Ecclesiastical investment funds

SHORT REPORT

30 June 2013

Contents

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 Open-Ended Investment Companies 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.

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Authorised and regulated by the Financial Conduct Authority

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Ultimate Parent Company of the ACD
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Beaufort House, Brunswick Road,
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The Bank of New York Mellon Centre,
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London EC4V 4LA

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Registrar
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This Short Report is for the period from 1 January 2013 to 30 June 2013. Included in the Report by the Authorised Corporate Director (ACD), you will find information on the performance of the sub-funds and the Funds' prospects, as well as information on the performance record and major holdings of each sub-fund.

The ACD will send a copy of the interim and annual Short Report to any shareholder whose name appears on the share register at the relevant accounting reference date or interim accounting reference date as permitted by the Financial Services Authority regulations.

Full copies of the interim and annual Long Reports will be available free of charge on request from the ACD and to download from www.ecclesiastical.com/longreport.

Copies of all reports to shareholders will be available for inspection by the general public at the ACD's offices.

Report of the Authorised Corporate Director – Investment Environment

The optimism that drove investment markets in 2012, carried through into the opening months of the new year as investors continued to rotate into risk assets, encouraged by a plentiful supply of liquidity and continual commitments from global central bankers to maintain a highly accommodative monetary policy stance. Over the six month period, equity indices in developed economies recorded strong gains in absolute terms and relative to both core government bond markets and equities in emerging markets. However, a sharp correction across all asset classes in the later stages of the period took the gloss off market returns as familiar concerns surrounding central bank policy and sources of future growth re-emerged.

The UK

Over the course of the first half of 2013 the FTSE All-Share Index posted a 6.3% gain, with the 5.4% return in the FTSE 100 Index overshadowed by the FTSE 250 Mid Cap Index and the Small Cap Index, which rose by 11.5% and 11.6% respectively.

The Bank of England's Monetary Policy Committee (MPC) persisted with a record-low interest rate throughout the period and refrained from an additional round of quantitative easing amid signs of a nascent recovery in the domestic economy. Output data for the production and service sectors has steadily improved and the domestic housing market has gradually gained momentum, supported by improving credit availability and a reduction in mortgage rates for homebuyers and businesses, which has been driven in part by the government's Funding for Lending Scheme. However, despite these improvements, underlying demand remains subdued in the presence of on-going fiscal consolidation and weak levels of economic activity in Europe, thus constraining growth prospects for the UK economy.

The rally in the UK equity market was led by those sectors that hold defensive characteristics including pharmaceuticals and telecommunications while consumer services also performed strongly over the period. The UK's homebuilders enjoyed a strong first half to the year, supported by improved mortgage availability and the focus of many of the sector's incumbents upon the southern regions of the country, where house prices have been less affected by the economic downturn. Conversely, the materials sector was the primary laggard as weak global economic activity continued to weigh on top line growth and the profitability of mining companies.

In the UK fixed interest market, yields increased amongst both the corporate and government bond sectors. The FTSE Government All Stocks Index fell 4.8% over the six month period, reflecting renewed risk appetite amongst investors and increasing demand for higher yielding investments amid a low interest rate environment. Subsequently, credit spreads tightened as corporate bonds outperformed gilts, with BBB rated credit and the financials sector posting the best returns.

Europe

The FTSE World Europe (excluding UK) Index increased 2.0% but due to the appreciation in the euro, sterling investors enjoyed a return of 7.6% over the first six months of 2013.

Economic activity in Europe remains weak, with the member states of the eurozone stuck in either stagnation or a prolonged recession as high unemployment, continued austerity measures and soft demand for exports persist in obstructing regional growth. European policymakers have attempted to address these issues by adopting a more accommodative approach to austerity and monetary policy and a continual willingness to deploy unconventional stimulus has aided in suppressing sovereign bond yields and supported equity markets over the course of the last twelve months.

Market returns were strongest in northern Europe while peripheral nations ended the period in negative territory, mirroring the disparity between the economies of the two sub-regions. Growth in the former appears to have stabilised, yet the latter continues to contract, with the aforementioned contributors to weak economic growth particularly profound within these economies.

The US

The Dow Jones Industrial Average Index increased by 21.7% in sterling terms over the first six months of 2013 with the more broadly based S&P 500 Index posting a comparable return of 20.5%. The main engine behind the steady rise in US equity prices has been the Federal Reserve's on-going Quantitative Easing programme (QE3), which promised $85 billion in monthly asset purchases until a sustained improvement in the domestic economy was achieved. The importance that investors have placed upon monetary stimulus was highlighted towards the end of the six month period, as improvements in the US economic backdrop prompted policymakers to consider a possible tapering in the scale of existing asset purchases, which subsequently drove a dramatic correction in asset prices. Although macroeconomic fundamentals in the US have improved, the labour market is progressing at an anaemic pace, further cutbacks in government spending continue to weigh on economic growth and confidence in the private sector remains low, indicating that the economy remains too weak to stand unsupported.

Japan

Hopes that prime minister Shinzo Abe would act on his bold proposals to rid the economy of deflation came to fruition during the first half of 2013, when the Bank of Japan announced a substantial quantitative easing programme aimed at achieving an inflation rate of 2% within a two year time frame. The new asset purchase programme's focus on longer-term debt has placed pressure on the yen and driven equities in the opposite direction. Despite a sharp sell-off amid US monetary policy concerns, the Nikkei Index was the strongest performing equity market over the six month period, posting a 21.3% return in sterling terms and whilst the long-term effectiveness of this reflationary theme remains to be seen, initial indicators suggest that economic data is improving.

Asia

The region's equity markets contended with overbearing concerns surrounding economic growth in China in the first half of the year as the world's second largest economy continued to make the transition from an export-led economy to one that is driven predominantly by domestic demand. Policymakers are currently grappling with the task of rebalancing the economy and deploying a prudent stance on monetary policy in order to dampen strong levels of credit growth, which has placed downward pressure on growth and highlighted the vulnerability of commodity-exporting economies in emerging markets.

Outlook

Economic activity remains subdued despite modest improvements in data within developed economies as fiscal policy continues to weigh on growth. Therefore, the monetary policy environment is likely to be maintained at an accommodative level in the second half of the year, which should be supportive of risk assets and economic progression. In China, structural reform initiatives are likely to give rise to slower growth near term and create significant headwinds for those emerging economies that are so highly dependent on Chinese consumption to spur growth. However a strategy for supply-side reformation as opposed to stimulus induced demand should provide reasonable foundations for solid, long-term expansion.

Investment Objective and Policies

Fund Name and Investment Objectives	Investment Policy
Amity UK The Fund aims to achieve long-term capital appreciation and a reasonable level of income by investing principally in UK companies.	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. 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.
Amity European To achieve long-term capital growth with a reasonable level of income primarily through a diversified portfolio of European companies.	
Amity International To achieve long-term capital growth with a reasonable level of income primarily through a diversified portfolio of International companies.	
Amity Sterling Bond The Fund aims to provide an attractive level of income.	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. 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.
Higher Income To provide an above average and growing level of income together with capital growth over the longer term.	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.
UK Equity Growth To achieve long-term capital growth with a reasonable level of income.	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.

These Funds are marketable to all retail investors.

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.

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.

Risks

- 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.

- 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.

- 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.

- 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.

- 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.

- 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 period from 1 January 2013 to 30 June 2013.

- Over the course of the period under review the share price of the Amity UK Fund rose by 11.7%*, outperforming both the rise in the FTSE All-Share Index of 8.5% and the IMA All Companies sector average rise of 10.5%, 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 benefitted from being overweight in general retailers and fixed line telecommunications which performed strongly and from being underweight in mining, banks and the oil & gas sectors which performed poorly. Underweight positions in aerospace & defence and automobiles & parts and overweight positions in support services and utilities acted as a drag on performance.
- New holdings of note were established in Inland Homes (land development), and Alent (electrical components) which was part of the break-up of Cookson Group along with Vesuvius, which was sold off. There was a bidding contest for the holding in May Gurney which was won by Kier Group. The Fund also purchased shares in the new issues of Crest Nicholson (house building), esure Group (insurance) and HellermanTyton (cable management), all of which offered an attractively priced entry into companies with good market positions. The positions in Vodafone, Porvair, Dignity and Aviva were all augmented over the course of the period on the basis of their resilient business models, solid cash flows and attractive ratings. The position in Oxford Instruments, which has been a very successful investment over a number of years, was reduced because its valuation appeared to fully reflect its medium term prospects.

Prospects

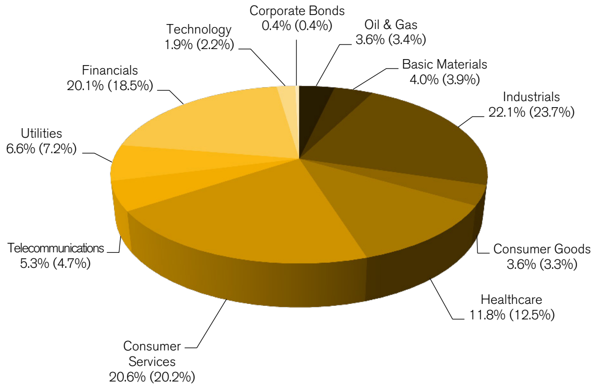
Possible changes in monetary policy in the US, UK and elsewhere may well remain at the forefront of investors' thinking over the forthcoming months. Although the uncertainty may bring further volatility in financial markets, the consolation should be that the possible alterations in the US and UK, at least, are themselves a reflection of signs of further rehabilitation of previously troubled economies. Although macroeconomic considerations cannot be totally ignored, 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.

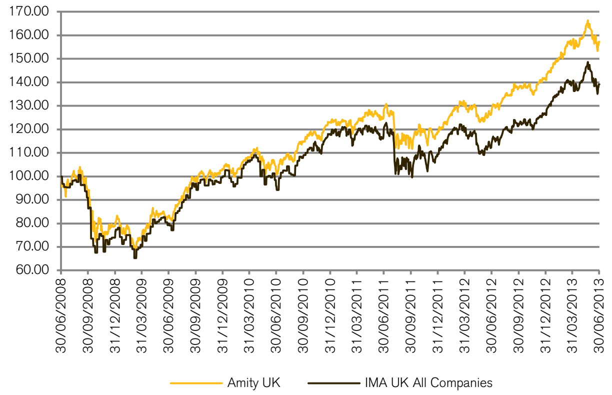
Asset allocation by sector at 30 June 2013

The figures in brackets show allocation at 31 December 2012



Figures exclude cash

Performance



Graph showing the growth of the Amity UK Fund compared to IMA UK All Companies Sector Average from 30 June 2008 to 30 June 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	
	Growth	Rank	Growth	Number
31/12/12 – 30/06/13	11.7%	97	10.5%	275
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
31/12/07 – 31/12/08	-30.9%	159	-31.6%	298

Table showing % growth 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 30 June 2013
1	Dunelm Group	2.86%
2	Dechra Pharmaceuticals	2.57%
3	Vodafone	2.40%
4	Halma	2.06%
5	GlaxoSmithKline	2.05%
6	Centrica	1.92%
7	Prudential	1.90%
8	BT	1.87%
9	Next	1.82%
10	Legal & General	1.63%

Ongoing charges figure at 30 June 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

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 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
30 June 2013*						
Share Class A	189.50	163.40	44,050,477	177.79	24,776,913	1.0000
Share Class B	189.00	162.50	19,494,904	177.27	10,997,088	1.2000
Share Class C	330.90	285.00	36,384,735	312.36	11,648,284	1.8000
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
31 December 2008						
Share Class A	147.40	89.93	16,205,291	97.58	16,607,885	3.1623
Share Class B	147.90	90.62	2,222,012	96.80	2,295,436	5.0377
Share Class C	229.40	141.00	22,867,597	157.18	14,548,736	5.6199

* In respect of the period 1 January 2013 to 30 June 2013

Amity European Fund

Report of the Authorised Corporate Director

This review covers the period from 1 January 2013 to 30 June 2013

- Over the course of the period under review the share price of the Amity European Fund rose by 12.2%* in line with the IMA Europe (excluding UK) sector average return of 12.2% whilst the FT World Europe (ex UK) Index gained 10.9%.
- The Fund benefited from an overweight position in healthcare which performed strongly and an underweight position to the energy sector which was negatively impacted by the weakness of the oil price. The Fund's overweight position to the utility sector didn't have a negative 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, Tikkurila and DSM. On the negative side despite an underweight position to financials the Fund was still impacted by large falls in Commerzbank and Banco Santander.
- The telecommunications sector continued to appear very cheap and operating conditions appear set to improve, all be it from a very testing time, as the EU seeks to encourage operators to build out G4 networks and the industry looks to consolidate. Purchases included France Telecom, Telefonica and Telefonica Deutschland. The Fund also invested in Pirelli and Eurazeo which appeared attractively valued and added to a position in Mersen, which was trading at very low levels after its graphite business was hit by falls in demand from the solar industry. The Fund took profits in Getinge and Svenska Cellulose which had performed strongly and were trading on high multiples.

Prospects

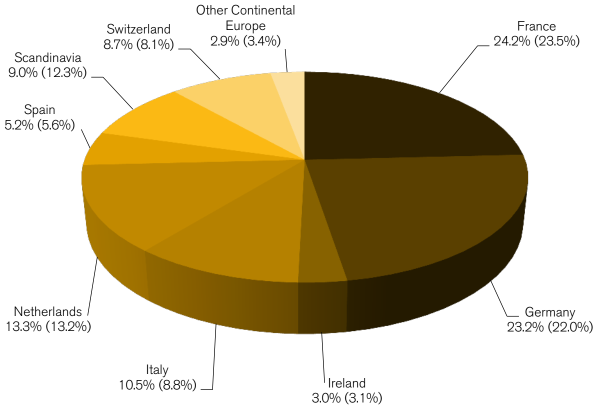
The macroeconomic conditions in continental Europe remain poor as economic policy remains hostage to the conflicting interests of the Sovereign states which are nonetheless bound together in the straightjacket of the euro. Mario Draghi's OMT announcement appears to be acting as a sticking plaster over the cracks but it remains to be seen if a more permanent solution to the Sovereign debt crisis can be found. Fiscal contraction and dysfunctional monetary policy means Europe is unlikely to emerge rapidly from its economic travails but the region is gaining in competitiveness and the trade imbalances between the different countries are reducing. 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.

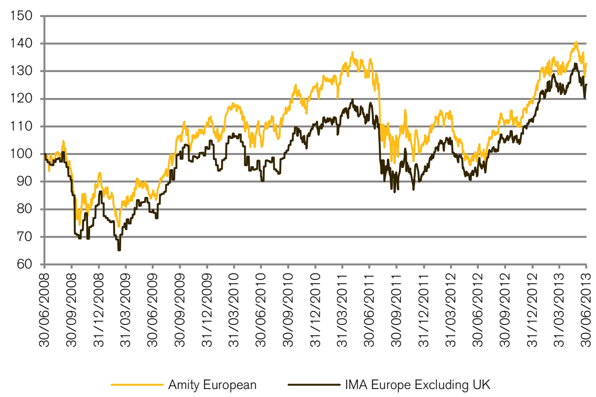
Asset allocation by sector at 30 June 2013

The figures in brackets show allocation at 31 December 2012



Figures exclude cash

Performance



Graph showing the growth of the Amity European Fund compared to IMA Europe (excluding UK) Sector Average from 30 June 2008 to 30 June 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	
	Growth	Rank	Growth	Number
31/12/12 – 30/06/13	12.2%	46	12.2%	103
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
31/12/07 – 31/12/08	-17.8%	8	-24.2%	100

Table showing % growth 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 30 June 2013
1	Sanofi-Aventis	3.34%
2	Roche	3.23%
3	Merck KGaA	3.22%
4	Wolters Kluwer	2.95%
5	Smurfit Kappa	2.91%
6	Novartis	2.75%
7	Ansaldo	2.47%
8	Philips Electronics	2.47%
9	Bayer	2.24%
10	Vivendi	2.23%

Ongoing charges figure at 30 June 2013

Share Class A	Share Class B	Share Class C
1.65%	0.90%	1.40%

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

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.
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- 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
30 June 2013*						
Share Class A	182.80	156.60	11,174,742	170.81	6,542,191	1.2500
Share Class B	184.80	157.80	35,249,433	172.33	20,454,873	1.7000
Share Class C	202.30	173.10	750,448	190.47	394,003	1.5000
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
31 December 2008						
Share Class A	161.60	105.10	2,285,970	128.92	1,773,153	2.3917
Share Class B	163.00	106.40	24,980,111	129.82	19,242,265	3.6317
Share Class C	161.00	105.30	405,031	131.38	308,300	2.9783

* In respect of the period 1 January 2013 to 30 June 2013

Amity International Fund

Report of the Authorised Corporate Director

This review covers the period from 1 January 2013 to 30 June 2013.

- Over the course of the period the share price of the Amity International Fund increased by 11.7%*, underperforming the 13.7% return posted by the IMA Global sector and falling short of the 14.8% return recorded by the FTSE World Index.
- The Fund's asset allocation was the primary contributor to underperformance, with an underweight position in US dollar denominated assets, an overweight position in euro denominated assets and the weighting to cash all detracting from returns.
- With respect to geographic allocations, an underweight position in the US equity market had a detrimental impact upon returns, the effects of which were compounded by the appreciation of the US dollar over the same time frame. In Europe, overweight allocations to Germany, Spain and Austria negatively contributed to performance. Conversely, the potential drag on Fund performance from an overweight position in Asia was mitigated by the positive impact of stock selection within the region as the Fund benefited from a preference for small capitalisation companies within the region. Stock selection in Japanese and UK equities also had a beneficial impact on performance.
- At a sector level, the Fund benefited from being underweight in the materials and energy sectors, both of which continued to perform poorly amid an anaemic economic growth environment. However, this impact was largely offset by underperformance in financials, within which the Fund's holdings in UK-listed insurers Aviva and RSA performed weakly after both posted a disappointing set of full-year results and reduced their dividend payouts earlier in the year.
- The largest positive contributors to performance at a stock level came from those companies that were continuing to experience buoyant trading conditions in spite of weak economic activity globally. BYD Electronic, a mobile handset component manufacturer and Ezion Holdings, a Singapore-based offshore oil services company were notable contributors.
- The Fund's weighting to cash has been reduced and exposure to the US equity market has risen through an increase in the Fund's position in Intel, the world's largest semiconductor chip manufacturer. On a sector basis, the weighting to consumer discretionary has been increased through a new investment in Trinity, a Hong Kong listed luxury retailer and additions to other holdings such as Dah Chong Hong, a motor vehicle distributor based in Hong Kong.

Prospects

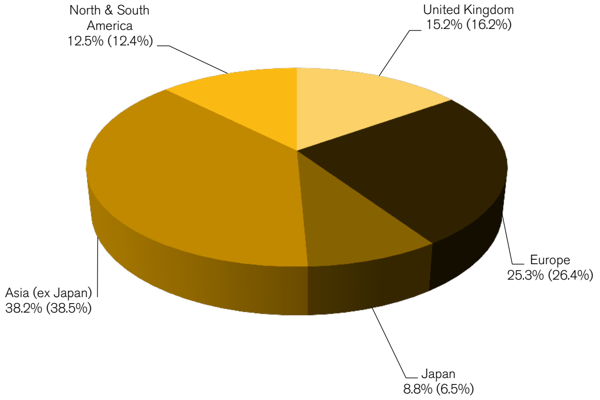
The Fund remains defensively positioned given the continued uncertainty surrounding the macroeconomic environment, favouring stock specific, bottom-up ideas that are based upon those companies which boast resilient earnings streams, strong balance sheets and generate large and consistent cash flows. A positive long term view on Asia is reflected in the region's overweight allocation, whilst conversely a cautious stance remains on US equities in light of record high profit margins and elevated 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.

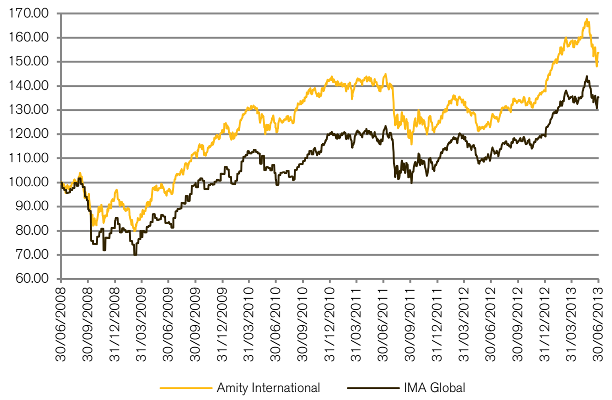
Asset allocation by sector at 30 June 2013

The figures in brackets show allocation at 31 December 2012



Figures exclude cash

Performance



Graph showing the growth of the Amity International Fund compared to IMA Global Sector Average from 30 June 2008 to 30 June 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	
	Growth	Rank	Growth	Number
31/12/12 – 30/06/13	11.7%	170	13.7%	244
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
31/12/07 – 31/12/08	-15.3%	11	-24.5%	172

Table showing % growth 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 30 June 2013
1	Ezion Holdings	2.91%
2	GlaxoSmithKline	2.91%
3	Vodafone	2.17%
4	General Electric Class 'C'	2.04%
5	BYD Electronic International	1.85%
6	Intel	1.65%
7	Sumitomo Mitsui Financial	1.61%
8	Sanofi-Aventis	1.52%
9	Tesco	1.48%
10	Minth	1.45%

Ongoing charges figure at 30 June 2013

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

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

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 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
30 June 2013*						
Share Class A	222.20	184.40	147,109,480	201.43	73,031,051	1.1500
Share Class B	224.10	185.50	76,260,518	202.80	37,603,481	1.7500
Share Class C	231.00	191.50	1,336,180	210.67	634,242	1.2500
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
31 December 2008						
Share Class A	164.20	118.40	2,280,854	134.84	1,691,583	2.8781
Share Class B	165.20	119.80	28,174,598	135.63	20,773,269	4.0841
Share Class C	154.50	111.90	498,201	130.13	382,850	3.3096

* In respect of the period 1 January 2013 to 30 June 2013

Amity Sterling Bond Fund

Report of the Authorised Corporate Director

This review covers the period from 1 January 2013 to 30 June 2013

- Over the course of the period under review the share price of the Amity Sterling Bond Fund declined by -2.9*%* compared with the IMA Sterling Strategic Bond sector average return of 0.1 % whilst the FT All Stock Index return of -3.1%.
- Gilt yields rose over the period after the chairman of the Federal Reserve, Ben Bernanke, announced that it was considering 'tapering' off its quantitative easing program and potentially curtailing it altogether by the middle of next year. Consequently global government bond yields increased sharply with the 10 year gilt yield moving up by 90bps in the space of two months peaking at over 2.5% in June. Since then monetary policymakers have made a concerted effort to reassure investors that base rates are not going to move up anytime soon and this has had the desired effect of lowering yields though they remain higher than at the start of the year. The upward shift in bond yields has led to losses for gilt investors as capital values have fallen.
- Corporate spreads had moved sharply lower as investors' risk tolerance increased and the search for yield intensified but this trend reversed towards the end of the period leaving credit spreads only slightly below where they started the year. The fall in spreads and higher yields has meant that corporate bonds have tended to outperform the gilt market over the period. The Fund has kept a shorter than average maturity and is predominantly invested in corporate bonds which will have had a positive impact on performance.
- However the Fund did suffer from its exposure to Co-Operative Bank and its well-publicised difficulties. The Fund held different tranches of Co-Operative paper including senior, subordinated and junior subordinated paper which have all fallen sharply over the period. The Fund also suffered falls in value from its building society PIBS holdings which underperformed due to both the Co-op news and the PRA indicating that Nationwide needs to raise more capital. In our view much of the sell-off was unwarranted as most building societies are not as exposed to the corporate lending market as Co-op and retain strong balance sheets.

Prospects

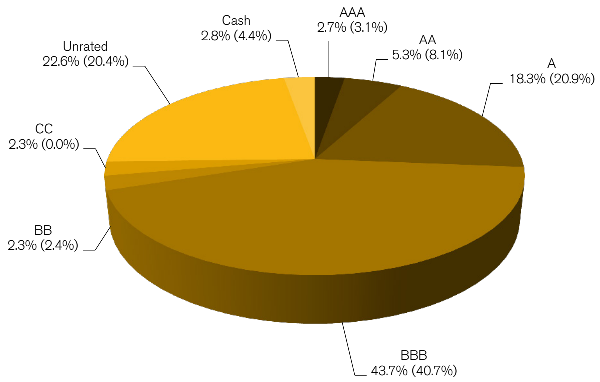
In the short term the outlook for gilt yields will be dominated by news flow from the major central banks on quantitative easing but we continue to believe gilt yields remain at artificially low levels. Even the mention of a possible relaxation of quantitative easing in the US has led to a sharp uptick in gilt yields. We believe as monetary conditions tighten and the flood of liquidity in to the bond markets eases, gilt yields will rise. Consequently we intend to continue maintaining a shorter than average maturity for the Fund. We continue to believe that the corporate bond sector offers a better risk/return outlook than the gilt market and remain overweight.

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

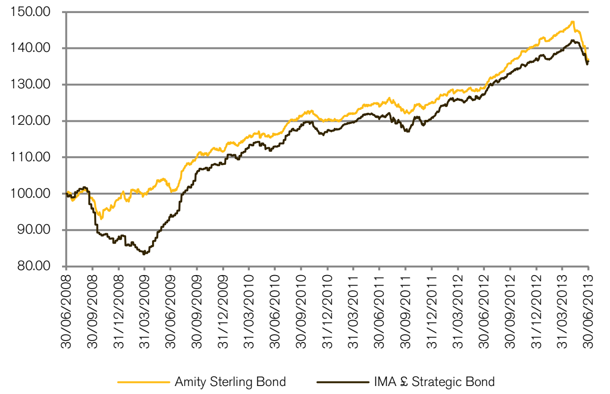
Please note: Stocks and shares should be viewed as a medium to long-term investment, usually for a period of five years or more.
The value of investments can fall as well as rise. Past performance should not be seen as an indication of future performance.

Asset allocation by sector at 30 June 2013

The figures in brackets show allocation at 31 December 2012



Performance



Graph showing the growth of the Amity Sterling Bond Fund compared to IMA £ Strategic Bond Sector Average from 30 June 2008 to 30 June 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	
	Growth	Rank	Growth	Number
31/12/12 – 30/06/13	-2.9%	66	0.1%	73
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
31/12/07 – 31/12/08	N/A	N/A	N/A	N/A

Table showing % growth 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 30 June 2013
1	Premier Farnell 8.920%Convertible Pref	2.57%
2	Aviva 8.75% Pref	2.52%
3	Direct Line Insurance FRN 27/04/2042	2.40%
4	Standard Life 6.546% Perp	2.37%
5	London Stock Exchange 4.75% 02/11/2021	2.24%
6	UK Treasury 8.75% 25/08/2017	2.21%
7	Nottingham Building Society 7.875% PIBS	2.20%
8	Artesian Finance 3.625% 30/09/2032	2.14%
9	Close Bros 6.5% 10/02/2017	2.14%
10	Society of Lloyds 7.421% 31/12/2049	2.12%

Ongoing charges figure at 30 June 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.
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- 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 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
30 June 2013*						
Share Class A	110.60	102.50	42,008,104	100.47	41,811,309	2.2663
Share Class B	117.60	109.00	17,187,498	106.92	16,075,719	2.4017
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
31 December 2008						
Share Class A†	101.75	86.99	373,688	89.87	415,789	5.6112
Share Class B†	101.61	90.52	10,281,283	93.47	11,000,000	2.3530
Share Class C^	N/A	N/A	N/A	N/A	N/A	N/A

† Fund launched on 18 February 2008.

^ Share Class C is currently inactive.

* In respect of the period 1 January 2013 to 30 June 2013

Higher Income Fund

Report of the Authorised Corporate Director

This review covers the period from 1 January 2013 to 30 June 2013.

- Over the course of the period the share price of the Higher Income Fund increased by 3.7%* compared with the 7.4% return posted by the IMA Mixed Investment 40%-85% shares sector and falling short of the 8.5% return recorded by the FTSE All-Share Index.
- The Fund's equity component outperformed the FTSE All-Share Index over the course of the period under review, however the fixed interest component underperformed sterling bond indices as the portfolio was negatively impacted by its exposure to the subordinated debt of the Co-Operative Bank, which declined in value following a six-notch downgrade to "junk" by the rating agency Moody's in May.
- The Fund's more balanced allocation between equities and fixed interest also detracted from relative returns as those funds within the sector that are heavily biased to equity will have benefited from the higher periodic returns posted by equities as an asset class over the six month period.
- Many of the most significant positive contributors to the Fund's performance were holdings in companies that are considered defensive in nature. These included GlaxoSmithKline, Vodafone and BT Group, which have benefited from stable earnings streams and strong pricing power in their respective markets. Conversely, the largest detractors from the Fund's performance were cyclical names, including Petrobras and Yara International, which continued to be constrained by a challenging macroeconomic environment.
- In the overseas equity portfolio, exposure to the technology sector was increased through an investment in Intel, the world's largest semiconductor chip manufacturer. An investment was also made in Japan Residential Investment Company, a Japanese residential property investor which provides exposure to improving market fundamentals in the Japanese real-estate market and offers an attractive dividend yield.

Prospects

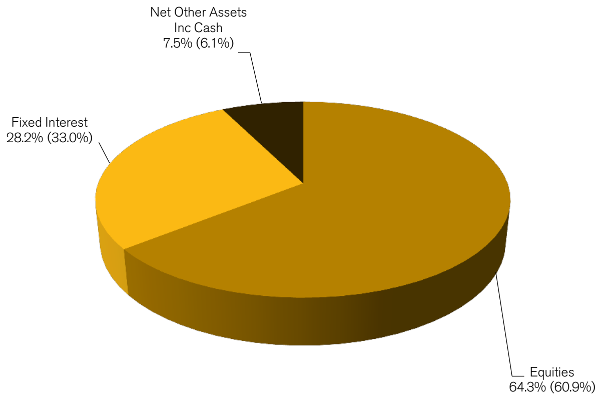
Economic growth remains subdued by historical standards and the recovery continues to be dependent on the support of the world's central banks. Therefore further volatility across asset classes in the forthcoming months would not be unreasonable, given that a number of potential destabilising factors lie ahead. The Fund remains defensively positioned given the continued uncertainty surrounding the macroeconomic environment, favouring bottom-up ideas that are based upon those companies which boast resilient earnings streams, strong balance sheets and generate large and consistent cash flows. A positive long term view on Asia is reflected in the region's overweight allocation, whilst conversely a cautious stance remains on US equities in light of record high profit margins and elevated valuations.

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

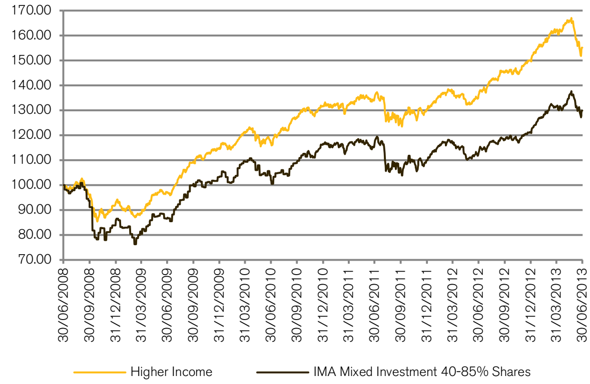
Please note: Stocks and shares should be viewed as a medium to long-term investment, usually for a period of five years or more. The value of investments can fall as well as rise. Past performance should not be seen as an indication of future performance.

Asset allocation by sector at 30 June 2013

The figures in brackets show allocation at 31 December 2012



Performance*



Graph showing the growth of the Higher Income Fund compared to IMA Mixed Investment 40-85% Shares Sector Average from 30 June 2008 to 30 June 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*

	Higher Income Fund		Mixed Investment 40-85% Shares Sector Average	
	Growth	Rank	Growth	Number
31/12/12 – 30/06/13	3.7%	138	7.4%	144
	Higher Income Fund		UK Equity & Bond Income Sector Average	
	Growth	Rank	Growth	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
31/12/07 – 31/12/08	-12.4%	2	-22.3%	20

Table showing % growth 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 30 June 2013
1	GlaxoSmithKline	3.09%
2	Vodafone	2.22%
3	Royal Dutch Shell 'B'	2.06%
4	General Accident 8.875% Pref	1.87%
5	BP	1.82%
6	Tesco	1.57%
7	Standard Chartered Bank 8.25% Pref	1.47%
8	National Grid	1.43%
9	Intel	1.41%
10	Morant Wright Nippon Yield B	1.36%

Ongoing charges figure at 30 June 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.
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- 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 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
30 June 2013*						
Share Class A	132.00	119.20	159,525,285	120.38	132,514,111	1.5500
Share Class B	134.40	121.10	37,945,399	122.56	30,960,733	1.6000
Share Class C	285.50	257.60	14,297,566	263.79	5,420,012	2.9000
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
31 December 2008						
Share Class A	105.50	83.41	25,703,717	86.42	29,742,478	4.7734
Share Class B	105.20	83.24	12,088,200	86.49	13,976,476	4.7072
Share Class C	180.70	144.20	4,692,880	155.99	3,008,394	8.3452

* In respect of the period 1 January 2013 to 30 June 2013

UK Equity Growth Fund

Report of the Authorised Corporate Director

This review covers the period from 1 January 2013 to 30 June 2013.

- Over the course of the period under review the share price of the UK Equity Growth Fund rose by 19.8%*, substantially outperforming both the rise in the FTSE All-Share Index of 8.5% and the IMA All Companies sector average rise of 10.5%, both measured on a similar basis.
- As at 30 June 2013, 42.7% of the Fund was invested in FTSE 100 companies, 30.9% was invested in companies in the FTSE 250 Mid Cap Index, and 23.0% in other companies. Cash holdings were 3.5%.
- The two main themes of the leading positive contributors to the Fund's performance during the six month period under review were technology and cyclical growth. Thus WANdisco (software), Ashtead Group (plant hire), Xaar (advanced print heads) and Howden Joinery (fitted kitchens) all made significant advances helped by encouraging trading updates. In contrast, some international industrial cyclical companies performed less well in light of the greater uncertainty around their outlooks; Oxford Instruments and Spectris (both electronic instruments) were casualties of this effect whilst the price of Rio Tinto was undermined by weakness in commodities markets.
- From a sector allocation perspective, the Fund benefited from being overweight the retail and aerospace sectors which performed strongly and from being underweight the mining and oil & gas sectors both of which performed poorly and which also constitute a significant proportion of the benchmark index. The Fund's above average exposure to small and medium sized companies also contributed to outperformance.
- New holdings of note were established in 1Spatial (mapping software), Inland Homes (land development), and William Hill (gaming). The Fund also purchased shares in the new issues of Crest Nicholson (house building), esure Group (insurance) and HellermanTyton (cable management), all of whom offered an attractively priced entry into companies with good market positions. Sales were effected in Babcock (support services), HSBC (banking), Imperial Tobacco (tobacco), Sirius Minerals (potash), Spirent Communications (telecoms software), and Weir Group (mining equipment). The position in Oxford Instruments, which has been a very successful investment over a number of years, was reduced because its valuation appeared to fully reflect its medium term prospects.

Prospects

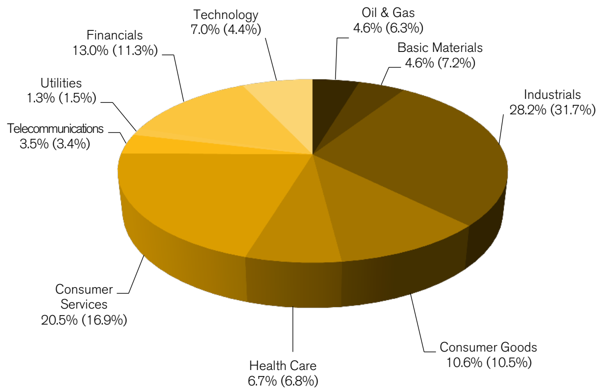
Possible changes in monetary policy in the US, UK and elsewhere may well remain at the forefront of investors' thinking over the forthcoming months. Although the uncertainty may bring further volatility in financial markets, the consolation should be that the possible alterations in the US and UK, at least, are themselves a reflection of signs of further rehabilitation of previously troubled economies. Although macroeconomic considerations cannot be totally ignored, 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.

* 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.

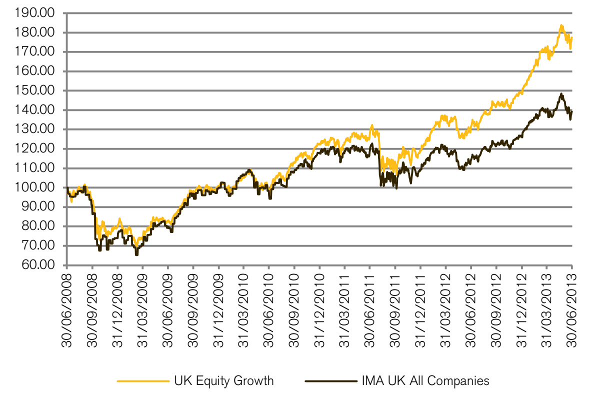
Asset allocation by sector at 30 June 2013

The figures in brackets show allocation at 31 December 2012



Figures exclude cash

Performance



Graph showing the growth of the UK Equity Growth Fund compared to IMA UK All Companies Sector Average from 30 June 2008 to 30 June 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	
	Growth	Rank	Growth	Number
31/12/12 – 30/06/13	19.8%	2	10.5%	275
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
31/12/07 – 31/12/08	-28.4%	78	-31.6%	298

Table showing % growth 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 30 June 2013
1	Ashtead	2.96%
2	GKN	2.59%
3	Howden Joinery	2.23%
4	Next	2.23%
5	WANdisco	2.14%
6	GlaxoSmithKline	2.11%
7	Rolls-Royce	2.05%
8	Unilever	1.95%
9	Dunelm Group	1.82%
10	Lloyds Banking Group	1.75%

Ongoing charges figure at 30 June 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

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 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
30 June 2013*						
Share Class A	193.70	159.00	19,611,536	185.63	10,564,977	0.8000
Share Class B	197.70	161.80	77,668,354	189.37	41,014,423	1.0000
Share Class C	257.80	211.50	15,091,061	248.23	6,079,371	0.8000
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
31 December 2008						
Share Class A	130.00	82.37	5,340,586	89.72	5,952,503	2.5371
Share Class B	132.20	84.20	36,548,042	91.06	40,138,383	3.7039
Share Class C	156.40	100.20	8,228,024	111.36	7,388,515	3.5753

* In respect of the period 1 January 2013 to 30 June 2013

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