

Finely crafted Investments

**Amati**  
Global Investors



T.BAILEY

## TB Amati Investment Funds

**Interim Report and Financial Statements (Unaudited)**  
31 July 2018

**TB Amati UK Smaller Companies Fund**



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*Note: The Authorised Corporate Director’s Report consists of ‘Authorised Status’, ‘Structure of the Company’ and ‘Investment Objective and Policy’ on page 2, ‘Investment Review’ as provided by the Investment Manager, on pages 6 to 9 and ‘Directory’ on page 21.*



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## THE AUTHORISED CORPORATE DIRECTOR AND INVESTMENT MANAGER

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The Authorised Corporate Director (the 'ACD') of TB Amati Investment Funds (the 'Company') is T. Bailey Fund Services Limited ('TBFS'). Amati Global Investors Limited is the Investment Manager (the 'Investment Manager') of the Company.

Amati Global Investors Limited and T. Bailey Fund Services Limited are authorised and regulated by the Financial Conduct Authority. Further information about Amati Global Investors Limited and the funds which it manages can be found at [www.amatiglobal.com](http://www.amatiglobal.com).

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## YOUR INVESTMENTS

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You can buy or sell shares in the Company through your Financial Advisor. Alternatively, you can telephone the dealing line; 0115 988 8275, during normal office hours. Application forms can be requested in writing from the ACD or by calling the Client Services Team on the dealing line. They can also be downloaded from [www.tbaileyfs.co.uk/funds/tb-amati-investment-funds](http://www.tbaileyfs.co.uk/funds/tb-amati-investment-funds).

The Company is eligible for ISA investments/transfers and the shares are available as part of a regular savers scheme.

Prices are published each normal business day on [www.tbaileyfs.co.uk/funds/tb-amati-investment-funds](http://www.tbaileyfs.co.uk/funds/tb-amati-investment-funds) and also on [www.fundlistings.co.uk](http://www.fundlistings.co.uk).

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## RISK PROFILE

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Smaller companies' securities are often traded less frequently than those of larger companies, this means they may be more difficult to buy and sell. Their prices may also be subject to short term swings.

The value of investments may go down as well as up in response to general market conditions and the performance of the assets held. Investors may not get back the money which they invested.

There is no guarantee that the Fund will meet its stated objectives. The movements of exchange rates may lead to further changes in the value of investments and the income from them.

There is a risk that any company providing services such as safe keeping of assets or acting as counterparty to derivatives may become insolvent, which may cause losses to the Fund.

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## SYNTHETIC RISK AND REWARD INDICATOR

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The Synthetic Risk and Reward Indicator demonstrates in a standard format where the Fund ranks in terms of its potential risk and reward. It is based on historical performance data, may change over time and may not be a reliable indication of the future risk profile of the Fund. The indicator uses a scale of 1 to 7. The higher the rank the greater the potential reward but the greater the risk of losing money. The lowest category does not mean a fund is a risk free investment.

The Fund is in risk category 4 because it invests in shares.

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## ONGOING CHARGES FIGURE

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The Ongoing Charges Figure ('OCF') provides investors with a clearer picture of the total annual costs in running a Collective Investment Scheme. The OCF consists principally of the Annual Management Charge, but also includes the costs for other services paid in respect of Depositary, custody, FCA and audit fees. The OCFs, as calculated in accordance with ESMA guidelines, are disclosed as 'Operating charges (p.a.)' in the Summary of Fund Performance tables on pages 15 and 16.

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## **AUTHORISED STATUS**

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TB Amati Investment Funds (the 'Company') is an investment company with variable capital incorporated in England and Wales under registered number IC000618 and authorised by the Financial Conduct Authority with effect from 26 March 2008. The Company has an unlimited duration. It is a UCITS scheme as detailed in the Collective Investment Schemes Sourcebook ('COLL') and also an umbrella company for the purposes of the OEIC regulations.

Shareholders are not liable for the debts of the Company. Shareholders are not liable to make any further payment to the Company after they have paid the price on purchase of the Shares.

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## **STRUCTURE OF THE COMPANY**

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The Company is structured as an umbrella company, in that different sub-funds may be established from time to time by the ACD with the approval of the FCA and the agreement of the Depositary. On the introduction of any new sub-fund or share class, a revised prospectus will be prepared setting out the relevant details of each sub-fund or share class.

The Company is compliant with the Protected Cell Regime for OEICs. Under the Protected Cell Regime, each sub-fund represents a segregated portfolio of assets and accordingly, the assets of the sub-fund belong exclusively to that sub-fund and shall not be used or made available to discharge (directly or indirectly) the liabilities of, or claims against, any other person or body, including any other sub-fund and shall not be available for any such purpose.

Currently, there is one sub-fund; TB Amati UK Smaller Companies Fund (the 'Fund').

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## **INVESTMENT OBJECTIVE AND POLICY**

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The investment objective of the TB Amati UK Smaller Companies Fund is to achieve long-term capital growth.

The Fund primarily invests in UK smaller companies though there may be occasions when the Investment Manager chooses to hold large degrees of cash or money market instruments. The Fund will primarily invest in companies which are either incorporated in the UK or are listed in the UK and have the majority of their economic activity in the UK. The Fund may also invest in companies which are listed in the UK but are not incorporated and do not have the majority of their economic activity in the UK.

The Fund may invest up to 10% of its assets in collective investment schemes and over 35% of its assets in certain government and public securities.

The benchmark of the Fund is the Numis Smaller Companies (inc AIM ex Investment Trusts) Index.

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## **OTHER INFORMATION**

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Full details of TB Amati Investment Funds are set out in the Prospectus. This document provides investors with extensive information about the Company including risks and expenses. A copy of the Prospectus is available on request from the ACD, or can be downloaded from [www.tbaileyfs.co.uk/funds/tb-amati-investment-funds](http://www.tbaileyfs.co.uk/funds/tb-amati-investment-funds).

The Key Investor Information document and Supplementary Information document are also available from [www.tbaileyfs.co.uk/funds/tb-amati-investment-funds](http://www.tbaileyfs.co.uk/funds/tb-amati-investment-funds).

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## THE INVESTMENT MANAGEMENT TEAM

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There have been recent changes to the investment team at Amati Global Investors. Douglas Lawson, a co-founder and director of Amati, left in August 2018, to become CEO of a data analytics company in which he was a founder investor. Anna Wilson joined the team in February, bringing many years of fund management experience.

The TB Amati UK Smaller Companies Fund\* has been managed by Dr Paul Jourdan since 2000, and co-managed with David Stevenson since 2012 and Anna Wilson since 2018. The management team believe that smaller companies are a highly attractive asset class for long-term savers, on the proviso that investors appreciate that historically, relative to larger company funds, the significant additional performance has come with some additional volatility of returns. The management team seek to manage the additional risks involved in small company investing by taking a view on the business cycle and other macro-risks in structuring the portfolio. Individual company investments are chosen on the basis of proprietary company research. Amati Global Investors is a specialist investment manager, solely focused on the universe of UK smaller companies.

The Fund and management team's long term performance record is award winning, and recently the Fund won Citywire's Best Fund Manager 2018 in the UK Smaller Companies category and Dr Paul Jourdan won the FE Alpha Manager Best UK Smaller Companies Fund Award 2018 (only the top 10% of Managers are FE Alpha rated and the best among them win these coveted awards). The Fund also won Lipper's Best UK Smaller Companies Fund over 5 Years in March 2018. The Fund has 5 Crowns from FE Trustnet, and the managers are AAA Citywire rated.

Should you wish to receive monthly fund factsheets and updates on events by email, please contact: [info@amatiglobal.com](mailto:info@amatiglobal.com)

*\*Note: The TB Amati UK Smaller Companies Fund (formerly CF Amati UK Smaller Companies Fund) was seeded by the transfer of the First State British Smaller Companies Fund to CFM on 29 July 2008.*

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## BIOGRAPHIES

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### **Dr Paul Jourdan – CEO**

Dr Paul Jourdan is an award-winning fund manager, with a strong track record in small cap investment. He co-founded Amati Global Investors following the management buyout of Noble Fund Managers from Noble Group in January 2010, having joined Noble in 2007 as Head of Equities. His fund management career began in 1998 with Stewart Ivory, which was taken over by First State in 2000, at which time Paul became manager of what is now the TB Amati UK Smaller Companies Fund. In early 2005 he launched what is now Amati VCT and he also commenced the management of Amati VCT 2 following the award of the investment management contract to Amati Global Investors in 2010. In May 2018 Amati VCT merged with Amati VCT 2 which was then renamed Amati AIM VCT. In September 2014 Amati launched the Amati IHT Portfolio Service, which Paul co-manages with David Stevenson and Anna Wilson. Prior to 1998 Paul worked as a professional violinist, including a four year period with the City of Birmingham Symphony Orchestra. He is CEO of Amati Global Investors Ltd and a Director of Sistema Scotland.



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## BIOGRAPHIES (CONTINUED)

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### **David Stevenson - Fund Manager**

David joined Amati in 2012. In 2005, he was a co-founding partner of investment boutique Cartesian Capital, which managed a range of retail and institutional UK equity funds in long only and long/short strategies. Prior to that he was Assistant Director at SVM, where he also managed equity products including the UK Opportunities small/midcap fund which was ranked top decile for the 5 year period from inception to 2005. David started his career at KPMG where he qualified as a Chartered Accountant. He latterly specialised in corporate finance, before moving into private equity with Dunedin Fund Managers. David has co-managed the TB Amati UK Smaller Companies Fund and the Amati AIM VCT since 2012, and the Amati AIM IHT Portfolio Service since 2014.



### **Anna Wilson – Fund Manager**

Anna Wilson (previously Anna Croze) is an experienced fund manager specialising in UK equities. Anna joined the Amati team in 2018 from Adam and Company, where she led research for the Private Asset Management award winning wealth manager. She brings her expertise running a successful AIM-listed portfolio service to Amati as well as a breadth of experience in managing substantial OEICs, private client and charity portfolios. She co-managed the Adam Worldwide Fund and the Stewart Ivory Investment Markets Fund which won three Lipper Awards under her stewardship. She began her career in London at Henderson Global Investors as a fund manager and media sector analyst, and also worked at Old Mutual Asset Management and Threadneedle Investment.





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## STATEMENT OF THE AUTHORISED CORPORATE DIRECTOR'S RESPONSIBILITIES

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The Authorised Corporate Director (the "ACD") of the Company is responsible for preparing the report and financial statements in accordance with the Open-Ended Investment Companies Regulations 2001 ("the OEIC Regulations"), the Financial Conduct Authority's Collective Investment Schemes' Sourcebook ("COLL") and the Company's Instrument of Incorporation.

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

- are in accordance with United Kingdom Generally Accepted Accounting Practice ("United Kingdom Accounting Standards and applicable law"), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Statement of Recommended Practice: "Financial Statements of UK Authorised Funds" issued by the Investment Association ("IA SORP") in May 2014; and
- give a true and fair view of the financial position of the Company as at the end of that period and the net revenue or expense and the net capital gains or losses on the property of the Company for that period.

In preparing the financial statements, the ACD is required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards and the IA SORP have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in operation.

The ACD is responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the applicable IA SORP and United Kingdom Accounting Standards and applicable law. The ACD is also responsible for the system of internal controls, for safeguarding the assets of the Company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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## DIRECTOR'S STATEMENT

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In accordance with COLL 4.5.8BR, the report and financial statements were approved by the board of directors of the ACD of the Company and authorised for issue on 21 September 2018.

The Directors are of the opinion that it is appropriate to continue to adopt the going concern basis in the preparation of the financial statements as the assets of the Company and the sub-fund consist predominantly of readily realisable securities and accordingly the Company has adequate resources to continue in operational existence in the foreseeable future.

**Helen Stevens**  
**Chief Executive Officer**  
**T. Bailey Fund Services Limited**  
**Nottingham, United Kingdom**  
**21 September 2018**

**Richard Taylor**  
**Compliance Director**  
**T. Bailey Fund Services Limited**  
**Nottingham, United Kingdom**  
**21 September 2018**

## INVESTMENT REVIEW

### Performance

	Cumulative returns for the periods ended 31 July 2018 (%)					
	6 months	1 year	3 years	5 years	10 years	From PJ take on*
A Accumulation Shares	11.74	27.11	90.56	153.02	409.39	614.93
B Accumulation Shares	12.16	28.07	94.91	162.55	446.15	721.68
Numis Smaller Companies Index (inc AIM, ex Inv Trusts)	1.74	6.26	33.34	58.77	168.32	226.92

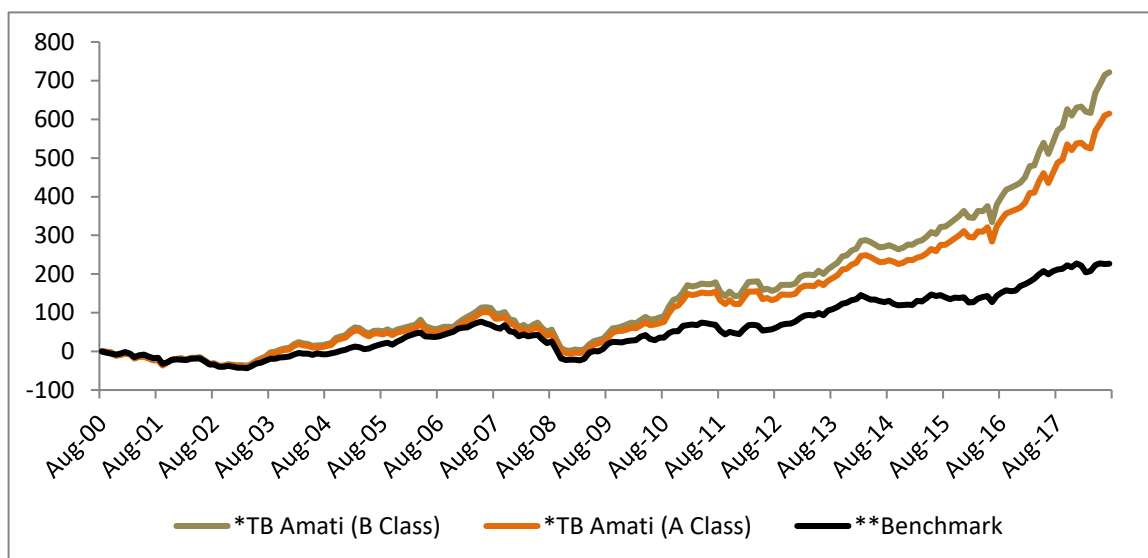
Source: Financial Express. Total return, bid to bid. Sterling terms.

\*Performance since Dr Paul Jourdan take on of Fund on 31 August 2000.

Performance prior to 29 July 2008 relates to First State British Smaller Companies Fund (see page 3).

Past performance is not a reliable indicator of future results. Investors are reminded that the price of shares and the revenue derived from them is not guaranteed and may go down as well as up.

### Performance since Dr Paul Jourdan take-on of Fund on 31 August 2000



Performance since Dr Paul Jourdan take-on of fund on 31 August 2000. Performance prior to 29 July 2008 relates to First State British Smaller Companies Fund (see page 3).

\* TB Amati (B Class & A Class) Fund Total Return \*\* Benchmark Index: Numis Smaller Companies (inc AIM, ex Inv Trusts) Total Return.

Source: Amati Global Investors Ltd as at 31 July 2018.

Past performance is not a reliable indicator of future results. Investors are reminded that the price of shares and the revenue derived from them is not guaranteed and may go down as well as up.

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## INVESTMENT REVIEW (CONTINUED)

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### Market Review

The six months under review proved to be a test period for the two major questions troubling markets after such a prolonged bull run: what might prompt a correction, and what would be the response in the aftermath? At the start of 2018, the consensus view was for sustained, synchronised global growth across the US, Europe and Asia. Whilst it was recognised that the US was likely to continue with its leadership in the normalisation of interest rates, it was thought that the Federal Reserve would not require a more radical cooling of the economy. This comfortable assumption was called into question in January with a surprise spike in US earnings inflation, which translated into rapidly rising bond yields. A US market sell-off then sparked global volatility. Weakness continued into late March, causing a 10% correction to the UK market from its January peak, as wider concerns gripped investors such as geo-political risks in the Middle East and Asia, and President Trump's escalating rhetoric. Meanwhile, Trump's tax reliefs were inflating the US economy by way of rate cuts boosting near term earnings, and also by allowing corporates to use repatriated overseas cash to fund share buybacks, thereby underpinning the stock market. This in turn generated a robust results season for US corporates, and a series of strong data points for US economic growth. Despite growing concerns about a slowing European economy, risks in emerging economies and an escalating global trade war, investor appetite returned and the UK stock market recovered all of its losses by mid-May, even if this strong momentum cooled somewhat by the end of the period. Over the period, smaller companies lagged behind the performance of larger stocks, as the weakness in sterling provided a sentiment boost towards international earnings. This translated into leadership by pharmaceutical, oil & gas and industrial stocks.

### Performance

The share price (B Accumulation) of the Fund rose by 12.2% during the period, compared to a gain in the benchmark index of 1.7%. The biggest portfolio contributors included a number of stocks from amongst the largest holdings. The weighting in these stocks had previously been increased to capture their medium term structural growth potential, and their perceived lower dependency on current economic conditions. Pleasingly, they exhibited a low correlation to the volatile stock market environment experienced during the period. These holdings included **Diversified Gas & Oil**, the US onshore producer operating mature wells in the Appalachian Basin, which rose more than 50% after announcing the acquisition of further assets in the region with the potential to almost double the group's cash flows. On a current dividend yield of almost 8%, the shares continue to offer a visible and attractive total investment return. **Burford Capital**, the global litigation finance and investment specialist, also rose 50% after announcing a significant uplift to income and cash flow from certain key case results. In the six months to end June 2018, total assets increased by almost 40% and the group committed US\$500m to new investments. **Bushveld Minerals**, the South African tin, coal and vanadium miner, was a new investment during the period which has more than doubled. The Fund participated in an oversubscribed placing to refinance the group's debt and also expand its leading vanadium mine, Vametco, which produces around 5% of global supply. Vanadium is in strong demand as a key element in large scale electricity storage batteries used by utility companies. **Seeing Machines**, the machine learning vision software provider, was another strong contributor, gaining close to 80%. This reflected the announcement of a number of automotive production awards, together with a program design win with the potential to incorporate the group's unique FOVIO driver monitoring technology into multiple, mass production vehicle platforms from 2020. **Fevertree**, the premium alcohol mixer supplier, continued to be a major portfolio contributor, gaining 40% in the period as it reported strong interim results and indicated that the full year outcome would be comfortably ahead of expectations. Its largest and most mature business segment is in the UK, which still grew revenues by over 70% compared to the first half of 2017.

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## INVESTMENT REVIEW (CONTINUED)

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The main detractors from performance were stock specific in nature. **Clinigen**, the global pharmaceutical services company, weakened as it reported slowing growth for its market leading clinical trials business. However this subsequently recovered in the group's second half, and management indicated that the full year results would meet market expectations. The shares rebounded by the close of the period, with an overall fall of less than 10%. **Just Group**, the non-standard annuities and equity release loan provider, reported strong new business growth in its first half results, but the shares suffered a 25% fall over the period due to a Prudential Regulation Authority consultation into the financial tests employed in lifetime mortgages to assess property value risks. This could result in increased reserving and capital requirements. The consultation outcome should be known before the end of the year. **Indivior**, the global speciality pharmaceuticals company with a focus on opioid addiction treatments, was impacted by a US FDA approval of competing generic versions for its Suboxone film product. The group's response to this was to request a US District Court order, temporarily restraining generic activity, but this did not prevent a profit warning later in the period as the launch of Sublocade, the company's new monthly extended-release injection product, showed lower than expected uptake. The shares fell just under 25% in the period. **Georgian Mining** operates a copper and gold project in a well-established, high grade geological region, but its activities have been impacted by delays in reaching agreement with a joint venture partner to process ore at a separate facility, together with political disruption within the Georgian government affecting mining permit applications. The shares fell just over 40% in the period.

### Activity

The period featured some attractive new UK listings in which the fund participated. **Nucleus Financial** and **Integratin** are wrap platforms servicing private investors and their financial advisers. The introduction of defined benefit pension freedoms has acted as a catalyst for self-investing, and both companies offer exposure to this structural growth opportunity. **Cakebox** is a specialist cake manufacturer, rolling out stores on a franchise basis around the UK. The current 88 stores have the potential to grow substantially, as the company focuses on a niche market for egg-free, personalised, occasion-driven cream cakes. **Codemasters** is an established computer games publisher, specialising in racing and rallying franchises. Listed gaming companies have matured alongside the industry's strong growth, and the fund also invested in **Sumo**, an independent developer of games providing both turnkey and co-development services. Other notable portfolio activity involved the promotion of certain companies already held within the Amati AIM VCT portfolio. This involved taking small positions in **AB Dynamics**, an automotive engineer supplying advanced measurement and testing equipment to global OEMs; **LoopUp**, the provider of a software as a service (SaaS) platform for remote business conferencing; and **Amryt Pharma**, a specialist pharmaceuticals company developing and delivering new treatments for rare or orphan diseases, such as a genetic skin disorder affecting young children. VCT holdings are promoted when it is felt that they have achieved the requisite business maturity and stock market liquidity. Other material new positions added included **Bushveld Minerals**, which contributed significantly during the period; **Gym Group**, an operator of no-contract, value-for-money gyms in the UK, which is growing strongly; and **Autotrader**, the UK's largest digital automotive marketplace. The latter was a switch out of **Rightmove**, which provides an equivalent platform for the housing market. This had been a successful investment for the fund but reached a full valuation. Other disposals during the period which generated material gains included UK challenger bank, **Aldermore**, the subject of a bid by South African financial services group FirstRand; monoclonal antibody and clinical diagnostics specialist, **Bioventix**; and veterinary services provider **CVS**. Discount greetings card retailer, **Card Factory**, was sold after it warned on profit margins within a deteriorating retail environment; whilst gold miner, **Pan African**, was sold to reduce exposure to political risks in South Africa. A holding in special needs care services provider, **Caretech**, was switched into other healthcare portfolio exposure.

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**INVESTMENT REVIEW (CONTINUED)**

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The asset allocation at the period end was as follows:

<b>Sector</b>	<b>Asset allocation as at 31 July 2018 (%)</b>	<b>Asset allocation as at 31 January 2018 (%)</b>
Banks	-	1.4
Beverages	2.2	2.6
Construction & Materials	1.4	1.7
Electronic & Electrical Equipment	3.1	3.9
Financial Services	16.8	14.7
Gas, Water & Multi-Utilities	0.6	-
General Retailers	1.8	2.8
Health Care Equipment & Services	-	1.2
Household Goods & Home Construction	6.9	7.6
Industrial Engineering	1.2	-
Leisure Goods	3.0	1.1
Life Insurance	1.8	2.5
Media	1.6	1.1
Mining	4.4	4.3
Mobile Telecommunications	1.1	1.3
NonLife Insurance	3.1	3.6
Oil & Gas Producers	5.9	3.3
Pharmaceuticals & Biotechnology	6.5	7.6
Real Estate Investment & Services	2.7	1.7
Real Estate Investment Trusts	1.2	2.7
Software & Computer Services	9.6	9.0
Support Services	11.3	13.0
Technology Hardware & Equipment	4.0	3.7
Travel & Leisure	2.3	-
Cash and Other	7.5	9.2
<b>Total</b>	<b>100.0</b>	<b>100.0</b>

The full list of holdings at the period end is shown in the Portfolio Statement on pages 10 to 14.

### Outlook

“Challenging” may have become an over-used, almost devalued, term in recent times, not only in company outlook statements but also within fund manager commentaries. However, its use is particularly pertinent at this point. A strong global economy, fuelled by ten years of stimulation, now faces the twin dangers of monetary policy reversal and an increasingly hostile trading and geo-political environment. The UK, as an open economy, has benefited from recent global growth but now faces its own individual risks as the Brexit deadline approaches. The last six months suggest there may still be an appetite amongst global investors to “buy the dips”, but it may also prove to have been an artificial, unrepeatable environment created by the impact of Trump’s tax cuts. Investors may feel that more challenging times are inevitably coming, but few want to speculate as to when.

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**INVESTMENT REVIEW (CONTINUED)**

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The portfolio can never be immune to wider market forces. Nevertheless, it continues to be dominated by a range of long term holdings in high quality companies serving specific niches in attractive growth markets. Investment performance in the coming months will therefore be determined by the underlying robustness of these individual business models.

**Paul Jourdan**  
**CEO**  
**Amati Global Investors Ltd**  
**Edinburgh, United Kingdom**  
**21 September 2018**

**David Stevenson**  
**Fund Manager**  
**Amati Global Investors Ltd**  
**Edinburgh, United Kingdom**  
**21 September 2018**

**Anna Wilson**  
**Fund Manager**  
**Amati Global Investors Ltd**  
**Edinburgh, United Kingdom**  
**21 September 2018**

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**PORTFOLIO STATEMENT**As at 31 July 2018

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<b>Holding or nominal value of positions</b>	<b>Bid market value £</b>	<b>Percentage of total net assets %</b>
<b>Beverages</b> (2.2%; 31.01.18 - 2.6%)		
130,555 Fever-Tree Drinks	4,492,398	2.2
	<b>4,492,398</b>	<b>2.2</b>
<b>Construction &amp; Materials</b> (1.4%; 31.01.18 - 1.7%)		
943,017 Forterra	2,810,191	1.4
	<b>2,810,191</b>	<b>1.4</b>
<b>Electronic &amp; Electrical Equipment</b> (3.1%; 31.01.18 - 3.9%)		
796,997 discoverIE Group	3,275,658	1.6
82,824 XP Power	2,973,382	1.5
	<b>6,249,040</b>	<b>3.1</b>
<b>Financial Services</b> (16.8%; 31.01.18 - 14.7%)		
245,000 Burford Capital	4,503,100	2.2
740,000 Draper Esprit	4,292,000	2.1
1,600,000 Duke Royalty	720,000	0.3
2,070,000 FFI Holdings	1,552,500	0.8
665,776 IG Group	6,125,139	3.0
721,480 IntegraFin	2,705,550	1.3
1,800,000 Morses Club	2,997,000	1.5
571,000 Mortgage Advice Bureau	3,780,020	1.8
502,868 Nucleus Financial	1,171,682	0.6
1,140,000 OneSavings Bank	4,959,000	2.4
717,010 Tatton Asset Management	1,649,123	0.8
	<b>34,455,114</b>	<b>16.8</b>

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**PORTFOLIO STATEMENT (CONTINUED)**As at 31 July 2018

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<b>Holding or nominal value of positions</b>	<b>Bid market value £</b>	<b>Percentage of total net assets %</b>
<b>Gas, Water &amp; Multi-utilities</b> <b>(0.6%; 31.01.18 - 0.0%)</b>		
135,595 Yu Group	1,206,796	0.6
	<b>1,206,796</b>	<b>0.6</b>
<b>General Retailers</b> <b>(1.8%; 31.01.18 - 2.8%)</b>		
1,841,556 Boohoo.com	3,701,528	1.8
	<b>3,701,528</b>	<b>1.8</b>
<b>Household Goods &amp; Home Construction</b> <b>(6.9%; 31.01.18 - 7.6%)</b>		
1,315,000 Countryside Properties	4,399,990	2.1
257,500 MJ Gleeson	1,946,700	0.9
1,625,000 Springfield Properties	1,950,000	1.0
417,121 Victoria	3,445,419	1.7
1,207,000 Watkin Jones	2,372,962	1.2
	<b>14,115,071</b>	<b>6.9</b>
<b>Industrial Engineering</b> <b>(1.2%; 31.01.18 - 0.0%)</b>		
195,436 AB Dynamics	2,403,863	1.2
	<b>2,403,863</b>	<b>1.2</b>
<b>Leisure Goods</b> <b>(3.0%; 31.01.18 - 1.1%)</b>		
625,000 Codemasters Group	1,337,500	0.6
315,102 Gear4music	2,079,673	1.0
1,632,614 Sumo Group	2,775,444	1.4
	<b>6,192,617</b>	<b>3.0</b>
<b>Life Insurance</b> <b>(1.8%; 31.01.18 - 2.5%)</b>		
425,000 Chesnara	1,702,125	0.8
1,925,000 Just Group	2,084,775	1.0
	<b>3,786,900</b>	<b>1.8</b>



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**PORTFOLIO STATEMENT (CONTINUED)**As at 31 July 2018

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<b>Holding or nominal value of positions</b>	<b>Bid market value £</b>	<b>Percentage of total net assets %</b>
<b>Media</b> <b>(1.6%; 31.01.18 - 1.1%)</b>		
760,000 Auto Trader	3,232,280	1.6
	<b>3,232,280</b>	<b>1.6</b>
<b>Mining</b> <b>(4.4%; 31.01.18 - 4.3%)</b>		
1,704,958 Anglo Pacific	2,267,594	1.1
4,361,213 Base Resources	689,072	0.3
6,178,081 Base Resources (AUD)	980,037	0.5
15,533,981 Bushveld Minerals	3,961,165	2.0
6,712,500 Georgian Mining	617,550	0.3
450,000 Tharisa	432,000	0.2
	<b>8,947,418</b>	<b>4.4</b>
<b>Mobile Telecommunications</b> <b>(1.1%; 31.01.18 - 1.3%)</b>		
282,000 Gamma Communications	2,216,520	1.1
	<b>2,216,520</b>	<b>1.1</b>
<b>NonLife Insurance</b> <b>(3.1%; 31.01.18 - 3.6%)</b>		
128,500 Hiscox	2,053,430	1.0
1,531,270 Sabre Insurance	4,226,305	2.1
	<b>6,279,735</b>	<b>3.1</b>
<b>Oil &amp; Gas Producers</b> <b>(5.9%; 31.01.18 - 3.3%)</b>		
6,624,223 Diversified Gas & Oil	7,551,614	3.7
2,135,000 Eland Oil & Gas	2,807,525	1.4
2,479,000 Serica Energy	1,715,468	0.8
	<b>12,074,607</b>	<b>5.9</b>

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**PORTFOLIO STATEMENT (CONTINUED)**As at 31 July 2018

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<b>Holding or nominal value of positions</b>	<b>Bid market value £</b>	<b>Percentage of total net assets %</b>
<b>Pharmaceuticals &amp; Biotechnology</b> <b>(6.5%; 31.01.18 - 7.6%)</b>		
3,823,129 Alliance Pharma	3,563,156	1.7
4,705,882 Amryt Pharma	847,059	0.4
310,000 Clinigen Healthcare	3,115,500	1.5
131,000 Eco Animal Health Group	641,900	0.3
905,000 Indivior	2,767,490	1.4
267,265 Oxford BioMedica	2,378,658	1.2
	<b>13,313,763</b>	<b>6.5</b>
<b>Real Estate Investment &amp; Services</b> <b>(2.7%; 31.01.18 - 1.7%)</b>		
1,630,000 CLS Holdings	3,561,550	1.7
580,000 Palace Capital	1,983,600	1.0
	<b>5,545,150</b>	<b>2.7</b>
<b>Real Estate Investment Trusts</b> <b>(1.2%; 31.01.18 - 2.7%)</b>		
1,318,808 LondonMetric Property	2,481,997	1.2
	<b>2,481,997</b>	<b>1.2</b>
<b>Software &amp; Computer Services</b> <b>(9.6%; 31.01.18 - 9.0%)</b>		
144,100 Accesso Technology	3,833,060	1.9
106,920 Blue Prism	1,911,730	0.9
4,730,000 Dotdigital Group	4,398,900	2.2
361,500 FDM Group	3,441,480	1.7
681,216 GB Group	3,664,942	1.8
510,000 LoopUp Group	2,295,000	1.1
	<b>19,545,112</b>	<b>9.6</b>

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**PORTFOLIO STATEMENT (CONTINUED)**As at 31 July 2018

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<b>Holding or nominal value of positions</b>	<b>Bid market value £</b>	<b>Percentage of total net assets %</b>
<b>Support Services</b> <b>(11.3%; 31.01.18 - 13.0%)</b>		
225,000 Keywords Studios	4,104,000	2.0
4,045,000 Learning Technologies Group	4,085,450	2.0
1,571,687 Premier Technical Services Group	2,907,621	1.4
793,500 Restore	3,967,500	2.0
308,055 Ricardo	2,482,923	1.2
313,000 Sanne Group	2,206,650	1.1
519,116 Smart Metering Systems	3,260,048	1.6
	<b>23,014,192</b>	<b>11.3</b>
<b>Technology Hardware &amp; Equipment</b> <b>(4.0%; 31.01.18 - 3.7%)</b>		
1,024,401 Quixant	4,404,924	2.1
36,000,000 Seeing Machines	3,834,000	1.9
	<b>8,238,924</b>	<b>4.0</b>
<b>Travel &amp; Leisure</b> <b>(2.3%; 31.01.18 - 0.0%)</b>		
894,444 Cake Box Holdings	1,493,721	0.7
1,082,939 The Gym Group	3,173,011	1.6
	<b>4,666,732</b>	<b>2.3</b>
<b>Portfolio of investments</b>	<b>188,969,948</b>	<b>92.5</b>
<b>Net other assets</b>	<b>15,386,085</b>	<b>7.5</b>
<b>Total net assets</b>	<b>204,356,033</b>	<b>100.0</b>

All holdings are in equities quoted on recognised stock exchanges.

'Banks' sector disinvested since the beginning of the period (31 January 2018: 1.4%).

'Healthcare Equipment & Services' sector disinvested since the beginning of the period (31 January 2018: 1.2%).

## SUMMARY OF FUND PERFORMANCE

<b>A Accumulation Shares</b>	<b>1 Feb 2018 to 31 Jul 2018</b>	<b>1 Feb 2017 to 31 Jan 2018</b>	<b>1 Feb 2016 to 31 Jan 2017</b>	<b>1 Feb 2015 to 31 Jan 2016</b>
	(Pence per Share)	(Pence per Share)	(Pence per Share)	(Pence per Share)
<b>Change in net assets per share</b>				
Opening net asset value per share	928.82	703.49	576.05	485.43
Return before operating charges*	115.98	239.09	138.11	99.82
Operating charges	(8.14)	(13.76)	(10.67)	(9.20)
Return after operating charges*	107.84	225.33	127.44	90.62
Distributions	(0.01)	0.00	(1.69)	(0.17)
Retained distributions on accumulation shares	0.01	0.00	1.69	0.17
Closing net asset value per share	1036.66	928.82	703.49	576.05
* after direct transaction costs of:	1.51	3.77	2.97	2.68
<b>Performance</b>				
Return after charges	11.61%	32.03%	22.12%	18.67%
<b>Other information</b>				
Closing net asset value	£11,378,391	£8,852,906	£5,640,540	£5,294,095
Closing number of shares	1,097,605	953,136	801,789	919,041
Operating charges (p.a)	1.69%	1.64%	1.69%	1.71%
Direct transaction costs (p.a)	0.31%	0.45%	0.47%	0.50%
<b>Prices</b>				
Highest published share price	1049.66	946.05	710.83	600.80
Lowest published share price	888.13	710.19	548.88	488.40

*Past performance is not a reliable indicator of future results. Investors are reminded that the price of shares and the revenue derived from them is not guaranteed and may go down as well as up.*

## SUMMARY OF FUND PERFORMANCE (CONTINUED)

<b>B Accumulation Shares</b>	<b>1 Feb 2018 to 31 Jul 2018</b>	<b>1 Feb 2017 to 31 Jan 2018</b>	<b>1 Feb 2016 to 31 Jan 2017</b>	<b>1 Feb 2015 to 31 Jan 2016</b>
	(Pence per Share)	(Pence per Share)	(Pence per Share)	(Pence per Share)
<b>Change in net assets per share</b>				
Opening net asset value per share	1077.17	809.75	658.08	550.40
Return before operating charges*	134.79	276.15	158.58	113.70
Operating charges	(5.28)	(8.73)	(6.91)	(6.02)
Return after operating charges*	129.51	267.42	151.67	107.68
Distributions	(4.15)	(6.69)	(7.46)	(4.88)
Retained distributions on accumulation shares	4.15	6.69	7.46	4.88
Closing net asset value per share	1,206.68	1077.17	809.75	658.08
* after direct transaction costs of:	1.77	4.41	3.45	3.10
<b>Performance</b>				
Return after charges	12.02%	33.03%	23.05%	19.56%
<b>Other information</b>				
Closing net asset value	£192,977,642	£105,309,602	£36,677,757	£15,156,764
Closing number of shares	15,992,427	9,776,521	4,529,494	2,303,167
Operating charges (p.a.)	0.94%	0.89%	0.94%	0.96%
Direct transaction costs (p.a)	0.31%	0.45%	0.47%	0.50%
<b>Prices</b>				
Highest published share price	1,221.66	1097.02	817.97	685.91
Lowest published share price	1030.09	817.46	628.97	553.77

*Past performance is not a reliable indicator of future results. Investors are reminded that the price of shares and the revenue derived from them is not guaranteed and may go down as well as up.*

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**STATEMENT OF TOTAL RETURN**For the six month period ended 31 July 2018

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		<b>31.07.18</b>	<b>31.07.17</b>
	£	£	£
Income			
Net capital gains		16,386,742	8,518,527
Revenue	1,243,798		456,715
Expenses	<u>(733,104)</u>		<u>(286,473)</u>
Net revenue before taxation	510,694		170,242
Taxation	<u>-</u>		<u>-</u>
Net revenue after taxation		<u>510,694</u>	<u>170,242</u>
<b>Total return before distributions</b>		<b>16,897,436</b>	<b>8,688,769</b>
Distributions		(512,505)	(174,087)
<b>Change in net assets attributable to shareholders from investment activities</b>		<u><b>16,384,931</b></u>	<u><b>8,514,682</b></u>

*Note: All of the Company's and sub-fund's results are derived from continuing operations.*

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**STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS**For the six month period ended 31 July 2018

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		<b>31.07.18</b>	<b>31.07.17</b>
	£	£	£
<b>Opening net assets attributable to shareholders</b>		<b>114,162,508</b>	<b>42,318,297</b>
<i>Movements due to sales and repurchases of shares:</i>			
Amounts receivable on issue of shares	104,230,193		29,419,317
Amounts payable on cancellation of shares	<u>(31,085,200)</u>		<u>(10,419,934)</u>
		73,144,993	18,999,383
Change in net assets attributable to shareholders from investment activities		16,384,931	8,514,682
Retained distributions on accumulation shares		663,601	187,117
<b>Closing net assets attributable to shareholders</b>		<u><b>204,356,033</b></u>	<u><b>70,019,479</b></u>

*Note: Section 3.30 of the IA SORP requires comparative figures for the end of the half yearly period of the prior year for the above statement. For interim financial statements this will result in the closing comparative net assets not being equal to the net assets at the start of the current period as these are not consecutive periods.*

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**BALANCE SHEET**As at 31 July 2018

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	<b>31.07.18</b>	<b>31.01.18</b>
	<b>£</b>	<b>£</b>
<b>Assets:</b>		
<b>Fixed Assets:</b>		
Investments	188,969,948	103,667,404
<b>Current Assets:</b>		
Debtors	4,289,710	4,901,621
Cash and bank balances	13,178,891	7,225,830
<b>Total assets</b>	<b><u>206,438,549</u></b>	<b><u>115,794,855</u></b>
<b>Liabilities:</b>		
<b>Creditors:</b>		
Other creditors	2,082,516	1,632,347
<b>Total liabilities</b>	<b><u>2,082,516</u></b>	<b><u>1,632,347</u></b>
<b>Net assets attributable to shareholders</b>	<b><u>204,356,033</u></b>	<b><u>114,162,508</u></b>

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**NOTES TO THE FINANCIAL STATEMENTS**

As at 31 July 2018

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**Accounting policies**

The financial statements have been prepared on the basis of the accounting policies set out in the Annual Report and Financial Statements for the year ended 31 January 2018.

The financial statements have been prepared under the historical cost basis, as modified by the revaluation of investments, and in accordance with Financial Reporting Standard 102 (FRS 102) and in accordance with the Statement of Recommended Practice (SORP) for Financial Statements of UK Authorised Funds issued by the Investment Association in May 2014.

As described in the Statement of Authorised Corporate Director's Responsibilities, the ACD continues to adopt the going concern basis in the preparation of the financial statements of the Fund.



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**DISTRIBUTION TABLE**For the six month period ended 31 July 2018

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**Interim Distribution (31 July 2018)**

Group 1 - Shares purchased on or prior to 31 January 2018

Group 2 - Shares purchased after 31 January 2018

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<b>Shares</b>	<b>Revenue</b>	<b>Equalisation<sup>1</sup></b>	<b>Accumulated</b>	<b>Accumulated</b>
			<b>30.09.18</b>	<b>30.09.17</b>
	<b>(pence)</b>	<b>(pence)</b>	<b>(pence)</b>	<b>(pence)</b>
<b>A Accumulation</b>				
Group 1	0.0107	-	<b>0.0107</b>	-
Group 2	-	0.0107	<b>0.0107</b>	-
<b>B Accumulation</b>				
Group 1	4.1487	-	<b>4.1487</b>	<b>2.7919</b>
Group 2	1.7575	2.3912	<b>4.1487</b>	<b>2.7919</b>

<sup>1</sup> Equalisation applies only to shares purchased during the distribution period (Group 2 shares). It is the average amount of revenue 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 but must be deducted from the cost of shares for capital gains tax purposes.

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## DIRECTORY

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### The Company

TB Amati Investment Funds  
64 St. James's Street  
Nottingham NG1 6FJ

### Authorised Corporate Director

T. Bailey Fund Services Limited  
64 St. James's Street  
Nottingham NG1 6FJ

Tel: 0115 988 8200  
Website: [www.tbaileyfs.co.uk/funds/tb-amati-investment-funds](http://www.tbaileyfs.co.uk/funds/tb-amati-investment-funds)

Authorised and regulated by the Financial Conduct Authority.

### Directors of the ACD

Mrs H C Stevens  
Mr R J Taylor  
Mr G M Padbury  
Mr M Hughes (Non-executive)

### Investment Manager

Amati Global Investors Limited  
8 Coates Crescent  
Edinburgh EH3 7AL

Tel: 0131 503 9100  
Email: [info@amatiglobal.com](mailto:info@amatiglobal.com)  
Website: [www.amatiglobal.com](http://www.amatiglobal.com)

Authorised and regulated by the Financial Conduct Authority.

### Depository

NatWest Trustee and Depository Services Limited  
135 Bishopsgate  
London EC2M 3UR

Authorised and regulated by the Financial Conduct Authority and by the Prudential Regulation Authority.

### Registrar and Share Dealing

T. Bailey Fund Services Limited  
64 St. James's Street  
Nottingham NG1 6FJ

Tel: 0115 988 8200  
Dealing Line: 0115 988 8275  
Website: [www.tbaileyfs.co.uk/funds/tb-amati-investment-funds](http://www.tbaileyfs.co.uk/funds/tb-amati-investment-funds)

Authorised and regulated by the Financial Conduct Authority.

### Auditors

Deloitte LLP  
4 Brindleyplace  
Birmingham B1 2HZ

Registered to carry out audit work by the Institute of Chartered Accountants in England and Wales.

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