

# Ecclesiastical investment funds

INTERIM REPORT AND UN-AUDITED  
FINANCIAL STATEMENTS



30 June 2008

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## 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 December 2005.

### 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 Services Authority.

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

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Financial Services Authority

### Directors of Ecclesiastical Investment Management Limited

N J E Sealy, FCA (Chairman)  
M H Tripp, BSc, ARCS, FIA  
G A Prescott, BA, FCA

### Ultimate Parent Company of the ACD

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

### Depository

The Bank of New York Trust and  
Depository Company Limited  
One Canada Square,  
London E14 5AL.

Authorised and regulated by the  
Financial Services Authority

### Registrar

Northern Trust International Fund  
Administration Services (UK) Limited  
50 Bank Street, Canary Wharf,  
London E14 5NT.

### Auditors

Deloitte & Touche LLP  
Stonecutter Court,  
One Stonecutter Street,  
London EC4A 4TR.

## Ecclesiastical Investment Funds – with its six investment sub-funds, is offered by Ecclesiastical Investment Management Limited.

This Long Report is for the period from 1 January 2008 to 30 June 2008. 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 on request from the ACD and to download from [www.ecclesiastical.com/longreport](http://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

1 January 2008 to 30 June 2008

**The first half of 2008 witnessed volatile trading and generally downward trends across the world's stockmarkets. The background for such turmoil was financial markets beset by fear and uncertainty, deteriorating business and consumer confidence, and inflationary pressures greater than had been experienced for a number of years.**

The outlook for the remainder of the year provides little by way of comfort for investors; new problems within financial markets are still being unveiled with alarming regularity, and economic growth is expected to be weak in the major economies of the west. Furthermore, while the rate of inflation may peak this year it is likely to remain at levels which will not allow central banks to cut interest rates. Stockmarkets are therefore expected to remain weak and volatile.

## The United Kingdom

The FTSE 100 Index of leading companies fell 12.9% over the course of the first six months of 2008. Medium sized and smaller companies, which tend to have a greater exposure to the domestic economy than their larger brethren fared even worse; the FTSE Mid Cap Index and FTSE Small Companies Index fell 14.2% and 16.1% respectively.

The best performing sectors included mining and metals, oil producers and services, and engineering companies, all reflecting booming commodity and oil prices, and an enduring international capital expenditure cycle. In contrast, the worst performing sectors featured those exposed to the financial crisis and downturn in consumer confidence and included general retailers, real estate, banks, and household goods.

Corporate activity was dominated by the need for a number of banks to raise money to cover write-offs incurred as their financial assets were devalued in light of the credit crunch and also to reflect greater caution with regard to reserving requirements. Royal Bank of Scotland, HBOS, Bradford & Bingley, and Barclays asked for substantial amounts of new funds from shareholders, and, they received a very lukewarm response.

Beyond the banking sector, domestic economic news deteriorated steadily as the months passed. Hamstrung by a securitisation market that had dried up, mortgage lenders scrambled to avoid writing new business. House prices

began to fall and the number of transactions slumped. In tandem with these developments, there was a sharp fall in confidence with knock-on effects for retailers and other sectors exposed to consumer activity.

Not surprisingly, GDP growth slowed (but remained positive) and unemployment increased. The Monetary Policy Committee (MPC), therefore, was faced with the most finely balanced deliberations since its formation in 1997. In the light of the sharply slowing domestic demand and collapse in consumer confidence there was considerable pressure to reduce interest rates. The dilemma for the MPC was that its room for manoeuvre was compromised by the steadily rising rate of inflation. The net result of these conflicting pressures was just two quarter point cuts in the base rate to leave it at 5.0% by the period end.

The root cause of the surge in prices was sustained strength in the price of a broad range of commodities including energy, minerals and agricultural items. While the impact of rising prices had an immediate impact on the cost of some goods such as petroleum, other prices rose after longer periods of gestation. For example, the price of foodstuffs was also pushed upwards, reflecting rising living standards in the developing world, and also the search for oil substitutes in the developed economies. The rising price of commodities was also fuelled by speculators operating in relatively small and illiquid markets and by investors who were disinclined to purchase equities.

## Europe

The FTSEurofirst 300 Index fell 20.3% in local currency terms over the six months to 30 June 2008.

The worst performing countries included Finland and Ireland which suffered a severe slowdown in its financial and property markets. Of the major markets, Switzerland, traditionally a haven for defensive investors, once again proved to be the most resilient.

In common with many other equity markets, the best performing sectors were those exposed to international industrial production; the worst being financial and domestic consumer-facing issues.

Despite the growing evidence of a slowdown in economic growth in the region to about 2.0%, when setting interest rates the

European Central Bank was most mindful of its primary duty which is to control inflation which rose to 4.0% by the end of June. As a result, interest rates were left unchanged at 4.0% throughout the first half of 2008.

The relative resilience of the European economy and its reluctance to cut interest rates increased the attractiveness of the Euro as a reserve currency and it rose to all-time highs against other major currencies which had the effect of acting as a further tightening of monetary policy.

### United States of America

Over the course of the first six months of 2008 the Dow Jones Industrial Index Average fell 14.4%, while the more broadly based S&P 500 Index fell 12.8% over the same period.

The economy continued to struggle – GDP growth slowed to less than 2.0%, but inflation and unemployment rose significantly, to 5.0% and 5.5% respectively. The housing market, the initial cause of the liquidity crisis, slumped, with significant drops in prices and activity. The knock-on effect was consumer confidence at a 16 year low and a sharp pull-back in spending.

In the corporate sector the most high profile event was the demise of Bear Stearns, rescued from near bankruptcy by JP Morgan after suffering significant losses in the seizure of the financial markets. There were, however, many other financial institutions whose balance sheets, reputations and share prices suffered severe damage.

In contrast to the relatively cautious deliberations by the financial authorities in UK and Europe, the Federal Reserve (Fed) acted to aggressively cut interest rates early in the year, and the benchmark rate by the end of June was 2.0%, having started the year at 4.25%. The Fed was also very active in providing many billions of dollars of liquidity to financial markets.

### Asia

The economies of many Asian countries continued to show robust economic growth, albeit it at rates below those of recent years. In contrast to the economic strength in the region, many stockmarkets performed poorly as investors reacted negatively to slower economic growth, and also to the pressure of rising inflation rates. Inflation rates in the region were even higher than those of developed countries reflecting a higher

dependence on foodstuffs and commodities. Moreover, in the light of these trends and the ongoing problems in the financial markets of developed countries, there was persistent selling by overseas investors.

While economic growth in Japan once again remained stubbornly low, losses in the Nikkei Index were limited to 11.9% reflecting the relative isolation of the country's banking system, and domestic confidence which was also low after years of deflation.

### Outlook

After twelve months of volatile and brutal adjustment in Western financial markets, negative effects are beginning to make themselves felt in the wider economy. The prevailing gloom has been further heightened by rising inflation which has hindered the ability of some policy makers to cut interest rates.

In the UK, confidence remains low especially among domestic consumers. The MPC appears to have little room for manoeuvre and the poor state of the Government's finances further restricts the policy options. A further period of subdued activity in the domestic economy appears likely. The US faces many similar issues, and while the authorities have been willing to take more drastic action to salvage the financial markets the sheer size of the problem remains daunting and a sustained recovery in the short term appears unlikely.

European economies may well prove to be more resilient than those of the UK and US having avoided many of the economic excesses of recent years. Nonetheless, lower domestic confidence, a slowing world economy, and, especially, inflationary concerns provide a poor backdrop for the immediate future.

While Asian economies are likely to provide the highest rates of growth in the world, the performance of their stockmarkets is likely to remain under a cloud until investors become more confident on the prospects for the world economy and investing environment.

## Key Points

### ■ First half of 2008 summary

Volatile trading and generally downward trends across the world's stockmarkets due to uncertainty, deteriorating business and consumer confidence and greater inflationary pressures.

### ■ UK

FTSE 100 Index fell 12.9%. FTSE Mid Cap Index and FTSE Small Companies Index fell 14.2% and 16.1%. Best performing sectors included mining, metals, oil producers and services, and engineering companies.

### ■ Europe

FTSEurofirst 300 Index fell 20.3%. The Euro was attractive as a reserve currency due to the resilience of this economy and reluctance to cut interest rates which remained unchanged at 4%.

### ■ US

Dow Jones Industrial Index Average fell 14.4% and S&P 500 Index fell 12.8%. GDP growth less than 2.0% with inflation and unemployment rising to 5.0% and 5.5% respectively.

### ■ Asia

Economies of many countries in the region continue to show robust economic growth. In contrast, many stockmarkets have performed poorly.

### ■ 2008 Outlook

After twelve months of volatile and brutal adjustment in Western financial markets negative effects are beginning to make themselves felt in the wider economy.

# Amity UK Fund

## Investment objective

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

## Investment policy

The Amity UK Fund seeks to invest in a portfolio of companies which make a positive contribution to society and the environment through sustainable and socially responsible practices.

The Fund seeks to avoid investment in certain areas such as companies which have a material involvement in alcohol, tobacco and weapon production, gambling and publication of violent or explicit materials.

This Fund is marketable to all retail investors.

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 Fund's objective.

The Manager does not currently intend to use derivatives for any purpose other than the efficient portfolio management of the Fund, although it may subject to obtaining and maintaining the requisite permissions from the FSA under the Financial Services and Markets Act 2000 and on giving not less than 60 days' notice to shareholders in the Fund, use derivatives in pursuit of its investment objective in the future.

If derivatives are used for the purpose of meeting the investment objective of the Fund it is not intended that the use of derivatives would cause the Net Asset Value of the Fund to have higher volatility or otherwise cause the existing risk profile of the Fund to change.

The Fund will be managed in line with the requirements for inclusion in an ISA.

## What risks are associated with this Fund?

- Most of the assets will be invested in the UK stockmarket 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 stockmarket and this could lead to greater volatility.

## Report of the Authorised Corporate Director

This review covers the period from 1 January 2008 to 30 June 2008.

Over the period under review, the share price of the Amity UK Fund fell by 14.4% on an offer-to-offer basis with income reinvested, underperforming the FTSE All Share Index total return of minus 11.2% and IMA UK All Companies Sector Average fall of 11.3%, measured on a similar basis.

Cash balances at 30 June 2008 were 7.5%.

The performance of the Fund was adversely impacted by its lack of exposure to the strongly performing mining and oil & gas sectors, a consequence of the Fund's ethical investment policy.

At a stock level, positive performances came from BG Group (oil & gas), Dechra Pharmaceuticals (veterinary supplies), and Fugro (oil services). Negative impacts came from HBOS (banks), Next and Marks & Spencer (retailers), and Taylor Wimpey and Wolseley (both exposed to the building sector).

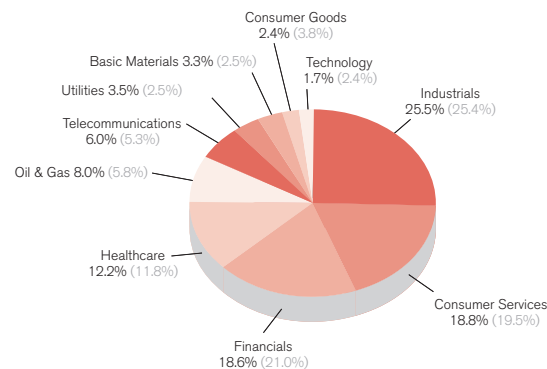
A significant driver of portfolio activity was the reduction in the proportion of the portfolio invested in overseas companies. Purchases made in the UK included recovery situations at Elementis (chemicals) and Rentokil Initial (support services), software engineer AVEVA, and engineering consultants Hyder Consulting and WSP.

## Prospects

Low consumer confidence but persistent inflationary pressures have set up a painful pincer movement for the domestic economy. Balance sheet strength and robust cash flows will continue to be the focus of attention. Above average cash balances are likely to be retained, awaiting the right combination of risk and reward before being invested.

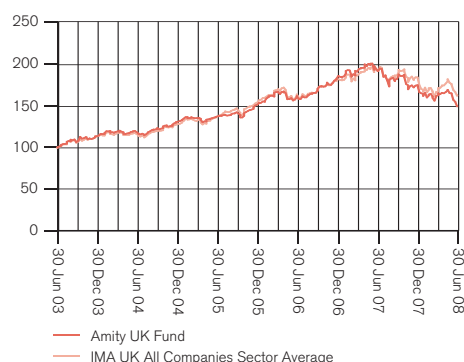
## Asset allocation by sector at 30 June 2008

The figures in brackets show allocation at 31 December 2007



Figures exclude cash

## Performance



Graph showing the growth of the Amity UK Fund compared to IMA UK All Companies Sector Average from 30 June 2003 to 30 June 2008, offer-to-offer, with income reinvested, based in UK Sterling. Prices re-based to 100. Source: Morningstar.

## Performance and ranking

	Amity UK Fund		UK All Companies Sector Average	
	Growth	Rank	Growth	Number
29/06/07 – 30/06/08	-21.9%	276	-14.5%	316
30/06/06 – 29/06/07	19.4%	87	18.0%	297
30/06/05 – 30/06/06	17.4%	180	19.0%	292
30/06/04 – 30/06/05	14.0%	235	16.3%	288
30/06/03 – 30/06/04	19.6%	71	17.3%	275

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 an offer-to-offer basis with income reinvested. Source: Morningstar.

## Major holding

Top ten holdings		Percentage of total net assets at 30 June 2008
1	Morrison (Wm) Supermarkets	2.98%
2	BG Group	2.79%
3	Tesco	2.44%
4	Fugro	2.43%
5	Dechra Pharmaceuticals	2.38%
6	GlaxoSmithKline	2.16%
7	BPP Holdings	1.94%
8	Genus	1.78%
9	Dignity	1.64%
10	Vodafone	1.64%

## Net income distribution / accumulation over the last six years

Net income distribution / accumulation	Pence per share	Per £1,000 invested at 2 January 2003 (£)
<b>2008</b>		
Share Class A*	0.5500	6.4813
Share Class B *	0.7150	8.4266
Share Class C *	0.7920	6.5945
<b>2007</b>		
Share Class A	2.0667	24.3542
Share Class B	3.2175	37.9199
Share Class C	4.0555	33.7677
<b>2006</b>		
Share Class A	2.3102	27.2237
Share Class B	3.3217	39.1479
Share Class C	4.1832	34.8310
<b>2005</b>		
Share Class A	1.6453	19.3884
Share Class B	2.4476	28.8462
Share Class C	3.1334	26.0899
<b>2004</b>		
Share Class A	1.9664	23.1723
Share Class B	2.6793	31.5769
Share Class C	3.4834	29.0042
<b>2003</b>		
Share Class A	1.6859	19.8668
Share Class B	2.3732	27.9694
Share Class C	2.6847	22.3539

## Total expense ratio at 30 June 2008 for last 6 months

Share Class A	Share Class B	Share Class C
1.73%	1.02%	1.34%

**Please note:** Stocks and shares should be viewed as a medium to long-term investment, usually for a period of 5 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.

## Share prices and Fund size

\*In respect of period from 1 January 2008 to 30 June 2008

	Share price range		Fund size		
	Highest for the year (pence)	Lowest for the year (pence)	Net asset value (£)	Net asset value (pence per share)	Number of shares in issue
<b>30 June 2008</b>					
Share Class A*	147.40	125.00	20,781,677	124.31	16,718,199
Share Class B *	147.90	125.80	619,587	124.93	495,935
Share Class C *	229.40	194.80	30,567,769	194.64	15,704,525
<b>31 December 2007</b>					
Share Class A	170.90	141.90	24,632,455	145.87	16,886,673
Share Class B	172.00	143.20	725,537	146.30	495,935
Share Class C	261.70	218.30	35,642,809	226.96	15,704,525
<b>31 December 2006</b>					
Share Class A	157.00	130.70	26,455,387	153.26	17,002,224
Share Class B	158.40	131.20	774,358	153.78	495,935
Share Class C	237.20	196.20	37,342,172	234.37	15,696,669
<b>31 December 2005</b>					
Share Class A	131.70	113.40	21,082,753	131.02	16,091,862
Share Class B	132.70	101.00	654,959	132.07	495,935
Share Class C	195.90	167.40	30,609,906	194.93	15,702,963
<b>31 December 2004</b>					
Share Class A	114.80	100.80	16,584,893	113.28	14,640,943
Share Class B	115.70	101.00	564,112	113.75	495,935
Share Class C	167.30	145.40	26,244,226	167.20	15,696,669
<b>31 December 2003</b>					
Share Class A	101.90	72.48	13,345,195	101.46	13,153,734
Share Class B	102.60	72.59	717,344	101.62	705,935
Share Class C	145.30	102.60	22,230,779	144.44	15,391,169

\*In respect of period from 1 January 2008 to 30 June 2008

# Amity European Fund

## Investment objective

To achieve long-term capital growth with a reasonable level of income primarily through a diversified portfolio of European companies.

## Investment policy

The Amity European Fund seeks to invest in a portfolio of companies which make a positive contribution to society and the environment through sustainable and socially responsible practices.

The Fund seeks to avoid investment in certain areas such as companies which have a material involvement in alcohol, tobacco and weapon production, gambling and publication of violent or explicit materials.

This Fund is marketable to all retail investors.

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 Fund's objective.

The Manager does not currently intend to use derivatives for any purpose other than the efficient portfolio management of the Fund, although it may subject to obtaining and maintaining the requisite permissions from the FSA under the Financial Services and Markets Act 2000 and on giving not less than 60 days' notice to shareholders in the Fund, use derivatives in pursuit of its investment objective in the future.

If derivatives are used for the purpose of meeting the investment objective of the Fund it is not intended that the use of derivatives would cause the Net Asset Value of the Fund to have higher volatility or otherwise cause the existing risk profile of the Fund to change.

The Fund will be managed in line with the requirements for inclusion in an ISA.

## What risks are associated with this Fund?

- 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 stockmarket and this could lead to greater volatility.

## Report of the Authorised Corporate Director

This review covers the period from 1 January 2008 to 30 June 2008.

Over the first six months of the year the share price of the Amity European Fund fell by 11.6% on an offer-to-offer basis with income reinvested, in line with the fall in the FTSEurofirst Index but underperforming the IMA Europe (including UK) Sector Average return of minus 10.1% (both measured on the same basis).

Cash balances at 30 June 2008 were 13.3%.

Portfolio activity was centred on the need to restructure the Fund in line with the change of investment objectives agreed by shareholders in February 2008. To this end, disposals were made in respect of a substantial portion of the UK portfolio and from investments in Europe which failed to meet the standards demanded by the ethical screening process. ENI (oil & gas), Henkel (chemicals), and Swedish Match (tobacco) were all sold on that basis.

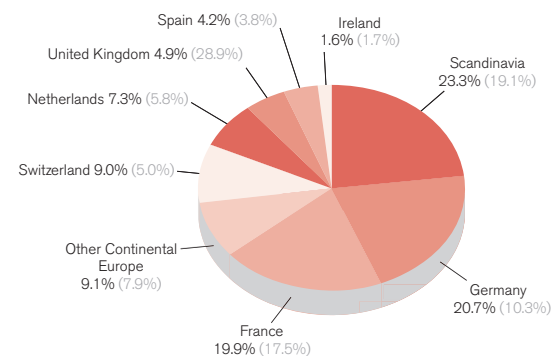
Some of the proceeds of the disposal programme were invested in companies which passed the ethical screening process and were believed to have strong balance sheets, good cashflow and robust business models. To this end purchases were made in Metro (retailing), Swatch (watches), Carl Zeiss Meditec (healthcare) and Yara International (fertilisers).

## Prospects

In volatile economic and financial conditions, relatively high cash balances are likely to be retained. The immediate focus of investment will remain on strong companies operating in the core north European countries which are expected to be more resilient against a background of financial and economic uncertainty. To reflect its new investment policy the Fund moved to the IMA Europe (excluding UK) Sector from 1 July 2008, and will be managed and measured on this basis in the future.

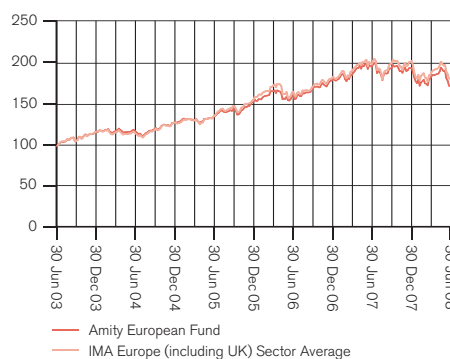
## Asset allocation by geographical area at 30 June 2008

The figures in brackets show allocation at 31 December 2007



Figures exclude cash

## Performance



Graph showing the growth of the Amity European Fund compared to IMA Europe (including UK) Sector Average from 30 June 2003 to 30 June 2008, offer-to-offer, with income reinvested, based in UK Sterling. Prices re-based to 100. Source: Morningstar.

## Performance and ranking

	Amity European Fund		Europe (including UK) Sector Average	
	Growth	Rank	Growth	Number
<b>29/06/07 – 30/06/08</b>	-12.3%	16	-8.5%	19
<b>30/06/06 – 29/06/07</b>	22.9%	8	22.0%	16
<b>30/06/05 – 30/06/06</b>	19.0%	13	22.5%	16
<b>30/06/04 – 30/06/05</b>	13.1%	15	15.7%	16
<b>30/06/03 – 30/06/04</b>	17.8%	5	15.3%	16

Table showing % growth and ranking of the Amity European Fund against IMA Europe (including UK) Sector Average and total number of funds. Figures compared on an offer-to-offer basis with income reinvested. Source: Morningstar.

**Major holding**

Top ten holdings		Percentage of total net assets at 30 June 2008
1	Statoil Hydro	3.07%
2	Roche	2.92%
3	Fugro	2.64%
4	Gas Natural	2.30%
5	Yara International	2.17%
6	Getinge 'B'	2.14%
7	Kone 'B'	2.10%
8	Bayer	2.06%
9	BASF	2.05%
10	Nokia	2.02%

**Net income distribution / accumulation**

Net income distribution / accumulation	Pence per share	Per £1,000 invested at 2 January 2003 (£)
<b>2008</b>		
Share Class A*	0.3300	4.0675
Share Class B *	0.6380	7.8465
Share Class C *	0.3300	4.3582
<b>2007</b>		
Share Class A	1.4973	18.4556
Share Class B	2.9780	36.6253
Share Class C	1.9279	25.4609
<b>2006</b>		
Share Class A	1.1847	14.6025
Share Class B	2.4454	30.0750
Share Class C	1.6927	22.3547
<b>2005</b>		
Share Class A	0.8557	10.5473
Share Class B	2.0418	25.1113
Share Class C	1.4100	18.6212
<b>2004</b>		
Share Class A	0.8319	10.2539
Share Class B	1.9014	23.3846
Share Class C	1.3083	17.2781
<b>2003</b>		
Share Class A	0.8630	10.6372
Share Class B	1.7943	22.0674
Share Class C	1.0971	14.4889

**Total expense ratio at 30 June 2008 for last 6 months**

Share Class A	Share Class B	Share Class C
1.82%	0.84%	1.33%

**Please note:** Stocks and shares should be viewed as a medium to long-term investment, usually for a period of 5 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.

**Share prices and Fund size**

	Share price range		Fund size		
	Highest for the year (pence)	Lowest for the year (pence)	Net asset value (£)	Net asset value (pence per share)	Number of shares in issue
<b>30 June 2008</b>					
Share Class A*	161.60	140.80	2,430,032	136.94	1,774,584
Share Class B *	163.00	141.80	27,552,039	143.19	19,242,265
Share Class C *	161.00	140.30	344,773	121.06	284,800
<b>31 December 2007</b>					
Share Class A	166.40	146.70	2,777,851	159.98	1,736,353
Share Class B	168.10	148.00	31,004,613	161.13	19,242,264
Share Class C	164.10	144.30	400,601	156.00	256,800
<b>31 December 2006</b>					
Share Class A	149.70	125.40	2,480,635	148.60	1,669,298
Share Class B	151.70	126.70	28,795,312	149.65	19,242,265
Share Class C	146.40	122.10	360,138	146.22	246,300
<b>31 December 2005</b>					
Share Class A	129.10	106.10	2,034,598	126.85	1,603,956
Share Class B	130.80	107.20	24,742,397	128.58	19,242,265
Share Class C	124.90	102.20	277,630	122.82	226,050
<b>31 December 2004</b>					
Share Class A	107.90	93.20	1,593,089	106.91	1,490,062
Share Class B	109.40	94.15	20,728,181	107.72	19,242,265
Share Class C	103.20	88.94	211,811	102.42	206,800
<b>31 December 2003</b>					
Share Class A	97.94	70.23	1,381,206	97.35	1,418,792
Share Class B	98.98	70.55	18,806,561	97.74	19,242,265
Share Class C	92.16	65.61	162,168	91.34	177,550

\*In respect of period from 1 January 2008 to 30 June 2008

\*In respect of period from 1 January 2008 to 30 June 2008

# Amity International Fund

## Investment objective

To achieve long-term capital growth with a reasonable level of income through a diversified portfolio of International companies.

## Investment policy

The Amity International Fund seeks to invest in a portfolio of companies which make a positive contribution to society and the environment through sustainable and socially responsible practices.

The Fund seeks to avoid investment in certain areas such as companies which have a material involvement in alcohol, tobacco and weapon production, gambling and publication of violent or explicit materials.

This Fund is marketable to all retail investors.

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 Fund's objective.

The Manager does not currently intend to use derivatives for any purpose other than the efficient portfolio management of the Fund, although it may subject to obtaining and maintaining the requisite permissions from the FSA under the Financial Services and Markets Act 2000 and on giving not less than 60 days' notice to shareholders in the Fund, use derivatives in pursuit of its investment objective in the future.

If derivatives are used for the purpose of meeting the investment objective of the Fund it is not intended that the use of derivatives would cause the Net Asset Value of the Fund to have higher volatility or otherwise cause the existing risk profile of the Fund to change.

The Fund will be managed in line with the requirements for inclusion in an ISA.

## What risks are associated with this Fund?

- 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 states. 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 stockmarket and this could lead to greater volatility.

## Report of the Authorised Corporate Director

This review covers the period from 1 January 2008 to 30 June 2008.

Over the course of the first six months of 2008 the share price of the Amity International Fund fell by 11.6% on an offer-to-offer basis with income reinvested, underperforming the IMA Global Growth Sector Average and FTSE World Index, both of which fell 10.2% (both measured on a similar basis).

Cash balances at 30 June 2008 were 18.8%.

At a stock level, there were positive impacts from pharmaceutical companies Roche and Novartis, and oil services company Fugro. Negative performances came from HBOS (banks) and some smaller Asian issues such as Hong Kong Aircraft Engineering (engineering), Pelikan International (stationery supplies), and Hop Fung Group (corrugated board).

An important feature of portfolio activity during the period was the disposal of shares which failed to meet the standards of the new ethical screening process approved by shareholders in February 2008. Sales which fell into this category included oil companies such as ConocoPhillips, Royal Dutch Shell 'B', and Sinopec.

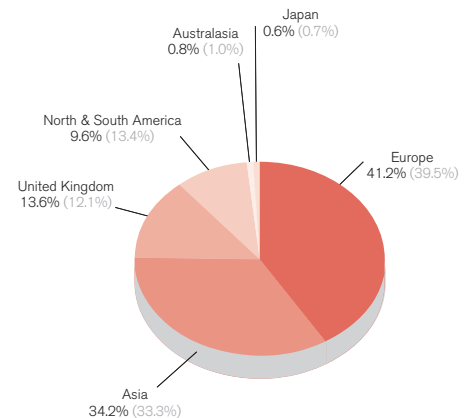
Purchases were centred on the pharmaceutical sector whose companies have historically demonstrated resilience in the face of economic uncertainty. Holdings in GlaxoSmithKline, Novartis, Pfizer, Roche, and Sanofi-Aventis were all topped up. Other purchases of note were made in MobileOne (telecoms) and Scud Group (rechargeable batteries).

## Prospects

Further slowing of global economic growth rates provides a cautious background for investing in shares and above average levels of cash balance are likely to be retained. Investments will remain focussed on growth opportunities in developing markets with a more defensive stance adopted for those in western economies.

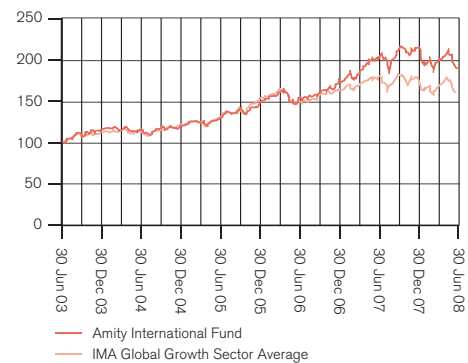
## Asset allocation by geographical area at 30 June 2008

The figures in brackets show allocation at 31 December 2007



Figures exclude cash

## Performance



Graph showing the growth of the Amity International Fund compared to IMA Global Growth Sector Average from 30 June 2003 to 30 June 2008, offer-to-offer, with income reinvested, based in UK Sterling. Prices re-based to 100. Source: Morningstar.

## Performance and ranking

	Amity International Fund		Global Growth Sector Average	
	Growth	Rank	Growth	Number
<b>29/06/07 – 30/06/08</b>	-5.4%	44	-8.7%	179
<b>30/06/06 – 29/06/07</b>	30.3%	3	16.0%	155
<b>30/06/05 – 30/06/06</b>	18.8%	41	16.7%	149
<b>30/06/04 – 30/06/05</b>	11.9%	81	13.4%	152
<b>30/06/03 – 30/06/04</b>	15.9%	45	14.4%	146

Table showing % growth and ranking of the Amity International Fund against IMA Global Growth Sector Average and total number of funds. Figures compared on an offer-to-offer basis with income reinvested. Source: Morningstar.

**Major holding**

Top ten holdings		Percentage of total net assets at 30 June 2008
1	Fugro	3.11%
2	Telefonica ADR	2.56%
3	Roche	2.39%
4	Statoil Asa	2.29%
5	Novartis	2.12%
6	GlaxoSmithKline	2.07%
7	Sanofi-Aventis	2.06%
8	Scud Group	1.61%
9	Siemens	1.54%
10	Dignity	1.51%

**Net income distribution / accumulation**

Net income distribution / accumulation	Pence per share	Per £1,000 invested at 2 January 2003 (£)
<b>2008</b>		
Share Class A*	0.0330	4.0610
Share Class B *	0.2970	4.1423
Share Class C *	0.0660	1.0430
<b>2007</b>		
Share Class A	0.9397	13.1261
Share Class B	2.4907	34.7378
Share Class C	1.5531	24.5433
<b>2006</b>		
Share Class A	1.0769	15.0426
Share Class B	2.3119	32.2441
Share Class C	1.4923	23.5825
<b>2005</b>		
Share Class A	0.8131	11.3577
Share Class B	1.9441	27.1144
Share Class C	1.3000	20.5436
<b>2004</b>		
Share Class A	0.6715	9.3798
Share Class B	1.6695	23.2845
Share Class C	1.0801	17.0686
<b>2003</b>		
Share Class A	0.6559	9.1619
Share Class B	1.5779	22.0070
Share Class C	0.8770	13.8590

**Total expense ratio at 30 June 2008 for last 6 months**

Share Class A	Share Class B	Share Class C
1.74%	0.82%	1.30%

**Please note:** Stocks and shares should be viewed as a medium to long-term investment, usually for a period of 5 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.

**Share prices and Fund size**

	Share price range		Fund size		
	Highest for the year (pence)	Lowest for the year (pence)	Net asset value (£)	Net asset value (pence per share)	Number of shares in issue
<b>30 June 2008</b>					
Share Class A*	164.20	143.00	1,909,513	143.63	1,329,510
Share Class B *	165.20	144.20	30,089,077	144.85	20,773,269
Share Class C *	154.50	134.70	456,687	135.48	337,100
<b>31 December 2007</b>					
Share Class A	166.20	131.70	1,974,871	162.92	1,212,188
Share Class B	168.30	132.90	34,107,029	164.19	20,773,269
Share Class C	155.50	123.00	450,983	147.94	304,850
<b>31 December 2006</b>					
Share Class A	133.30	109.60	1,392,443	131.96	1,055,235
Share Class B	135.20	110.90	27,618,711	132.95	20,773,269
Share Class C	123.20	101.10	353,791	122.95	287,750
<b>31 December 2005</b>					
Share Class A	114.70	92.66	1,055,239	113.57	929,184
Share Class B	116.40	93.33	23,702,311	114.10	20,773,269
Share Class C	104.80	84.21	263,958	102.81	256,750
<b>31 December 2004</b>					
Share Class A	93.88	83.86	870,859	92.70	939,413
Share Class B	95.05	94.82	19,373,537	93.26	20,773,260
Share Class C	84.59	75.53	198,294	83.85	236,500
<b>31 December 2003</b>					
Share Class A	90.82	64.30	764,337	90.27	846,726
Share Class B	91.87	64.57	18,828,813	90.64	20,773,270
Share Class C	80.76	56.90	164,007	80.00	205,000

\*In respect of period from 1 January 2008 to 30 June 2008

\*In respect of period from 1 January 2008 to 30 June 2008

# Amity Sterling Bond Fund

## Investment objective

The fund aims to provide an attractive level of income.

## Investment policy

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.

This Fund is marketable to all retail investors.

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 Fund's objective.

The Manager does not currently intend to use derivatives for any purpose other than the efficient portfolio management of the Fund, although it may subject to obtaining and maintaining the requisite permissions from the FSA under the Financial Services and Markets Act 2000 and on giving not less than 60 days' notice to shareholders in the Fund, use derivatives in pursuit of its investment objective in the future.

If derivatives are used for the purpose of meeting the investment objective of the Fund it is not intended that the use of derivatives would cause the Net Asset Value of the Fund to have higher volatility or otherwise cause the existing risk profile of the Fund to change.

The Fund will be managed in line with the requirements for inclusion in an ISA.

## What risks are associated with this Fund?

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

## Report of the Authorised Corporate Director

This review covers the period from 18 February 2008 to 30 June 2008.

Over the course of the period during which shares in the Fund were quoted, the share price of the Amity Sterling Bond Fund fell 1.4% on an offer-to-offer basis.

Portfolio activity was focussed on making investments to establish an initial portfolio. In line with the investment policy of the Fund, the core portfolio has been restricted to bonds issued by companies and entities who meet ethically acceptable standards. The portfolio has been constructed to provide a balanced and diversified spread of investments with a significant degree of income security.

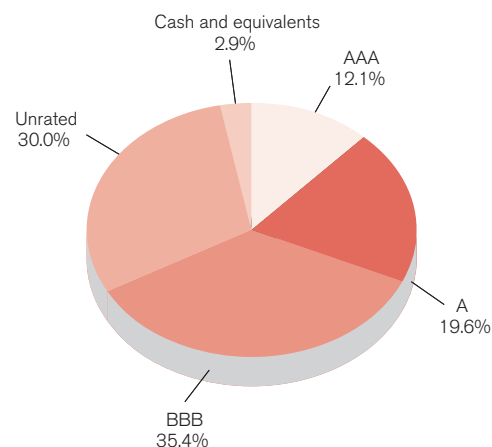
All the rated bonds currently held have a rating of BBB or higher, although the portfolio includes unrated bonds, such as the John Lewis 10.5% 2014 issue, which are believed to offer credit worthiness at least equal to that of rated bonds from comparable entities.

Reflecting concerns regarding the immediate prospects for higher rates of inflation in the near term at least, the portfolio has a bias towards shorter duration issues over longer duration issues and it also includes Index Linked issues.

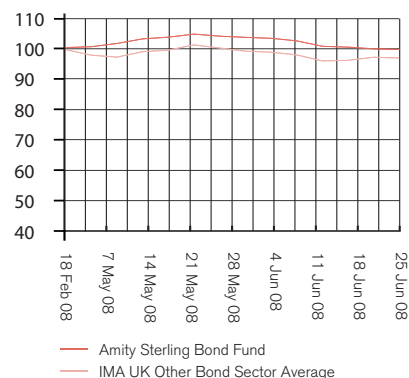
## Prospects

In a period of heightened economic uncertainty fixed interest investments should provide a degree of stability and security relative to that offered by equities. The poor economic outlook has led to widening of credit spreads and as a consequence the corporate bond market offers better value than recent years. The Amity Sterling Bond Fund will be included in IMA Sterling Strategic Bond Sector and will be managed and measured on this basis in the future.

## Asset allocation by Bond Rating at 30 June 2008



## Performance



Graph showing the growth of the Amity Sterling Bond Fund compared to IMA UK Other Bond Sector Average from 18 February 2008 to 30 June 2008, offer-to-offer, with income reinvested, based in UK Sterling. Prices re-based to 100. Source: Morningstar.

## Performance and ranking

	Amity Sterling Bond Fund		Other Bond Sector Average	
	Growth	Rank	Growth	Number
18/02/08 – 29/06/08	n/a	n/a	n/a	n/a

Table showing % growth and ranking of the Amity Sterling Bond Fund against IMA Other Bond Sector Average and total number of funds. Figures compared on an offer-to-offer basis with income reinvested. Source: Morningstar.

**Major holding**

Top ten holdings		Percentage of total net assets at 30 June 2008
1	Treasury 2.5% Index Linked 16/08/2013	6.85%
2	Treasury 8% 07/12/2015	5.39%
3	Coventry Building Society 12.125% PIBS	5.18%
4	Aviva 8.75%	4.84%
5	Nottingham Building Society 7.875% PIBS	4.28%
6	Lewis (John) 10.5% 23/01/2014	4.23%
7	Co-Operative Bank 9.25%	4.20%
8	Newcastle Building Society 10.75% PIBS	3.81%
9	Smith Industries 7.25% 30/06/2016	3.77%
10	United Utilities 5.25% 22/01/2010	3.62%

**Net income distribution / accumulation**

Net income distribution / accumulation	Pence per share	Per £1,000 invested at Launch
<b>2008</b>		
Share Class A ***	2.9290	29.2900
Share Class B ***	1.2838	12.8380
Share Class C **	–	–

\*\*\*In respect of period from 18 February 2008 to 30 June 2008

**Total expense ratio at 30 June 2008 since launch**

Share Class A	Share Class B	Share Class C
1.23 %	0.21%	– ** %

**Please note:** Stocks and shares should be viewed as a medium to long-term investment, usually for a period of 5 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.

**Share prices and Fund size**

	Share price range		Fund size		
	Highest for the year (pence)	Lowest for the year (pence)	Net asset value (£)	Net asset value (pence per share)	Number of shares in issue
<b>30 June 2008</b>					
Share Class A ***	101.75	98.63	133,853	95.42	140,283
Share Class B ***	101.61	98.61	10,685,261	97.14	11,000,000
Share Class C **	– **	– **	– **	– **	– **

\*\*Share Class C is currently inactive

\*\*\*In respect of period from 18 February 2008 to 30 June 2008

# Higher Income Fund

## Investment objective

To provide an above average and growing level of income together with capital growth over the longer term.

## Investment policy

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.

This Fund is marketable to all retail investors.

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 Fund's objective.

The Manager does not currently intend to use derivatives for any purpose other than the efficient portfolio management of the Fund, although it may subject to obtaining and maintaining the requisite permissions from the FSA under the Financial Services and Markets Act 2000 and on giving not less than 60 days' notice to shareholders in the Fund, use derivatives in pursuit of its investment objective in the future.

If derivatives are used for the purpose of meeting the investment objective of the Fund it is not intended that the use of derivatives would cause the Net Asset Value of the Fund to have higher volatility or otherwise cause the existing risk profile of the Fund to change.

The Fund will be managed in line with the requirements for inclusion in an ISA.

## What risks are associated with this Fund?

- Most of the assets will be invested in the UK stockmarket 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 credit ratings as the investment managers do not set minimum credit 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 value of the Fund.
- The investment's value may be affected by changes in exchange rates, inflation rates and interest rates.

## Report of the Authorised Corporate Director

This review covers the period from 1 January 2008 to 30 June 2008.

Over the course of the first six months of the year, the share price of the Higher Income Fund fell by 5.9% on an offer-to-offer basis with income reinvested, outperforming the IMA UK Equity & Bond Income Sector Average fall of 10.0%, measured on a similar basis. The FTSE All Share Index total return was minus 11.2% over the same period.

Despite the deteriorating inflationary background, the Fund's bond portfolio provided a degree of relative stability and helped limit losses. By way of contrast, the poor performance of Asian stockmarkets impacted on some of the equities held within the Fund, with Hop Fung (corrugated board) and Scud Group (rechargeable batteries) being notable casualties.

Within the equity portion of the portfolio positive performances were made by UK power generators Drax and British Energy – the latter boosted further by the prospect of a bid, or, at the very least, some realisation of value inherent in its existing sites as locations for a new generation of nuclear power stations.

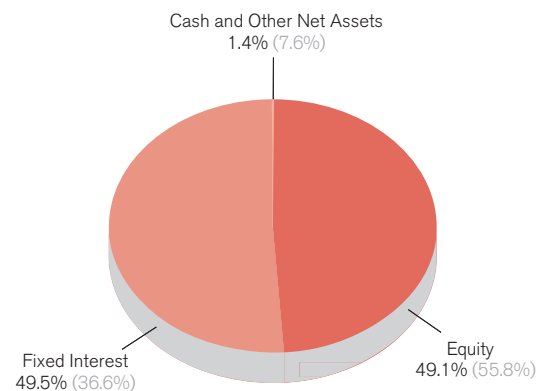
Transactions of note during the period under review included the sale of Kelda (water) and Scottish & Newcastle (brewing) after takeovers. MobileOne (mobile telecoms) was added to the portfolio for its earnings prospects. A significant proportion of the cash balances were invested in short dated Government debt for ultimate security.

## Prospects

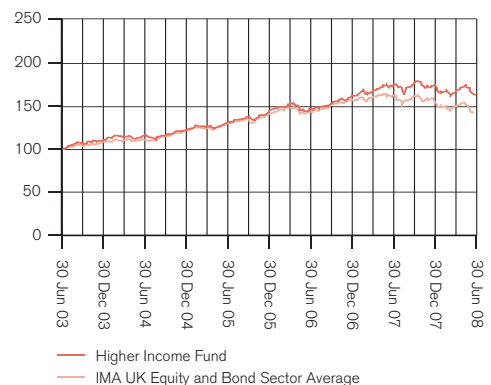
With the immediate economic and financial outlook remaining bleak, capital preservation remains a priority for the Fund and short term liquidity is likely to remain at above average levels.

## Asset allocation at 30 June 2008

The figures in brackets show allocation at 31 December 2007



## Performance



Graph showing the growth of the Higher Income Fund compared to IMA UK Equity & Bond Income Sector Average from 30 June 2003 to 30 June 2008, offer-to-offer, with income reinvested, based in UK Sterling. Prices re-based to 100. Source: Morningstar.

## Performance and ranking

	Higher Income Fund		UK Equity & Bond Sector Average	
	Growth	Rank	Growth	Number
29/06/07 – 30/06/08	-5.5%	5	-11.2%	30
30/06/06 – 29/06/07	17.7%	3	11.7%	31
30/06/05 – 30/06/06	12.5%	13	12.0%	32
30/06/04 – 30/06/05	12.7%	28	16.1%	35
30/06/03 – 30/06/04	15.4%	4	10.6%	34

Table showing % growth and ranking of the Higher Income Fund against IMA UK Equity & Bond Income Sector Average and total number of funds. Figures compared on an offer-to-offer basis with income reinvested. Source: Morningstar.

**Major holding**

Top ten holdings		Percentage of total net assets at 30 June 2008
1	Treasury 4% 07/03/2009	15.61%
2	Treasury 2.5% Index Linked 16/04/2020	6.36%
3	Treasury 8% 07/12/2015	2.18%
4	National Grid 3.603% 08/07/2018	1.97%
5	Roche-Finance 5.375% 29/08/2023	1.92%
6	General Accident 7.875% Pref	1.71%
7	Royal Dutch Shell 'B'	1.53%
8	GlaxoSmithKline	1.48%
9	Singapore Petroleum	1.34%
10	National Grid Gas Holdings IL4 <sup>3</sup> / <sub>16</sub> 14/12/2022	1.32%

**Total expense ratio at 30 June 2008 for last 6 months**

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

**Please note:** Stocks and shares should be viewed as a medium to long-term investment, usually for a period of 5 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.

**Net income distribution / accumulation**

Net income distribution / accumulation	Pence per share	Per £1,000 invested at 2 January 2003 (£)
<b>2008</b>		
Share Class A*	1.0000	14.7995
Share Class B *	1.1066	16.3674
Share Class C *	1.3466	14.4423
<b>2007</b>		
Share Class A	3.8319	56.7101
Share Class B	5.5871	82.6372
Share Class C	6.3119	67.6952
<b>2006</b>		
Share Class A	4.2744	63.2588
Share Class B	4.4063	65.1723
Share Class C	6.8243	73.1907
<b>2005</b>		
Share Class A	3.2060	47.4471
Share Class B	3.1797	47.0300
Share Class C	5.0947	54.6407
<b>2004</b>		
Share Class A	3.2592	48.2344
Share Class B	3.1528	46.6322
Share Class C	4.9401	52.9826
<b>2003</b>		
Share Class A	3.3646	49.7943
Share Class B	3.3677	49.8107
Share Class C	5.1479	55.2113

**Share prices and Fund size**

\*In respect of period from 1 January 2008 to 30 June 2008

	Share price range		Fund size		
	Highest for the year (pence)	Lowest for the year (pence)	Net asset value (£)	Net asset value (pence per share)	Number of shares in issue
<b>30 June 2008</b>					
Share Class A*	105.50	97.84	27,626,502	97.17	28,431,995
Share Class B *	105.20	97.46	13,139,060	96.82	13,570,279
Share Class C *	180.70	167.80	4,718,750	167.81	2,811,894
<b>31 December 2007</b>					
Share Class A	111.70	101.00	27,889,243	104.11	26,788,998
Share Class B	112.80	101.70	13,689,532	103.56	13,218,959
Share Class C	185.30	166.20	4,389,221	168.18	2,609,894
<b>31 December 2006</b>					
Share Class A	104.60	92.55	23,379,118	100.82	23,188,583
Share Class B	105.20	92.88	1,267,627	101.40	1,250,129
Share Class C	166.10	145.60	3,534,766	165.66	2,132,894
<b>31 December 2005</b>					
Share Class A	96.41	82.66	17,347,997	93.30	18,593,451
Share Class B	96.49	83.59	1,166,778	93.33	1,250,129
Share Class C	146.20	125.20	2,654,065	142.47	1,862,894
<b>31 December 2004</b>					
Share Class A	85.14	78.51	11,762,094	82.48	14,260,448
Share Class B	85.44	77.52	968,799	82.67	1,171,881
Share Class C	125.10	112.60	1,947,872	124.69	1,562,144
<b>31 December 2003</b>					
Share Class A	80.31	63.79	8,100,027	78.05	10,378,328
Share Class B	80.14	63.83	910,588	78.00	1,167,385
Share Class C	112.50	88.09	1,384,317	108.99	1,270,144

\*In respect of period from 1 January 2008 to 30 June 2008

# UK Equity Growth Fund

## Investment objective

To achieve long-term capital growth with a reasonable level of income.

## Investment policy

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.

This Fund is marketable to all retail investors.

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 Fund's objective.

The Manager does not currently intend to use derivatives for any purpose other than the efficient portfolio management of the Fund, although it may subject to obtaining and maintaining the requisite permissions from the FSA under the Financial Services and Markets Act 2000 and on giving not less than 60 days' notice to shareholders in the Fund, use derivatives in pursuit of its investment objective in the future.

If derivatives are used for the purpose of meeting the investment objective of the Fund it is not intended that the use of derivatives would cause the Net Asset Value of the Fund to have higher volatility or otherwise cause the existing risk profile of the Fund to change.

The Fund will be managed in line with the requirements for inclusion in an ISA.

## What risks are associated with this Fund?

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

## Report of the Authorised Corporate Director

This review covers the period from 1 January 2008 to 30 June 2008.

During this period the share price of the UK Equity Growth Fund fell by 11.8% on an offer-to-offer basis with income reinvested, compared with a fall in the IMA UK All Companies Sector Average of 11.3%, and 11.2% fall in the FTSE All Share Index (both measured on the same basis).

At 30 June 2008, the Fund had 61.4% of its investments in FTSE 100 companies, with 14.7% in mid cap companies, and 23.9% in smaller UK and overseas companies.

Cash balances at 30 June 2008 were 11.9%.

Bank holdings Barclays and HBOS incurred the largest negative impacts on portfolio performance reflecting the impact of the liquidity crisis and the need for them to strengthen their balance sheets through equity issues. Exposure to strong commodity prices was the common theme for BG Group (oil & gas), Lamprell (oil services), and Rio Tinto (mining), all of whom provided the largest positive contributions to performance.

Share purchases reflected developing recovery stories at Compass Group (support services) and Pace (hardware technology), and the potential for new nuclear power station construction at British Energy.

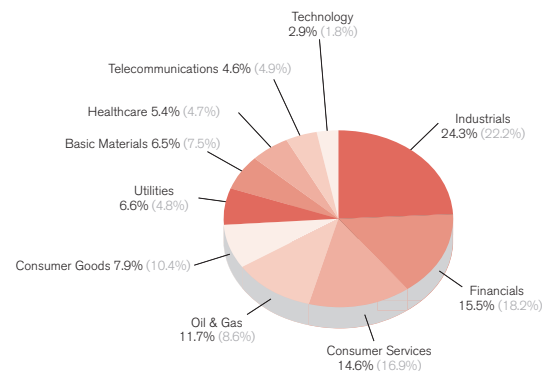
Sales from the portfolio included Scottish & Newcastle (brewing) and Reuters (media) after takeovers, and Yell (media) on earnings and balance sheet concerns. The holding in Rio Tinto was top-sliced after the proposed takeover from BHP Billiton had pushed the shares to levels which left them looking fully valued.

## Prospects

Collapsing consumer confidence and persistent inflationary pressures have set up a painful pincer movement for the domestic economy. Balance sheet strength and robust cash flows will continue to be the focus of attention. Above average cash balances are likely to be retained, awaiting the right combination of risk and reward before being invested.

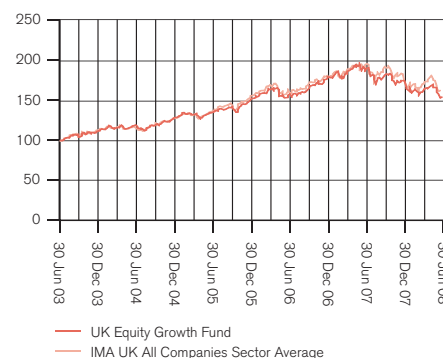
## Asset allocation by sector at 30 June 2008

The figures in brackets show allocation at 31 December 2007



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 2003 to 30 June 2008, offer-to-offer, with income reinvested, based in UK Sterling. Prices re-based to 100. Source: Morningstar.

## Performance and ranking

	UK Equity Growth Fund		UK All Companies Sector Average	
	Growth	Rank	Growth	Number
29/06/07 – 30/06/08	-17.7%	236	-14.5%	316
30/06/06 – 29/06/07	19.6%	85	18.0%	297
30/06/05 – 30/06/06	16.1%	219	19.0%	292
30/06/04 – 30/06/05	13.4%	245	16.3%	288
30/06/03 – 30/06/04	19.3%	74	17.3%	275

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 an offer-to-offer basis with income reinvested. Source: Morningstar.

**Major holding**

Top ten holdings		Percentage of total net assets at 30 June 2008
1	BG Group	3.45%
2	Rio Tinto	3.33%
3	Vodafone	2.67%
4	BP	2.52%
5	GlaxoSmithKline	2.36%
6	National Grid	2.18%
7	Royal Dutch Shell 'B'	2.09%
8	Lamprell	2.03%
9	British American Tobacco	1.97%
10	Babcock International	1.93%

**Total expense ratio at 30 June 2008 for last 6 months**

Share Class A	Share Class B	Share Class C
1.80%	0.80%	1.32%

**Please note:** Stocks and shares should be viewed as a medium to long-term investment, usually for a period of 5 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.

**Net income distribution / accumulation**

Net income distribution / accumulation	Pence per share	Per £1,000 invested at 2 January 2003 (£)
<b>2008</b>		
Share Class A*	0.7700	10.2708
Share Class B*	1.0560	13.9241
Share Class C*	0.7480	9.2334
<b>2007</b>		
Share Class A	1.4932	19.9173
Share Class B	2.8197	37.1796
Share Class C	2.4733	30.5308
<b>2006</b>		
Share Class A	2.4795	33.0732
Share Class B	3.6243	47.7888
Share Class C	3.4104	42.0985
<b>2005</b>		
Share Class A	1.3765	18.3607
Share Class B	2.4749	32.6332
Share Class C	2.1684	26.7671
<b>2004</b>		
Share Class A	1.5350	20.4749
Share Class B	2.5254	33.2991
Share Class C	2.2333	27.5682
<b>2003</b>		
Share Class A	1.7894	23.8682
Share Class B	2.6758	35.2822
Share Class C	2.3250	28.7002

\*In respect of period from 1 January 2008 to 30 June 2008

**Share prices and Fund size**

	Share price range		Fund size		
	Highest for the year (pence)	Lowest for the year (pence)	Net asset value (£)	Net asset value (pence per share)	Number of shares in issue
<b>30 June 2008</b>					
Share Class A*	130.00	113.20	6,700,323	112.69	5,946,050
Share Class B*	132.20	115.70	44,715,606	114.87	38,924,422
Share Class C*	156.40	136.80	11,478,423	136.89	8,385,254
<b>31 December 2007</b>					
Share Class A	145.90	124.40	7,660,856	128.82	5,946,983
Share Class B	148.90	127.40	50,948,859	130.88	38,927,667
Share Class C	173.20	148.80	12,993,472	154.96	8,385,254
<b>31 December 2006</b>					
Share Class A	134.40	114.20	7,666,392	132.06	5,805,148
Share Class B	137.50	116.60	52,338,729	134.29	38,974,952
Share Class C	157.20	132.50	13,123,900	156.51	8,385,254
<b>31 December 2005</b>					
Share Class A	115.90	98.12	6,406,473	114.91	5,575,041
Share Class B	118.60	99.92	45,306,602	116.25	38,974,952
Share Class C	133.50	112.00	11,351,651	135.38	8,385,254
<b>31 December 2004</b>					
Share Class A	99.24	96.86	5,316,498	98.27	5,409,848
Share Class B	101.60	89.57	38,942,945	99.92	38,974,952
Share Class C	112.10	97.22	9,388,367	111.96	8,385,254
<b>31 December 2003</b>					
Share Class A	88.50	64.36	4,666,464	87.65	5,323,865
Share Class B	90.31	65.26	34,638,586	88.84	38,992,015
Share Class C	97.16	69.60	7,829,782	95.78	8,174,754

\*In respect of period from 1 January 2008 to 30 June 2008

# Notes

## Authorised Status

If each sub-fund were an open-ended investment company in respect of which authorisation had been granted by the FSA, it would be a securities company. The Fund is marketable to all retail investors.

The Fund is a UCITS scheme which complies with the FSA's Collective Investment Scheme sourcebook.

## Certification of Accounts

The assets of each sub-fund will generally be treated as separate from those of any other sub-fund and will be invested in accordance with the investment objective and policy applicable to that sub-fund. As each sub-fund is not a legal entity, if the assets attributable to any sub-fund were insufficient to meet the liabilities ascribed to it, the shortfall may have to be met out of the assets from other sub-funds.

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

MH Tripp, Director

GA Prescott, Director

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

12 August 2008

## Statement of Total Return

Unaudited for the period 1 January 2008 to 30 June 2008

	Amity UK		Amity European		Amity International		Amity Sterling Bond		Higher Income		UK Equity Growth		Total	
	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>Net (losses)/gains on investments during the period</b>	<b>2</b>	<b>2,126</b>	<b>(4,659)</b>	<b>4,463</b>	<b>(301)</b>	<b>-</b>	<b>(3,412)</b>	<b>1,679</b>	<b>(9,444)</b>	<b>3,598</b>	<b>(32,783)</b>	<b>14,516</b>		
Other gains/(losses)	3	52	147	(11)	-	-	182	(11)	1	(1)	837	(42)		
Gross income	4	1,391	983	722	185	-	1,163	818	1,528	1,217	6,107	4,471		
Expenses	5	(428)	(152)	(157)	(24)	-	(291)	(222)	(338)	(386)	(1,388)	(1,406)		
Finance costs: Interest	7	(1)	-	-	(1)	-	-	-	-	-	(2)	-		
Net income before taxation		962	831	565	160	-	872	596	1,190	831	4,717	3,065		
Taxation	6	(25)	(150)	(66)	(35)	-	(84)	(51)	(2)	-	(419)	(203)		
Net income after taxation for the period		937	681	499	125	-	788	545	1,188	831	4,298	2,862		
<b>Total return before distributions</b>		<b>(8,703)</b>	<b>(3,831)</b>	<b>4,775</b>	<b>(176)</b>	<b>-</b>	<b>(2,442)</b>	<b>2,213</b>	<b>(8,255)</b>	<b>4,428</b>	<b>(27,648)</b>	<b>17,336</b>		
Finance costs: Distributions/Accumulations Interim	7	(222)	(129)	(56)	(142)	-	(384)	61	(520)	(473)	(1,457)	(786)		
<b>Change to net assets attributable to shareholders</b>		<b>(8,925)</b>	<b>(3,960)</b>	<b>4,719</b>	<b>(318)</b>	<b>-</b>	<b>(2,826)</b>	<b>2,274</b>	<b>(8,775)</b>	<b>3,955</b>	<b>(29,105)</b>	<b>16,550</b>		

## Statement of Change in Shareholders' Net Assets

Unaudited for the period 1 January 2008 to 30 June 2008

	Amity UK		Amity European		Amity International		Amity Sterling Bond		Higher Income		UK Equity Growth		Total	
	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>Shareholders' net assets at the start of the period</b>	<b>61,001</b>	64,572	<b>34,183</b>	31,636	<b>36,533</b>	29,364	-	-	<b>45,968</b>	28,181	<b>71,603</b>	73,129	<b>249,288</b>	226,882
Movement due to sales and repurchase of shares:														
Amounts receivable on creation of shares	<b>1,068</b>	2,040	<b>186</b>	222	<b>316</b>	171	<b>11,142</b>	-	<b>3,884</b>	13,953	<b>312</b>	639	<b>16,908</b>	17,025
Amounts payable on cancellation of shares	<b>(1,300)</b>	(1,988)	<b>(83)</b>	(152)	<b>(93)</b>	(96)	<b>(5)</b>	-	<b>(1,580)</b>	(1,790)	<b>(313)</b>	(621)	<b>(3,374)</b>	(4,647)
Change to net assets attributable to shareholders (see page 19)	<b>(232)</b>	52	<b>103</b>	70	<b>223</b>	75	<b>11,137</b>	-	<b>2,304</b>	12,163	<b>(1)</b>	18	<b>13,534</b>	12,378
Retained distribution on accumulation shares	<b>124</b>	113	<b>1</b>	1	-	-	-	-	<b>(2,826)</b>	2,274	<b>(8,775)</b>	3,955	<b>(29,105)</b>	16,550
Unclaimed distribution	<b>1</b>	-	-	-	-	-	-	-	-	-	<b>1</b>	-	<b>226</b>	194
													<b>2</b>	-
<b>Shareholders' net assets at the end of the period</b>	<b>51,969</b>	67,318	<b>30,327</b>	34,728	<b>32,455</b>	34,158	<b>10,819</b>	-	<b>45,484</b>	42,641	<b>62,891</b>	77,159	<b>233,945</b>	256,004

## Portfolio Statement

### AMITY UK FUND at 30th June 2008

Number of Shares Held at 30 June 2008		Market Value £	Percentage of Total Net Assets %
	<b>UNITED KINGDOM 77.63% (75.96%)</b>		
1,300,000	Advanced Fluid Connection* (Suspended 27/03/2006)	0	0.00
252,000	AssetCo	398,160	0.77
5,000	AVEVA	76,350	0.15
95,863	Aviva	481,232	0.93
60,000	Barclays	174,300	0.34
35,000	Bellway	157,412	0.30
45,000	Berkeley Group	301,050	0.58
113,725	BG Group	1,451,131	2.79
25,504	Biocompatibles International	35,196	0.07
217,125	BPP Holdings	1,009,631	1.94
70,000	Bradford & Bingley	44,625	0.09
90,000	British Land	633,150	1.22
100,000	British Polythene	239,000	0.46
150,000	Brown (N)	271,500	0.52
340,000	BT	675,920	1.30
300,000	Cable & Wireless	453,000	0.87
47,360	Cadbury Schweppes	295,053	0.57
200,000	Camper & Nicholsons Marina Investments	116,000	0.22
154,863	Carillion	506,402	0.97
250,000	Centrica	763,125	1.47
200,000	Cobra Biomanufacturing	10,000	0.02
50,000	Cookson	311,500	0.60
75,000	Daily Mail & General Trust	238,313	0.46
305,000	Dechra Pharmaceuticals	1,237,538	2.38
225,000	Devro International	182,250	0.35
115,000	Dignity	852,150	1.64
260,000	Dolphin Capital	254,800	0.49
217,142	DSG International	90,657	0.17
300,000	Dunelm Group	392,250	0.75
300,000	Elementis	227,250	0.44
125,000	Flomerics Group	121,250	0.23
250,000	Galliford Try	95,000	0.18
115,000	Genus	926,325	1.78
45,000	Gibbs & Dandy	186,750	0.36
100,000	GlaxoSmithKline	1,121,000	2.16
67,512	Great Portland Estates	230,047	0.44
250,000	G4S plc	499,250	0.96
402,961	Halma	845,211	1.63
43,825	Hansard Global	68,805	0.13
100,000	HBOS	275,250	0.53
40,000	HBOS (Nil Paid Rights 18/07/08)	4,700	0.01
82,000	Holidaybreak	344,400	0.66
20,000	HSBC	155,650	0.30
100,000	Hyder Consulting	375,000	0.72
250,000	Impax Environmental Markets	314,375	0.60
50,000	Impax Environmental Markets Warrants	19,250	0.04
370,000	ING UK Real Estate Income Trust	160,950	0.31
190,000	International Personal Finance	515,850	0.99
96,096	Invensys	250,811	0.48
200,000	ITM Power	113,500	0.22
110,000	Jardine Lloyd Thompson	411,125	0.79
43,500	Johnson Matthey	796,485	1.53
99,125	Johnson Service Group	20,073	0.04

## Portfolio Statement

### AMITY UK FUND at 30 June 2008

Number of Shares Held at 30 June 2008		Market Value £	Percentage of Total Net Assets %
<b>UNITED KINGDOM - continued</b>			
51,252	Keller	320,581	0.62
109,803	Laird	428,781	0.83
21,875	Land Securities	269,500	0.52
844,200	Legal & General	846,733	1.63
161,000	Lloyds TSB	500,710	0.96
116,000	LSL Property Services	99,760	0.19
102,000	Marks & Spencer	332,265	0.64
160,000	Marshalls	252,400	0.49
96,000	Menzies (John)	384,960	0.74
150,000	MITIE	313,125	0.60
28,000	Morgan Sindall	207,900	0.40
590,078	Morrison (Wm) Supermarkets	1,550,430	2.98
80,000	National Express	760,000	1.46
40,000	Next	389,200	0.75
120,000	Northern Foods	73,200	0.14
25,000	Ocean Power Technologies	113,750	0.22
140,000	Office2office	221,200	0.43
200,000	Oxford Instruments	485,500	0.93
105,000	Pearson	643,650	1.24
133,190	Pinewood Shepperton	282,363	0.54
74,074	Plethora Solutions	38,518	0.07
95,000	Provident Financial	757,150	1.46
100,000	Prudential	533,000	1.03
65,000	Quadnetics	84,500	0.16
89,253	Reed Elsevier	506,064	0.97
420,000	Rentokil Initial	416,850	0.80
70,000	Rexam	269,325	0.52
145,000	Royal Bank of Scotland	309,575	0.60
170,000	Sage	355,300	0.68
120,625	Sainsbury (J)	377,255	0.73
143,650	Sales Activation Solution*	35,913	0.07
39,000	Severn Trent	501,540	0.97
112,500	Shanks	260,719	0.50
115,000	SIG	609,500	1.17
120,000	Smith & Nephew	666,000	1.28
240,000	Smith (DS)	269,400	0.52
42,000	Smiths Group	452,760	0.87
25,920	Smith News	22,680	0.04
23,468	Smith (WH) Group	85,834	0.17
65,000	Spectris	462,475	0.89
90,000	St James Place	196,875	0.38
30,000	Standard Chartered	427,200	0.82
165,750	Standard Life	346,832	0.67
86,048	Tandem	10,971	0.02
212,884	Taylor Wimpey	126,134	0.24
350,000	Tesco	1,268,400	2.44
37,325	Thomas Cook	84,541	0.16
2,433	Thompson Clive Investments	1,691	0.00
16,000	Thomson Reuters	212,640	0.41
195,000	Titan Europe	273,000	0.53
50,000	Trinity Mirror	55,125	0.11
55,000	United Utilities	373,175	0.72
582,500	Vodafone	850,450	1.64

## Portfolio Statement

### AMITY UK FUND at 30 June 2008

Number of Shares Held at 30 June 2008		Market Value £	Percentage of Total Net Assets %
	<b>UNITED KINGDOM - <i>continued</i></b>		
280,000	Volex	196,000	0.38
90,000	Wolseley	341,100	0.66
55,000	WSP	287,375	0.55
80,000	Yell	55,000	0.11
170,834	Zenith Hygiene	13,667	0.03
	<b>Total United Kingdom</b>	<b>40,340,544</b>	<b>77.63</b>
	<b>ARGENTINA 0.08% (0.11%)</b>		
6,000	Telecom Argentina ADR	43,199	0.08
	<b>Total Argentina</b>	<b>43,199</b>	<b>0.08</b>
	<b>AUSTRALIA 1.37% (2.08%)</b>		
60,000	Australia & New Zealand Banking	542,918	1.05
350,000	Sigma Pharmaceuticals	166,819	0.32
	<b>Total Australia</b>	<b>709,737</b>	<b>1.37</b>
	<b>FRANCE 0.68% (0.75%)</b>		
13,000	Carbone Lorraine	355,693	0.68
	<b>Total France</b>	<b>355,693</b>	<b>0.68</b>
	<b>HONG KONG 0.90% (0.97%)</b>		
1,253,000	China Shineway Pharmaceuticals	468,723	0.90
	<b>Total Hong Kong</b>	<b>468,723</b>	<b>0.90</b>
	<b>IRELAND 1.45% (1.67%)</b>		
200,000	Boundary Capital	41,216	0.08
21,500	CRH	303,332	0.58
23,800	Irish Life & Permanent	131,483	0.25
320,000	Siteserv	78,627	0.15
175,000	Veris	201,250	0.39
	<b>Total Ireland</b>	<b>755,908</b>	<b>1.45</b>
	<b>NETHERLANDS 2.43% (1.90%)</b>		
30,000	Fugro	1,262,394	2.43
	<b>Total Netherlands</b>	<b>1,262,394</b>	<b>2.43</b>
	<b>NORWAY 2.20% (1.86%)</b>		
32,000	Statoil Hydro	595,616	1.15
12,500	Yara International	547,914	1.05
	<b>Total Norway</b>	<b>1,143,530</b>	<b>2.20</b>

## Portfolio Statement

### AMITY UK FUND at 30 June 2008

Number of Shares Held at 30 June 2008		Market Value £	Percentage of Total Net Assets %
55,488	<b>PORTUGAL 0.59%</b> (0.60%) Portugal Telecom ADR	307,291	0.59
	<b>Total Portugal</b>	<b>307,291</b>	<b>0.59</b>
300,000	<b>SINGAPORE 0.40%</b> (1.08%) KS Energy Services	210,463	0.40
	<b>Total Singapore</b>	<b>210,463</b>	<b>0.40</b>
7,846	<b>SPAIN 0.60%</b> (1.52%) Telefonica De Espana ADR	310,145	0.60
	<b>Total Spain</b>	<b>310,145</b>	<b>0.60</b>
50,000	<b>SWEDEN 1.18%</b> (2.02%) Getinge 'B'	611,406	1.18
	<b>Total Sweden</b>	<b>611,406</b>	<b>1.18</b>
150,000	<b>THAILAND 0.40%</b> (0.35%) Advanced Information Services	207,210	0.40
	<b>Total Thailand</b>	<b>207,210</b>	<b>0.40</b>
40,000 5,000	<b>UNITED STATES 0.98%</b> (1.77%) Pfizer Waters Corporation	346,839 163,353	0.67 0.31
	<b>Total United States</b>	<b>510,192</b>	<b>0.98</b>
	<b>Portfolio of Investments 90.89%</b> (92.64%)	<b>47,236,435</b>	<b>90.89</b>
	Net other assets	4,732,599	9.11
	<b>Total net assets</b>	<b>51,969,034</b>	<b>100.00</b>

\*Unapproved securities (see Note 1g).

Unless otherwise stated, all investments are listed equities.  
Comparative percentage holdings by market value at 31 December 2007 are shown in brackets.

## Portfolio Statement

### AMITY EUROPEAN FUND at 30 June 2008

Number of Shares Held at 30 June 2008		Market Value £	Percentage of Total Net Assets %
	<b>UNITED KINGDOM 4.17% (26.56%)</b>		
450,000	Advanced Fluid Connections* (Suspended 27/03/2006)	0	0.00
150,000	Bodycote International	303,750	1.00
150,000	BT	298,200	0.98
15,000	Johnson Matthey	274,650	0.91
70,000	Smith & Nephew	388,500	1.28
	<b>Total United Kingdom</b>	<b>1,265,100</b>	<b>4.17</b>
	<b>BELGIUM 1.09% (0.90%)</b>		
12,500	Tessenderlo Chemie	330,321	1.09
	<b>Total Belgium</b>	<b>330,321</b>	<b>1.09</b>
	<b>FINLAND 7.71% (8.16%)</b>		
40,000	Amer Sports 'A'	307,534	1.01
14,000	Cargotech 'B'	243,681	0.80
30,000	Kemira	190,703	0.63
36,000	Kone 'B'	637,166	2.09
50,000	Nokia	612,293	2.02
18,000	Vaisala 'A'	352,538	1.16
	<b>Total Finland</b>	<b>2,343,915</b>	<b>7.71</b>
	<b>FRANCE 16.73% (16.20%)</b>		
16,366	AXA	243,937	0.80
2,286	Cap Gemini	67,747	0.22
22,000	Carbone Lorraine	601,941	1.98
4,000	Cie de St-Gobain	126,311	0.42
36,000	Credit-Agricole	373,796	1.23
36,000	Credit-Agricole Rights	21,686	0.07
7,978	Environnement	129,315	0.43
30,000	France Telecom	445,964	1.47
10,000	Imerys	364,840	1.20
15,000	Publicis Groupe	246,820	0.81
15,000	Sanofi-Aventis	500,416	1.65
5,942	Schneider Electric	320,495	1.06
8,777	Societe Generale	382,413	1.26
5,800	Sperian Protection	345,798	1.14
20,000	Vivendi Universal	380,533	1.25
23,000	Zodiac	527,397	1.74
	<b>Total France</b>	<b>5,079,409</b>	<b>16.73</b>

## Portfolio Statement

### AMITY EUROPEAN FUND at 30 June 2008

Number of Shares Held at 30 June 2008		Market Value £	Percentage of Total Net Assets %
<b>GERMANY 17.59% (9.45%)</b>			
18,000	BASF	620,188	2.05
15,000	Bayer	623,826	2.06
12,000	Beiersdorf	437,903	1.44
60,000	Carl Zeiss Meditec	458,923	1.51
30,000	Commerzbank	446,796	1.47
20,000	Deutsche Post	260,611	0.86
55,000	Francotyp-Postalia	126,422	0.42
20,000	Hannover Re	491,420	1.62
30,000	Indus Holdings	502,675	1.66
12,000	Metro	380,835	1.26
5,500	Munich Re	482,321	1.59
9,000	Siemens	499,988	1.65
	<b>Total Germany</b>	<b>5,331,908</b>	<b>17.59</b>
<b>IRELAND 1.37% (1.52%)</b>			
27,500	Allied Irish Banks	210,994	0.70
50,000	Smurfit Kappa	202,116	0.67
	<b>Total Ireland</b>	<b>413,110</b>	<b>1.37</b>
<b>ITALY 2.66% (2.38%)</b>			
70,000	Enel	337,336	1.11
220,000	Terna	470,812	1.55
	<b>Total Italy</b>	<b>808,148</b>	<b>2.66</b>
<b>NETHERLANDS 6.21% (5.36%)</b>			
17,332	Ahold	117,044	0.39
19,000	Fugro	799,516	2.64
25,000	Philips Electronics	429,200	1.42
45,000	Wolters Kluwer	532,517	1.76
	<b>Total Netherlands</b>	<b>1,878,277</b>	<b>6.21</b>
<b>NORWAY 5.52% (2.25%)</b>			
30,000	EDB Business Partner	84,992	0.28
50,000	Statoil Hydro	930,649	3.07
15,000	Yara International	657,497	2.17
	<b>Total Norway</b>	<b>1,673,138</b>	<b>5.52</b>
<b>PORTUGAL 3.93% (4.06%)</b>			
100,000	Brisa Auto-Estrades	561,170	1.85
79,300	Electricidade De Portugal	206,476	0.68
30,000	Portugal Telecom	169,778	0.56
45,900	Portugal Telecom ADR	254,193	0.84
	<b>Total Portugal</b>	<b>1,191,617</b>	<b>3.93</b>

## Portfolio Statement

### AMITY EUROPEAN FUND at 30 June 2008

Number of Shares Held at 30 June 2008		Market Value £	Percentage of Total Net Assets %
	<b>SPAIN 3.61%</b> (3.50%)		
24,000	Gas Natural	698,323	2.30
17,000	Telefonica	226,370	0.75
4,300	Telefonica ADR	169,975	0.56
	<b>Total Spain</b>	<b>1,094,668</b>	<b>3.61</b>
	<b>SWEDEN 6.58%</b> (7.25%)		
18,050	Electrolux 'B'	115,272	0.38
80,000	Ericsson 'B'	412,071	1.36
53,125	Getinge 'B'	649,619	2.14
47,050	Husqvarna 'A'	207,869	0.69
22,950	Husqvarna 'B'	102,836	0.34
40,000	Nordea Bank	282,754	0.93
84,000	Q-Med	223,724	0.74
	<b>Total Sweden</b>	<b>1,994,145</b>	<b>6.58</b>
	<b>SWITZERLAND 7.64%</b> (4.63%)		
20,000	Novartis	549,716	1.81
10,000	Roche	885,763	2.92
4,000	Swatch	499,877	1.65
3,000	Zurich Financial Services	381,939	1.26
	<b>Total Switzerland</b>	<b>2,317,295</b>	<b>7.64</b>
	<b>Portfolio of Investments 84.81%</b> (92.22%)	<b>25,721,051</b>	<b>84.81</b>
	Net other assets	4,605,952	15.19
	<b>Total net assets</b>	<b>30,327,003</b>	<b>100.00</b>

\*Unapproved securities (see Note 1g).

Unless otherwise stated, all investments are listed equities.

Comparative percentage holdings by market value at 31 December 2007 are shown in brackets.

## Portfolio Statement

### AMITY INTERNATIONAL FUND at 30 June 2008

Number of Shares Held at 30 June 2008		Market Value £	Percentage of Total Net Assets %
<b>UNITED KINGDOM 10.85% (9.48%)</b>			
7,000	AstraZeneca	148,400	0.46
101,185	BT	201,156	0.62
120,000	Centrica	366,300	1.13
66,188	Dignity	490,453	1.51
150,000	Electrocomponents	219,375	0.68
60,000	GlaxoSmithKline	672,600	2.06
100,000	HBOS	275,250	0.85
40,000	HBOS (Nil Paid Rights 18/07/2008)	4,700	0.01
27,000	Lloyds TSB	83,970	0.26
25,500	Marks & Spencer	83,066	0.26
135,000	Middlefield Canadian Income Trust	120,150	0.37
24,181	Pearson	148,230	0.46
107,614	Royal Bank of Scotland	229,756	0.71
262,500	Vodafone	383,250	1.18
25,000	Wolseley	94,750	0.29
	<b>Total United Kingdom</b>	<b>3,521,406</b>	<b>10.85</b>
<b>AUSTRALIA 0.67% (0.78%)</b>			
300,000	Sigma Pharmaceuticals	142,988	0.44
36,000	Telstra	73,860	0.23
	<b>Total Australia</b>	<b>216,848</b>	<b>0.67</b>
<b>CHINA 1.26% (2.81%)</b>			
450,000	BYD Electronic Company	286,259	0.88
1,000,000	Sinotrans 'H'	123,621	0.38
	<b>Total China</b>	<b>409,880</b>	<b>1.26</b>
<b>FINLAND 2.82% (4.32%)</b>			
12,000	Cargotech 'B'	208,869	0.64
20,000	Kone 'B'	353,981	1.09
18,000	Vaisala 'A'	352,538	1.09
	<b>Total Finland</b>	<b>915,388</b>	<b>2.82</b>
<b>FRANCE 6.91% (6.85%)</b>			
16,366	AXA	243,937	0.75
2,285	Cap Gemini	67,718	0.21
11,000	Carbone Lorraine	300,971	0.93
7,980	Environnement	129,347	0.40
20,000	Sanofi-Aventis	667,222	2.06
5,942	Schneider Electric	320,495	0.99
5,200	Vivendi	98,939	0.30
18,000	Zodiac	412,745	1.27
	<b>Total France</b>	<b>2,241,374</b>	<b>6.91</b>

## Portfolio Statement

### AMITY INTERNATIONAL FUND at 30 June 2008

Number of Shares Held at 30 June 2008		Market Value £	Percentage of Total Net Assets %
<b>GERMANY 4.17% (2.06%)</b>			
50,000	Carl Zeiss Meditec	382,436	1.17
15,000	Commerzbank	223,398	0.69
35,000	Francotyp-Postalia	80,450	0.25
10,000	Indus Holdings	167,558	0.52
9,000	Siemens	499,988	1.54
	<b>Total Germany</b>	<b>1,353,830</b>	<b>4.17</b>
<b>HONG KONG 9.96% (7.37%)</b>			
2,175,000	Anhui Tianda Oil Pipe Company	245,068	0.76
2,500,000	Artini China	289,736	0.89
900,000	China Oriental	275,249	0.85
895,000	China Shineway Pharmaceuticals	334,802	1.03
26,400	Hong Kong Aircraft Engineering	204,144	0.63
2,484,000	Hop Fung	239,901	0.74
3,000,000	Lerado	108,168	0.33
1,000,000	Peace Mark Holdings	347,683	1.07
9,000,000	Scud Group	521,524	1.60
4,000,000	Ta Yang	327,079	1.01
2,025,000	TCL Multimedia	37,811	0.12
100,000	Vtech Holdings	302,613	0.93
	<b>Total Hong Kong</b>	<b>3,233,778</b>	<b>9.96</b>
<b>JAPAN 0.50% (0.58%)</b>			
12,000	ISB Corporation	34,649	0.11
5,800	Sony Corporation	127,952	0.39
	<b>Total Japan</b>	<b>162,601</b>	<b>0.50</b>
<b>KOREA 0.85% (0.75%)</b>			
922	Samsung Electronics	276,232	0.85
	<b>Total Korea</b>	<b>276,232</b>	<b>0.85</b>
<b>MALAYSIA 2.74% (2.42%)</b>			
125,000	Fraser & Neave	172,869	0.53
200,025	Malayan Banking	216,690	0.67
550,000	Pelikan International	197,763	0.61
240,000	Tenaga Nasional	300,562	0.93
	<b>Total Malaysia</b>	<b>887,884</b>	<b>2.74</b>

## Portfolio Statement

### AMITY INTERNATIONAL FUND at 30 June 2008

Number of Shares Held at 30 June 2008		Market Value £	Percentage of Total Net Assets %
<b>MEXICO 1.38%</b> (1.14%)			
22,400	Telefonos De Mexico ADR	264,072	0.81
22,400	Telmex Internacional ADR	184,783	0.57
	<b>Total Mexico</b>	<b>448,855</b>	<b>1.38</b>
<b>NETHERLANDS 4.21%</b> (5.28%)			
17,332	Ahold	117,044	0.36
24,000	Fugro	1,009,916	3.11
14,500	Ordina	96,770	0.30
12,000	Wolters Kluwer	142,005	0.44
	<b>Total Netherlands</b>	<b>1,365,735</b>	<b>4.21</b>
<b>NORWAY 2.29%</b> (0.00%)			
40,000	Statoil Hydro	744,520	2.29
	<b>Total Norway</b>	<b>744,520</b>	<b>2.29</b>
<b>PORTUGAL 1.03%</b> (1.07%)			
13,080	Portugal Telecom	74,023	0.23
46,920	Portugal Telecom ADR	259,842	0.80
	<b>Total Portugal</b>	<b>333,865</b>	<b>1.03</b>
<b>SINGAPORE 9.13%</b> (9.15%)			
500,000	Goodpack	284,310	0.88
62,500	Goodpack Warrants 16/07/2009	5,769	0.02
500,000	KS Energy Services	350,772	1.08
600,000	MobileOne	414,280	1.28
313,000	SIA Engineering	429,921	1.32
200,000	Singapore Petroleum	485,912	1.49
350,000	Singapore Telecom	467,819	1.44
50,000	United Overseas Bank	343,757	1.06
50,000	Venture Corporation	180,925	0.56
	<b>Total Singapore</b>	<b>2,963,465</b>	<b>9.13</b>
<b>SPAIN 3.13%</b> (3.42%)			
20,000	Banco Santander Central Hispano	185,154	0.57
21,014	Telefonica ADR	830,663	2.56
	<b>Total Spain</b>	<b>1,015,817</b>	<b>3.13</b>

## Portfolio Statement

### AMITY INTERNATIONAL FUND at 30 June 2008

Number of Shares Held at 30 June 2008		Market Value £	Percentage of Total Net Assets %
<b>SWEDEN 3.12%</b> (4.67%)			
19,335	Electrolux 'B'	123,478	0.38
75,000	Ericsson 'B'	386,316	1.19
31,875	Getinge 'B'	389,771	1.20
5,800	Husqvarna 'A'	25,625	0.08
19,335	Husqvarna 'B'	86,637	0.27
	<b>Total Sweden</b>	<b>1,011,827</b>	<b>3.12</b>
<b>SWITZERLAND 5.12%</b> (3.16%)			
25,000	Novartis	687,145	2.12
8,750	Roche	775,043	2.39
6,000	Swiss Re	198,668	0.61
	<b>Total Switzerland</b>	<b>1,660,856</b>	<b>5.12</b>
<b>THAILAND 3.32%</b> (3.23%)			
300,000	Advanced Information Services	414,420	1.28
670,000	Hana Microelectronics	184,101	0.57
600,000	Kiatnakin Bank	225,228	0.69
2,000,000	Krung Thai Bank	253,757	0.78
	<b>Total Thailand</b>	<b>1,077,506</b>	<b>3.32</b>
<b>UNITED STATES 6.24%</b> (9.38%)			
20,000	AT&T	328,865	1.01
11,000	Citigroup	95,160	0.29
115	Fairpoint Communications	430	0.00
305	Idearc	360	0.00
19,500	IMS Health	226,066	0.70
8,000	Merck & Company	148,496	0.46
9,000	PepsiCo	288,613	0.89
50,000	Pfizer	433,549	1.34
13,700	Southern Company	236,691	0.73
6,100	Verizon Communications	104,990	0.32
5,000	Waters Corporation	163,353	0.50
8,000	Worldcom Inc Group*	0	0.00
320	Worldcom MCI Group*	0	0.00
	<b>Total United States</b>	<b>2,026,573</b>	<b>6.24</b>
	<b>Portfolio of Investments 79.70%</b> (77.92%)	<b>25,868,240</b>	<b>79.70</b>
	Net other assets	6,587,037	20.30
	<b>Total net assets</b>	<b>32,455,277</b>	<b>100.00</b>

\*Unapproved securities (see Note 1g).

Unless otherwise stated, all investments are listed equities.

Comparative percentage holdings by market value at 31 December 2007 are shown in brackets.

## Portfolio Statement

### AMITY STERLING BOND FUND at 30 June 2008

Number of Shares Held at 30 June 2008		Market Value £	Percentage of Total Net Assets %
<b>UNITED KINGDOM</b>			
<b>UK Corporate Bonds 71.34%</b>			
250,000	Britannia Building Society 5.5555% PIBS	184,625	1.71
400,000	British Telecom 6.625% 23/06/2017	373,945	3.46
400,000	Compass 6.375% 29/5/2012	388,074	3.59
350,000	Coventry Building Society 12.125% PIBS	560,000	5.17
50,000	Derbyshire Building Society 6% PIBS	40,050	0.37
400,000	E.On 6% 30/10/2019	377,318	3.49
400,000	Hammerson 5.25% 15/12/2016	322,101	2.98
400,000	Lewis (John) 10.5% 23/01/2014	457,160	4.22
100,000	Manchester Building Society 6.75% PIBS	90,000	0.83
100,000	Manchester Building Society 8% PIBS	108,000	1.00
400,000	Marks & Spencer 5.625% 24/03/2014	356,438	3.29
250,000	National Grid Gas Holdings 4 <sup>3</sup> / <sub>16</sub> % IL 14/12/2022	376,262	3.48
290,000	Newcastle Building Society 10.75% PIBS	411,800	3.81
400,000	Next 5.875% 12/10/2016	332,566	3.07
350,000	Northumbrian 6% 11/10/2017	334,929	3.10
450,000	Nottingham Building Society 7.875% PIBS	463,500	4.27
400,000	Pearson 7% 27/10/2014	388,606	3.59
400,000	Rentokil Initial 5.75% 31/03/2016	333,214	3.08
400,000	Smith Industries 7.25% 30/06/2016	407,520	3.77
400,000	Tesco 5% 24/03/2023	347,141	3.21
350,000	Thames Water 4.75% 30/06/2010	337,190	3.12
350,000	Transco 6% 07/06/2017	336,720	3.11
400,000	United Utilities 5.25% 22/01/2010	391,437	3.62
	<b>Total UK Corporate Bonds</b>	<b>7,718,596</b>	<b>71.34</b>
<b>UK Corporate Preference Shares 10.16%</b>			
450,000	Aviva 8.75%	523,125	4.84
100,000	Bristol Water 8.75%	121,000	1.12
400,000	Co-Operative Bank 9.25%	454,000	4.20
	<b>Total UK Corporate Preference Shares</b>	<b>1,098,125</b>	<b>10.16</b>
<b>UK Government Bonds 12.23%</b>			
500,000	Treasury 8% 07/12/2015	582,688	5.39
300,000	Treasury 2.5% Index Linked 16/08/2013	740,820	6.84
	<b>Total UK Government Bonds</b>	<b>1,323,508</b>	<b>12.23</b>

## Portfolio Statement

### AMITY STERLING BOND FUND at 30 June 2008

Number of Shares Held at 30 June 2008		Market Value £	Percentage of Total Net Assets %
	<b>GERMANY 2.94%</b>		
350,000	<b>German Corporate Bonds 2.94%</b>		
	Bayer Fixed Rate 23/05/2018	318,294	2.94
	<b>Total German Corporate Bonds</b>	<b>318,294</b>	<b>2.94</b>
	<b>Portfolio of Investments 96.67%</b>	<b>10,458,523</b>	<b>96.67</b>
	Net other assets	360,591	3.33
	<b>Total net assets</b>	<b>10,819,114</b>	<b>100.00</b>

Note: There are no comparative figures as the Fund launched 18 February 2008

The rating disclosure as recommended by SORP 2.69 has been omitted pending negotiations by the IMA to acquire the relevant license to print such information.

## Portfolio Statement

### HIGHER INCOME FUND at 30 June 2008

Number of Shares Held at 30 June 2008		Market Value £	Percentage of Total Net Assets %
<b>UNITED KINGDOM</b>			
<b>UK Corporate Bonds 18.65% (13.84%)</b>			
30,000	Bristol & West 13.375% Perp	47,700	0.10
200,000	Britannia Building Society 13% PIBS	322,000	0.71
450,000	Britannia Building Society 5.5555% PIBS	332,325	0.73
500,000	British Telecom 7.5% 07/12/2016	521,700	1.15
150,000	Cable & Wireless 8.75% 06/08/2012	147,750	0.32
50,000	Clerical Medical 7.375% Perp	43,974	0.10
50,000	Compass Group 7% 12/08/2014	49,251	0.11
500,000	Co-Op Group 5.875 18/12/2013	468,400	1.03
100,000	Coventry Building Society 12.125% PIBS	160,000	0.35
250,000	Egg Bank 7.5% 09/12/2013	241,433	0.53
40,000	First Hydro Finance 9% 31/07/2021	43,020	0.09
150,000	GKN Holdings 7% 14/05/2012	143,086	0.31
50,000	Halifax 8.75% 14/02/2023 Perp	50,500	0.11
150,000	Halifax 12% Irred	192,089	0.42
300,000	HBOS 6.3673% 17/06/2019	220,628	0.49
204,000	Land Securities 5.292% 28/11/2015	191,719	0.42
200,000	Leeds & Holbeck Building Society 13.375% PIBS	354,000	0.78
500,000	Lewis (John) 6.375% 30/01/2012	484,800	1.07
500,000	Marks & Spencer 5.625% 24/03/2014	445,548	0.98
732,000	National Grid 3.603% 08/07/2018	893,289	1.97
400,000	National Grid Gas Holdings 4 <sup>3</sup> / <sub>16</sub> % IL14/12/2022	602,020	1.32
100,000	Newcastle Building Society 12.625% PIBS	168,000	0.37
70,000	Northern Rock 12.625% Perp	68,600	0.15
1,000,000	Roche-Finance 5.375% 29/08/2023	874,410	1.92
300,000	Safeway 6% 10/01/2017	277,637	0.61
300,000	Safeway 6.5% 01/08/2014	289,110	0.64
200,000	Skipton Building Society 12.875% PIBS	334,000	0.73
350,000	Standard Life 6.14% Perp	296,428	0.65
250,000	Telefonica 5.375% 02/02/2018	221,177	0.49
	<b>Total UK Corporate Bonds</b>	<b>8,484,594</b>	<b>18.65</b>
<b>UK Corporate Preference Shares 5.32% (5.53%)</b>			
100,000	Aviva 8.375%	113,000	0.25
125,000	Aviva 8.75% Pref	145,313	0.32
200,000	Bellway 9.5% Cum Pref 2014	200,000	0.44
150,000	Bristol Water 8.75% Pref	181,500	0.40
175,000	Coats International 6% Pref 2011	159,250	0.35
750,000	General Accident 7.875% Pref	776,250	1.71
250,000	General Accident 8.875% Pref	290,000	0.64
200,000	Northern Electric Pref	218,000	0.48
25,000	Premier Farnell Cum Pref 2016	331,250	0.73
	<b>Total UK Corporate Preference Shares</b>	<b>2,414,563</b>	<b>5.32</b>

## Portfolio Statement

### HIGHER INCOME FUND at 30 June 2008

Number of Shares Held at 30 June 2008		Market Value £	Percentage of Total Net Assets %
<b>UK Government Bonds 26.01% (16.10%)</b>			
100,000	Conversion 9% 12/07/2011	110,391	0.24
1,000,000	Treasury 2.5% Index Linked 16/04/2020	2,892,300	6.36
200,000	Treasury 2.5% Index Linked 26/07/2016	558,280	1.23
7,150,000	Treasury 4% 07/03/2009	7,099,235	15.61
175,000	Treasury 6.25% 25/11/2010	179,335	0.39
850,000	Treasury 8% 07/12/2015	990,569	2.18
<b>Total UK Government Bonds</b>		<b>11,830,110</b>	<b>26.01</b>
<b>UK Equities 30.10% (34.97%)</b>			
82,000	Aviva	411,640	0.91
200,000	Bodycote International	405,000	0.89
80,000	BP	461,600	1.01
14,000	British American Tobacco	240,520	0.53
80,000	British Energy	564,400	1.24
2,677	British Energy Warrants	15,875	0.03
90,000	British Polythene	215,100	0.47
200,000	BT	397,600	0.87
102,600	Carillion	335,502	0.74
400,000	Clinton Cards	152,000	0.33
50,000	Compass	186,750	0.41
40,000	Cookson	249,200	0.55
60,820	Drax	447,027	0.98
135,000	DSG International	56,363	0.12
150,000	Electrocomponents	219,375	0.48
375,000	Elementis	284,063	0.62
33,600	Enodis	106,176	0.23
225,000	Fenner	551,250	1.21
25,000	FKI	21,625	0.05
60,000	GlaxoSmithKline	672,600	1.48
100,000	HBOS	275,250	0.61
40,000	HBOS (Nil Paid Rights 18/07/08)	4,700	0.01
60,000	HSBC	466,950	1.03
375,000	ING UK Real Estate Income Trust	163,125	0.36
160,000	Ladbroke's	406,000	0.89
43,920	Laird Group	171,508	0.38
42,954	Menzies (John)	172,246	0.38
139,000	Middlefield Canadian Income Trust	123,710	0.27
75,000	Morgan Crucible	144,750	0.32
37,261	Mothercare	122,961	0.27
60,000	National Grid	390,900	0.86
65,000	Northern Foods	39,650	0.09
250,000	Premier Farnell	432,500	0.95
28,800	Rank Group	23,112	0.05
170,000	Rentokil Initial	168,725	0.37
29,545	Rexam	113,674	0.25
9,000	Rio Tinto	538,020	1.18
62,512	Rolls-Royce	213,166	0.47
5,601,075	Rolls-Royce 'B'	5,601	0.01
35,000	Royal Dutch Shell 'B'	697,200	1.56
42,000	Sainsbury (J)	131,355	0.29
22,000	Severn Trent	282,920	0.62

## Portfolio Statement

### HIGHER INCOME FUND at 30 June 2008

Number of Shares Held at 30 June 2008		Market Value £	Percentage of Total Net Assets %
<b>UK Equities - continued</b>			
55,000	SFI Holdings Group* (Litigation Entitlement)	0	0.00
55,000	SFI Holdings* (Suspended 12/11/2002)	0	0.00
44,000	Smiths Group	474,320	1.04
25,000	Spectris	177,875	0.39
350,000	Spirent	223,125	0.49
15,000	Standard Chartered	213,600	0.47
110,500	Standard Life	231,221	0.51
30,588	The Real Hotel Company	5,047	0.01
11,114	Thomas Cook	25,173	0.06
250,000	Titan Europe	350,000	0.77
65,000	United Utilities	441,025	0.97
100,000	Volex Group	70,000	0.15
16,297	WH Smith	59,606	0.13
275,000	Yule Catto	337,563	0.74
	<b>Total UK Equities</b>	<b>13,690,244</b>	<b>30.10</b>
<b>AUSTRALIA 0.76% (1.58%)</b>			
20,000	Australia & New Zealand Banking Group	180,973	0.40
350,000	Sigma Pharmaceuticals	166,819	0.36
	<b>Total Australia</b>	<b>347,792</b>	<b>0.76</b>
<b>CHINA 0.87% (0.77%)</b>			
3,000,000	Huadian Power International	395,972	0.87
	<b>Total China</b>	<b>395,972</b>	<b>0.87</b>
<b>FINLAND 0.17% (0.92%)</b>			
4,500	Cargotech 'B'	78,326	0.17
	<b>Total Finland</b>	<b>78,326</b>	<b>0.17</b>
<b>FRANCE 1.35% (1.18%)</b>			
30,000	France Telecom	445,964	0.98
5,000	Sanofi-Aventis	166,805	0.37
	<b>Total France</b>	<b>612,769</b>	<b>1.35</b>
<b>GERMANY 0.89% (0.68%)</b>			
16,000	Deutsche Post	208,489	0.45
35,000	Francotyp-Postalia	80,450	0.18
7,000	Indus Holding	117,291	0.26
	<b>Total Germany</b>	<b>406,230</b>	<b>0.89</b>

## Portfolio Statement

### HIGHER INCOME FUND at 30 June 2008

Number of Shares Held at 30 June 2008		Market Value £	Percentage of Total Net Assets %
<b>HONG KONG 3.92%</b> (4.30%)			
54,000	Anhui Tianda Oil Pipe Company	6,084	0.01
400,000	China Oriental	122,333	0.27
895,000	China Shineway Pharmaceuticals	334,802	0.74
640,000	Dream International	7,335	0.02
2,746,000	Hop Fung	265,205	0.58
1,648,000	Lerado	59,420	0.13
6,158,000	Scud Group	356,838	0.78
4,000,000	Ta Yang	327,079	0.72
100,000	Vtech Holdings	302,613	0.67
	<b>Total Hong Kong</b>	<b>1,781,109</b>	<b>3.92</b>
<b>IRELAND 0.00%</b> (0.01%)			
318,181	Waterford Wedgwood (UK) Uts	1,967	0.00
	<b>Total Ireland</b>	<b>1,967</b>	<b>0.00</b>
<b>ITALY 0.82%</b> (0.80%)			
20,000	ENI	374,589	0.82
	<b>Total Italy</b>	<b>374,589</b>	<b>0.82</b>
<b>MALAYSIA 1.23%</b> (1.09%)			
125,000	Fraser & Neave	172,869	0.38
78,125	Malayan Banking	84,634	0.19
240,000	Tenaga Nasional	300,562	0.66
	<b>Total Malaysia</b>	<b>558,065</b>	<b>1.23</b>
<b>PORTUGAL 0.68%</b> (0.78%)			
55,000	Portugal Telecom ADR	311,259	0.68
	<b>Total Portugal</b>	<b>311,259</b>	<b>0.68</b>
<b>SINGAPORE 3.27%</b> (3.60%)			
575,000	China Merchants Holdings	152,863	0.34
600,000	MobileOne	414,280	0.91
116,000	SIA Engineering	159,332	0.35
250,000	Singapore Petroleum	607,390	1.34
600,000	Yellow Pages (Singapore)	150,647	0.33
	<b>Total Singapore</b>	<b>1,484,512</b>	<b>3.27</b>
<b>SPAIN 0.67%</b> (0.82%)			
23,000	Telefonica	306,266	0.67
	<b>Total Spain</b>	<b>306,266</b>	<b>0.67</b>

## Portfolio Statement

### HIGHER INCOME FUND at 30 June 2008

Number of Shares Held at 30 June 2008		Market Value £	Percentage of Total Net Assets %
	<b>THAILAND 2.82%</b> (3.02%)		
400,000	Advanced Information Services	552,559	1.21
1,100,000	Kiatnakin Bank	412,918	0.91
2,500,000	Krung Thai Bank	317,196	0.70
	<b>Total Thailand</b>	<b>1,282,673</b>	<b>2.82</b>
	<b>UNITED STATES OF AMERICA 1.05%</b> (1.47%)		
15,000	Citigroup	129,764	0.29
40,000	Pfizer	346,839	0.76
	<b>Total United States of America</b>	<b>476,603</b>	<b>1.05</b>
	<b>Portfolio of Investments 98.58%</b> (91.46%)	<b>44,838,243</b>	<b>98.58</b>
	Net other assets	646,070	1.42
	<b>Total net assets</b>	<b>45,484,313</b>	<b>100.00</b>

\*Unapproved securities (see Note 1g).

Unless otherwise stated, all investments are listed equities.

Comparative percentage holdings by market value at 31 December 2007 are shown in brackets.

The rating disclosure as recommended by SORP 2.69 has been omitted pending negotiations by the IMA to acquire the relevant license to print such information.

## Portfolio Statement

### UK EQUITY GROWTH FUND

at 30 June 2008

Number of Shares Held at 30 June 2008		Market Value £	Percentage of Total Net Assets %
<b>UNITED KINGDOM</b>			
<b>UK Equities 86.40%</b> (91.98%)			
1,300,000	Advanced Fluid Connections* (Suspended 27/03/2006)	0	0.00
318,000	AssetCo	502,440	0.80
115,785	Aviva	581,241	0.92
201,743	Babcock International	1,216,510	1.93
250,000	Balfour Beatty	1,057,500	1.68
222,350	Bango	73,376	0.12
245,000	Barclays	711,725	1.13
57,500	Bellway	258,606	0.41
45,000	Berkeley Holdings 'B'	301,050	0.48
170,000	BG Group	2,169,200	3.45
275,000	BP	1,586,750	2.52
66,579	BPP Holdings	309,592	0.49
93,000	British Airways	193,440	0.31
72,000	British American Tobacco	1,236,960	1.97
85,000	British Energy	599,675	0.95
320,000	BT	636,160	1.01
150,000	Cable & Wireless	226,500	0.36
86,400	Cadbury	538,272	0.86
291,154	Cape	811,592	1.29
150,000	Centrica	457,875	0.73
325,000	Compass	1,213,875	1.93
50,000	Cookson	311,500	0.50
265,350	Dechra Pharmaceuticals	1,076,658	1.71
149,022	Dignity	1,104,253	1.76
375,000	Diploma	598,125	0.95
720,000	Dolphin Capital	705,600	1.12
250,000	Dunelm	326,875	0.52
207,043	e2v Technologies	524,854	0.83
2,000,000	Electric Word	115,000	0.18
861,499	Elementis	652,585	1.04
250,000	G4S	499,250	0.79
45,000	Gibbs & Dandy	186,750	0.30
132,500	GlaxoSmithKline	1,485,325	2.36
190,000	Halma	398,525	0.63
109,585	Hansard Global	172,048	0.27
175,000	HBOS	481,688	0.77
70,000	HBOS (Nil Paid Rights 18/07/2008)	8,225	0.01
100,000	HSBC	778,250	1.24
293,750	Humberts Group* (Suspended 16/5/2008)	9,547	0.02
140,000	Informa	571,200	0.91
400,000	ING UK Real Estate Income Trust	174,000	0.28
255,000	ITM Power	144,713	0.23
60,000	Jardine Lloyd Thomson	224,250	0.36
85,000	John Menzies	340,850	0.54
47,000	Johnson Matthey	860,570	1.37
225,000	Lamprell	1,275,750	2.03
35,000	Land Securities	431,200	0.69
331,380	Legal & General	332,374	0.53
275,000	Lloyds TSB	855,250	1.36
350,000	London & Stamford Property Trust	367,500	0.58
144,000	LSL Property Services	123,840	0.20
60,000	Marks & Spencer	195,450	0.31

## Portfolio Statement

### UK EQUITY GROWTH FUND at 30 June 2008

Number of Shares Held at 30 June 2008		Market Value £	Percentage of Total Net Assets %
<b>UNITED KINGDOM - continued</b>			
150,724	Marshalls	237,767	0.38
105,000	Metnor	155,400	0.25
237,500	Morgan Crucible	458,375	0.73
300,000	Morrison (Wm) Supermarkets	788,250	1.25
210,000	National Grid	1,368,150	2.18
40,000	Next	389,200	0.62
170,000	Office2office	268,600	0.43
270,000	Oxford Instruments	655,425	1.04
943,922	Pace	785,815	1.25
74,454	Pearson	456,403	0.73
143,810	Pinewood Shepperton	304,877	0.48
74,074	Plethora Solutions	38,518	0.06
23,500	Provident Financial	187,295	0.30
180,000	Prudential	959,400	1.53
30,000	Reckitt Benckiser	762,300	1.21
280,000	Record	280,000	0.45
177,462	Reed Elsevier	1,006,210	1.60
375,000	Rentokil Initial	372,188	0.59
100,454	Rexam	386,497	0.61
100,000	Ricardo	312,000	0.50
35,000	Rio Tinto	2,092,300	3.32
230,777	Rolls-Royce	786,950	1.25
20,677,619	Rolls-Royce 'B'	20,678	0.03
66,086	Royal Dutch Shell 'B'	1,316,433	2.09
131,250	Sainsbury (J)	410,484	0.65
183,000	Sales Activation Solutions*	45,750	0.07
45,333	Severn Trent	582,982	0.93
175,000	SFI Holdings* (Litigation Entitlement)	0	0.00
175,000	SFI Holdings 'A*' (Suspended 26/03/2003)	0	0.00
70,000	Smith & Nephew	388,500	0.62
73,666	Smiths Group	794,119	1.26
120,000	Spectris	853,800	1.36
864,218	SPI Lasers	250,623	0.40
650,000	Spirent	414,374	0.66
60,000	Standard Chartered	854,400	1.36
250,000	Tesco	906,000	1.44
65,000	Unilever	915,850	1.46
98,333	United Utilities	667,189	1.06
1,150,625	Vodafone	1,679,913	2.67
190,000	Volex	133,000	0.21
1,200,000	Walker Greenbank	354,000	0.56
77,000	Wolseley	291,830	0.46
72,500	WSP	378,813	0.60
170,833	Zenith Hygiene	13,667	0.02
	<b>Total United Kingdom</b>	<b>54,338,669</b>	<b>86.40</b>

## Portfolio Statement

### UK EQUITY GROWTH FUND at 30 June 2008

Number of Shares Held at 30 June 2008		Market Value £	Percentage of Total Net Assets %
	<b>IRELAND 1.13%</b> (1.28%)		
300,000	Boundary Capital	61,824	0.10
815,000	Datalex	316,530	0.50
540,000	Siteserv	132,683	0.21
175,000	Veris	201,250	0.32
	<b>Total Ireland</b>	<b>712,287</b>	<b>1.13</b>
	<b>Portfolio of Investments 87.53%</b> (93.26%)	<b>55,050,956</b>	<b>87.53</b>
	Net other assets	7,840,396	12.47
	<b>Total net assets</b>	<b>62,891,352</b>	<b>100.00</b>

\*Unapproved securities (see Note 1g).

Unless otherwise stated, all investments are listed equities.

Comparative percentage holdings by market value at 31 December 2007 are shown in brackets.



## Summary of Material Portfolio Changes

### Amity UK Fund

Unaudited for the period 1 January 2008 to 30 June 2008

Purchases	Cost £'000	Sales	Proceeds £'000
Vodafone	408	Banco Santander	525
Cookson	390	Inspicio	495
Hyder Consulting	389	Yara International	443
Rentokil Initial	388	Australia & New Zealand Banking	298
MITIE	353	IMS Health	287
WSP	325	SIA Engineering	270
Daily Mail & General Trust	313	BBI Holdings	258
Centrica	266	Getinge 'B'	244
Pearson	237	Q-Med	210
Severn Trent	214	Ta Yang	155
Elementis	190	Agilent Technology	147
National Express	188	Dr Pepper Snapple	113
HSBC	173	Creative Technology	71
Dechra Pharmaceuticals	167		
Prudential Corporation	140		
Reed Elsevier	132		
BT	125		
Marshalls	118		
Dignity	115		
United Utilities	113		
<b>Total cost of all securities purchased:</b>	<b>5,660</b>	<b>Total proceeds from all securities sold:</b>	<b>5,245</b>

The above statement identifies the value of purchases and sales of a security exceeding 2% of the net assets of the Fund at the start of the period. In any event, as a minimum, the 20 largest purchases and all the sales during the period have been shown. Details of transaction costs are set out in Note 17.

## Summary of Material Portfolio Changes

### Amity European Fund

Unaudited for the period 1 January 2008 to 30 June 2008

Purchases	Cost £'000	Sales	Proceeds £'000
Swatch	545	Vodafone	826
Carl Zeiss Meditec	511	Reckitt Benckiser	818
Philips Electronics	490	Dignity	483
Beiersdorf	470	Swedish Match	457
Indus Holdings	465	Smith & Nephew	453
Hannover Re	463	Foseco	443
Commerzbank	460	Unilever	423
Yara International	447	Royal Bank of Scotland	408
Metro	441	ENI	373
Enel	430	BP	343
Nordea Bank	308	Standard Life	335
Nokia	286	Spirent	332
Zurich Financial Services	277	Johnson Matthey	304
Publicis Groupe	263	Royal Dutch Shell 'B'	299
Wolters Kluwer	262	Henkel	295
Husqvarna 'A'	220	GlaxoSmithKline	267
Kemira	219	Pearson	266
Bayer	208	Prudential	245
Carbone Lorraine	183	Kone 'B'	241
Smurfit Kappa	172	Lloyds TSB	221
<b>Total cost of all securities purchased:</b>	<b>7,980</b>	<b>Total proceeds from all securities sold:</b>	<b>9,123</b>

The above statement identifies the value of purchases and sales of a security exceeding 2% of the net assets of the Fund at the start of the period. In any event, as a minimum, the 20 largest purchases and the 20 largest sales during the period have been shown. Details of transaction costs are set out in Note 17.

## Summary of Material Portfolio Changes

### Amity International Fund

Unaudited for the period 1 January 2008 to 30 June 2008

Purchases	Cost £'000	Sales	Proceeds £'000
Statoil	699	Noble	784
Peace Mark Holdings	509	ConocoPhillips	634
Singapore Telecom	470	Foseco	590
MobileOne	437	Kone 'B'	481
Carl Zeiss Meditec	428	Swedish Match	474
Scud Group	421	Huadian Power International	468
Huadian Power International	404	Unilever	423
GlaxoSmithKline	387	Fraser & Neave	408
AT&T	370	Procter & Gamble	339
Artini China	367	Royal Dutch Shell 'B'	299
Centrica	365	Colgate Palmolive	283
Electrocomponents	278	Sinopec	274
Sanofi-Aventis	277	Chevron	210
Malayan Banking	272	Creative Technology	64
HBOS	265	BYD Electronic Company	38
Commerzbank	232	Peace Mark Holdings	7
BYD Electronic Company	210	Zodiac	6
Swiss Re	197		
Pfizer	184		
Ta Yang	182		
<b>Total cost of all securities purchased:</b>	<b>8,460</b>	<b>Total proceeds from all securities sold:</b>	<b>5,782</b>

The above statement identifies the value of purchases and sales of a security exceeding 2% of the net assets of the Fund at the start of the period. In any event, as a minimum, the 20 largest purchases and all the sales during the period have been shown. Details of transaction costs are set out in Note 17.

## Summary of Material Portfolio Changes

### Amity Sterling Bond Fund

Unaudited for the period 1 January 2008 to 30 June 2008

Purchases	Cost £'000	Sales	Proceeds £'000
Treasury 8.75% 25/08/2017	3,034	Treasury 8.75% 25/08/2017	2,995
Treasury 4% 07/03/2009	2,995	Treasury 4% 7/03/2009	2,995
Treasury 8% 07/12/2015	1,232	Treasury 8% 07/12/2015	603
Treasury 2.5% Index Linked 16/08/2013	750		
Coventry Building Society 12.125% PIBS	561		
Aviva 8.75%	496		
Lewis (John) 10.5% 23/01/2014	486		
Nottingham Building Society 7.875% PIBS	467		
Co-Operative Bank 9.25%	452		
Smith Industries 7.25% 30/06/2016	422		
Newcastle Building Society 10.75% PIBS	408		
Pearson 7% 27/10/2014	405		
Compass 6.375% 29/5/2012	402		
United Utilities 5.25% 22/01/2010	398		
British Telecom 6.625% 23/06/2017	394		
E.On 6% 30/10/2019	390		
National Grid Gas Holdings 4 <sup>3</sup> / <sub>16</sub> % IL 14/12/2022	373		
Marks & Spencer 5.625% 24/03/2014	371		
Tesco 5% 24/03/2023	354		
Smith Industries 7.25% 30/06/2016	349		
Northumbrian 6% 11/10/2017	347		
Transco 6% 07/06/2017	347		
Hammerson 5.25% 15/12/2016	344		
Next 5.875% 12/10/2016	342		
Thames Water 4.75% 30/06/2010	341		
Bayer Fixed Rate 23/05/2018	324		
<b>Total cost of all securities purchased:</b>	<b>17,353</b>	<b>Total proceeds from all securities sold:</b>	<b>6,593</b>

The above statement identifies the value of purchases and sales of a security exceeding 2% of the net assets of the Fund at the end of the period for the Funds first accounting period, and at a minimum the top 20 purchases and sales during the period. Details of transaction costs are set out in Note 17.

## Summary of Material Portfolio Changes

### Higher Income Fund

Unaudited for the period 1 January 2008 to 30 June 2008

Purchases	Cost £'000	Sales	Proceeds £'000
Treasury 4% 7/03/2009	4,370	UK Treasury 4.75% 7/09/15	1,013
Treasury 8% 07/12/2015	1,033	Foseco	590
National Grid 3.603% 08/07/2018	895	Scottish & Newcastle	440
National Grid Gas Holdings		Fraser & Neave	347
4 3/16% IL 14/12/2022	588	Kone Corporation	309
British Telecom 7.5% 07/12/2016	567	British American Tobacco	265
MobileOne	434	Standard Chartered	243
Huadian Power International	394	Australian & New Zealand Banking	237
Electrocomponents	278	Kelda Group	169
HBOS	265	Rio Tinto	163
Scud Group	213	McAlpine (Alfred)	157
Britannia Building Society		Sinopec	94
5.5555% PIBS	204	Bradford & Bingley Building Society 11.625% Perp	68
Sanofi-Aventis	186	Scarborough Building Society 8.5% PIBS	56
Ta Yang	169		
GlaxoSmithKline	140		
Francotyp-Postalia	138		
Middlefield Canadian Income Trust	124		
Malayan Banking	121		
Indus Holding	111		
Titan Europe	70		
Foseco	66		
<b>Total cost of all securities purchased:</b>	<b>10,453</b>	<b>Total proceeds from all securities sold:</b>	<b>4,151</b>

The above statement identifies the value of purchases and sales of a security exceeding 2% of the net assets of the Fund at the start of the period. In any event, as a minimum, the 20 largest purchases and all the sales during the period have been shown. Details of transaction costs are set out in Note 17.

## Summary of Material Portfolio Changes

### UK Equity Growth Fund

Unaudited for the period 1 January 2008 to 30 June 2008

Purchases	Cost £'000	Sales	Proceeds £'000
British Energy	446	McAlpine (Alfred)	626
WSP Group	426	Reuters	571
Pace	387	BBI Holdings	353
Cookson	377	Rio Tinto	272
Balfour Beatty	376	Land Securities	267
National Grid	315	ITV	198
Compass	303	Dr Pepper Snapple	197
Unilever	260	Thomson Reuters	185
BG Group	217	British American Tobacco	158
Severn Trent	176	Trinity Mirror	157
GlaxoSmithKline	171	Yell	124
Dechra Pharmaceuticals	145	Barclays	94
Spectris	143	Humberts Group* (Suspended 16/5/2008)	7
Marshalls	120		
Lloyds TSB	108		
Office2office	103		
Elementis	69		
Rentokil Initial	68		
Barclays	64		
Spirent	61		
<b>Total cost of all securities purchased:</b>	<b>4,357</b>	<b>Total proceeds from all securities sold:</b>	<b>6,806</b>

The above statement identifies the value of purchases and sales of a security exceeding 2% of the net assets of the Fund at the start of the period. In any event, as a minimum, the 20 largest purchases and all the sales during the period have been shown. Details of transaction costs are set out in Note 17.

## NOTES TO THE FINANCIAL STATEMENTS

### 1. Accounting Policies

#### a. Basis of accounting

The financial statements have been prepared in accordance with applicable United Kingdom generally accepted accounting principles under the historical cost convention, as modified by the revaluation of investments. The financial statements reflect transactions in each of the Ecclesiastical sub-funds – Amity UK Fund, Amity European Fund, Amity International Fund, Amity Sterling Bond Fund, Higher Income Fund, and UK Equity Growth Fund for the period ended 30 June 2008. The ACD has prepared financial statements that comply with the Statement of Recommended Practice (SORP): "Financial Statements of Authorised Funds" issued by the Investment Management Association (IMA) in December 2005.

#### b. Recognition of income

All dividends on investments declared ex-dividend up to the accounting date are shown as gross income. 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 income of the Company. Income is allocated to the share classes of each sub-fund based on the proportion of assets held by each share class.

#### c. Treatment of stock and special dividends

The ordinary element of stocks received in lieu of cash dividends is recognised as income of the 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 income or capital depending on the underlying substance of the transaction.

#### d. Treatment of management expenses

The ACD's annual management fee is charged within the net income 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 income so the capital value of the Fund could be reduced over time.

#### e. Distribution policy

If at the end of the period income after tax exceeds expenses attributable to a sub-fund, the net income available of that sub-fund will be distributed to shareholders.

#### f. Basis of valuation of investments

All investments are valued at their fair value as at 12:00 pm on 30 June 2008, being the last business day of the financial period. The fair value of non-derivative securities is bid price, excluding any accrued interest. Unquoted investments are shown at the Manager's valuation.

#### g. Unapproved, suspended and unlisted securities

Any unlisted securities, suspended securities and unapproved securities are valued by the ACD at the balance sheet date.

#### h. Foreign currencies

The values of assets and liabilities denominated in foreign currencies have been converted into sterling at the exchange rates prevailing at 12:00 pm on the last business day of the accounting period. Any exchange differences arising on translation of assets and liabilities other than investments are included in net income.

#### i. Taxation

The sub-funds are liable to Corporation Tax applied at a rate of 20.0% on interest, overseas dividend income and underwriting commission. Deferred tax is provided for by the liability method on all short-term timing differences. UK dividend income 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.

#### j. Expenses

All expenses, other than those relating to the purchase and sale of investments and Stamp Duty Reserve Tax (SDRT) are charged against income, with the exception of Amity Sterling Bond Fund where charges have been charged against Capital since inception and 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.

## Notes to the Financial Statements

Unaudited for the period 1 January 2008 to 30 June 2008

### 2. Net (losses)/gains on investments

	Amity UK 2008	Amity European 2008	Amity International 2008	Amity Sterling Bond 2008	Higher Income 2008	UK Equity Growth 2008	Total 2008
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Non-derivative securities	(9,692)	2,650	(5,275)	(301)	(3,412)	(9,444)	(32,783)
Net (losses)/gains on investments	(9,692)	2,650	(5,375)	(301)	(3,412)	(9,444)	(32,783)

### 3. Other gains/(losses)

	Amity UK 2008	Amity European 2008	Amity International 2008	Amity Sterling Bond 2008	Higher Income 2008	UK Equity Growth 2008	Total 2008
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Currency gains/(losses)	52	147	455	-	182	1	837

### 4. Gross income

	Amity UK 2008	Amity European 2008	Amity International 2008	Amity Sterling Bond 2008	Higher Income 2008	UK Equity Growth 2008	Total 2008
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Franked UK dividends	1,007	34	91	38	430	1,303	2,903
Overseas dividends	232	876	632	-	339	11	2,090
Franked REIT income	9	-	-	-	-	2	11
Unfranked REIT income	14	1	-	-	-	16	31
Interest on fixed interest stocks	-	-	-	136	380	-	516
Interest on relevant discounted securities	-	-	-	-	(92)	-	(92)
Bank interest	129	72	134	11	106	196	648
	1,391	983	857	185	1,163	1,528	6,107

## Notes to the Financial Statements

Unaudited for the period 1 January 2008 to 30 June 2008

### 5. Expenses

	Amity UK 2008		Amity European 2008		Amity International 2008		Amity Sterling Bond 2008		Higher Income 2008		UK Equity Growth 2008		Total 2008	
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>Payable to the Authorised Corporate Director or associates of the Authorised Corporate Director:</b>														
ACD's charge	393	445	133	134	136	125	17	-	246	185	315	347	1,240	1,236
<b>Payable to the Depository or associates of the Depository:</b>														
Depository fee	7	20	5	10	6	9	1	-	17	10	7	22	43	71
Safe custody fee	5	4	5	5	4	7	2	-	5	4	2	3	23	23
Security transaction charges	2	2	2	2	3	6	-	-	2	5	1	2	10	17
<b>Other expenses:</b>														
Registration fee	18	15	4	3	3	2	2	-	18	15	10	9	55	44
Audit fee	3	3	3	3	3	3	2	-	3	3	3	3	17	15
Sundry expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	21	18	7	6	6	5	4	-	21	18	13	12	72	59
<b>Total expenses</b>	<b>428</b>	<b>489</b>	<b>152</b>	<b>157</b>	<b>155</b>	<b>152</b>	<b>24</b>	<b>-</b>	<b>291</b>	<b>222</b>	<b>338</b>	<b>386</b>	<b>1,388</b>	<b>1,406</b>

## Notes to the Financial Statements

Unaudited for the period 1 January 2008 to 30 June 2008

## 6. Taxation

	Amity UK		Amity European		Amity International		Amity Sterling Bond		Higher Income		UK Equity Growth		Total	
	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>a. Analysis of charge in period:</b>														
Corporation tax	-	-	160	65	124	77	35	-	85	59	-	-	404	201
Double taxation relief	-	-	(125)	(63)	(57)	(33)	-	-	(25)	(11)	-	-	(207)	(107)
Overseas withholding tax	22	22	115	64	57	30	-	-	25	7	-	-	219	123
Irrecoverable REIT tax	3	-	-	-	-	-	-	-	-	-	2	-	5	-
<b>Total current tax</b>	<b>25</b>	<b>22</b>	<b>150</b>	<b>66</b>	<b>124</b>	<b>74</b>	<b>35</b>	<b>-</b>	<b>85</b>	<b>55</b>	<b>2</b>	<b>-</b>	<b>421</b>	<b>217</b>
Deferred tax	-	-	-	-	(1)	(10)	-	-	(1)	(4)	-	-	(2)	(14)
<b>Total taxation</b>	<b>25</b>	<b>22</b>	<b>150</b>	<b>66</b>	<b>123</b>	<b>64</b>	<b>35</b>	<b>-</b>	<b>84</b>	<b>51</b>	<b>2</b>	<b>-</b>	<b>419</b>	<b>203</b>

## Notes to the Financial Statements

Unaudited for the period 1 January 2008 to 30 June 2008

## 6. Taxation - continued

	Amity UK		Amity European		Amity International		Amity Sterling Bond		Higher Income		UK Equity Growth		Total	
	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>b. Factors affecting taxation charge for the period:</b>														
Net income before taxation	962	681	831	565	702	392	160	-	872	596	1,190	831	4,717	3,065
<b>Net Income multiplied by the standard rate of Corporation Tax of 20% (2007 - 20%)</b>	192	136	166	113	140	78	32	-	174	120	238	166	942	613
Effects of:														
Franked investment income	(203)	(168)	(6)	(30)	(18)	(13)	(8)	-	(89)	(58)	(261)	(221)	(585)	(490)
Overseas withholding tax	22	22	115	64	57	30	-	-	25	7	-	-	219	123
Irrecoverable REIT tax	3	-	-	-	-	-	-	-	-	-	2	-	5	-
Double taxation relief	-	-	(125)	(63)	(57)	(38)	-	-	(25)	(11)	-	-	(207)	(107)
Transaction charges	1	-	-	-	1	1	-	-	-	1	-	-	2	2
Current period expenses not utilised	10	32	-	(18)	-	11	11	-	-	(8)	23	55	44	72
Deferred tax	-	-	-	-	-	(10)	-	-	(1)	-	-	-	(1)	(10)
Current tax charge (note 6a)	25	22	150	66	123	64	35	-	84	51	2	-	419	203

c. The Amity UK Fund has not recognised a deferred tax asset of £555,215 (2007: 486,823) arising as a result of having unutilised management expenses. The UK Equity Growth Fund has not recognised a deferred tax asset of £418,924 (2007: 350,367) 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' income or capital gains/(losses) changes. The Higher Income Fund, the Amity European Fund and the Amity International Fund have no deferred tax assets (2007: £nil)

## Notes to the Financial Statements

Unaudited for the period 1 January 2008 to 30 June 2008

### 7. Finance costs

#### Distributions

The distributions take account of income received on the creation of units and income deducted on cancellation of units, and comprise:

	Amity UK		Amity European		Amity International		Amity Sterling Bond		Higher Income		UK Equity Growth		Total	
	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>Interim</b>														
Share Class A (Distribution)	92	85	6	5	-	-	4	-	284	193	46	41	432	324
Share Class B (Distribution)	3	3	123	112	62	57	141	-	150	85	411	374	890	631
Share Class C (Accumulation)	124	113	1	1	-	-	-	-	38	23	63	57	226	194
<b>Net distribution/accumulation for the period</b>	<b>219</b>	<b>201</b>	<b>130</b>	<b>118</b>	<b>62</b>	<b>57</b>	<b>145</b>	<b>-</b>	<b>472</b>	<b>301</b>	<b>520</b>	<b>472</b>	<b>1,548</b>	<b>1,149</b>
Income deducted on shares cancelled	19	18	1	-	-	-	-	-	60	40	3	6	83	64
Income received on shares created	(16)	(18)	(2)	(1)	(2)	(1)	(3)	-	(148)	(402)	(3)	(5)	(174)	(427)
<b>Net distribution/accumulation for the period</b>	<b>222</b>	<b>201</b>	<b>129</b>	<b>117</b>	<b>60</b>	<b>56</b>	<b>142</b>	<b>-</b>	<b>384</b>	<b>(61)</b>	<b>520</b>	<b>473</b>	<b>1,457</b>	<b>786</b>
Interest	1	-	-	-	-	-	1	-	-	-	-	-	2	-
<b>Total finance costs</b>	<b>223</b>	<b>201</b>	<b>129</b>	<b>117</b>	<b>60</b>	<b>56</b>	<b>143</b>	<b>-</b>	<b>384</b>	<b>(61)</b>	<b>520</b>	<b>473</b>	<b>1,459</b>	<b>786</b>
Reconciliation between net income and distributions	937	659	681	499	579	328	125	-	788	545	1,188	831	4,298	2,862
Add: Investment transaction charges	2	2	2	2	3	6	-	-	2	5	1	2	10	17
Add: ACD's fee charged to capital (net of tax relief)	-	-	-	-	-	-	-	-	197	148	-	-	197	148
Deduct: Income brought forward	(717)	(460)	(554)	(384)	(522)	(278)	17	-	(603)	(759)	(669)	(360)	(3,048)	(2,241)
	<b>222</b>	<b>201</b>	<b>129</b>	<b>117</b>	<b>60</b>	<b>56</b>	<b>142</b>	<b>-</b>	<b>384</b>	<b>(61)</b>	<b>520</b>	<b>473</b>	<b>1,457</b>	<b>786</b>

## Notes to the Financial Statements

Unaudited for the period 1 January 2008 to 30 June 2008

### 8. Debtors

	Amity UK		Amity European		Amity International		Amity Sterling Bond		Higher Income		UK Equity Growth		Total	
	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Amounts receivable for creation of shares	1	4	-	10	7	24	19	-	47	282	-	-	74	320
Accrued income	260	134	29	45	64	32	160	-	468	359	196	336	1,317	766
Overseas tax recoverable	9	7	61	33	26	16	-	-	8	6	1	1	105	63
Currency deals awaiting settlement	-	-	130	-	-	-	-	-	-	-	-	-	130	-
Sales awaiting settlement	-	-	1,088	-	1,023	-	-	-	-	-	-	-	2,111	-
	<b>270</b>	<b>145</b>	<b>1,308</b>	<b>88</b>	<b>1,120</b>	<b>72</b>	<b>179</b>	<b>-</b>	<b>523</b>	<b>647</b>	<b>337</b>	<b>197</b>	<b>3,737</b>	<b>1,149</b>

### 9. Creditors

	Amity UK		Amity European		Amity International		Amity Sterling Bond		Higher Income		UK Equity Growth		Total	
	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Amounts repayable for cancellation of shares	22	5	-	62	-	92	-	-	29	25	46	7	97	191
Accrued expenses	28	106	19	45	18	47	12	-	72	77	23	89	172	364
Deferred tax	-	-	-	-	1	1	-	-	4	5	-	-	5	6
Corporation tax	-	-	35	-	133	66	35	-	151	91	-	-	354	157
Currency deals awaiting settlement	-	-	130	-	-	-	-	-	-	-	-	-	130	-
Purchases awaiting settlement	-	-	603	-	2,219	-	-	-	4,515	44	-	-	7,337	44
	<b>50</b>	<b>111</b>	<b>787</b>	<b>107</b>	<b>2,371</b>	<b>206</b>	<b>47</b>	<b>-</b>	<b>4,771</b>	<b>242</b>	<b>69</b>	<b>96</b>	<b>8,095</b>	<b>762</b>

## Notes to the Financial Statements

### 10. Related parties

Ecclesiastical Investment Management Limited, together with The Bank of New York Trust and Depository Company 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 movements in shareholders' funds and amounts due to/from Ecclesiastical Investment Management Limited in respect of share transactions at the period end are disclosed in notes 8 and 9.

Amounts paid to Ecclesiastical Investment Management Limited in respect of the ACD's periodic charges are disclosed in note 5. £102,236 was due at the period end (2007: £228,543).

Amounts paid to The Bank of New York Trust and Depository Company Limited in respect of depository services and safe custody charges are disclosed in note 5. Charges of £22,583 were due at the period end (2007: £23,806).

Cash balances on deposit with The Bank of New York Trust and Depository Company Limited are disclosed in the balance sheet together with interest due. Interest receivable is disclosed within accrued income in note 8.

Neither Ecclesiastical Investment Management Limited nor The Bank of New York Trust and Depository Company Limited entered into any other transactions with the Company during the period under review.

### 11. Financial instruments

In pursuing its investment objectives set out on pages 6, 8, 10,12,14 and 16 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;
- borrowings used to finance investment activity.

### 12. Risks of financial instruments

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. An individual fund manager has 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 period under review.

## Notes to the Financial Statements

Unaudited for the period 1 January 2008 to 30 June 2008

### 12. Risks of financial instruments - continued

	Amity UK		Amity European		Amity International		Amity Sterling Bond		Higher Income		UK Equity Growth		Total	
	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Australian dollars	710	1,269	-	-	218	285	-	-	612	732	-	-	1,540	2,286
Danish krone	-	-	-	-	-	-	-	-	283	263	-	-	283	263
Euro	2,374	3,447	21,147	19,350	6,470	7,995	-	-	2,391	2,631	712	641	33,094	34,064
Hong Kong dollars	621	592	-	-	4,376	4,150	-	-	2,252	2,533	-	-	7,249	7,275
Japanese yen	-	-	-	-	163	213	-	-	-	-	-	-	163	213
Korean won	-	-	-	-	276	273	-	-	-	-	-	-	276	273
Malaysian ringgit	-	-	-	-	891	890	-	-	561	503	-	-	1,452	1,393
Norwegian kroner	1,144	1,255	1,673	768	5,085	4,767	-	-	654	610	-	-	8,556	7,430
Singapore dollars	478	763	-	-	3,355	4,540	-	-	2,562	2,768	-	-	6,395	8,071
Sterling	43,661	49,973	2,811	9,312	2,942	4,048	10,819	-	34,405	33,855	62,179	70,962	156,817	168,150
Swedish kronor	1,061	1,233	2,020	2,601	1,476	1,705	-	-	-	-	-	-	4,557	5,539
Swiss francs	-	-	2,207	1,596	1,699	1,190	-	-	-	-	-	-	3,906	2,786
Thai baht	207	433	-	-	1,078	1,182	-	-	1,283	1,392	-	-	2,568	3,007
US dollars	1,713	2,006	469	556	4,426	5,295	-	-	481	681	-	-	7,089	8,538
<b>Total Assets</b>	<b>51,969</b>	<b>61,001</b>	<b>30,327</b>	<b>34,183</b>	<b>32,455</b>	<b>36,533</b>	<b>10,819</b>	<b>-</b>	<b>45,484</b>	<b>45,968</b>	<b>62,891</b>	<b>71,603</b>	<b>233,945</b>	<b>249,288</b>

### Interest rate risk profile of financial assets and liabilities:

	Amity UK		Amity European		Amity International		Amity Sterling Bond		Higher Income		UK Equity Growth		Total	
	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Fixed rate financial assets	-	-	-	-	-	-	10,458	-	22,730	15,972	-	-	33,188	15,972
Floating rate	4,733	4,731	4,606	2,660	6,587	8,068	361	-	646	3,928	7,840	4,827	24,773	24,214
Nil interest bearing securities	47,236	56,270	25,721	31,523	25,868	28,465	-	-	22,108	26,068	55,051	66,776	175,984	209,102
<b>Net Assets</b>	<b>51,969</b>	<b>61,001</b>	<b>30,327</b>	<b>34,183</b>	<b>32,455</b>	<b>36,533</b>	<b>10,819</b>	<b>-</b>	<b>45,484</b>	<b>45,968</b>	<b>62,891</b>	<b>71,603</b>	<b>233,945</b>	<b>249,288</b>

The liabilities of the Fund are the distributions to shareholders which do not carry interest..



## Notes to the Financial Statements

### 12. Risks of financial instruments - *continued*

- **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.
- **Foreign currency risk** - the income 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 income, received in currency, into sterling on the day of receipt.

At the period 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 income 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.

### 13. Contingent liabilities

There were no contingent liabilities at the period end date.

### 14. Dilution levy

The ACD reserves the right to charge a dilution levy of up to 1.0% of the price of a share on the sale and/or redemption of shares under certain circumstances. If charged, the dilution levy will be paid into the Fund in accordance with the Financial Services Authority Regulations.

### 15. Fair value of financial assets and financial liabilities

The market value of investments is taken to equal 'fair value'. Given the activities of the Fund, none of the investments held fall within the definition of 'investments held for trading'.

## Notes to the Financial Statements

### 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:

<b>Investment Fund</b>	<b>Class</b>	
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	1.25%
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 7 to 17. The distributions per share class are given in the distribution tables on pages 62 to 67. All classes have the same rights on winding up.

## Notes to the Financial Statements

Unaudited for the period 1 January 2008 to 30 June 2008

### 17. Portfolio transaction costs

	Amity UK		Amity European		Amity International		Amity Sterling Bond*		Higher Income		UK Equity Growth		Total	
	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007
	£'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	5,624	4,086	7,957	3,013	8,428	3,735	17,353	-	10,439	19,349	4,325	6,341	54,126	36,524
Commissions	11	12	21	8	24	15	-	-	9	27	11	22	76	84
Other costs	25	12	2	-	8	1	-	-	5	25	21	21	61	59
Total purchase costs	36	24	23	8	32	16	-	-	14	52	32	43	137	143
<b>Gross purchase total</b>	<b>5,660</b>	<b>4,110</b>	<b>7,980</b>	<b>3,021</b>	<b>8,460</b>	<b>3,751</b>	<b>17,353</b>	<b>-</b>	<b>10,453</b>	<b>19,401</b>	<b>4,357</b>	<b>6,384</b>	<b>54,263</b>	<b>36,667</b>
Analysis of total sale costs:														
Gross sales before transaction costs	5,251	1,207	9,142	2,878	5,797	4,519	6,593	-	4,156	6,004	6,814	6,791	37,753	21,399
Commissions	(6)	(2)	(18)	(6)	(14)	(14)	-	-	(5)	(9)	(8)	(17)	(51)	(48)
Other costs	-	-	(1)	-	(1)	(3)	-	-	-	(2)	-	(25)	(2)	(30)
Total sale costs	(6)	(2)	(19)	(6)	(15)	(17)	-	-	(5)	(11)	(8)	(42)	(53)	(78)
<b>Total sales net of transaction costs</b>	<b>5,245</b>	<b>1,205</b>	<b>9,123</b>	<b>2,872</b>	<b>5,782</b>	<b>4,502</b>	<b>6,593</b>	<b>-</b>	<b>4,151</b>	<b>5,993</b>	<b>6,806</b>	<b>6,749</b>	<b>37,700</b>	<b>21,321</b>

\*As the sub-fund mainly invests in debt securities, there are no material transaction costs.

## Distribution/Accumulation Statements

### Amity UK Fund

#### Share Class A

Interim distribution (pence per share)

Group 1: Shares purchased prior to 1 January 2008

Group 2: Shares purchased on or after 1 January 2008

Group	Gross Income	Tax Credit	Net Income	Equalisation	2008 Distribution Payable	2007 Paid
1	0.6111	0.0611	0.5500	-	0.5500	0.5000
2	0.2517	0.0252	0.2265	0.3235	0.5500	0.5000

#### Share Class B

Interim distribution (pence per share)

Group 1: Shares purchased prior to 1 January 2008

Group 2: Shares purchased on or after 1 January 2008

Group	Gross Income	Tax Credit	Net Income	Equalisation	2008 Distribution Payable	2007 Paid
1	0.7944	0.0794	0.7150	-	0.7150	0.6500
2	0.7944	0.0794	0.7150	-	0.7150	0.6500

#### Share Class C

Interim accumulation (pence per share)

Group 1: Shares purchased prior to 1 January 2008

Group 2: Shares purchased on or after 1 January 2008

Group	Gross Income	Tax Credit	Net Income	Equalisation	2008 Accumulation Payable	2007 Paid
1	0.8800	0.0880	0.7920	-	0.7920	0.7200
2	0.8800	0.0880	0.7920	-	0.7920	0.7200

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) 73.04% of the interim income distribution is received as franked investment income; and
- ii) 26.96% of the interim income distribution is received as an annual payment from which income tax at the lower rate has been deducted. The gross amount of this portion of total income distribution is liable to UK Corporation Tax. It is not franked investment income.

## Distribution/Accumulation Statements

### Amity European Fund

#### Share Class A

Interim distribution (pence per share)

Group 1: Shares purchased prior to 1 January 2008

Group 2: Shares purchased on or after 1 January 2008

Group	Gross Income	Tax Credit	Net Income	Equalisation	2008 Distribution Payable	2007 Paid
1	0.3667	0.0367	0.3300	-	0.3300	0.3000
2	0.2383	0.0238	0.2145	0.1155	0.3300	0.3000

#### Share Class B

Interim distribution (pence per share)

Group 1: Shares purchased prior to 1 January 2008

Group 2: Shares purchased on or after 1 January 2008

Group	Gross Income	Tax Credit	Net Income	Equalisation	2008 Distribution Payable	2007 Paid
1	0.7089	0.0709	0.6380	-	0.6380	0.5800
2	0.7089	0.0709	0.6380	-	0.6380	0.5800

#### Share Class C

Interim accumulation (pence per share)

Group 1: Shares purchased prior to 1 January 2008

Group 2: Shares purchased on or after 1 January 2008

Group	Gross Income	Tax Credit	Net Income	Equalisation	2008 Accumulation Payable	2007 Paid
1	0.3667	0.0367	0.3300	-	0.3300	0.3000
2	0.1721	0.0172	0.1549	0.1751	0.3300	0.3000

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) 3.45% of the interim income distribution is received as franked investment income; and
- ii) 96.55% of the interim income distribution is received as an annual payment from which income tax at the lower rate has been deducted. The gross amount of this portion of total income distribution is liable to UK Corporation Tax. It is not franked investment income.

## Distribution/Accumulation Statements

### Amity International Fund

#### Share Class A

Interim distribution (pence per share)

Group 1: Shares purchased prior to 1 January 2008

Group 2: Shares purchased on or after 1 January 2008

Group	Gross Income	Tax Credit	Net Income	Equalisation	2008 Distribution Payable	2007 Paid
1	0.0367	0.0037	0.0330	-	0.0330	0.0300
2	0.0006	0.0001	0.0005	0.0325	0.0330	0.0300

#### Share Class B

Interim distribution (pence per share)

Group 1: Shares purchased prior to 1 January 2008

Group 2: Shares purchased on or after 1 January 2008

Group	Gross Income	Tax Credit	Net Income	Equalisation	2008 Distribution Payable	2007 Paid
1	0.3300	0.0330	0.2970	-	0.2970	0.2700
2	0.1413	0.0141	0.1272	0.1698	0.2970	0.2700

#### Share Class C

Interim accumulation (pence per share)

Group 1: Shares purchased prior to 1 January 2008

Group 2: Shares purchased on or after 1 January 2008

Group	Gross Income	Tax Credit	Net Income	Equalisation	2008 Accumulation Payable	2007 Paid
1	0.0733	0.0073	0.0660	-	0.0660	0.0600
2	0.0318	0.0032	0.0286	0.0374	0.0660	0.0600

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) 10.59% of the interim income distribution is received as franked investment income; and
- ii) 89.41% of the interim income distribution is received as an annual payment from which income tax at the lower rate has been deducted. The gross amount of this portion of total income distribution is liable to UK Corporation Tax. It is not franked investment income.

## Distribution/Accumulation Statements

### Amity Sterling Bond Fund

#### Share Class A

Group 1: Shares purchased on or after 18 February 2008

#### Interim distribution (pence per share)

Group	Gross Income	Tax Credit	Net Income	Equalisation	2008 Distribution Payable	2007 Paid
1	3.2544	0.3254	2.9290	-	2.9290	-

#### Share Class B

Group 1: Shares purchased on or after 18 February 2008

#### Interim distribution (pence per share)

Group	Gross Income	Tax Credit	Net Income	Equalisation	2008 Distribution Payable	2007 Paid
1	1.4264	0.1426	1.2838	-	1.2838	-

#### Share Class C\*

Group 1: Shares purchased on or after 18 February 2008

#### Interim accumulation (pence per share)

Group	Gross Income	Tax Credit	Net Income	Equalisation	2008 Accumulation Payable	2007 Paid
1	-	-	-	-	-	-

\*Share Class C is yet to launch

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 interim income distribution is received as franked investment income; and
- ii) 100.00% of the interim income distribution is received as an annual payment from which income tax at the lower rate has been deducted. The gross amount of this portion of total income distribution is liable to UK Corporation Tax. It is not franked investment income.

## Distribution/Accumulation Statements

### Higher Income Fund

#### Share Class A

Interim distribution (pence per share)

Group 1: Shares purchased prior to 1 January 2008

Group 2: Shares purchased on or after 1 January 2008

Group	Gross Income	Tax Credit	Net Income	Equalisation	2008 Distribution Payable	2007 Paid
1	1.1111	0.1111	1.0000	-	1.0000	0.7500
2	0.5770	0.0577	0.5193	0.4807	1.0000	0.7500

#### Share Class B

Interim distribution (pence per share)

Group 1: Shares purchased prior to 1 January 2008

Group 2: Shares purchased on or after 1 January 2008

Group	Gross Income	Tax Credit	Net Income	Equalisation	2008 Distribution Payable	2007 Paid
1	1.2296	0.1230	1.1066	-	1.1066	0.8300
2	0.5932	0.0593	0.5339	0.5727	1.1066	0.8300

#### Share Class C

Interim accumulation (pence per share)

Group 1: Shares purchased prior to 1 January 2008

Group 2: Shares purchased on or after 1 January 2008

Group	Gross Income	Tax Credit	Net Income	Equalisation	2008 Accumulation Payable	2007 Paid
1	1.4962	1.1496	1.3466	-	1.3466	1.0100
2	0.6629	0.0663	0.5966	0.7500	1.3466	1.0100

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) 37.00% of the interim income distribution is received as franked investment income; and
- ii) 63.00% of the interim income distribution is received as an annual payment from which income tax at the lower rate has been deducted. The gross amount of this portion of total income distribution is liable to UK Corporation Tax. It is not franked investment income.

## Notes to the Financial Statements

### UK Equity Growth Fund

#### Share Class A

##### Interim distribution (pence per share)

Group 1: Shares purchased prior to 1 January 2008

Group 2: Shares purchased on or after 1 January 2008

Group	Gross Income	Tax Credit	Net Income	Equalisation	2008 Distribution Payable	2007 Paid
1	0.8556	0.0856	0.7700	-	0.7700	0.7000
2	0.4728	0.0473	0.4255	0.3445	0.7700	0.7000

#### Share Class B

##### Interim distribution (pence per share)

Group 1: Shares purchased prior to 1 January 2008

Group 2: Shares purchased on or after 1 January 2008

Group	Gross Income	Tax Credit	Net Income	Equalisation	2008 Distribution Payable	2007 Paid
1	1.1733	0.1173	1.0560	-	1.0560	0.9600
2	1.1733	0.1173	1.0560	-	1.0560	0.9600

#### Share Class C

##### Interim accumulation (pence per share)

Group 1: Shares purchased prior to 1 January 2008

Group 2: Shares purchased on or after 1 January 2008

Group	Gross Income	Tax Credit	Net Income	Equalisation	2008 Accumulation Payable	2007 Paid
1	0.8311	0.0831	0.7480	-	0.7480	0.6800
2	0.8311	0.0831	0.7480	-	0.7480	0.6800

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) 85.39% of the interim income distribution is received as franked investment income; and
- ii) 14.61% of the interim income distribution is received as an annual payment from which income tax at the lower rate has been deducted. The gross amount of this portion of total income distribution is liable to UK Corporation Tax. It is not franked investment income.

## Notes for Distribution/Accumulation Statements

### **Equalisation**

Equalisation applies only to shares purchased during the distribution period (Group 2 shares). It is the average amount of income included in the purchase price of all Group 2 shares and is refunded to holders of these shares as a return of capital. Being capital it is not liable to income tax. Instead, it must be deducted from the cost of income shares for Capital Gains Tax purposes.

### **Income allocated to accumulation shares**

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

### **Income 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 income from which the distribution is made is franked investment income.

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

the 1990s, the number of people in the UK who are aged 65 and over has increased from 10.5 million to 13.5 million, and the number of people aged 75 and over has increased from 4.5 million to 6.5 million (Office for National Statistics 2000). The number of people aged 85 and over has increased from 1.5 million to 2.5 million in the same period.

There is a growing awareness of the need to address the health care needs of the elderly population. The Department of Health (2000) has set out a strategy for the NHS to meet the needs of the elderly population. The strategy is based on the following principles: (1) to ensure that the elderly population has access to the services they need; (2) to ensure that the services are of high quality; (3) to ensure that the services are cost-effective; and (4) to ensure that the services are sustainable.

The strategy is based on the following principles: (1) to ensure that the elderly population has access to the services they need; (2) to ensure that the services are of high quality; (3) to ensure that the services are cost-effective; and (4) to ensure that the services are sustainable. The strategy is based on the following principles: (1) to ensure that the elderly population has access to the services they need; (2) to ensure that the services are of high quality; (3) to ensure that the services are cost-effective; and (4) to ensure that the services are sustainable.

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