

# EDENTREE INVESTMENT FUNDS

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Annual Report and Audited Financial Statements

For the year ended 31 December 2019



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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 (EIF) 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" ("SORP") issued by the Investment Association in May 2014.

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Gloucester GL1 1JZ

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Authorised and regulated by the Financial Conduct Authority

## Constitution

EIF (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 00037. It is authorised and regulated by the Financial Conduct Authority as a UCITS scheme.

The Company is an 'umbrella' company and comprises of seven 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 (Resigned 19 March 2019)  
DP Cockrem  
RS Hughes  
FWM Burkitt (Appointed 9 May 2019)

## 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, UK Branch\*  
50 Bank Street, Canary Wharf,  
London E14 5NT

\*Following a change of domicile, the Registrar for our funds has changed its name from Northern Trust Global Services PLC to Northern Trust Global Services SE, UK Branch. This change does not have any effect on the administration of your investment and you do not need to take any action.

## Auditor

Deloitte LLP  
Chartered Accountants and Statutory Auditor  
110 Queen Street  
Glasgow G1 3BX

# Report of the Authorised Corporate Director - Investment Environment

## The Global Investment Environment

Global equity markets ended the calendar year in stark contrast to the volatility experienced 12 months prior, largely driven by supportive central bank policy and diminishing geopolitical risks, namely the US-China trade negotiations. Having seen strong gains in the first half of the year, global equities delivered a total return of 4.8% in sterling terms over the second half, producing a very strong total return of 22.8% for 2019, materially better than global fixed income.

US equities started the second half of 2019 on the back of the best first half year since 1997, reaching all-time highs, despite signs of weakening economic data in the second quarter. The second half began with economic data continuing to surprise to the downside. Two rapidly priced-in US rate cuts were implemented by the Federal Reserve in July and September due to "uncertainties regarding the path of the economy". Manufacturing and industrial data continued to disappoint with consensus attributing the US-China trade dispute as an additive factor to an already deteriorating outlook. As we moved through the final quarter, threats of further escalation and additional tariffs dissipated with "phase one" of a trade deal eventually scheduled for completion mid-January. US monetary policy continued to ease during the fourth quarter, while domestically a conclusive win for the UK Conservative Party in the December General Election was received favourably by UK markets, coupled with a stronger Sterling.

Regional return disparities were meaningful and pronounced over the last 12 months. The US led returns for a second year running, with the S&P 500 gaining 31.5% in local terms in 2019. Despite a significantly less conducive economic backdrop, Europe (MSCI Europe ex-UK) delivered a very healthy total return of 27.5% in local terms. Domestically, the FTSE All-Share was held back due to a stronger currency, producing a total return of 19.2%. In terms of other regions, MSCI Emerging markets, Asia-ex Japan and the Japanese Topix Index produced broadly similar total returns of 18.9%, 18.5% and 18.1% respectively in local currency.

At a sector level, Technology was a clear winner gaining 38.7% in Sterling terms, with valuations rewarded with an ever decreasing discount rate following continued loosening of monetary policy over the year. Industrials also performed well posting a total return of 25.5% reflecting the rebound in economic sentiment and risk-tolerance following the challenging end to 2018. The top performing defensive sectors lagged for similar reasons, with Utilities returning 17.7% in Sterling terms while a degree of nervousness around drug pricing policies in the upcoming US Presidential Election held back the Healthcare sector, returning 18.3%. Despite a difficult 2018, the worst performing sector was Oil & Gas rising 10.6% in GBP terms, as oil prices (Brent crude) fluctuated between \$60-\$70 for most of the year. More broadly, the Bloomberg Commodity Index rose 7.7% in local terms.

## The United Kingdom

The UK equity market consolidated a strong first half rising 5.5% over the second half. The political environment dominated, with the fourth quarter driving total returns (up 4.2%), as Boris Johnson's Conservative Party triumphed in December's General Election. While pollsters had correctly predicted a victory for the Conservatives, most had not anticipated the Party would win the largest majority since Margaret Thatcher's victory in 1987. The removal of uncertainty was positive for UK equity markets, with those companies facing potential nationalisation threats experiencing a particular relief rally. This led the Utility sector up 21% in the second half. Mirroring the global trend, UK Oil & Gas sector fell over 11% in the second half. The FTSE 250 Mid-Cap delivered a total return of 14.1%, eclipsing the more internationally-exposed FTSE 100 Index which gained 3.7% in the second half. The primary driver of this capitalisation performance disparity was Sterling's strength, appreciating 5.6% on a trade-weighted basis over the course of the final quarter. While the new Government's first priority will be to take the UK out of the EU by 31 January 2020, the announcement that there would be no extension to Brexit after the end of 2020 provided a timely reality check.

## Fixed Interest

The UK fixed interest market continued to be dominated by the political developments surrounding Brexit and the policy roadmap laid out by the presiding Conservative leadership. The year began with hopes that a parliamentary consensus could be reached on the terms of the UK's withdrawal from the EU, which lifted bond yields in February, however these were later dashed as the half-year drew to a close. Theresa May's subsequent resignation as Prime Minister increased the likelihood of a disorderly EU exit, with yields falling sharply to a low of almost 0.4%. Gilt yields rose considerably in the last quarter of 2019, as prospects of a disorderly Brexit reduced in tandem with rising optimism, following a phase one trade deal. Prospects for parliamentary approval of the UK government's EU withdrawal bill only improved when the Conservative party secured a large majority under Boris Johnson's leadership in December's general election. The 10-year gilt yield fell to a low of 0.42% before rising to a high of 0.87% in December, ending the year at 0.82%, having begun at 1.27%.

On the back of a poor growth outlook, the European Central Bank (ECB) also announced another round of monetary support for Eurozone banks to stimulate lending within the region, and highlighting its readiness to stimulate the economy even further in Q2. As markets anticipate interest rate cuts globally, investors' revived their search for risky assets such as corporate bonds and particularly lower-rated credits. This increase in risk appetite saw credit risk premiums fall as risky asset prices rose.

In the US, the second half began with economic data continuing to surprise to the downside. Treasuries rapidly priced-in two US rate cuts, which were implemented by the Federal Reserve in July and September due to "uncertainties regarding the path of the economy". The US Federal Reserve cut its main interest rate by 0.25% in October, the third such policy action in 2019. With further stimulus conditioned on a 'material reassessment' of the US economy, the chances of further near-term rate reductions appeared to decline. As the period drew to a close, the US and China agreed on a preliminary deal to halt additional tariffs, engage in further negotiations and roll back selected existing tariffs. Overall, UK corporate bonds produced a strong year (up c.9.5% in GBP terms), with credit spreads tightening as investors continued to search for income in a low-yield environment. This particularly benefitted the lower-rated credit quality segments of the market, where spreads narrowed more considerably.

## Europe (Excluding the United Kingdom)

European markets were up modestly in the second half gaining 2.7% in Sterling terms as the Euro weakened between 4-5% against Sterling providing a headwind. In local terms, the broad STOXX Europe 600 posted a total return of around 9% adding to the strong rebound post 4Q18 sell-off to return c.28% for the full year. Italy and France were two of the strongest performing markets over the year with gains of c.34% and 32% in local total return terms, while Germany's DAX continued to lag due to the impact of global trade tensions, returning 25% over the year. Similar to the aforementioned Federal Reserve easing policy, the ECB also cut interest rates in the third quarter, taking rates further into negative territory, with Governor Draghi announcing the restarting of Quantitative Easing (QE) in the form of asset purchases until inflation reaches target. The third quarter also saw increasing rhetoric from the ECB around the need for fiscal stimulus from member states, illustrating the limitations and efficacy of such unconventional monetary policy. Economic data and leading indicators illustrated the challenges, with Eurozone GDP expanding only 0.2% in Q2, with the traditional engine of growth, Germany, suffering particularly given its open, trade orientated export economy.

In the fourth quarter, the Eurozone economy showed some signs of stabilisation. The composite Purchasing Managers' Index (PMI) reported unchanged conditions at 50.6 in December, marginally above the threshold 50 level that separates expansion from contraction. The open economies of the Eurozone should be beneficiaries of any thawing in the US-China trade negotiations, with the exporting component of Germany's economy likely to experience some recovery. This may be short-lived, should the US Trade Representative Lighthizer turn his attention from China to Transatlantic trade given the tensions around the introduction of a digital tax, targeting big US tech. Headwinds arising from such discussions would be untimely, and further underlines Mario Draghi's calls for increased fiscal spending. For his successor Christine Lagarde, navigating these challenges is likely to need more than the regurgitated QE, with fiscal stimulus a key feature in Lagarde's inaugural speech.

#### The United States

It was a year of robust gains for US equities, with the S&P 500 gaining almost 31.5% in local terms, only to be beaten by the Nasdaq which gained 35.7% in local terms in 2019. Unlike 2018, which saw a significant leg down in the fourth quarter, US equities finished the year at all-time highs. US markets started the second half with mixed messages from the Federal Reserve regarding their monetary policy path, with Powell indicating their initial cut was a mid-cycle adjustment, rather than the beginning of an easing cycle. August saw an inverted yield curve (2yr-10yr), sparking debate regarding the merit of its recessionary signalling power. The political environment remained turbulent with increasing speculation that the Democrats would begin impeachment proceedings for President Trump in the run up to the 2020 election. Economic data signalled a growth slowdown rather than any sign of recession although consumer confidence, seen as the key leg of support for the US economy, showed signs of weakness.

As we moved into the fourth quarter, economic growth concerns appeared to diminish, as data confirmed that the economy expanded by 2.1% (on an annualised basis) in the third quarter of the year, which was better than anticipated and stronger than in Q2. While we await the growth data for the fourth quarter, the unemployment data released in early December showed that joblessness declined to 3.5%, its lowest point since 1969. Forward-looking data such as the PMI, which survey the manufacturing and services sectors, continues to indicate modest expansion in the US economy. Despite the solid footing, the Federal Reserve cut interest rates 25bps in the fourth quarter, to provide insurance against a growth slowdown, before indicating that "the current stance of monetary policy is appropriate." Buoyed by these developments as well as fading geopolitical uncertainty following the aforementioned 'phase one' trade deal, US equities delivered robust gains.

#### Asia Pacific (Excluding Japan)

Despite gaining almost 18% in GBP terms, it was a year of underperformance for Asia, split in two halves which started well with strong double digit gains (c.14% total return in Sterling terms). The second half began with a broader retracement, driven by Hong Kong as the ongoing demonstrations continued to impact the economy through lower mainland visitation and substantially weaker retail sales. China's ongoing trade tariffs continued to dominate sentiment with the US announcing new tariffs on \$300 billion of goods, effective from September. Taiwan was the key outlier in the region rising 8.8% in GBP terms, with strong tech bellwether stocks such as TSMC leading the index higher in the third quarter. In the final quarter, the key development was the progress in US-China trade negotiations. From a trade and tariff perspective, phase one is expected to see a halving of the \$120 billion of tariffs placed on Chinese goods, although the 25% tariffs on \$250 billion of Chinese goods is expected to remain in place until future phases. Asia and emerging markets were supported from a weaker US dollar. Taiwan was a key outperformer, rising 11% in local terms, due to the high technology weighting, supported by positive earnings updates. In contrast, Hong Kong continues to experience fallout from the ongoing political demonstrations with tourist arrivals falling 56% year on year, approaching the 60% decline experienced during the SARS crisis in April-May 2003.

#### Japan

Despite posting the lowest relative return in the first half of the year, Japanese equities produced a stronger second half with a total return of 6.9% in Sterling terms, the strongest of any global region. Overall, the equity markets rose 14.8% in Sterling terms in 2019. While the Upper House elections in July were won comfortably by Prime Minister Abe's party, the Liberal Democratic Party fell short of the two-thirds majority required to push through the constitutional reform agenda. The much delayed consumption tax hike (from 8% to 10%) took place on 1st October, easing Government funding ahead of a significantly large fiscal budget for 2020. The primary overhang for Japanese equities over the course of the last six months has been the trade related uncertainty given the export led-market. Despite hosting world-class exporters, Japan had mirrored other domestic economies with divergence between a resilient service sector offsetting an ailing manufacturing sector. However, while December Manufacturing PMI remained weak at 48.4, Services PMI fell to 49.4 from 50.6, the lowest reading since 2016. The Japanese Government's ¥100+ trillion budget, certainly needs to achieve "both economic regeneration and fiscal consolidation" as a matter of priority. The Bank of Japan continues to stand behind further substantial QE despite holding vast quantities of total government debt outstanding. Japan's economic prospects remain closely tied to export markets in China and the US, and while the uncertainty that accrued from the Global Trade war appear to be abating, the fallout from the Coronavirus may be an untimely headwind.

One of Abe's latest policies to be funded by the consumption tax hike is the offer of free day care services, aiming to support families with children and free up more women for the workforce. The government wants to increase the proportion of working women to 80 per cent, and to make that possible, it must create 320,000 additional publicly subsidised day care slots by early 2021, requiring 77,000 more teachers. There has been some progress, according to the Hamilton Project at the Brookings Institution, 72 per cent of married women aged 25 to 54 worked in Japan in 2017, up from 58 per cent in 2000. The situation exemplifies the structural challenges Japan faces with respect to workforce tightness, high job-to-applicant ratio, and broader demographic challenges (lowest number of babies born in a year since 1899).

## Outlook

The wall of worry that was built on trade war concerns, Brexit and other broader geopolitical risks led to once in a decade performance as markets priced out these tail risks. 2020 expectations indicate more muted gains in equity markets with a continued preference for risk assets over bonds given the anaemic yields on offer coupled with expectations that global economy remains resilient.

Next steps in the US-China trade war remain unclear. Future phased negotiations are likely to be harder to secure, given the enforcement challenges around issues such as forced tech transfers and intellectual property protection. Overall, policy action from the US may end up being relatively muted given the election year. Expectations for fiscal stimulus should be deferred until post November, while the Federal Reserve is expected to have a more muted role, setting a high bar for any future interest rate hike.

Domestically, focus in the short-term remains Brexit and the ability to negotiate palatable terms within a very finite time period. Any meaningful probability that the UK trades with the EU on World Trade Organisation rules in January 2021 would impact Sterling and the wider economy. That said, the UK's risk-reward looks skewed to the upside given the substantial valuation discount relative to global equities, the extent of under-weighting in a global context, and undervalued currency on a long-run Purchasing Power Parity (PPP) basis. In Europe, the change in leadership at the ECB yielded a consistent message, with Lagarde's first speech reiterating the need for fiscal stimulus from member states, reflecting the limitations of unconventional monetary policy. However, fiscal stimulus has a high bar given the over-arching EU budgetary constraints and lack of willingness from leading economies, namely Germany.

For Asian economies, the headwinds of 2019 look to be abating, driven by the resolution of trade negotiations. Despite a slowing quantum, China is unlikely to reverse the deleveraging trend in favour of repeating the large-scale stimulus of the past. The key risks to the China outlook remains the lasting impact of Coronavirus, persistency of tariffs, a co-ordinated global manufacturing contraction and further measure to enact the reversal of globalisation.

More broadly, we continue to remain concerned regarding the underlying efficacy of negative interest rate policies. An over-reliance on central bank policy remains unhealthy in the long-term, given the resulting wealth inequality which permeates to capital allocators and asset owners, with a continued lack of participation within the broader economy.

## Coronavirus (COVID-19)

During the period from the balance sheet date to the date that the Financial Statements were approved, the Coronavirus (COVID-19) outbreak has caused extensive disruptions to businesses and economic activities globally. The uncertainties over the emergence and spread of COVID-19 have caused market volatility on a global scale as shown in the table.

Data to 31.03.2020	£ Total Return	
	1 month	YTD
FTSE All-Share Index	-15.07%	-25.13%
FTSE World Europe ex-UK Index	-11.38%	-17.49%
FTSE All World Index	-10.85%	-15.95%
FTSE Actuaries UK All stocks Gilt	1.42%	6.32%
IBOXX Sterling Corp BBB	-7.84%	-5.95%

The quantum of the effect on the price of B share class has been disclosed below as well as the Post Balance Sheet Events note on pages 78 and 79. The Authorised Corporate Director is monitoring the situation and considering the effect it may have on the valuation of any impacted underlying portfolio companies in the future. In accordance with the requirements of FRS 102 and the IA SORP, the fair valuations at balance sheet date reflect the economic conditions in existence at that date. The effect of COVID 19 has also been taken into account when determining the going concern status of the Entity.

### Amity UK Fund

As at the balance sheet date, the Net Asset Value per Class B Income share was 257.83p. The Net Asset Value per Class B Income share for the Sub-fund to 31 March 2020 was 188.73p. This represents a decrease of 27% from the year end value. Its benchmark's performance on 31 March 2020 was -25.13%.

### Amity European Fund

As at the balance sheet date, the Net Asset Value per Class B Income share was 266.95p. The Net Asset Value per Class B Income share for the Sub-fund to 31 March 2020 was 205.27p. This represents a decrease of 23% from the year end value. Its benchmark's performance on 31 March 2020 was -17.49%.

### Amity International Fund

As at the balance sheet date, the Net Asset Value per Class B Income share was 290.67p. The Net Asset Value per Class B Income share for the Sub-fund to 31 March 2020 was 238.65p. This represents a

decrease of 18% from the year end value. Its benchmark's performance on 31 March 2020 was -15.95%.

### Amity Short Dated Bond Fund

As at the balance sheet date, the Net Asset Value per Class B Income share was 100.11p. The Net Asset Value per Class B Income share for the Sub-fund to 31 March 2020 was 97.98p. This represents a decrease of 2% from the year end value. Its benchmark's performance on 31 March 2020 was -5.95%.

### Amity Sterling Bond Fund

As at the balance sheet date, the Net Asset Value per Class B Income share was 117.46p. The Net Asset Value per Class B Income share for the Sub-fund to 31 March 2020 was 109.06p. This represents a decrease of 7% from the year end value. Its benchmark's performance on 31 March 2020 was -5.95%.

### Higher Income Fund

As at the balance sheet date, the Net Asset Value per Class B Income share was 143.78p. The Net Asset Value per Class B Income share for the Sub-fund to 31 March 2020 was 110.68p. This represents a decrease of 23% from the year end value. Its benchmarks' performance on 31 March 2020 were -25.13%, -15.95% and 6.32%.

### UK Equity Growth Fund

As at the balance sheet date, the Net Asset Value per Class B Income share was 326.17p. The Net Asset Value per Class B Income share for the Sub-fund to 31 March 2020 was 225.74p. This represents a decrease of 31% from the year end value. Its benchmark's performance on 31 March 2020 was -25.13%.

At the time of writing, global lockdowns are helping to control the spread of the virus. However, many companies are faced with the need to preserve financial resources in order to withstand the challenges of severe economic disruption. This means that many companies will cancel or delay dividends, indeed regulatory authorities have required banks & insurance companies to undertake such measures. Investors in our funds may expect to see a reduction in distribution rates over the coming year as we navigate through these extraordinary times.

March 2020



# Investment Objective and Policies

These Funds are marketable to retail investors.

These Funds are managed in line with the requirements for inclusion in an Individual Savings Account (ISA). The portfolio will consist primarily of transferable securities but the ACD may also invest in units in collective investment schemes, money-market instruments, derivatives and forward transactions, deposits, nil and partly paid securities, bonds, convertible bonds, cash and near cash as deemed economically appropriate to meet the Funds' objectives.

The ACD does not currently intend to use derivatives for any purpose other than the efficient portfolio management of the Funds, although it may, subject to obtaining and maintaining the requisite permissions from the FCA under the Financial Services and Markets Act 2000 and on giving not less than 60 days notice to shareholders in the Funds, use derivatives in pursuit of their investment objectives in the future. If derivatives are used for the purpose of meeting the investment objectives of the Funds it is not intended that the use of derivatives would cause the Net Asset Value of the Funds to have higher volatility or otherwise cause the existing risk profiles of the Funds to change.

## **Amity UK**

The Fund aims to achieve long-term capital appreciation and a reasonable level of income by investing principally in UK companies.

The Fund seeks to invest in a portfolio of 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 a material involvement in alcohol, tobacco and weapon production, gambling and publication of violent or explicit materials and companies using animals to test cosmetic or household products, whilst favouring companies that follow good Business Ethics, Corporate Governance, Employment & Labour practices, Environmental Management, Human Rights, and Community Relations and is particularly positive on companies that contribute to Education, Health & Wellbeing, Social Infrastructure and Sustainable Solutions.

## **Amity European**

The Fund aims to achieve long-term capital growth with a reasonable level of income primarily through a diversified portfolio of European companies.

The Fund seeks to invest in a portfolio of 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 a material involvement in alcohol, tobacco and weapon production, gambling and publication of violent or explicit materials and companies using animals to test cosmetic or household products, whilst favouring companies that follow good Business Ethics, Corporate Governance, Employment & Labour practices, Environmental Management, Human Rights, and Community Relations and is particularly positive on companies that contribute to Education, Health & Wellbeing, Social Infrastructure and Sustainable Solutions.

## **Amity International**

The Fund aims to achieve long-term capital growth with a reasonable level of income primarily through a diversified portfolio of International companies.

The Fund seeks to invest in a portfolio of 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 a material involvement in alcohol, tobacco and weapon production, gambling and publication of violent or explicit materials and companies using animals to test cosmetic or household products, whilst favouring companies that follow good Business Ethics, Corporate Governance, Employment & Labour practices, Environmental Management, Human Rights, and Community Relations and is particularly positive on companies that contribute to Education, Health & Wellbeing, Social Infrastructure and Sustainable Solutions.

## **Amity Short Dated Bond Fund**

The Fund aims to preserve capital and generate income.

The Fund seeks to primarily invest in short dated government bonds and debt instruments issued by companies that the ACD believes 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 a material involvement in alcohol, tobacco and weapon production, gambling and publication of violent or explicit materials, whilst favouring companies that follow good Business Ethics, Corporate Governance, Employment & Labour practices, Environmental Management, Human Rights, and Community Relations and is particularly positive on companies that contribute to Education, Health & Wellbeing, Social Infrastructure and Sustainable Solutions.

## **Amity Sterling Bond**

The Fund aims to provide an attractive level of income.

The Fund seeks to invest in a highly diversified portfolio of Government and good quality fixed interest securities issued by companies which make a positive contribution to society and the environment through sustainable and socially responsible practices. The Fund's investments will be principally denominated in Sterling but the Fund may invest in other currency bonds and securities that the ACD thinks appropriate to meet the investment objective.

The Fund seeks to avoid investment in certain areas such as companies which have a material involvement in alcohol, tobacco and weapon production, gambling and publication of violent or explicit materials and companies using animals to test cosmetic or household products, whilst favouring companies that follow good Business Ethics, Corporate Governance, Employment & Labour practices, Environmental Management, Human Rights, and Community Relations and is particularly positive on companies that contribute to Education, Health & Wellbeing, Social Infrastructure and Sustainable Solutions.

**Higher Income**

The Fund aims to provide an above average and growing level of income together with capital growth over the longer term.

The ACD will seek to achieve the investment objective by investing in a mix of equities, fixed interest securities and such other investments that the ACD considers suitable.

**UK Equity Growth**

The Fund aims to achieve long-term capital growth with a reasonable level of income.

The Fund is designed to invest primarily in a range of UK incorporated and/or listed companies which the ACD believes offer good potential for long-term capital growth.



# Risk Profile

## **Amity UK Fund**

Most of the assets will be invested in the UK stock market so could be affected by any change in this market.

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 European Fund**

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

The entire market of European stocks and shares might decline thus affecting the prices and values of the assets.

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

## **Amity International Fund**

An 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.

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 Short Dated Bond Fund**

The Fund will invest primarily in sterling-denominated fixed interest securities of short duration including gilts, quasi-government debt, corporate bonds, floating-rate notes and term deposits. Portfolio duration will be expected to average around 2 years, with an anticipated upper limit of 3 years. The portfolio will also look to maintain high credit quality, targeting an overall portfolio rating of A or better.

An investment's value may be affected by changes in inflation and interest rates.

An issuer of a fixed interest security held within the Fund may default, causing a reduction in the capital and income value of the Fund.

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

## **Amity Sterling Bond Fund**

The Fund holds a variety of different fixed interest securities including government and corporate bonds, preference shares and permanent interest bearing shares with a spread of durations. The Fund may invest in index or inflation linked bonds as well as conventional fixed interest instruments. Some of the bonds hold credit ratings however the Fund also invests in unrated bonds and other fixed interest instruments.

An investment's value may be affected by changes in inflation and interest rates.

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

The annual management charge is taken from capital not income so the capital value of the Fund could be reduced over time.

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.

## **Higher Income Fund**

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

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.

The annual management charge is 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.

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

## **UK Equity Growth Fund**

Most of the assets will be invested in the UK stock market so could be affected by any change in this market.

# Amity UK Fund

## Report of the Authorised Corporate Director

This review covers the year from 1 January 2019 to 31 December 2019.

Over the year under review, the Amity UK Fund returned 26.7%, outperforming the return on the FTSE All-Share Index of 19.2% and the IA UK All Companies sector average return of 22.4% measured on a similar basis.

The Manager's responsible and sustainable screening process excludes direct investments in Mining, Defence, Oil & Gas Producers and Tobacco & Alcohol Production. The lack of exposure to Oil & Gas Producers was a tailwind for performance, whilst the opposite was true on Tobacco, which outperformed the FTSE All-Share Index in the period. In addition, the Fund's above average exposure to medium sized companies was a tailwind for performance. The Fund's holdings in the FTSE 100 outperformed the benchmark, despite a large underweight.

From a sector allocation perspective, the Fund benefited from being overweight in Electronic & Electrical Equipment, General Retailers and Pharmaceuticals & Biotechnology and underweight in Banks and Oil & Gas Producers. The underweight positions in Tobacco and Financial Services and overweight positions in Chemicals, Media and Support Services acted as a drag on performance.

At a stock level Halma (Industrials), Dunelm (Retail), Marshalls (Materials), Next (Retail) and Dechra Pharmaceuticals (Healthcare) were amongst the top contributors, whilst top detractors included Scapa Group (Industrials), Pearson (Media), BT Group (Telecoms) and Mears Group (Support Services).

In terms of portfolio activity the positions in Halma (Industrials), Scapa (Industrials), Dechra (Speciality Pharmaceuticals), Smith & Nephew (Healthcare), AstraZeneca (Pharmaceuticals) and Marshalls (Materials) were trimmed. The holdings in HSBC (Banks), Dixon Carphone (Retail), Kier (Engineering & Construction), DMGT (Media) and Standard Life Aberdeen (Investment Management) were sold off entirely. New positions included Clinigen (Healthcare), James Fisher & Sons (Engineering), Sabre (Insurance) and TT Electronics (Electrical Components). The positions in Keller (Engineering & Construction), Porvair (Materials), Morgan Sindall (Engineering & Construction), Lloyds Banking Group (Banks) and Close Brothers (Financial Services) were topped up.

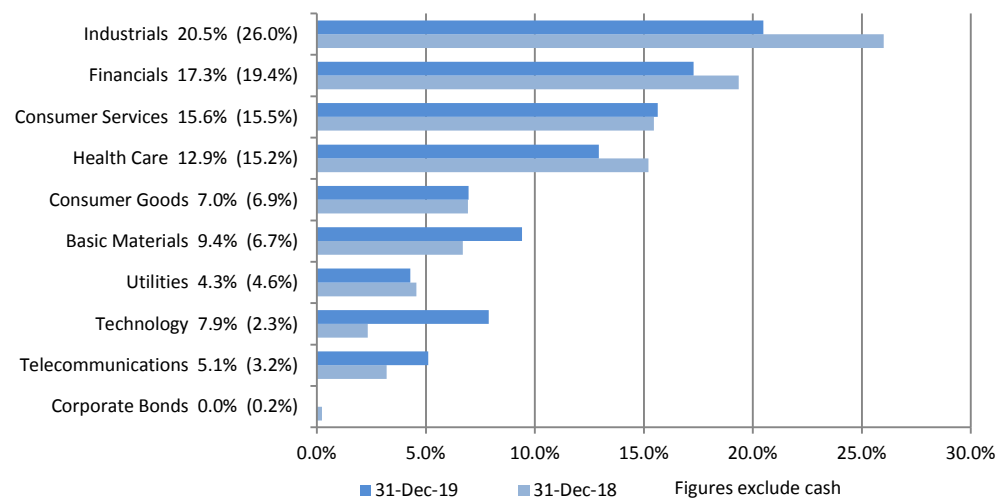
## Prospects

The Prime Minister Boris Johnson secured the largest Conservative Party majority since the 1980s whilst reshaping the electoral map. This should see an increased focus on the newly won former Labour seats in the North. The Brexit impasse saw the beginning of a resolution with the passing of the Withdrawal Agreement Bill, but negotiations around the future trade agreement are likely to be fraught with difficulty. Sterling has been volatile against the Dollar largely due to sentiment around Brexit and this is likely to continue as there exists the potential of a no-deal Brexit at the end of 2020. The Bank of England has held interest rates in the face of Brexit uncertainty although this could change with a new Governor. Doubts persist over the highly indebted UK consumer remaining the engine for GDP growth although the significant increase in the national living wage could help. 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 erratic and this has manifested itself with increasing concern over a damaging trade war with China although a phase one trade deal has been reached. The US president was impeached although Republican control of the Senate means that it is unlikely he will be removed from office. Nevertheless, impeachment proceedings are likely to cast a large shadow over the US presidential elections later in the year. While, as ever, some political and economic risks lie ahead, we remain focused on finding new opportunities in companies that meet our strict criteria of strong earnings growth, high margins and strong cash flows.

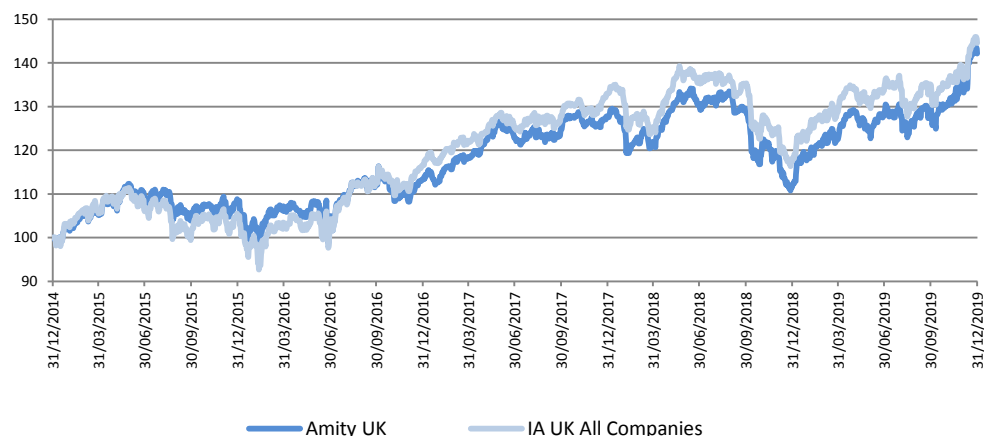
Please note: Stocks and shares should be viewed as a medium to long-term investment, usually for a period of five years or more. The value of investments can fall as well as rise. Past performance should not be seen as an indication of future performance.

## Asset allocation at 31 December 2019

The figures in brackets show allocation at 31 December 2018.



## Performance



Graph showing the return of the Amity UK Fund compared to IA UK All Companies Sector Average from 31 December 2014 to 31 December 2019, mid-to-mid basis excluding initial charges with net income reinvested for a basic rate UK taxpayer. Prices re-based to 100. Source: Morningstar.

## Performance and ranking

	Amity UK Fund		IA UK All Companies Sector Average	
	Total Return	Rank	Total Return	Number
01/01/19 - 31/12/19	26.7%	66	22.4%	259
01/01/18 - 31/12/18	(12.2)%	175	(11.2)%	266
01/01/17 - 31/12/17	12.8%	140	14.1%	266

Table showing % return and ranking of the Amity UK Fund against IA UK All Companies Sector Average and total number of funds. Figures compared on a mid-to-mid basis excluding initial charges with net income reinvested for a basic rate UK taxpayer. Source: Morningstar.

## Major holdings

Top ten holdings	Percentages of total net assets at 31 December 2019
Halma	4.62%
Dechra Pharmaceuticals	3.81%
GlaxoSmithKline	2.99%
Smith & Nephew	2.88%
Next	2.82%
Genus	2.67%
Dunelm	2.66%
Marshalls	2.51%
Morgan Sindall	2.36%
DS Smith	2.35%

## Comparative Tables

The Comparative Tables give the performance of each active share class in the Fund.

The 'Return after operating charges' disclosed in the Comparative Tables 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. Broker commission includes the fee paid to a broker to execute the trades and research costs.

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

	2019 (p)	2018 (p)	2017 (p)
Change in Net Asset Value per Share			
Opening net asset value per share <sup>^</sup>	205.24	240.14	217.41
Return before operating charges*	56.45	(27.65)	29.82
Operating charges	(3.69)	(3.75)	(3.72)
Return after operating charges*	52.76	(31.40)	26.10
Distributions on income shares	(3.83)	(3.50)	(3.37)
Closing net asset value per share	254.17	205.24	240.14
* after direct transaction costs:	0.09	0.05	0.08

Performance			
Return after charges	25.71%	(13.08)%	12.00%
Other Information			
Closing net asset value (£'000)	26,258	22,389	28,152
Closing number of shares	10,330,867	10,908,560	11,723,207
Operating charges	1.60%	1.59%	1.60%
Direct transaction costs	0.04%	0.02%	0.03%
Prices <sup>^</sup>			
Highest share price	260.10	251.30	244.60
Lowest share price	206.30	205.70	215.40

# Amity UK Fund

## Comparative Tables (continued)

### Class B

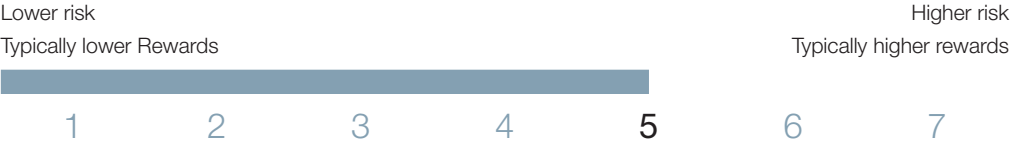
Change in Net Asset Value per Share	2019 (p)	2018 (p)	2017 (p)
Opening net asset value per share^	204.21	239.16	216.46
Return before operating charges*	56.37	(27.71)	29.80
Operating charges	(1.83)	(1.86)	(1.85)
Return after operating charges*	54.54	(29.57)	27.95
Distributions on income shares	(5.68)	(5.38)	(5.25)
Closing net asset value per share	253.07	204.21	239.16
* after direct transaction costs:	0.09	0.05	0.08
Performance			
Return after charges	26.71%	(12.36)%	12.91%
Other Information			
Closing net asset value (£'000)	74,990	73,158	83,551
Closing number of shares	29,632,347	35,825,122	34,934,558
Operating charges	0.79%	0.79%	0.79%
Direct transaction costs	0.04%	0.02%	0.03%
Prices^			
Highest share price	260.60	251.20	245.00
Lowest share price	205.20	206.30	214.50

### Class C

Change in Net Asset Value per Share	2019 (p)	2018 (p)	2017 (p)
Opening net asset value per share^	398.38	457.28	406.96
Return before operating charges*	109.99	(53.10)	55.98
Operating charges	(5.83)	(5.80)	(5.66)
Return after operating charges*	104.16	(58.90)	50.32
Distributions	(8.84)	(8.04)	(7.68)
Retained distributions on accumulation shares	8.84	8.04	7.68
Closing net asset value per share	502.54	398.38	457.28
* after direct transaction costs:	0.18	0.09	0.15
Performance			
Return after charges	26.15%	(12.88)%	12.36%
Other Information			
Closing net asset value (£'000)	35,638	30,737	38,391
Closing number of shares	7,091,544	7,715,545	8,395,481
Operating charges	1.29%	1.29%	1.29%
Direct transaction costs	0.04%	0.02%	0.03%
Prices^			
Highest share price	508.90	479.20	461.20
Lowest share price	400.30	394.50	403.10

^ These prices may have been calculated on a different basis to opening/closing net asset value per share shown in the comparative table, this may result in the opening/closing net asset value per share being higher or lower than the published highest or lowest prices for the period.

**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 which has experienced significant rises and falls in price (i.e. is more volatile) 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 European Fund

## Report of the Authorised Corporate Director

This review covers the year from 1 January 2019 to 31 December 2019.

Over the course of the year under review, the Amity European Fund returned 14.9% underperforming the 20.4% return of the IA Europe sector average and the FTSE World Europe ex UK Index return of 20.5%.

2019 was an interesting year with a multitude of swings amid continued geopolitical events. Overarching throughout was continued trade war rhetoric between the US and China with an escalation of tensions in May. Thankfully, by the end of the year both sides agreed to sign a phase one deal that will see the US drop some of its previously installed tariffs and no further penalties will be applied whilst China will boost its purchases of American produce and also remove its retaliatory tariffs. The deal was announced in December and will be signed in January before phase two negotiations will begin later in the new year. In Europe, we saw Christine Lagarde replace Mario Draghi at the helm of the European Central Bank (ECB) and the continuation of a dovish president was viewed positively by markets. Draghi's closing act was to resume the ECB's QE programme and with the Federal Reserve also cutting interest rates, looser monetary policy drove equity markets higher.

The fund underperformed over the year as the funds value based investment style proved to be a headwind. 'Value' stocks, demonstrated by the MSCI Europe Value index, gained 13.5% whilst 'Growth' investments, illustrated by the MSCI Europe Growth index, gained 25.4%. At a market sector view, Industrials were the strongest performer benefitting from the improvement in global growth sentiment following large losses in the pessimistic close to 2018. Technology and Healthcare were top performers with the defensive growth characteristics of underlying businesses prevailing throughout. Telecommunications were the worst performing sector narrowly generating a gain for the year. Energy was the next worst performing segment closely followed by Financials. Banks make up a large proportion of the financial sector and continue to struggle with the negative interest rates and flat yield curve in Europe.

Fund sector allocations, which are more reflective of our stock selection evolution over time than a top down allocation of capital, were mixed, but when combined, detracted from overall performance. The overweight to Telecommunications was a significant headwind given the weak performance of the sector whilst investment selections underperformed further. The funds nil exposure to the Oil and Gas Production industry was a positive given weak returns. The overweight to Industrials was positive and our selections outgained those in the benchmark. Consumer Services, which includes Media agencies and Food/Drug retailers were unfavourable overweights. Technology stocks were the weakest area for relative performance which, albeit disappointing, was unsurprising given the strong performance of 'growth' investments. Dutch semiconductor equipment manufacturer ASML Holding is a good example of such a name which gained over 80%, despite its high valuation at the start of the year.

At an individual investment level the fund experienced a handful of detractors. Most significant was Publicis Groupe, which along with other traditional advertising agencies, struggled to combat the threat from digital technology firms and saw revenues suffer. Four Telecommunication stocks were among the bottom ten constituents mostly due to weak sentiment for the sector. In December, Orange unveiled its latest strategy for 2020-2023 but reception to short term targets was below analyst expectations. Longer term plans were more positive as the group revealed further investment in its French and Spanish networks and also intends to spin off its own telecoms towers business. Hugo Boss suffered from weak sales in Hong Kong as protests grew and continued for longer than expected. On a more positive note, the funds best performer came from process monitoring systems firm Envea which, as a small cap stock, gained steadily throughout the year. Other strong performers included Talanx, Schneider Electric and Smurfit Kappa.

Trading activity included the purchase of German port and logistics operator, Hamburger Hafen, which is set to benefit from the deepening of the waterway meaning heavier cargo ships may enter and result in greater processing volumes. We also added Nokia who should benefit in the near term from the blacklisting of Chinese mobile network operator Huawei, whilst also offering long term growth opportunities with the continued development of 5G networks. The timing of our initiation in Nokia disappointed as October saw the company surprise with a cut to its outlook and suspended future dividends in order to fund further investment in its capability. Despite this, we remain positive on the longer term prospects. We also closed positions in Relx, Elringklinger and Akzo Nobel at attractive valuation levels.

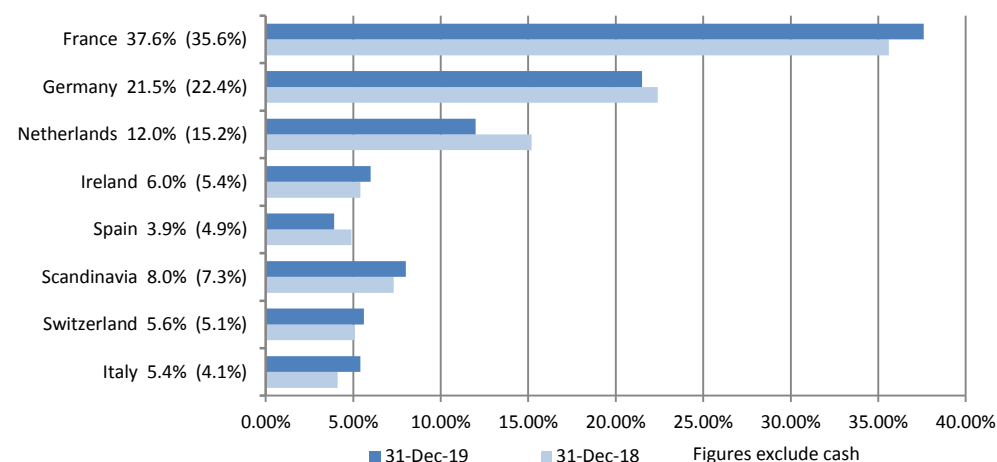
## Prospects

The impact of global geopolitics has grown in recent years and there is little to suggest 2020 would be any different. The US election and Donald Trump aiming to secure re-election should see a calming in tensions that have impacted global investment markets for over a year now. However, an ever widening political gap, as evidenced by May's European Parliamentary elections, spells some longer term issues. Regarding our investment approach, growth investments are now at a significant premium to value investments and we believe this cannot persist forever. The economic relief in Q4 2019 saw cyclical companies perform particularly well and with governments talking up the importance of expansionary fiscal policy we may start to see sparks of growth in the global economy. Europe, which has been significantly beaten up recently, would certainly benefit and we believe investments closely linked to an expanding economy which trade at discounts to the wider market offer the most upside.

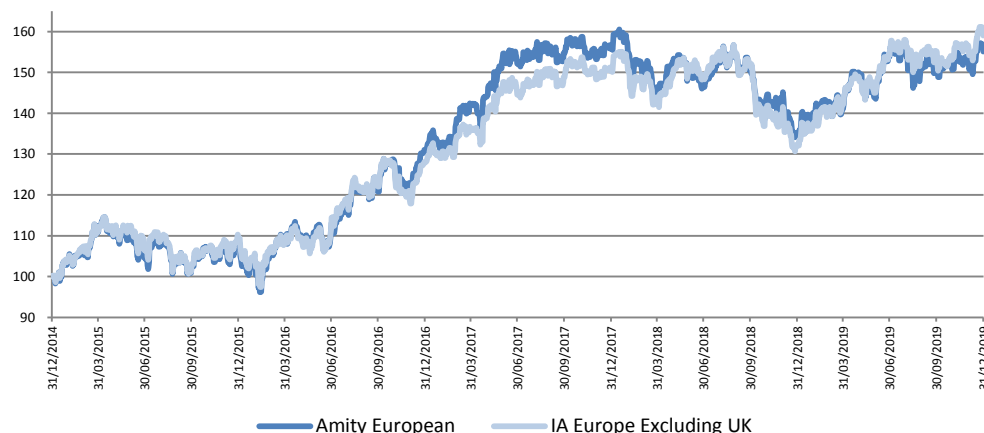
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## Asset allocation at 31 December 2019

The figures in brackets show allocation at 31 December 2018.



## Performance



Graph showing the return of the Amity European Fund compared to IA Europe (excluding UK) Sector Average from 31 December 2014 to 31 December 2019, mid-to-mid basis excluding initial charges with net income reinvested for a basic rate UK taxpayer. Prices re-based to 100. Source: Morningstar.

	Amity European Fund	IA Europe (excluding UK) Sector Average	
	Total Return	Rank	Total Return
01/01/19 - 31/12/19	14.9%	127	20.4%
01/01/18 - 31/12/18	(13.3)%	96	(12.2)%
01/01/17 - 31/12/17	18.9%	40	17.5%

Table showing % return and ranking of the Amity European Fund against IA Europe (excluding UK) Sector Average and total number of funds. Figures compared on a mid-to-mid basis excluding initial charges with net income reinvested for a basic rate UK taxpayer. Source: Morningstar.

## Major holdings

Top ten holdings	Percentages of total net assets at 31 December 2019
Cie de St-Gobain	3.12%
Schneider Electric	3.04%
Roche	3.02%
Enel	2.69%
Smurfit Kappa	2.67%
Prysmian	2.65%
Cie Generale des Etablissements Michelin 'B'	2.63%
Novartis	2.57%
AXA	2.50%
Muenchener Rueck	2.50%

## Comparative Tables

The Comparative Tables give the performance of each active share class in the Fund.

The 'Return after operating charges' disclosed in the Comparative Tables 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.

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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

Change in Net Asset Value per Share	2019 (p)	2018 (p)	2017 (p)
Opening net asset value per share <sup>^</sup>	234.75	277.56	237.92
Return before operating charges*	36.76	(34.03)	46.88
Operating charges	(4.14)	(4.28)	(4.33)
Return after operating charges*	32.62	(38.31)	42.55
Distributions on income shares	(5.03)	(4.50)	(2.91)
Closing net asset value per share	262.34	234.75	277.56
* after direct transaction costs:	0.04	0.16	0.31
<b>Performance</b>			
Return after charges	13.90%	(13.80)%	17.88%
<b>Other Information</b>			
Closing net asset value (£'000)	5,101	5,035	6,500
Closing number of shares	1,944,452	2,144,710	2,341,711
Operating charges	1.62%	1.62%	1.62%
Direct transaction costs	0.02%	0.06%	0.11%
<b>Prices<sup>^</sup></b>			
Highest share price	268.20	286.50	284.50
Lowest share price	234.90	234.70	237.70



# Amity European Fund

## Comparative Tables (continued)

### Class B

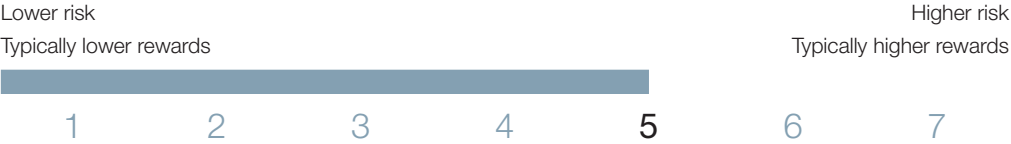
Change in Net Asset Value per Share	2019 (p)	2018 (p)	2017 (p)
Opening net asset value per share^	236.63	279.98	239.93
Return before operating charges*	37.18	(34.49)	47.39
Operating charges	(2.10)	(2.17)	(2.20)
Return after operating charges*	35.08	(36.66)	45.19
Distributions on income shares	(7.18)	(6.69)	(5.14)
Closing net asset value per share	264.53	236.63	279.98
* after direct transaction costs:	0.04	0.16	0.31
Performance			
Return after charges	14.82%	(13.09)%	18.83%
Other Information			
Closing net asset value (£'000)	83,501	77,896	87,008
Closing number of shares	31,566,157	32,918,877	31,076,578
Operating charges	0.81%	0.81%	0.81%
Direct transaction costs	0.02%	0.06%	0.11%
Prices^			
Highest share price	270.80	289.10	288.10
Lowest share price	236.80	237.90	239.90

### Class C

Change in Net Asset Value per Share	2019 (p)	2018 (p)	2017 (p)
Opening net asset value per share^	288.49	334.12	282.51
Return before operating charges*	45.30	(41.40)	55.80
Operating charges	(4.16)	(4.23)	(4.19)
Return after operating charges*	41.14	(45.63)	51.61
Distributions	(7.17)	(6.35)	(4.44)
Retained distributions on accumulation shares	7.17	6.35	4.44
Closing net asset value per share	329.63	288.49	334.12
* after direct transaction costs:	0.05	0.19	0.37
Performance			
Return after charges	14.26%	(13.66)%	18.27%
Other Information			
Closing net asset value (£'000)	919	807	950
Closing number of shares	278,775	279,851	284,442
Operating charges	1.31%	1.32%	1.31%
Direct transaction costs	0.02%	0.06%	0.11%
Prices^			
Highest share price	335.10	344.90	341.50
Lowest share price	288.60	286.80	282.30

^ These prices may have been calculated on a different basis to opening/closing net asset value per share shown in the comparative table, this may result in the opening/closing net asset value per share being higher or lower than the published highest or lowest prices for the period.

**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 which has experienced significant rises and falls in price (i.e. is more volatile) 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 International Fund

## Report of the Authorised Corporate Director

This review covers the year from 1 January 2019 to 31 December 2019.

Over the course of the year under review, the Amity International Fund returned 19.1%, underperforming the 22.0% return posted by the IA Global peer group sector average, and the 22.8% return of the FTSE All World GBP Total Return Index. Overall, the fund ranked third quartile for performance among the IA Global peer group.

The Fund's value tilt was a material headwind with MSCI World Value index underperforming its growth peer by 11.1% in GBP terms over the year. Growth equities have now delivered a total return of 352% compared to their value peers of 226% since the end of 2008 and the Global Financial Crisis, a reflection of prolonged unconventional monetary policy and an uncertain economic growth trajectory. By market cap, Small-Cap companies were clear laggards rising only 6%, with Mid-caps marginally better, up 7%, while Large-Cap rose 23%. The Fund's small and mid-cap holdings outperformed their peers rising 13.7% and 15.5% respectively, although the under-weight allocation to Large-caps was detrimental.

Geographical allocation negatively impacted performance. The fund's material underweight exposure to US equities was a significant headwind as the US market substantially out-performed, delivering 26.6% in Sterling terms over the period vs mid-to-high teens for most other regional indices. The Fund's US holdings did marginally better returning 27.6%, led by sustainable transportation leaders NXP Semiconductors, rising 68.5% and Aptiv, rising 48.5%. Overall positive stock selection and a weaker US Dollar against Sterling offset the negative allocation impact.

The overweight allocation to Asia-ex Japan equities had a negative impact, with Asia-ex Japan markets underperforming, gaining only 14.4% in Sterling terms. The fund's stock selection in the region was mixed largely due to the Hong Kong political unrest impacting the Fund's holdings, with Dah Sing Bank falling 25%. Top contributing stocks were Bingo Industries, the Australian waste recycling company, which rose 52% despite a significant setback in first quarter. The Fund's holdings in Taiwan performed very well with testing specialist Sporton International rising 51%, while chip behemoth TSMC rose 50.6% lifting the broader index.

In Japan, equity markets rose only 14.8% in Sterling terms, however stock selection again resulted in the Fund fairing significantly better, with the Fund's holdings increasing 35.5%. The 20.6% outperformance was led by Nintendo, which rose 49%, while emissions testing and clean room specialist Horiba grew 61% thanks to a better trading environment. Finally, Sony continued to contribute to outperformance rising 36%, as demand for their leading imaging components continued to grow.

The fund's overweight allocation to Eurozone equities had modest negative impact, while stock selection detracted with a return 4% lower than index. Nokia was the largest detractor, as the company announced significant investment into next generation 5G to improve their proposition. French Telecom Orange fell 9%, following an investor day where it guided to disappointing EBITDA growth over the medium term. In terms of positive contributors, electrification enabler Schneider Electric and sustainable materials science leader DSM both rose 48%. The Fund's strongest performer was Finnish meteorological testing company Vaisala, which rose 84%.

The Fund's overweight allocation to UK equities had a moderate negative impact as the UK underperformed global index rising only 17.8%, with the Fund's holdings retuning marginally less. Similar to 2018, holding companies with strong global market positions, limited domestic earnings exposure and strong competitive advantage helped. Dechra Pharmaceuticals is a good illustrative example, rising 42.5% over the year.

At sector level, the key overweight allocation to Industrials was a significant positive contributor with the sector rising 25.5% and the Fund's industrials exposure rising 38.7%. Industrials, along with Technology and Healthcare, contain many companies that provide sustainable solutions to some of the world's biggest challenges. Our underweight allocation to sectors that offer sustainable negatives contributed positively with the energy sector producing the lowest sector return at 10.6%. The Healthcare sector was largely neutral, due to concerns regarding pricing pressure in the run up to the 2020 US Presidential Election. The sector as a whole rose 18.3%, while the Fund's holdings grew 19.3%. Banks were the key negative detracting sector with our Asian-orientated exposure resulting in a return of 5.7% versus the sector's 20.3%.

In terms of new holdings, the Fund began the year initiating a new position in Dutch materials science company, DSM NV which strives to find sustainable solutions for agriculture emissions, air quality, animal and human nutrition. Their "Clean Cow Project" aims to reduce the 148 billion kg of CO2 equivalent emissions produced by dairy cows by 25%, which is equivalent to lighting Switzerland & Denmark. The Fund entered a new position in enterprise software leader, SAP, which we view as increasingly enabling corporate demand for resource efficiency through cloud-based enterprise planning solutions. In Q2, we became shareholders of Mueller Water, a US based water infrastructure and technologies company. The US has an ageing infrastructure problem, where up to 30% of treated water is lost or unaccounted for in the water system due to failing pipes, driving significant replacement demand. In Q3, following ongoing company engagement we established a new holding in Valmont Industries, the market leader in efficient agriculture irrigation solutions, coatings and power distribution structures. Additionally in the US we invested in medical device maker Zimmer Biomet on signs of improving operational execution following prolonged underperformance. Finally, in Q4, we switched our exposure within the global packaging sector, initiating two investments in Greatview Aseptic, and DS Smith, funded by the exit of Smurfit Kappa. Based in China, Greatview Aseptic is the world's third largest supplier of aseptic packaging, seeking to make liquid foods safe for consumption over extended periods, as outlined in our Hungry Planet Amity Insight. DS Smith is developing innovative sustainable packaging solutions, in order to reduce plastic waste through smarter design incorporating greater circularity, such as the recent "dropbox" initiative with Costa aiming to reduce the one billion disposable cups used in the UK.

In terms of divestments, early in the year we sold out of Novartis as the stock hit new highs around the divestment of their eye-care business Alcon, using the proceeds to invest in Swiss peer Roche, where we prefer its strong positioning within the growing space of diagnostics. Midway through 2019 we reduced our exposure to Asian banks, specifically in Singapore following resilient performance and relative valuation, in addition to divesting from HSBC due to diminishing conviction in the long-term investment case. Finally, we exited our holding in the Japanese engineering collective, Technopro, at the end of the year due to an extended valuation.

## Prospects

The wall of worry that was built on trade war concerns, Brexit and other broader geopolitical risks led to once in a decade performance as markets priced out these tail risks. 2020 expectations indicate more muted gains in equity markets with a continued preference for risk assets over bonds given the anaemic yields on offer coupled with expectations that global economy remains resilient.

Next steps in the US-China trade war remains unclear. Future negotiations are likely to be harder to secure, given the enforcement challenges around issues such as forced tech transfers and intellectual property protection. One potential scenario is the US Trade Representative turns attention towards Transatlantic trade as a defensive measure to counter a European digital tax on US tech leaders. Given the fragile nature of the European economy, timing is far from ideal. Overall, policy action from the US may end up being relatively muted given the election year. Expectations for fiscal stimulus should be deferred until post November, while the Federal Reserve is expected to have a more muted role, setting a high bar for any future interest rate hike. A prolonged Middle Eastern escalation looks to be a tail risk presently.

Domestically, focus in the short-term remains Brexit and the ability to negotiate palatable terms within a very finite time period. Any meaningful probability that the UK trades with the EU on WTO rules in January 2021 would impact Sterling and the wider economy. That said, the UK's risk-reward looks skewed to the upside given the substantial valuation discount relative to global equities, the extent of under-weighting in a global context, and undervalued currency on a long-run PPP basis. In Europe, the change in leadership at the ECB yielded a consistent message, with Lagarde's first speech reiterating the need for fiscal stimulus from member states, reflecting the limitations of unconventional monetary policy. However, fiscal stimulus has a high bar given the over-arching EU budgetary constraints and lack of willingness from leading economies, namely Germany.

For Asian economies, the headwinds of 2019 look to be abating. Despite a slowing quantum, China is unlikely to reverse the deleveraging trend in favour of repeating the large-scale stimulus of the past. The key risks to the China outlook remain persistent tariffs, a co-ordinated global manufacturing contraction and the reversal of globalisation. More broadly, we continue to remain concerned regarding the underlying efficacy of negative interest rate policies. An over-reliance on central bank policy remains unhealthy in the long-term, given the resulting inequality permeates to capital allocators and asset owners, with a continued lack of participation within the broader economy.

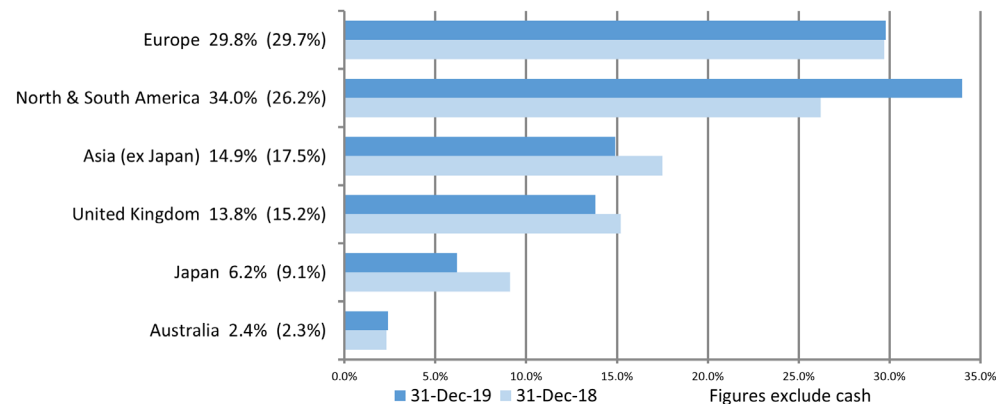
Overall, the fund remains cautiously positioned. We maintain the underweight exposure to US equities due to elevated relative valuation, peaking profit margins, fading fiscal stimulus, withdrawal of quantitative easing and the aging business cycle. Those US companies we do hold are exposed to attractive long-term sustainable themes, and tend to have a global earnings stream. Asia and Europe, continue to be attractively valued, particularly given the recent underperformance due to deteriorating trade tensions. We continue to monitor policy in Hong Kong and China, particularly if economic conditions deteriorate further.

We continue to adhere to our bottom-up, stock-picking process, searching for sustainable and responsible companies with strong cash flows, robust balance sheets and healthy long-term growth outlooks, which have temporarily fallen out of favour with markets and are therefore trading on attractive valuations.

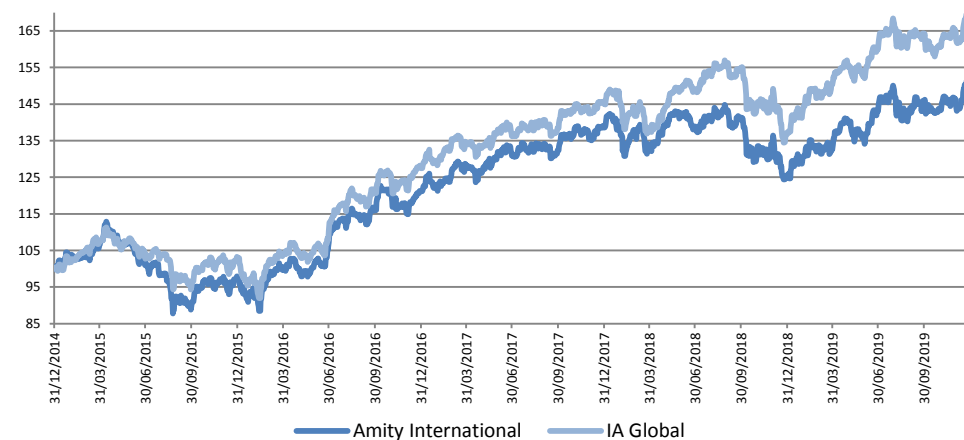
Please note: Stocks and shares should be viewed as a medium to long-term investment, usually for a period of five years or more. The value of investments can fall as well as rise. Past performance should not be seen as an indication of future performance.

## Asset allocation at 31 December 2019

The figures in brackets show allocation at 31 December 2018.



## Performance



Graph showing the return of the Amity International Fund compared to IA Global Sector Average from 31 December 2014 to 31 December 2019, mid-to-mid basis excluding initial charges with net income reinvested for a basic rate UK taxpayer. Prices re-based to 100. Source: Morningstar.

# Amity International Fund

	Amity International Fund	IA Global Sector Average	
	Total Return	Rank	Total Return
			Number
01/01/19 - 31/12/19	19.1%	289	22%
01/01/18 - 31/12/18	(9.8)%	289	(5.7)%
01/01/17 - 31/12/17	14.4%	131	13.9%
			401
			364
			320

Table showing % return and ranking of the Amity International Fund against IA Global Sector Average and total number of funds. Figures compared on a mid-to-mid basis excluding initial charges with net income reinvested for a basic rate UK taxpayer. Source: Morningstar.

## Major holdings

Top ten holdings	Percentages of total net assets at 31 December 2019
Alphabet Inc	4.08%
Microsoft	3.10%
Medtronic	2.85%
Cisco Systems	2.84%
Roche	2.80%
NXP Semiconductors	2.56%
Nintendo	2.54%
Taiwan Semiconductor Manufacturing	2.42%
ING Group	2.37%
Bingo Industries	2.32%

## Comparative Tables

The Comparative Tables give the performance of each active share class in the Fund.

The 'Return after operating charges' disclosed in the Comparative Tables 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. Broker commission includes the fee paid to a broker to execute the trades and research costs.

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

	2019 (p)	2018 (p)	2017 (p)
Change in Net Asset Value per Share			
Opening net asset value per share	245.07	276.52	246.30
Return before operating charges*	48.32	(24.07)	37.51
Operating charges	(4.28)	(4.29)	(4.15)
Return after operating charges*	44.04	(28.36)	33.36
Distributions on income shares	(2.31)	(3.09)	(3.14)
Closing net asset value per share	286.80	245.07	276.52
* after direct transaction costs:	0.13	0.28	0.38
Performance			
Return after charges	17.97%	(10.26)%	13.54%
Other Information			
Closing net asset value (£'000)	18,895	20,921	24,572
Closing number of shares	6,588,420	8,536,632	8,886,204
Operating charges	1.58%	1.58%	1.57%
Direct transaction costs	0.05%	0.10%	0.14%
Prices^			
Highest share price	292.50	285.40	279.30
Lowest share price	244.10	244.70	246.80

## Comparative Tables (continued)

### Class B

Change in Net Asset Value per Share	2019 (p)	2018 (p)	2017 (p)
Opening net asset value per share	246.71	278.54	248.03
Return before operating charges*	48.78	(24.39)	37.88
Operating charges	(2.21)	(2.21)	(2.14)
Return after operating charges*	46.57	(26.60)	35.74
Distributions on income shares	(4.47)	(5.23)	(5.23)
Closing net asset value per share	288.81	246.71	278.54
* after direct transaction costs:	0.13	0.28	0.38
Performance			
Return after charges	18.88%	(9.55)%	14.41%
Other Information			
Closing net asset value (£'000)	191,107	178,336	200,806
Closing number of shares	66,171,193	72,286,055	72,092,435
Operating charges	0.81%	0.81%	0.80%
Direct transaction costs	0.05%	0.10%	0.14%
Prices^			
Highest share price	295.70	288.50	282.70
Lowest share price	245.80	247.90	248.70

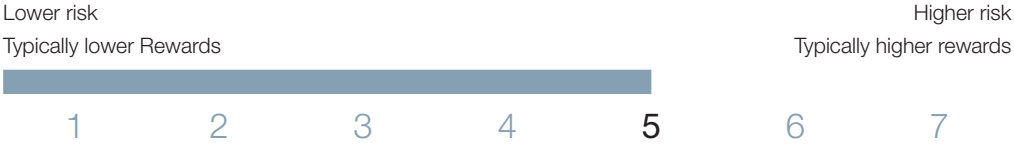
### Class C

Change in Net Asset Value per Share	2019 (p)	2018 (p)	2017 (p)
Opening net asset value per share	279.17	310.51	272.76
Return before operating charges*	55.24	(27.33)	41.58
Operating charges	(4.08)	(4.01)	(3.83)
Return after operating charges*	51.16	(31.34)	37.75
Distributions	(3.50)	(4.30)	(4.28)
Retained distributions on accumulation shares	3.50	4.30	4.28
Closing net asset value per share	330.33	279.17	310.51
* after direct transaction costs:	0.15	0.31	0.42
Performance			
Return after charges	18.33%	(10.09)%	13.84%
Other Information			
Closing net asset value (£'000)	1,110	969	1,075
Closing number of shares	336,025	347,360	346,183
Operating charges	1.31%	1.31%	1.30%
Direct transaction costs	0.05%	0.10%	0.14%
Prices^			
Highest share price	336.10	323.50	311.90
Lowest share price	278.20	277.60	273.20

^ These prices may have been calculated on a different basis to opening/closing net asset value per share shown in the comparative table, this may result in the opening/closing net asset value per share being higher or lower than the published highest or lowest prices for the period.

# Amity International Fund

## 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 which has experienced significant rises and falls in price (i.e. is more volatile) 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 Short Dated Bond Fund

## Report of the Authorised Corporate Director

This review covers the year from 1 January 2019 to 31 December 2019.

Over the year under review, the share price of the Amity Short-Dated Bond Fund has risen by 2.9% compared with the IA Sterling Corporate Bond sector average return of 9.5%. The iBoxx Non-Gilts 1-5 years ex BBB index had a return of 2.7% over the period.

Short-dated gilt yields fell over the year as a result of global geo-political tensions and renewed monetary policy stimulus from major central banks. The lack of an agreement on terms by which the UK would leave the European Union drove higher levels of uncertainty as did an escalation of the US-China trade dispute in the first half of the year. Although the Bank of England left its policy rate unchanged, the US Federal Reserve cut its main interest rate by 0.25% in July, September and October. Further policy action however, is to be premised on a 'material reassessment' of the US economy. Elsewhere, the European Central Bank also cut its deposit facility rate in September whilst resuming its corporate bond purchase programme, citing subdued growth and inflation. This revived a search for yield in corporate bonds. Whilst gilt yields declined until mid-September, the subsequent uptick in risk appetite as global trade tensions eased and a new withdrawal agreement with the European Union was reached, saw safe-haven demand unwind sharply as the year ended. Over the period, the FTSE under 5-year gilt yield rose from 0.80% to a high of 0.88% in February and then declined to a low of 0.26% in October, before rising at the end of the year to 0.56%.

Credit spreads declined over the period, particularly as the outlook for monetary policy turned dovish. As geo-political tensions eased in the latter half of the year, risk assets including corporate bonds rallied. This was particularly true in the lower-rated credit quality segments of the market, which registered greater spread tightening. Credit outperformed gilts in 2019.

The Fund's total return outperformed that of its benchmark index in 2019. Despite having a lower relative duration position over a large part of the period, a positive contribution from credit selection more than offset an adverse impact of rising gilt yields as the year drew to a close. Lower quality debt outperformed higher-rated credit as investors sought yield.

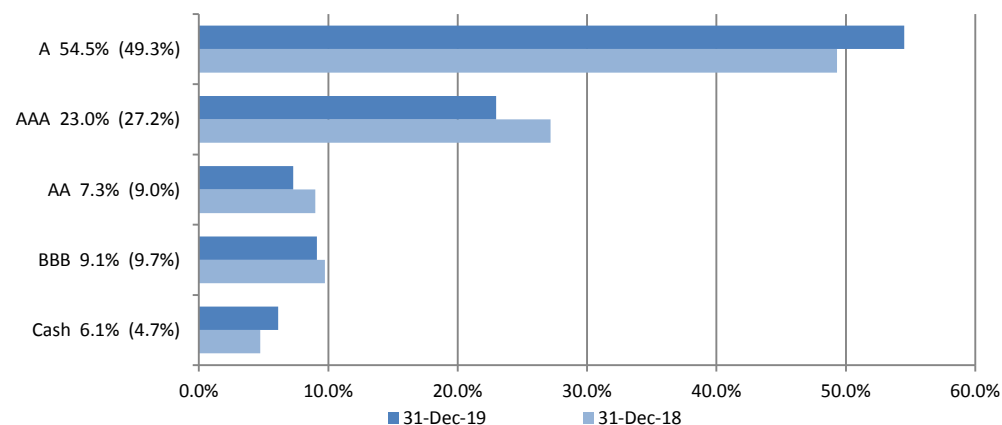
## Prospects

With part resolution to some of the global anxieties that have impinged on the prospects for growth comes some much-needed certainty and a potential boost to consumer confidence. Whilst major central banks remain ready to support faltering economies, the limits of monetary policy are becoming apparent. Consequently, there is a concerted effort to highlight the effectiveness of adopting favourable fiscal policy. For instance, the re-elected UK government is revisiting fiscal rules to allow for more infrastructure investment. For now, monetary policy may play a less pronounced role, absent a material economic shock. Whereas this could support a lower for longer interest rate outlook, the potential for a market correction remains high. Our view remains that the market's late-cycle characteristics warrant caution on credit. We would therefore maintain a focus on higher credit quality, biasing the portfolio towards shorter duration, with a large weighting towards short-dated gilts and supranationals enhancing portfolio liquidity and availing flexibility to seize opportunities to pick up good quality credits at valuations that we deem attractive.

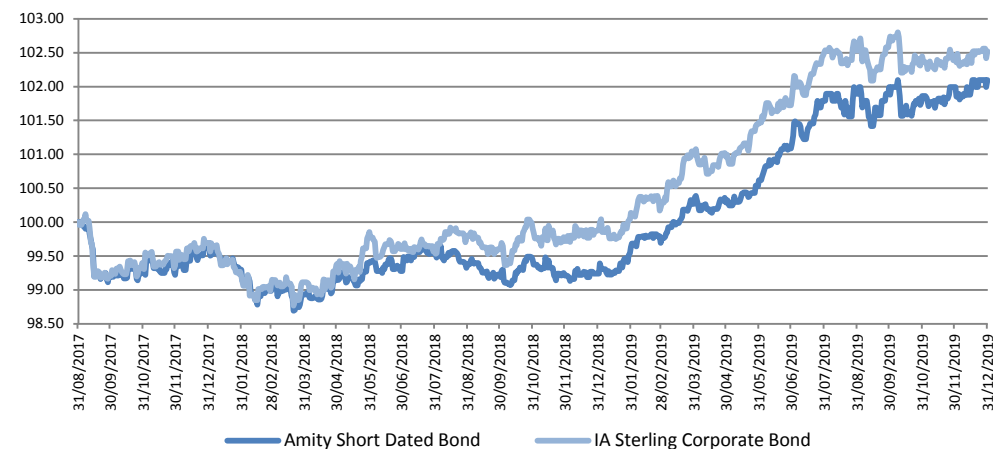
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## Asset allocation at 31 December 2019

The figures in brackets show allocation at 31 December 2018.



## Performance



Graph showing the return of the Amity Short Dated Bond Fund compared to IA Sterling Corporate Bond Sector Average from 31 August 2017 to 31 December 2019, mid-to-mid basis excluding initial charges with net income reinvested for a basic rate UK taxpayer. Prices re-based to 100. Source: Morningstar.

	Amity Short Dated Bond Fund*		IA Sterling Corporate Bond Sector Average	
	Total Return	Rank	Total Return	Number
01/01/19 - 31/12/19	2.9%	87	9.5%	93
01/01/18 - 31/12/18	(0.4)%	8	(2.2)%	89
01/09/17 - 31/12/17	-	-	5.1%	87

Table showing % return and ranking of the Amity Short Dated Bond Fund against IA Sterling Corporate Bond Sector Average and total number of funds. Figures compared on a mid-to-mid basis excluding initial charges with net income reinvested for a basic rate UK taxpayer. Source: Morningstar.

\* The Fund was launched on 1 September 2017 and as at 31 December 2017, there was no performance data available on Morningstar.

### Major holdings

Top ten holdings	Percentages of total net assets at 31 December 2019
National Grid Gas 7.00% 16/12/2024	2.70%
Yorkshire Water Finance 6.588% 21/02/2023	2.49%
Society of Lloyd's 4.75% 30/10/2024	2.38%
A2D Funding 4.75% 18/10/2022	2.24%
HSBC 6.50% 20/05/2024	2.19%
Land Securities Capital Markets 1.974% 08/02/2024	2.18%
Zurich Finance 6.625% Perpetual	2.17%
Prudential 6.875% 20/01/2023	2.12%
SNCF Reseau 5.50% 01/12/2021	2.09%
Close Brothers Group 2.75% 26/04/2023	2.00%

### Comparative Tables

The Comparative Tables give the performance of each active share class in the Fund.

The 'Return after operating charges' disclosed in the Comparative Tables 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. Broker commission includes the fee paid to a broker to execute the trades and research costs.

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 B

	2019 (p)	2018 (p)	2017** (p)
Change in Net Asset Value per Share			
Opening net asset value per share^	98.11	99.30	100.00
Return before operating charges*	3.23	0.15	(0.38)
Operating charges	(0.41)	(0.55)	(0.15)
Return after operating charges*	2.82	(0.40)	(0.53)
Distributions on income shares	(1.24)	(0.79)	(0.17)
Closing net asset value per share	99.69	98.11	99.30
* after direct transaction costs:	0.00	0.00	0.00
Performance			
Return after charges	2.87%	(0.40)%	(0.53)%
Other Information			
Closing net asset value (£'000)	46,746	33,483	16,320
Closing number of shares	46,893,309	34,126,763	16,435,066
Operating charges	0.41%	0.56%	0.44%
Direct transaction costs	0.00%	0.00%	0.00%
Prices^			
Highest share price	100.40	99.40	100.00
Lowest share price	98.26	98.27	99.11

\*\* The share class was launched on 1 September 2017.

^ These prices may have been calculated on a different basis to opening/closing net asset value per share shown in the comparative table, this may result in the opening/closing net asset value per share being higher or lower than the published highest or lowest prices for the period.

# Amity Short Dated Bond Fund

## 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 which has experienced significant rises and falls in price (i.e. is more volatile) 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 2 as its price has experienced nominal rises and falls historically.

# Amity Sterling Bond Fund

## Report of the Authorised Corporate Director

This review covers the year from 1 January 2019 to 31 December 2019.

Over the year under review, the share price of the Amity Sterling Bond Fund rose by 8.8% compared with the IA Sterling Strategic Bond sector average return of 9.2%. The Fund's benchmark had a return of 7.8% for the year, changed from the FTSE Gilts All Stocks Index to the iBoxx Sterling Non-Gilt Index as of 1st July 2019.

Government bond yields fell over the year, largely as a result of global geo-political tensions and renewed monetary policy stimulus from major central banks. The lack of an agreement on terms by which the UK would leave the European Union drove higher levels of uncertainty as did an escalation of the US-China trade dispute in the first half of the year. Although the Bank of England left its policy rate unchanged, the US Federal Reserve cut its main interest rate by 0.25% in July, September and October. Further policy action however, is to be premised on a 'material reassessment' of the US economy. Elsewhere, the European Central Bank also cut its deposit facility rate in September whilst resuming its corporate bond purchase programme, citing subdued growth and inflation. This revived a search for yield in corporate bonds. Whilst gilt yields declined until mid-September, the subsequent uptick in risk appetite as global trade tensions eased and a new withdrawal agreement with the European Union was reached, safe-haven demand unwound sharply as the year ended. The 10-year gilt yield fell from 1.28% to a low of 0.41% in September, before rising to close the period at 0.82%.

Credit spreads declined over the period, particularly as the outlook for monetary policy turned dovish. As geo-political tensions eased in the latter half of the year, risk assets including corporate bonds rallied. This was particularly true in the lower-rated credit quality segments of the market, which registered greater spread tightening. Credit outperformed Gilts in 2019.

The Fund's overweight allocation to corporate bonds was the main contributor to performance as credit spreads tightened, with its exposures in Financials continuing to outperform in tandem with the improvement in investor risk appetite towards the end of the year.

The Fund continues to exercise caution towards risky assets nonetheless, with a larger weighting towards short-duration gilts availing more flexibility to seize opportunities to pick up good quality credits at attractive yields.

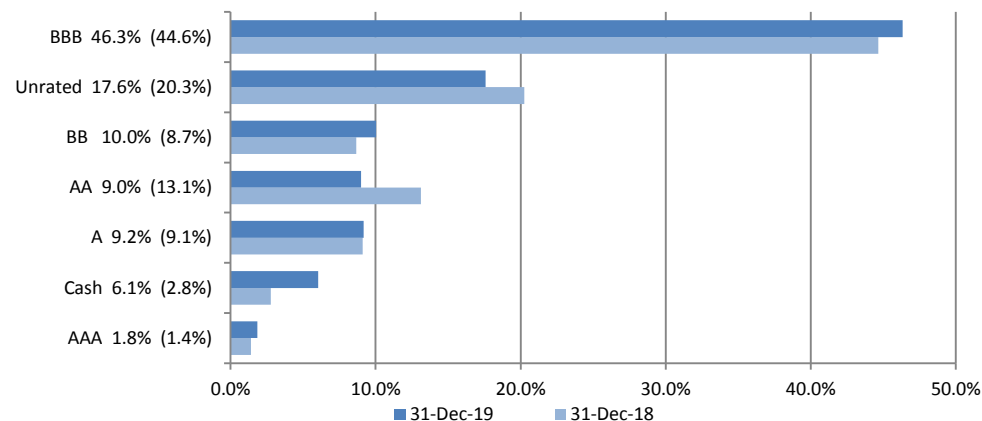
## Prospects

With part resolution to some of the global anxieties that have impinged on the prospects for growth comes some much-needed certainty and a potential boost to consumer confidence. Whilst major central banks remain ready to support faltering economies, the limits of monetary policy are becoming apparent. Consequently, there is a concerted effort to highlight the effectiveness of adopting favourable fiscal policy. For instance, the re-elected UK government is revisiting fiscal rules to allow for more infrastructure investment. For now, monetary policy may play a less pronounced role absent a material economic shock. Whereas this could support a lower for longer interest rate outlook, the potential for a market correction remains high. Our view remains that the market's late-cycle characteristics warrant caution on credit. We would therefore maintain a focus on higher credit quality, biasing the portfolio towards shorter duration, with a large weighting towards short-dated gilts and supranationals enhancing portfolio liquidity and availing flexibility to seize opportunities to pick up good quality credits at valuations that we deem attractive.

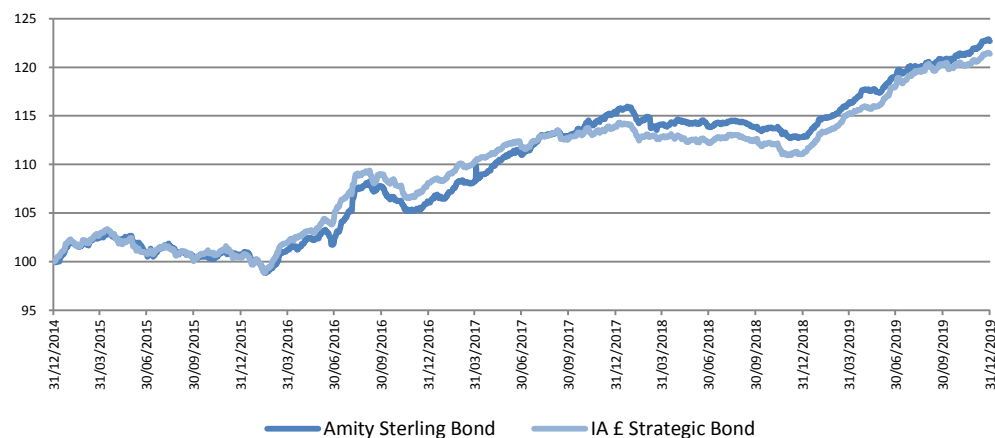
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## Asset allocation at 31 December 2019

The figures in brackets show allocation at 31 December 2018.



## Performance



Graph showing the return of the Amity Sterling Bond Fund compared to IA Sterling Strategic Bond Sector Average from 31 December 2014 to 31 December 2019, mid-to-mid basis excluding initial charges with net income reinvested for a basic rate UK taxpayer. Prices re-based to 100. Source: Morningstar.

	Amity Sterling Bond Fund		IA Sterling Strategic Bond Sector Average	
	Total Return	Rank	Total Return	Number
01/01/19 - 31/12/19	8.8%	58	9.2%	123
01/01/18 - 31/12/18	(2.3)%	64	(2.5)%	119
01/01/17 - 31/12/17	8.8%	13	5.2%	113

Table showing % return and ranking of the Amity Sterling Bond Fund against IA Sterling Strategic Bond Sector Average and total number of funds. Figures compared on a mid-to-mid basis excluding initial charges with net income reinvested for a basic rate UK taxpayer. Source: Morningstar.

### Major holdings

Top ten holdings	Percentages of total net assets at 31 December 2019
Orange 5.75% Perpetual	1.88%
Hiscox 6.125% 24/11/2045	1.78%
Scottish Widows 7.00% 16/06/2043	1.77%
Sainsbury (J) 6.50% Perpetual	1.74%
RL Finance Bonds 6.125% 30/11/2043	1.63%
Prudential 5.625% 20/10/2051	1.62%
NGG Finance 5.625% 18/06/2073	1.60%
Society of Lloyd's 4.875% 07/02/2047	1.57%
United Kingdom Gilt 0.75% 01/07/2019	1.55%
Kon. 5.75% 17/09/2029	1.50%

### Comparative Tables

The Comparative Tables give the performance of each active share class in the Fund.

The 'Return after operating charges' disclosed in the Comparative Tables 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. Broker commission includes the fee paid to a broker to execute the trades and research costs.

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 Sterling Bond Fund

## Comparative Tables (continued)

### Class A

Change in Net Asset Value per Share	2019 (p)	2018 (p)	2017 (p)
Opening net asset value per share^	100.46	107.57	104.10
Return before operating charges*	9.38	(1.63)	9.77
Operating charges	(1.33)	(1.38)	(1.41)
Return after operating charges*	8.05	(3.01)	8.36
Distributions on income shares	(4.08)	(4.10)	(4.89)
Closing net asset value per share	104.43	100.46	107.57
* after direct transaction costs:	0.00	0.00	0.00
Performance			
Return after charges	8.01%	(2.80)%	8.03%
Other Information			
Closing net asset value (£'000)	14,363	14,170	15,564
Closing number of shares	13,754,360	14,104,529	14,468,425
Operating charges	1.28%	1.31%	1.31%
Direct transaction costs	0.00%	0.00%	0.00%
Prices^			
Highest share price	106.20	108.60	109.30
Lowest share price	101.10	102.00	104.70

### Class B

Change in Net Asset Value per Share	2019 (p)	2018 (p)	2017 (p)
Opening net asset value per share^	110.67	117.77	113.27
Return before operating charges*	10.37	(1.78)	10.68
Operating charges	(0.77)	(0.80)	(0.82)
Return after operating charges*	9.60	(2.58)	9.86
Distributions on income shares	(4.52)	(4.52)	(5.36)
Closing net asset value per share	115.75	110.67	117.77
* after direct transaction costs:	0.00	0.00	0.00
Performance			
Return after charges	8.67%	(2.19)%	8.70%
Other Information			
Closing net asset value (£'000)	179,892	129,041	104,286
Closing number of shares	155,414,719	116,598,344	88,548,081
Operating charges	0.67%	0.70%	0.70%
Direct transaction costs	0.00%	0.00%	0.00%
Prices^			
Highest share price	117.70	119.00	119.70
Lowest share price	111.30	112.30	113.90

^ These prices may have been calculated on a different basis to opening/closing net asset value per share shown in the comparative table, this may result in the opening/closing net asset value per share being higher or lower than the published highest or lowest prices for the period.

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 which has experienced significant rises and falls in price (i.e. is more volatile) 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 3 as its price has experienced moderate rises and falls historically.



# Higher Income Fund

## Report of the Authorised Corporate Director

This review covers the year from 1 January 2019 to 31 December 2019.

Over the course of the year under review, the Higher Income Fund returned 13.9%, underperforming the IA Mixed Investments (40-85%) sector average return of 15.9%, both measured on a similar basis. Over the same period, the FTSE All-Share registered a total return of 19.2%, the FTSE World rallied by 22.8% and the FTSE Government All-Stock Index delivered a 6.9%, all measured on a similar basis.

Within this context, all allocations at an asset class level positively contributed to the absolute performance of the fund over the twelve-month period. However, the fund's allocation away from the domestic equity market (fixed interest and overseas equities) were the primary drivers of underperformance relative to the benchmark. Within fixed interest, the fund generated a robust set of returns over the year, benefitting from its tilt to corporate bonds as risky assets rallied. Additionally, the Fund's more niche holdings in permanent interest bearing shares (PIBS) and preference shares performed strongly in tandem with the rally in risky assets, as global central banks adopted a more supportive monetary policy stance. However, the overall returns of the fixed interest portfolio failed to keep pace with the domestic equity market over the year, thus negatively affecting relative performance.

Within the fund's overseas equity portfolio, strong returns in the United States and Asia Pacific were diluted by holdings in continental Europe, which failed to keep pace with domestic equity market returns. Standout performers over the year included Taiwan Semiconductor Manufacturing Company (TSMC), Roche and Sanofi. Other notable contributors included Dah Chong Hong, a leading automotive and consumer goods retailer in China, which rallied strongly after the company's major shareholder Citic Pacific bid HK\$ 3 billion (US\$ 385 million) to privatise the company. The offer represented a 38% premium to the last closing price before the announcement.

Within UK equities, the fund's tilt towards value remained a headwind for relative returns over the course of the year, as improved risk appetite, fuelled by accommodative monetary policy and a gradual improvement in geopolitical uncertainty, provided a supportive backdrop for growth sectors. Overall, UK growth outperformed value by a stark magnitude of approximately 631 basis points over the twelve-month period. The fund was also negatively impacted by a negative stock selection effect in both the Communications Services and the Utilities sectors. Election risk partly contributed to the weakness of some of the fund's holdings within these areas, as the prospect of nationalisation under a Labour government weighed heavily on certain names, however company-specific challenges (BT and Centrica) were also apparent. Conversely, the fund benefitted from an underweight allocation to Energy and Basic Materials, the two major laggards over the year, as concerns surrounding global demand negatively impacted the future prospects for a number of the incumbents in these respective sectors.

In terms of investment activity over the course of the year and in response to the sustained period of low interest rates paired with heightened levels of volatility across most major asset classes, the fund increased its allocation to infrastructure funds. In our view, the sector that is largely focused on essential services such as schools, hospitals and renewable energy projects, provides the fund with exposure to secure and predictable revenue streams, which are often government backed, providing protection against future inflation. During the year, the fund added to its existing allocations in HICL Infrastructure and GCP Infrastructure and established new positions the Sequoia Economic Infrastructure Income Fund and the Octopus Renewable Infrastructure Trust PLC. Other notable transactions during the year included profit taking from positions in the German insurer Talanx, and the UK-based real-estate investment trust (REIT) LondonMetric Property, following a sustained period of strong share price performance for both holdings.

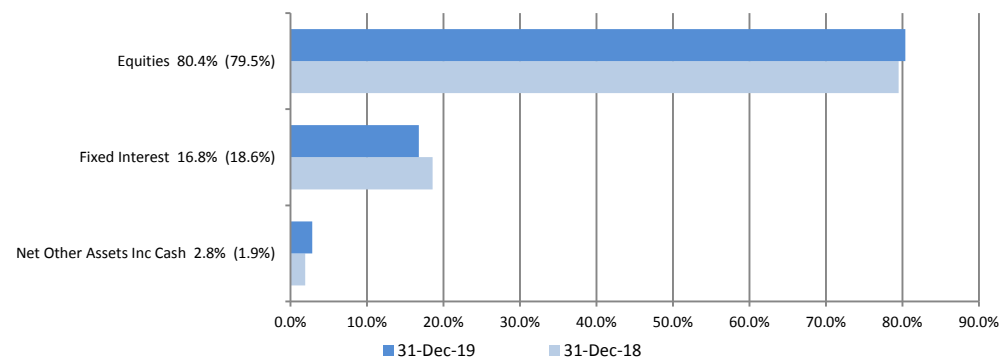
## Prospects

We continue to believe that the current economic cycle is nearing its conclusion, however, we do not believe that the end is a near-term event, as the warning signs that we monitor do not suggest that a sharp turnaround in the economic environment is imminent. Rather, our central case is that global growth moderates over the course of the year as the impact of loose monetary stimulus gradually rolls off. Globally, this expectation of middling economic growth should allow firms to continue generating healthy profits and cash flow, a positive backdrop for equity investors in particular. Amidst a persistent low-yield environment, income investors may find their options limited in terms of cash flow-generating investments. Global rates are significantly lower than historical averages and due to structural factors tempering inflation, are likely to remain so for the foreseeable future. We therefore maintain a preference for equities over credit, given the favourable relative valuation of the former. Within equities, we continue to hold a positive stance towards the UK, continental Europe and Asia and a negative view on the US on valuation grounds. There are a number of risks that we continue to watch closely that could affect this outlook. Firstly, in the UK, the Conservative Party's landslide general election victory has provided some near-term clarity on the nation's departure from the European Union and we now expect the government to meet its deadline for secession from the Euro bloc (31 January). Nevertheless, our enthusiasm is somewhat tempered by the fact that Prime Minister Boris Johnson appears to desire a significant removal of the UK from its current alignment with the EU, a dynamic which could make negotiations challenging, and may negatively impact the country's future trading relationship with major economies. Geopolitical concerns also continue to present risks to our outlook, and this includes the re-escalation of the trade war between the two global economic superpowers, the US and China. However, while as ever, 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.

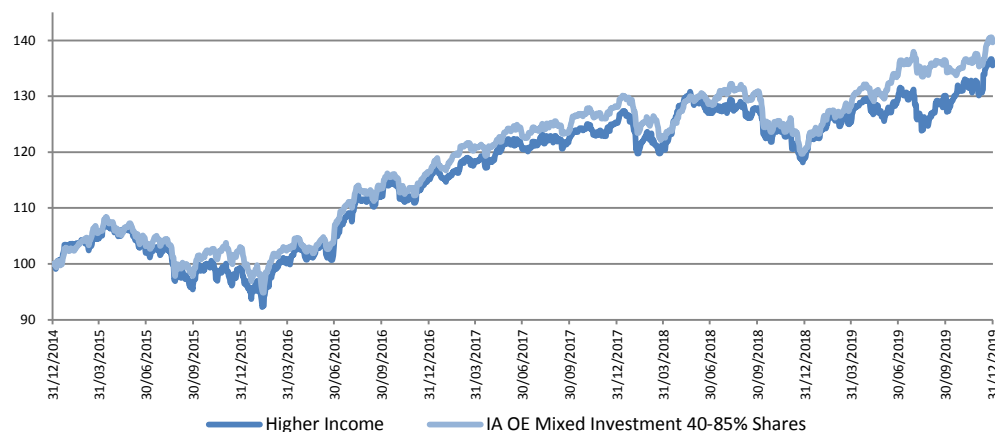
Please note: Stocks and shares should be viewed as a medium to long-term investment, usually for a period of five years or more. The value of investments can fall as well as rise. Past performance should not be seen as an indication of future performance.

## Asset allocation at 31 December 2019

The figures in brackets show allocation at 31 December 2018.



## Performance



Graph showing the return of the Higher Income Fund compared to IA Mixed Investments (40-85%) Sector Average from 31 December 2014 to 31 December 2019, mid-to-mid basis excluding initial charges with net income reinvested for a basic rate UK taxpayer. Prices re-based to 100. Source: Morningstar.

	Higher Income Fund		IA Mixed Investment 40-85% Shares Sector Average	
	Total Return	Rank	Total Return	Number
01/01/19 - 31/12/19	13.8%	125	15.9%	175
01/01/18 - 31/12/18	(4.9)%	59	(6.1)%	169
01/01/17 - 31/12/17	8.8%	120	10.1%	164

Table showing % return and ranking of the Higher Income Fund against IA Mixed Investments (40-85%) Sector Average and total number of funds. Figures compared on a mid-to-mid basis excluding initial charges with net income reinvested for a basic rate UK taxpayer. Source: Morningstar.

## Major holdings

Top ten holdings	Percentages of total net assets at 31 December 2019
GlaxoSmithKline	3.08%
Legal & General	3.01%
Royal Dutch Shell 'B'	2.84%
Sanofi	2.25%
HSBC	2.10%
BP	2.04%
DS Smith	2.04%
Taiwan Semiconductor Manufacturing	1.87%
AstraZeneca	1.80%
Greencoat UK Wind	1.79%

## Comparative Tables

The Comparative Tables give the performance of each active share class in the Fund.

The 'Return after operating charges' disclosed in the Comparative Tables 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. Broker commission includes the fee paid to a broker to execute the trades and research costs.

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

Change in Net Asset Value per Share	2019 (p)	2018 (p)	2017 (p)
Opening net asset value per share <sup>^</sup>	122.63	136.21	130.94
Return before operating charges*	17.79	(5.59)	12.94
Operating charges	(1.71)	(1.77)	(1.79)
Return after operating charges*	16.08	(7.36)	11.15
Distributions on income shares	(5.96)	(6.22)	(5.88)
Closing net asset value per share	132.75	122.63	136.21
* after direct transaction costs:	0.06	0.11	0.10

Performance			
Return after charges	13.11%	(5.40)%	8.52%
Other Information			
Closing net asset value (£'000)	56,310	58,862	64,470
Closing number of shares	42,417,294	47,999,354	47,332,470
Operating charges	1.31%	1.31%	1.31%
Direct transaction costs	0.04%	0.08%	0.07%

Prices <sup>^</sup>			
Highest share price	137.80	142.20	140.70
Lowest share price	123.00	126.20	130.80

# Higher Income Fund

## Comparative Tables (continued)

### Class B

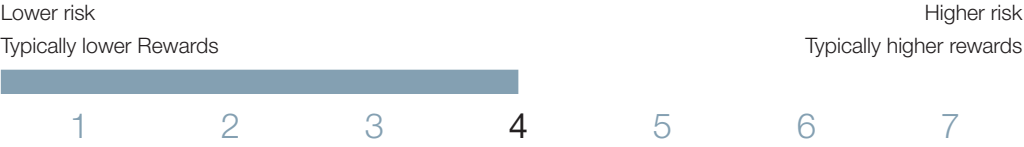
Change in Net Asset Value per Share	2019 (p)	2018 (p)	2017 (p)
Opening net asset value per share <sup>^</sup>	128.27	141.76	135.64
Return before operating charges*	18.71	(5.87)	13.29
Operating charges	(1.07)	(1.11)	(1.11)
Return after operating charges*	17.64	(6.98)	12.18
Distributions on income shares	(6.33)	(6.51)	(6.06)
Closing net asset value per share	139.58	128.27	141.76
* after direct transaction costs:	0.06	0.11	0.10
Performance			
Return after charges	13.75%	(4.92)%	8.98%
Other Information			
Closing net asset value (£'000)	412,897	349,633	303,081
Closing number of shares	295,805,774	272,566,411	213,795,787
Operating charges	0.78%	0.79%	0.78%
Direct transaction costs	0.04%	0.08%	0.07%
Prices <sup>^</sup>			
Highest share price	145.00	148.30	146.40
Lowest share price	128.70	132.10	135.60

### Class C

Change in Net Asset Value per Share	2019 (p)	2018 (p)	2017 (p)
Opening net asset value per share <sup>^</sup>	351.31	370.81	340.83
Return before operating charges*	51.45	(15.65)	33.67
Operating charges	(3.91)	(3.85)	(3.69)
Return after operating charges*	47.54	(19.50)	29.98
Distributions	(17.39)	(17.10)	(15.30)
Retained distributions on accumulation shares	17.39	17.10	15.30
Closing net asset value per share	398.85	351.31	370.81
* after direct transaction costs:	0.17	0.30	0.26
Performance			
Return after charges	13.53%	(5.26)%	8.80%
Other Information			
Closing net asset value (£'000)	39,236	31,178	31,316
Closing number of shares	9,837,060	8,874,831	8,445,453
Operating charges	1.03%	1.04%	1.03%
Direct transaction costs	0.04%	0.08%	0.07%
Prices <sup>^</sup>			
Highest share price	403.20	387.50	371.50
Lowest share price	352.20	349.50	340.50

<sup>^</sup> These prices may have been calculated on a different basis to opening/closing net asset value per share shown in the comparative table, this may result in the opening/closing net asset value per share being higher or lower than the published highest or lowest prices for the period.

**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 which has experienced significant rises and falls in price (i.e. is more volatile) 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.

# UK Equity Growth Fund

## Report of the Authorised Corporate Director

This review covers the year from 1 January 2019 to 31 December 2019.

Over the year the share price of the UK Equity Growth fund increased by 28.1%, outperforming both the increase in the FTSE All-Share Index of 19.2% and the increase in the IA UK All Companies sector average of 22.4%, both measured on a similar basis.

As at 31 December 2019, 48% of the Fund was invested in FTSE 100 companies, 23% was invested in companies in the FTSE 250 Mid Cap Index, and 27% in other smaller companies. Cash holdings were less than 3%.

The Fund's above average exposure to medium size companies contributed to outperformance. From a sector allocation perspective the fund benefited from overweight positions in Media, Financial Services and General Retailers and underweight positions in Banks, Oil & Gas Producers and Mining. Underweights in Pharmaceuticals and Construction & Materials negatively impacted performance.

At a stock level the largest positive contributions were made by Future (due to strong trading, upgrades and well received acquisitions), Global Data (due to strong trading), 4imprint (due to strong trading) and Knights (strong run since Initial Public Offering (IPO)). Detractors included Actual Experience (lack of positive news flow), Applied Graphene Materials (lack of positive news flow), BT Group (regulatory concerns) and Morses (industry issues).

Notable new holdings were added in Hargreaves Lansdown (Financials), NCC (Technology), Rotork (Industrials), Liontrust (Asset Management), Shaftesbury (Real Estate), SSP (Consumer Discretionary), British American Tobacco (Tobacco), Royal Dutch Shell (Energy) and Renishaw (Industrials). We took part in the IPOs of Diaceutics (Health Care), Essensys (Software), Argentex (Financials) and MJ Hudson (Financials). We also took part in placings for Sosandar (Apparel Retailer), Actual Experience (Software), Future (Media) and Frontier IP Group (Financials). Existing holdings were increased in Tracsis (Software), Legal & General (Financials), St James's Place (Financials), Lloyds (Banks), Sabre (Financials) and BT (Communications). We exited Fevertree, Park Group, Domino's Pizza, First Derivatives, Rosenblatt, Springfield Properties, Datalex, Aviva, Scapa, Victrex, Eco Animal Health, Sigma Capital, Quixant, Loopup, Barclays, Marshalls, Blue Prism, Diversified Gas & Oil, IMI and DS Smith. Harwood Wealth also accepted an offer from Carlyle to acquire it. Holdings in Next Fifteen, Dechra, Mortgage Advice Bureau and Helical were top sliced.

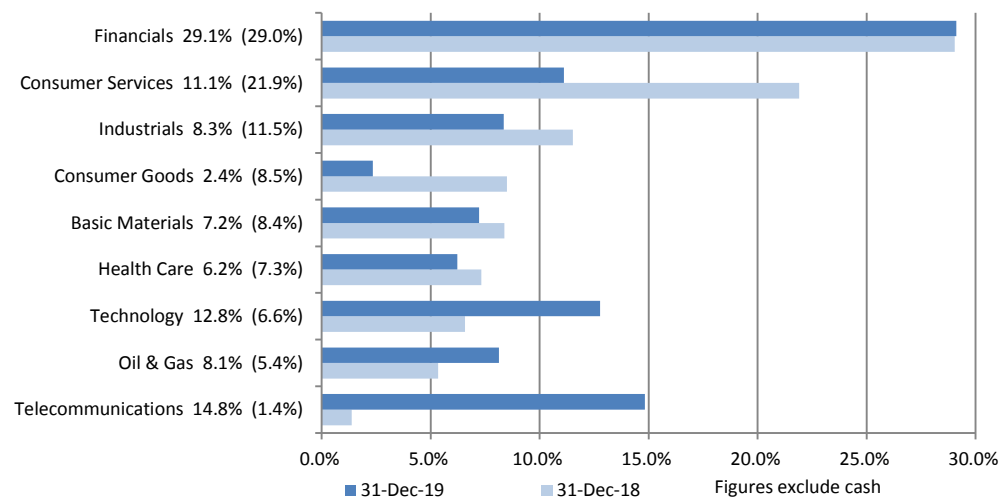
## Prospects

Prime Minister Boris Johnson secured the largest Conservative Party majority since the 1980s whilst reshaping the electoral map. This should see an increased focus on the newly won former Labour seats in the North. The Brexit impasse saw the beginning of a resolution with the passing of the Withdrawal Agreement Bill but negotiations around the future trade agreement are likely to be fraught with difficulty. Sterling has been volatile against the Dollar largely due to sentiment around Brexit and this is likely to continue as there exists the potential of a no-deal Brexit at the end of 2020. The Bank of England has held interest rates in the face of Brexit uncertainty, although this could change with a new Governor. Doubts persist over the highly indebted UK consumer remaining the engine for GDP growth, although the significant increase in the national living wage could help. 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 erratic and this has manifested itself with increasing concern over a damaging trade war with China, although a phase one trade deal has been reached. The US president was impeached, although Republican control of the Senate means that it is unlikely he will be removed from office. Nevertheless, impeachment proceedings are likely to cast a large shadow over the US presidential elections later in the year. While, as ever, some political and economic risks lie ahead, we remain focused on finding new opportunities in companies that meet our strict criteria of strong earnings growth, high margins and strong cash flows.

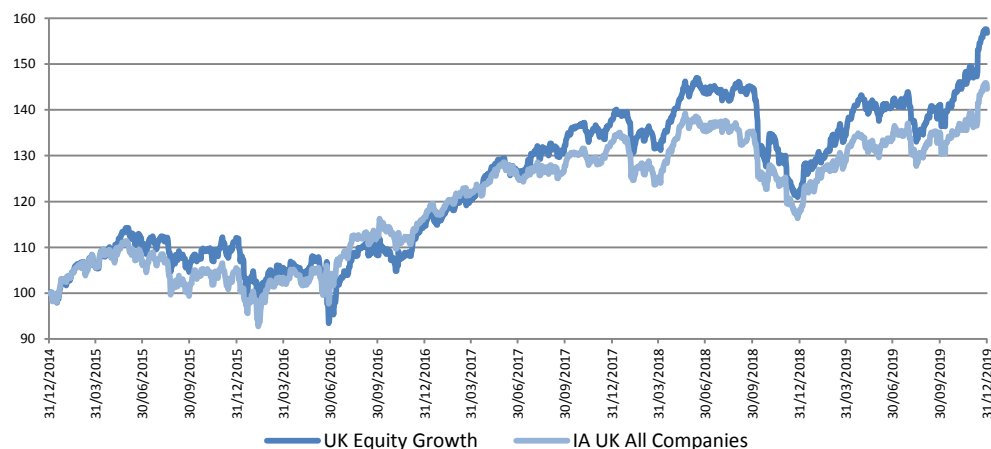
Please note: Stocks and shares should be viewed as a medium to long-term investment, usually for a period of five years or more. The value of investments can fall as well as rise. Past performance should not be seen as an indication of future performance.

## Asset allocation at 31 December 2019

The figures in brackets show allocation at 31 December 2018.



## Performance



Graph showing the return of the UK Equity Growth Fund compared to IA UK All Companies Sector Average from 31 December 2014 to 31 December 2019, mid-to-mid basis excluding initial charges with net income reinvested for a basic rate UK taxpayer. Prices re-based to 100. Source: Morningstar.

	UK Equity Growth Fund		IA UK All Companies Sector Average	
	Total Return	Rank	Total Return	Number
01/01/19 – 31/12/19	28.1%	56	22.4%	259
01/01/18 – 31/12/18	(11.2)%	147	(11.2)%	266
01/01/17 – 31/12/17	20.2%	38	14.1%	266

Table showing % return and ranking of the UK Equity Growth Fund against IA UK All Companies Sector Average and total number of funds. Figures compared on a mid-to-mid basis excluding initial charges with net income reinvested for a basic rate UK taxpayer. Source: Morningstar.

## Major holdings

Top ten holdings	Percentages of total net assets at 31 December 2019
Bellway	3.93%
GlobalData	3.76%
Lloyds Banking Group	3.62%
Ashtead Group	3.57%
Next	3.11%
St James's Place	3.09%
Future	3.07%
Prudential	3.04%
RELX	2.93%
BP	2.93%

## Comparative Tables

The Comparative Tables give the performance of each active share class in the Fund.

The 'Return after operating charges' disclosed in the Comparative Tables 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. Broker commission includes the fee paid to a broker to execute the trades and research costs.

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

Change in Net Asset Value per Share	2019 (p)	2018 (p)	2017 (p)
Opening net asset value per share <sup>^</sup>	248.40	287.46	244.96
Return before operating charges*	73.05	(31.10)	49.75
Operating charges	(4.50)	(4.56)	(4.30)
Return after operating charges*	68.55	(35.66)	45.45
Distributions on income shares	(4.35)	(3.40)	(2.95)
Closing net asset value per share	312.60	248.40	287.46
* after direct transaction costs:	0.35	0.21	0.29

Performance			
Return after charges	27.60%	(12.41)%	18.55%
Other Information			
Closing net asset value (£'000)	12,632	11,044	13,836
Closing number of shares	4,040,966	4,445,881	4,813,158
Operating charges	1.59%	1.59%	1.59%
Direct transaction costs	0.12%	0.07%	0.11%
Prices <sup>^</sup>			
Highest share price	319.60	306.70	290.70
Lowest share price	251.30	250.60	244.80

# UK Equity Growth Fund

## Comparative Tables (continued)

### Class B

Change in Net Asset Value per Share	2019 (p)	2018 (p)	2017 (p)
Opening net asset value per share^	253.06	293.14	249.68
Return before operating charges*	74.74	(31.93)	50.88
Operating charges	(2.29)	(2.32)	(2.18)
Return after operating charges*	72.45	(34.25)	48.70
Distributions on income shares	(6.77)	(5.83)	(5.24)
Closing net asset value per share	318.74	253.06	293.14
* after direct transaction costs:	0.36	0.21	0.30
Performance			
Return after charges	28.63%	(11.68)%	19.50%
Other Information			
Closing net asset value (£'000)	139,603	120,795	143,986
Closing number of shares	43,798,586	47,733,354	49,118,098
Operating charges	0.79%	0.79%	0.79%
Direct transaction costs	0.12%	0.07%	0.11%
Prices^			
Highest share price	328.00	313.90	298.40
Lowest share price	256.10	257.30	249.70

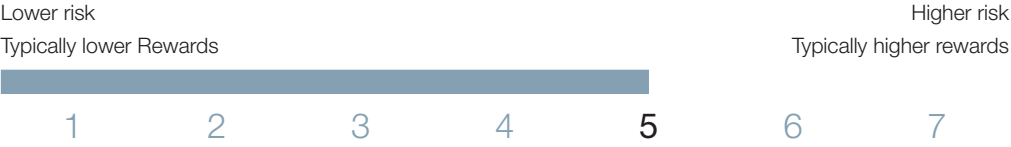
### Class C

Change in Net Asset Value per Share	2019 (p)	2018 (p)	2017 (p)
Opening net asset value per share^	356.00	405.44	340.85
Return before operating charges*	104.97	(44.21)	69.46
Operating charges	(5.25)	(5.23)	(4.87)
Return after operating charges*	99.72	(49.44)	64.59
Distributions	(7.48)	(6.01)	(5.28)
Retained distributions on accumulation shares	7.48	6.01	5.28
Closing net asset value per share	455.72	356.00	405.44
* after direct transaction costs:	0.51	0.29	0.41
Performance			
Return after charges	28.01%	(12.19)%	18.95%
Other Information			
Closing net asset value (£'000)	16,742	13,817	17,340
Closing number of shares	3,673,801	3,881,130	4,276,826
Operating charges	1.29%	1.29%	1.29%
Direct transaction costs	0.12%	0.07%	0.11%
Prices^			
Highest share price	461.00	433.10	406.90
Lowest share price	359.80	355.40	340.70

^ These prices may have been calculated on a different basis to opening/closing net asset value per share shown in the comparative table, this may result in the opening/closing net asset value per share being higher or lower than the published highest or lowest prices for the period.



**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 which has experienced significant rises and falls in price (i.e. is more volatile) 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.

# Authorised Status

The Company is an Open-Ended Investment Company. It is an umbrella scheme with seven sub-funds. Each sub-fund has investment powers equivalent to that of a UCITS scheme.

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

## Assessment of Value

## Remuneration Disclosures

The UCITS V Directive, which came into force on 18 March 2016, requires UCITS Managers to disclose with effect from 1 January 2017 the aggregate remuneration paid by the UCITS Manager and by the UCITS Fund to Identified Staff, together with the number of beneficiaries. The aggregate amount of remuneration must be broken down by category of employees or other staff members and be split into fixed and variable remuneration. Performance fees are not charged in any of the funds.

In accordance with BIPRU and the UCITS V Remuneration Code, EIM has established and applies a remuneration policy which is consistent with and promotes sound and efficient risk management.

The remuneration includes a fixed (salary, pension and benefits according to responsibility and experience) and a variable component (annual bonus and for senior executives long term incentives).

As part of the Ecclesiastical Insurance Group the remuneration policy of EIM is managed and reviewed by the Group's Remuneration Committee, which consists of four non-executive directors. Reward structures will achieve a balance between short term and long term incentive pay.

Annual bonuses are paid in cash and linked to key strategic goals; the Group's and EIM's profitability; investment performance (for fund managers); customer & conduct and individual performance targets. For senior managers, material risk takers and control functions the variable component may be deferred and vest over a three year period. It may also be subject to clawback.

Up to date details of the remuneration policy including how remuneration and benefits are calculated and the identities of the persons responsible for awarding remuneration, including composition of the Remuneration Committee are available on our internet site: [www.edentreeim.com](http://www.edentreeim.com). A paper copy will be made available free of charge upon request.

For each of its sub-funds EdenTree Investment Management Limited (EIM), will publish an Assessment of Value covering the financial year ended 31 December 2019. These statements will be available on EdenTree Investment Management Limited's website no later than 30 September 2020.

The remuneration disclosures below are in respect of the provision of services to UCITS funds rather than total remuneration in the year. Remuneration is apportioned on the basis of assets under management.

	No. of Staff	Fixed £'000	Variable £'000	Total £'000
Total amount of remuneration paid to Senior Management for the year ended 31 December 2019	7	585	405	990
Total amount of remuneration paid to members of staff whose activities have a material impact on the risk profile of EdenTree Investment Funds for the year ended 31 December 2019	7	591	324	915
Total amount of remuneration paid by EdenTree Investment Management Ltd for the year ended 31 December 2019	44	2,030	854	2,884

# 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.

SJ Round, Director

For and on behalf of EdenTree Investment Management Limited.

Authorised Corporate Director of EdenTree Investment Funds.

Gloucester, United Kingdom

23 April 2020

RW Hepworth, Director

# Statement of the Authorised Corporate Director's Responsibilities

The Authorised Corporate Director ("ACD") of EdenTree Investment Funds (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 Fund Sourcebook ("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 Standards 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 (IA) 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 23 April 2020.

SJ Round, Director  
For and on behalf of EdenTree Investment Management Limited.  
Authorised Corporate Director of EdenTree Investment Funds.  
23 April 2020

RW Hepworth, Director

# 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 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 Authorised Fund Manager ("the AFM"), which is the UCITS Management Company, are carried out (unless they conflict with the Regulations).

The Depositary also has a duty to take reasonable care to ensure that the Company is managed in accordance with the Regulations and Scheme documents 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 AFM:

- 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.

For and on behalf of The Bank of New York Mellon (International) Limited  
One Canada Square  
London E14 5AL  
23 April 2020

# Portfolio Statements

## Amity UK Fund

As at 31 December 2019

Holdings at 31 December 2019	Market Value £	Percentage of Total Net Assets %
<b>UNITED KINGDOM 92.89% (87.73%)</b>		
<b>UK Corporate Bonds 0.00% (0.21%)</b>		
<b>UK Equities 92.89% (87.52%)</b>		
1,250,000 Applied Graphene Materials	175,000	0.13
400,000 Arix Bioscience	420,000	0.31
37,500 AstraZeneca	2,852,250	2.08
200,000 Aviva	837,400	0.61
75,000 Bellway	2,855,250	2.09
45,000 Berkeley Group	2,186,550	1.60
1,000,000 BT Group	1,924,400	1.41
290,000 Cake Patisserie†	–	–
100,000 Clinigen Group	924,500	0.68
125,000 Close Brothers Group	1,997,500	1.46
180,000 Dechra Pharmaceuticals	5,216,400	3.81
838,409 DS Smith	3,220,329	2.35
315,000 Dunelm	3,641,400	2.66
468,750 Elementis	839,062	0.61
34,838 Ferguson	2,386,403	1.74
45,000 Fevertree Drinks	939,150	0.69
115,000 Genus	3,650,100	2.67
230,000 GlaxoSmithKline	4,090,780	2.99
98,275 Great Portland Estates	845,165	0.62
1,500,000 Greencoat UK Wind	2,250,000	1.64
300,000 Halma	6,324,000	4.62
375,961 Horizon Discovery	552,663	0.40
245,129 Hotel Chocolat Group	1,078,568	0.79
750,000 Impax Environmental Markets	2,467,500	1.80
250,000 Informa	2,142,500	1.57
1,194,444 Inland Homes	991,388	0.72
535,715 IP Group	380,358	0.28
50,000 James Fisher & Sons	1,012,500	0.74
1,050,001 John Laing Environmental Assets	1,270,501	0.93
200,000 John Menzies	946,000	0.69
39,215 Johnson Matthey	1,173,705	0.86

Holdings at 31 December 2019	Market Value £	Percentage of Total Net Assets %
<b>UK Equities (continued)</b>		
800,000 Johnson Service	1,555,200	1.14
210,000 Keller	1,575,000	1.15
1,050,000 Legal & General	3,181,500	2.32
3,750,000 Lloyds Banking Group	2,343,750	1.71
400,000 Marshalls	3,440,000	2.51
495,000 Mears	1,455,300	1.06
200,000 Morgan Sindall	3,232,000	2.36
590,078 Morrison (Wm) Supermarkets	1,178,976	0.86
320,000 National Express	1,494,400	1.09
84,333 National Grid	796,357	0.58
750,000 NCC Group	1,691,250	1.24
55,000 Next	3,858,800	2.82
125,000 Oxford Instruments	1,925,000	1.41
157,500 Pearson	1,003,275	0.73
163,000 Pennon	1,665,045	1.22
300,000 Porvair	1,920,000	1.40
200,000 Prudential	2,892,000	2.11
700,000 Rentokil Initial	3,170,300	2.32
475,000 Sabre Insurance Group	1,463,000	1.07
348,074 Sage	2,604,986	1.90
855,000 Scapa Group	2,086,200	1.52
67,000 Severn Trent	1,685,050	1.23
215,000 Smith & Nephew	3,937,725	2.88
110,000 Smiths Group	1,853,500	1.35
65,000 Spectris	1,888,900	1.38
72,500 SSE	1,042,912	0.76
122,142 Standard Chartered	870,140	0.64
323,000 Syntectics	468,350	0.34
425,768 Taylor Wimpey	823,435	0.60
858,550 Tesco	2,189,302	1.60
565,000 Trifast	1,017,000	0.74
621,850 TT Electronics	1,492,440	1.09
107,500 United Utilities	1,014,155	0.74
95,000 Victrex	2,369,300	1.73

# Portfolio Statements

## Amity UK Fund

As at 31 December 2019

Holdings at 31 December 2019	Market Value £	Percentage of Total Net Assets %
<b>UK Equities (continued)</b>		
950,000 Vodafone	1,394,220	1.02
38,000 WH Smith	985,720	0.72
<b>Total UNITED KINGDOM</b>	<b>127,155,810</b>	<b>92.89</b>
<b>IRELAND 0.78% (0.57%)</b>		
<b>Irish Equities 0.78% (0.57%)</b>		
35,000 CRH	1,064,350	0.78
<b>Total IRELAND</b>	<b>1,064,350</b>	<b>0.78</b>
<b>NETHERLANDS 3.81% (3.66%)</b>		
<b>Netherlands Equities 3.81% (3.66%)</b>		
143,142 RELX	2,726,855	1.99
45,000 Wolters Kluwer	2,486,982	1.82
<b>Total NETHERLANDS</b>	<b>5,213,837</b>	<b>3.81</b>
<b>NORWAY 0.00% (0.48%)</b>		
<b>Norway Equities 0.00% (0.48%)</b>		
<b>SWEDEN 0.00% (0.65%)</b>		
<b>Sweden Equities 0.00% (0.65%)</b>		
<b>UNITED STATES 0.80% (1.63%)</b>		
<b>United States Equities 0.80% (1.63%)</b>		
37,000 Pfizer	1,096,919	0.80
<b>Total UNITED STATES</b>	<b>1,096,919</b>	<b>0.80</b>
<b>Portfolio of Investments 98.28% (94.72%)</b>	<b>134,530,916</b>	<b>98.28</b>
Net other assets	2,355,029	1.72
<b>Total net assets</b>	<b>136,885,945</b>	<b>100.00</b>

Holdings at 31 December 2019	Market Value £	Percentage of Total Net Assets %
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Securities are admitted to an official stock exchange listing or traded on another regulated market unless otherwise stated.

† Unlisted Security

Comparative percentage holdings by market value at 31 December 2018 are shown in brackets.

# Portfolio Statements

## Amity European Fund

As at 31 December 2019

Holdings at 31 December 2019	Market Value £	Percentage of Total Net Assets %
<b>FINLAND 1.57% (0.53%)</b>		
<b>Finland Equities 1.57% (0.53%)</b>		
500,000 Nokia	1,400,356	1.57
<b>Total FINLAND</b>	<b>1,400,356</b>	<b>1.57</b>
<b>FRANCE 37.54% (35.51%)</b>		
<b>French Equities 37.54% (35.51%)</b>		
105,000 AXA	2,240,145	2.50
120,000 Carrefour	1,524,880	1.70
90,000 Cie de St-Gobain	2,792,212	3.12
25,500 Cie Generale des Etablissements Michelin 'B'	2,352,790	2.63
20,000 Covivio	1,715,277	1.92
23,723 Environnement	1,887,377	2.11
50,000 Imerys	1,601,378	1.79
60,300 Mersen	1,745,209	1.95
180,000 Orange	2,007,333	2.24
40,000 Publicis Groupe	1,372,222	1.53
220,000 Rexel	2,207,505	2.47
29,000 Sanofi	2,208,610	2.47
35,000 Schneider Electric	2,722,088	3.04
80,000 Societe Generale	2,108,992	2.35
150,000 Suez Environnement	1,718,677	1.92
60,000 Veolia Environnement	1,208,684	1.35
100,000 Vivendi	2,194,671	2.45
<b>Total FRANCE</b>	<b>33,608,050</b>	<b>37.54</b>
<b>GERMANY 21.47% (22.39%)</b>		
<b>German Corporate Preference Shares 2.25% (2.14%)</b>		
42,752 Draegerwerk AG & Co KGaA 19.00%	2,016,798	2.25
<b>Total German Corporate Preference Shares</b>	<b>2,016,798</b>	<b>2.25</b>
<b>German Equities 19.22% (20.25%)</b>		
12,000 Allianz	2,232,240	2.49
150,000 Commerzbank	703,791	0.79
100,000 Deutsche Telekom	1,242,343	1.39

Holdings at 31 December 2019	Market Value £	Percentage of Total Net Assets %
<b>German Equities (continued)</b>		
90,000 Hamburger Hafen und Logistik	1,875,755	2.10
38,000 Hugo Boss	1,395,987	1.56
22,000 Indus Holdings	722,745	0.81
24,000 Merck KGaA	2,150,131	2.40
10,000 Muenchener Rueck	2,238,870	2.50
16,000 Siemens	1,587,915	1.77
58,000 Talanx	2,179,031	2.43
400,000 Telefonica Deutschland	875,828	0.98
<b>Total German Equities</b>	<b>17,204,636</b>	<b>19.22</b>
<b>IRELAND 5.99% (5.37%)</b>		
<b>Irish Equities 5.99% (5.37%)</b>		
300,000 Bank of Ireland	1,244,893	1.39
1,714,404 Greencoat Renewables	1,726,810	1.93
82,500 Smurfit Kappa	2,389,828	2.67
<b>Total IRELAND</b>	<b>5,361,531</b>	<b>5.99</b>
<b>ITALY 5.34% (4.14%)</b>		
<b>Italian Equities 5.34% (4.14%)</b>		
400,000 Enel	2,404,448	2.69
130,000 Prysmian	2,374,613	2.65
<b>Total ITALY</b>	<b>4,779,061</b>	<b>5.34</b>
<b>NETHERLANDS 11.99% (15.14%)</b>		
<b>Netherlands Equities 11.99% (15.14%)</b>		
210,000 ING Group	1,907,425	2.13
900,000 Koninklijke KPN	2,012,688	2.25
55,000 Koninklijke Philips	2,033,832	2.27
1,000,000 PostNL	1,710,177	1.91
40,000 Randstad	1,850,935	2.07
22,000 Wolters Kluwer	1,215,858	1.36
<b>Total NETHERLANDS</b>	<b>10,730,915</b>	<b>11.99</b>



# Portfolio Statements

## Amity European Fund

As at 31 December 2019

Holdings at 31 December 2019	Market Value £	Percentage of Total Net Assets %
<b>NORWAY 1.76% (1.80%)</b>		
<b>Norway Equities 1.76% (1.80%)</b>		
50,000 Yara International	1,573,196	1.76
<b>Total NORWAY</b>	<b>1,573,196</b>	<b>1.76</b>
<b>SPAIN 3.90% (4.91%)</b>		
<b>Spanish Equities 3.90% (4.91%)</b>		
600,000 Banco Santander	1,902,274	2.13
300,000 Telefonica	1,587,609	1.77
<b>Total SPAIN</b>	<b>3,489,883</b>	<b>3.90</b>
<b>SWEDEN 4.61% (4.98%)</b>		
<b>Sweden Equities 4.61% (4.98%)</b>		
28,000 Autoliv DR*	1,807,450	2.02
110,000 BillerudKorsnas	991,878	1.11
200,000 Telefonaktiebolaget LM Ericsson	1,331,401	1.48
<b>Total SWEDEN</b>	<b>4,130,729</b>	<b>4.61</b>
<b>SWITZERLAND 5.59% (5.10%)</b>		
<b>Switzerland Equities 5.59% (5.10%)</b>		
32,000 Novartis	2,302,444	2.57
11,000 Roche	2,704,539	3.02
<b>Total SWITZERLAND</b>	<b>5,006,983</b>	<b>5.59</b>
<b>Portfolio of Investments 99.76% (99.87%)</b>	<b>89,302,138</b>	<b>99.76</b>
Net other assets	219,119	0.24
<b>Total net assets</b>	<b>89,521,257</b>	<b>100.00</b>

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 31 December 2018 are shown in brackets.

# Portfolio Statements

## Amity International Fund

As at 31 December 2019

Holdings at 31 December 2019	Market Value £	Percentage of Total Net Assets %
<b>UNITED KINGDOM 13.41% (14.87%)</b>		
<b>UK Equities 13.41% (14.87%)</b>		
750,000 Aviva	3,140,250	1.49
1,700,000 BT Group	3,271,480	1.55
75,000 Dechra Pharmaceuticals	2,173,500	1.03
500,000 DS Smith	1,920,500	0.91
200,000 GlaxoSmithKline	3,557,200	1.69
2,464,933 IP Group	1,750,102	0.83
229,166 National Grid	2,164,015	1.03
300,000 Prudential	4,338,000	2.05
360,000 RSA Insurance	2,035,440	0.96
1,550,000 Tesco	3,952,500	1.87
<b>Total UNITED KINGDOM</b>	<b>28,302,987</b>	<b>13.41</b>
<b>AUSTRALIA 2.32% (2.26%)</b>		
<b>Australia Equities 2.32% (2.26%)</b>		
3,250,000 Bingo Industries	4,901,144	2.32
<b>Total AUSTRALIA</b>	<b>4,901,144</b>	<b>2.32</b>
<b>FINLAND 2.17% (0.43%)</b>		
<b>Finland Equities 2.17% (0.43%)</b>		
1,150,000 Nokia	3,220,819	1.53
50,000 Vaisala 'A'	1,357,857	0.64
<b>Total FINLAND</b>	<b>4,578,676</b>	<b>2.17</b>
<b>FRANCE 5.21% (5.24%)</b>		
<b>French Equities 5.21% (5.24%)</b>		
275,000 Orange	3,066,759	1.45
48,000 Sanofi	3,655,631	1.73
55,000 Schneider Electric	4,277,567	2.03
<b>Total FRANCE</b>	<b>10,999,957</b>	<b>5.21</b>
<b>GERMANY 5.93% (6.17%)</b>		
<b>German Equities 5.93% (6.17%)</b>		
190,000 Infineon Technologies	3,272,754	1.55
25,000 Merck KGaA	2,239,720	1.06

Holdings at 31 December 2019	Market Value £	Percentage of Total Net Assets %
<b>German Equities (continued)</b>		
45,000 SAP	4,592,233	2.17
64,499 Talanx	2,423,195	1.15
<b>Total GERMANY</b>	<b>12,527,902</b>	<b>5.93</b>
<b>HONG KONG 4.34% (4.21%)</b>		
<b>Hong Kong Equities 4.34% (4.21%)</b>		
3,801,200 Dah Sing Banking Group	3,850,949	1.83
6,000,000 Fujikon	641,687	0.30
5,500,000 Greatview Aseptic Packaging	1,898,324	0.90
29,368,591 Hop Fung	1,042,210	0.49
650,000 Minth Group	1,737,903	0.82
<b>Total HONG KONG</b>	<b>9,171,073</b>	<b>4.34</b>
<b>IRELAND 0.00% (1.14%)</b>		
<b>Irish Equities 0.00% (1.14%)</b>		
<b>ITALY 1.39% (1.21%)</b>		
<b>Italian Equities 1.39% (1.21%)</b>		
160,008 Prysmian	2,922,747	1.39
<b>Total ITALY</b>	<b>2,922,747</b>	<b>1.39</b>
<b>JAPAN 6.01% (8.92%)</b>		
<b>Japan Equities 6.01% (8.92%)</b>		
10,000 Horiba	510,448	0.24
17,500 Nintendo	5,365,803	2.54
166,900 Sekisui Jushi	2,695,473	1.28
80,000 Sony	4,124,864	1.95
<b>Total JAPAN</b>	<b>12,696,588</b>	<b>6.01</b>
<b>MALAYSIA 0.00% (0.59%)</b>		
<b>Malaysia Equities 0.00% (0.59%)</b>		
<b>NETHERLANDS 5.37% (4.68%)</b>		
<b>Netherlands Equities 5.37% (4.68%)</b>		
120,000 ASR Nederland NV	3,389,415	1.60

# Portfolio Statements

## Amity International Fund

As at 31 December 2019

Holdings at 31 December 2019	Market Value £	Percentage of Total Net Assets %
<b>Netherlands Equities (continued)</b>		
550,000 ING Group	4,995,638	2.37
30,000 Koninklijke DSM	2,960,510	1.40
<b>Total NETHERLANDS</b>	<b>11,345,563</b>	<b>5.37</b>
<b>NORWAY 2.91% (2.89%)</b>		
<b>Norway Equities 2.91% (2.89%)</b>		
533,399 Borregaard	4,319,784	2.05
58,000 Yara International	1,824,907	0.86
<b>Total NORWAY</b>	<b>6,144,691</b>	<b>2.91</b>
<b>SINGAPORE 3.95% (5.97%)</b>		
<b>Singapore Equities 3.95% (5.97%)</b>		
1,200,000 Boustead Projects	614,494	0.29
4,000,000 Boustead Singapore	1,699,424	0.81
6,000,000 China Hongxing Sports (suspended)	–	–
192,500 DBS Group	2,803,430	1.33
5,803,200 Ezion Holdings Warrants 16/10/2018	–	–
1,656,144 Ezion Holdings Warrants 24/04/2020	932	–
1,250,000 HI-P International	1,076,208	0.51
347,500 Oversea-Chinese Banking	2,139,276	1.01
<b>Total SINGAPORE</b>	<b>8,333,764</b>	<b>3.95</b>
<b>SPAIN 0.68% (1.54%)</b>		
<b>Spanish Equities 0.68% (1.54%)</b>		
455,953 Banco Santander DR*	1,425,608	0.68
<b>Total SPAIN</b>	<b>1,425,608</b>	<b>0.68</b>
<b>SWEDEN 1.50% (3.70%)</b>		
<b>Sweden Equities 1.50% (3.70%)</b>		
350,000 BillerudKorsnas	3,155,974	1.50
<b>Total SWEDEN</b>	<b>3,155,974</b>	<b>1.50</b>

Holdings at 31 December 2019	Market Value £	Percentage of Total Net Assets %
<b>SWITZERLAND 2.80% (2.05%)</b>		
<b>Switzerland Equities 2.80% (2.05%)</b>		
24,000 Roche	5,900,812	2.80
<b>Total SWITZERLAND</b>	<b>5,900,812</b>	<b>2.80</b>
<b>TAIWAN 4.31% (4.21%)</b>		
<b>Taiwan Equities 4.31% (4.21%)</b>		
300,000 Chroma ATE	1,098,578	0.52
540,000 Sporton International	2,884,337	1.37
612,559 Taiwan Semiconductor Manufacturing	5,120,564	2.42
<b>Total TAIWAN</b>	<b>9,103,479</b>	<b>4.31</b>
<b>UNITED STATES 32.97% (25.57%)</b>		
<b>United States Equities 32.97% (25.57%)</b>		
8,500 Alphabet Inc	8,608,172	4.08
24,500 Aptiv	1,760,572	0.83
2,500 Booking Holdings	3,886,195	1.84
165,000 Cisco Systems	5,989,665	2.84
20,000 Deere	2,622,303	1.24
35,043 Federal Signal	855,846	0.40
20,000 IPG Photonics	2,193,656	1.04
70,000 Medtronic	6,009,538	2.85
55,000 Microsoft	6,557,195	3.10
31,500 Mohawk Industries	3,251,589	1.54
465,000 Mueller Water Products	4,217,351	2.00
56,000 NXP Semiconductors	5,396,502	2.56
115,000 Pfizer	3,409,342	1.61
25,000 Salesforce.com	3,077,636	1.46
500,000 Tarena International Inc DR*	730,562	0.35
95,000 Trimble	2,996,934	1.42
30,000 Valmont Inds.	3,402,907	1.61
41,000 Zimmer Biomet Holdings	4,644,431	2.20
<b>Total UNITED STATES</b>	<b>69,610,396</b>	<b>32.97</b>

# Portfolio Statements

## Amity International Fund

As at 31 December 2019

Holdings at 31 December 2019	Market Value £	Percentage of Total Net Assets %
<b>VIETNAM 1.77% (2.04%)</b>		
<b>Vietnam Equities 1.77% (2.04%)</b>		
2,148,904 Vietnam Holdings	3,739,093	1.77
<b>Total VIETNAM</b>	<b>3,739,093</b>	<b>1.77</b>
 <b>Portfolio of Investments 97.04% (97.69%)</b>	 <b>204,860,454</b>	 <b>97.04</b>
Net other assets	6,251,632	2.96
<b>Total net assets</b>	<b>211,112,086</b>	<b>100.00</b>

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 31 December 2018 are shown in brackets.

# Portfolio Statements

## Amity Short Dated Bond Fund

As at 31 December 2019

Holdings at 31 December 2019	Market Value £	Percentage of Total Net Assets %
<b>UNITED KINGDOM 65.85% (57.99%)</b>		
<b>UK Corporate Bonds 65.85% (57.99%)</b>		
£976,600 A2D Funding 4.75% 18/10/2022	1,046,806	2.24
£750,000 Anglian Water 1.625% 10/08/2025	753,626	1.61
£386,000 Anglian Water Services Financing 5.837% 30/07/2022	432,132	0.93
£751,000 Anglian Water Services Financing 6.875% 21/08/2023	902,597	1.93
£250,000 Aviva 6.625% 03/06/2041	267,640	0.57
£650,000 Bupa Finance 2.00% 05/04/2024	667,979	1.43
£750,000 Bupa Finance 3.375% 17/06/2021	774,389	1.66
£400,000 Close Brothers Finance 3.875% 27/06/2021	416,073	0.89
£900,000 Close Brothers Group 2.75% 26/04/2023	935,408	2.00
£700,000 Coventry Building Society 0.813% 17/03/2020	700,315	1.50
£600,000 Coventry Building Society 1.50% 23/01/2023	602,419	1.29
£650,000 Coventry Building Society 1.875% 24/10/2023	662,512	1.42
£250,000 Coventry Building Society 5.875% 28/09/2022	280,723	0.60
£400,000 Direct Line Insurance 9.25% 27/04/2042	468,930	1.00
£650,000 Friends Life 8.25% 21/04/2022	750,500	1.61
£700,000 Friends Life 12.00% 21/05/2021	802,298	1.72
£250,000 HSBC 2.175% 27/06/2023	254,154	0.54
£850,000 HSBC 6.50% 20/05/2024	1,025,008	2.19
£700,000 HSBC Bank 6.50% 07/07/2023	813,887	1.74
£1,000,000 Land Securities Capital Markets 1.974% 08/02/2024	1,019,124	2.18
£150,000 Legal & General 10.00% 23/07/2041	169,535	0.36
£400,000 Lloyds Bank 2.50% 01/06/2022	413,430	0.88
£750,000 Lloyds Bank 5.125% 07/03/2025	891,855	1.91
£300,000 Lloyds Bank 7.50% 15/04/2024	374,772	0.80
£500,000 Lloyds Bank Corporate Markets 1.75% 11/07/2024	503,987	1.08
£450,000 London Stock Exchange 4.75% 02/11/2021	476,933	1.02
£1,000,000 National Grid Gas 7.00% 16/12/2024	1,262,036	2.70
£250,000 Northern Electric Finance 8.875% 16/10/2020	265,030	0.57
£750,000 Northern Powergrid 7.25% 15/12/2022	879,982	1.88
£470,000 Northern Powergrid Yorkshire 2.50% 01/04/2025	492,824	1.05
£500,000 Northern Powergrid Yorkshire 9.25% 17/01/2020	501,554	1.07

Holdings at 31 December 2019	Market Value £	Percentage of Total Net Assets %
<b>UK Corporate Bonds (continued)</b>		
£800,000 Phoenix Group 5.75% 07/07/2021	849,006	1.82
£783,000 Places for People 4.25% 15/12/2023	811,724	1.74
£850,000 Prudential 6.875% 20/01/2023	991,193	2.12
£500,000 Santander UK 0.797% 05/05/2020	500,318	1.07
£550,000 Scottish Widows 5.50% 16/06/2023	611,622	1.31
£500,000 Segro 6.75% 23/11/2021	547,893	1.17
£500,000 Segro 6.75% 23/02/2024	597,494	1.28
£150,000 Segro 7.00% 14/03/2022	166,922	0.36
£1,000,000 Society of Lloyd's 4.75% 30/10/2024	1,112,582	2.38
£150,000 Standard Life Aberdeen 5.50% 04/12/2042	165,177	0.35
£250,000 Transport For London 2.125% 24/04/2025	261,592	0.56
£500,000 United Utilities Water 5.75% 25/03/2022	551,487	1.18
£800,000 Wellcome Trust Finance 4.75% 28/05/2021	842,216	1.80
£750,000 Wessex Water Services Finance 4.00% 24/09/2021	786,847	1.68
£1,000,000 Yorkshire Water Finance 6.588% 21/02/2023	1,164,365	2.49
£900,000 Zurich Finance 6.625% Perpetual	1,015,875	2.17
<b>Total UK Corporate Bonds</b>	<b>30,784,771</b>	<b>65.85</b>
<b>AUSTRALIA 2.59% (3.60%)</b>		
<b>Australia Corporate Bonds 2.59% (3.60%)</b>		
£700,000 National Australia Bank 0.784% 17/07/2020	700,648	1.50
£500,000 Scentre Group Trust 1 / Scentre Group Trust 2 2.375% 08/04/2022	511,685	1.09
<b>Total Australia Corporate Bonds</b>	<b>1,212,333</b>	<b>2.59</b>
<b>BERMUDA 1.63% (1.61%)</b>		
<b>Bermuda Corporate Bonds 1.63% (1.61%)</b>		
£500,000 Fidelity International 6.75% 19/10/2020	520,606	1.11
£200,000 Fidelity International 7.125% 13/02/2024	242,285	0.52
<b>Total Bermuda Corporate Bonds</b>	<b>762,891</b>	<b>1.63</b>
<b>CANADA 4.09% (6.42%)</b>		
<b>Canada Corporate Bonds 2.03% (3.59%)</b>		
£250,000 Bank of Nova Scotia 1.154% 30/09/2021	250,460	0.53

# Portfolio Statements

## Amity Short Dated Bond Fund

As at 31 December 2019

Holdings at 31 December 2019	Market Value £	Percentage of Total Net Assets %
<b>Canada Corporate Bonds (continued)</b>		
£700,000 Royal Bank of Canada 0.918% 14/09/2021	700,056	1.50
<b>Total Canada Corporate Bonds</b>	<b>950,516</b>	<b>2.03</b>
<b>Canada Government Sponsored Agency Bonds 2.06% (2.83%)</b>		
£250,000 Export Development Canada 0.875% 07/12/2021	250,168	0.54
£700,000 Export Development Canada 1.375% 08/12/2023	711,053	1.52
<b>Total Canada Government Sponsored Agency Bonds</b>	<b>961,221</b>	<b>2.06</b>
<b>FINLAND 2.15% (2.99%)</b>		
<b>Finland Government Bonds 2.15% (2.99%)</b>		
£500,000 Finland Government International Bond 1.625% 15/12/2020	503,756	1.08
£500,000 Municipality Finance 0.75% 15/12/2020	499,470	1.07
<b>Total Finland Government Bonds</b>	<b>1,003,226</b>	<b>2.15</b>
<b>FRANCE 3.58% (1.67%)</b>		
<b>French Corporate Bonds 1.49% (0.00%)</b>		
£700,000 Credit Agricole 1.25% 02/10/2024	695,663	1.49
<b>Total French Corporate Bonds</b>	<b>695,663</b>	<b>1.49</b>
<b>French Government Sponsored Agency Bonds 2.09% (1.67%)</b>		
£900,000 SNCF Reseau 5.50% 01/12/2021	976,334	2.09
<b>Total French Government Sponsored Agency Bonds</b>	<b>976,334</b>	<b>2.09</b>
<b>GERMANY 3.54% (5.16%)</b>		
<b>German Corporate Bonds 3.54% (5.16%)</b>		
£250,000 Kreditanstalt fuer Wiederaufbau 0.375% 15/12/2020	249,077	0.53
£500,000 Kreditanstalt fuer Wiederaufbau 1.25% 29/12/2023	506,308	1.09
£800,000 Muenchener Rueckversicherungs 6.625% 26/05/2042	897,085	1.92
<b>Total German Corporate Bonds</b>	<b>1,652,470</b>	<b>3.54</b>

Holdings at 31 December 2019	Market Value £	Percentage of Total Net Assets %
<b>NETHERLANDS 3.93% (3.57%)</b>		
<b>Netherlands Corporate Bonds 2.86% (1.34%)</b>		
£450,000 Bank Nederlandse Gemeenten 1.125% 24/05/2021	451,827	0.96
£750,000 Enel Finance International 5.625% 14/08/2024	887,583	1.90
<b>Total Netherlands Corporate Bonds</b>	<b>1,339,410</b>	<b>2.86</b>
<b>Netherlands Government Sponsored Agency Bonds 1.07% (2.23%)</b>		
£500,000 Nederlandse Waterschapsbank 0.875% 20/12/2021	499,408	1.07
<b>Total Netherlands Government Sponsored Agency Bonds</b>	<b>499,408</b>	<b>1.07</b>
<b>SUPRANATIONAL 5.00% (6.93%)</b>		
<b>Supranational Government Sponsored Agency Bonds 5.00% (6.93%)</b>		
£250,000 European Investment Bank 2.25% 07/03/2020	250,658	0.54
£500,000 European Investment Bank 2.50% 31/10/2022	523,185	1.12
£500,000 International Bank for Reconstruction & Development 1.00% 19/12/2022	502,293	1.07
£250,000 International Bank for Reconstruction & Development 1.375% 15/12/2020	251,405	0.54
£800,000 International Finance 1.25% 15/12/2023	810,118	1.73
<b>Total Supranational Government Sponsored Agency Bonds</b>	<b>2,337,659</b>	<b>5.00</b>
<b>SWITZERLAND 0.00% (1.50%)</b>		
<b>Switzerland Corporate Bonds 0.00% (1.50%)</b>		
<b>UNITED STATES 2.71% (3.78%)</b>		
<b>United States Corporate Bonds 2.71% (3.78%)</b>		
£500,000 International Business Machines 2.75% 21/12/2020	508,724	1.09

# Portfolio Statements

## Amity Short Dated Bond Fund

As at 31 December 2019

Holdings at 31 December 2019	Market Value £	Percentage of Total Net Assets %
<b>United States Corporate Bonds (continued)</b>		
£750,000 Nestle 1.75% 09/12/2020	755,814	1.62
<b>Total United States Corporate Bonds</b>	<b>1,264,538</b>	<b>2.71</b>
<b>Portfolio of Investments 95.07% (95.22%)</b>	<b>44,440,440</b>	<b>95.07</b>
Net other assets	2,305,996	4.93
<b>Total net assets</b>	<b>46,746,436</b>	<b>100.00</b>
Comparative percentage holdings by market value at 31 December 2018 are shown in brackets.		
<b>Debt Security Allocation is as follows:</b>		
	<b>Percentage of Debt Securities</b>	
Debt Securities above investment grade	97.16	
Debt Securities below investment grade	—	
Unrated Debt Securities	2.84	
	<b>100.00</b>	

# Portfolio Statements

## Amity Sterling Bond Fund

As at 31 December 2019

Holdings at 31 December 2019	Market Value £	Percentage of Total Net Assets %
<b>UNITED KINGDOM 77.86% (86.00%)</b>		
<b>UK Government Bonds 3.78% (13.10%)</b>		
£3,000,000 United Kingdom Gilt 0.75% 01/07/2019	3,017,190	1.55
£1,800,000 United Kingdom Gilt 1.50% 22/01/2021	1,816,902	0.93
£2,500,000 United Kingdom Gilt 2.00% 22/07/2020	2,518,775	1.30
<b>Total UK Government Bonds</b>	<b>7,352,867</b>	<b>3.78</b>
<b>UK Corporate Bonds 69.93% (68.74%)</b>		
£1,665,000 A2D Funding 4.75% 18/10/2022	1,784,694	0.92
£475,000 A2D Funding II 4.50% 30/09/2026	538,974	0.28
£850,000 A2Dominion Housing 3.50% 15/11/2028	911,251	0.47
£1,580,000 Alpha Plus 5.00% 31/03/2024	1,484,841	0.76
£1,100,000 Anglian Water 1.625% 10/08/2025	1,105,318	0.57
£151,000 Barclays Bank 10.00% 21/05/2021	168,128	0.09
£2,500,000 Bazalgette Finance 2.375% 29/11/2027	2,634,655	1.36
£2,800,000 Brit Insurance 6.625% 09/12/2030	2,831,500	1.46
£350,000 British Telecom 3.50% 25/04/2025	729,785	0.38
£500,000 Bupa Finance 3.375% 17/06/2021	516,259	0.27
£2,250,000 Bupa Finance 5.00% 25/04/2023	2,466,382	1.27
£350,000 Bupa Finance 6.125% Perpetual	360,500	0.19
£600,000 Catalyst Health 2.411% 30/09/2040	854,193	0.44
£1,750,000 Close Brothers Group 4.25% 24/01/2027	1,829,660	0.94
£750,000 Co-Operative Group 5.125% 17/05/2024	802,425	0.41
£2,243,029 Co-Operative Group 11.00% 20/12/2025	2,738,519	1.41
£1,000,000 Coventry Building Society 6.875% Perpetual	1,107,500	0.57
£1,399,000 Coventry Building Society 12.125% Perpetual	2,839,970	1.46
£2,300,000 Direct Line Insurance 4.75% Perpetual	2,174,006	1.12
£1,800,000 Direct Line Insurance 9.25% 27/04/2042	2,110,184	1.09
£1,800,000 Fidelity International 7.125% 13/02/2024	2,180,569	1.12
£3,050,000 Hiscox 6.125% 24/11/2045	3,460,945	1.78
£1,000,000 HSBC Bank 5.844% Perpetual	1,358,584	0.70
£2,100,000 John Lewis 4.25% 18/12/2034	2,018,940	1.04
£1,000,000 L&g. Grp. F2v 3.75% 26/11/2049	1,011,348	0.52
£2,000,000 Leeds B/Soc. F2v 3.75% 25/04/2029	2,061,516	1.06
£798,000 Leeds Building Society 13.375% Perpetual	1,691,760	0.87

Holdings at 31 December 2019	Market Value £	Percentage of Total Net Assets %
<b>UK Corporate Bonds (continued)</b>		
£1,000,000 Legal & General 5.125% 14/11/2048	1,133,320	0.58
£2,100,000 Legal & General 5.375% 27/10/2045	2,382,937	1.23
£1,000,000 Legal & General 10.00% 23/07/2041	1,130,230	0.58
£2,500,000 Liverpool Victoria Friendly Society 6.50% 22/05/2043	2,792,923	1.44
£825,000 London Stock Exchange 4.75% 02/11/2021	874,376	0.45
£410,000 Manchester Building Society 6.75% Perpetual	57,400	0.03
£113,000 Manchester Building Society 8.00% Perpetual	19,775	0.01
£800,000 Marks & Spencer 6.125% 06/12/2021	868,448	0.45
£600,000 Meridian Hospital Index-Linked 4.188% 30/06/2028	437,295	0.22
£1,750,000 Morrison (Wm) Supermarkets 4.75% 04/07/2029	2,118,547	1.09
£1,455,000 Nationwide Building Society 6.25% Perpetual	1,609,812	0.83
£1,500,000 Natl. Express Grp 2.375% 20/11/2028	1,503,446	0.77
£299,000 Newcastle Building Society 10.75% Perpetual	493,350	0.25
£200,000 Next 5.375% 26/10/2021	214,666	0.11
£2,750,000 NGG Finance 5.625% 18/06/2073	3,110,937	1.60
£750,000 NIE Finance 6.375% 02/06/2026	958,232	0.49
£1,775,000 Nottingham Building Society 7.875% Perpetual	2,218,750	1.14
£1,000,000 Pennon FRN 3.30% 13/07/2022	1,010,970	0.52
£900,000 Phoenix Group Holdings Capital 4.125% 20/07/2022	941,917	0.48
£1,875,000 Phoenix Group Holdings Capital 6.625% 18/12/2025	2,181,626	1.12
£1,000,000 Phoenix Grp. Hldgs. 5.75% Perpetual	985,250	0.51
£182,700 Places For People 1.00% 31/01/2022	224,191	0.12
£652,000 Places For People 2.875% 17/08/2026	670,954	0.35
£2,646,000 Places For People 4.25% 15/12/2023	2,743,068	1.41
£2,750,000 Prudential 5.625% 20/10/2051	3,143,679	1.62
£1,400,000 Prudential 6.25% 20/10/2068	1,682,545	0.87
£2,250,000 Reassure Grp. 5.867% 13/06/2029	2,511,644	1.29
£985,000 Retail Charity Bond 3.90% 23/11/2027	1,057,890	0.54
£2,669,600 Retail Charity Bond 4.00% 31/10/2027	2,710,979	1.40
£2,500,000 Retail Charity Bond 4.25% 30/03/2026	2,550,000	1.31
£345,000 Retail Charity Bond 4.375% 29/07/2021	352,763	0.18
£1,370,000 Retail Charity Bond 4.40% 30/04/2025	1,392,934	0.72
£1,995,000 Retail Charity Bond 4.50% 20/06/2028	2,044,875	1.05
£660,000 Retail Charity Bond 5.00% 12/04/2026	742,500	0.38



# Portfolio Statements

## Amity Sterling Bond Fund

As at 31 December 2019

Holdings at 31 December 2019	Market Value £	Percentage of Total Net Assets %
<b>UK Corporate Bonds (continued)</b>		
£1,300,000 RI Fin. Bonds No 6.125% 13/11/2028	1,552,797	0.80
£2,800,000 RL Finance Bonds 6.125% 30/11/2043	3,166,772	1.63
£2,500,000 RSA Insurance 5.125% 10/10/2045	2,829,555	1.46
£3,300,000 Sainsbury (J) 6.50% Perpetual	3,387,166	1.74
£600,000 Santander UK 5.875% 14/08/2031	707,381	0.36
£750,000 Scottish Hydro Ele 2.25% 27/09/2035	742,010	0.38
£1,200,000 Scottish Widows 5.50% 16/06/2023	1,334,449	0.69
£2,500,000 Scottish Widows 7.00% 16/06/2043	3,433,730	1.77
£1,750,000 Society of Lloyd's 4.75% 30/10/2024	1,947,018	1.00
£2,750,000 Society of Lloyd's 4.875% 07/02/2047	3,042,930	1.57
£2,000,000 SSE 3.625% 16/09/2077	2,049,802	1.06
£2,308,000 SSE 3.875% Perpetual	2,325,310	1.20
£2,500,000 Tesco Personal Fin 3.50% 25/07/2025	2,597,151	1.34
£866,589 Tesco Property 7.623% 13/07/2039	1,261,927	0.65
£1,200,000 Thames Water Utilities 4.00% 19/06/2025	1,332,633	0.69
£350,000 Thames Water Utilities Index Linked 3.375% 21/07/2021	610,369	0.31
£2,280,000 Travis Perkins 4.375% 15/09/2021	2,359,800	1.21
£1,000,000 Travis Perkins 4.50% 07/09/2023	1,051,460	0.54
£650,000 Vodafone 5.625% 04/12/2025	798,629	0.41
£1,750,000 Vodafone Grp. 3.00% 12/08/2056	1,740,651	0.90
£2,000,000 Vodafone Grp. F2v 03-10-2078 4.875% 03/10/2078	2,161,000	1.11
£1,907,000 Yorkshire Building Society 13.50% 01/04/2025	2,761,126	1.42
<b>Total UK Corporate Bonds</b>	<b>135,838,301</b>	<b>69.93</b>
<b>UK Corporate Preference Shares 4.15% (4.16%)</b>		
200,000 Aviva 8.375%	290,000	0.15
450,000 Aviva 8.75%	672,750	0.35
575,000 Bristol Water 8.75%	868,250	0.45
400,000 General Accident 7.875%	548,000	0.28
800,000 General Accident 8.875%	1,192,000	0.61
665,000 Northern Electric 8.061%	911,050	0.47
1,325,000 RSA Insurance 7.375%	1,735,750	0.89
340,000 Standard Chartered 7.375%	425,000	0.22

Holdings at 31 December 2019	Market Value £	Percentage of Total Net Assets %
<b>UK Corporate Preference Shares (continued)</b>		
1,040,000 Standard Chartered 8.25%	1,414,400	0.73
<b>Total UK Corporate Preference Shares</b>	<b>8,057,200</b>	<b>4.15</b>
<b>BERMUDA 0.53% (0.00%)</b>		
<b>Bermuda Corporate Bonds 0.53% (0.00%)</b>		
£1,000,000 Fidelity International 6.75% 19/10/2020	1,041,212	0.53
<b>Total Bermuda Corporate Bonds</b>	<b>1,041,212</b>	<b>0.53</b>
<b>FRANCE 5.50% (4.61%)</b>		
<b>French Corporate Bonds 4.66% (4.61%)</b>		
£1,000,000 AXA F2v 5.453% Perpetual	1,136,875	0.58
£2,000,000 Credit Agricole 7.50% Perpetual	2,400,768	1.24
£1,100,000 Electricite de France 5.875% Perpetual	1,202,575	0.62
£600,000 Electricite de France 6.00% Perpetual	665,250	0.34
£3,300,000 Orange 5.75% Perpetual	3,645,946	1.88
<b>Total French Corporate Bonds</b>	<b>9,051,414</b>	<b>4.66</b>
<b>French Government Sponsored Agency Bonds 0.84% (0.00%)</b>		
£1,500,000 SNCF Reseau 5.50% 01/12/2021	1,627,224	0.84
<b>Total French Government Sponsored Agency Bonds</b>	<b>1,627,224</b>	<b>0.84</b>
<b>GERMANY 1.45% (0.70%)</b>		
<b>German Corporate Bonds 0.52% (0.70%)</b>		
£1,000,000 KfW 1.625% 05/06/2020	1,003,646	0.52
<b>Total German Corporate Bonds</b>	<b>1,003,646</b>	<b>0.52</b>
<b>German Government Sponsored Agency Bonds 0.93% (0.00%)</b>		
£1,700,000 KfW 5.55% 07/06/2021	1,815,056	0.93
<b>Total German Government Sponsored Agency Bonds</b>	<b>1,815,056</b>	<b>0.93</b>

# Portfolio Statements

## Amity Sterling Bond Fund

As at 31 December 2019

Holdings at 31 December 2019	Market Value £	Percentage of Total Net Assets %
<b>ITALY 1.21% (1.66%)</b>		
<b>Italian Corporate Bonds 1.21% (1.66%)</b>		
£2,250,000 Enel 7.75% 10/09/2075	2,343,127	1.21
<b>Total Italian Corporate Bonds</b>	<b>2,343,127</b>	<b>1.21</b>
<b>MEXICO 0.66% (1.57%)</b>		
<b>Mexican Corporate Bonds 0.66% (0.91%)</b>		
£1,250,000 America Movil SAB 6.375% 06/09/2073	1,287,825	0.66
<b>Total Mexican Corporate Bonds</b>	<b>1,287,825</b>	<b>0.66</b>
<b>Mexican Government Bonds 0.00% (0.66%)</b>		
<b>MULTI-NATIONAL 2.33% (0.00%)</b>		
<b>Multi-National Government Sponsored Agency Bonds 2.33% (0.00%)</b>		
£2,500,000 Eurp. Inv. Bank 0.875% 15/12/2023	2,495,570	1.29
£2,000,000 Intl. Bank For Rec 1.25% 07/09/2023	2,025,448	1.04
<b>Total Multi-National Government Sponsored Agency Bonds</b>	<b>4,521,018</b>	<b>2.33</b>
<b>NETHERLANDS 2.83% (1.75%)</b>		
<b>Netherlands Corporate Bonds 2.83% (1.75%)</b>		
£1,000,000 Bank Nederlandse Gemeenten 1.125% 24/05/2021	1,004,060	0.52
£1,500,000 Deutsche Telekom International Finance 2.50% 10/10/2025	1,569,795	0.81
£2,405,000 Kon. 5.75% 17/09/2029	2,917,958	1.50
<b>Total Netherlands Corporate Bonds</b>	<b>5,491,813</b>	<b>2.83</b>
<b>SPAIN 0.78% (1.09%)</b>		
<b>Spanish Corporate Bonds 0.78% (1.09%)</b>		
£1,500,000 Telefonica Emisiones 5.597% 12/03/2020	1,512,606	0.78
<b>Total Spanish Corporate Bonds</b>	<b>1,512,606</b>	<b>0.78</b>

Holdings at 31 December 2019	Market Value £	Percentage of Total Net Assets %
<b>SUPRANATIONAL 0.51% (0.00%)</b>		
<b>Supranational Government Sponsored Agency Bonds 0.51% (0.00%)</b>		
£1,000,000 International Bank for Reconstruction & Development 0.75% 07/12/2021	998,912	0.51
<b>Total Supranational Government Sponsored Agency Bonds</b>	<b>998,912</b>	<b>0.51</b>
<b>Portfolio of Investments 93.66% (97.38%)</b>	<b>181,942,221</b>	<b>93.66</b>
Net other assets	12,313,022	6.34
<b>Total net assets</b>	<b>194,255,243</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 31 December 2018 are shown in brackets.

### Debt Security Allocation is as follows:

	Percentage of Debt Securities
Debt Securities above investment grade	74.39
Debt Securities below investment grade	8.71
Unrated Debt Securities	16.90
	<b>100.00</b>

# Portfolio Statements

## Higher Income Fund

As at 31 December 2019

Holdings at 31 December 2019	Market Value £	Percentage of Total Net Assets %
<b>UNITED KINGDOM 62.32% (61.72%)</b>		
<b>UK Corporate Bonds 6.80% (8.42%)</b>		
£3,000,000 A2D Funding 4.50% 30/09/2026	3,404,046	0.67
£5,396,764 Co-Operative Group 11.00% 20/12/2025	6,588,922	1.30
£2,655,000 Coventry Building Society 12.125% Perpetual	5,389,650	1.06
£1,750,000 Direct Line Insurance 9.25% 27/04/2042	2,051,567	0.40
£4,000,000 Liverpool Victoria Index Linked 6.50% 22/05/2043	4,468,677	0.88
£2,175,000 Nationwide Building Society PIBS 6.25% Perpetual	2,406,420	0.47
£2,055,000 Nottingham Building Society PIBS 7.875% Perpetual	2,568,750	0.50
£1,030,000 Rothschild Continuation Finance 9.00% Perpetual	1,255,261	0.25
£4,000,000 Sainsbury (J) 6.50% Perpetual	4,105,656	0.81
£1,130,000 Skipton Building Society PIBS 12.875% Perpetual	2,339,100	0.46
<b>Total UK Corporate Bonds</b>	<b>34,578,049</b>	<b>6.80</b>
<b>UK Corporate Preference Shares 7.78% (7.82%)</b>		
2,635,000 Aviva 8.375%	3,820,750	0.75
2,525,000 Aviva 8.75%	3,774,875	0.74
600,000 Bristol Water 8.75%	906,000	0.18
3,200,250 General Accident 7.875%	4,384,342	0.86
4,775,000 General Accident 8.875%	7,114,750	1.40
1,698,519 Northern Electric 8.061%	2,326,971	0.46
4,780,000 R.E.A. 9.00%	4,254,200	0.84
5,050,000 RSA Insurance 7.375%	6,615,500	1.30
1,500,000 Standard Chartered 7.375%	1,875,000	0.37
3,300,000 Standard Chartered 8.25%	4,488,000	0.88
<b>Total UK Corporate Preference Shares</b>	<b>39,560,388</b>	<b>7.78</b>
<b>UK Equities 43.72% (40.74%)</b>		
600,000 3i Group	6,588,000	1.30
120,000 AstraZeneca	9,127,200	1.80
1,250,000 Aviva	5,233,750	1.03
400,000 BHP Group	7,107,200	1.40
2,200,000 BP	10,375,200	2.04
4,000,000 BT Group	7,697,600	1.51
4,700,000 Centrica	4,195,220	0.82

Holdings at 31 December 2019	Market Value £	Percentage of Total Net Assets %
<b>UK Equities (continued)</b>		
32,636,501 Co-Operative Bank Holdings	1,795,007	0.35
2,700,000 DS Smith	10,370,700	2.04
2,750,000 DX Group	357,500	0.07
880,000 GlaxoSmithKline	15,651,680	3.08
6,060,824 Greencoat UK Wind	9,091,236	1.79
4,150,000 HICL Infrastructure	7,079,900	1.39
1,800,000 HSBC	10,654,200	2.10
2,650,000 IP Group	1,881,500	0.37
4,947,059 John Laing Environmental Assets	5,985,941	1.18
1,996,401 John Laing Group	7,586,324	1.49
1,000,000 Kier Group	952,500	0.19
5,050,000 Legal & General	15,301,500	3.01
7,500,000 Lloyds Banking Group	4,687,500	0.92
350,000 M&G	829,500	0.16
1,200,000 Marks & Spencer	2,562,000	0.50
3,000,000 N Brown	4,830,000	0.95
700,000 National Grid	6,610,100	1.30
3,736,000 Octopus Renewables Infrastructure	3,997,520	0.79
350,000 Prudential	5,061,000	1.00
2,610,143 Renewables Infrastructure Group	3,612,438	0.71
645,000 Royal Dutch Shell 'B'	14,444,775	2.84
3,500,000 Royal Mail	7,920,500	1.56
650,000 RSA Insurance	3,675,100	0.72
340,248 Smiths Group	5,733,179	1.13
500,000 SSE	7,192,500	1.41
167,142 Standard Chartered	1,190,720	0.23
1,125,000 Synthomer	3,980,250	0.78
3,500,000 Tesco	8,925,000	1.76
<b>Total UK Equities</b>	<b>222,284,240</b>	<b>43.72</b>
<b>UK Real Estate Investment Trusts 2.73% (3.59%)</b>		
1,393,981 LondonMetric Property	3,295,371	0.65
5,336,415 PRS REIT	4,802,774	0.94

# Portfolio Statements

## Higher Income Fund

As at 31 December 2019

Holdings at 31 December 2019	Market Value £	Percentage of Total Net Assets %
<b>UK Real Estate Investment Trusts (continued)</b>		
5,000,000 Target Healthcare REIT	5,775,000	1.14
<b>Total UK Real Estate Investment Trusts</b>	<b>13,873,145</b>	<b>2.73</b>
<b>UK Collective Investment Schemes 1.29% (1.15%)</b>		
5,000,000 GCP Infrastructure Investments**	6,590,000	1.29
<b>Total UK Collective Investment Schemes</b>	<b>6,590,000</b>	<b>1.29</b>
<b>BELGIUM 1.11% (1.06%)</b>		
<b>Belgium Equities 1.11% (1.06%)</b>		
250,000 Bekaert	5,622,675	1.11
<b>Total BELGIUM</b>	<b>5,622,675</b>	<b>1.11</b>
<b>BRAZIL 0.50% (0.46%)</b>		
<b>Brazil Equities 0.50% (0.46%)</b>		
225,000 Petroleo Brasileiro DR*	2,541,449	0.50
<b>Total BRAZIL</b>	<b>2,541,449</b>	<b>0.50</b>
<b>CANADA 0.20% (0.16%)</b>		
<b>Canada Equities 0.20% (0.16%)</b>		
300,000 Crescent Point Energy	1,008,134	0.20
<b>Total CANADA</b>	<b>1,008,134</b>	<b>0.20</b>
<b>FRANCE 4.55% (4.72%)</b>		
<b>French Equities 4.55% (4.72%)</b>		
500,000 Engie (Prime Fidelite 2020)	6,117,793	1.20
500,000 Orange	5,575,925	1.10
150,000 Sanofi	11,423,846	2.25
<b>Total FRANCE</b>	<b>23,117,564</b>	<b>4.55</b>
<b>GERMANY 4.30% (4.41%)</b>		
<b>German Equities 4.30% (4.41%)</b>		
135,000 Bayer	8,362,868	1.64
150,000 Talanx	5,635,424	1.11

Holdings at 31 December 2019	Market Value £	Percentage of Total Net Assets %
<b>German Equities (continued)</b>		
825,000 TUI	7,865,550	1.55
<b>Total GERMANY</b>	<b>21,863,842</b>	<b>4.30</b>
<b>GUERNSEY 1.10% (0.00%)</b>		
<b>Guernsey Equities 1.10% (0.00%)</b>		
4,822,503 Sequoia Economic Infrastructure	5,613,394	1.10
<b>Total GUERNSEY</b>	<b>5,613,394</b>	<b>1.10</b>
<b>HONG KONG 3.68% (4.29%)</b>		
<b>Hong Kong Equities 3.68% (4.29%)</b>		
950,000 China Mobile	6,045,227	1.19
18,500,000 Dah Chong Hong	6,619,099	1.30
2,050,000 Luk Fook	4,474,552	0.88
7,300,000 Texwinca	1,369,808	0.27
8,727,000 Trinity	190,909	0.04
<b>Total HONG KONG</b>	<b>18,699,595</b>	<b>3.68</b>
<b>IRELAND 0.08% (0.11%)</b>		
<b>Irish Equities 0.08% (0.11%)</b>		
150,000 AIB Group	395,755	0.08
<b>Total IRELAND</b>	<b>395,755</b>	<b>0.08</b>
<b>ITALY 0.11% (0.12%)</b>		
<b>Italian Corporate Bonds 0.11% (0.12%)</b>		
£500,000 Enel 6.625% 15/09/2076	540,000	0.11
<b>Total Italian Corporate Bonds</b>	<b>540,000</b>	<b>0.11</b>
<b>JAPAN 2.27% (2.31%)</b>		
<b>Japan Equities 1.33% (1.30%)</b>		
240,000 Sumitomo Mitsui Financial	6,756,319	1.33
<b>Total Japan Equities</b>	<b>6,756,319</b>	<b>1.33</b>

# Portfolio Statements

## Higher Income Fund

As at 31 December 2019

Holdings at 31 December 2019	Market Value £	Percentage of Total Net Assets %
<b>Japan Collective Investment Schemes 0.94% (1.01%)</b>		
1,350,000 Morant Wright Nippon Yield B**	4,789,395	0.94
<b>Total Japan Collective Investment Schemes</b>	<b>4,789,395</b>	<b>0.94</b>
<b>KOREA 1.04% (1.18%)</b>		
<b>Korea Equities 1.04% (1.18%)</b>		
3,595,000 Weiss Korea Opportunity	5,284,650	1.04
<b>Total KOREA</b>	<b>5,284,650</b>	<b>1.04</b>
<b>NETHERLANDS 0.93% (2.16%)</b>		
<b>Netherlands Corporate Bonds 0.93% (1.14%)</b>		
£4,875,000 Rea Finance 8.75% 31/08/2020	4,726,556	0.93
<b>Total Netherlands Corporate Bonds</b>	<b>4,726,556</b>	<b>0.93</b>
<b>Netherlands Equities 0.00% (1.02%)</b>		
<b>NORWAY 0.83% (0.92%)</b>		
<b>Norway Equities 0.83% (0.92%)</b>		
135,000 Yara International	4,247,628	0.83
<b>Total NORWAY</b>	<b>4,247,628</b>	<b>0.83</b>
<b>SINGAPORE 2.16% (2.47%)</b>		
<b>Singapore Equities 2.16% (2.47%)</b>		
750,000 Boustead Projects	384,059	0.07
10,000,000 Boustead Singapore	4,248,559	0.84
2,500,000 China Hongxing Sports (suspended)	—	—
6,512,380 Mapletree	6,339,873	1.25
<b>Total SINGAPORE</b>	<b>10,972,491</b>	<b>2.16</b>
<b>SPAIN 1.80% (2.34%)</b>		
<b>Spanish Equities 1.80% (2.34%)</b>		
1,400,000 Banco Santander DR*	4,377,318	0.86
900,000 Telefonica	4,762,826	0.94
<b>Total SPAIN</b>	<b>9,140,144</b>	<b>1.80</b>

Holdings at 31 December 2019	Market Value £	Percentage of Total Net Assets %
<b>SWEDEN 2.00% (1.05%)</b>		
<b>Sweden Equities 2.00% (1.05%)</b>		
500,000 BillerudKorsnas	4,508,535	0.88
500,000 Swedbank	5,680,428	1.12
<b>Total SWEDEN</b>	<b>10,188,963</b>	<b>2.00</b>
<b>SWITZERLAND 1.28% (1.17%)</b>		
<b>Switzerland Equities 1.28% (1.17%)</b>		
26,500 Roche	6,515,480	1.28
<b>Total SWITZERLAND</b>	<b>6,515,480</b>	<b>1.28</b>
<b>TAIWAN 1.87% (0.00%)</b>		
<b>Taiwan Equities 1.87% (0.00%)</b>		
1,139,000 Taiwan Semiconductor Manufacturing	9,521,241	1.87
<b>Total TAIWAN</b>	<b>9,521,241</b>	<b>1.87</b>
<b>UNITED STATES 5.02% (7.42%)</b>		
<b>United States Corporate Bonds 1.17% (1.09%)</b>		
£8,000,000 General Electric 5.00% Perpetual	5,932,076	1.17
<b>Total United States Corporate Bonds</b>	<b>5,932,076</b>	<b>1.17</b>
<b>United States Equities 3.85% (6.33%)</b>		
107,000 Cisco Systems	3,884,207	0.76
900,000 General Electric	7,597,092	1.49
140,000 Healthpeak Props.	3,651,298	0.72
150,000 Pfizer	4,446,968	0.88
<b>Total United States Equities</b>	<b>19,579,565</b>	<b>3.85</b>
<b>Forward Currency Contracts (0.11%) (0.00%)</b>		
USD (20,000,000) Sold USD, Bought GBP 15,154,959 for settlement on 10/03/2020	41,761	0.01
JPY (1,450,000,000) Sold JPY, Bought GBP 10,167,590 for settlement on 10/03/2020	36,258	0.01
HKD (155,000,000) Sold HKD, Bought GBP 15,017,925 for settlement on 10/03/2020	(16,174)	(0.01)

# Portfolio Statements

## Higher Income Fund

As at 31 December 2019

Holdings at 31 December 2019	Market Value £	Percentage of Total Net Assets %
<b>Forward Currency Contracts (continued)</b>		
SGD (20,000,000)	Sold SGD, Bought GBP 11,154,179 for settlement on 10/03/2020 (86,357)	(0.02)
SEK (120,000,000)	Sold SEK, Bought GBP 9,679,995 for settlement on 10/03/2020 (99,389)	(0.02)
EUR (60,000,000)	Sold EUR, Bought GBP 50,697,600 for settlement on 10/03/2020 (421,581)	(0.08)
<b>Total Forward Currency Contracts</b>	<b>(545,482)</b>	<b>(0.11)</b>
<b>Portfolio of Investments 97.04% (98.07%)</b>	<b>493,397,256</b>	<b>97.04</b>
Net other assets	15,045,489	2.96
<b>Total net assets</b>	<b>508,442,745</b>	<b>100.00</b>
Securities are admitted to an official stock exchange listing or traded on another regulated market unless otherwise stated.		
* Depositary Receipt		
** Collective Investment Scheme		
Comparative percentage holdings by market value at 31 December 2018 are shown in brackets.		
<b>Debt Security Allocation is as follows:</b>		
	<b>Percentage of Debt Securities</b>	
Debt Securities above investment grade	35.82	
Debt Securities below investment grade	24.76	
Unrated Debt Securities	39.42	
	<b>100.00</b>	

# Portfolio Statements

## UK Equity Growth Fund

As at 31 December 2019

Holdings at 31 December 2019	Market Value £	Percentage of Total Net Assets %
<b>UNITED KINGDOM 90.72% (87.68%)</b>		
<b>UK Corporate Bonds 0.00% (0.01%)</b>		
<b>UK Equities 90.72% (87.67%)</b>		
115,000 4imprint Group	4,002,000	2.37
850,370 Actual Experience	799,348	0.47
2,500,000 Applied Graphene Materials	350,000	0.21
950,000 Argentex Group	1,586,500	0.94
250,000 Ashtead Group	6,035,000	3.57
174,500 Bellway	6,643,215	3.93
1,050,000 BP	4,951,800	2.93
85,000 British American Tobacco	2,746,775	1.63
1,400,000 BT Group	2,694,160	1.59
700,000 Cake Patisserie†	–	–
156,000 Close Brothers Group	2,492,880	1.47
60,000 Dechra Pharmaceuticals	1,738,800	1.03
697,500 Diaceutics	697,500	0.41
827,815 Essensys Group	1,655,630	0.98
83,745 Frontier Developments	1,023,364	0.61
1,295,496 Frontier IP Group	842,072	0.50
358,454 Future	5,190,414	3.07
185,000 GlaxoSmithKline	3,290,410	1.95
500,000 GlobalData	6,350,000	3.76
200,000 Hargreaves Lansdown	3,868,000	2.29
1,818,000 Harwood Wealth Management Group	2,545,200	1.51
350,000 Helical Bar	1,650,250	0.98
250,000 Hotel Chocolat Group	1,100,000	0.65
250,000 Informa	2,142,500	1.27
2,000,000 ITV	3,018,000	1.79
74,805 Johnson Matthey	2,238,914	1.32
852,758 Knights Group	2,848,212	1.69
1,600,000 Legal & General	4,848,000	2.87
250,000 Liontrust Asset Management	2,700,000	1.60
9,800,000 Lloyds Banking Group	6,125,000	3.62
355,000 M&G	841,350	0.50

Holdings at 31 December 2019	Market Value £	Percentage of Total Net Assets %
<b>UK Equities (continued)</b>		
680,000 Marlowe	3,400,000	2.01
2,400,000 Morses Club	3,192,000	1.89
50,000 Mortgage Advice Bureau Holdings	375,000	0.22
1,600,000 NCC Group	3,608,000	2.13
74,900 Next	5,254,984	3.11
38,952 Next Fifteen Communications Group PLC	204,887	0.12
355,000 Prudential	5,133,300	3.04
35,000 Renishaw	1,318,800	0.78
100,000 Rio Tinto	4,502,500	2.66
450,000 Rotork	1,496,250	0.88
190,000 Royal Dutch Shell	4,255,050	2.52
800,000 Sabre Insurance Group	2,464,000	1.46
79,242 Shaftesbury	746,856	0.44
409,500 Smart Metering Systems	2,303,437	1.36
250,000 Smith & Nephew	4,578,750	2.71
6,000,000 Sosandar	1,590,000	0.94
415,000 SSP	2,697,500	1.60
450,000 St James's Place	5,229,000	3.09
875,000 Standard Life Aberdeen	2,870,875	1.70
1,000,000 Sumo Group	1,800,000	1.06
750,000 Tatton Asset Management	2,025,000	1.20
189,651 Tracsis	1,327,557	0.79
1,050,000 Urban & Civic	3,622,500	2.14
215,000 WPP	2,292,975	1.36
<b>Total UNITED KINGDOM</b>	<b>153,304,515</b>	<b>90.72</b>
<b>IRELAND 1.41% (3.06%)</b>		
<b>Irish Equities 1.41% (3.06%)</b>		
533,830 Applegreen	2,375,544	1.41
<b>Total IRELAND</b>	<b>2,375,544</b>	<b>1.41</b>
<b>JERSEY 1.97% (1.19%)</b>		
<b>Jersey Equities 1.97% (1.19%)</b>		
500,000 JTC	2,010,000	1.19

# Portfolio Statements

## UK Equity Growth Fund

As at 31 December 2019

Holdings at 31 December 2019	Market Value £	Percentage of Total Net Assets %
<b>Jersey Equities (continued)</b>		
2,280,500 MJ Hudson Group	1,322,690	0.78
<b>Total JERSEY</b>	<b>3,332,690</b>	<b>1.97</b>
<b>NETHERLANDS 2.93% (2.89%)</b>		
<b>Netherlands Equities 2.93% (2.89%)</b>		
260,000 RELX	4,953,000	2.93
<b>Total NETHERLANDS</b>	<b>4,953,000</b>	<b>2.93</b>
<b>Portfolio of Investments 97.03% (94.82%)</b>	<b>163,965,749</b>	<b>97.03</b>
Net other assets	5,011,468	2.97
<b>Total net assets</b>	<b>168,977,217</b>	<b>100.00</b>

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

† Unlisted Security

Comparative percentage holdings by market value at 31 December 2018 are shown in brackets.



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

## Report on the audit of the financial statements

### Opinion

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

- give a true and fair view of the financial position of the sub-funds as at 31 December 2019 and of the net revenue and the net capital gains on the property of the sub-funds for the year ended 31 December 2019; 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 / accumulation statements; and
- the related notes 1 to 19.

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 (the "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.

### Statement of depositary's and ACD's responsibilities

As explained more fully in the statement of the depositary's responsibilities and the statement of the authorised corporate director's responsibilities, 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.

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

## 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.

A further description of our responsibilities for the audit of the financial statements is located on the FRC'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 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 31 December 2019 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  
23 April 2020

# Statement of Total Return

For the year ended 31 December 2019

	Notes	Amity UK Fund		Amity European Fund		Amity International Fund		Amity Short Dated Bond Fund		Amity Sterling Bond Fund		Higher Income Fund		UK Equity Growth Fund	
		2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>Income</b>															
Net capital gains/(losses)	4	<b>28,287</b>	(21,336)	<b>9,744</b>	(15,552)	<b>33,378</b>	(25,793)	<b>594</b>	(269)	<b>7,862</b>	(7,677)	<b>42,457</b>	(42,269)	<b>36,544</b>	(23,700)
Revenue	6	<b>4,327</b>	4,501	<b>3,628</b>	3,421	<b>5,629</b>	6,505	<b>685</b>	308	<b>6,600</b>	5,380	<b>24,181</b>	21,884	<b>5,074</b>	4,852
Expenses	7	<b>(1,416)</b>	(1,553)	<b>(774)</b>	(833)	<b>(1,883)</b>	(1,977)	<b>(169)</b>	(135)	<b>(1,193)</b>	(1,042)	<b>(4,230)</b>	(3,944)	<b>(1,450)</b>	(1,569)
Interest payable and similar charges	9	<b>(1)</b>	–	<b>(3)</b>	(3)	<b>(5)</b>	(4)	<b>(2)</b>	(1)	<b>(1)</b>	–	<b>(6)</b>	(3)	<b>–</b>	–
Net revenue before taxation for the year		<b>2,910</b>	2,948	<b>2,851</b>	2,585	<b>3,741</b>	4,524	<b>514</b>	172	<b>5,406</b>	4,338	<b>19,945</b>	17,937	<b>3,624</b>	3,283
Taxation	8	<b>(12)</b>	(16)	<b>(400)</b>	(208)	<b>(369)</b>	(465)	<b>–</b>	–	<b>–</b>	–	<b>(620)</b>	(268)	<b>(1)</b>	–
Net revenue after taxation for the year		<b>2,898</b>	2,932	<b>2,451</b>	2,377	<b>3,372</b>	4,059	<b>514</b>	172	<b>5,406</b>	4,338	<b>19,325</b>	17,669	<b>3,623</b>	3,283
<b>Total return before distributions</b>		<b>31,185</b>	(18,404)	<b>12,195</b>	(13,175)	<b>36,750</b>	(21,734)	<b>1,108</b>	(97)	<b>13,268</b>	(3,339)	<b>61,782</b>	(24,600)	<b>40,167</b>	(20,417)
Distributions/Accumulations for Interim and Final	9	<b>(2,898)</b>	(2,932)	<b>(2,451)</b>	(2,377)	<b>(3,374)</b>	(4,060)	<b>(514)</b>	(172)	<b>(6,522)</b>	(5,314)	<b>(22,566)</b>	(20,686)	<b>(3,623)</b>	(3,283)
<b>Change in net assets attributable to shareholders from investment activities</b>		<b>28,287</b>	(21,336)	<b>9,744</b>	(15,552)	<b>33,376</b>	(25,794)	<b>594</b>	(269)	<b>6,746</b>	(8,653)	<b>39,216</b>	(45,286)	<b>36,544</b>	(23,700)

# Statement of Change in Net Assets Attributable to Shareholders

<b>Opening net assets attributable to shareholders</b>		<b>126,284</b>	150,094	<b>83,738</b>	94,458	<b>200,226</b>	226,453	<b>33,483</b>	16,320	<b>143,211</b>	119,850	<b>439,673</b>	398,867	<b>145,656</b>	175,162
Amounts receivable on creation of shares		<b>20,878</b>	26,008	<b>14,775</b>	20,226	<b>23,775</b>	31,709	<b>25,336</b>	18,299	<b>80,956</b>	61,979	<b>107,402</b>	164,485	<b>7,062</b>	11,881
Amounts payable on cancellation of shares		<b>(39,199)</b>	(29,110)	<b>(18,756)</b>	(15,412)	<b>(46,277)</b>	(32,156)	<b>(12,667)</b>	(867)	<b>(36,658)</b>	(29,965)	<b>(79,528)</b>	(79,913)	<b>(20,562)</b>	(17,923)
		<b>(18,321)</b>	(3,102)	<b>(3,981)</b>	4,814	<b>(22,502)</b>	(447)	<b>12,669</b>	17,432	<b>44,298</b>	32,014	<b>27,874</b>	84,572	<b>(13,500)</b>	(6,042)
Change in net assets attributable to shareholders from investment activities (see above)		<b>28,287</b>	(21,336)	<b>9,744</b>	(15,552)	<b>33,376</b>	(25,794)	<b>594</b>	(269)	<b>6,746</b>	(8,653)	<b>39,216</b>	(45,286)	<b>36,544</b>	(23,700)
Retained distribution on accumulation shares	9	<b>636</b>	628	<b>20</b>	18	<b>12</b>	14	<b>–</b>	–	<b>–</b>	–	<b>1,680</b>	1,515	<b>277</b>	236
Unclaimed distribution		<b>–</b>	–	<b>–</b>	–	<b>–</b>	–	<b>–</b>	–	<b>–</b>	–	<b>–</b>	5	<b>–</b>	–
<b>Closing net assets attributable to shareholders</b>		<b>136,886</b>	126,284	<b>89,521</b>	83,738	<b>211,112</b>	200,226	<b>46,746</b>	33,483	<b>194,255</b>	143,211	<b>508,443</b>	439,673	<b>168,977</b>	145,656

# Balance Sheet

As at 31 December 2019

		Amity UK Fund		Amity European Fund		Amity International Fund		Amity Short Dated Bond Fund		Amity Sterling Bond Fund		Higher Income Fund		UK Equity Growth Fund	
	Notes	2019 £'000	2018 £'000	2019 £'000	2018 £'000	2019 £'000	2018 £'000	2019 £'000	2018 £'000	2019 £'000	2018 £'000	2019 £'000	2018 £'000	2019 £'000	2018 £'000
<b>ASSETS</b>															
Fixed assets:															
Investments		<b>134,531</b>	119,612	<b>89,302</b>	83,627	<b>204,860</b>	195,601	<b>44,440</b>	31,881	<b>181,942</b>	139,459	<b>494,021</b>	431,194	<b>163,966</b>	138,112
Current assets:															
Debtors	10	<b>474</b>	622	<b>744</b>	494	<b>987</b>	876	<b>976</b>	475	<b>3,288</b>	2,458	<b>5,081</b>	3,958	<b>544</b>	623
Cash and bank balances	11	<b>3,743</b>	8,100	<b>436</b>	643	<b>6,850</b>	6,058	<b>1,544</b>	1,256	<b>11,301</b>	3,365	<b>24,391</b>	19,882	<b>7,289</b>	9,555
Total assets		<b>138,748</b>	128,334	<b>90,482</b>	84,764	<b>212,697</b>	202,535	<b>46,960</b>	33,612	<b>196,531</b>	145,282	<b>523,493</b>	455,034	<b>171,799</b>	148,290
<b>LIABILITIES</b>															
Investment liabilities		-	-	-	-	-	-	-	-	-	-	(624)	-	-	-
Creditors:															
Distribution payable on 'A' and 'B' shares	9	<b>(1,541)</b>	(1,722)	<b>(708)</b>	(914)	<b>(1,211)</b>	(1,988)	<b>(165)</b>	(57)	<b>(1,893)</b>	(1,493)	<b>(12,797)</b>	(14,309)	<b>(2,576)</b>	(2,371)
Other creditors	12	<b>(321)</b>	(328)	<b>(141)</b>	(112)	<b>(374)</b>	(321)	<b>(49)</b>	(72)	<b>(383)</b>	(578)	<b>(1,629)</b>	(1,052)	<b>(246)</b>	(263)
Bank overdrafts		-	-	<b>(112)</b>	-	-	-	-	-	-	-	-	-	-	-
Total liabilities		<b>(1,862)</b>	(2,050)	<b>(961)</b>	(1,026)	<b>(1,585)</b>	(2,309)	<b>(214)</b>	(129)	<b>(2,276)</b>	(2,071)	<b>(15,050)</b>	(15,361)	<b>(2,822)</b>	(2,634)
<b>Net assets attributable to shareholders</b>		<b>136,886</b>	126,284	<b>89,521</b>	83,738	<b>211,112</b>	200,226	<b>46,746</b>	33,483	<b>194,255</b>	143,211	<b>508,443</b>	439,673	<b>168,977</b>	145,656

# Notes to the Financial Statements

For the year ended 31 December 2019

## 1. Accounting Policies

### a. Basis of accounting

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 ("SORP") for Financial Statements of UK Authorised Funds issued by the Investment Association (formerly the Investment Management Association) in May 2014 and FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

The ACD is confident that the Company will continue in operation for at least 12 months from the date of signing of their 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. Recognition, classification and derecognition of investments

Financial assets and financial liabilities are recognised in the Fund's balance sheet when the Fund becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially recognised at transaction price (including transaction costs) and subsequently measured at amortised cost, except for the Fund's investments classified as financial assets at fair value through profit or loss, which are initially recognised at fair value (excluding transaction costs).

### c. Valuation of investments

All investments are valued at their fair value at close of business on 31 December 2019, being the last business day of the financial year. The fair value of non-derivative securities is bid price, excluding any accrued interest. Unquoted investments are shown at the ACD's valuation.

### d. Foreign exchange

The base and functional currency of the Funds, being the currency of the primary economic environment in which the Company operates, is Pound Sterling. The values of assets and liabilities denominated in foreign currencies have been converted into Sterling at the exchange rate prevailing at close of business on 31 December 2019. Any exchange differences arising on translation of investments and capital assets and liabilities other than investments are included in "Net capital (losses)/gains" account in the statement of total return. Any exchange differences arising on translation of other assets or liabilities are included in net revenue.

### e. Revenue

Revenue is recognised when the flow of economic benefits is probable and the amount can be measured reliably.

UK dividend revenue is disclosed net of any related tax credit. Overseas dividends are disclosed gross of any foreign tax suffered. Bank and other

interest receivable is included on an accrual basis. Accrued interest purchased and sold on interest-bearing securities is excluded from the capital costs 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.

Distributions from collective investment schemes are recognised when the schemes are quoted ex-distribution.

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 costs of these shares.

### f. Expenses

All expenses are charged against revenue, except for Higher Income Fund and Amity Sterling Bond Fund where annual management expense is charged to capital, and other than those relating to the purchase and sale of investments on each sub-fund. 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 20.0%, being the tax rate enacted or substantively enacted at the year end date, on taxable revenue after the deduction of allowable expenses. Deferred tax is provided for by the liability method on all short-term timing differences. UK dividend revenue is disclosed net of any related tax credit. 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 Techniques

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').

The Company may have 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.

As at 31 December 2018, the valuation techniques being implemented are:

For the Pennon FRN 3.30% 13/07/2022 security, the ACD notes it to be viewed by the market as trading similar to debt between BBB and BB credit rating categories when considered by the level that it was historically priced at. When the pricing is available, the ACD takes the price from the default data source. When the pricing is not available, the ACD estimates the price by applying the more conservative BB credit rating. The most recent Option Adjusted Spread on the Sterling Non-Gilts BB-rated Index produced by ICE (formerly Bank of America Merrill Lynch indices) which is accessed via Bloomberg is then added onto the benchmark gilt to obtain a price as of the time of the price request.

# Notes to the Financial Statements

For the year ended 31 December 2019

## 2. Distribution Policies

### a. Revenue distribution to corporate shareholders

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

The shares of classes 'A' and 'B' are income shares, while the shares of class 'C' are accumulation shares.

The holders of accumulation shares must add the revenue accumulated (excluding equalisation) to the cost of such shares for capital gains tax purposes.

### 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-fund 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 forms 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 ACD's annual management fee is charged within the net revenue of the sub-funds. In respect of the Amity Sterling Bond Fund and the Higher Income Fund, the annual management charge is taken from capital, not revenue, so the capital value of the Company could be reduced over time.

### f. Unclaimed distribution

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

### g. Fund's distribution

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

## 3. Risk Management Policies

The main risks arising from the Company's financial instruments are market price, foreign currency, interest rate, liquidity and credit. 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 seeks to ensure that individual stocks also meet the risk reward profile that is acceptable.

The ACD does not 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% as at the balance sheet date, the net asset values of the sub-funds 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 sub-funds would have decreased by the following amounts.

	Increase	Decrease
Amity UK Fund	£13,453,092	£13,453,092
Amity European Fund	£8,930,214	£8,930,214
Amity International Fund	£20,486,045	£20,486,045
Amity Short Dated Bond Fund	£4,444,044	£4,444,044
Amity Sterling Bond Fund	£18,194,222	£18,194,222
Higher Income Fund	£49,339,726	£49,339,726
UK Equity Growth Fund	£16,396,575	£16,396,575

- **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 sterling which is the Company's functional currency. Currency risk exposure is a fundamental part of the investment management process, and is monitored by the ACD's fund management team on an ongoing basis.

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 year 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 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 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 values of the sub-funds 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 values of the sub-funds would have increased by the following amounts. These calculations assume all other variables remain constant.

	Increase	Decrease
Amity UK Fund	£360,376	£360,376
Amity European Fund	£8,998,197	£8,998,197
Amity International Fund	£17,713,934	£17,713,934
Amity Short Dated Bond Fund	£Nil	£Nil
Amity Sterling Bond Fund	£Nil	£Nil
Higher Income Fund	£14,839,394	£14,839,394
UK Equity Growth Fund	£178	£178

# Notes to the Financial Statements

For the year ended 31 December 2019

## 3. 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. Interest rate risk exposure is a fundamental part of the investment management process, and is monitored by the ACD's fund management team on an ongoing basis.

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

	Increase	Decrease
Amity UK Fund	£Nil	£Nil
Amity European Fund	£Nil	£Nil
Amity International Fund	£Nil	£Nil
Amity Short Dated Bond Fund	£73,333	£73,333
Amity Sterling Bond Fund	£622,319	£622,319
Higher Income Fund	£247,423	£247,423
UK Equity Growth	£Nil	£Nil

■ **Liquidity Risk:** the Company's assets comprise mainly 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.

## 4. Net capital gains/(losses)

	Amity UK Fund		Amity European Fund		Amity International Fund		Amity Short Dated Bond Fund		Amity Sterling Bond Fund		Higher Income Fund		UK Equity Growth Fund	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Non derivative securities	28,292	(21,348)	9,757	(15,564)	33,714	(25,778)	594	(269)	7,865	(7,677)	43,128	(42,186)	36,545	(23,705)
Forward currency contracts	–	–	–	(1)	(4)	14	–	–	–	–	(545)	17	–	–
Currency (losses)/gains	(4)	12	(12)	15	(323)	(19)	–	–	–	–	(124)	(95)	1	6
Security transaction fees	(1)	–	(1)	(2)	(9)	(10)	–	–	(3)	–	(2)	(5)	(2)	(1)
<b>Net capital gains/(losses)</b>	<b>28,287</b>	<b>(21,336)</b>	<b>9,744</b>	<b>(15,552)</b>	<b>33,378</b>	<b>(25,793)</b>	<b>594</b>	<b>(269)</b>	<b>7,862</b>	<b>(7,677)</b>	<b>42,457</b>	<b>(42,269)</b>	<b>36,544</b>	<b>(23,700)</b>



# Notes to the Financial Statements

For the year ended 31 December 2019

## 5. Purchases, sales and transaction costs

	Amity UK Fund		Amity European Fund		Amity International Fund		Amity Short Dated Bond Fund		Amity Sterling Bond Fund		Higher Income Fund		UK Equity Growth Fund	
	2019 £'000	2018 £'000	2019 £'000	2018 £'000	2019 £'000	2018 £'000	2019 £'000	2018 £'000	2019 £'000	2018 £'000	2019 £'000	2018 £'000	2019 £'000	2018 £'000
Analysis of total purchase costs:														
Equities: purchases in period before transaction costs	<b>8,196</b>	6,186	<b>7,076</b>	23,862	<b>48,464</b>	76,276	–	–	<b>1,354</b>	796	<b>67,813</b>	130,879	<b>40,688</b>	38,846
Bonds: purchases in period before transaction costs	–	–	–	–	–	–	<b>21,339</b>	18,204	<b>58,491</b>	48,679	<b>3,071</b>	7,002	–	–
Commissions:														
Equities total value paid	<b>5</b>	4	<b>4</b>	18	<b>31</b>	71	–	–	<b>2</b>	–	<b>37</b>	98	<b>24</b>	31
Bonds total value paid	–	–	–	–	–	–	–	–	–	–	–	–	–	–
	%	%	%	%	%	%	%	%	%	%	%	%	%	%
Equities: average commission costs on purchases as % of purchases total	<b>0.07</b>	0.06	<b>0.06</b>	0.08	<b>0.06</b>	0.09	–	–	<b>0.15</b>	–	<b>0.05</b>	0.07	<b>0.06</b>	0.08
Bonds: average commission costs on purchases as % of purchases total	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Equities: average commission costs on purchases as % of average NAV	–	–	–	0.02	<b>0.01</b>	0.03	–	–	–	–	<b>0.01</b>	0.02	<b>0.01</b>	0.02
Bonds: average commission costs on purchases as % of average NAV	–	–	–	–	–	–	–	–	–	–	–	–	–	–
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Taxes:														
Equities total value paid	<b>35</b>	20	<b>4</b>	27	<b>17</b>	68	–	–	<b>5</b>	3	<b>159</b>	238	<b>140</b>	48
Bonds total value paid	–	–	–	–	–	–	–	–	–	–	–	–	–	–
	%	%	%	%	%	%	%	%	%	%	%	%	%	%
Equities: average taxes costs on purchases as % of purchases total	<b>0.43</b>	0.32	<b>0.06</b>	0.11	<b>0.03</b>	0.09	–	–	<b>0.37</b>	–	<b>0.22</b>	0.18	<b>0.34</b>	0.12
Bonds: average taxes costs on purchases as % of purchases total	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Equities: average taxes costs on purchases as % of average NAV	<b>0.03</b>	0.01	–	0.03	<b>0.01</b>	0.03	–	–	–	–	<b>0.03</b>	0.05	<b>0.09</b>	0.03
Bonds: average taxes costs on purchases as % of average NAV	–	–	–	–	–	–	–	–	–	–	–	–	–	–
<b>Total gross purchases</b>	<b>8,236</b>	6,210	<b>7,084</b>	23,907	<b>48,512</b>	76,415	<b>21,339</b>	18,204	<b>59,852</b>	49,478	<b>71,080</b>	138,217	<b>40,852</b>	38,925



# Notes to the Financial Statements

For the year ended 31 December 2019

## 5. Purchases, sales and transaction costs (continued)

	Amity UK Fund		Amity European Fund		Amity International Fund		Amity Short Dated Bond Fund		Amity Sterling Bond Fund		Higher Income Fund		UK Equity Growth Fund	
	2019 £'000	2018 £'000	2019 £'000	2018 £'000	2019 £'000	2018 £'000	2019 £'000	2018 £'000	2019 £'000	2018 £'000	2019 £'000	2018 £'000	2019 £'000	2018 £'000
Analysis of total sale proceeds:														
Equities: sales in period before transaction costs	<b>21,315</b>	10,649	<b>11,058</b>	14,715	<b>72,429</b>	72,620	–	–	–	–	<b>43,202</b>	36,589	<b>51,397</b>	47,163
Bonds: sales in period before transaction costs	<b>255</b>	–	–	–	–	–	<b>8,420</b>	468	<b>22,467</b>	3,506	<b>745</b>	6,545	–	–
Commissions:														
Equities total value paid	<b>(13)</b>	(6)	<b>(7)</b>	(12)	<b>(48)</b>	(66)	–	–	–	–	<b>(19)</b>	(26)	<b>(37)</b>	(47)
Bonds total value paid	–	–	–	–	–	–	–	–	–	–	–	–	–	–
	%	%	%	%	%	%	%	%	%	%	%	%	%	%
Equities: average commission costs on sales as % of sales total	<b>0.06</b>	0.06	<b>0.06</b>	0.07	<b>0.07</b>	0.09	–	–	–	–	<b>0.04</b>	0.07	<b>0.07</b>	0.10
Bonds: average commission costs on sales as % of sales total	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Equities: average commission costs on sales as % of average NAV	<b>0.01</b>	0.01	<b>0.01</b>	0.01	<b>0.02</b>	0.03	–	–	–	–	–	0.01	<b>0.02</b>	0.03
Bonds: average commission costs on sales as % of average NAV	–	–	–	–	–	–	–	–	–	–	–	–	–	–
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Taxes:														
Equities total value paid	–	–	–	–	<b>(9)</b>	(23)	–	–	–	–	<b>(1)</b>	–	–	–
Bonds total value paid	–	–	–	–	–	–	–	–	–	–	–	–	–	–
	%	%	%	%	%	%	%	%	%	%	%	%	%	%
Equities: average taxes costs on sales as % of sales total	–	–	–	–	<b>0.01</b>	0.03	–	–	–	–	–	–	–	–
Bonds: average taxes costs on sales as % of sales total	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Equities: average taxes costs on sales as % of average NAV	–	–	–	–	–	0.01	–	–	–	–	–	–	–	–
Bonds: average taxes costs on sales as % of average NAV	–	–	–	–	–	–	–	–	–	–	–	–	–	–
<b>Total gross sales</b>	<b>21,557</b>	10,643	<b>11,051</b>	14,703	<b>72,372</b>	72,531	<b>8,420</b>	468	<b>22,467</b>	3,506	<b>43,927</b>	43,107	<b>51,360</b>	47,116

# Notes to the Financial Statements

For the year ended 31 December 2019

## 5. Purchases, sales and transaction costs (continued)

Average portfolio dealing spread

The portfolio transaction costs tables above include direct transaction costs suffered by the sub-funds during the year.

Separately identifiable direct transaction costs (commissions and taxes etc.) are attributable to the sub-fund's 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 sub-funds' average portfolio dealing spread expressed as a percentage of the value determined by reference to the buying price are as follows: Amity UK Fund 0.48% (2018: 0.62%); Amity European Fund 0.19% (2018: 0.27%); Amity International Fund 0.30% (2018: 0.32%); Amity Short Dated Bond Fund 0.27% (2018: 0.31%); Amity Sterling Bond Fund 1.69% (2018: 1.01%); Higher Income Fund 0.63% (2018: 0.70%); UK Equity Growth Fund 1.12% (2018: 1.52%).

For the sub-fund's investment transactions in debt instruments any applicable transaction charges form part of the dealing spread for these instruments.

## 6. Revenue

	Amity UK Fund		Amity European Fund		Amity International Fund		Amity Short Dated Bond Fund		Amity Sterling Bond Fund		Higher Income Fund		UK Equity Growth Fund	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Franked UK dividends	<b>3,965</b>	4,035	–	–	<b>1,309</b>	1,307	–	–	<b>342</b>	281	<b>12,283</b>	10,772	<b>4,771</b>	4,508
Franked CIS revenue	–	–	–	–	–	–	–	–	–	–	<b>147</b>	127	–	–
Overseas dividends	<b>274</b>	364	<b>3,625</b>	3,392	<b>4,239</b>	5,159	–	–	–	–	<b>7,796</b>	7,139	<b>261</b>	328
Property income distributions	<b>59</b>	57	–	–	–	–	–	–	–	–	<b>856</b>	797	<b>7</b>	–
Interest on fixed interest stocks	<b>10</b>	35	–	–	–	–	<b>680</b>	307	<b>6,233</b>	5,090	<b>3,028</b>	2,993	–	–
Bank interest	<b>19</b>	10	<b>3</b>	29	<b>81</b>	39	<b>5</b>	1	<b>25</b>	9	<b>71</b>	56	<b>35</b>	16
<b>Total revenue</b>	<b>4,327</b>	4,501	<b>3,628</b>	3,421	<b>5,629</b>	6,505	<b>685</b>	308	<b>6,600</b>	5,380	<b>24,181</b>	21,884	<b>5,074</b>	4,852

# Notes to the Financial Statements

For the year ended 31 December 2019

## 7. Expenses

	Amity UK Fund		Amity European Fund		Amity International Fund		Amity Short Dated Bond Fund		Amity Sterling Bond Fund		Higher Income Fund		UK Equity Growth Fund	
	2019 £'000	2018 £'000	2019 £'000	2018 £'000	2019 £'000	2018 £'000	2019 £'000	2018 £'000	2019 £'000	2018 £'000	2019 £'000	2018 £'000	2019 £'000	2018 £'000
<b>Payable to the Authorised Corporate Director or associates of the Authorised Corporate Director:</b>														
ACD's charge	<b>1,347</b>	1,479	<b>716</b>	769	<b>1,773</b>	1,858	<b>144</b>	80	<b>1,118</b>	976	<b>4,050</b>	3,770	<b>1,382</b>	1,496
<b>Payable to the Depositary or associates of the Depositary:</b>														
Depositary fee	<b>41</b>	44	<b>32</b>	33	<b>58</b>	60	<b>12</b>	8	<b>48</b>	42	<b>115</b>	107	<b>47</b>	51
Safe custody fee	<b>4</b>	4	<b>12</b>	14	<b>37</b>	42	<b>3</b>	37	<b>14</b>	11	<b>38</b>	34	<b>4</b>	5
	<b>45</b>	48	<b>44</b>	47	<b>95</b>	102	<b>15</b>	45	<b>62</b>	53	<b>153</b>	141	<b>51</b>	56
<b>Other expenses:</b>														
Registration fee	<b>14</b>	16	<b>4</b>	5	<b>5</b>	6	–	–	<b>3</b>	3	<b>17</b>	18	<b>7</b>	7
Audit fee	<b>10</b>	10	<b>10</b>	10	<b>10</b>	10	<b>10</b>	10	<b>10</b>	10	<b>10</b>	10	<b>10</b>	10
Legal fee	–	–	–	2	–	1	–	–	–	–	–	2	–	–
Administration fee	–	–	–	–	–	–	–	–	–	–	–	3	–	–
	<b>24</b>	26	<b>14</b>	17	<b>15</b>	17	<b>10</b>	10	<b>13</b>	13	<b>27</b>	33	<b>17</b>	17
<b>Total expenses</b>	<b>1,416</b>	1,553	<b>774</b>	833	<b>1,883</b>	1,977	<b>169</b>	135	<b>1,193</b>	1,042	<b>4,230</b>	3,944	<b>1,450</b>	1,569

# Notes to the Financial Statements

For the year ended 31 December 2019

## 8. Taxation

	Amity UK Fund		Amity European Fund		Amity International Fund		Amity Short Dated Bond Fund		Amity Sterling Bond Fund		Higher Income Fund		UK Equity Growth Fund	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000

### a. Analysis of charge for the year:

Overseas withholding tax	12	16	400	208	369	395	–	–	–	–	620	372	1	–
Prior year adjustment	–	–	–	–	–	70	–	–	–	–	–	(104)	–	–
<b>Total current tax (note b)</b>	<b>12</b>	<b>16</b>	<b>400</b>	<b>208</b>	<b>369</b>	<b>465</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>620</b>	<b>268</b>	<b>1</b>	<b>–</b>
<b>Total taxation</b>	<b>12</b>	<b>16</b>	<b>400</b>	<b>208</b>	<b>369</b>	<b>465</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>620</b>	<b>268</b>	<b>1</b>	<b>–</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	2,910	2,948	2,851	2,585	3,741	4,524	514	172	5,406	4,338	19,945	17,937	3,624	3,283
Return on ordinary activities multiplied by the standard rate of Corporation Tax of 20% (2018: 20%)	582	590	570	517	748	905	103	34	1,081	868	3,989	3,587	725	657
<b>Effects of:</b>														
Interest distributions	–	–	–	–	–	–	(103)	(34)	(978)	(769)	–	–	–	–
Franked investment revenue	(794)	(807)	–	–	(262)	(261)	–	–	(68)	(56)	(2,546)	(2,226)	(954)	(902)
Overseas withholding tax	12	16	400	208	369	395	–	–	–	–	620	372	1	–
Double taxation relief	–	–	–	–	–	–	–	–	–	–	(23)	(28)	–	–
Non-taxable overseas stock dividends	–	–	–	–	(848)	–	–	–	–	–	–	–	–	–
Tax paid in different periods	–	–	–	–	–	1	–	–	–	–	(11)	3	–	–
Excess management expenses	267	287	155	161	362	365	–	–	–	–	–	–	281	311
Non taxable overseas dividends	(55)	(70)	(725)	(678)	–	(1,010)	–	–	–	–	(1,409)	(1,336)	(52)	(66)
Indexed gilt edged securities adjustment	–	–	–	–	–	–	–	–	(35)	(43)	–	–	–	–
Prior year adjustment	–	–	–	–	–	70	–	–	–	–	–	(104)	–	–
<b>Total current tax (note a)</b>	<b>12</b>	<b>16</b>	<b>400</b>	<b>208</b>	<b>369</b>	<b>465</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>620</b>	<b>268</b>	<b>1</b>	<b>–</b>

### c. Deferred tax

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

# Notes to the Financial Statements

For the year ended 31 December 2019

## 8. Taxation (continued)

The Amity UK Fund has not recognised a deferred tax asset of £3,146,466 (2018: £2,879,064) arising as a result of having unutilised management expenses. The Amity European Fund has not recognised a deferred tax asset of £1,068,937 (2018: £915,062) arising as a result of having unutilised management expenses. The Amity International Fund has not recognised a deferred tax asset of £3,825,416 (2018: £3,463,831) arising as a result of having unutilised management expenses. The Amity Short Dated Bond Fund has no deferred tax assets (2018: £Nil). The Amity Sterling Bond Fund has not recognised a deferred tax asset of £25,187 (2018: £25,187) arising as a result of having excess non-trade loan deficits. The Higher Income Fund has no deferred tax assets (2018: £Nil). The UK Equity Growth Fund has not recognised a deferred tax asset of £3,034,143 (2018: £2,752,491) 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 sub-funds' revenue or capital gains/(losses) changes.

## 9. Distributions

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

	Amity UK Fund		Amity European Fund		Amity International Fund		Amity Short Dated Bond Fund		Amity Sterling Bond Fund		Higher Income Fund		UK Equity Growth Fund	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Interim distributions	555	569	1,702	1,426	2,052	2,062	371	139	4,840	3,979	8,462	6,102	604	583
Interim accumulations	158	154	15	12	8	7	–	–	–	–	432	330	42	41
Final distributions	1,541	1,722	708	914	1,211	1,988	165	57	1,893	1,493	12,797	14,309	2,576	2,371
Final accumulations	478	474	5	6	4	7	–	–	–	–	1,248	1,185	235	195
<b>Total distributions/accumulations for the period</b>	<b>2,732</b>	<b>2,919</b>	<b>2,430</b>	<b>2,358</b>	<b>3,275</b>	<b>4,064</b>	<b>536</b>	<b>196</b>	<b>6,733</b>	<b>5,472</b>	<b>22,939</b>	<b>21,926</b>	<b>3,457</b>	<b>3,190</b>
Add: Revenue deducted on shares cancelled	362	224	146	170	194	193	23	1	176	140	1,212	1,445	222	186
Deduct: Revenue received on shares created	(196)	(211)	(125)	(151)	(95)	(197)	(45)	(25)	(387)	(298)	(1,585)	(2,685)	(56)	(93)
	2,898	2,932	2,451	2,377	3,374	4,060	514	172	6,522	5,314	22,566	20,686	3,623	3,283
<b>Interest payable and other similar charges</b>														
Interest	1	–	3	3	5	4	2	1	1	–	6	3	–	–
<b>Reconciliation between net revenue and distributions</b>														
Net revenue after taxation	2,898	2,932	2,451	2,377	3,372	4,059	514	172	5,406	4,338	19,325	17,669	3,623	3,283
Capitalised expenses	–	–	–	–	1	–	–	–	1,116	976	4,050	3,770	–	–
Tax relief on capital expenses	–	–	–	–	–	–	–	–	–	–	(810)	(753)	–	–
Equalisation uplift on rdr conversions	–	–	–	–	1	1	–	–	–	–	1	–	–	–
<b>Distributions/accumulations</b>	<b>2,898</b>	<b>2,932</b>	<b>2,451</b>	<b>2,377</b>	<b>3,374</b>	<b>4,060</b>	<b>514</b>	<b>172</b>	<b>6,522</b>	<b>5,314</b>	<b>22,566</b>	<b>20,686</b>	<b>3,623</b>	<b>3,283</b>

# Notes to the Financial Statements

For the year ended 31 December 2019

## 10. Debtors

	Amity UK Fund		Amity European Fund		Amity International Fund		Amity Short Dated Bond Fund		Amity Sterling Bond Fund		Higher Income Fund		UK Equity Growth Fund	
	2019 £'000	2018 £'000	2019 £'000	2018 £'000	2019 £'000	2018 £'000	2019 £'000	2018 £'000	2019 £'000	2018 £'000	2019 £'000	2018 £'000	2019 £'000	2018 £'000
Amounts receivable for creation of shares	<b>115</b>	164	<b>106</b>	104	<b>250</b>	225	<b>282</b>	64	<b>892</b>	344	<b>2,092</b>	1,331	<b>77</b>	82
Accrued revenue	<b>345</b>	447	–	–	<b>256</b>	283	<b>694</b>	411	<b>2,396</b>	2,114	<b>2,291</b>	2,227	<b>464</b>	442
Overseas tax recoverable	<b>14</b>	11	<b>638</b>	322	<b>481</b>	368	–	–	–	–	<b>698</b>	400	<b>3</b>	3
Sales awaiting settlement	–	–	–	68	–	–	–	–	–	–	–	–	–	96
	<b>474</b>	622	<b>744</b>	494	<b>987</b>	876	<b>976</b>	475	<b>3,288</b>	2,458	<b>5,081</b>	3,958	<b>544</b>	623

## 11. Cash and bank balances

	Amity UK Fund		Amity European Fund		Amity International Fund		Amity Short Dated Bond Fund		Amity Sterling Bond Fund		Higher Income Fund		UK Equity Growth Fund	
	2019 £'000	2018 £'000	2019 £'000	2018 £'000	2019 £'000	2018 £'000	2019 £'000	2018 £'000	2019 £'000	2018 £'000	2019 £'000	2018 £'000	2019 £'000	2018 £'000
Cash	<b>3,737</b>	7,897	<b>394</b>	427	<b>3,010</b>	3,622	<b>1,544</b>	1,256	<b>11,301</b>	3,365	<b>24,387</b>	19,118	<b>7,289</b>	9,555
Foreign currency	<b>6</b>	203	<b>42</b>	216	<b>3,840</b>	2,436	–	–	–	–	<b>4</b>	764	–	–
	<b>3,743</b>	8,100	<b>436</b>	643	<b>6,850</b>	6,058	<b>1,544</b>	1,256	<b>11,301</b>	3,365	<b>24,391</b>	19,882	<b>7,289</b>	9,555

## 12. Creditors

	Amity UK Fund		Amity European Fund		Amity International Fund		Amity Short Dated Bond Fund		Amity Sterling Bond Fund		Higher Income Fund		UK Equity Growth Fund	
	2019 £'000	2018 £'000	2019 £'000	2018 £'000	2019 £'000	2018 £'000	2019 £'000	2018 £'000	2019 £'000	2018 £'000	2019 £'000	2018 £'000	2019 £'000	2018 £'000
Amount payable for cancellation of shares	<b>185</b>	201	<b>64</b>	37	<b>206</b>	151	<b>20</b>	46	<b>267</b>	329	<b>1,238</b>	486	<b>107</b>	137
Accrued expenses	<b>136</b>	127	<b>77</b>	75	<b>168</b>	170	<b>29</b>	26	<b>116</b>	104	<b>391</b>	351	<b>139</b>	126
Purchases awaiting settlement	–	–	–	–	–	–	–	–	–	145	–	215	–	–
	<b>321</b>	328	<b>141</b>	112	<b>374</b>	321	<b>49</b>	72	<b>383</b>	578	<b>1,629</b>	1,052	<b>246</b>	263

# Notes to the Financial Statements

For the year ended 31 December 2019

## 13. Contingent liabilities and outstanding commitments

There were no contingent liabilities at the balance sheet date (2018: £Nil).

## 14. Related parties

EdenTree Investment Management Limited (EIM), acts as 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 to/from EIM in respect of share transactions at year end are disclosed in notes 10 and 12.

EIM did not enter into any other transactions with the Company during the year under review.

As at 31 December 2019, fellow Group companies of the ultimate parent company, Allchurches Trust Limited owned:

Amity UK Fund	5%
Amity European Fund	46%
Amity International Fund	22%
Amity Short Dated Bond Fund	32%
Amity Sterling Bond Fund	5%
Higher Income Fund	0%
UK Equity Growth Fund	60%

## 15. Financial instruments

In pursuing its investment objectives set out on pages 5 and 6, 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 31 December 2019

## 16. Risks of financial instruments

Currency exposures:

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

	Amity UK Fund		Amity European Fund		Amity International Fund		Amity Short Dated Bond Fund		Amity Sterling Bond Fund		Higher Income Fund		UK Equity Growth Fund	
	2019 £'000	2018 £'000	2019 £'000	2018 £'000	2019 £'000	2018 £'000	2019 £'000	2018 £'000	2019 £'000	2018 £'000	2019 £'000	2018 £'000	2019 £'000	2018 £'000
Australian dollar	–	–	–	–	4,901	4,528	–	–	–	–	–	–	–	–
Canadian dollar	–	–	–	–	–	–	–	–	–	–	1,008	713	–	–
Euro	2,500	2,314	79,172	73,084	42,845	36,765	–	–	–	–	47,962	49,660	2	1,816
Hong Kong dollar	–	–	–	–	9,174	8,449	–	–	–	–	18,683	18,869	–	–
Japanese yen	–	–	–	–	12,697	17,895	–	–	–	–	6,793	5,712	–	–
Malaysian ringgit	–	–	–	–	–	1,189	–	–	–	–	–	–	–	–
Norwegian krone	3	601	1,596	1,524	6,195	5,823	–	–	–	–	4,321	4,144	–	–
Singapore dollar	–	–	–	–	8,336	11,958	–	–	–	–	10,886	10,843	–	–
Swedish krona	–	820	4,131	4,167	3,156	7,400	–	–	–	–	10,090	4,626	–	–
Swiss franc	–	–	5,082	4,339	5,982	4,197	–	–	–	–	6,583	5,175	–	–
Taiwan dollar	–	–	–	–	10,843	10,193	–	–	–	–	9,525	–	–	–
US dollar	1,101	2,264	1	1	73,010	57,467	–	–	–	–	32,543	39,647	–	–
<b>Subtotal</b>	<b>3,604</b>	<b>5,999</b>	<b>89,982</b>	<b>83,115</b>	<b>177,139</b>	<b>165,864</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>148,394</b>	<b>139,389</b>	<b>2</b>	<b>1,816</b>
Sterling	133,282	120,285	(461)	623	33,973	34,362	46,746	33,483	194,255	143,211	360,049	300,284	168,975	143,840
<b>Net Assets</b>	<b>136,886</b>	<b>126,284</b>	<b>89,521</b>	<b>83,738</b>	<b>211,112</b>	<b>200,226</b>	<b>46,746</b>	<b>33,483</b>	<b>194,255</b>	<b>143,211</b>	<b>508,443</b>	<b>439,673</b>	<b>168,977</b>	<b>145,656</b>
Interest rate risk profile of financial assets and liabilities:														
Fixed rate financial assets	–	–	–	–	–	–	37,448	24,201	107,388	79,798	19,728	24,482	–	–
Floating rate	3,743	8,360	324	643	6,850	6,058	8,536	8,936	77,798	57,068	50,440	42,734	7,289	9,555
Nil interest bearing securities	133,143	118,069	89,197	83,095	204,262	194,168	762	346	9,069	6,345	438,275	372,457	161,688	136,451
<b>Net Assets</b>	<b>136,886</b>	<b>126,429</b>	<b>89,521</b>	<b>83,738</b>	<b>211,112</b>	<b>200,226</b>	<b>46,746</b>	<b>33,483</b>	<b>194,255</b>	<b>143,211</b>	<b>508,443</b>	<b>439,673</b>	<b>168,977</b>	<b>146,006</b>



# Notes to the Financial Statements

For the year ended 31 December 2019

## 16. Risks of financial instruments (continued)

The split of the interest rate risk profile by currency is not shown above, as in the ACD's opinion, this does not enhance the user's understanding of the financial statements. The floating rate financial assets and liabilities comprise currency bank balances and overdrafts that bear interest. The Sterling floating interest rates are determined after LIBOR, other currencies are determined by the relevant authority. None of the liabilities of the sub-funds carry any interest.

	Amity UK Fund		Amity European Fund		Amity International Fund		Amity Short Dated Bond Fund		Amity Sterling Bond Fund		Higher Income Fund		UK Equity Growth Fund	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
	%	%	%	%	%	%	%	%	%	%	%	%	%	%

### Weight average of fixed interest rates:

Pound sterling	–	–	–	–	–	–	1.34	1.82	2.70	2.88	–	–	–	–
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	Amity UK Fund		Amity European Fund		Amity International Fund		Amity Short Dated Bond Fund		Amity Sterling Bond Fund		Higher Income Fund		UK Equity Growth Fund	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
	years	years	years	years	years	years	years	years	years	years	years	years	years	years

### Weight average period for financial assets with interest rates:

Pound sterling	–	–	–	–	–	–	3.02	3.22	8.62	6.48	10.18	17.22	–	0.08
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# Notes to the Financial Statements

For the year ended 31 December 2019

## 17. 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 31 December 2019	Amity UK Fund				Amity European Fund				Amity International Fund			
	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000	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	134,531	–	–	134,531	89,302	–	–	89,302	204,859	–	–	204,859
Warrants	–	–	–	–	–	–	–	–	–	1	–	1
<b>Total</b>	<b>134,531</b>	<b>–</b>	<b>–</b>	<b>134,531</b>	<b>89,302</b>	<b>–</b>	<b>–</b>	<b>89,302</b>	<b>204,859</b>	<b>1</b>	<b>–</b>	<b>204,860</b>

Valuation technique as at 31 December 2019	Amity Short Dated Bond Fund				Amity Sterling Bond Fund				Higher Income Fund			
	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000	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>												
Collective Investment Schemes	–	–	–	–	–	–	–	–	6,590	4,790	–	11,380
Debt Securities	–	44,440	–	44,440	–	172,874	1,011	173,855	–	45,776	–	45,776
Equities	–	–	–	–	8,057	–	–	8,057	436,787	–	–	436,787
Forward Currency Contracts	–	–	–	–	–	–	–	–	–	78	–	78
<b>Total</b>	<b>–</b>	<b>44,440</b>	<b>–</b>	<b>44,440</b>	<b>8,057</b>	<b>172,874</b>	<b>1,011</b>	<b>181,942</b>	<b>443,377</b>	<b>50,644</b>	<b>–</b>	<b>494,021</b>
<b>Liabilities</b>												
Forward Currency Contracts	–	–	–	–	–	–	–	–	–	(624)	–	(624)
<b>Total</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>(624)</b>	<b>–</b>	<b>(624)</b>

Valuation technique as at 31 December 2019	UK Equity Growth Fund			
	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
<b>Assets</b>				
Equities	163,966	–	–	163,966
<b>Total</b>	<b>163,966</b>	<b>–</b>	<b>–</b>	<b>163,966</b>

# Notes to the Financial Statements

For the year ended 31 December 2019

## 17. Fair Value (continued)

Valuation technique as at 31 December 2018	Amity UK Fund				Amity European Fund				Amity International Fund			
	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000	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>												
Debt Securities	–	261	–	261	–	–	–	–	–	–	–	–
Equities	119,351	–	–	119,351	83,627	–	–	83,627	195,599	–	–	195,599
Warrants	–	–	–	–	–	–	–	–	–	2	–	2
<b>Total</b>	<b>119,351</b>	<b>261</b>	<b>–</b>	<b>119,612</b>	<b>83,627</b>	<b>–</b>	<b>–</b>	<b>83,627</b>	<b>195,599</b>	<b>2</b>	<b>–</b>	<b>195,601</b>

Valuation technique as at 31 December 2018	Amity Short Dated Bond Fund				Amity Sterling Bond Fund				Higher Income Fund			
	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000	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>												
Collective Investment Schemes	–	–	–	–	–	–	–	–	5,064	4,425	–	9,489
Debt Securities	–	31,881	–	31,881	–	132,499	1,001	133,500	–	47,333	–	47,333
Equities	–	–	–	–	5,959	–	–	5,959	372,577	–	1,795	374,372
<b>Total</b>	<b>–</b>	<b>31,881</b>	<b>–</b>	<b>31,881</b>	<b>5,959</b>	<b>132,499</b>	<b>1,001</b>	<b>139,459</b>	<b>377,641</b>	<b>51,758</b>	<b>1,795</b>	<b>431,194</b>

Valuation technique as at 31 December 2018	UK Equity Growth Fund			
	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
<b>Assets</b>				
Debt Securities	–	14	–	14
Equities	138,098	–	–	138,098
<b>Total</b>	<b>138,098</b>	<b>14</b>	<b>–</b>	<b>138,112</b>

The valuation technique has been disclosed under note 1 Accounting Policies on page 63.

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 31 December 2019

## 18. Shareholders' Funds

The Company currently has three share classes; Class A Income (Retail), Class B Income (Institutional) and Class C Accumulation (Institutional).

Amity UK Fund	Class A	Class B	Class C
Opening Shares	10,908,560	35,825,122	7,715,545
Shares Created	503,706	8,535,098	29,983
Shares Liquidated	(1,033,170)	(14,776,219)	(653,984)
Shares Converted	(48,229)	48,346	–
Closing Shares	10,330,867	29,632,347	7,091,544

Amity European Fund	Class A	Class B	Class C
Opening Shares	2,144,710	32,918,877	279,851
Shares Created	223,552	5,563,306	2,786
Shares Liquidated	(390,016)	(6,949,498)	(3,862)
Shares Converted	(33,794)	33,472	–
Closing Shares	1,944,452	31,566,157	278,775

Amity International Fund	Class A	Class B	Class C
Opening Shares	8,536,632	72,286,055	347,360
Shares Created	446,371	8,268,550	3,380
Shares Liquidated	(1,811,559)	(14,961,582)	(14,715)
Shares Converted	(583,024)	578,170	–
Closing Shares	6,588,420	66,171,193	336,025

Amity Short Dated Bond Fund	Class B
Opening Shares	34,126,763
Shares Created	25,476,451
Shares Liquidated	(12,709,905)
Shares Converted	–
Closing Shares	46,893,309

Amity Sterling Bond Fund	Class A	Class B
Opening Shares	14,104,529	116,598,344
Shares Created	3,113,744	67,709,811
Shares Liquidated	(3,351,199)	(28,995,469)
Shares Converted	(112,714)	102,033
Closing Shares	13,754,360	155,414,719

Higher Income Fund	Class A	Class B	Class C
Opening Shares	47,999,354	272,566,411	8,874,831
Shares Created	5,859,771	68,495,230	1,920,819
Shares Liquidated	(8,863,864)	(47,716,774)	(958,590)
Shares Converted	(2,577,967)	2,460,907	–
Closing Shares	42,417,294	295,805,774	9,837,060

UK Equity Growth Fund	Class A	Class B	Class C
Opening Shares	4,445,881	47,733,354	3,881,130
Shares Created	219,542	2,214,717	27,359
Shares Liquidated	(593,532)	(6,179,764)	(234,688)
Shares Converted	(30,925)	30,279	–
Closing Shares	4,040,966	43,798,586	3,673,801

The annual management charge as a percentage of net assets of each share class is as follows:

Investment Fund	Class	Annual management charge
Amity UK Fund	A	1.50%
	B	0.75%
	C	1.25%
Amity European Fund	A	1.50%
	B	0.75%
	C	1.25%
Amity International Fund	A	1.50%
	B	0.75%
	C	1.25%
Amity Short Dated Bond Fund	B	0.35%
Amity Sterling Bond Fund	A	1.15%
	B	0.55%
	C	0.75%
Higher Income Fund	A	1.25%
	B	0.75%
	C	1.00%
UK Equity Growth Fund	A	1.50%
	B	0.75%
	C	1.25%

The net asset values of each share class, the net asset value per share, and the number of shares in each class are given in the Fund Information tables on pages 8 to 35. The distributions per share class are given in the distribution tables on pages 80 to 87. All share classes have no par value and have the same rights on winding up.

## 19. Post Balance Sheet Events

During the period from the Balance Sheet date to the date that the Financial Statements were approved, the Coronavirus (COVID-19) outbreak has caused extensive disruptions to businesses and economic activities globally. The uncertainties over the emergence and spread of COVID-19 have caused market volatility on a global scale. The quantum of the effect on the fund share prices is shown below and in the report of the ACD. The Board of Directors are monitoring the situation and considering the effect it may have on the valuation of any impacted underlying investment holdings in the future. In accordance with the requirements of FRS 102 and the IA SORP, the fair valuations at balance sheet date reflect the economic conditions in existence at that date.

The Net Asset Values of the funds have not moved significantly between 31.03.20 and the date of signing. Hence, we are comfortable using the 31.03.20 (unaudited) figures.

### Amity UK Fund

As at the balance sheet date, the Net Asset Value per Class B Income share was 257.83p. The Net Asset Value per Class B Income share for the Sub-fund to 31 March 2020 was 188.73p. This represents a decrease of 27% from the year end value.

### Amity European Fund

As at the balance sheet date, the Net Asset Value per Class B Income share was 266.95p. The Net Asset Value per Class B Income share for the Sub-fund to 31 March 2020 was 205.27p. This represents a decrease of 23% from the year end value.

### Amity International Fund

As at the balance sheet date, the Net Asset Value per Class B Income share was 290.67p. The Net Asset Value per Class B Income share for the Sub-fund to 31 March 2020 was 238.65p. This represents a decrease of 18% from the year end value.

### Amity Short Dated Bond Fund

As at the balance sheet date, the Net Asset Value per Class B Income share was 100.11p. The Net Asset Value per Class B Income share for the Sub-fund to 31 March 2020 was 97.98p. This represents a decrease of 2% from the year end value.

# Notes to the Financial Statements

For the year ended 31 December 2019

## 19. Post Balance Sheet Events (continued)

### **Amity Sterling Bond Fund**

As at the balance sheet date, the Net Asset Value per Class B Income share was 117.46p. The Net Asset Value per Class B Income share for the Sub-fund to 31 March 2020 was 109.06p. This represents a decrease of 7% from the year end value.

### **Higher Income Fund**

As at the balance sheet date, the Net Asset Value per Class B Income share was 143.78p. The Net Asset Value per Class B Income share for the Sub-fund to 31 March 2020 was 110.68p. This represents a decrease of 23% from the year end value.

### **UK Equity Growth Fund**

As at the balance sheet date, the Net Asset Value per Class B Income share was 326.17p. The Net Asset Value per Class B Income share for the Sub-fund to 31 March 2020 was 225.74p. This represents a decrease of 31% from the year end value.

# Distribution/Accumulation Statements

## Amity UK Fund

For the year ended 31 December 2019

Interim Distribution (in pence per share)

Group 1: Shares purchased prior to 1 January 2019

Group 2: Shares purchased on or after 1 January 2019

Share Class A Group	Net Income	Equalisation	2019 Paid	2018 Paid
1	1.2000	–	1.2000	1.1000
2	0.7465	0.4535	1.2000	1.1000

Final Distribution (in pence per share)

Group 1: Shares purchased prior to 1 July 2019

Group 2: Shares purchased on or after 1 July 2019

Share Class A Group	Net Income	Equalisation	2019 Payable	2018 Paid
1	2.6322	–	2.6322	2.3991
2	0.6140	2.0182	2.6322	2.3991

Interim Distribution (in pence per share)

Group 1: Shares purchased prior to 1 January 2019

Group 2: Shares purchased on or after 1 January 2019

Share Class B Group	Net Income	Equalisation	2019 Paid	2018 Paid
1	1.4000	–	1.4000	1.3000
2	0.8666	0.5334	1.4000	1.3000

Final Distribution (in pence per share)

Group 1: Shares purchased prior to 1 July 2019

Group 2: Shares purchased on or after 1 July 2019

Share Class B Group	Net Income	Equalisation	2019 Payable	2018 Paid
1	4.2819	–	4.2819	4.0754
2	0.9620	3.3199	4.2819	4.0754

Interim Accumulation (in pence per share)

Group 1: Shares purchased prior to 1 January 2019

Group 2: Shares purchased on or after 1 January 2019

Share Class C Group	Net Income	Equalisation	2019 Paid	2018 Paid
1	2.1000	–	2.1000	1.9000
2	1.8235	0.2765	2.1000	1.9000

Final Accumulation (in pence per share)

Group 1: Shares purchased prior to 1 July 2019

Group 2: Shares purchased on or after 1 July 2019

Share Class C Group	Net Income	Equalisation	2019 Payable	2018 Paid
1	6.7407	–	6.7407	6.1438
2	6.7407	–	6.7407	6.1438

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/Accumulation Statements

## Amity European Fund

For the year ended 31 December 2019

Interim Distribution (in pence per share)

Group 1: Shares purchased prior to 1 January 2019

Group 2: Shares purchased on or after 1 January 2019

Share Class A Group	Net Income	Equalisation	2019 Paid	2018 Paid
1	4.0000	–	4.0000	3.2000
2	2.7834	1.2166	4.0000	3.2000

Final Distribution (in pence per share)

Group 1: Shares purchased prior to 1 July 2019

Group 2: Shares purchased on or after 1 July 2019

Share Class A Group	Net Income	Equalisation	2019 Payable	2018 Paid
1	1.0275	–	1.0275	1.2965
2	–	1.0275	1.0275	1.2965

Interim Distribution (in pence per share)

Group 1: Shares purchased prior to 1 January 2019

Group 2: Shares purchased on or after 1 January 2019

Share Class B Group	Net Income	Equalisation	2019 Paid	2018 Paid
1	5.0000	–	5.0000	4.0000
2	3.3908	1.6092	5.0000	4.0000

Final Distribution (in pence per share)

Group 1: Shares purchased prior to 1 July 2019

Group 2: Shares purchased on or after 1 July 2019

Share Class B Group	Net Income	Equalisation	2019 Payable	2018 Paid
1	2.1781	–	2.1781	2.6925
2	0.0123	2.1658	2.1781	2.6925

Interim Accumulation (in pence per share)

Group 1: Shares purchased prior to 1 January 2019

Group 2: Shares purchased on or after 1 January 2019

Share Class C Group	Net Income	Equalisation	2019 Paid	2018 Paid
1	5.5000	–	5.5000	4.4000
2	3.6126	1.8874	5.5000	4.4000

Final Accumulation (in pence per share)

Group 1: Shares purchased prior to 1 July 2019

Group 2: Shares purchased on or after 1 July 2019

Share Class C Group	Net Income	Equalisation	2019 Payable	2018 Paid
1	1.6738	–	1.6738	1.9517
2	–	1.6738	1.6738	1.9517

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/Accumulation Statements

## Amity International Fund

For the year ended 31 December 2019

Interim Distribution (in pence per share)

Group 1: Shares purchased prior to 1 January 2019

Group 2: Shares purchased on or after 1 January 2019

Share Class A Group	Net Income	Equalisation	2019 Paid	2018 Paid
1	1.7000	–	1.7000	2.1000
2	1.3575	0.3425	1.7000	2.1000

Final Distribution (in pence per share)

Group 1: Shares purchased prior to 1 July 2019

Group 2: Shares purchased on or after 1 July 2019

Share Class A Group	Net Income	Equalisation	2019 Payable	2018 Paid
1	0.6087	–	0.6087	0.9874
2	0.0472	0.5615	0.6087	0.9874

Interim Distribution (in pence per share)

Group 1: Shares purchased prior to 1 January 2019

Group 2: Shares purchased on or after 1 January 2019

Share Class B Group	Net Income	Equalisation	2019 Paid	2018 Paid
1	2.7000	–	2.7000	2.6000
2	1.8174	0.8826	2.7000	2.6000

Final Distribution (in pence per share)

Group 1: Shares purchased prior to 1 July 2019

Group 2: Shares purchased on or after 1 July 2019

Share Class B Group	Net Income	Equalisation	2019 Payable	2018 Paid
1	1.7693	–	1.7693	2.6338
2	0.4915	1.2778	1.7693	2.6338

Interim Accumulation (in pence per share)

Group 1: Shares purchased prior to 1 January 2019

Group 2: Shares purchased on or after 1 January 2019

Share Class C Group	Net Income	Equalisation	2019 Paid	2018 Paid
1	2.3000	–	2.3000	2.1500
2	1.3840	0.9160	2.3000	2.1500

Final Accumulation (in pence per share)

Group 1: Shares purchased prior to 1 July 2019

Group 2: Shares purchased on or after 1 July 2019

Share Class C Group	Net Income	Equalisation	2019 Payable	2018 Paid
1	1.2020	–	1.2020	2.1534
2	0.2319	0.9701	1.2020	2.1534

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/Accumulation Statements

## Amity Short Dated Bond Fund

For the year ended 31 December 2019

First Interim Distribution (in pence per share)

Group 1: Shares purchased prior to 1 January 2019

Group 2: Shares purchased on or after 1 January 2019

Share Class B Group	Net Income	Equalisation	2019 Paid	2018 Paid
1	0.2896	–	0.2896	0.2521
2	0.1189	0.1707	0.2896	0.2521

Second Interim Distribution (in pence per share)

Group 1: Shares purchased prior to 1 April 2019

Group 2: Shares purchased on or after 1 April 2019

Share Class B Group	Net Income	Equalisation	2019 Paid	2018 Paid
1	0.3045	–	0.3045	0.2172
2	0.1632	0.1413	0.3045	0.2172

Third Interim Distribution (in pence per share)

Group 1: Shares purchased prior to 1 July 2019

Group 2: Shares purchased on or after 1 July 2019

Share Class B Group	Net Income	Equalisation	2019 0	2018 Paid
1	0.2985	–	0.2985	0.1570
2	0.1329	0.1656	0.2985	0.1570

Final Distribution (in pence per share)

Group 1: Shares purchased prior to 1 October 2019

Group 2: Shares purchased on or after 1 October 2019

Share Class B Group	Net Income	Equalisation	2019 Payable	2018 Paid
1	0.3508	–	0.3508	0.1674
2	0.1660	0.1848	0.3508	0.1674

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) 0.00% of the final; income distribution is received as franked investment income; and
- ii) 100.00% 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/Accumulation Statements

## Amity Sterling Bond Fund

For the year ended 31 December 2019

First Interim Distribution (in pence per share)

Group 1: Shares purchased prior to 1 January 2019

Group 2: Shares purchased on or after 1 January 2019

Share Class A Group	Net Income	Equalisation	2019 Paid	2018 Paid
1	1.0204	–	1.0204	1.1223
2	0.5178	0.5026	1.0204	1.1223

Second Interim Distribution (in pence per share)

Group 1: Shares purchased prior to 1 April 2019

Group 2: Shares purchased on or after 1 April 2019

Share Class A Group	Net Income	Equalisation	2019 Paid	2018 Paid
1	1.0241	–	1.0241	0.8823
2	0.4663	0.5578	1.0241	0.8823

Third Interim Distribution (in pence per share)

Group 1: Shares purchased prior to 1 July 2019

Group 2: Shares purchased on or after 1 July 2019

Share Class A Group	Net Income	Equalisation	2019 Paid	2018 Paid
1	1.0178	–	1.0178	1.0499
2	0.5095	0.5083	1.0178	1.0499

Final Distribution (in pence per share)

Group 1: Shares purchased prior to 1 October 2019

Group 2: Shares purchased on or after 1 October 2019

Share Class A Group	Net Income	Equalisation	2019 Payable	2018 Paid
1	1.0158	–	1.0158	1.0454
2	0.4183	0.5975	1.0158	1.0454

First Interim Distribution (in pence per share)

Group 1: Shares purchased prior to 1 January 2019

Group 2: Shares purchased on or after 1 January 2019

Share Class B Group	Net Income	Equalisation	2019 Paid	2018 Paid
1	1.1283	–	1.1283	1.2332
2	0.5734	0.5549	1.1283	1.2332

Second Interim Distribution (in pence per share)

Group 1: Shares purchased prior to 1 April 2019

Group 2: Shares purchased on or after 1 April 2019

Share Class B Group	Net Income	Equalisation	2019 Paid	2018 Paid
1	1.1344	–	1.1344	0.9714
2	0.6247	0.5097	1.1344	0.9714

Third Interim Distribution (in pence per share)

Group 1: Shares purchased prior to 1 July 2019

Group 2: Shares purchased on or after 1 July 2019

Share Class B Group	Net Income	Equalisation	2019 Paid	2018 Paid
1	1.1292	–	1.1292	1.1576
2	0.5808	0.5484	1.1292	1.1576

Final Distribution (in pence per share)

Group 1: Shares purchased prior to 1 October 2019

Group 2: Shares purchased on or after 1 October 2019

Share Class B Group	Net Income	Equalisation	2019 Payable	2018 Paid
1	1.1283	–	1.1283	1.1537
2	0.5531	0.5752	1.1283	1.1537

# Distribution/Accumulation Statements

## Amity Sterling Bond Fund

For the year ended 31 December 2019

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) 0.00% of the final income distribution is received as franked investment income; and
- ii) 100.00% 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/Accumulation Statements

## Higher Income Fund

For the year ended 31 December 2019

Interim Distribution (in pence per share)

Group 1: Shares purchased prior to 1 January 2019

Group 2: Shares purchased on or after 1 January 2019

Share Class A Group	Net Income	Equalisation	2019 Paid	2018 Paid
1	2.5000	–	2.5000	2.0000
2	1.3968	1.1032	2.5000	2.0000

Final Distribution (in pence per share)

Group 1: Shares purchased prior to 1 July 2019

Group 2: Shares purchased on or after 1 July 2019

Share Class A Group	Net Income	Equalisation	2019 Payable	2018 Paid
1	3.4603	–	3.4603	4.2191
2	1.2048	2.2555	3.4603	4.2191

Interim Distribution (in pence per share)

Group 1: Shares purchased prior to 1 January 2019

Group 2: Shares purchased on or after 1 January 2019

Share Class B Group	Net Income	Equalisation	2019 Paid	2018 Paid
1	2.5000	–	2.5000	2.0000
2	1.3318	1.1682	2.5000	2.0000

Final Distribution (in pence per share)

Group 1: Shares purchased prior to 1 July 2019

Group 2: Shares purchased on or after 1 July 2019

Share Class B Group	Net Income	Equalisation	2019 Payable	2018 Paid
1	3.8300	–	3.8300	4.5067
2	1.3250	2.5050	3.8300	4.5067

Interim Accumulation (in pence per share)

Group 1: Shares purchased prior to 1 January 2019

Group 2: Shares purchased on or after 1 January 2019

Share Class C Group	Net Income	Equalisation	2019 Paid	2018 Paid
1	4.7000	–	4.7000	3.7500
2	2.2655	2.4345	4.7000	3.7500

Final Accumulation (in pence per share)

Group 1: Shares purchased prior to 1 July 2019

Group 2: Shares purchased on or after 1 July 2019

Share Class C Group	Net Income	Equalisation	2019 Payable	2018 Paid
1	12.6906	–	12.6906	13.3484
2	3.5725	9.1181	12.6906	13.3484

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) 98.23% of the final income distribution is received as franked investment income; and
- ii) 0.84% 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.
- iii) 0.93% of the final income distribution is received as an annual payment (foreign element) received after the deduction of tax at a rate equal to the basic rate of income tax. It is treated as foreign income in the hands of the corporate investor and is liable to UK Corporation Tax. The associated deemed tax is treated as foreign tax in the hands of the investor, who may be able to claim double tax relief.

# Distribution/Accumulation Statements

## UK Equity Growth Fund

For the year ended 31 December 2019

Interim Distribution (in pence per share)

Group 1: Shares purchased prior to 1 January 2019

Group 2: Shares purchased on or after 1 January 2019

Share Class A Group	Net Income	Equalisation	2019 Paid	2018 Paid
1	1.0000	–	1.0000	0.8000
2	0.7383	0.2617	1.0000	0.8000

Final Distribution (in pence per share)

Group 1: Shares purchased prior to 1 July 2019

Group 2: Shares purchased on or after 1 July 2019

Share Class A Group	Net Income	Equalisation	2019 Payable	2018 Paid
1	3.3494	–	3.3494	2.6006
2	0.6446	2.7048	3.3494	2.6006

Interim Distribution (in pence per share)

Group 1: Shares purchased prior to 1 January 2019

Group 2: Shares purchased on or after 1 January 2019

Share Class B Group	Net Income	Equalisation	2019 Paid	2018 Paid
1	1.2000	–	1.2000	1.1000
2	0.8002	0.3998	1.2000	1.1000

Final Distribution (in pence per share)

Group 1: Shares purchased prior to 1 July 2019

Group 2: Shares purchased on or after 1 July 2019

Share Class B Group	Net Income	Equalisation	2019 Payable	2018 Paid
1	5.5719	–	5.5719	4.7251
2	1.2699	4.3020	5.5719	4.7251

Interim Accumulation (in pence per share)

Group 1: Shares purchased prior to 1 January 2019

Group 2: Shares purchased on or after 1 January 2019

Share Class C Group	Net Income	Equalisation	2019 Paid	2018 Paid
1	1.1000	–	1.1000	1.0000
2	0.7996	0.3004	1.1000	1.0000

Final Accumulation (in pence per share)

Group 1: Shares purchased prior to 1 July 2019

Group 2: Shares purchased on or after 1 July 2019

Share Class C Group	Net Income	Equalisation	2019 Payable	2018 Paid
1	6.3834	–	6.3834	5.0089
2	0.8562	5.5272	6.3834	5.0089

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.

For further information call us on  
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Monday to Friday 9am to 5pm. We may monitor or record calls to improve our service.

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