for money and are set at appropriate levels for their respective strategies.

Our annual Assessment of Value report is available on the EdenTree website.

How can I get further information?

If you require any further information, please contact your financial adviser or telephone us on 0800 358 3010. Our telephone lines are open Monday to Friday, 9am to 5pm.

Thank you for your continued investment and your time in reading this letter and documentation.

Yours sincerely

A handwritten signature in black ink, appearing to be 'Andy Clark', with a stylized flourish at the end.

Andy Clark

Chief Executive Officer, EdenTree Investment Management Limited

Your questions on Dilution Adjustments answered

What is Dilution and why is there an anti-dilution charge?

When an investor buys or sells units in a Fund, transaction costs are incurred as a result of the trading that needs to take place to invest the subscription monies or liquidate securities to settle the redemptions.

As the investor buys / sells the Fund at the trade date's price (which is calculated on the Fund's NAV), they do not bear the full transaction costs of the resulting trades, as these usually take place in the next few days following the trade date. As this expense is picked up by the shareholders as a whole, the transaction costs "dilute" their holdings. In order to mitigate this effect, the ACD has the ability to charge an anti-dilution charge when there are large subscriptions or redemptions, to cover the effects of dilution.

EdenTree currently employ an "Anti-Dilution Levy" model, which charges a levy on a trade-by-trade basis and is disclosed on the contract notes when charged. We will be moving to a "Anti-Dilution Adjustment" model (or "Swing Pricing"), which will instead swing the actual price of the Fund to cover the effects of dilution when there are inflows or outflows in a Fund.

How will these changes affect me?

The application of a dilution adjustment is aimed at protecting investors from the effects of dilution when there are large inflows into or outflows out of the Fund.

If you decide to purchase additional units or sell some/ all of your shares, the price you trade at may be swung, however there is no way to predict if the price will swing or not beforehand, as this will depend on the total value of inflows and outflows for the Fund on that particular dealing day.

When will a Fund's price swing?

A fund's price will swing up when there are net subscriptions on a day, and swing down when there are net redemptions. We may choose to apply a threshold that the net flows need to cross before a dilution adjustment is applied. The thresholds are subject to change, and we will not publish current or historic thresholds.

Please see below for an example of how a threshold may be applied:

Fund "A" AUM:	£100m	
Dilution Adjustments:	Bid (net outflows):	0.60%
	Offer (net inflows):	0.80%
Thresholds:	Net Outflows:	3% of AUM
	Net Inflows:	3% of AUM

Example 1:

Total Subscriptions:	£6.2m
Total Redemptions:	£4.3m
Net Flows:	£1.9m net inflow

On this business day, the dilution adjustment will not be applied (i.e., the price will not swing) as there is a net inflow of £1.9m, which is below the 3% threshold for net inflows (£3m).

Example 2:

Total Subscriptions:	£0.8m
Total Redemptions:	£4.9m
Net Flows:	£4.1m net outflow

On this business day, a dilution adjustment of -0.60% will be applied to the NAV as the net outflow of £4.1m is above the threshold for net outflows of 3% (£3m). This means the Fund's price will swing down by 0.60% to "bid",

and all investors will trade at the (lower) swung price, regardless of whether they are buying or selling shares in the Fund.

Example 3:

Total Subscriptions: £6.2m
 Total Redemptions: £0.3m

Net Flows: £5.9m net inflow

On this business day, a dilution adjustment of +0.80% will be applied to the NAV as the net inflow of £5.9m is above the threshold for net inflows of 3% (£3m). This means the Fund's price will swing up by 0.80% to "offer", and all investors will trade at the (higher) swung price, regardless of whether they are buying or selling shares in the Fund.

Please note that the thresholds for net outflows and net inflows may be set at different levels for a Fund.

By how much will a Fund's price swing?

A dilution adjustment will be applied to cover the transaction costs associated with the trading that will take place as a result of inflows into or outflows out of a Fund. The size of the adjustment will depend on our estimate of the expected transaction costs, which will include costs such as current spreads, broker commissions and taxes.

The adjustments will be dependent on current market conditions and will be reviewed on a periodic basis by EdenTree to ensure they adequately reflect the expected transaction costs.

Please see below for our current estimates of the dilution adjustments that will be applied to each of the Funds. These rates will be subject to review before 3rd July and will be subject to periodic reviews thereafter.

Fund Name	Dilution Adjustment Bid Basis (net outflows)	Dilution Adjustment Offer Basis (net inflows)
EdenTree Investment Funds – Series 1		
EdenTree Responsible & Sustainable UK Equity Fund	0.40%	0.90%
EdenTree Responsible & Sustainable European Equity Fund	0.10%	0.30%
EdenTree Responsible & Sustainable Global Equity Fund	0.15%	0.25%
EdenTree Responsible & Sustainable Managed Income Fund	0.40%	0.70%
EdenTree Responsible & Sustainable UK Equity Opportunities Fund	0.65%	1.00%
EdenTree Responsible & Sustainable Sterling Bond Fund	0.55%	0.55%
EdenTree Responsible & Sustainable Short Dated Bond Fund	0.20%	0.20%
EdenTree Green Future Fund	0.15%	0.25%
EdenTree Global Impact Bond Fund	0.35%	0.35%
EdenTree Investment Funds – Series 2		
Amity Balanced Fund for Charities	0.50%	0.80%
Amity Global Equity Fund for Charities	0.15%	0.30%
EdenTree Responsible & Sustainable Multi-Asset Cautious Fund	0.05%	0.10%

EdenTree Responsible & Sustainable Multi-Asset Balanced Fund	0.05%	0.10%
EdenTree responsible & Sustainable Multi-Asset Growth Fund	0.05%	0.10%
EdenTree Green Infrastructure Fund	0.45%	0.85%

How will I know if a Fund's price swings?

Investors will not be informed if a Fund's price has swung on a particular day. Any swing will be accounted for within the price on that day, and only one price will be published. We will not publish whether the price includes a dilution adjustment. This is in line with normal industry practice.

What action do I need to take?

You are not required to take any action with regards to these changes. The changes will come into effect on 3rd July 2023.