

Ecclesiastical investment funds

INTERIM SHORT REPORT



30 June 2008

Contents

Introduction	3
Report of the Authorised Corporate Director – Investment Environment	4
Amity UK Fund	6
Amity European Fund	8
Amity International Fund	10
Amity Sterling Bond Fund	12
Higher Income Fund	14
UK Equity Growth Fund	16

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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Authorised and regulated by the
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 Short 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.

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).

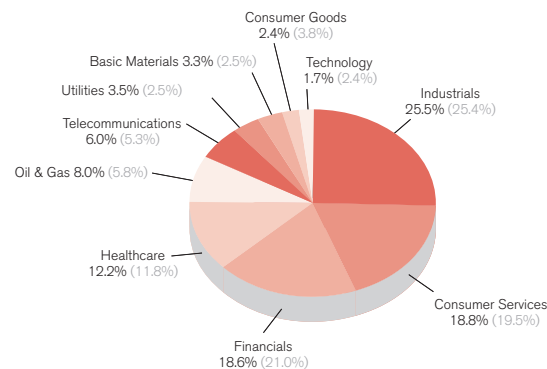
A significant driver of portfolio activity was the reduction in the proportion of the portfolio invested in overseas companies. Purchases made in the UK included recovery situations at Elementis (chemicals) and Rentokil Initial (support services), software engineer AVEVA, and engineering consultants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

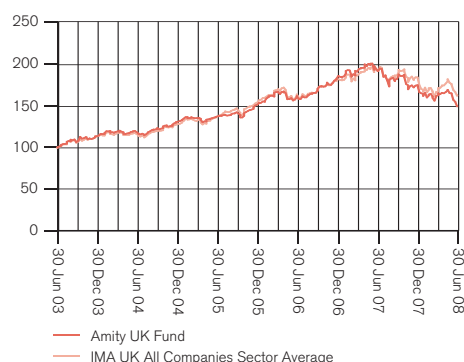
Asset allocation by sector at 30 June 2008

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 (£)
2008		
Share Class A*	0.5500	6.4813
Share Class B *	0.7150	8.4266
Share Class C *	0.7920	6.5945
2007		
Share Class A	2.0667	24.3542
Share Class B	3.2175	37.9199
Share Class C	4.0555	33.7677
2006		
Share Class A	2.3102	27.2237
Share Class B	3.3217	39.1479
Share Class C	4.1832	34.8310
2005		
Share Class A	1.6453	19.3884
Share Class B	2.4476	28.8462
Share Class C	3.1334	26.0899
2004		
Share Class A	1.9664	23.1723
Share Class B	2.6793	31.5769
Share Class C	3.4834	29.0042
2003		
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
30 June 2008					
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
31 December 2007					
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
31 December 2006					
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
31 December 2005					
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
31 December 2004					
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
31 December 2003					
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.

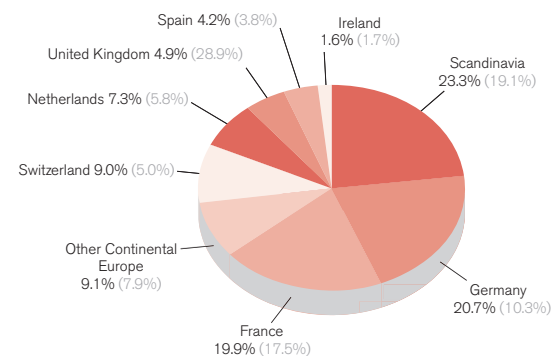
Some of the proceeds of the disposal programme were invested in companies which passed the ethical screening process and were believed to have strong balance sheets, good cashflow and robust business models. To this end purchases were made in Metro (retailing), Swatch (watches), Carl Zeiss Meditec (healthcare)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

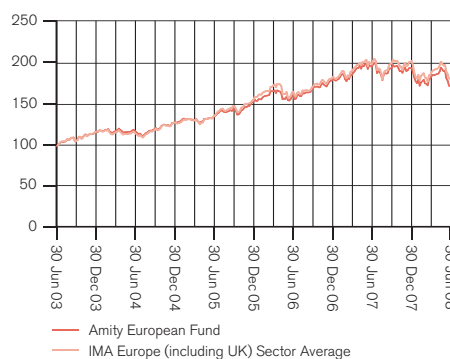
Asset allocation by geographical area at 30 June 2008

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
29/06/07 – 30/06/08	-12.3%	16	-8.5%	19
30/06/06 – 29/06/07	22.9%	8	22.0%	16
30/06/05 – 30/06/06	19.0%	13	22.5%	16
30/06/04 – 30/06/05	13.1%	15	15.7%	16
30/06/03 – 30/06/04	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 (£)
2008		
Share Class A*	0.3300	4.0675
Share Class B *	0.6380	7.8465
Share Class C *	0.3300	4.3582
2007		
Share Class A	1.4973	18.4556
Share Class B	2.9780	36.6253
Share Class C	1.9279	25.4609
2006		
Share Class A	1.1847	14.6025
Share Class B	2.4454	30.0750
Share Class C	1.6927	22.3547
2005		
Share Class A	0.8557	10.5473
Share Class B	2.0418	25.1113
Share Class C	1.4100	18.6212
2004		
Share Class A	0.8319	10.2539
Share Class B	1.9014	23.3846
Share Class C	1.3083	17.2781
2003		
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
30 June 2008					
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
31 December 2007					
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
31 December 2006					
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
31 December 2005					
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
31 December 2004					
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
31 December 2003					
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.

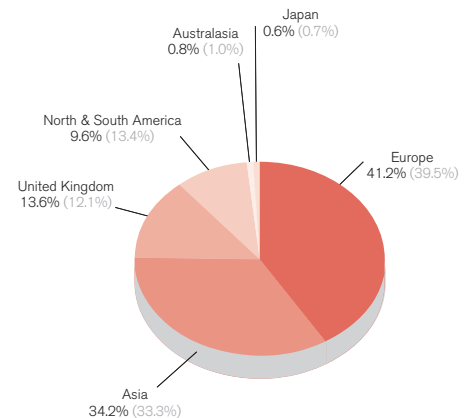
Purchases were centred on the pharmaceutical sector whose companies have historically demonstrated resilience in the face of economic uncertainty. Holdings in GlaxoSmithKline, Novartis, Pfizer, Roche, and Sanofi-Aventis were all topped up. Other purchases of note were made in MobileOne (telecoms) and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

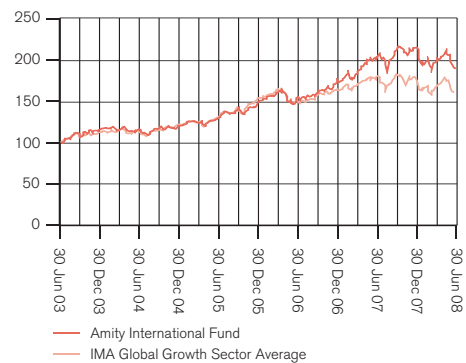
Asset allocation by geographical area at 30 June 2008

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
29/06/07 – 30/06/08	-5.4%	44	-8.7%	179
30/06/06 – 29/06/07	30.3%	3	16.0%	155
30/06/05 – 30/06/06	18.8%	41	16.7%	149
30/06/04 – 30/06/05	11.9%	81	13.4%	152
30/06/03 – 30/06/04	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 (£)
2008		
Share Class A*	0.0330	4.0610
Share Class B *	0.2970	4.1423
Share Class C *	0.0660	1.0430
2007		
Share Class A	0.9397	13.1261
Share Class B	2.4907	34.7378
Share Class C	1.5531	24.5433
2006		
Share Class A	1.0769	15.0426
Share Class B	2.3119	32.2441
Share Class C	1.4923	23.5825
2005		
Share Class A	0.8131	11.3577
Share Class B	1.9441	27.1144
Share Class C	1.3000	20.5436
2004		
Share Class A	0.6715	9.3798
Share Class B	1.6695	23.2845
Share Class C	1.0801	17.0686
2003		
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
30 June 2008					
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
31 December 2007					
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
31 December 2006					
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
31 December 2005					
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
31 December 2004					
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
31 December 2003					
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.

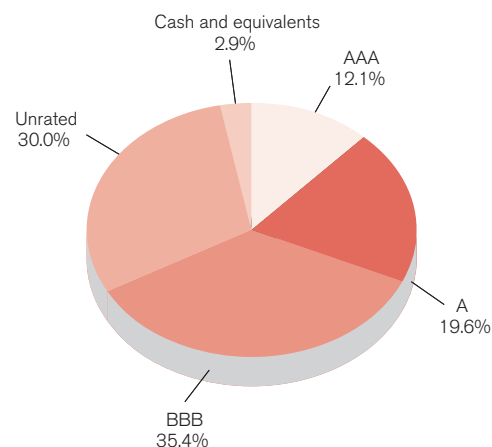
All the rated bonds currently held have a rating of BBB or higher, although the portfolio includes unrated bonds, such as the John Lewis 10.5% 2014 issue, which are believed to offer credit worthiness at least equal to that of rated bonds from comparable entities.

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.

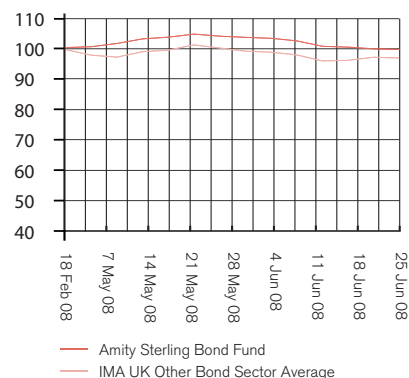
Prospects

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
2008		
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
30 June 2008					
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.

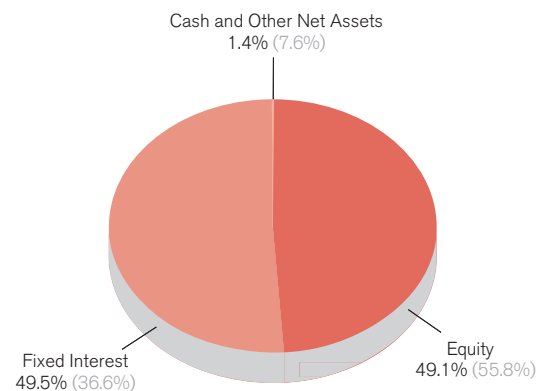
Transactions of note during the period under review included the sale of Kelda (water) and Scottish & Newcastle (brewing) after takeovers. MobileOne (mobile telecoms) was added to the portfolio for its earnings prospects. A significant proportion of the cash balances were invested in short dated Government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

Prospects

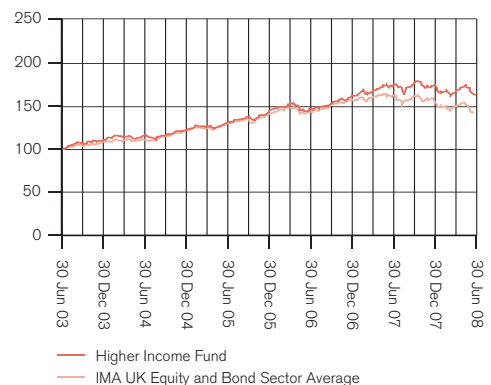
With the immediate economic and financial outlook remaining bleak, capital preservation remains a priority for the Fund and short term liquidity is likely to remain at above average levels.

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 ³ / ₁₆ 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 (£)
2008		
Share Class A*	1.0000	14.7995
Share Class B *	1.1066	16.3674
Share Class C *	1.3466	14.4423
2007		
Share Class A	3.8319	56.7101
Share Class B	5.5871	82.6372
Share Class C	6.3119	67.6952
2006		
Share Class A	4.2744	63.2588
Share Class B	4.4063	65.1723
Share Class C	6.8243	73.1907
2005		
Share Class A	3.2060	47.4471
Share Class B	3.1797	47.0300
Share Class C	5.0947	54.6407
2004		
Share Class A	3.2592	48.2344
Share Class B	3.1528	46.6322
Share Class C	4.9401	52.9826
2003		
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
30 June 2008					
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
31 December 2007					
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
31 December 2006					
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
31 December 2005					
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
31 December 2004					
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
31 December 2003					
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.

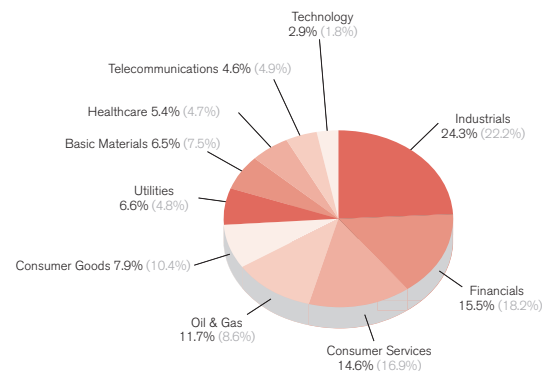
Sales from the portfolio included Scottish & Newcastle (brewing) and Reuters (media) after takeovers, and Yell (media) on earnings and balance sheet concerns. The holding in Rio Tinto was top-sliced after the proposed takeover from BHP Billiton had pushed the shares to levels which left them looking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

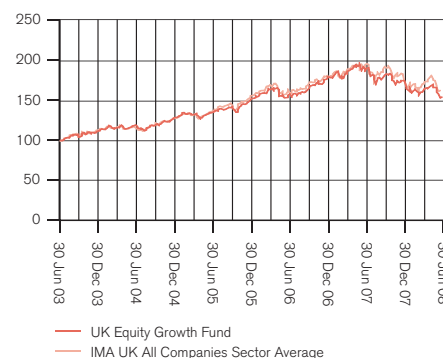
Asset allocation by sector at 30 June 2008

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 (£)
2008		
Share Class A*	0.7700	10.2708
Share Class B*	1.0560	13.9241
Share Class C*	0.7480	9.2334
2007		
Share Class A	1.4932	19.9173
Share Class B	2.8197	37.1796
Share Class C	2.4733	30.5308
2006		
Share Class A	2.4795	33.0732
Share Class B	3.6243	47.7888
Share Class C	3.4104	42.0985
2005		
Share Class A	1.3765	18.3607
Share Class B	2.4749	32.6332
Share Class C	2.1684	26.7671
2004		
Share Class A	1.5350	20.4749
Share Class B	2.5254	33.2991
Share Class C	2.2333	27.5682
2003		
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
30 June 2008					
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
31 December 2007					
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
31 December 2006					
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
31 December 2005					
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
31 December 2004					
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
31 December 2003					
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

Savings & Investments
Life Assurance
Protection products
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Mortgages
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Car insurance
Travel insurance
Wedding insurance
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