

Ecclesiastical Investment Funds

ANNUAL REPORT AND AUDITED
FINANCIAL STATEMENTS



Contents

| | |
|--|----|
| Report of the Authorised Corporate Director - Investment Environment | 1 |
| Investment Objectives and Policies | 3 |
| Amity UK Fund | 5 |
| Amity European Fund | 7 |
| Amity International Fund | 9 |
| Amity Sterling Bond Fund | 11 |
| Higher Income Fund | 13 |
| UK Equity Growth Fund | 15 |
| Authorised Status | 17 |
| Certification of Accounts | 17 |
| Statement of the Authorised Corporate Director's Responsibilities | 18 |
| Statement of the Depositary's Responsibilities | 18 |
| Report of the Depositary to the Shareholders of the Company | 18 |
| Portfolio Statements | 19 |
| Independent Auditor's Report to the Shareholders | 41 |
| Statement of Total Return | 42 |
| Statement of Change in Net Assets Attributable to Shareholders | 43 |
| Balance Sheet | 44 |
| Notes to the Financial Statements | 45 |
| Distribution/Accumulation Statements | 59 |

Management contact details

Authorised Corporate Director

The Authorised Corporate Director (ACD) is Ecclesiastical Investment Management Limited (EIM). The investments of Ecclesiastical Investment Funds (EIF) are managed by the ACD. The ACD has prepared financial statements that comply with the Statement of Recommended Practice for Financial Statements of Authorised Funds issued by the Investment Management Association in October 2010.

Constitution

EIF 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. EIF is an 'umbrella' company and comprises six authorised investment securities sub-funds.

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

Tel 0845 777 3322
Email information@ecclesiastical.com
www.ecclesiastical.com

Authorised and regulated by the Financial
Conduct Authority

Directors of Ecclesiastical Investment Management Limited

M Hews, BSc, FIA (Chairman)
SJ Round
RW Hepworth

Ultimate Parent Company of the ACD

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

Depositary

BNY Mellon Trust and Depositary (UK)
Limited
The Bank of New York Mellon Centre,
160 Queen Victoria Street,
London EC4V 4LA

Authorised and regulated by the Financial
Conduct Authority

Registrar

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

Auditor

Deloitte LLP
2 New Street Square,
London EC4A 3BZ

This page has intentionally been left blank

Report of the Authorised Corporate Director – Investment Environment

Global economic expansion was restrained by three main forces in 2013; a recession in the Eurozone, fiscal consolidation in the United States and a structural slowdown in many emerging markets. Despite these significant headwinds, equity bourses across developed economies delivered strong returns, outperforming emerging market assets and global bond indices, while investor sentiment remained underpinned by the ultra-accommodative economic stimulus deployed by the world's major central banks.

Since the 2008 crisis began, the intervention of central banks has been crucial with rapid cuts in interest rates and an unprecedented level of unconventional monetary stimulus supporting the performance of assets and global economies. However, with developed economies beginning to register a degree of optimism, central bankers are now attempting the equivalent of financial alchemy, bidding to retain credible low interest rates as the economic backdrop recovers. This flirtation with tighter liquidity led to a series of short risk-on, risk-off cycles in financial markets over the course of the year and exposed the vulnerability of emerging markets to a potential reduction in stimulus.

The UK

Over the course of 2013, the FTSE All-Share Index rose by 16.7%, with the 14.4% gain posted by the FTSE 100 Index significantly eclipsed by the 28.8% and 29.6% appreciation in the FTSE 250 Mid-Cap Index and FTSE Small Cap Index respectively.

The UK economy outperformed the majority of its European counterparts in 2013 as a surge in economic activity was driven primarily by domestic consumer spending, which despite ongoing real wage declines proved resilient. Consumption growth has been supported by improving credit conditions, low interest rates and a resurgent housing market while solid employment growth also offset some of the drag from weaker wages. Despite the swift upturn in economic data, the Bank of England (BoE) continued to reinforce its support for the domestic recovery, introducing forward guidance into the UK monetary policy toolkit in the period, which emphasised that interest rates would not be increased until the UK economy demonstrated a more established recovery.

The rally in the UK equity market was led by those sectors exposed to strong levels of consumer demand including leisure goods, travel and autos. Telecommunications also performed strongly as a resurgence in merger and acquisition activity across Europe boosted the share prices of many of the sectors incumbents. Laggard sectors included those that have traditionally been regarded as being defensive in nature, most notably tobacco, utilities and food retailing. The oil and gas, and mining sectors were also amongst the worst performers.

The FTSE Government All Stocks Index fell by 7.3% over the course of the year in capital terms, as investors began to price in the possibility of a near-term increase in base rates in an improving domestic economic backdrop. A combination of a reduction in the yield premium of corporate bonds over government bonds and the inherent yield pick-up led the former to outperform the latter as investors sought alternative sources of income in a low interest rate environment.

Europe

A period of economic stabilisation and relative financial calm led to increased capital flows into the region over the course of the year, lifting equities across continental Europe, with the FTSE World Europe (excluding UK) Index returning 21.0% in sterling terms. Investor optimism was supported by the continual efforts of the European Central Bank (ECB) to make monetary policy sound as accommodative as possible, with further cuts in the refinancing rate and forward guidance deployed to counter deflationary pressures and the still-fragile and disjointed nature of the regional economic recovery.

At a national level, market returns were strongest in Germany where domestic demand and manufacturing have remained resilient in the face of weaker levels of economic activity abroad. The equity market in Spain also performed strongly, supported by a significant improvement in the nation's external accounts and a stabilisation in labour market weakness.

The US

The Dow Jones Industrial Average Index rose by 24.0% over the year and the more broadly based S&P 500 Index gained 27.1% (both in sterling terms). The Federal Reserve's quantitative easing programme remained at the forefront of investors' concerns throughout the year, with the prospect of a reduction in the scale of monthly asset purchases prompting heightened volatility in the early-autumn. However, December's announcement that the US Central Bank will begin reducing the scale of its existing asset purchase programme (\$85 billion per month) by \$10 billion monthly from January onwards left US equities unscathed as policymakers strengthened their forward guidance, emphasising that benchmark interest rates will remain close to zero until domestic unemployment declines significantly below the threshold level of 6.5%. Equities were also boosted by a breakthrough in Congress as a bipartisan budget deal that set out spending levels for the next two years, signalling the end of the fiscal deadlock that led to a partial shutdown of the federal government earlier in the year.

Japan

Japan was one of the world's fastest growing economies in 2013 as Prime Minister Shinzo Abe's grand plan to reignite an ailing domestic economy appeared to gain traction. The shift to aggressive monetary easing has powered a substantial depreciation in the yen against the currencies of major trading partners, benefitting Japanese exporters by making their products more competitive in overseas markets and increasing the value of earnings repatriated from abroad. The corporate sector delivered strong profit growth throughout 2013 and additional expansionary fiscal measures led to notable improvements in the domestic economic backdrop, with economic activity strengthening and core inflation accelerating in the second half of the year. Accordingly, the Nikkei 225 Index rose by 56.7% over the year, but weakness in the yen decreased returns for sterling investors to 25.6%.

Asia (excluding Japan)

Aggressive monetary policy has boosted equity markets in western economies and Japan, but indices elsewhere in the Asia Pacific region have faced a number of headwinds. The most notable of these was the self-imposed slowdown in China, as policymakers attempted to move towards a more sustainable and balanced growth model driven by domestic consumption, while seeking to rein in excessive borrowing. Although Chinese economic growth continues to eclipse that of most other nations, the lower rate of expansion relative to previous years,

paired with weak global demand, has weighed upon those economies that are reliant on exports to generate revenues. Uncertainty over the pace of the Federal Reserve's reduction in asset purchases presented a further challenge, prompting heightened volatility across the region's financial markets over the year.

Equity market returns across the region were mixed as Malaysia delivered strong gains while all other major markets in South East Asia registered a loss, particularly in Thailand, where political tensions mounted following a controversial amnesty bill which led to mass protests in the nation's capital and subsequently the dissolution of parliament. Despite a modest rally in the second half of the year, the China H share Index was unable to recoup the losses registered in the opening six months, when the market suffered a setback following a sharp tightening in credit conditions.

Outlook

As we look ahead into the New Year, fundamentals should begin to play a more important role thus providing a compelling opportunity for stock pickers. Global economic growth is expected to strengthen as the Eurozone gradually recovers, US fiscal belt tightening fades, net global policy conditions remain highly accommodative and private sector deleveraging eases. Cumulatively, this should support corporate revenue growth and feed through to corporate profitability. However, the continued backdrop of macroeconomic and political uncertainty holds our enthusiasm in check. Central to our concerns is the slow altering in the monetary cycle as the US Federal Reserve and the People's Bank of China begin to take steps to withdraw their considerable levels of support. This may periodically have a major impact on market sentiment, generating turbulence in the prices of financial assets as the year progresses.

Investment Objective and Policies

| Fund Name and Investment Objectives | Investment Policy |
|--|---|
| <p>Amity UK</p> <p>The Fund aims to achieve long-term capital appreciation and a reasonable level of income by investing principally in UK companies.</p> | |
| <p>Amity European</p> <p>To achieve long-term capital growth with a reasonable level of income primarily through a diversified portfolio of European companies.</p> | <p>These Funds seek to invest in a portfolio of companies which make a positive contribution to society and the environment through sustainable and socially responsible practices.</p> <p>These Funds seek 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.</p> |
| <p>Amity International</p> <p>To achieve long-term capital growth with a reasonable level of income primarily through a diversified portfolio of International companies.</p> | |
| <p>Amity Sterling Bond</p> <p>The Fund aims to provide an attractive level of income.</p> | <p>The Amity Sterling Bond 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.</p> <p>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.</p> |
| <p>Higher Income</p> <p>To provide an above average and growing level of income together with capital growth over the longer term.</p> | <p>The Manager will seek to achieve the investment objective by investing in a mix of equities, fixed interest securities and such other investments that the Manager considers suitable.</p> |
| <p>UK Equity Growth</p> <p>To achieve long-term capital growth with a reasonable level of income.</p> | <p>The UK Equity Growth Fund is designed to invest primarily in a range of UK incorporated and/or listed companies which the Manager believes offer good potential for long-term capital growth.</p> |

| | Risks |
|--|--|
| | <ul style="list-style-type: none"> ■ 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. |
| <p>These Funds are marketable to all retail investors.</p> | <ul style="list-style-type: none"> ■ The 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 sub set of the stock market and this could lead to greater volatility. |
| <p>These Funds are managed in line with the requirements for inclusion in an ISA. The portfolio will consist primarily of transferable securities but the Manager 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.</p> | <ul style="list-style-type: none"> ■ The investment's value may be affected by changes in exchange rates. ■ The equity markets invested in might decline thus affecting the prices and values of the assets. ■ 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. |
| <p>The Manager 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.</p> | <ul style="list-style-type: none"> ■ 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. ■ The 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 value 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. |
| | <ul style="list-style-type: none"> ■ Most of the assets will be invested in the UK stock market so could be affected by any change in this market. ■ 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. ■ The investment's value may be affected by changes in exchange rates and interest rates. |
| | <ul style="list-style-type: none"> ■ 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 2013 to 31 December 2013.

- Over the course of the year under review the Amity UK Fund returned 27.2%*, outperforming the return on the FTSE All-Share Index of 20.8% and the IMA All Companies sector average return of 26.2%, both measured on a similar basis.
- The Manager's ethical screening process generally excludes mining and oil companies and weakness in these two large sectors to which the Fund has very little exposure helped its performance relative to the FTSE All Share Index. The Fund's above average exposure to small and medium sized companies also contributed to outperformance.
- From a sector allocation perspective, the Fund benefited from being overweight in general retailers, media and general industrials which performed strongly and from being underweight in mining, tobacco, beverages, banks and the oil & gas sectors which performed poorly. Underweight positions in aerospace & defence and automobiles & parts and overweight positions in food & drug retailers and utilities acted as a drag on performance.
- In respect of Fund activity, notable new holdings included Fenner (industrial engineering), Inland Homes (building), JRIC (real estate), HCP (real estate), Alent (electrical components) and Kier Group (construction). Additionally, esure (insurance), Royal Mail (logistic services) HellermanTyton (cable ties), Crest Nicholson (building), Digital Globe Services (software services), Bonmarche (retail) and Greencoat UK Wind (renewable energy) were added on their flotation. The positions in several holdings were augmented – GlaxoSmithKline (pharmaceuticals), Centrica (utilities), BT Group (telecoms), Aviva (insurance), Porvair (environmental services), Dignity (funeral homes), Sage (software services), Smiths Group (electrical equipment), and Vodafone (telecoms) - businesses with resilient business models and solid cash flows which are on attractive ratings. The position in Oxford Instruments, a long-term held and very successful investment, was reduced as its valuation appeared to fully reflect its medium-term prospects.

Prospects

The strong rally in equities in 2013, well ahead of earnings, has pushed ratings higher, and returns in 2014 may prove to be relatively less rewarding. The global economy is still in early stages of a fragile recovery, although the UK looks set to outperform, and this should be to the benefit of smaller and mid-sized companies who have a disproportionate amount of their business here. The portfolio is constructed by selecting stocks on the basis of their individual merits and prospects, and in this regard the prospects for the Fund's investments remain encouraging. The Fund continues to maintain healthy cash balances, patiently seeking to invest in companies at attractive valuations in line with its long-term strategy.

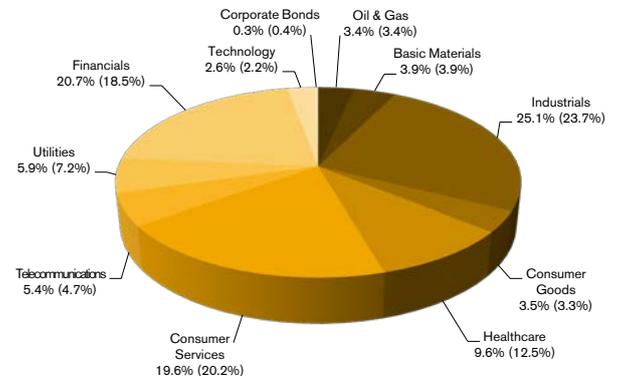
* mid-to-mid basis excluding initial charges with net income reinvested for a basic rate UK taxpayer.

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.

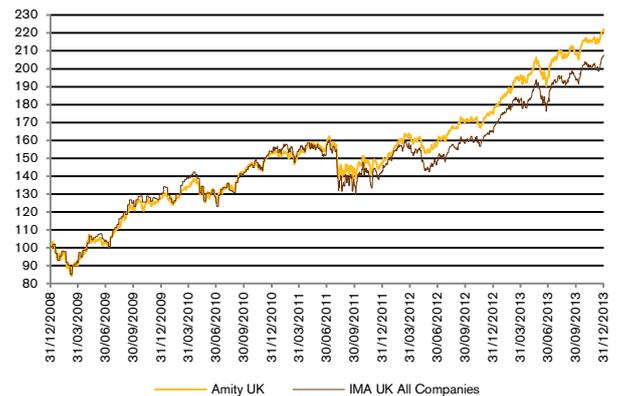
Asset allocation by sector at 31 December 2013

The figures in brackets show allocation at 31 December 2012



Figures exclude cash

Performance



Graph showing the return of the Amity UK Fund compared to IMA UK All Companies Sector Average from 31 December 2008 to 31 December 2013, 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 | | IMA UK All Companies Sector Average | |
|---------------------|---------------|------|-------------------------------------|--------|
| | Total Return | Rank | Total Return | Number |
| 31/12/12 – 31/12/13 | 27.2% | 109 | 26.2% | 261 |
| 31/12/11 – 31/12/12 | 18.4% | 74 | 15.4% | 279 |
| 31/12/10 – 31/12/11 | -3.4% | 45 | -6.9% | 295 |
| 31/12/09 – 31/12/10 | 19.4% | 81 | 17.5% | 296 |
| 31/12/08 – 31/12/09 | 27.6% | 174 | 30.4% | 306 |

Table showing % return and ranking of the Amity UK Fund against IMA 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 | | Percentage of total net assets at 31 December 2013 |
|------------------|------------------------|--|
| 1 | Vodafone | 2.54% |
| 2 | Dunelm Group | 2.45% |
| 3 | Dechra Pharmaceuticals | 2.12% |
| 4 | Halma | 2.03% |
| 5 | BT | 2.00% |
| 6 | Prudential | 1.97% |
| 7 | Oxford Instruments | 1.93% |
| 8 | Next | 1.84% |
| 9 | Smith (DS) | 1.82% |
| 10 | GlaxoSmithKline | 1.80% |

Ongoing charges figure at 31 December 2013

| Share Class A | Share Class B | Share Class C |
|---------------|---------------|---------------|
| 1.61% | 0.86% | 1.36% |

Ongoing charges figure at 31 December 2012

| Share Class A | Share Class B | Share Class C |
|---------------|---------------|---------------|
| 1.62% | 0.87% | 1.37% |

The Ongoing Charges Figure (OCF) is the ratio of the Fund's total disclosable costs (excluding overdraft interest) to the average net assets of the Fund.

Risk Reward Profile

Lower risk ← Higher risk
Typically lower rewards ← Typically higher rewards



- The risk category above is not a measure of capital loss or gains, but of how significant the rises and falls in the Share Class price have been historically.
- For example a share class whose price has experienced significant rises and falls will be in a higher risk category, whereas, a share class whose price has experienced less significant rises and falls will be in a lower risk category.
- As the Share Class risk category has been calculated using historical data, it may not be a reliable indication of the Share Class future risk profile.
- Please note that the Share Class risk category may change in the future and is not guaranteed. The lowest risk category does not mean a risk free investment.
- The Share Class is in risk category 5 as its price has experienced significant rises and falls historically.

Share prices, Fund size and Income

| | Share price range | | Fund Size | | | Net income distribution/accumulation |
|-------------------------|------------------------------|-----------------------------|---------------------|-----------------------------------|---------------------------|--------------------------------------|
| | Highest for the year (pence) | Lowest for the year (pence) | Net asset value (£) | Net asset value (pence per share) | Number of shares in issue | Pence per share |
| 31 December 2013 | | | | | | |
| Share Class A | 202.90 | 163.40 | 47,875,131 | 200.66 | 23,859,234 | 2.8066 |
| Share Class B | 203.10 | 162.50 | 31,340,956 | 199.66 | 15,697,212 | 4.2446 |
| Share Class C | 356.90 | 285.00 | 40,063,850 | 356.24 | 11,246,239 | 5.8589 |
| 31 December 2012 | | | | | | |
| Share Class A | 163.10 | 138.80 | 39,242,884 | 160.07 | 24,515,933 | 2.5629 |
| Share Class B | 163.10 | 138.00 | 13,567,100 | 159.14 | 8,525,363 | 3.7696 |
| Share Class C | 281.70 | 237.40 | 34,024,476 | 279.25 | 12,184,080 | 5.1940 |
| 31 December 2011 | | | | | | |
| Share Class A | 152.70 | 130.40 | 29,014,204 | 137.43 | 21,111,361 | 2.1839 |
| Share Class B | 152.20 | 130.20 | 9,572,978 | 136.57 | 7,009,586 | 3.3629 |
| Share Class C | 258.60 | 221.00 | 31,002,129 | 235.14 | 13,184,580 | 4.4652 |
| 31 December 2010 | | | | | | |
| Share Class A | 146.00 | 119.30 | 27,177,774 | 143.89 | 18,887,465 | 2.3329 |
| Share Class B | 146.00 | 118.60 | 6,471,046 | 143.02 | 4,524,589 | 3.4253 |
| Share Class C | 243.10 | 196.30 | 34,125,006 | 241.77 | 14,114,580 | 4.5978 |
| 31 December 2009 | | | | | | |
| Share Class A | 124.30 | 82.43 | 21,711,794 | 122.57 | 17,713,365 | 1.8699 |
| Share Class B | 124.00 | 81.92 | 2,793,589 | 121.70 | 2,295,436 | 2.7581 |
| Share Class C | 202.90 | 132.90 | 29,678,683 | 201.59 | 14,722,436 | 3.7065 |

Amity European Fund

Report of the Authorised Corporate Director

This review covers the year from 1 January 2013 to 31 December 2013.

- Over the course of the year under review the Amity European Fund returned 31.5%* compared to the IMA Europe (excluding UK) sector average return of 26.1% whilst the FT World Europe ex UK index returned 21.0%.
- The Fund benefited from an overweight position in the food retailing sector which performed strongly and underweight positions in the food and beverage sectors which underperformed as investors moved away from defensives. The Fund's overweight position to the Utility sector had a positive impact despite the weak performance of the wider sector as utility companies like A2A, Gas Natural and Suez Environnement saw strong gains. The Fund benefited from having no holdings in mining companies and from the strong performance of material companies like Smurfit Kappa and DSM. On the negative side an underweight position to financials had a negative impact on performance as the banking and life assurance companies generated strong returns.
- The Fund made investments in both Pirelli and Michelin as they traded on attractive valuation ratios despite a cyclically depressed demand environment. The real estate sector continued to appear very cheap offering attractive yields and large discounts to NAV, so the Fund made purchases in Immofinanz, Fonciere des Regions and Beni Stabili. The Fund also added to holdings in the telecommunications sector as it was attractively valued and should benefit from a more benign regulatory environment and increased consolidation. Purchases included Orange, Telefonica and Telefonica Deutschland. The Fund took profits in Getinge, Svenska Cellulose and Swatch Group which had performed strongly and were trading on high multiples.

Prospects

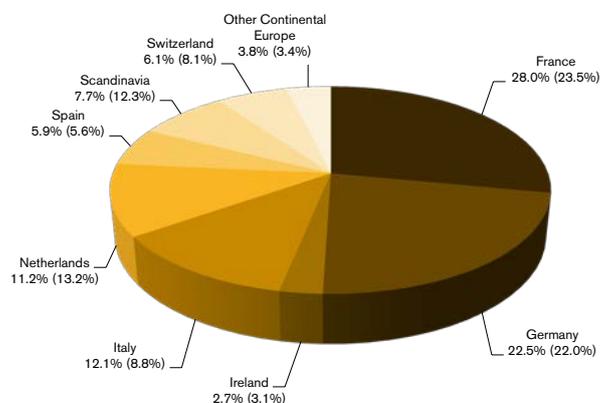
The European equity markets have risen sharply over the last year but still appear cheap compared to valuations in the US and on cyclically low earnings as the European economy has failed to show signs of sustainable recovery following the credit crisis. We remain wary that depressed economic conditions could persist for some time as the Eurozone is hobbled by conflicting policy priorities of its member states and a consequently dysfunctional European Central Bank. Even so the periphery economies have made substantial progress in reducing their trade and budget imbalances and as economic recovery gathers pace in the rest of the developed world the prospects for the continental European economies are improving. We continue to believe there is long-term value in the European equity markets especially as many companies trade on low multiples to cyclically depressed earnings. We continue to position the Fund to the more defensive areas of the market concentrating on companies with strong cashflows, high dividend yields and resilient income streams.

* mid-to-mid basis excluding initial charges with net income reinvested for a basic rate UK taxpayer.

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.

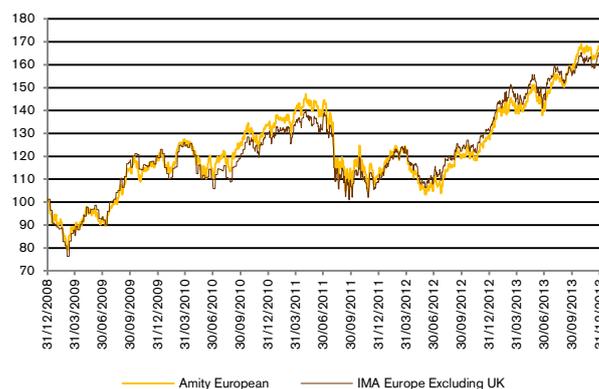
Asset allocation by sector at 31 December 2013

The figures in brackets show allocation at 31 December 2012



Figures exclude cash

Performance



Graph showing the return of the Amity European Fund compared to IMA Europe (excluding UK) Sector Average from 31 December 2008 to 31 December 2013, 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 European Fund | | IMA Europe (excluding UK) Sector Average | |
|---------------------|---------------------|------|--|--------|
| | Total Return | Rank | Total Return | Number |
| 31/12/12 – 31/12/13 | 31.5% | 13 | 26.1% | 99 |
| 31/12/11 – 31/12/12 | 13.4% | 97 | 19.1% | 105 |
| 31/12/10 – 31/12/11 | -16.3% | 61 | -15.9% | 108 |
| 31/12/09 – 31/12/10 | 13.6% | 23 | 8.8% | 111 |
| 31/12/08 – 31/12/09 | 18.2% | 54 | 19.3% | 103 |

Table showing % return and ranking of the Amity European Fund against IMA 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 | | Percentage of total net assets at 31 December 2013 |
|------------------|--|--|
| 1 | Merck KGaA | 2.81% |
| 2 | Sanofi-Aventis | 2.71% |
| 3 | Smurfit Kappa | 2.70% |
| 4 | Wolters Kluwer | 2.69% |
| 5 | Roche | 2.49% |
| 6 | Novartis | 2.34% |
| 7 | Vivendi | 2.33% |
| 8 | Ansaldo | 2.33% |
| 9 | Carrefour | 2.28% |
| 10 | Cie Generale des Etablissements Michelin 'B' | 2.21% |

Ongoing charges figure at 31 December 2013

| Share Class A | Share Class B | Share Class C |
|---------------|---------------|---------------|
| 1.66% | 0.91% | 1.41% |

Ongoing charges figure at 31 December 2012

| Share Class A | Share Class B | Share Class C |
|---------------|---------------|---------------|
| 1.67% | 0.92% | 1.42% |

The Ongoing Charges Figure (OCF) is the ratio of the Fund's total disclosable costs (excluding overdraft interest) to the average net assets of the Fund.

Risk Reward Profile

Lower risk ← Higher risk
Typically lower rewards ← Typically higher rewards



- The risk category above is not a measure of capital loss or gains, but of how significant the rises and falls in the Share Class price have been historically.
- For example a share class whose price has experienced significant rises and falls will be in a higher risk category, whereas, a share class whose price has experienced less significant rises and falls will be in a lower risk category.
- As the Share Class risk category has been calculated using historical data, it may not be a reliable indication of the Share Class future risk profile.
- Please note that the Share Class risk category may change in the future and is not guaranteed. The lowest risk category does not mean a risk free investment.
- The Share Class is in risk category 6 as its price has experienced very significant rises and falls historically.

Share prices, Fund size and Income

| | Share price range | | Fund Size | | | Net income distribution/accumulation |
|-------------------------|------------------------------|-----------------------------|---------------------|-----------------------------------|---------------------------|--------------------------------------|
| | Highest for the year (pence) | Lowest for the year (pence) | Net asset value (£) | Net asset value (pence per share) | Number of shares in issue | Pence per share |
| 31 December 2013 | | | | | | |
| Share Class A | 203.10 | 156.60 | 12,300,539 | 198.94 | 6,182,976 | 2.9232 |
| Share Class B | 205.40 | 157.80 | 44,606,848 | 200.51 | 22,246,675 | 4.3700 |
| Share Class C | 226.70 | 173.10 | 753,398 | 223.99 | 336,352 | 3.7859 |
| 31 December 2012 | | | | | | |
| Share Class A | 157.70 | 126.90 | 10,296,530 | 153.71 | 6,698,684 | 2.9180 |
| Share Class B | 157.60 | 142.70 | 30,854,302 | 154.85 | 19,925,129 | 4.0964 |
| Share Class C | 172.20 | 137.80 | 670,134 | 169.91 | 394,400 | 3.6114 |
| 31 December 2011 | | | | | | |
| Share Class A | 185.50 | 130.20 | 9,974,925 | 138.17 | 7,219,324 | 3.3561 |
| Share Class B | 187.40 | 131.60 | 27,791,540 | 139.14 | 19,973,491 | 4.6308 |
| Share Class C | 195.60 | 138.30 | 621,069 | 149.26 | 416,100 | 3.9748 |
| 31 December 2010 | | | | | | |
| Share Class A | 170.60 | 139.90 | 6,946,462 | 168.71 | 4,117,343 | 2.0948 |
| Share Class B | 172.60 | 141.10 | 32,921,071 | 169.99 | 19,366,186 | 3.3853 |
| Share Class C | 178.60 | 146.00 | 695,298 | 177.78 | 391,100 | 2.6968 |
| 31 December 2009 | | | | | | |
| Share Class A | 154.40 | 102.50 | 3,502,311 | 150.63 | 2,325,058 | 1.8157 |
| Share Class B | 156.00 | 103.40 | 29,201,429 | 151.76 | 19,242,265 | 2.7406 |
| Share Class C | 159.00 | 104.60 | 543,101 | 156.11 | 347,900 | 2.2898 |

Amity International Fund

Report of the Authorised Corporate Director

This review covers the year from 1 January 2013 to 31 December 2013.

- Over the course of the year the Amity International Fund returned 15.8%*, underperforming the 21.7% return posted by the IMA Global sector and falling short of the 22.4% return of the FTSE World Index, both measured on a similar basis.
- Stock selection, the core of the Fund's investment approach, positively contributed to relative returns in 2013, yet it was not significant enough to offset the negative impact of geographic allocation. An overweight position in Asia Pacific (excluding Japan) proved to be the most significant detractor from relative returns over the course of the year. At a country level, overweight positions in Hong Kong and Singapore were leading detractors from relative returns as these areas were particularly sensitive to fears surrounding the prospect of a reduction in the Federal Reserve's economic stimulus. An underweight position in the rallying US equity market was also a hindrance on relative performance.
- At a sector level, an underweight position in oil and gas enhanced the positive impact of stock selection within the sector. Equipment service providers Ezion Holdings and Baker Hughes made significant contributions to performance as both delivered earnings growth and upgrades to forecasts. An overweight position in a buoyant European telecommunications sector also benefited the Fund's returns with Vodafone, Vivendi and BT all performing strongly. Conversely, holdings within financials proved to be a drag on relative performance. The Fund's exposures to banks within emerging markets such as Thailand and Brazil were particularly weak due to concerns that the reduction in US economic stimulus would lead to higher borrowing costs and reduce capital inflows into emerging market assets.
- In respect of Fund activity, new investments centred on those companies which boast resilient earnings streams, strong balance sheets and generate large and consistent cash flows. Subsequently, new positions were established in the Austria-based real-estate company Immofinanz and in Healthcare Property Investors (HCP Inc.), a US-listed real estate investment trust operating in a number of segments within the healthcare industry.
- Over the course of the year, the Fund also realised profit from the sale of its long-term positions in M1, Swatch Group and ITV, all of which had performed strongly during their tenure within the portfolio and future upside appeared to be more fully reflected in their respective share prices.

Prospects

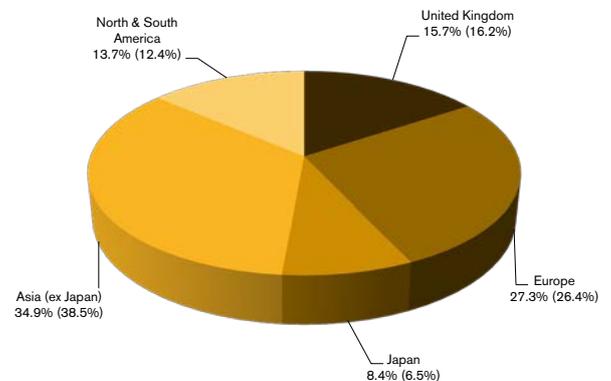
While the course of monetary policy will undoubtedly continue to occupy the thoughts of investors in the New Year, it is likely to remain accommodative and combined with continued momentum in the global economic recovery, should provide a supportive backdrop for equities in 2014. More specifically, we are now beginning to discern a more positive outlook for European economies and we continue to find investment opportunities amid a highly compelling valuation backdrop in Europe and Asia relative to the US, where corporate profit margins are close to peak levels and valuations appear to be pricing in great optimism at a time when growth is weak, politics remain fractious and monetary stimulus is gradually receding.

* mid-to-mid basis excluding initial charges with net income reinvested for a basic rate UK taxpayer.

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.

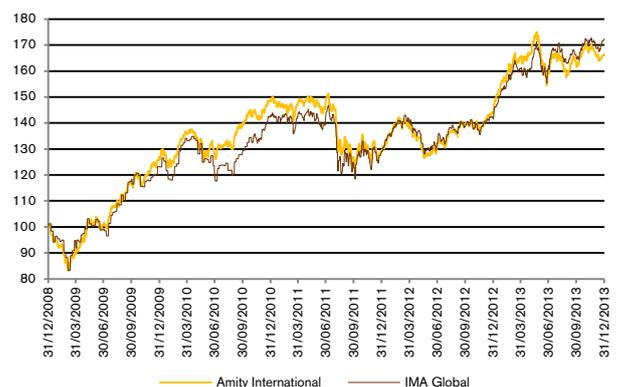
Asset allocation by sector at 31 December 2013

The figures in brackets show allocation at 31 December 2012



Figures exclude cash

Performance



Graph showing the return of the Amity International Fund compared to IMA Global Sector Average from 31 December 2008 to 31 December 2013, 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 International Fund | | IMA Global Sector Average | |
|---------------------|--------------------------|------|---------------------------|--------|
| | Total Return | Rank | Total Return | Number |
| 31/12/12 – 31/12/13 | 15.8% | 199 | 21.7% | 239 |
| 31/12/11 – 31/12/12 | 10.9% | 105 | 9.6% | 234 |
| 31/12/10 – 31/12/11 | -13.0% | 166 | -10.2% | 218 |
| 31/12/09 – 31/12/10 | 18.1% | 61 | 15.9% | 212 |
| 31/12/08 – 31/12/09 | 26.0% | 53 | 22.8% | 184 |

Table showing % return and ranking of the Amity International Fund against IMA 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 | | Percentage of total net assets at 31 December 2013 |
|------------------|------------------------------|--|
| 1 | Ezion Holdings | 2.85% |
| 2 | GlaxoSmithKline | 2.80% |
| 3 | Vodafone | 2.48% |
| 4 | General Electric Class 'C' | 2.19% |
| 5 | BYD Electronic International | 1.82% |
| 6 | Minth | 1.73% |
| 7 | Sumitomo Mitsui Financial | 1.62% |
| 8 | Intel | 1.59% |
| 9 | Sanofi-Aventis | 1.52% |
| 10 | Luk Fook | 1.48% |

Ongoing charges figure at 31 December 2013

| Share Class A | Share Class B | Share Class C |
|---------------|---------------|---------------|
| 1.59% | 0.84% | 1.34% |

Ongoing charges figure at 31 December 2012

| Share Class A | Share Class B | Share Class C |
|---------------|---------------|---------------|
| 1.58% | 0.83% | 1.33% |

The Ongoing Charges Figure (OCF) is the ratio of the Fund's total disclosable costs (excluding overdraft interest) to the average net assets of the Fund.

Risk Reward Profile

Lower risk ← Higher risk
Typically lower rewards ← Typically higher rewards



- The risk category above is not a measure of capital loss or gains, but of how significant the rises and falls in the Share Class price have been historically.
- For example a share class whose price has experienced significant rises and falls will be in a higher risk category, whereas, a share class whose price has experienced less significant rises and falls will be in a lower risk category.
- As the Share Class risk category has been calculated using historical data, it may not be a reliable indication of the Share Class future risk profile.
- Please note that the Share Class risk category may change in the future and is not guaranteed. The lowest risk category does not mean a risk free investment.
- The Share Class is in risk category 5 as its price has experienced significant rises and falls historically.

Share prices, Fund size and Income

| | Share price range | | Fund Size | | | Net income distribution/accumulation |
|-------------------------|------------------------------|-----------------------------|---------------------|-----------------------------------|---------------------------|--------------------------------------|
| | Highest for the year (pence) | Lowest for the year (pence) | Net asset value (£) | Net asset value (pence per share) | Number of shares in issue | Pence per share |
| 31 December 2013 | | | | | | |
| Share Class A | 222.20 | 186.40 | 138,681,552 | 207.69 | 66,773,865 | 2.8560 |
| Share Class B | 224.10 | 187.60 | 91,017,938 | 208.94 | 43,560,872 | 4.4464 |
| Share Class C | 231.00 | 193.60 | 999,575 | 219.26 | 455,890 | 3.5124 |
| 31 December 2012 | | | | | | |
| Share Class A | 184.70 | 162.90 | 136,564,428 | 181.90 | 75,078,729 | 2.6610 |
| Share Class B | 186.60 | 164.30 | 60,885,669 | 182.97 | 33,276,326 | 4.0060 |
| Share Class C | 190.10 | 166.30 | 1,163,116 | 188.91 | 615,700 | 3.1863 |
| 31 December 2011 | | | | | | |
| Share Class A | 197.30 | 157.50 | 123,610,812 | 166.27 | 74,345,378 | 3.2238 |
| Share Class B | 198.70 | 158.80 | 50,311,329 | 167.22 | 30,086,840 | 4.6012 |
| Share Class C | 198.40 | 158.50 | 954,703 | 169.66 | 562,700 | 3.6437 |
| 31 December 2010 | | | | | | |
| Share Class A | 196.80 | 163.60 | 86,093,059 | 194.35 | 44,298,557 | 2.8530 |
| Share Class B | 198.80 | 164.70 | 49,321,678 | 196.01 | 25,162,885 | 4.1003 |
| Share Class C | 195.20 | 160.80 | 1,013,884 | 194.79 | 520,506 | 3.1479 |
| 31 December 2009 | | | | | | |
| Share Class A | 170.40 | 112.70 | 19,276,414 | 167.14 | 11,532,949 | 2.4639 |
| Share Class B | 171.90 | 113.50 | 35,314,297 | 168.65 | 20,939,672 | 3.3116 |
| Share Class C | 166.40 | 108.80 | 708,049 | 164.74 | 429,808 | 2.6526 |

Amity Sterling Bond Fund

Report of the Authorised Corporate Director

This review covers the year from 1 January 2013 to 31 December 2013.

- Over the course of the year under review the Amity Sterling Bond Fund returned 2.7%* in line with the IMA Sterling Strategic Bond sector average, whilst the FTSE Government All Stocks Index returned -3.9%.
- Gilt yields finished the year at a high after the US Federal Reserve indicated it would begin 'tapering' its quantitative easing program and the UK economy showed signs of heading towards a sustainable recovery. The housing market has also been strong, benefiting from government incentives for home buying and unemployment has fallen more swiftly than previously expected. In this environment it is not surprising that gilt yields have risen far above the very low levels reached in the middle of the year. The upward movement in gilt yields translated into negative returns for the gilt market, although the impact on corporate bonds was less pronounced as they benefited from falling credit spreads.
- The Fund benefited from holding only a small quantity of gilts and keeping the duration of the portfolio relatively short. The high weighting to corporate bonds had a positive impact on performance as these benefited from a tightening in credit spreads. The preference share and Permanent Interest Bearing Share (PIBS) exposure also had a positive impact, as despite their long duration, they traded more on yield than on their spread over gilts and thus didn't fall in value like long dated gilts.
- The Fund suffered from its exposure to Co-Operative Bank and its well-publicised difficulties. The Fund held several different tranches of Co-Operative Bank paper including senior, subordinated and junior subordinated paper which fell sharply in value following its announcement of a black hole in its balance sheet. But by the end of the year the holdings had recovered much of the lost value as the final restructuring proposals proved more advantageous to bondholders than had previously been anticipated.
- The Fund continued to invest on an opportunistic basis taking advantage of a more active new issuance market. Many of the new investments were targeted toward the financial sector which offered a significant premium to non-financials for most of the year despite stronger balance sheets from financial deleveraging and improved financial market conditions.

Prospects

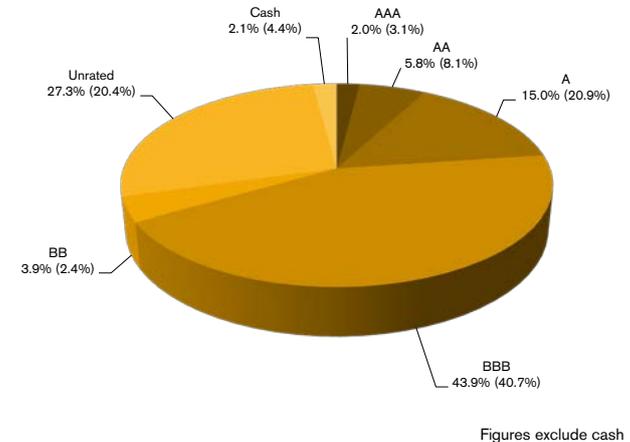
The Bank of England has stated that it would increase base rates before starting to withdraw quantitative easing and unemployment is now rapidly falling towards levels at which it would consider raising base rates. Whilst we do not expect an imminent rise in base rates as inflation remains low, real wages have been falling and household expenditure is likely to be very sensitive to rises in mortgage rates. But if growth continues to strengthen, we may begin to see the first increase in base rates by the end of the year. To some extent any modest increase in base rates may have already been priced in as the yield curve has become increasingly steep at the short end. High quality conventional corporate bond spreads have narrowed to the tightest levels experienced since the credit crisis and whilst we do believe that they can move in a bit further they are increasingly looking fully valued. We believe there will be opportunities to purchase good quality bonds on attractive yields but the overall outlook for the fixed interest markets has become more difficult over the last year.

* mid-to-mid basis excluding initial charges with net income reinvested for a basic rate UK taxpayer.

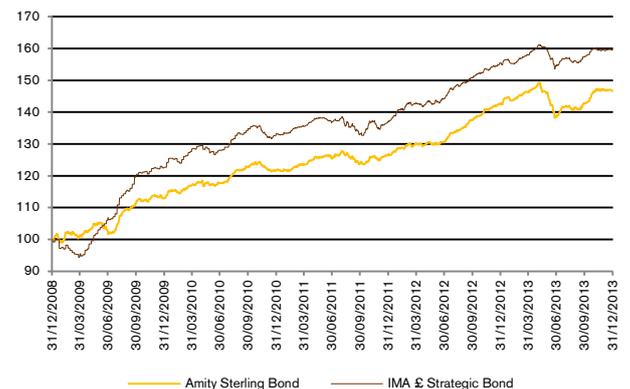
Please note: Stocks and shares should be viewed as a medium to long-term investment, usually for a period of five years or more. The value of investments can fall as well as rise. Past performance should not be seen as an indication of future performance.

Asset allocation by sector at 31 December 2013

The figures in brackets show allocation at 31 December 2012



Performance



Graph showing the return of the Amity Sterling Bond Fund compared to IMA £ Strategic Bond Sector Average from 31 December 2008 to 31 December 2013, 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 Sterling Bond Fund | | IMA £ Strategic Bond Sector Average | |
|---------------------|--------------------------|------|-------------------------------------|--------|
| | Total Return | Rank | Total Return | Number |
| 31/12/12 – 31/12/13 | 2.7% | 44 | 2.7% | 72 |
| 31/12/11 – 31/12/12 | 12.6% | 46 | 13.4% | 77 |
| 31/12/10 – 31/12/11 | 4.2% | 25 | 2.1% | 70 |
| 31/12/09 – 31/12/10 | 7.9% | 38 | 8.6% | 64 |
| 31/12/08 – 31/12/09 | 12.9% | 42 | 22.0% | 62 |

Table showing % return and ranking of the Amity Sterling Bond Fund against IMA £ 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 | | Percentage of total net assets at 31 December 2013 |
|------------------|--|--|
| 1 | Nottingham Building Society 7.875% PIBS | 2.89% |
| 2 | Aviva 8.75% Pref | 2.70% |
| 3 | Premier Farnell 8.92% Conv. Pref | 2.44% |
| 4 | Direct Line Insurance 9.25% FRN 27/04/2042 | 2.32% |
| 5 | Standard Life 6.546% Perp | 2.30% |
| 6 | Henderson Group 7.25% 24/03/2016 | 2.29% |
| 7 | Coventry Building Society 12.125% PIBS | 2.15% |
| 8 | London Stock Exchange 4.75% 02/11/2021 | 2.15% |
| 9 | Nationwide Building Society 6.25% PIBS | 2.12% |
| 10 | Fidelity International 7.125% 13/02/2024 | 2.09% |

Ongoing charges figure at 31 December 2013

| Share Class A | Share Class B | Share Class C |
|---------------|---------------|---------------|
| 1.39% | 0.79% | N/A^ |

Ongoing charges figure at 31 December 2012

| Share Class A | Share Class B | Share Class C |
|---------------|---------------|---------------|
| 1.38% | 0.78% | N/A^ |

The Ongoing Charges Figure (OCF) is the ratio of the Fund's total disclosable costs (excluding overdraft interest) to the average net assets of the Fund.

Risk Reward Profile

Lower risk ← Higher risk
Typically lower rewards ← Typically higher rewards

| | | | | | | |
|---|---|---|---|---|---|---|
| 1 | 2 | 3 | 4 | 5 | 6 | 7 |
|---|---|---|---|---|---|---|

- The risk category above is not a measure of capital loss or gains, but of how significant the rises and falls in the Share Class price have been historically.
- For example a share class whose price has experienced significant rises and falls will be in a higher risk category, whereas, a share class whose price has experienced less significant rises and falls will be in a lower risk category.
- As the Share Class risk category has been calculated using historical data, it may not be a reliable indication of the Share Class future risk profile.
- Please note that the Share Class risk category may change in the future and is not guaranteed. The lowest risk category does not mean a risk free investment.
- The Share Class is in risk category 3 as its price has experienced moderate rises and falls historically.

Share prices, Fund size and Income

| | Share price range | | Fund Size | | | Net income distribution/accumulation |
|-------------------------|------------------------------|-----------------------------|---------------------|-----------------------------------|---------------------------|--------------------------------------|
| | Highest for the year (pence) | Lowest for the year (pence) | Net asset value (£) | Net asset value (pence per share) | Number of shares in issue | Pence per share |
| 31 December 2013 | | | | | | |
| Share Class A | 110.60 | 101.50 | 37,257,841 | 104.21 | 35,751,715 | 4.6794 |
| Share Class B | 117.60 | 108.00 | 26,220,604 | 111.26 | 23,566,934 | 4.9681 |
| Share Class C^ | N/A | N/A | N/A | N/A | N/A | N/A |
| 31 December 2012 | | | | | | |
| Share Class A | 108.20 | 99.20 | 40,605,688 | 105.90 | 38,343,135 | 4.8509 |
| Share Class B | 114.80 | 104.70 | 12,683,736 | 112.35 | 11,289,840 | 5.1192 |
| Share Class C^ | N/A | N/A | N/A | N/A | N/A | N/A |
| 31 December 2011 | | | | | | |
| Share Class A | 103.10 | 98.17 | 26,967,350 | 98.03 | 27,508,413 | 4.9778 |
| Share Class B | 108.35 | 103.42 | 11,491,861 | 103.41 | 11,113,202 | 5.0266 |
| Share Class C^ | N/A | N/A | N/A | N/A | N/A | N/A |
| 31 December 2010 | | | | | | |
| Share Class A | 103.90 | 97.95 | 14,074,490 | 99.30 | 14,174,265 | 4.8393 |
| Share Class B | 108.82 | 102.22 | 11,498,677 | 104.53 | 11,000,000 | 4.8702 |
| Share Class C^ | N/A | N/A | N/A | N/A | N/A | N/A |
| 31 December 2009 | | | | | | |
| Share Class A | 99.81 | 90.15 | 5,312,065 | 96.34 | 5,513,606 | 5.0780 |
| Share Class B | 104.16 | 93.80 | 11,159,189 | 101.45 | 11,000,000 | 5.3374 |
| Share Class C^ | N/A | N/A | N/A | N/A | N/A | N/A |

^ Share Class C is currently inactive.

Higher Income Fund

Report of the Authorised Corporate Director

This review covers the year from 1 January 2013 to 31 December 2013.

- Over the course of the year the Higher Income Fund returned 10.1%*, underperforming the 14.6% return in the IMA Mixed Investments (40-85%) sector average. Over the same period the FTSE All-Share Index registered a return of 20.8% and the FTSE Government All Stocks Index returned -3.9%, both measured on a similar basis.
- A primary contributor to underperformance of the Fund relative to the peer group, was its more balanced allocation between equities and fixed interest, as funds heavily biased to equity will have benefitted from the stronger returns posted by the asset class relative to fixed interest securities over the course of 2013.
- Within the Fund's equity portfolio, many of the most significant contributors came from the Telecommunications sector, as the share prices of holdings such as Vodafone, BT, Vivendi and Orange were all boosted by a resurgence in merger and acquisition activity across the sector. The Fund also benefitted from its investments in Financials, as 3i Group, Prudential and Sumitomo Mitsui all performed strongly. In contrast, the Fund's exposure to Asian markets detracted from both relative and absolute returns with investments in Hong Kong and Thailand causing the most significant drag on overall performance.
- With a preference for corporate bonds and preferred shares over Gilts, the Fund's fixed interest portfolio positively contributed to absolute return over the course of the year. However, gains were tapered by the Fund's exposure to the subordinated debt of the Co-Operative Bank, which was subject to a six-notch downgrade to Ba3 by the rating agency Moody's in May and subsequently the value of the Fund's holdings in both subordinated and junior subordinated tranches of Co-Operative paper fell sharply. However, by year-end much of the cost value had been recovered as final restructuring proposals proved more advantageous than previously anticipated.
- In respect of Fund activity, exposure to equities was increased with a preference for investments in overseas listings. Notable new positions were established in Intel Corp, Japan Residential Investment Company and Healthcare Property Investors (HCP Inc.), on the basis of resilient business models, attractive valuations and compelling dividend yields. The Fund's positions in Orange and Vivendi were also augmented as the competitive outlook for European telecom companies improved. Within the Fund's fixed interest portfolio, investments were made in longer dated corporate bonds and holdings in PIBS from Leeds Building Society and Coventry Building Society were added to.

Prospects

As in 2013, policy decisions from the Federal Reserve and other central banks are likely to be a key determinant of asset prices in the year ahead. While we expect global monetary policy to remain accommodative, the gradual withdrawal of the considerable support provided by the Federal Reserve may provoke periodic volatility across financial markets in the near-term. In light of this, the Fund remains positioned to take advantage of such turbulence and will continue to focus on the long-term approach of investing in those companies that boast resilient earnings streams, consistent cash flows and strong balance sheets. Concurrently, although the Fund's Asia portfolio delivered underwhelming performance this year, our long-term thesis remains intact, with the view that Asian economies still offer a significant growth advantage over western economies thanks to an increasingly wealthy middle class and rising intra-regional trade.

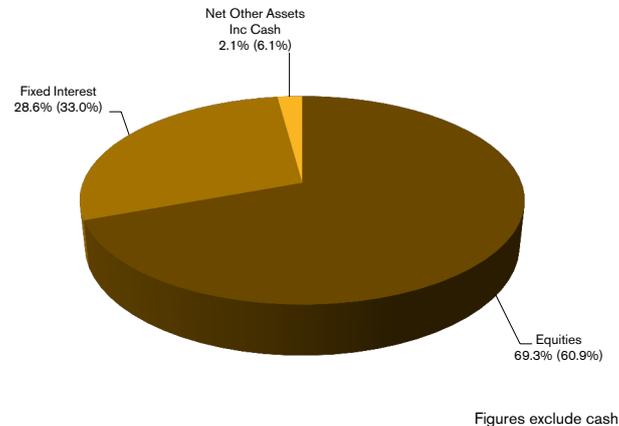
* mid-to-mid basis excluding initial charges with net income reinvested for a basic rate UK taxpayer.

Please note: Stocks and shares should be viewed as a medium to long-term investment, usually for a period of five years or more.

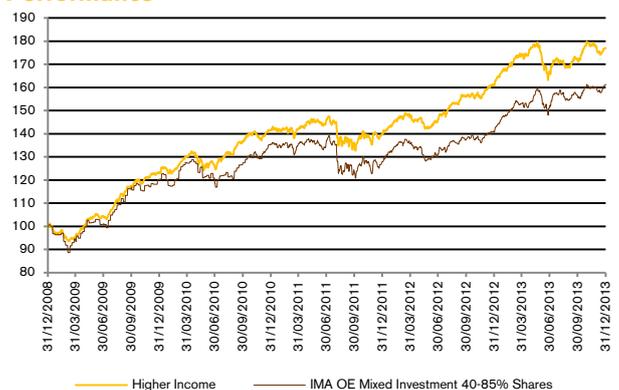
The value of investments can fall as well as rise. Past performance should not be seen as an indication of future performance.

Asset allocation by sector at 31 December 2013

The figures in brackets show allocation at 31 December 2012



Performance



Graph showing the return of the Higher Income Fund compared to IMA Mixed Investment 40-85% Shares Sector Average from 31 December 2008 to 31 December 2013, 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*

| Period | Higher Income Fund | | IMA Mixed Investment 40-85% Shares Sector Average | |
|-----------------------|--------------------|------|---|--------|
| | Total Return | Rank | Total Return | Number |
| 31/12/12 - 31/12/2013 | 10.1% | 127 | 14.6% | 140 |
| Period | Higher Income Fund | | IMA UK Equity & Bond Income Sector Average | |
| | Total Return | Rank | Total Return | Number |
| 31/12/11 - 31/12/12 | 14.8% | 6 | 12.3% | 17 |
| 31/12/10 - 31/12/11 | -1.1% | 11 | -1.2% | 22 |
| 31/12/09 - 31/12/10 | 15.0% | 3 | 12.2% | 19 |
| 31/12/08 - 31/12/09 | 23.0% | 2 | 19.3% | 21 |

Table showing % return and ranking of the Higher Income Fund against IMA Mixed Investment 40-85% Shares Sector Average and IMA UK Equity & Bond Income 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.

* On 1 January 2013, the Higher Income Fund transferred from the IMA UK Equity & Bond Income Sector to the IMA Mixed Investment 40-85% Shares Sector.

The Fund was managed in accordance with the new Sector requirements over the past 5 years, hence the performance graph compares the Fund to the new sector over that period.

Major holdings

| Top ten holdings | | Percentage of total net assets at 31 December 2013 |
|------------------|--------------------------|--|
| 1 | GlaxoSmithKline | 2.78% |
| 2 | Vodafone | 2.56% |
| 3 | Royal Dutch Shell 'B' | 1.95% |
| 4 | General Accident 8.875% | 1.84% |
| 5 | BP | 1.79% |
| 6 | Vivendi | 1.63% |
| 7 | Greencoat UK Wind | 1.53% |
| 8 | BT | 1.47% |
| 9 | Scottish Southern Energy | 1.47% |
| 10 | Luk Fook | 1.47% |

Ongoing charges figure at 31 December 2013

| Share Class A | Share Class B | Share Class C |
|---------------|---------------|---------------|
| 1.34% | 0.84% | 1.09% |

Ongoing charges figure at 31 December 2012

| Share Class A | Share Class B | Share Class C |
|---------------|---------------|---------------|
| 1.33% | 0.83% | 1.08% |

The Ongoing Charges Figure (OCF) is the ratio of the Fund's total disclosable costs (excluding overdraft interest) to the average net assets of the Fund.

Risk Reward Profile

Lower risk Higher risk

 Typically lower rewards Typically higher rewards

| | | | | | | |
|---|---|---|---|---|---|---|
| 1 | 2 | 3 | 4 | 5 | 6 | 7 |
|---|---|---|---|---|---|---|

- The risk category above is not a measure of capital loss or gains, but of how significant the rises and falls in the Share Class price have been historically.
- For example a share class whose price has experienced significant rises and falls will be in a higher risk category, whereas, a share class whose price has experienced less significant rises and falls will be in a lower risk category.
- As the Share Class risk category has been calculated using historical data, it may not be a reliable indication of the Share Class future risk profile.
- Please note that the Share Class risk category may change in the future and is not guaranteed. The lowest risk category does not mean a risk free investment.
- The Share Class is in risk category 4 as its price has experienced moderate rises and falls historically.

Share prices, Fund size and Income

| | Share price range | | Fund Size | | | Net income distribution/accumulation |
|-------------------------|------------------------------|-----------------------------|---------------------|-----------------------------------|---------------------------|--------------------------------------|
| | Highest for the year (pence) | Lowest for the year (pence) | Net asset value (£) | Net asset value (pence per share) | Number of shares in issue | Pence per share |
| 31 December 2013 | | | | | | |
| Share Class A | 132.00 | 119.50 | 161,590,039 | 124.19 | 130,117,147 | 5.4074 |
| Share Class B | 134.40 | 121.40 | 54,366,143 | 126.74 | 42,894,909 | 5.5041 |
| Share Class C | 286.40 | 258.20 | 16,470,090 | 280.88 | 5,863,841 | 11.7765 |
| 31 December 2012 | | | | | | |
| Share Class A | 122.50 | 108.40 | 140,487,388 | 117.50 | 119,564,944 | 5.3874 |
| Share Class B | 124.40 | 109.70 | 22,690,034 | 119.39 | 19,005,296 | 5.4748 |
| Share Class C | 256.30 | 223.20 | 13,133,469 | 253.98 | 5,171,094 | 11.2199 |
| 31 December 2011 | | | | | | |
| Share Class A | 118.00 | 105.60 | 108,604,602 | 107.26 | 101,256,254 | 5.2274 |
| Share Class B | 119.10 | 106.70 | 17,435,716 | 108.55 | 16,062,816 | 5.2950 |
| Share Class C | 233.70 | 210.20 | 10,392,814 | 221.00 | 4,702,594 | 10.3731 |
| 31 December 2010 | | | | | | |
| Share Class A | 117.30 | 103.10 | 77,960,478 | 113.46 | 68,711,500 | 4.5364 |
| Share Class B | 118.20 | 103.60 | 17,612,187 | 114.52 | 15,378,794 | 4.6045 |
| Share Class C | 224.00 | 193.90 | 9,010,776 | 222.90 | 4,042,594 | 8.6809 |
| 31 December 2009 | | | | | | |
| Share Class A | 106.10 | 81.53 | 42,072,173 | 102.80 | 40,927,969 | 3.7933 |
| Share Class B | 106.60 | 81.66 | 15,159,549 | 103.39 | 14,662,423 | 3.8714 |
| Share Class C | 194.90 | 147.10 | 7,021,025 | 193.52 | 3,627,994 | 7.0482 |

UK Equity Growth Fund

Report of the Authorised Corporate Director

This review covers the year from 1 January 2013 to 31 December 2013.

- Over the course of the year the UK Equity Growth Fund returned 43.0%*, substantially outperforming both the return on the FTSE All-Share Index of 20.8% and the IMA All Companies sector average return of 26.2%, both measured on a similar basis.
- As at 31 December 2013, 42.1% of the Fund was invested in FTSE 100 companies, 35.1% was invested in companies in the FTSE 250 Mid Cap Index, and 19.4% in other companies. Cash balances were 3.4%.
- The Fund enjoyed significant benefits from its holdings in companies with high operational gearing and improving trading conditions including Xaar (digital print heads), Howden Joinery (fitted kitchens), Ashtead Group (plant hire) and ITV (television broadcast and production). Software company, WANdisco, was the largest contributor however, a reflection of it developing an offering for the highly promising big data market. The most significant negative impacts on Fund performance were inflicted by Rio Tinto (mining), Unilever (food producers) and Royal Dutch Shell B (oil production) all of whom provided disappointing trading updates. At the smaller end of the scale, Anite (software services), Bango (payment services) and Volex (electrical connectors) also issued disappointing trading updates and their share prices suffered accordingly.
- In respect of sector allocation, the Fund benefitted by being underweight in the mining and oil sectors both of whom are significant constituents of the benchmark index and also performed poorly over the course of the year. The Fund also benefitted from its overweight positions in the automobiles, transport and leisure sectors, which performed strongly. The Fund was also a beneficiary of its long held overweight position in smaller and mid cap companies which significantly outperformed larger companies.
- In respect of Fund activity, notable new holdings included Shire (pharmaceuticals), Betfair (gaming), SuperGroup (retailing), and International Consolidated Airlines. Additionally, esure (insurance), HellermanTyton (cable ties) and Crest Nicholson (building) were added on their flotation. Disposals were effected in British American Tobacco (cigarettes), Morgan Advanced Materials (industrial materials), Centrica (utilities) and Babcock International (support services). The position in Oxford Instruments, a long-held and very successful investment, was reduced as its valuation appeared to fully reflect its medium-term prospects.

Prospects

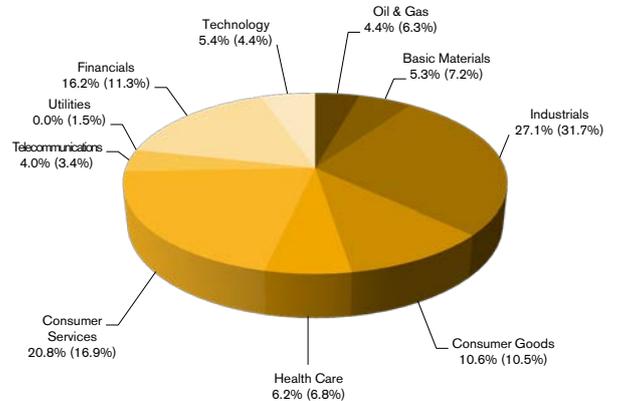
The strong gains by equities in 2013, which were some way ahead of earnings growth, means that ratings are somewhat more demanding than a year ago and returns in 2014 may prove to be relatively less rewarding. Some economies still give cause for concern, although the UK looks set to outperform many others and this should be to the benefit of smaller and mid-sized companies who have a disproportionate amount of the business here. No matter the economic environment, the Fund will remain focussed on seeking out companies based on their known performance and medium-term prospects, whilst maintaining discipline in respect of valuations.

* mid-to-mid basis excluding initial charges with net income reinvested for a basic rate UK taxpayer.

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.

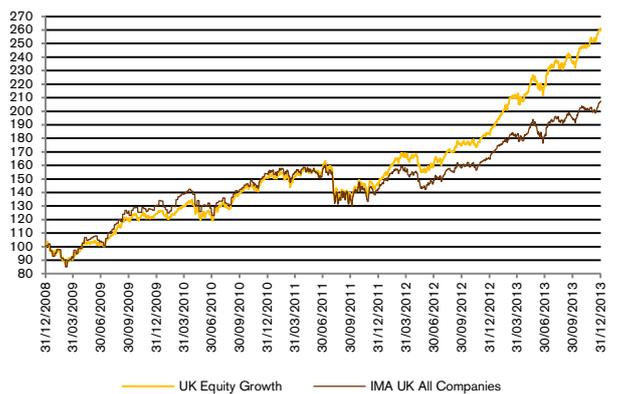
Asset allocation by sector at 31 December 2013

The figures in brackets show allocation at 31 December 2012



Figures exclude cash

Performance



Graph showing the return of the UK Equity Growth Fund compared to IMA UK All Companies Sector Average from 31 December 2008 to 31 December 2013, 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

| | UK Equity Growth Fund | | IMA UK All Companies Sector Average | |
|---------------------|-----------------------|------|-------------------------------------|--------|
| | Total Return | Rank | Total Return | Number |
| 31/12/12 – 31/12/13 | 43.0% | 9 | 26.2% | 261 |
| 31/12/11 – 31/12/12 | 24.2% | 34 | 15.4% | 279 |
| 31/12/10 – 31/12/11 | -2.7% | 34 | -6.9% | 295 |
| 31/12/09 – 31/12/10 | 21.4% | 57 | 17.5% | 296 |
| 31/12/08 – 31/12/09 | 24.2% | 235 | 30.4% | 306 |

Table showing % return and ranking of the UK Equity Growth Fund against IMA 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 | | Percentage of total net assets at 31 December 2013 |
|------------------|-------------------------------------|--|
| 1 | Rio Tinto | 2.52% |
| 2 | GKN | 2.40% |
| 3 | WANdisco | 2.15% |
| 4 | Howden Joinery | 2.12% |
| 5 | Ashtead | 2.09% |
| 6 | Next | 2.02% |
| 7 | International Consolidated Airlines | 2.01% |
| 8 | Vodafone | 2.00% |
| 9 | Prudential | 1.99% |
| 10 | ITV | 1.98% |

Ongoing charges figure at 31 December 2013

| Share Class A | Share Class B | Share Class C |
|---------------|---------------|---------------|
| 1.59% | 0.84% | 1.34% |

Ongoing charges figure at 31 December 2012

| Share Class A | Share Class B | Share Class C |
|---------------|---------------|---------------|
| 1.59% | 0.84% | 1.34% |

The Ongoing Charges Figure (OCF) is the ratio of the Fund's total disclosable costs (excluding overdraft interest) to the average net assets of the Fund.

Risk Reward Profile

Lower risk ← Higher risk
Typically lower rewards ← Typically higher rewards



- The risk category above is not a measure of capital loss or gains, but of how significant the rises and falls in the Share Class price have been historically.
- For example a share class whose price has experienced significant rises and falls will be in a higher risk category, whereas, a share class whose price has experienced less significant rises and falls will be in a lower risk category.
- As the Share Class risk category has been calculated using historical data, it may not be a reliable indication of the Share Class future risk profile.
- Please note that the Share Class risk category may change in the future and is not guaranteed. The lowest risk category does not mean a risk free investment.
- The Share Class is in risk category 5 as its price has experienced significant rises and falls historically.

Share prices, Fund size and Income

| | Share price range | | Fund Size | | | Net income distribution/accumulation |
|-------------------------|------------------------------|-----------------------------|---------------------|-----------------------------------|---------------------------|--------------------------------------|
| | Highest for the year (pence) | Lowest for the year (pence) | Net asset value (£) | Net asset value (pence per share) | Number of shares in issue | Pence per share |
| 31 December 2013 | | | | | | |
| Share Class A | 222.30 | 159.10 | 38,601,369 | 221.05 | 17,463,020 | 1.3395 |
| Share Class B | 227.60 | 161.80 | 99,327,152 | 225.07 | 44,131,486 | 2.9366 |
| Share Class C | 297.60 | 211.50 | 17,131,237 | 296.78 | 5,772,419 | 2.5414 |
| 31 December 2012 | | | | | | |
| Share Class A | 158.60 | 128.70 | 11,899,867 | 155.46 | 7,654,375 | 2.0255 |
| Share Class B | 162.20 | 130.80 | 63,989,902 | 158.11 | 40,471,284 | 3.2722 |
| Share Class C | 209.20 | 168.30 | 13,133,419 | 206.71 | 6,353,415 | 3.2393 |
| 31 December 2011 | | | | | | |
| Share Class A | 142.20 | 114.40 | 7,827,060 | 126.94 | 6,165,820 | 1.5501 |
| Share Class B | 145.00 | 116.80 | 52,215,539 | 129.04 | 40,464,728 | 2.7552 |
| Share Class C | 184.60 | 148.60 | 11,195,672 | 166.01 | 6,743,915 | 2.6173 |
| 31 December 2010 | | | | | | |
| Share Class A | 133.40 | 105.20 | 7,914,136 | 131.66 | 6,011,227 | 1.6321 |
| Share Class B | 136.40 | 107.20 | 54,150,383 | 133.82 | 40,464,728 | 2.7463 |
| Share Class C | 170.60 | 134.40 | 12,248,504 | 169.55 | 7,223,915 | 2.6746 |
| 31 December 2009 | | | | | | |
| Share Class A | 111.70 | 77.30 | 6,795,703 | 109.82 | 6,188,284 | 1.4307 |
| Share Class B | 114.00 | 78.60 | 44,777,812 | 111.56 | 40,138,383 | 2.4095 |
| Share Class C | 140.30 | 96.02 | 10,523,474 | 138.94 | 7,573,915 | 2.3486 |

Authorised Status

The company is an open-ended investment company. It is an umbrella scheme with six sub-funds. Each sub-fund has investment powers equivalent to that of a UCITS scheme.

Certification of Accounts

On 21 December 2011, the Open Ended Investment Companies Regulations 2011 (as amended) ("the Regulations") were amended to introduce a Protected Cell Regime for OEICS. Under the Protected Cell Regime, 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.

The Regulations allowed a transitional period for implementation of the Protected Cell Regime, until 20 December 2013. However, Ecclesiastical Investment Funds adopted the Protected Cell Regime on 31 December 2012.

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

SJ Round, Director

M Hews, Director

For and on behalf of Ecclesiastical Investment Management Limited.
Authorised Corporate Director of Ecclesiastical Investment Funds.

21 March 2014

Statement of the Authorised Corporate Director's Responsibilities

The Authorised Corporate Director ("ACD") of Ecclesiastical Investment Funds ("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") and the Company's Instrument of Incorporation.

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

- are in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) ("UK GAAP") and the Statement of Recommended Practice: "Financial Statements of Authorised Funds" ("SORP") issued by the Investment Management Association ("IMA") in October 2010; 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 IMA SORP has been followed;
- state whether applicable UK Accounting Standards have been followed; 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 IMA 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 21 March 2014.

SJ Round, Director

M Hews, Director

For and on behalf of Ecclesiastical Investment Management Limited.
Authorised Corporate Director of Ecclesiastical Investment Funds.

21 March 2014

Statement of the Depositary's Responsibilities

The Depositary is responsible for the safekeeping of all of the property of the Company (other than tangible moveable property) which is entrusted to it and for the collection of revenue that arises from that property.

It is the duty of the Depositary to take reasonable care to ensure that the Company is managed in accordance with the Financial Conduct Authority's Collective Investment Schemes

Sourcebook, as amended ("COLL"), the Open-Ended Investment Companies Regulations 2001 ("SI 2001/1228"), as amended ("the OEIC Regulations"), the Company's Instrument of Incorporation and Prospectus in relation to the pricing of, and dealings in, shares in the Company; the application of the revenue of the Company; and the investment and borrowing powers and restrictions applicable to the Company.

Report of the Depositary to the Shareholders of the Company

Having carried out such procedures as we considered 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 Authorised Corporate Director:

- i) has carried out the issue, sale, redemption, cancellation and calculation of the price of the Company's shares and the application of the Company's revenue, in accordance with COLL and, where applicable, the OEIC Regulations, the Instrument of Incorporation and the Prospectus of the Company; and

- ii) has observed the investment and borrowing powers and restrictions applicable to the Company.

For and on behalf of BNY Mellon Trust & Depositary (UK) Limited

21 March 2014

Portfolio Statement

AMITY UK FUND

At 31 December 2013

| Holdings at 31 December 2013 | | Market Value £ | Percentage of Total Net Assets % |
|---------------------------------|--|----------------------|--|
| | UNITED KINGDOM 88.40% (83.29%) | | |
| | UK Corporate Bonds 0.28% (0.38%) | | |
| £250,000 | Barclays 14% 15/06/2019 | 332,125 | 0.28 |
| | Total UK Corporate Bonds | 332,125 | 0.28 |
| | UK Equities 88.12% (82.91%) | | |
| 1,300,000 | Advanced Fluid Connections* (Suspended 27/03/2006) | - | - |
| 140,000 | Alent | 493,920 | 0.41 |
| 30,000 | AstraZeneca | 1,080,900 | 0.91 |
| 4,687 | AVEVA | 101,239 | 0.08 |
| 248,000 | Aviva | 1,112,280 | 0.93 |
| 225,603 | Barclays | 618,265 | 0.52 |
| 65,000 | Bellway | 1,020,500 | 0.86 |
| 45,000 | Berkeley Group | 1,161,000 | 0.97 |
| 133,725 | BG Group | 1,745,780 | 1.46 |
| 239,805 | Bonmarche | 556,348 | 0.47 |
| 550,000 | Booker | 894,850 | 0.75 |
| 70,000 | Bradford & Bingley*† | - | - |
| 150,000 | British Land | 941,250 | 0.79 |
| 130,000 | British Polythene | 824,850 | 0.69 |
| 200,062 | Brown (N) | 1,055,327 | 0.88 |
| 630,000 | BT | 2,390,220 | 2.00 |
| 450,000 | Cable & Wireless Communications | 259,650 | 0.22 |
| 315,040 | Camper & Nicholsons Marina Investments | 28,354 | 0.02 |
| 315,000 | Carillion | 1,039,500 | 0.87 |
| 110,000 | Catlin | 640,750 | 0.54 |
| 570,000 | Centrica | 1,983,030 | 1.66 |
| 100,000 | Crest Nicholson Holdings | 365,200 | 0.31 |
| 75,000 | Daily Mail & General Trust | 707,625 | 0.59 |
| 364,650 | Dechra Pharmaceuticals | 2,527,025 | 2.12 |
| 225,000 | Devro International | 639,675 | 0.54 |
| 114,883 | Digital Globe Services | 275,719 | 0.23 |
| 104,524 | Dignity | 1,499,919 | 1.26 |
| 700,000 | Dixons Retail | 338,590 | 0.28 |
| 260,000 | Dolphin Capital | 101,400 | 0.09 |
| 315,000 | Dunelm Group | 2,923,200 | 2.45 |
| 375,000 | Elementis | 1,016,625 | 0.85 |
| 250,000 | esure Group | 613,750 | 0.51 |
| 115,000 | Fenner | 551,885 | 0.46 |
| 400,000 | G4S plc | 1,056,000 | 0.89 |
| 120,000 | Galliford Try | 1,392,000 | 1.17 |
| 115,000 | Genus | 1,485,800 | 1.25 |
| 133,000 | GlaxoSmithKline | 2,148,615 | 1.80 |
| 120,000 | Great Portland Estates | 715,200 | 0.60 |
| 1,125,000 | Greencoat UK Wind | 1,158,750 | 0.97 |
| 402,961 | Halma | 2,421,796 | 2.03 |
| 250,000 | HellermannTyton Group | 744,000 | 0.62 |
| 75,000 | HSBC | 497,250 | 0.42 |
| 100,000 | Hyder Consulting | 628,000 | 0.53 |
| 750,000 | Impax Environmental Markets | 1,110,000 | 0.93 |
| 170,000 | Informa | 954,550 | 0.80 |
| 1,194,444 | Inland Homes | 549,444 | 0.46 |
| 190,000 | International Personal Finance | 935,750 | 0.78 |
| 76,876 | Invensys | 389,761 | 0.33 |
| 375,000 | ITM Power | 146,250 | 0.12 |
| 93,322 | Jardine Lloyd Thompson | 952,818 | 0.80 |

Portfolio Statement

AMITY UK FUND

At 31 December 2013

| Holdings at 31 December 2013 | | Market Value £ | Percentage of Total Net Assets % |
|---------------------------------|--------------------------------|----------------------|--|
| | UK Equities (continued) | | |
| 935,000 | John Laing Infrastructure | 1,072,445 | 0.90 |
| 41,522 | Johnson Matthey | 1,354,863 | 1.14 |
| 99,125 | Johnson Service Group | 52,536 | 0.04 |
| 3,893,345 | Johnston Press | 622,935 | 0.52 |
| 61,252 | Keller | 703,173 | 0.59 |
| 24,968 | Kier | 455,167 | 0.38 |
| 350,000 | Laird Group | 973,350 | 0.82 |
| 35,546 | Land Securities | 341,597 | 0.29 |
| 950,000 | Legal & General | 2,119,450 | 1.78 |
| 820,511 | Lloyds Banking Group | 647,055 | 0.54 |
| 116,000 | LSL Property Services | 509,240 | 0.43 |
| 150,000 | Marks & Spencer | 673,350 | 0.56 |
| 306,421 | Marshalls | 536,237 | 0.45 |
| 200,000 | Mears Group | 947,500 | 0.79 |
| 96,000 | Menzies (John) | 684,480 | 0.57 |
| 200,000 | MITIE | 636,200 | 0.53 |
| 83,000 | Morgan Sindall | 623,745 | 0.52 |
| 590,078 | Morrison (Wm) Supermarkets | 1,566,657 | 1.31 |
| 320,000 | National Express | 885,760 | 0.74 |
| 92,000 | National Grid | 725,420 | 0.61 |
| 40,000 | Next | 2,200,000 | 1.84 |
| 218,250 | Office2office | 65,475 | 0.05 |
| 130,000 | Oxford Instruments | 2,306,200 | 1.93 |
| 115,000 | Pearson | 1,537,550 | 1.29 |
| 163,000 | Pennon Group | 1,077,430 | 0.90 |
| 590,000 | Picton Property Income | 325,975 | 0.27 |
| 133,190 | Pinewood Shepperton | 419,549 | 0.36 |
| 74,074 | Plethora Solutions | 9,259 | 0.01 |
| 160,000 | Porvair | 435,600 | 0.37 |
| 95,000 | Provident Financial | 1,534,250 | 1.29 |
| 175,000 | Prudential | 2,350,250 | 1.97 |
| 143,142 | Reed Elsevier | 1,282,552 | 1.08 |
| 520,000 | Rentokil Initial | 598,520 | 0.50 |
| 120,000 | Rexam | 632,400 | 0.53 |
| 4,700 | Royal Bank of Scotland Group | 15,985 | 0.01 |
| 224,924 | Royal Mail | 1,297,811 | 1.09 |
| 348,074 | Sage Group | 1,407,611 | 1.18 |
| 280,000 | Sainsbury (J) | 1,033,760 | 0.87 |
| 143,650 | Sales Activation Solution*† | - | - |
| 950,000 | Scapa Group | 1,064,000 | 0.89 |
| 67,000 | Severn Trent | 1,153,740 | 0.97 |
| 625,000 | Shanks | 678,125 | 0.57 |
| 393,511 | SIG | 831,095 | 0.70 |
| 235,000 | Smith & Nephew | 2,025,700 | 1.70 |
| 658,750 | Smith (DS) | 2,175,193 | 1.82 |
| 38,000 | Smith (WH) Group | 387,600 | 0.32 |
| 90,000 | Smiths Group | 1,334,700 | 1.12 |
| 25,920 | Smiths News | 60,199 | 0.05 |
| 65,000 | Spectris | 1,658,800 | 1.39 |
| 72,500 | Scottish Southern Energy | 988,900 | 0.83 |
| 165,000 | St James's Place | 1,180,575 | 0.99 |
| 95,000 | Standard Chartered | 1,292,475 | 1.08 |
| 165,750 | Standard Life | 594,214 | 0.50 |
| 65,000 | Synectics | 364,000 | 0.31 |
| 13,760 | Tandem | 9,632 | 0.01 |
| 425,768 | Taylor Wimpey | 476,434 | 0.40 |

Portfolio Statement

AMITY UK FUND

At 31 December 2013

| Holdings at 31 December 2013 | | Market Value £ | Percentage of Total Net Assets % |
|---------------------------------|----------------------------------|----------------------|--|
| | UK Equities (continued) | | |
| 385,000 | Tesco | 1,296,488 | 1.09 |
| 2,433 | Thompson Clive Investments*† | - | - |
| 36,116 | Travis Perkins | 671,758 | 0.57 |
| 50,000 | Trinity Mirror | 101,875 | 0.09 |
| 107,500 | United Utilities | 727,238 | 0.61 |
| 1,275,000 | Vodafone | 3,035,138 | 2.54 |
| 255,000 | Volex | 297,713 | 0.25 |
| 36,774 | Wolseley | 1,254,361 | 1.05 |
| | Total UK Equities | 105,115,900 | 88.12 |
| | BRAZIL 0.18% (0.32%) | | |
| 24,000 | Petroleo Brasileiro ADR | 211,752 | 0.18 |
| | Total Brazil | 211,752 | 0.18 |
| | FRANCE 0.21% (0.23%) | | |
| 12,027 | Mersen | 251,255 | 0.21 |
| | Total France | 251,255 | 0.21 |
| | GERMANY 0.08% (0.11%) | | |
| 20,000 | Telefonica Deutschland | 99,793 | 0.08 |
| | Total Germany | 99,793 | 0.08 |
| | HONG KONG 0.26% (0.46%) | | |
| 380,000 | China Shineway Pharmaceutical | 314,033 | 0.26 |
| | Total Hong Kong | 314,033 | 0.26 |
| | IRELAND 0.17% (0.19%) | | |
| 12,857 | CRH | 197,272 | 0.17 |
| 175,000 | Veris* (Suspended 01/12/2009)† | - | - |
| | Total Ireland | 197,272 | 0.17 |
| | JAPAN 0.45% (0.00%) | | |
| 900,000 | Japan Residential Investment | 540,000 | 0.45 |
| | Total Japan | 540,000 | 0.45 |
| | NETHERLANDS 1.33% (1.47%) | | |
| 20,000 | Fugro | 720,777 | 0.61 |
| 50,000 | Wolters Kluwer | 862,269 | 0.72 |
| | Total Netherlands | 1,583,046 | 1.33 |
| | NORWAY 0.34% (0.44%) | | |
| 15,500 | Yara International | 402,143 | 0.34 |
| | Total Norway | 402,143 | 0.34 |
| | PORTUGAL 0.00% (0.10%) | | |

Portfolio Statement

AMITY UK FUND

At 31 December 2013

| Holdings at 31 December 2013 | | Market Value £ | Percentage of Total Net Assets % |
|---|--|---|---|
| 450,000 | SINGAPORE 0.13% (0.15%) Sound Global Total Singapore | 150,587 150,587 | 0.13 0.13 |
| 24,157 | SPAIN 0.20% (0.23%) Telefonica ADR Total Spain | 237,817 237,817 | 0.20 0.20 |
| 20,000 | SWEDEN 0.35% (0.96%) Getinge 'B' Total Sweden | 414,517 414,517 | 0.35 0.35 |
| 15,000 27,000 25,000 30,339 22,590 9,562 | UNITED STATES 1.77% (1.17%) Baker Hughes HCP Ocean Power Technologies Pfizer Titan International Zoetis 'A' Total United States | 493,834 597,470 28,941 562,689 245,674 188,905 2,117,513 | 0.41 0.50 0.02 0.47 0.21 0.16 1.77 |
| | Portfolio of Investments 93.87% (89.12%) | 111,967,753 | 93.87 |
| | Net other assets | 7,312,184 | 6.13 |
| | Total net assets | 119,279,937 | 100.00 |

* Unapproved securities.

† Unlisted.

Unless otherwise stated, all investments are listed equities.

Comparative percentage holdings by market value at 31 December 2012 are shown in brackets.

Portfolio Statement

AMITY EUROPEAN FUND

At 31 December 2013

| Holdings at 31 December 2013 | | Market Value £ | Percentage of Total Net Assets % |
|---|---|---|--|
| 450,000 | UNITED KINGDOM 0.00% (0.00%) Advanced Fluid Connections* (Suspended 27/03/2006) Total United Kingdom | - - | - - |
| 55,000 300,000 15,000 | AUSTRIA 3.11% (2.07%) EVN Immofinanz OMV Total Austria | 525,976 837,466 432,091 1,795,533 | 0.91 1.45 0.75 3.11 |
| 25,000 | BELGIUM 0.68% (1.21%) Tessenderlo Chemie Total Belgium | 393,472 393,472 | 0.68 0.68 |
| 80,000 150,000 30,000 | FINLAND 4.19% (3.96%) Fortum Nokia Vaisala 'A' Total Finland | 1,107,299 725,979 579,534 2,412,812 | 1.92 1.26 1.01 4.19 |
| 30,000 50,000 55,000 25,000 20,000 23,723 15,750 15,000 60,000 12,053 50,000 120,000 24,500 14,000 22,000 80,000 40,000 85,000 | FRANCE 27.70% (22.83%) Alstom AXA Carrefour Cie de St-Gobain Cie Generale des Etablissements Michelin 'B' Environnement Eurazeo Fonciere des Regions GDF Suez Imerys Mersen Orange Sanofi-Aventis Schneider Electric Societe Generale Suez Environnement Veolia Environnement Vivendi Total France | 660,934 835,011 1,312,650 827,832 1,272,595 449,194 745,498 779,537 848,452 631,701 1,044,544 890,900 1,564,027 734,094 773,079 869,260 391,850 1,343,112 15,974,270 | 1.15 1.45 2.28 1.44 2.21 0.78 1.29 1.35 1.47 1.09 1.81 1.54 2.71 1.27 1.34 1.51 0.68 2.33 27.70 |
| 4,000 15,000 40,000 68,333 40,000 20,000 50,000 55,000 40,500 15,000 | GERMANY 22.23% (21.34%) Allianz Bayer Carl Zeiss Meditec Commerzbank Deutsche Bank Deutsche Post Deutsche Telekom Francotyp-Postalia Indus Holdings Merck KGaA | 434,131 1,274,676 807,336 665,425 1,155,240 442,870 518,526 184,069 977,712 1,622,372 | 0.75 2.21 1.40 1.16 2.00 0.77 0.90 0.32 1.70 2.81 |

Portfolio Statement

AMITY EUROPEAN FUND

At 31 December 2013

| Holdings at 31 December 2013 | | Market Value £ | Percentage of Total Net Assets % |
|---------------------------------|------------------------------------|----------------------|--|
| | GERMANY (continued) | | |
| 36,000 | Metro | 1,057,394 | 1.83 |
| 18,000 | Mologen | 170,115 | 0.30 |
| 7,500 | Munich Re | 1,002,512 | 1.74 |
| 14,500 | Siemens | 1,200,930 | 2.08 |
| 15,000 | Talanx | 307,246 | 0.53 |
| 200,000 | Telefonica Deutschland | 997,934 | 1.73 |
| | Total Germany | 12,818,488 | 22.23 |
| | IRELAND 2.70% (2.99%) | | |
| 105,000 | Smurfit Kappa | 1,558,201 | 2.70 |
| | Total Ireland | 1,558,201 | 2.70 |
| | ITALY 11.96% (8.52%) | | |
| 1,500,000 | A2A | 1,061,814 | 1.84 |
| 205,714 | Ansaldo | 1,343,197 | 2.33 |
| 80,000 | Atlantia | 1,085,327 | 1.88 |
| 1,500,000 | Beni Stabili | 611,120 | 1.06 |
| 180,000 | Enel | 475,513 | 0.83 |
| 110,000 | Pirelli | 1,149,913 | 2.00 |
| 40,000 | Prysmian | 622,898 | 1.08 |
| 180,000 | Terna | 544,128 | 0.94 |
| | Total Italy | 6,893,910 | 11.96 |
| | NETHERLANDS 11.02% (12.88%) | | |
| 60,000 | CSM | 769,050 | 1.33 |
| 12,000 | Fugro | 432,466 | 0.75 |
| 22,000 | Koninklijke DSM | 1,046,641 | 1.82 |
| 360,000 | Koninklijke KPN | 700,235 | 1.22 |
| 55,000 | Philips Electronics | 1,213,543 | 2.10 |
| 50,000 | Reed Elsevier | 642,332 | 1.11 |
| 90,000 | Wolters Kluwer | 1,552,084 | 2.69 |
| | Total Netherlands | 6,356,351 | 11.02 |
| | NORWAY 1.71% (2.17%) | | |
| 38,000 | Yara International | 985,899 | 1.71 |
| | Total Norway | 985,899 | 1.71 |
| | SPAIN 5.79% (5.48%) | | |
| 179,084 | Banco Santander | 968,246 | 1.68 |
| 25,000 | Bolsas y Mercados Españoles | 576,996 | 1.00 |
| 50,000 | Gas Natural | 777,165 | 1.35 |
| 90,000 | Telefonica | 882,785 | 1.53 |
| 13,239 | Telefonica ADR | 130,333 | 0.23 |
| | Total Spain | 3,335,525 | 5.79 |
| | SWEDEN 1.67% (5.83%) | | |
| 130,000 | Ericsson 'B' | 960,785 | 1.67 |
| | Total Sweden | 960,785 | 1.67 |

Portfolio Statement

AMITY EUROPEAN FUND

At 31 December 2013

| Holdings at 31 December 2013 | | Market Value £ | Percentage of Total Net Assets % |
|---------------------------------|---|----------------------|--|
| | SWITZERLAND 6.05% (7.89%) | | |
| 28,000 | Novartis | 1,351,963 | 2.34 |
| 8,500 | Roche | 1,436,893 | 2.49 |
| 4,000 | Zurich Financial Services | 701,158 | 1.22 |
| | Total Switzerland | 3,490,014 | 6.05 |
| | Portfolio of Investments 98.81% (97.17%) | 56,975,260 | 98.81 |
| | Net other assets | 685,525 | 1.19 |
| | Total net assets | 57,660,785 | 100.00 |

* Unapproved securities.

† Unlisted.

Unless otherwise stated, all investments are listed equities.

Comparative percentage holdings by market value at 31 December 2012 are shown in brackets.

Portfolio Statement

AMITY INTERNATIONAL FUND

At 31 December 2013

| Holdings at 31 December 2013 | | Market Value £ | Percentage of Total Net Assets % |
|---------------------------------------|-----------------------------|----------------------|--|
| UNITED KINGDOM 15.47% (15.30%) | | | |
| 400,000 | Aviva | 1,794,000 | 0.78 |
| 600,000 | BT | 2,276,400 | 0.99 |
| 500,000 | Catlin | 2,912,500 | 1.26 |
| 500,000 | Centrica | 1,739,500 | 0.75 |
| 350,000 | Fenner | 1,679,650 | 0.73 |
| 400,000 | GlaxoSmithKline | 6,462,000 | 2.80 |
| 150,000 | Morrison (Wm) Supermarkets | 398,250 | 0.17 |
| 300,000 | National Grid | 2,365,500 | 1.03 |
| 500,000 | Resolution | 1,763,000 | 0.76 |
| 2,000,000 | RSA Insurance | 1,846,000 | 0.80 |
| 403,750 | Smith (DS) | 1,333,182 | 0.58 |
| 150,000 | Standard Chartered | 2,040,750 | 0.88 |
| 1,000,000 | Tesco | 3,367,500 | 1.46 |
| 2,400,000 | Vodafone | 5,713,200 | 2.48 |
| | Total United Kingdom | 35,691,432 | 15.47 |
| AUSTRIA 1.92% (0.97%) | | | |
| 200,000 | EVN | 1,912,638 | 0.83 |
| 900,000 | Immofinanz | 2,512,398 | 1.09 |
| | Total Austria | 4,425,036 | 1.92 |
| BELGIUM 0.31% (0.46%) | | | |
| 45,000 | Tessengerlo Chemie | 708,250 | 0.31 |
| | Total Belgium | 708,250 | 0.31 |
| BRAZIL 2.09% (2.52%) | | | |
| 600,000 | Banco Santander Brazil ADR | 2,181,719 | 0.94 |
| 300,000 | Petroleo Brasileiro ADR | 2,646,899 | 1.15 |
| | Total Brazil | 4,828,618 | 2.09 |
| FINLAND 1.72% (1.26%) | | | |
| 200,000 | Fortum | 2,768,249 | 1.20 |
| 62,000 | Vaisala 'A' | 1,197,704 | 0.52 |
| | Total Finland | 3,965,953 | 1.72 |
| FRANCE 6.72% (6.25%) | | | |
| 65,000 | Alstom | 1,432,023 | 0.62 |
| 95,000 | Carrefour | 2,267,305 | 0.98 |
| 220,000 | GDF Suez | 3,110,992 | 1.35 |
| 18,995 | Mersen | 396,822 | 0.17 |
| 55,000 | Sanofi-Aventis | 3,511,081 | 1.52 |
| 20,000 | Schneider Electric | 1,048,705 | 0.46 |
| 30,000 | Societe Generale | 1,054,198 | 0.46 |
| 170,000 | Vivendi | 2,686,225 | 1.16 |
| | Total France | 15,507,351 | 6.72 |
| GERMANY 6.92% (6.18%) | | | |
| 110,000 | Carl Zeiss Meditec | 2,220,175 | 0.96 |
| 117,500 | Indus Holdings | 2,836,570 | 1.23 |
| 25,000 | Merck KGaA | 2,703,953 | 1.17 |

Portfolio Statement

AMITY INTERNATIONAL FUND

At 31 December 2013

| Holdings at 31 December 2013 | | Market Value £ | Percentage of Total Net Assets % |
|---------------------------------|---|----------------------|--|
| | GERMANY (continued) | | |
| 55,000 | Metro | 1,615,464 | 0.70 |
| 20,000 | Munich Re | 2,673,366 | 1.16 |
| 37,500 | Siemens | 3,105,853 | 1.35 |
| 39,500 | Talanx | 809,080 | 0.35 |
| | Total Germany | 15,964,461 | 6.92 |
| | HONG KONG 11.46% (11.71%) | | |
| 12,000,000 | BYD Electronic International | 4,209,979 | 1.82 |
| 3,300,000 | China Metal Recycling | 180,094 | 0.08 |
| 2,250,000 | China Shineway Pharmaceuticals | 1,859,407 | 0.81 |
| 4,500,000 | Comba Telecom | 936,720 | 0.41 |
| 4,019,000 | Dah Chong Hong | 1,817,323 | 0.79 |
| 2,914,200 | Dah Sing Banking | 3,094,444 | 1.34 |
| 6,000,000 | Fujikon | 958,940 | 0.42 |
| 29,368,591 | Hop Fung | 801,378 | 0.35 |
| 10,242,000 | Lerado | 918,267 | 0.40 |
| 1,500,000 | Luk Fook | 3,420,608 | 1.48 |
| 3,200,000 | Minth | 3,991,684 | 1.73 |
| 1,700,000 | Nine Dragons Paper Holdings | 893,295 | 0.39 |
| 1,000,000 | Peace Mark Holdings* (Suspended 25/08/2008) | - | - |
| 17,000,000 | Scud Group | 642,801 | 0.28 |
| 3,250,000 | TCL Multimedia | 909,628 | 0.39 |
| 325,000 | Tonly Electronics | 142,652 | 0.06 |
| 8,227,000 | Trinity | 1,654,807 | 0.71 |
| | Total Hong Kong | 26,432,027 | 11.46 |
| | ITALY 1.09% (0.99%) | | |
| 385,714 | Ansaldo | 2,518,496 | 1.09 |
| | Total Italy | 2,518,496 | 1.09 |
| | JAPAN 8.26% (6.08%) | | |
| 140,000 | Amada | 746,454 | 0.32 |
| 3,000,000 | Fidelity Japanese Values | 2,160,000 | 0.94 |
| 4,100,000 | Japan Residential Investment Company | 2,460,000 | 1.07 |
| 1,160,887 | JPMorgan Japanese Investment Trust | 2,809,347 | 1.22 |
| 1,904,594 | Schroder Japan Growth Fund | 2,395,027 | 1.04 |
| 200,000 | Sekisui Jushi | 1,717,005 | 0.74 |
| 225,000 | Sony Corporation | 2,363,042 | 1.02 |
| 120,000 | Sumitomo Mitsui Financial | 3,738,028 | 1.62 |
| 50,000 | TV Asahi | 671,083 | 0.29 |
| | Total Japan | 19,059,986 | 8.26 |
| | KOREA 0.85% (1.11%) | | |
| 2,500 | Samsung Electronics | 1,963,328 | 0.85 |
| | Total Korea | 1,963,328 | 0.85 |
| | MALAYSIA 2.19% (2.32%) | | |
| 6,750,000 | KNM Group | 554,368 | 0.24 |
| 2,250,000 | KNM Group Warrants | 49,831 | 0.02 |
| 700,000 | Malayan Banking | 1,284,159 | 0.56 |
| 1,514,292 | Pelikan International | 173,275 | 0.08 |

Portfolio Statement

AMITY INTERNATIONAL FUND

At 31 December 2013

| Holdings at 31 December 2013 | | Market Value £ | Percentage of Total Net Assets % |
|---------------------------------|----------------------------------|----------------------|--|
| | MALAYSIA (continued) | | |
| 503,000 | Public Bank | 1,799,103 | 0.78 |
| 562,500 | Tenaga Nasional | 1,181,406 | 0.51 |
| | Total Malaysia | 5,042,142 | 2.19 |
| | NETHERLANDS 1.63% (1.47%) | | |
| 60,000 | Fugro | 2,162,330 | 0.94 |
| 125,000 | Reed Elsevier | 1,605,830 | 0.69 |
| | Total Netherlands | 3,768,160 | 1.63 |
| | NORWAY 1.16% (0.99%) | | |
| 103,000 | Yara International | 2,672,306 | 1.16 |
| | Total Norway | 2,672,306 | 1.16 |
| | PORTUGAL 0.00% (0.07%) | | |
| | SINGAPORE 17.48% (18.82%) | | |
| 4,000,000 | Boustead Singapore | 3,222,077 | 1.40 |
| 1,500,000 | Cache Logistics | 795,958 | 0.35 |
| 3,000,000 | Capita Commercial Trust | 2,072,359 | 0.90 |
| 6,000,000 | China Hongxing Sports | 114,733 | 0.05 |
| 270,000 | DBS Group | 2,200,717 | 0.95 |
| 1,652,200 | Eu Yan Sang International | 687,160 | 0.30 |
| 6,200,000 | Ezion Holdings | 6,579,920 | 2.85 |
| 2,700,000 | Goodpack | 2,510,495 | 1.09 |
| 6,408,000 | HI-P International | 1,776,751 | 0.77 |
| 85,000 | Jardine Matheson | 2,687,402 | 1.16 |
| 3,000,000 | Mapletree Industrial Trust | 1,914,602 | 0.83 |
| 12,000,000 | Midas Holdings | 2,925,684 | 1.27 |
| 420,000 | Oversea-Chinese Banking | 2,047,979 | 0.89 |
| 750,000 | Sembcorp Marine | 1,584,745 | 0.69 |
| 700,000 | SIA Engineering | 1,683,224 | 0.73 |
| 1,000,000 | Singapore Telecom | 1,744,893 | 0.76 |
| 9,500,000 | Sound Global | 3,179,052 | 1.38 |
| 2,500,000 | Vard Holdings | 974,033 | 0.41 |
| 160,000 | United Overseas Bank | 1,624,615 | 0.70 |
| | Total Singapore | 40,326,399 | 17.48 |
| | SPAIN 1.72% (1.33%) | | |
| 252,691 | Banco Santander | 1,366,214 | 0.59 |
| 200,000 | Telefonica | 1,961,744 | 0.85 |
| 64,701 | Telefonica ADR | 636,958 | 0.28 |
| | Total Spain | 3,964,916 | 1.72 |
| | SWEDEN 1.12% (1.42%) | | |
| 350,000 | Ericsson 'B' | 2,586,730 | 1.12 |
| | Total Sweden | 2,586,730 | 1.12 |
| | SWITZERLAND 2.67% (3.53%) | | |
| 27,000 | Novartis | 1,303,678 | 0.56 |

Portfolio Statement

AMITY INTERNATIONAL FUND

At 31 December 2013

| Holdings at 31 December 2013 | | Market Value £ | Percentage of Total Net Assets % |
|---------------------------------|---|----------------------|--|
| | SWITZERLAND (continued) | | |
| 12,000 | Roche | 2,028,555 | 0.88 |
| 25,000 | Swiss Re | 1,391,187 | 0.60 |
| 6,000 | Syngenta | 1,445,885 | 0.63 |
| | Total Switzerland | 6,169,305 | 2.67 |
| | THAILAND 1.52% (2.03%) | | |
| 1,150,000 | Kiatnakin Bank | 788,077 | 0.34 |
| 1,300,000 | Kiatnakin Bank Non-Voting Depository Receipts | 890,869 | 0.39 |
| 6,000,000 | Krung Thai Bank | 1,821,292 | 0.79 |
| | Total Thailand | 3,500,238 | 1.52 |
| | UNITED STATES 11.39% (9.20%) | | |
| 125,000 | AT&T | 2,658,763 | 1.15 |
| 100,000 | Baker Hughes | 3,292,226 | 1.43 |
| 300,000 | General Electric Class 'C' | 5,054,407 | 2.19 |
| 113,000 | HCP | 2,500,523 | 1.08 |
| 235,000 | Intel | 3,671,609 | 1.59 |
| 50,000 | Johnson & Johnson | 2,789,566 | 1.21 |
| 30,000 | Monsanto | 2,099,837 | 0.91 |
| 9,000 | PepsiCo | 451,170 | 0.20 |
| 113,772 | Pfizer | 2,110,098 | 0.91 |
| 13,700 | Southern Company | 339,519 | 0.15 |
| 20,000 | Verizon Communications | 594,245 | 0.26 |
| 35,858 | Zoetis | 708,403 | 0.31 |
| | Total United States | 26,270,366 | 11.39 |
| | VIETNAM 1.00% (0.25%) | | |
| 3,000,000 | Vietnam Holdings | 2,303,228 | 1.00 |
| | Total Vietnam | 2,303,228 | 1.00 |
| | Portfolio of Investments 98.69% (94.26%) | 227,668,728 | 98.69 |
| | Net other assets | 3,030,337 | 1.31 |
| | Total net assets | 230,699,065 | 100.00 |

* Unapproved securities.

† Unlisted.

Unless otherwise stated, all investments are listed equities.

Comparative percentage holdings by market value at 31 December 2012 are shown in brackets.

Portfolio Statement

AMITY STERLING BOND FUND

At 31 December 2013

| Holdings at 31 December 2013 | | Market Value £ | Percentage of Total Net Assets % |
|---------------------------------|---|----------------------|--|
| | UNITED KINGDOM 92.55% (93.01%) | | |
| | UK Corporate Bonds 77.27% (77.89%) | | |
| £850,000 | 3i Group 5.75% 03/12/2032 | 857,168 | 1.35 |
| £550,000 | A2D Funding 4.75% 18/10/2022 | 572,550 | 0.90 |
| £500,000 | Abbey National 4.125% 14/09/2017 | 528,708 | 0.83 |
| £400,000 | Anglian Water 5.5% 10/10/2040 | 435,364 | 0.69 |
| £740,000 | Annington Repackaging No.1 5.3236% 10/01/2023 | 798,712 | 1.26 |
| £700,000 | Artesian Finance 3.625% 30/09/2032 | 1,282,869 | 2.02 |
| £500,000 | BAA 6.25% 10/09/2018 | 559,253 | 0.88 |
| £151,000 | Barclays 10% 21/05/2021 | 194,832 | 0.31 |
| £625,000 | Beazley 5.375% 25/09/2019 | 650,000 | 1.02 |
| £600,000 | Beazley Group 7.25% 17/10/2026 | 607,680 | 0.96 |
| £400,000 | Brit Insurance 6.625% 09/12/2030 | 379,420 | 0.60 |
| £350,000 | British Telecom 4.5% Index Linked 25/04/2025 | 625,236 | 0.98 |
| £400,000 | British Telecom 6.625% 23/06/2017 | 455,782 | 0.72 |
| £900,000 | BUPA 7.5% 04/07/2016 | 1,018,532 | 1.60 |
| £1,250,000 | BUPA Finance 5% 25/04/2023 | 1,231,960 | 1.94 |
| £600,000 | Catalyst Health 2.411% 30/09/2040 | 616,797 | 0.97 |
| £1,200,000 | Close Bros 6.5% 10/02/2017 | 1,289,856 | 2.03 |
| £358,420 | Co-Operative Bank 11.00% 20/12/2023 | 424,441 | 0.67 |
| £590,800 | Co-Operative Bank 11.00% 18/12/2025 | 700,098 | 1.10 |
| £800,000 | Coventry Building Society 12.125% PIBS | 1,368,000 | 2.15 |
| £1,200,000 | Direct Line Insurance 9.25% FRN 27/04/2042 | 1,472,648 | 2.32 |
| £400,000 | E.ON 6.00% 30/10/2019 | 459,616 | 0.72 |
| £1,200,000 | Fidelity International 7.125% 13/02/2024 | 1,328,988 | 2.09 |
| £650,000 | General Electric Capital 6.25% 15/12/2017 | 746,318 | 1.18 |
| £1,376,000 | Henderson Group 7.25% 24/03/2016 | 1,451,033 | 2.29 |
| £1,000,000 | ICAP 5.50% 31/07/2018 | 1,062,000 | 1.67 |
| £300,000 | IFFIM 3.375% 15/05/2014 | 302,835 | 0.48 |
| £500,000 | John Lewis 10.50% 23/01/2014 | 502,065 | 0.79 |
| £500,000 | John Lewis 8.375% 08/04/2019 | 615,635 | 0.97 |
| £1,400,000 | Liverpool Victoria 6.5% 22/05/2043 | 1,315,790 | 2.07 |
| £1,300,000 | London Stock Exchange 4.75% 02/11/2021 | 1,364,350 | 2.15 |
| £410,000 | Manchester Building Society 6.75% PIBS | 340,300 | 0.54 |
| £113,000 | Manchester Building Society 8% PIBS | 106,220 | 0.17 |
| £699,000 | Marks & Spencer 5.625% 24/03/2014 | 702,914 | 1.11 |
| £400,000 | Marks & Spencer 6.125% 06/12/2021 | 438,944 | 0.69 |
| £600,000 | Meridian Hospital Index Linked 4.1875% 28/06/2028 | 640,600 | 1.01 |
| £530,000 | National Grid 4.1875% Index Linked 14/12/2022 | 1,029,456 | 1.62 |
| £1,455,000 | Nationwide Building Society 6.25% PIBS | 1,347,912 | 2.12 |
| £190,000 | Nationwide Building Society 7.971% PIBS | 197,283 | 0.31 |
| £290,000 | Newcastle Building Society 10.75% PIBS | 345,100 | 0.54 |
| £200,000 | Next 5.375% 26/10/2021 | 218,239 | 0.34 |
| £200,000 | Next 5.875% 12/10/2016 | 220,728 | 0.35 |
| £1,100,000 | NGG Finance 5.625% 18/06/2073 | 1,108,286 | 1.75 |
| £1,000,000 | NIE Finance 6.375% 02/06/2026 | 1,146,076 | 1.81 |
| £350,000 | Northumbrian 6% 11/10/2017 | 397,241 | 0.63 |
| £1,700,000 | Nottingham Building Society 7.875% PIBS | 1,836,000 | 2.89 |
| £400,000 | Pearson 7% 27/10/2014 | 417,200 | 0.66 |
| £1,000,000 | Pennon 3.3% Index Linked 13/07/2022 | 901,455 | 1.42 |
| £659,000 | Places For People 5% 27/12/2016 | 696,892 | 1.10 |
| £380,000 | Prudential 11.375% 29/05/2039 | 513,136 | 0.81 |
| £500,000 | Rabobank 5.556% Perp | 511,884 | 0.81 |
| £500,000 | Reed Elsevier 7% 11/12/2017 | 584,725 | 0.92 |
| £400,000 | Rentokil Initial 5.75% 31/03/2016 | 429,009 | 0.68 |
| £300,000 | RL Finance Bonds 6.125% 30/11/2043 | 297,066 | 0.47 |
| £1,000,000 | RSA Insurance 8.5% Perp | 1,030,867 | 1.62 |

Portfolio Statement

AMITY STERLING BOND FUND

At 31 December 2013

| Holdings at 31 December 2013 | | Market Value £ | Percentage of Total Net Assets % |
|---------------------------------|---|----------------------|--|
| | UK Corporate Bonds (continued) | | |
| £250,000 | RSA Insurance 9.375% 20/05/2039 | 293,562 | 0.46 |
| £500,000 | Scottish Widows 7% 16/06/2043 | 545,608 | 0.86 |
| £400,000 | Smiths Group 7.25% 30/06/2016 | 442,276 | 0.70 |
| £1,200,000 | Society Of Lloyds 7.421% Perp | 1,295,280 | 2.04 |
| £1,000,000 | Southern Water Services Finance 7.869% Variable Bond 31/03/2038 | 1,012,870 | 1.60 |
| £1,336,000 | Standard Life 6.546% Perp | 1,457,910 | 2.30 |
| £360,000 | Tate & Lyle International Finance 6.75% 25/11/2019 | 418,305 | 0.66 |
| £1,000,000 | Telefonica Emisiones 5.597% 12/03/2020 | 1,066,332 | 1.68 |
| £400,000 | Tesco 5% 24/03/2023 | 415,966 | 0.65 |
| £1,050,000 | Tullett Prebon Group 7.04% 06/07/2016 | 1,113,063 | 1.75 |
| £250,000 | Vodafone 8.125% 26/11/2018 | 308,872 | 0.49 |
| | Total UK Corporate Bonds | 49,046,113 | 77.27 |
| | UK Corporate Preference Shares 12.21% (12.03%) | | |
| 1,350,000 | Aviva 8.75% | 1,714,500 | 2.70 |
| 575,000 | Bristol Water 8.75% | 845,250 | 1.33 |
| 250,000 | General Accident 7.875% | 276,250 | 0.44 |
| 800,000 | General Accident 8.875% | 980,000 | 1.55 |
| 300,000 | Northern Electric 8.061% | 420,000 | 0.66 |
| 100,000 | Premier Farnell 8.92% | 1,550,000 | 2.44 |
| 800,000 | RSA Insurance 7.375% | 824,000 | 1.30 |
| 900,000 | Standard Chartered Bank 8.250% | 1,138,500 | 1.79 |
| | Total UK Corporate Preference Shares | 7,748,500 | 12.21 |
| | UK Government Bonds 1.98% (3.09%) | | |
| £1,000,000 | UK Treasury 8.75% 25/08/2017 | 1,258,531 | 1.98 |
| | Total UK Government Bonds | 1,258,531 | 1.98 |
| | UK Equities 1.09% (0.00%)^ | | |
| 184,916 | Co-Operative Bank | 693,435 | 1.09 |
| | Total UK Equities | 693,435 | 1.09 |
| | FRANCE 0.98% (0.00%) | | |
| | French Corporate Bonds 0.98% (0.00%) | | |
| £600,000 | Electricite De France 6% Perp | 621,240 | 0.98 |
| | Total French Corporate Bonds | 621,240 | 0.98 |
| | GERMANY 1.07% (1.32%) | | |
| | German Corporate Bonds 1.07% (1.32%) | | |
| £350,000 | Bayer 5.625% 23/05/2018 | 396,022 | 0.62 |
| £262,000 | Siemens 6.125% 14/09/2066 | 283,493 | 0.45 |
| | Total German Corporate Bonds | 679,515 | 1.07 |
| | ITALY 0.83% (0.00%) | | |
| | Italian Corporate Bonds 0.83% (0.00%) | | |
| £500,000 | Enel F2V 7.75% 10/09/2075 | 526,875 | 0.83 |
| | Total Italian Corporate Bonds | 526,875 | 0.83 |

Portfolio Statement

AMITY STERLING BOND FUND

At 31 December 2013

| Holdings at 31 December 2013 | | Market Value £ | Percentage of Total Net Assets % |
|--|---|-------------------------------|--|
| £1,000,000 | NETHERLANDS 1.60% (0.00%) Dutch Corporate Bonds 1.60% (0.00%) Telefonica Europe 6.75% Perp Total Dutch Corporate Bonds | 1,017,550 1,017,550 | 1.60 1.60 |
| £500,000 | PORTUGAL 0.82% (0.92%) Portuguese Government Bonds 0.82% (0.92%) Republic of Portugal 9% 20/05/2016 Total Portuguese Government Bonds | 523,870 523,870 | 0.82 0.82 |
| | Portfolio of Investments 97.85% (95.25%) | 62,115,629 | 97.85 |
| | Net other assets | 1,362,816 | 2.15 |
| | Total net assets | 63,478,445 | 100.00 |
| Debt Security Allocation is as follows: | | | |
| | | | Percentage of Debt Securities % |
| | Debt Securities above investment grade | | 68.90 |
| | Debt Securities below investment grade (sub BBB or unrated) | | 31.10 |
| | | | 100.00 |

* Unapproved securities.

† Unlisted.

^ Equity holding is due to a corporate action at year end. All stock has subsequently been sold.

Unless otherwise stated, all investments are listed equities.

Comparative percentage holdings by market value at 31 December 2012 are shown in brackets.

Portfolio Statement

HIGHER INCOME FUND

At 31 December 2013

| Holdings at 31 December 2013 | | Market Value £ | Percentage of Total Net Assets % |
|---|--|----------------------|--|
| UNITED KINGDOM 65.04% (69.95%) | | | |
| UK Corporate Bonds 18.07% (22.53%) | | | |
| £1,400,000 | A2D Funding 4.75% 18/10/2022 | 1,457,400 | 0.63 |
| £600,000 | Barclays 14% 15/06/2019 | 797,100 | 0.34 |
| £300,000 | British Telecom 4.5% Index Linked 25/04/2025 | 535,917 | 0.23 |
| £50,000 | Clerical Medical Finance 7.375% 29/11/2049 | 48,780 | 0.02 |
| £1,800,000 | Close Bros 6.5% 10/02/2017 | 1,934,784 | 0.83 |
| £746,430 | Co-Operative Bank 11% 20/12/2023 | 883,922 | 0.38 |
| £1,688,000 | Co-Operative Bank 11% 20/12/2025 | 2,000,280 | 0.86 |
| £1,400,000 | Coventry Building Society 12.125% PIBS | 2,394,000 | 1.03 |
| £1,750,000 | Direct Line Insurance FRN 27/04/2042 | 2,147,612 | 0.92 |
| £1,300,000 | Electricite de France 6% Perp | 1,346,020 | 0.58 |
| £750,000 | Fidelity International 6.75% 19/10/2020 | 833,807 | 0.36 |
| £1,000,000 | Henderson Group 7.25% 24/03/2016 | 1,054,530 | 0.45 |
| £300,000 | John Lewis 10.5% 23/01/2014 | 301,239 | 0.13 |
| £345,000 | Leeds & Holbeck Building Society 13.375% PIBS | 558,900 | 0.24 |
| £2,500,000 | Liverpool Victoria 6.5% Index Linked 22/05/2043 | 2,349,625 | 1.01 |
| £150,000 | Lloyds Banking Group Capital 14.5% 30/01/2022 | 193,523 | 0.08 |
| £700,000 | Lloyds Banking Group Capital No.1 7.8673% 17/12/2019 | 736,750 | 0.32 |
| £600,000 | Marks & Spencer 5.625% 24/03/2014 | 603,360 | 0.26 |
| £500,000 | Marks & Spencer 6.125% 06/12/2021 | 548,680 | 0.24 |
| £1,000,000 | National Grid 4.1875% Index Linked 14/12/2022 | 1,942,370 | 0.84 |
| £732,000 | National Grid Electricity Transmission 2.983% 08/07/2018 | 1,209,110 | 0.52 |
| £900,000 | Nationwide Building Society 6% FRN PIBS | 893,250 | 0.38 |
| £2,175,000 | Nationwide Building Society 6.25% PIBS | 2,014,920 | 0.87 |
| £1,200,000 | Nationwide Building Society 7.25% 05/12/2049 | 1,200,000 | 0.52 |
| £1,700,000 | NIE Financial 6.375% 02/06/2026 | 1,948,329 | 0.84 |
| £2,000,000 | Nottingham Building Society 7.875% Perp | 2,160,000 | 0.93 |
| £1,600,000 | Places For People 5% 27/12/2016 | 1,692,000 | 0.73 |
| £500,000 | Rabobank 5.556% Perp Call 2019 | 511,884 | 0.22 |
| £1,000,000 | Roche 5.375% 29/08/2023 | 1,149,985 | 0.49 |
| £775,000 | Skipton Building Society 12.875% PIBS | 1,108,250 | 0.48 |
| £1,000,000 | Society of Lloyds 7.421% 31/12/2049 | 1,079,400 | 0.46 |
| £1,000,000 | Standard Chartered Bank 7.75% 03/04/2018 | 1,160,181 | 0.50 |
| £1,300,000 | Standard Life 6.546% Perp | 1,418,625 | 0.61 |
| £1,688,000 | Tullett Prebon 7.04% 06/07/2016 | 1,789,381 | 0.77 |
| | Total UK Corporate Bonds | 42,003,914 | 18.07 |
| UK Corporate Preference Shares 8.67% (9.39%) | | | |
| 1,100,000 | Aviva 8.375% | 1,369,500 | 0.59 |
| 1,325,000 | Aviva 8.75% | 1,682,750 | 0.72 |
| 200,000 | Bellway 9.5% | 200,000 | 0.09 |
| 600,000 | Bristol Water 8.75% | 882,000 | 0.38 |
| 1,100,000 | General Accident 7.875% | 1,215,500 | 0.52 |
| 3,500,000 | General Accident 8.875% | 4,287,500 | 1.84 |
| 1,513,519 | Northern Electric 8.061% | 2,118,927 | 0.91 |
| 104,750 | Premier Farnell 8.920% | 1,623,625 | 0.70 |
| 2,945,000 | RSA Insurance 7.375% | 3,033,350 | 1.31 |
| 400,000 | Standard Chartered 7.375% | 452,000 | 0.19 |
| 2,600,000 | Standard Chartered Bank 8.25% | 3,289,000 | 1.42 |
| | Total UK Corporate Preference Shares | 20,154,152 | 8.67 |
| UK Equities 38.30% (38.03%) | | | |
| 700,000 | 3i Group | 2,702,000 | 1.16 |
| 30,000 | AstraZeneca | 1,080,900 | 0.47 |

Portfolio Statement

HIGHER INCOME FUND

At 31 December 2013

| Holdings at 31 December 2013 | | Market Value £ | Percentage of Total Net Assets % |
|---------------------------------|---------------------------------|----------------------|--|
| UK Equities (continued) | | | |
| 600,000 | Aviva | 2,691,000 | 1.16 |
| 115,789 | Bodycote | 769,997 | 0.33 |
| 850,000 | BP | 4,165,850 | 1.79 |
| 190,500 | British Polythene | 1,208,722 | 0.52 |
| 900,000 | BT | 3,414,600 | 1.47 |
| 200,000 | Carillion | 660,000 | 0.28 |
| 500,000 | Catlin | 2,912,500 | 1.25 |
| 500,000 | Centrica | 1,739,500 | 0.75 |
| 400,000 | Clinton Cards* (Suspended 2012) | - | - |
| 419,262 | Co-Operative Bank | 1,572,233 | 0.68 |
| 96,427 | Co-Operative Bank (Rights) | 361,601 | 0.16 |
| 110,000 | Diageo | 2,190,100 | 0.94 |
| 1,400,000 | Dixons Retail | 677,180 | 0.29 |
| 300,000 | Fenner | 1,439,700 | 0.62 |
| 400,000 | GlaxoSmithKline | 6,462,000 | 2.78 |
| 3,450,000 | Greencoat UK Wind | 3,553,500 | 1.53 |
| 250,000 | Greene King | 2,197,500 | 0.95 |
| 1,700,000 | HICL Infrastructure | 2,279,700 | 0.98 |
| 2,070,000 | John Laing Infrastructure | 2,374,290 | 1.02 |
| 240,000 | Ladbrokes | 428,640 | 0.19 |
| 75,000 | Laird Group | 208,575 | 0.09 |
| 125,000 | Marks & Spencer | 561,125 | 0.24 |
| 42,954 | Menzies (John) | 306,262 | 0.13 |
| 50,000 | Morgan Sindall | 375,750 | 0.16 |
| 409,000 | National Grid | 3,224,965 | 1.39 |
| 200,000 | Prudential | 2,686,000 | 1.16 |
| 450,000 | Resolution | 1,586,700 | 0.68 |
| 100,990 | Rolls-Royce | 1,287,623 | 0.55 |
| 8,685,140 | Rolls-Royce Holdings Prf | 8,685 | - |
| 200,000 | Royal Dutch Shell 'B' | 4,535,000 | 1.95 |
| 2,450,000 | RSA Insurance | 2,261,350 | 0.97 |
| 700,000 | Sainsbury (J) | 2,584,400 | 1.11 |
| 250,000 | Scottish Southern Energy | 3,410,000 | 1.47 |
| 100,000 | Severn Trent | 1,722,000 | 0.74 |
| 403,750 | Smith (DS) | 1,333,183 | 0.57 |
| 70,000 | Smiths Group | 1,038,100 | 0.45 |
| 130,000 | Standard Chartered | 1,768,650 | 0.76 |
| 110,500 | Standard Life | 396,143 | 0.17 |
| 1,250,000 | Synthomer | 3,200,000 | 1.38 |
| 1,000,000 | Tesco | 3,367,500 | 1.45 |
| 30,588 | The Real Hotel Group* | - | - |
| 80,000 | Unilever | 1,980,800 | 0.85 |
| 50,227 | United Utilities | 339,786 | 0.15 |
| 2,500,000 | Vodafone | 5,951,250 | 2.56 |
| | Total UK Equities | 89,015,360 | 38.30 |
| BELGIUM 0.17% (0.29%) | | | |
| 25,000 | Tessenderlo Chemie | 393,472 | 0.17 |
| | Total Belgium | 393,472 | 0.17 |
| BRAZIL 1.64% (0.80%) | | | |
| 500,000 | Banco Santander Brazil ADR | 1,818,099 | 0.79 |
| 225,000 | Petroleo Brasileiro ADR | 1,985,174 | 0.85 |
| | Total Brazil | 3,803,273 | 1.64 |

Portfolio Statement

HIGHER INCOME FUND

At 31 December 2013

| Holdings at 31 December 2013 | | Market Value £ | Percentage of Total Net Assets % |
|---------------------------------|--|----------------------|--|
| | FINLAND 1.19% (0.98%) | | |
| 200,000 | Fortum | 2,768,249 | 1.19 |
| | Total Finland | 2,768,249 | 1.19 |
| | FRANCE 5.14% (4.00%) | | |
| 210,000 | GDF Suez | 2,969,583 | 1.28 |
| 310,000 | Orange | 2,301,492 | 0.99 |
| 45,000 | Sanofi-Aventis | 2,872,703 | 1.24 |
| 240,000 | Vivendi | 3,792,317 | 1.63 |
| | Total France | 11,936,095 | 5.14 |
| | GERMANY 1.97% (1.20%) | | |
| | German Corporate Bonds 0.51% (0.68%) | | |
| £1,100,000 | Siemens 6.125% 14/09/2066 | 1,190,236 | 0.51 |
| | Total German Corporate Bonds | 1,190,236 | 0.51 |
| | German Equities 1.46% (0.52%) | | |
| 16,000 | Deutsche Post | 354,296 | 0.16 |
| 100,000 | RWE | 2,218,927 | 0.95 |
| 39,500 | Talanx | 809,080 | 0.35 |
| | Total German Equities | 3,382,303 | 1.46 |
| | HONG KONG 4.41% (4.03%) | | |
| 1,380,000 | China Citic Bank 'H' | 451,871 | 0.19 |
| 3,299,600 | China Metal Recycling | 180,072 | 0.08 |
| 300,000 | China Mobile | 1,876,949 | 0.81 |
| 380,000 | China Shineway Pharmaceutical | 314,033 | 0.14 |
| 3,812,000 | Dah Chong Hong Holdings | 1,723,721 | 0.74 |
| 1,500,000 | Luk Fook | 3,420,608 | 1.47 |
| 16,500,000 | Scud Group | 623,896 | 0.27 |
| 8,227,000 | Trinity | 1,654,807 | 0.71 |
| | Total Hong Kong | 10,245,957 | 4.41 |
| | IRELAND 0.96% (1.23%) | | |
| | Irish Corporate Bonds 0.96% (1.23%) | | |
| £2,000,000 | ESB Finance 6.5% 05/03/2020 | 2,240,684 | 0.96 |
| | Total Irish Corporate Bonds | 2,240,684 | 0.96 |
| | Irish Equities 0.00% (0.00%) | | |
| 318,181 | Waterford Wedgwood Uts* (Suspended 18/12/2008) | - | - |
| | Total Irish Equities | - | - |
| | ITALY 1.30% (0.00%) | | |
| 1,000,000 | Terna Rete Elettrica Nazionale | 3,022,934 | 1.30 |
| | Total Italy | 3,022,934 | 1.30 |
| | JAPAN 3.44% (2.13%) | | |
| 4,100,000 | Japan Residential Investment | 2,460,000 | 1.06 |
| 1,350,000 | Morant Wright Nippon Yield B | 2,874,825 | 1.24 |

Portfolio Statement

HIGHER INCOME FUND

At 31 December 2013

| Holdings at 31 December 2013 | | Market Value £ | Percentage of Total Net Assets % |
|---|--|---|---|
| 85,000 | JAPAN (continued) Sumitomo Mitsui Financial Total Japan | 2,647,770 7,982,595 | 1.14 3.44 |
| 503,000 | MALAYSIA 0.77% (0.94%) Public Bank Total Malaysia | 1,799,103 1,799,103 | 0.77 0.77 |
| 98,000 | NORWAY 1.09% (0.00%) Yara International Total Norway | 2,542,582 2,542,582 | 1.09 1.09 |
| £750,000 | PORTUGAL 0.34% (0.42%) Portuguese Government Bonds 0.34% (0.42%) Republic of Portugal 9% 20/05/2016 Total Portuguese Government Bonds | 785,805 785,805 | 0.34 0.34 |
| 2,500,000 2,500,000 2,500,000 5,331,000 2,650,000 400,000 2,250,000 | SINGAPORE 4.50% (5.52%) Boustead Singapore Capita Commercial Trust China Hongxing Sports China Merchants Holdings Mapletree Industrial Trust SIA Engineering Suntec REIT Total Singapore | 2,013,798 1,726,966 47,805 2,357,363 1,691,232 961,842 1,656,453 10,455,459 | 0.87 0.74 0.03 1.01 0.73 0.41 0.71 4.50 |
| 200,000 | SPAIN 0.84% (0.48%) Telefonica Total Spain | 1,961,744 1,961,744 | 0.84 0.84 |
| 3,500 | SWITZERLAND 0.25% (0.25%) Roche Total Switzerland | 591,662 591,662 | 0.25 0.25 |
| 2,500,000 3,125,000 | THAILAND 1.15% (1.31%) Kiatnakin Bank Non-Voting Depository Receipt Krung Thai Bank Total Thailand | 1,713,210 948,590 2,661,800 | 0.74 0.41 1.15 |
| 110,000 113,000 190,000 30,339 9,562 | UNITED STATES 3.68% (0.35%) AT&T HCP Intel Pfizer Zoetis Total United States | 2,339,711 2,500,523 2,968,535 562,689 188,905 8,560,363 | 1.01 1.07 1.28 0.24 0.08 3.68 |

Portfolio Statement

HIGHER INCOME FUND

At 31 December 2013

| | Market Value £ | Percentage of Total Net Assets % |
|---|----------------------|--|
| Portfolio of Investments 97.88% (93.88%) | 227,497,742 | 97.88 |
| Net other assets | 4,928,530 | 2.12 |
| Total net assets | 232,426,272 | 100.00 |

| Debt Security Allocation is as follows: | | Percentage of Debt Securities % |
|---|--|--|
| Debt Securities above investment grade | | 56.92 |
| Debt Securities below investment grade (sub BBB or unrated) | | 43.08 |
| | | 100.00 |

* Unapproved securities.

† Unlisted.

Unless otherwise stated, all investments are listed equities.

Comparative percentage holdings by market value at 31 December 2012 are shown in brackets.

Portfolio Statement

UK EQUITY GROWTH FUND

At 31 December 2013

| Holdings at 31 December 2013 | | Market Value £ | Percentage of Total Net Assets % |
|---------------------------------|--|----------------------|--|
| | UNITED KINGDOM 95.67% (97.70%) | | |
| | UK Corporate Bond 0.01% (0.03%) | | |
| £150,000 | British Energy Nuclear Power Notes 28/02/2019 | 22,500 | 0.01 |
| | Total UK Corporate Bonds | 22,500 | 0.01 |
| | UK Equities 95.66% (97.67%) | | |
| 10,900,000 | 1Spatial | 1,035,500 | 0.67 |
| 325,000 | Aberdeen Asset Management | 1,585,674 | 1.02 |
| 1,300,000 | Advanced Fluid Connections* (Suspended 27/03/2006) | - | - |
| 425,000 | Ashtead | 3,247,000 | 2.09 |
| 135,541 | Asian Plantations | 264,305 | 0.17 |
| 490,000 | Aviva | 2,197,650 | 1.42 |
| 140,000 | Avon Rubber | 812,700 | 0.52 |
| 300,947 | Bango | 409,288 | 0.26 |
| 775,000 | Barclays | 2,123,888 | 1.37 |
| 400,000 | BBA Aviation | 1,286,800 | 0.83 |
| 160,000 | Bellway | 2,512,000 | 1.62 |
| 150,000 | Betfair | 1,626,000 | 1.05 |
| 85,000 | BG Group | 1,109,675 | 0.72 |
| 275,000 | Bodycote | 1,828,750 | 1.18 |
| 284,805 | Bonmarche | 660,748 | 0.43 |
| 1,175,000 | Booker | 1,911,725 | 1.23 |
| 555,000 | BP | 2,720,055 | 1.75 |
| 191,300 | Brewin Dolphin | 576,960 | 0.37 |
| 750,000 | BT | 2,845,500 | 1.84 |
| 125,000 | Catlin | 728,125 | 0.47 |
| 50,151 | Clarkson | 1,015,558 | 0.65 |
| 196,667 | Crest Nicholson | 718,228 | 0.46 |
| 125,000 | Daily Mail & General Trust | 1,179,375 | 0.76 |
| 765,000 | Dart Group | 1,876,163 | 1.21 |
| 173,328 | Dechra Pharmaceuticals | 1,201,163 | 0.77 |
| 180,000 | Diploma | 1,238,400 | 0.80 |
| 3,915,411 | dotDigital Group | 1,018,007 | 0.66 |
| 225,000 | Dunelm Group | 2,088,000 | 1.35 |
| 800,000 | e2v technologies | 1,210,000 | 0.78 |
| 425,000 | Elementis | 1,152,175 | 0.74 |
| 150,000 | Essentra | 1,255,500 | 0.81 |
| 425,000 | esure | 1,043,375 | 0.67 |
| 795,000 | Filtronic | 437,250 | 0.28 |
| 125,000 | Galliford Try | 1,450,000 | 0.94 |
| 457,407 | GameAccount Network | 622,074 | 0.40 |
| 1,000,000 | GKN | 3,714,000 | 2.40 |
| 145,000 | GlaxoSmithKline | 2,342,475 | 1.51 |
| 122,500 | Gooch & Housego | 864,238 | 0.56 |
| 190,000 | Halma | 1,141,900 | 0.74 |
| 391,717 | HellermannTyton | 1,165,750 | 0.75 |
| 975,000 | Howden Joinery | 3,286,725 | 2.12 |
| 145,000 | Hunting | 1,133,900 | 0.73 |
| 190,000 | Informa | 1,066,850 | 0.69 |
| 2,388,889 | Inland Homes | 1,098,889 | 0.71 |
| 775,000 | International Consolidated Airlines | 3,110,075 | 2.01 |
| 190,000 | International Personal Finance | 935,750 | 0.60 |
| 1,600,000 | ITV | 3,076,800 | 1.98 |
| 35,000 | Johnson Matthey | 1,142,050 | 0.74 |
| 4,110,149 | Johnston Press | 658,135 | 0.42 |
| 110,273 | Keller | 1,265,934 | 0.82 |

Portfolio Statement

UK EQUITY GROWTH FUND

At 31 December 2013

| Holdings at 31 December 2013 | | Market Value £ | Percentage of Total Net Assets % |
|---------------------------------|--------------------------------|----------------------|--|
| | UK Equities (continued) | | |
| 1,350,000 | Legal & General | 3,011,850 | 1.94 |
| 275,000 | Laird | 764,775 | 0.49 |
| 3,900,000 | Lloyds Banking Group | 3,075,540 | 1.98 |
| 3,000,000 | Lombard Risk Management | 390,000 | 0.25 |
| 700,000 | London Metric Property | 963,900 | 0.62 |
| 90,000 | London Stock Exchange | 1,555,200 | 1.00 |
| 260,000 | LSL Property Services | 1,141,400 | 0.74 |
| 351,310 | Marshalls | 614,793 | 0.40 |
| 730,000 | Melrose | 2,231,610 | 1.44 |
| 450,000 | Mitchells & Butlers | 1,893,600 | 1.22 |
| 271,987 | Mothercare | 1,068,909 | 0.69 |
| 57,000 | Next | 3,135,000 | 2.02 |
| 100,000 | Oxford Instruments | 1,774,000 | 1.14 |
| 230,000 | Prudential | 3,088,900 | 1.99 |
| 600,000 | Qinetiq | 1,298,400 | 0.84 |
| 1,193,065 | Quintain Estates | 1,133,412 | 0.73 |
| 200,000 | Reed Elsevier | 1,792,000 | 1.16 |
| 275,000 | Restaurant Group | 1,636,250 | 1.06 |
| 115,000 | Rio Tinto | 3,908,275 | 2.52 |
| 180,000 | Rolls-Royce | 2,295,000 | 1.48 |
| 16,770,000 | Rolls-Royce 'C' | 16,770 | 0.01 |
| 75,000 | Royal Dutch Shell 'B' | 1,700,625 | 1.10 |
| 183,000 | Sales Activation Solution*† | - | - |
| 1,500,000 | Scapa Group | 1,680,000 | 1.08 |
| 7,625,000 | Seeing Machines | 491,093 | 0.32 |
| 100,000 | Shire | 2,847,000 | 1.84 |
| 875,000 | Smith (DS) | 2,889,250 | 1.86 |
| 160,000 | Smith & Nephew | 1,379,200 | 0.89 |
| 92,500 | Spectris | 2,360,600 | 1.52 |
| 415,000 | Stock Spirits | 1,158,888 | 0.75 |
| 194,052 | Super Group | 2,738,074 | 1.77 |
| 1,250,000 | Thomas Cook | 2,075,000 | 1.34 |
| 105,000 | Travis Perkins | 1,953,000 | 1.26 |
| 900,000 | Trifast | 710,999 | 0.46 |
| 82,500 | Unilever | 2,042,700 | 1.32 |
| 4,325,000 | Vernalis | 1,578,625 | 1.02 |
| 1,300,000 | Vodafone | 3,094,650 | 2.00 |
| 1,200,000 | Walker Greenbank | 2,040,000 | 1.32 |
| 272,632 | WANdisco | 3,339,742 | 2.15 |
| 165,000 | WPP | 2,273,700 | 1.47 |
| 196,606 | Xaar | 2,186,259 | 1.40 |
| | Total Equities | 148,320,071 | 95.66 |
| | IRELAND 0.56% (0.47%) | | |
| 905,000 | Datalex | 873,753 | 0.56 |
| 175,000 | Veris* (Suspended 01/12/2009)† | - | - |
| | Total Ireland | 873,753 | 0.56 |
| | SINGAPORE 0.00% (0.40%) | | |

Portfolio Statement

UK EQUITY GROWTH FUND

At 31 December 2013

| | Market Value £ | Percentage of Total Net Assets % |
|---|----------------------|--|
| Portfolio of Investments 96.23% (98.57%) | 149,216,324 | 96.23 |
| Net other assets | 5,843,434 | 3.77 |
| Total net assets | 155,059,758 | 100.00 |

* Unapproved securities.

† Unlisted.

Unless otherwise stated, all investments are listed equities.

Comparative percentage holdings by market value at 31 December 2012 are shown in brackets.

Independent Auditor's Report to the Shareholders of The Ecclesiastical Investment Funds

We have audited the financial statements of Ecclesiastical Investment Funds ("the company") for the year ended 31 December 2013 which comprise the Aggregated Statement of Total Return, the Aggregated Statement of Change in Net Assets Attributable to Shareholders, the Aggregated Balance Sheet, the related notes 1 to 16 and for each sub-fund: the Statement of Total Return, the Statement of Change in Net Assets Attributable to Shareholders, the Balance Sheet, the related notes, and the distribution tables. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), the Statement of Recommended Practice: "Financial Statements of Authorised Funds" issued by the Investment Management Association in October 2010, the Collective Investment Schemes Sourcebook and the Instrument of Incorporation.

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.

Respective Responsibilities of the Depositary, the Authorised Corporate Director (ACD) and the Auditor

As explained more fully in the Depositary's Responsibilities Statement and the ACD's Responsibilities Statement, the Depositary is responsible for safeguarding the property of the company and the ACD is responsible for the preparation of the financial statements. Our responsibility is to audit and express an opinion on the financial statements in accordance with the requirements of the Collective Investment Schemes Sourcebook, applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the ACD; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the financial position of the company and the sub funds at 31 December 2013 and of the net revenue and the net capital gains on the property of the company and the sub funds for the year ended 31 December 2013; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, the Statement of Recommended Practice "Financial Statements of Authorised Funds", the rules in the Collective Investment Schemes Sourcebook and the Instrument of Incorporation.

Opinion on other matters prescribed by the Collective Investment Schemes Sourcebook

In our opinion:

- proper accounting records for the company and the sub funds have been kept and the financial statements are in agreement with those records;
- we have received all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit; and
- the information disclosed in the Annual Report for the year ended 31 December 2013 for the purpose of complying with Paragraph 4.5.9R of the Collective Investment Schemes Sourcebook is consistent with the financial statements.

Deloitte LLP
Chartered Accountants & Statutory Auditor
London
United Kingdom

21 March 2014

Statement of Total Return

For the year ended 31 December 2013

| | Notes | Amity UK | | Amity European | | Amity International | | Amity Sterling Bond | | Higher Income | | UK Equity Growth | | Total | | | |
|---|-------|----------|---------|----------------|---------|---------------------|---------|---------------------|---------|---------------|---------|------------------|---------|----------|----------|-------|-------|
| | | 2013 | 2012 | 2013 | 2012 | 2013 | 2012 | 2013 | 2012 | 2013 | 2012 | 2013 | 2012 | 2013 | 2012 | £'000 | £'000 |
| Income | | | | | | | | | | | | | | | | | |
| Net capital gains/(losses) | 4 | 22,842 | 11,869 | 12,544 | 4,229 | 28,147 | 16,847 | (369) | 4,118 | 11,730 | 15,584 | 39,909 | 16,177 | 114,803 | 68,824 | | |
| Revenue | 6 | 3,307 | 2,692 | 1,808 | 1,648 | 7,287 | 6,162 | 3,419 | 2,835 | 10,254 | 8,248 | 2,706 | 2,494 | 28,781 | 24,079 | | |
| Expenses | 7 | (1,430) | (1,121) | (550) | (437) | (3,063) | (2,547) | (730) | (567) | (2,664) | (1,952) | (1,220) | (819) | (9,657) | (7,443) | | |
| Finance costs: Interest | 9 | (2) | - | - | - | (5) | (2) | - | - | - | - | - | - | (7) | (2) | | |
| Net revenue before taxation | | 1,875 | 1,571 | 1,258 | 1,211 | 4,219 | 3,613 | 2,689 | 2,268 | 7,590 | 6,296 | 1,486 | 1,675 | 19,117 | 16,634 | | |
| Taxation | 8 | (16) | (15) | (163) | (174) | (432) | (305) | - | - | (327) | (338) | - | - | (938) | (832) | | |
| Net revenue after taxation for the year | | 1,859 | 1,556 | 1,095 | 1,037 | 3,787 | 3,308 | 2,689 | 2,268 | 7,263 | 5,958 | 1,486 | 1,675 | 18,179 | 15,802 | | |
| Total return before distributions | | 24,701 | 13,425 | 13,639 | 5,266 | 31,934 | 20,155 | 2,320 | 6,386 | 18,993 | 21,542 | 41,395 | 17,852 | 132,982 | 84,626 | | |
| Finance costs: Distributions/Accumulations Final and Interim | 9 | (1,859) | (1,556) | (1,095) | (1,037) | (3,787) | (3,308) | (3,340) | (2,775) | (9,257) | (7,418) | (1,486) | (1,675) | (20,824) | (17,769) | | |
| Change to net assets attributable to shareholders from investment activities | | 22,842 | 11,869 | 12,544 | 4,229 | 28,147 | 16,847 | (1,020) | 3,611 | 9,736 | 14,124 | 39,909 | 16,177 | 112,158 | 66,857 | | |

Statement of Change in Net Assets Attributable to Shareholders

For the year ended 31 December 2013

| | Amity UK | | Amity European | | Amity International | | Amity Sterling Bond | | Higher Income | | UK Equity Growth | | Total | |
|--|----------------|---------------|----------------|---------------|---------------------|----------------|---------------------|---------------|----------------|----------------|------------------|---------------|----------------|----------------|
| | 2013 | 2012 | 2013 | 2012 | 2013 | 2012 | 2013 | 2012 | 2013 | 2012 | 2013 | 2012 | 2013 | 2012 |
| | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| Opening net assets attributable to shareholders | 86,834 | 69,589 | 41,821 | 38,388 | 198,613 | 174,877 | 53,289 | 38,459 | 176,311 | 136,433 | 89,023 | 71,238 | 645,891 | 528,984 |
| Amounts receivable on creation of shares | 24,466 | 13,137 | 7,465 | 2,820 | 62,072 | 52,844 | 36,197 | 18,284 | 101,839 | 47,948 | 40,268 | 3,782 | 272,307 | 138,815 |
| Amounts payable on cancellation of shares | (15,529) | (8,414) | (4,183) | (3,631) | (58,151) | (45,974) | (24,988) | (7,065) | (56,139) | (22,771) | (14,289) | (2,383) | (173,279) | (90,238) |
| Change to net assets attributable to shareholders from investment activities (see page 42) | 8,937 | 4,723 | 3,282 | (811) | 3,921 | 6,870 | 11,209 | 11,219 | 45,700 | 25,177 | 25,979 | 1,399 | 99,028 | 48,577 |
| Retained distribution on accumulation shares | 666 | 651 | 14 | 15 | 18 | 19 | - | - | 677 | 572 | 149 | 209 | 1,524 | 1,466 |
| Dilution levy | - | - | - | - | - | - | - | - | 2 | - | - | - | 2 | - |
| Unclaimed distribution | 1 | 2 | - | - | - | - | - | - | - | 5 | - | - | 1 | 7 |
| Closing net assets attributable to shareholders | 119,280 | 86,834 | 57,661 | 41,821 | 230,699 | 198,613 | 63,478 | 53,289 | 232,426 | 176,311 | 155,060 | 89,023 | 858,604 | 645,891 |

Balance Sheet

At 31 December 2013

| | Amity UK | | Amity European | | Amity International | | Amity Sterling Bond | | Higher Income | | UK Equity Growth | | Total | |
|--|----------------|---------------|----------------|---------------|---------------------|----------------|---------------------|---------------|----------------|----------------|------------------|---------------|----------------|----------------|
| | 2013 | 2012 | 2013 | 2012 | 2013 | 2012 | 2013 | 2012 | 2013 | 2012 | 2013 | 2012 | 2013 | 2012 |
| | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| ASSETS | | | | | | | | | | | | | | |
| Investment assets | 111,968 | 77,384 | 56,975 | 40,637 | 227,669 | 187,213 | 62,116 | 50,759 | 227,498 | 165,516 | 149,216 | 87,750 | 835,442 | 609,259 |
| Debtors | 761 | 492 | 991 | 208 | 1,492 | 1,081 | 3,839 | 1,271 | 2,803 | 2,126 | 2,755 | 304 | 12,641 | 5,482 |
| Cash at bank | 7,964 | 9,645 | 1,871 | 1,667 | 4,845 | 12,787 | 1,099 | 2,409 | 9,621 | 14,511 | 6,330 | 2,206 | 31,730 | 43,225 |
| Total other assets | 8,725 | 10,137 | 2,862 | 1,875 | 6,337 | 13,868 | 4,938 | 3,680 | 12,424 | 16,637 | 9,085 | 2,510 | 44,371 | 48,707 |
| Total assets | 120,693 | 87,521 | 59,837 | 42,512 | 234,006 | 201,081 | 67,054 | 54,439 | 239,922 | 182,153 | 158,301 | 90,260 | 879,813 | 657,966 |
| LIABILITIES | | | | | | | | | | | | | | |
| Creditors | (504) | (85) | (1,479) | (49) | (993) | (420) | (2,818) | (439) | (802) | (517) | (2,292) | (256) | (8,888) | (1,766) |
| Overdraft balances at bank | - | - | - | - | - | - | - | (71) | - | - | - | - | - | (71) |
| Distribution payable on 'A' and 'B' shares | (909) | (602) | (697) | (642) | (2,314) | (2,048) | (758) | (640) | (6,694) | (5,325) | (949) | (981) | (12,321) | (10,238) |
| Total liabilities | (1,413) | (687) | (2,176) | (691) | (3,307) | (2,468) | (3,576) | (1,150) | (7,496) | (5,842) | (3,241) | (1,237) | (21,209) | (12,075) |
| Net assets attributable to shareholders | 119,280 | 86,834 | 57,661 | 41,821 | 230,699 | 198,613 | 63,478 | 53,289 | 232,426 | 176,311 | 155,060 | 89,023 | 858,604 | 645,891 |

Notes to the Financial Statements

1. Accounting Policies

a. Basis of accounting

The Financial Statements have been prepared in accordance with the historical cost convention, as modified by the revaluation of investments, and in accordance with the Statement of Recommended Practice for Financial Statements of Authorised Funds issued by the Investment Management Association (IMA), in October 2010.

The ACD is confident that the Company will continue in operation for the foreseeable future. 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. Valuation of investments

All investments are valued at their fair value as at 10:00 am on 31 December 2013, 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 Manager's valuation.

c. Foreign exchange

The values of assets and liabilities denominated in foreign currencies have been converted into sterling at the exchange rate prevailing at 10:00am on 31 December 2013. Any exchange differences arising on translation of investments and capital assets and liabilities other than investments are included in "Net capital gains". Any exchange differences arising on translation of other assets or liabilities are included in net revenue.

d. Revenue

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

e. Expenses

All expenses, other than those relating to the purchase and sale of investments and Stamp Duty Reserve Tax (SDRT) are charged against revenue, with the exception of Amity Sterling Bond Fund where management expenses have been charged against capital since inception and the Higher Income Fund since 2003. Expenses relating to each sub-fund are allocated to the share classes based on the proportion of assets held

within each share class.

f. Taxation

The sub-funds are liable to Corporation Tax applied at a rate of 20.0% 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.

g. 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.

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 class '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

Notes to the Financial Statements

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 Fund 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 Fund.

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 risks. The ACD reviews policies for managing each of these risks. These policies have remained unchanged since the beginning of the period 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.
- **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.

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

affecting income received by the Company. The Company converts all receipts of revenue, received in currency, into 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.

- **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.

In general, if interest rates rise the income potential of the Company also rises but the value of fixed rate securities will decline (along with certain expenses calculated by reference to the assets of the Company). A decline in interest rates will in general have the opposite effect.

- **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.

Notes to the Financial Statements

For the year ended 31 December 2013

4. Net capital gains/(losses)

| | Amity UK | | Amity European | | Amity International | | Amity Sterling Bond | | Higher Income | | UK Equity Growth | | Total | |
|----------------------------|----------|--------|----------------|-------|---------------------|--------|---------------------|-------|---------------|--------|------------------|--------|---------|--------|
| | 2013 | 2012 | 2013 | 2012 | 2013 | 2012 | 2013 | 2012 | 2013 | 2012 | 2013 | 2012 | 2013 | 2012 |
| | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| Non-derivative securities | 22,884 | 11,892 | 12,533 | 4,222 | 28,517 | 17,166 | (170) | 4,206 | 12,129 | 15,770 | 39,915 | 16,180 | 115,808 | 69,436 |
| Currency (losses)/gains | (40) | (21) | 14 | 9 | (366) | (315) | (198) | (87) | (395) | (182) | - | - | (985) | (596) |
| Security transaction fees | (2) | (2) | (3) | (2) | (4) | (4) | (1) | (1) | (4) | (4) | (6) | (3) | (20) | (16) |
| Net capital gains/(losses) | 22,842 | 11,869 | 12,544 | 4,229 | 28,147 | 16,847 | (369) | 4,118 | 11,730 | 15,584 | 39,909 | 16,177 | 114,803 | 68,824 |

5. Purchases, sales and transaction costs

| | Amity UK | | Amity European | | Amity International | | Amity Sterling Bond | | Higher Income | | UK Equity Growth | | Total | |
|--|---------------|--------------|----------------|--------------|---------------------|---------------|---------------------|---------------|---------------|---------------|------------------|---------------|----------------|----------------|
| | 2013 | 2012 | 2013 | 2012 | 2013 | 2012 | 2013 | 2012 | 2013 | 2012 | 2013 | 2012 | 2013 | 2012 |
| | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| Analysis of total purchase costs: | | | | | | | | | | | | | | |
| Purchases in period before transaction costs | 13,744 | 7,960 | 9,298 | 4,089 | 30,879 | 41,355 | 17,759 | 13,648 | 69,144 | 54,116 | 58,748 | 20,742 | 199,572 | 141,910 |
| Commissions | 49 | 40 | 26 | 9 | 74 | 141 | 6 | 9 | 146 | 147 | 361 | 131 | 662 | 477 |
| Gross purchase total | 13,793 | 8,000 | 9,324 | 4,098 | 30,953 | 41,496 | 17,765 | 13,657 | 69,290 | 54,263 | 59,109 | 20,873 | 200,234 | 142,387 |
| Analysis of total sale proceeds: | | | | | | | | | | | | | | |
| Gross sales before transaction costs | 2,095 | 2,345 | 5,530 | 4,880 | 19,060 | 35,736 | 6,054 | 4,078 | 19,346 | 35,241 | 37,408 | 18,069 | 89,493 | 100,349 |
| Commissions | (2) | (4) | (11) | (10) | (45) | (51) | - | - | (8) | (18) | (86) | (42) | (152) | (125) |
| Total sales net of transaction costs | 2,093 | 2,341 | 5,519 | 4,870 | 19,015 | 35,685 | 6,054 | 4,078 | 19,338 | 35,223 | 37,322 | 18,027 | 89,341 | 100,224 |

Notes to the Financial Statements

For the year ended 31 December 2013

6. Revenue

| | Amity UK | | Amity European | | Amity International | | Amity Sterling Bond | | Higher Income | | UK Equity Growth | | Total | |
|-----------------------------------|--------------|--------------|----------------|--------------|---------------------|--------------|---------------------|--------------|---------------|--------------|------------------|--------------|---------------|---------------|
| | 2013 | 2012 | 2013 | 2012 | 2013 | 2012 | 2013 | 2012 | 2013 | 2012 | 2013 | 2012 | 2013 | 2012 |
| | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| Franked UK dividends | 2,876 | 2,341 | - | - | 1,536 | 1,328 | 512 | 329 | 4,306 | 3,594 | 2,589 | 2,353 | 11,819 | 9,945 |
| Overseas dividends | 310 | 236 | 1,805 | 1,646 | 5,741 | 4,761 | - | - | 2,972 | 1,883 | 85 | 97 | 10,913 | 8,623 |
| PID revenue | 61 | 55 | - | - | - | - | - | - | - | - | 24 | 37 | 85 | 92 |
| Interest on fixed interest stocks | 35 | 35 | - | - | - | 229 | 3,089 | 2,487 | 3,043 | 2,876 | - | - | 6,167 | 5,627 |
| Amortisation of discount/premium | - | - | - | - | - | (201) | (184) | 15 | (100) | (128) | - | - | (284) | (314) |
| Bank interest | 25 | 25 | 3 | 2 | 10 | 45 | 2 | 4 | 33 | 23 | 8 | 7 | 81 | 106 |
| Total revenue | 3,307 | 2,692 | 1,808 | 1,648 | 7,287 | 6,162 | 3,419 | 2,835 | 10,254 | 8,248 | 2,706 | 2,494 | 28,781 | 24,079 |

Notes to the Financial Statements

For the year ended 31 December 2013

7. Expenses

| | Amity UK | | Amity European | | Amity International | | Amity Sterling Bond | | Higher Income | | UK Equity Growth | | Total | |
|---|--------------|--------------|----------------|------------|---------------------|--------------|---------------------|------------|---------------|--------------|------------------|------------|--------------|--------------|
| | 2013 | 2012 | 2013 | 2012 | 2013 | 2012 | 2013 | 2012 | 2013 | 2012 | 2013 | 2012 | 2013 | 2012 |
| | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| Payable to the Authorised Corporate Director or associates of the Authorised Corporate Director: | | | | | | | | | | | | | | |
| ACD's charge | 1,319 | 1,023 | 472 | 373 | 2,875 | 2,395 | 651 | 506 | 2,493 | 1,825 | 1,127 | 745 | 8,937 | 6,867 |
| Payable to the Depository or associates of the Depository: | | | | | | | | | | | | | | |
| Depository fee | 43 | 35 | 24 | 19 | 74 | 63 | 28 | 22 | 70 | 51 | 46 | 35 | 285 | 225 |
| Safe custody fee | 37 | 27 | 40 | 30 | 96 | 73 | 38 | 25 | 70 | 41 | 28 | 18 | 309 | 214 |
| Other expenses: | | | | | | | | | | | | | | |
| Registration fee | 22 | 27 | 5 | 6 | 6 | 7 | 4 | 5 | 22 | 26 | 10 | 12 | 69 | 83 |
| Audit fee | 9 | 9 | 9 | 9 | 12 | 9 | 9 | 9 | 9 | 9 | 9 | 9 | 57 | 54 |
| | 31 | 36 | 14 | 15 | 18 | 16 | 13 | 14 | 31 | 35 | 19 | 21 | 126 | 137 |
| Total expenses | 1,430 | 1,121 | 550 | 437 | 3,063 | 2,547 | 730 | 567 | 2,664 | 1,952 | 1,220 | 819 | 9,657 | 7,443 |

Notes to the Financial Statements

For the year ended 31 December 2013

8. Taxation

| | Amity UK | | Amity European | | Amity International | | Amity Sterling Bond | | Higher Income | | UK Equity Growth | | Total | |
|---------------------------------------|-----------|-----------|----------------|------------|---------------------|------------|---------------------|----------|---------------|------------|------------------|----------|------------|------------|
| | 2013 | 2012 | 2013 | 2012 | 2013 | 2012 | 2013 | 2012 | 2013 | 2012 | 2013 | 2012 | 2013 | 2012 |
| | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| a. Analysis of charge in year: | | | | | | | | | | | | | | |
| Corporation tax | - | - | - | - | - | - | - | - | 119 | 216 | - | - | 119 | 216 |
| Double taxation relief | - | - | - | - | - | - | - | - | - | (4) | - | - | - | (4) |
| Overseas withholding tax | 16 | 15 | 163 | 174 | 432 | 305 | - | - | 208 | 126 | - | - | 819 | 620 |
| Total current tax (note b.) | 16 | 15 | 163 | 174 | 432 | 305 | - | - | 327 | 338 | - | - | 938 | 832 |
| Total taxation | 16 | 15 | 163 | 174 | 432 | 305 | - | - | 327 | 338 | - | - | 938 | 832 |

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 b on the next page.

Notes to the Financial Statements

For the year ended 31 December 2013

8. Taxation – continued

| | Amity UK | | Amity European | | Amity International | | Amity Sterling Bond | | Higher Income | | UK Equity Growth | | Total | |
|---|----------|-------|----------------|-------|---------------------|-------|---------------------|-------|---------------|-------|------------------|-------|---------|---------|
| | 2013 | 2012 | 2013 | 2012 | 2013 | 2012 | 2013 | 2012 | 2013 | 2012 | 2013 | 2012 | 2013 | 2012 |
| | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| b. Factors affecting taxation charge for the year: | | | | | | | | | | | | | | |
| Net revenue before taxation | 1,875 | 1,571 | 1,258 | 1,211 | 4,219 | 3,613 | 2,689 | 2,268 | 7,590 | 6,296 | 1,486 | 1,675 | 19,117 | 16,634 |
| Return on ordinary activities multiplied by the standard rate of Corporation Tax of 20% (2012 - 20%) | 375 | 314 | 252 | 242 | 844 | 723 | 538 | 454 | 1,518 | 1,259 | 297 | 335 | 3,824 | 3,327 |
| Effects of: | | | | | | | | | | | | | | |
| Franked investment revenue | (577) | (471) | - | - | (308) | (266) | (102) | (66) | (862) | (719) | (521) | (460) | (2,370) | (1,982) |
| Interest distributions | - | - | - | - | - | - | (436) | (491) | - | - | - | - | (436) | (491) |
| Overseas withholding tax | 16 | 15 | 163 | 174 | 432 | 305 | - | - | 208 | 126 | - | - | 819 | 620 |
| Taxation payable in different periods | - | 1 | (5) | - | (18) | (4) | - | - | (3) | 2 | - | - | (26) | (1) |
| Double taxation relief | - | - | - | - | - | - | - | - | - | (4) | - | - | - | (4) |
| Excess management expenses | 264 | 201 | 109 | 87 | 553 | 489 | - | 103 | - | - | 241 | 159 | 1,167 | 1,039 |
| DTR expensed | - | - | - | - | - | (1) | - | - | - | - | - | - | - | (1) |
| Non taxable overseas dividends | (62) | (45) | (356) | (329) | (1,071) | (941) | - | - | (534) | (326) | (17) | (34) | (2,040) | (1,675) |
| Total current tax (note a.) | 16 | 15 | 163 | 174 | 432 | 305 | - | - | 327 | 338 | - | - | 938 | 832 |

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 2013

8. Taxation – continued

d. The Amity UK Fund has not recognised a deferred tax asset of £1,454,301 (2012: £1,190,682) arising as a result of having unutilised management expenses. The UK Equity Growth Fund has not recognised a deferred tax asset of £1,190,964 (2012: £950,440) arising as a result of having unutilised management expenses. The Amity Sterling Bond Fund has not recognised a deferred tax asset of £25,187 (2012: £25,187) arising as a result of having excess non trade loan deficits. Amity European has not recognised a deferred tax asset of £309,908 (2012: £200,702) arising as a result of having unutilised management expenses and Amity International has not recognised a deferred tax asset of £1,623,602 (2012: £1,072,282) 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 Funds' revenue or capital gains/(losses) changes. The Higher Income Fund has no deferred tax assets (2012: £nil).

9. Finance costs

Distributions

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

| | Amity UK | | Amity European | | Amity International | | Amity Sterling Bond | | Higher Income | | UK Equity Growth | | Total | |
|--|--------------|--------------|----------------|--------------|---------------------|--------------|---------------------|--------------|---------------|--------------|------------------|--------------|---------------|---------------|
| | 2013 | 2012 | 2013 | 2012 | 2013 | 2012 | 2013 | 2012 | 2013 | 2012 | 2013 | 2012 | 2013 | 2012 |
| | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| Interims | | | | | | | | | | | | | | |
| Share Class A (Distribution) | 248 | 230 | 82 | 72 | 840 | 754 | 1,406 | 1,225 | 2,054 | 1,712 | 85 | 54 | 4,715 | 4,047 |
| Share Class B (Distribution) | 132 | 91 | 347 | 299 | 658 | 524 | 561 | 421 | 496 | 270 | 410 | 437 | 2,604 | 2,042 |
| Share Class C (Accumulation) | 210 | 237 | 6 | 6 | 8 | 6 | - | - | 157 | 142 | 49 | 54 | 430 | 445 |
| Income tax withheld | - | - | - | - | - | - | 479 | 252 | - | - | - | - | 479 | 252 |
| Net interim distributions/accumulations for the periods | 590 | 558 | 435 | 377 | 1,506 | 1,284 | 2,446 | 1,898 | 2,707 | 2,124 | 544 | 545 | 8,228 | 6,786 |
| Final | | | | | | | | | | | | | | |
| Share Class A (Distribution) | 431 | 383 | 103 | 125 | 1,139 | 1,247 | 446 | 488 | 5,019 | 4,588 | 94 | 94 | 7,232 | 6,925 |
| Share Class B (Distribution) | 478 | 219 | 594 | 517 | 1,175 | 801 | 313 | 152 | 1,675 | 737 | 855 | 887 | 5,090 | 3,313 |
| Share Class C (Accumulation) | 456 | 413 | 8 | 9 | 10 | 13 | - | - | 520 | 430 | 100 | 155 | 1,094 | 1,020 |
| Income tax withheld | - | - | - | - | - | - | 189 | 303 | - | - | - | - | 189 | 303 |
| Net final distributions/accumulations for the period | 1,365 | 1,015 | 705 | 651 | 2,324 | 2,061 | 948 | 943 | 7,214 | 5,755 | 1,049 | 1,136 | 13,605 | 11,561 |
| Total net distributions/accumulations for the year | 1,955 | 1,573 | 1,140 | 1,028 | 3,830 | 3,345 | 3,394 | 2,841 | 9,921 | 7,879 | 1,593 | 1,681 | 21,833 | 18,347 |

Notes to the Financial Statements

For the year ended 31 December 2013

9. Finance costs - continued

| | Amity UK | | Amity European | | Amity International | | Amity Sterling Bond | | Higher Income | | UK Equity Growth | | Total | |
|---|----------|-------|----------------|-------|---------------------|-------|---------------------|-------|---------------|-------|------------------|-------|---------|---------|
| | 2013 | 2012 | 2013 | 2012 | 2013 | 2012 | 2013 | 2012 | 2013 | 2012 | 2013 | 2012 | 2013 | 2012 |
| | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| Total net distributions/accumulations for the year | 1,955 | 1,573 | 1,140 | 1,028 | 3,830 | 3,345 | 3,394 | 2,840 | 9,921 | 7,879 | 1,593 | 1,681 | 21,833 | 18,347 |
| Revenue deducted on shares cancelled | 88 | 56 | 39 | 39 | 380 | 266 | 146 | 42 | 1,056 | 392 | 39 | 14 | 1,748 | 809 |
| Revenue received on shares created | (184) | (73) | (84) | (30) | (423) | (303) | (200) | (108) | (1,720) | (853) | (146) | (20) | (2,757) | (1,387) |
| Total finance costs: | | | | | | | | | | | | | | |
| Distributions/accumulations | 1,859 | 1,556 | 1,095 | 1,037 | 3,787 | 3,308 | 3,340 | 2,774 | 9,257 | 7,418 | 1,486 | 1,675 | 20,824 | 17,769 |
| Interest | 2 | - | - | - | 5 | 2 | - | - | - | - | - | - | 7 | 2 |
| Total finance cost | 1,861 | 1,556 | 1,095 | 1,037 | 3,792 | 3,310 | 3,340 | 2,774 | 9,257 | 7,418 | 1,486 | 1,675 | 20,831 | 17,771 |
| Reconciliation between net revenue and distributions | | | | | | | | | | | | | | |
| Net revenue after taxation | 1,859 | 1,556 | 1,095 | 1,037 | 3,787 | 3,308 | 2,689 | 2,268 | 7,263 | 5,958 | 1,486 | 1,675 | 18,179 | 15,802 |
| Add: ACD's fee charged to capital (net of tax relief) | - | - | - | - | - | - | 651 | 506 | 1,994 | 1,460 | - | - | 2,645 | 1,967 |
| Finance costs: Distributions/accumulations | 1,859 | 1,556 | 1,095 | 1,037 | 3,787 | 3,308 | 3,340 | 2,774 | 9,257 | 7,418 | 1,486 | 1,675 | 20,824 | 17,769 |

Notes to the Financial Statements

At 31 December 2013

10. Debtors

| | Amity UK | | Amity European | | Amity International | | Amity Sterling Bond | | Higher Income | | UK Equity Growth | | Total | |
|---|------------|------------|----------------|------------|---------------------|--------------|---------------------|--------------|---------------|--------------|------------------|------------|---------------|--------------|
| | 2013 | 2012 | 2013 | 2012 | 2013 | 2012 | 2013 | 2012 | 2013 | 2012 | 2013 | 2012 | 2013 | 2012 |
| | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| Amounts receivable for creation of shares | 419 | 224 | 346 | 27 | 844 | 450 | 209 | 232 | 772 | 501 | 2,520 | 69 | 5,110 | 1,503 |
| Accrued revenue | 331 | 235 | 23 | - | 441 | 340 | 1,345 | 1,039 | 1,943 | 1,569 | 233 | 226 | 4,316 | 3,409 |
| Overseas tax recoverable | 11 | 14 | 125 | 181 | 207 | 240 | - | - | 88 | 56 | - | - | 431 | 491 |
| PID income tax recoverable | - | 19 | - | - | - | - | - | - | - | - | 2 | 9 | 2 | 28 |
| Currency deals awaiting settlement | - | - | 497 | - | - | 51 | - | - | - | - | - | - | 497 | 51 |
| Sales awaiting settlement | - | - | - | - | - | - | 2,285 | - | - | - | - | - | 2,285 | - |
| | 761 | 492 | 991 | 208 | 1,492 | 1,081 | 3,839 | 1,271 | 2,803 | 2,126 | 2,755 | 304 | 12,641 | 5,482 |

11. Creditors

| | Amity UK | | Amity European | | Amity International | | Amity Sterling Bond | | Higher Income | | UK Equity Growth | | Total | |
|--|------------|-----------|----------------|-----------|---------------------|------------|---------------------|------------|---------------|------------|------------------|------------|--------------|--------------|
| | 2013 | 2012 | 2013 | 2012 | 2013 | 2012 | 2013 | 2012 | 2013 | 2012 | 2013 | 2012 | 2013 | 2012 |
| | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| Amounts payable for cancellation of shares | 359 | 65 | 273 | 34 | 718 | 345 | 99 | 127 | 454 | 373 | 2,149 | 82 | 4,052 | 1,026 |
| Accrued expense | 145 | 20 | 64 | 15 | 275 | 24 | 70 | 14 | 256 | 21 | 143 | 14 | 953 | 108 |
| Income tax payable | - | - | - | - | - | - | 357 | 298 | - | - | - | - | 357 | 298 |
| Currency deals awaiting settlement | - | - | 500 | - | - | 51 | - | - | - | - | - | - | 500 | 51 |
| Corporation tax | - | - | - | - | - | - | - | - | 92 | 123 | - | - | 92 | 123 |
| Purchases awaiting settlement | - | - | 642 | - | - | - | 2,292 | - | - | - | - | 160 | 3,169 | 160 |
| | 504 | 85 | 1,479 | 49 | 993 | 420 | 2,818 | 439 | 802 | 517 | 2,527 | 256 | 9,123 | 1,766 |

Notes to the Financial Statements

12. Contingent liabilities and outstanding commitments

There were no contingent liabilities at the year end date (2012: £nil).

13. Related parties

Ecclesiastical Investment Management Limited, together with BNY Mellon Trust and Depositary (UK) Limited are regarded as controlling parties by virtue of having the ability to act in concert in respect of the operations of the Company.

Ecclesiastical Investment Management Limited, 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 Ecclesiastical Investment Management Limited in respect of share transactions at the year end are disclosed in notes 10 and 11.

Amounts paid to Ecclesiastical Investment Management Limited in respect of the ACD's periodic charges are disclosed in note 7. £808,702 was due at the year end (2012: £nil).

Amounts paid to BNY Mellon Trust and Depositary (UK) Limited in respect of depositary services and safe custody charges are disclosed in note 7. Charges of £79,624 were due at the year end (2012: £39,243).

Cash balances on deposit with BNY Mellon Trust and Depositary (UK) Limited are disclosed in the balance sheet together with interest due. Interest receivable is disclosed within accrued revenue in note 10. None was due at the year end (2012: £nil).

Neither Ecclesiastical Investment Management Limited nor BNY Mellon Trust and Depositary (UK) Limited entered into any other transactions with the Company during the year under review.

As at 31 December 2013, fellow Group companies of the ultimate parent company, Allchurches Trust Limited owned:

Amity UK

| Share class | 2013 | | 2012 | |
|-------------|--------------|----------------------|--------------|----------------------|
| | No of shares | % of shares in issue | No of shares | % of shares in issue |
| A | 10,000 | - | 10,000 | - |
| B | 3,552,258 | 23% | 3,552,258 | 42% |
| C | - | - | - | - |

Amity European

| Share class | 2013 | | 2012 | |
|-------------|--------------|----------------------|--------------|----------------------|
| | No of shares | % of shares in issue | No of shares | % of shares in issue |
| A | - | - | - | - |
| B | 19,242,265 | 86% | 19,242,265 | 97% |
| C | - | - | - | - |

Amity International

| Share class | 2013 | | 2012 | |
|-------------|--------------|----------------------|--------------|----------------------|
| | No of shares | % of shares in issue | No of shares | % of shares in issue |
| A | - | - | - | - |
| B | 20,773,269 | 48% | 20,773,269 | 62% |
| C | - | - | - | - |

Amity Sterling Bond

| Share class | 2013 | | 2012 | |
|-------------|--------------|----------------------|--------------|----------------------|
| | No of shares | % of shares in issue | No of shares | % of shares in issue |
| A | - | - | - | - |
| B | 7,819,974 | 33% | 6,819,974 | 60% |
| C | - | - | - | - |

Higher Income

| Share class | 2013 | | 2012 | |
|-------------|--------------|----------------------|--------------|----------------------|
| | No of shares | % of shares in issue | No of shares | % of shares in issue |
| A | - | - | - | - |
| B | 6,716,586 | 16% | 6,716,586 | 35% |
| C | - | - | - | - |

UK Equity Growth

| Share class | 2013 | | 2012 | |
|-------------|--------------|----------------------|--------------|----------------------|
| | No of shares | % of shares in issue | No of shares | % of shares in issue |
| A | - | - | - | - |
| B | 40,392,078 | 92% | 40,392,078 | 100% |
| C | - | - | - | - |

14. Financial instruments

In pursuing its investment objectives set out on pages 3 and 4 the Company may hold a number of financial instruments, these comprise:

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

Notes to the Financial Statements

At 31 December 2013

15. 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 | | Amity European | | Amity International | | Amity Sterling Bond | | Higher Income | | UK Equity Growth | | Total | |
|------------------------|----------------|---------------|----------------|---------------|---------------------|----------------|---------------------|---------------|----------------|----------------|------------------|---------------|----------------|----------------|
| | 2013 | 2012 | 2013 | 2012 | 2013 | 2012 | 2013 | 2012 | 2013 | 2012 | 2013 | 2012 | 2013 | 2012 |
| | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| Australian dollar | - | - | - | - | 1 | 1 | - | - | - | - | - | - | 1 | 1 |
| Euro | 2,139 | 1,737 | 51,635 | 34,277 | 46,702 | 37,219 | - | - | 23,793 | 11,101 | 874 | 418 | 125,143 | 84,752 |
| Hong Kong dollar | 644 | 733 | - | - | 30,962 | 23,515 | - | - | 10,415 | 7,061 | - | - | 42,021 | 31,309 |
| Japanese yen | - | - | - | - | 16,971 | 5,994 | - | - | 2,648 | 1,896 | - | - | 19,619 | 7,890 |
| Korean won | - | - | - | - | 2,366 | 2,205 | - | - | - | - | - | - | 2,366 | 2,205 |
| Malaysian ringgit | - | - | - | - | 13,570 | 5,039 | - | - | 1,987 | 1,862 | - | - | 15,557 | 6,901 |
| Norwegian krone | 406 | 383 | 1,007 | 1,502 | 2,394 | 6,723 | - | - | 2,562 | - | - | - | 6,369 | 8,608 |
| Singapore dollar | 151 | 131 | - | - | 28,524 | 36,593 | - | - | 10,463 | 9,789 | - | - | 39,138 | 46,513 |
| Sterling | 112,511 | 81,108 | 179 | (113) | 40,932 | 37,413 | 63,478 | 53,289 | 164,932 | 139,830 | 154,186 | 88,605 | 536,218 | 400,132 |
| Swedish krona | 853 | 836 | 1,094 | 2,694 | 953 | 2,983 | - | - | - | - | - | - | 2,900 | 6,513 |
| Swiss franc | - | - | 3,614 | 3,351 | 9,016 | 7,080 | - | - | 596 | 442 | - | - | 13,226 | 10,873 |
| Thai baht | - | - | - | - | 3,769 | 4,025 | - | - | 2,662 | 2,305 | - | - | 6,431 | 6,330 |
| US dollar | 2,576 | 1,906 | 132 | 110 | 34,539 | 29,823 | - | - | 12,368 | 2,025 | - | - | 49,615 | 33,864 |
| Net Assets | 119,280 | 86,834 | 57,661 | 41,821 | 230,699 | 198,613 | 63,478 | 53,289 | 232,426 | 176,311 | 155,060 | 89,023 | 858,604 | 645,891 |
| Sterling | | | | | | | | | | | | | | |
| Monetary exposures | 7,186 | 9,298 | 1,367 | 551 | 2,759 | 2,696 | 1,099 | 2,338 | 8,981 | 14,277 | 6,330 | 2,204 | 27,722 | 31,364 |
| Non monetary exposures | 105,325 | 71,810 | (1,188) | (664) | 38,173 | 34,717 | 62,379 | 50,951 | 155,951 | 125,553 | 147,856 | 86,401 | 508,496 | 368,768 |
| Total | 112,511 | 81,108 | 179 | (113) | 40,932 | 37,413 | 63,478 | 53,289 | 164,932 | 139,830 | 154,186 | 88,605 | 536,218 | 400,132 |

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

Notes to the Financial Statements

At 31 December 2013

15. Risks of financial instruments - continued

Interest rate risk profile of financial assets and liabilities:

| | Amity UK | | Amity European | | Amity International | | Amity Sterling Bond | | Higher Income | | UK Equity Growth | | Total | |
|---------------------------------|----------------|---------------|----------------|---------------|---------------------|----------------|---------------------|---------------|----------------|----------------|------------------|---------------|----------------|----------------|
| | 2013 | 2012 | 2013 | 2012 | 2013 | 2012 | 2013 | 2012 | 2013 | 2012 | 2013 | 2012 | 2013 | 2012 |
| | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| Fixed rate financial assets | 332 | - | - | - | - | - | 51,791 | 40,861 | 28,854 | 48,460 | - | - | 80,645 | 89,321 |
| Floating rate | 7,964 | 9,630 | 1,871 | 1,667 | 4,845 | 12,783 | 2,982 | 5,830 | 26,988 | 24,311 | 6,353 | 2,236 | 51,335 | 56,457 |
| Nil interest bearing securities | 110,984 | 77,204 | 55,790 | 40,154 | 225,854 | 185,830 | 8,705 | 6,598 | 176,584 | 103,540 | 148,707 | 86,787 | 726,624 | 500,113 |
| Net Assets | 119,280 | 86,834 | 57,661 | 41,821 | 230,699 | 198,613 | 63,478 | 53,289 | 232,426 | 176,311 | 155,060 | 89,023 | 858,604 | 645,891 |

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 users 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 by LIBOR, other currencies are determined by the relevant authority.

None of the liabilities of the Funds carry any interest.

Weight average of fixed interest rates:

| | Amity UK | | Amity European | | Amity International | | Amity Sterling Bond | | Higher Income | | UK Equity Growth | |
|----------|----------|-------|----------------|------|---------------------|------|---------------------|------|---------------|------|------------------|------|
| | 2013 | 2012 | 2013 | 2012 | 2013 | 2012 | 2013 | 2012 | 2013 | 2012 | 2013 | 2012 |
| | % | % | % | % | % | % | % | % | % | % | % | % |
| Sterling | 10.42 | 10.41 | - | - | - | - | 4.74 | 4.30 | 5.19 | 5.24 | - | - |

Weight average period for financial asset with fixed interest rates:

| | Amity UK | | Amity European | | Amity International | | Amity Sterling Bond | | Higher Income | | UK Equity Growth | |
|----------|----------|-------|----------------|------|---------------------|------|---------------------|-------|---------------|-------|------------------|------|
| | 2013 | 2012 | 2013 | 2012 | 2013 | 2012 | 2013 | 2012 | 2013 | 2012 | 2013 | 2012 |
| | % | % | % | % | % | % | % | % | % | % | % | % |
| Sterling | 36.02 | 37.02 | - | - | - | - | 17.89 | 13.62 | 19.88 | 18.29 | - | - |

Notes to the Financial Statements

At 31 December 2012

16. Shareholders' Funds

The company currently has three share classes; Class A Income (Retail), Class B Income (Institutional) and Class C Accumulation (Institutional). The annual management charge as a percentage of net assets of each share class is as follows:

| Investment Fund | Class | |
|--------------------------|-------|-------|
| 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 Sterling Bond | A | 1.25% |
| | B | 0.65% |
| | C | 1.00% |
| 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 comparative tables in pages 5 to 16. The distributions per share class are given in the distribution tables on pages 59 to 65. All classes have the same rights on winding up.

Distribution/Accumulation Statements

Amity UK Fund

Share Class A

Interim distribution (pence per share)

Group 1: Shares purchased prior to 1 January 2013

Group 2: Shares purchased on or after 1 January 2013

| Group | Gross Income | Tax Credit | Net Income | Equalisation | 2013 Distribution Paid | 2012 Paid |
|-------|--------------|------------|------------|--------------|------------------------|-----------|
| 1 | 1.1111 | 0.1111 | 1.0000 | - | 1.0000 | 1.0000 |
| 2 | 0.7823 | 0.0782 | 0.7041 | 0.2959 | 1.0000 | 1.0000 |

Share Class A

Final distribution (pence per share)

Group 1: Shares purchased prior to 1 July 2013

Group 2: Shares purchased on or after 1 July 2013

| Group | Gross Income | Tax Credit | Net Income | Equalisation | 2013 Distribution Payable | 2012 Paid |
|-------|--------------|------------|------------|--------------|---------------------------|-----------|
| 1 | 2.0073 | 0.2007 | 1.8066 | - | 1.8066 | 1.5629 |
| 2 | 0.6177 | 0.0618 | 0.5559 | 1.2507 | 1.8066 | 1.5629 |

Share Class B

Interim distribution (pence per share)

Group 1: Shares purchased prior to 1 January 2013

Group 2: Shares purchased on or after 1 January 2013

| Group | Gross Income | Tax Credit | Net Income | Equalisation | 2013 Distribution Paid | 2012 Paid |
|-------|--------------|------------|------------|--------------|------------------------|-----------|
| 1 | 1.3333 | 0.1333 | 1.2000 | - | 1.2000 | 1.2000 |
| 2 | 0.9697 | 0.0970 | 0.8727 | 0.3273 | 1.2000 | 1.2000 |

Share Class B

Final distribution (pence per share)

Group 1: Shares purchased prior to 1 July 2013

Group 2: Shares purchased on or after 1 July 2013

| Group | Gross Income | Tax Credit | Net Income | Equalisation | 2013 Distribution Payable | 2012 Paid |
|-------|--------------|------------|------------|--------------|---------------------------|-----------|
| 1 | 3.3829 | 0.3383 | 3.0446 | - | 3.0446 | 2.5696 |
| 2 | 0.7526 | 0.0753 | 0.6773 | 2.3673 | 3.0446 | 2.5696 |

Share Class C

Interim accumulation (pence per share)

Group 1: Shares purchased prior to 1 January 2013

Group 2: Shares purchased on or after 1 January 2013

| Group | Gross Income | Tax Credit | Net Income | Equalisation | 2013 Accumulation Paid | 2012 Paid |
|-------|--------------|------------|------------|--------------|------------------------|-----------|
| 1 | 2.0000 | 0.2000 | 1.8000 | - | 1.8000 | 1.8000 |
| 2 | 1.7469 | 0.1747 | 1.5722 | 0.2278 | 1.8000 | 1.8000 |

Share Class C

Final accumulation (pence per share)

Group 1: Shares purchased prior to 1 July 2013

Group 2: Shares purchased on or after 1 July 2013

| Group | Gross Income | Tax Credit | Net Income | Equalisation | 2013 Accumulation Payable | 2012 Paid |
|-------|--------------|------------|------------|--------------|---------------------------|-----------|
| 1 | 4.5099 | 0.4510 | 4.0589 | - | 4.0589 | 3.3940 |
| 2 | 0.9476 | 0.0948 | 0.8528 | 3.2061 | 4.0589 | 3.3940 |

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

Of the distribution:

- i) 100% of the 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

Share Class A

Interim distribution (pence per share)

Group 1: Shares purchased prior to 1 January 2013

Group 2: Shares purchased on or after 1 January 2013

| Group | Gross Income | Tax Credit | Net Income | Equalisation | 2013 Distribution Paid | 2012 Paid |
|-------|--------------|------------|------------|--------------|------------------------|-----------|
| 1 | 1.3889 | 0.1389 | 1.2500 | - | 1.2500 | 1.0500 |
| 2 | 1.0047 | 0.1004 | 0.9042 | 0.3458 | 1.2500 | 1.0500 |

Share Class A

Final distribution (pence per share)

Group 1: Shares purchased prior to 1 July 2013

Group 2: Shares purchased on or after 1 July 2013

| Group | Gross Income | Tax Credit | Net Income | Equalisation | 2013 Distribution Payable | 2012 Paid |
|-------|--------------|------------|------------|--------------|---------------------------|-----------|
| 1 | 1.8591 | 0.1859 | 1.6732 | - | 1.6732 | 1.8680 |
| 2 | - | - | - | 1.6732 | 1.6732 | 1.8680 |

Share Class B

Interim distribution (pence per share)

Group 1: Shares purchased prior to 1 January 2013

Group 2: Shares purchased on or after 1 January 2013

| Group | Gross Income | Tax Credit | Net Income | Equalisation | 2013 Distribution Paid | 2012 Paid |
|-------|--------------|------------|------------|--------------|------------------------|-----------|
| 1 | 1.8889 | 0.1889 | 1.7000 | - | 1.7000 | 1.5000 |
| 2 | 0.8804 | 0.0880 | 0.7924 | 0.9076 | 1.7000 | 1.5000 |

Share Class B

Final distribution (pence per share)

Group 1: Shares purchased prior to 1 July 2013

Group 2: Shares purchased on or after 1 July 2013

| Group | Gross Income | Tax Credit | Net Income | Equalisation | 2013 Distribution Payable | 2012 Paid |
|-------|--------------|------------|------------|--------------|---------------------------|-----------|
| 1 | 2.9667 | 0.2967 | 2.6700 | - | 2.6700 | 2.5964 |
| 2 | 0.0054 | 0.0005 | 0.0049 | 2.6651 | 2.6700 | 2.5964 |

Share Class C

Interim accumulation (pence per share)

Group 1: Shares purchased prior to 1 January 2013

Group 2: Shares purchased on or after 1 January 2013

| Group | Gross Income | Tax Credit | Net Income | Equalisation | 2013 Accumulation Paid | 2012 Paid |
|-------|--------------|------------|------------|--------------|------------------------|-----------|
| 1 | 1.6667 | 0.1667 | 1.5000 | - | 1.5000 | 1.3000 |
| 2 | 1.6270 | 0.1627 | 1.4643 | 0.0357 | 1.5000 | 1.3000 |

Share Class C

Final accumulation (pence per share)

Group 1: Shares purchased prior to 1 July 2013

Group 2: Shares purchased on or after 1 July 2013

| Group | Gross Income | Tax Credit | Net Income | Equalisation | 2013 Accumulation Payable | 2012 Paid |
|-------|--------------|------------|------------|--------------|---------------------------|-----------|
| 1 | 2.5399 | 0.2540 | 2.2859 | - | 2.2859 | 2.3114 |
| 2 | - | - | - | 2.2859 | 2.2859 | 2.3114 |

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

Of the distribution:

- i) 100% of the 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

Share Class A

Interim distribution (pence per share)

Group 1: Shares purchased prior to 1 January 2013

Group 2: Shares purchased on or after 1 January 2013

| Group | Gross Income | Tax Credit | Net Income | Equalisation | 2013 Distribution Paid | 2012 Paid |
|-------|--------------|------------|------------|--------------|------------------------|-----------|
| 1 | 1.2778 | 0.1278 | 1.1500 | - | 1.1500 | 1.0000 |
| 2 | 0.7828 | 0.0783 | 0.7045 | 0.4455 | 1.1500 | 1.0000 |

Share Class A

Final distribution (pence per share)

Group 1: Shares purchased prior to 1 July 2013

Group 2: Shares purchased on or after 1 July 2013

| Group | Gross Income | Tax Credit | Net Income | Equalisation | 2013 Distribution Payable | 2012 Paid |
|-------|--------------|------------|------------|--------------|---------------------------|-----------|
| 1 | 1.8956 | 0.1896 | 1.7060 | - | 1.7060 | 1.6610 |
| 2 | 0.3699 | 0.0370 | 0.3329 | 1.3731 | 1.7060 | 1.6610 |

Share Class B

Interim distribution (pence per share)

Group 1: Shares purchased prior to 1 January 2013

Group 2: Shares purchased on or after 1 January 2013

| Group | Gross Income | Tax Credit | Net Income | Equalisation | 2013 Distribution Paid | 2012 Paid |
|-------|--------------|------------|------------|--------------|------------------------|-----------|
| 1 | 1.9444 | 0.1944 | 1.7500 | - | 1.7500 | 1.6000 |
| 2 | 1.0011 | 0.1001 | 0.9010 | 0.8490 | 1.7500 | 1.6000 |

Share Class B

Final distribution (pence per share)

Group 1: Shares purchased prior to 1 July 2013

Group 2: Shares purchased on or after 1 July 2013

| Group | Gross Income | Tax Credit | Net Income | Equalisation | 2013 Distribution Payable | 2012 Paid |
|-------|--------------|------------|------------|--------------|---------------------------|-----------|
| 1 | 2.9960 | 0.2996 | 2.6964 | - | 2.6964 | 2.4060 |
| 2 | 0.6640 | 0.0664 | 0.5976 | 2.0988 | 2.6964 | 2.4060 |

Share Class C

Interim accumulation (pence per share)

Group 1: Shares purchased prior to 1 January 2013

Group 2: Shares purchased on or after 1 January 2013

| Group | Gross Income | Tax Credit | Net Income | Equalisation | 2013 Accumulation Paid | 2012 Paid |
|-------|--------------|------------|------------|--------------|------------------------|-----------|
| 1 | 1.3889 | 0.1389 | 1.2500 | - | 1.2500 | 1.1000 |
| 2 | 1.0472 | 0.1047 | 0.9425 | 0.3075 | 1.2500 | 1.1000 |

Share Class C

Final accumulation (pence per share)

Group 1: Shares purchased prior to 1 July 2013

Group 2: Shares purchased on or after 1 July 2013

| Group | Gross Income | Tax Credit | Net Income | Equalisation | 2013 Accumulation Payable | 2011 Paid |
|-------|--------------|------------|------------|--------------|---------------------------|-----------|
| 1 | 2.5138 | 0.2514 | 2.2624 | - | 2.2624 | 2.0863 |
| 2 | 0.6458 | 0.0646 | 0.5812 | 1.6812 | 2.2624 | 2.0863 |

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

Of the distribution:

- i) 100% of the 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 Sterling Bond Fund

Share Class A

First quarter distribution (pence per share)

Group 1: Shares purchased prior to 1 January 2013

Group 2: Shares purchased on or after 1 January 2013

| Group | Gross Income | Tax Credit | Net Income | Equalisation | 2013 Distribution Paid | 2012 Paid |
|-------|--------------|------------|------------|--------------|------------------------|-----------|
| 1 | 1.3238 | 0.2648 | 1.0590 | - | 1.0590 | 1.1188 |
| 2 | 0.4585 | 0.0917 | 0.3668 | 0.6922 | 1.0590 | 1.1188 |

Share Class A

Second quarter distribution (pence per share)

Group 1: Shares purchased prior to 1 April 2013

Group 2: Shares purchased on or after 1 April 2013

| Group | Gross Income | Tax Credit | Net Income | Equalisation | 2013 Distribution Paid | 2012 Paid |
|-------|--------------|------------|------------|--------------|------------------------|-----------|
| 1 | 1.5091 | 0.3018 | 1.2073 | - | 1.2073 | 1.2293 |
| 2 | 0.8240 | 0.1648 | 0.6592 | 0.5481 | 1.2073 | 1.2293 |

Share Class A

Third quarter distribution (pence per share)

Group 1: Shares purchased prior to 1 July 2013

Group 2: Shares purchased on or after 1 July 2013

| Group | Gross Income | Tax Credit | Net Income | Equalisation | 2013 Distribution Paid | 2012 Paid |
|-------|--------------|------------|------------|--------------|------------------------|-----------|
| 1 | 1.4578 | 0.2916 | 1.1662 | - | 1.1662 | 1.2289 |
| 2 | 0.7515 | 0.1503 | 0.6012 | 0.5650 | 1.1662 | 1.2289 |

Share Class A

Final distribution (pence per share)

Group 1: Shares purchased prior to 1 October 2013

Group 2: Shares purchased on or after 1 October 2013

| Group | Gross Income | Tax Credit | Net Income | Equalisation | 2013 Distribution Payable | 2012 Paid |
|-------|--------------|------------|------------|--------------|---------------------------|-----------|
| 1 | 1.5586 | 0.3117 | 1.2469 | - | 1.2469 | 1.2739 |
| 2 | 0.8271 | 0.1654 | 0.6617 | 0.5852 | 1.2469 | 1.2739 |

Share Class B

First quarter distribution (pence per share)

Group 1: Shares purchased prior to 1 January 2013

Group 2: Shares purchased on or after 1 January 2013

| Group | Gross Income | Tax Credit | Net Income | Equalisation | 2013 Distribution Paid | 2012 Paid |
|-------|--------------|------------|------------|--------------|------------------------|-----------|
| 1 | 1.4018 | 0.2804 | 1.1214 | - | 1.1214 | 1.1677 |
| 2 | 0.4418 | 0.0884 | 0.3534 | 0.7680 | 1.1214 | 1.1677 |

Share Class B

Second quarter distribution (pence per share)

Group 1: Shares purchased prior to 1 April 2013

Group 2: Shares purchased on or after 1 April 2013

| Group | Gross Income | Tax Credit | Net Income | Equalisation | 2013 Distribution Paid | 2012 Paid |
|-------|--------------|------------|------------|--------------|------------------------|-----------|
| 1 | 1.6004 | 0.3201 | 1.2803 | - | 1.2803 | 1.3118 |
| 2 | 1.0908 | 0.2182 | 0.8726 | 0.4077 | 1.2803 | 1.3118 |

Share Class B

Third quarter distribution (pence per share)

Group 1: Shares purchased prior to 1 July 2013

Group 2: Shares purchased on or after 1 July 2013

| Group | Gross Income | Tax Credit | Net Income | Equalisation | 2013 Distribution Paid | 2012 Paid |
|-------|--------------|------------|------------|--------------|------------------------|-----------|
| 1 | 1.5501 | 0.3100 | 1.2401 | - | 1.2401 | 1.2969 |
| 2 | 0.7798 | 0.1560 | 0.6238 | 0.6163 | 1.2401 | 1.2969 |

Distribution/Accumulation Statements

Amity Sterling Bond Fund

Share Class B

Final distribution (pence per share)

Group 1: Shares purchased prior to 1 October 2013

Group 2: Shares purchased on or after 1 October 2013

| Group | Gross Income | Tax Credit | Net Income | Equalisation | 2013 Distribution Payable | 2012 Paid |
|-------|--------------|------------|------------|--------------|---------------------------|-----------|
| 1 | 1.6579 | 0.3316 | 1.3263 | - | 1.3263 | 1.3428 |
| 2 | 0.7810 | 0.1562 | 0.6248 | 0.7015 | 1.3263 | 1.3428 |

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

Share Class A

Interim distribution (pence per share)

Group 1: Shares purchased prior to 1 January 2013

Group 2: Shares purchased on or after 1 January 2013

| Group | Gross Income | Tax Credit | Net Income | Equalisation | 2013 Distribution Paid | 2012 Paid |
|-------|--------------|------------|------------|--------------|------------------------|-----------|
| 1 | 1.7222 | 0.1722 | 1.5500 | - | 1.5500 | 1.5500 |
| 2 | 0.8779 | 0.0878 | 0.7901 | 0.7599 | 1.5500 | 1.5500 |

Share Class A

Final distribution (pence per share)

Group 1: Shares purchased prior to 1 July 2013

Group 2: Shares purchased on or after 1 July 2013

| Group | Gross Income | Tax Credit | Net Income | Equalisation | 2013 Distribution Payable | 2012 Paid |
|-------|--------------|------------|------------|--------------|---------------------------|-----------|
| 1 | 4.2860 | 0.4286 | 3.8574 | - | 3.8574 | 3.8374 |
| 2 | 1.4802 | 0.1480 | 1.3322 | 2.5252 | 3.8574 | 3.8374 |

Share Class B

Interim distribution (pence per share)

Group 1: Shares purchased prior to 1 January 2013

Group 2: Shares purchased on or after 1 January 2013

| Group | Gross Income | Tax Credit | Net Income | Equalisation | 2013 Distribution Paid | 2012 Paid |
|-------|--------------|------------|------------|--------------|------------------------|-----------|
| 1 | 1.7778 | 0.1778 | 1.6000 | - | 1.6000 | 1.6000 |
| 2 | 0.6802 | 0.0680 | 0.6122 | 0.9878 | 1.6000 | 1.6000 |

Share Class B

Final distribution (pence per share)

Group 1: Shares purchased prior to 1 July 2013

Group 2: Shares purchased on or after 1 July 2013

| Group | Gross Income | Tax Credit | Net Income | Equalisation | 2013 Distribution Payable | 2012 Paid |
|-------|--------------|------------|------------|--------------|---------------------------|-----------|
| 1 | 4.3379 | 0.4338 | 3.9041 | - | 3.9041 | 3.8748 |
| 2 | 1.0630 | 0.1063 | 0.9567 | 2.9474 | 3.9401 | 3.8748 |

Share Class C

Interim accumulation (pence per share)

Group 1: Shares purchased prior to 1 January 2013

Group 2: Shares purchased on or after 1 January 2013

| Group | Gross Income | Tax Credit | Net Income | Equalisation | 2013 Accumulation Paid | 2012 Paid |
|-------|--------------|------------|------------|--------------|------------------------|-----------|
| 1 | 3.2222 | 0.3222 | 2.9000 | - | 2.9000 | 2.9000 |
| 2 | 1.8031 | 0.1803 | 1.6228 | 1.2772 | 2.9000 | 2.9000 |

Share Class C

Final accumulation (pence per share)

Group 1: Shares purchased prior to 1 July 2013

Group 2: Shares purchased on or after 1 July 2013

| Group | Gross Income | Tax Credit | Net Income | Equalisation | 2013 Accumulation Payable | 2012 Paid |
|-------|--------------|------------|------------|--------------|---------------------------|-----------|
| 1 | 9.8628 | 0.9863 | 8.8765 | - | 8.8765 | 8.3199 |
| 2 | 3.2207 | 0.3221 | 2.8986 | 5.9779 | 8.8765 | 8.3199 |

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) 93.05% of the final income distribution is received as franked investment income; and
- ii) 6.95% 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

UK Equity Growth Fund

Share Class A

Interim distribution (pence per share)

Group 1: Shares purchased prior to 1 January 2013

Group 2: Shares purchased on or after 1 January 2013

| Group | Gross Income | Tax Credit | Net Income | Equalisation | 2013 Distribution Paid | 2012 Paid |
|-------|--------------|------------|------------|--------------|------------------------|-----------|
| 1 | 0.8889 | 0.0889 | 0.8000 | - | 0.8000 | 0.8000 |
| 2 | 0.2527 | 0.0253 | 0.2274 | 0.5726 | 0.8000 | 0.8000 |

Share Class A

Final distribution (pence per share)

Group 1: Shares purchased prior to 1 July 2013

Group 2: Shares purchased on or after 1 July 2013

| Group | Gross Income | Tax Credit | Net Income | Equalisation | 2013 Distribution Payable | 2012 Paid |
|-------|--------------|------------|------------|--------------|---------------------------|-----------|
| 1 | 0.5994 | 0.0599 | 0.5395 | - | 0.5395 | 1.2255 |
| 2 | 0.0864 | 0.0086 | 0.0778 | 0.4617 | 0.5395 | 1.2255 |

Share Class B

Interim distribution (pence per share)

Group 1: Shares purchased prior to 1 January 2013

Group 2: Shares purchased on or after 1 January 2013

| Group | Gross Income | Tax Credit | Net Income | Equalisation | 2013 Distribution Paid | 2012 Paid |
|-------|--------------|------------|------------|--------------|------------------------|-----------|
| 1 | 1.1111 | 0.1111 | 1.0000 | - | 1.0000 | 1.0800 |
| 2 | 0.7359 | 0.0736 | 0.6623 | 0.3377 | 1.0000 | 1.0800 |

Share Class B

Final distribution (pence per share)

Group 1: Shares purchased prior to 1 July 2013

Group 2: Shares purchased on or after 1 July 2013

| Group | Gross Income | Tax Credit | Net Income | Equalisation | 2013 Distribution Payable | 2012 Paid |
|-------|--------------|------------|------------|--------------|---------------------------|-----------|
| 1 | 2.1518 | 0.2152 | 1.9366 | - | 1.9366 | 2.1922 |
| 2 | 0.4173 | 0.0417 | 0.3756 | 1.5610 | 1.9366 | 2.1922 |

Share Class C

Interim accumulation (pence per share)

Group 1: Shares purchased prior to 1 January 2013

Group 2: Shares purchased on or after 1 January 2013

| Group | Gross Income | Tax Credit | Net Income | Equalisation | 2013 Accumulation Paid | 2012 Paid |
|-------|--------------|------------|------------|--------------|------------------------|-----------|
| 1 | 0.8889 | 0.0889 | 0.8000 | - | 0.8000 | 0.8000 |
| 2 | 0.3519 | 0.0352 | 0.3167 | 0.4833 | 0.8000 | 0.8000 |

Share Class C

Final accumulation (pence per share)

Group 1: Shares purchased prior to 1 July 2013

Group 2: Shares purchased on or after 1 July 2013

| Group | Gross Income | Tax Credit | Net Income | Equalisation | 2013 Accumulation Payable | 2012 Paid |
|-------|--------------|------------|------------|--------------|---------------------------|-----------|
| 1 | 1.9349 | 0.1935 | 1.7414 | - | 1.7414 | 2.4393 |
| 2 | 0.1953 | 0.0195 | 0.1758 | 1.5656 | 1.7414 | 2.4393 |

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

Of the distribution:

- i) 100% of the 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

0870 870 8056

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

You may email us at

ecclesiasticalenquiries@ntrs.com

Or visit us at

www.ecclesiastical.com

If you would like this booklet in large print, braille, on audio tape or computer disc please call us on 0845 777 3322. You can also tell us if you would like to always receive literature in another format.

Advisors Support

Dealing and administration

0870 870 8056

Sales support

0845 604 4056

Or visit us at

www.ecclesiastical.com/ifa



Beaufort House, Brunswick Road
Gloucester GL1 1JZ

Ecclesiastical Investment Management Limited (EIM) Reg. No. 2519319. This company is registered in England at Beaufort House, Brunswick Road, Gloucester, GL1 1JZ, UK. EIM is authorised and regulated by the Financial Conduct Authority and is a member of the Financial Ombudsman Service and the Investment Management Association.