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Amati
Global Investors

T.BAILEY

TB Amati Investment Funds

Annual Report and Audited Financial Statements
31 January 2019

TB Amati UK Smaller Companies Fund

CONTENTS

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 12 to 16 and 'Directory' on page 39.

THE AUTHORISED CORPORATE DIRECTOR AND INVESTMENT MANAGER

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.

YOUR INVESTMENTS

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.

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 and also on www.fundlistings.com.

RISK PROFILE

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.

SYNTHETIC RISK AND REWARD INDICATOR

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. Since the period end the risk category has changed and the Fund is now in risk category 5.

ONGOING CHARGES FIGURE

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 22 and 23.

AUTHORISED STATUS

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.

STRUCTURE OF THE COMPANY

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. This company is a UCITS scheme.

INVESTMENT OBJECTIVE AND POLICY

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

The Fund invests in smaller UK company shares and shares of companies that can be bought and sold on UK stock markets. The Fund will primarily invest (i.e. typically more than 75%) 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 also has the discretion to invest an amount (typically less than 25%) in companies which are listed* in the UK but are not incorporated in the UK and do not have the majority of their economic activity in the UK. There may be occasions when the Investment Manager chooses to hold large degrees of cash or money market instruments in order to protect returns in certain market conditions (e.g. a severe market downturn).

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

** "Listed" for the purposes of the Fund's Objective and Investment Policy means listed on the Main Market of the London Stock Exchange or quoted on the Alternative Investment Market or NEX Exchange.*

OTHER INFORMATION

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. The Key Investor Information document and Supplementary Information document are also available from www.tbaileyfs.co.uk/funds/tb-amati-investment-funds.

CHANGES TO RESEARCH FEES

From January 2018, following FCA approval and shareholder notification, third party research costs have been charged to the fund as a separate fee as bundling of execution and research costs is no longer permitted under the FCA's rules. Prior to this research costs were bundled with execution costs as part of transaction costs.

THE INVESTMENT MANAGEMENT TEAM

There have been recent changes to the investment team at Amati Global Investors Limited. 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 2018, 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 Limited 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 most recently the Fund won Morningstar's Best UK Small/Mid Cap Equity Fund 2018. The Fund also won Citywire's Best UK Smaller Companies Fund in 2018. The Fund has a rating from Rayner Spencer Mills Research, Morningstar (Bronze Analyst and 5 stars), FE Trustnet (5 Crowns), Citywire Group Rating (Platinum). Only around 20-25% of groups in each sector are invited by Citywire to receive a rating, and of those groups selected only 10% receive a platinum rating.

Should you wish to receive monthly fund factsheets and updates on events by email, please contact: 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 Capita Fund Managers on 29 July 2008.*

BIOGRAPHIES

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 Limited 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, where he gained experience in UK market and global equities. In 2000 Stewart Ivory was taken over by First State and Paul became manager of what is now the TB Amati UK Smaller Companies Fund. In early 2005 he launched what became Amati VCT plc and he also commenced the management of Amati VCT 2 plc following the award of the investment management contract to Amati Global Investors in 2010. In May 2018 Amati VCT plc merged with Amati VCT 2 plc which was then renamed Amati AIM VCT plc. 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, a Director of Sistema Scotland, a Scottish registered charity and also a trustee of Clean Trade, a charity registered in England and Wales.

BIOGRAPHIES (CONTINUED)

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.

REMUNERATION POLICY OF THE AUTHORISED CORPORATE DIRECTOR

Remuneration policy of the ACD

TBFS and the holding company of TBFS, T. Bailey Holdings Limited ('TBH'), have the following policies and practices for those staff whose professional activities have a material impact on the risk profile of the activities of the ACD. Based on FCA guidance the ACD is considered as Proportionality Level 3 under the Remuneration Code as total assets under administration are less than £15bn. TBFS is a UCITS firm and is therefore subject to the UCITS V Directive Remuneration Code.

The Remuneration Policy of the ACD:

(i) Is consistent with and promotes sound and effective risk management;

(ii) Does not encourage risk taking that exceeds the level of tolerated risk of the relevant UCITS managed by TBFS;

(iii) Encourages behaviour that delivers results which are aligned to the interests of the UCITS managed by TBFS;

(iv) Aligns the interests of Code Staff with the long-term interests of TBFS, the funds it manages and its investors;

(v) Recognises that remuneration should be competitive and reflect both financial and personal performance. Accordingly, Remuneration for Code Staff is made up of fixed pay (salary and benefits, including pension) and variable (performance-related) pay; and

(vi) Recognises that fixed and variable components should be appropriately balanced and that the variable component should be flexible enough so that in some circumstances no variable component may be paid at all. Variable pay is made up of short-term awards typically based on short-term financial and strategic measures for the area of the business in which the member of Code Staff works.

There is no remuneration committee. The Board of TBH oversees the setting and review of remuneration levels performed by the operating Board of TBFS. From an overall group perspective and operating company level, remuneration is set within the context of a five-year plan which ensures any threats to capital adequacy, liquidity and solvency caused by excessive remuneration would be identified. The bonus arrangements including the staff bonus pool are set annually as part of the annual operating plan and any changes to the pool require approval by the CEO of TBFS and also the Board of TBH.

The main shareholders are represented on the Board of TBH which ratifies the annual operating plans. The annual operating plan includes the level of remuneration for all staff including Code Staff.

To assist with the above process, a benchmarking exercise was conducted in 2015 which incorporated information from external consultants in connection with remuneration.

The staff bonus scheme is operated so as to allow for meaningful rewards to be paid to staff whose performance during the year merits recognition but within the context of an annual operating plan. The TBH Board bears in mind the projected performance of the companies when making any adjustments to the scheme. Payment of scheme bonus to individuals is linked to their performance against agreed objectives from staff appraisals.

REMUNERATION POLICY OF THE AUTHORISED CORPORATE DIRECTOR (CONTINUED)

Total remuneration paid by the ACD for the year ended 30 September 2018

Total Number of Staff	**37**
	£'000
Fixed	1,334
Variable	57
Total Remuneration Paid	**1,391**

Total remuneration paid by the ACD to Remuneration Code Staff for the year ended 30 September 2018

	Senior Management	Staff with Material Impact
Total Number of Staff	**8**	**1**
	£'000	**£'000**
Fixed	680	42
Variable	35	2
Total Remuneration Paid	**715**	**44**

Please note that there were no remuneration payments made directly from TB Amati Investment Funds or any of its sub-funds.

STATEMENT OF THE AUTHORISED CORPORATE DIRECTOR'S RESPONSIBILITIES

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

The OEIC Regulations and COLL require the ACD to prepare financial statements for each 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 and its sub-fund as at the end of the period and the net revenue and the net capital losses on the property of the Company and its sub-fund for that period.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable United Kingdom 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 adequate accounting records that disclose with reasonable accuracy at any time the financial position of the Company and enable it 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.

DIRECTOR'S STATEMENT

In accordance with COLL 4.5.8BR, the Report and the financial statements were approved by the board of directors of the ACD of the Company and authorised for issue on 17 May 2019.

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 its sub fund consist predominantly of readily realisable securities and accordingly the Company has adequate resources to continue in operational existence for at least the next 12 months from the approval of the financial statements.

Helen Stevens
Chief Executive Officer
T. Bailey Fund Services Limited
Nottingham, United Kingdom
17 May 2019

Richard Taylor
Compliance Director
T. Bailey Fund Services Limited
Nottingham, United Kingdom
17 May 2019

STATEMENT OF DEPOSITARY'S RESPONSIBILITIES

The Depositary must ensure that the Company is managed in accordance with the Financial Conduct Authority's Collective Investment Schemes Sourcebook ("COLL"), the Open-Ended Investment Companies Regulations 2001 (SI 2001/1228) (the OEIC Regulations), as amended, the Financial Services and Markets Act 2000, as amended, (together "the Regulations"), the Company's Instrument of Incorporation and Prospectus (together "the Scheme documents") as detailed below.

The Depositary must in the context of its role act honestly, fairly, professionally, independently and in the interests of the Company and its investors.

The Depositary is responsible for the safekeeping of all custodial assets and maintaining a record of all other assets of the Company in accordance with the Regulations.

The Depositary must ensure that:

- the Company's cash flows are properly monitored and that cash of the Company is booked into the cash accounts in accordance with the Regulations;
- the sale, issue, redemption and cancellation of shares are carried out in accordance with the Regulations;
- the value of shares of the Company are calculated in accordance with the Regulations;
- any consideration relating to transactions in the Company's assets is remitted to the Company within the usual time limits;
- the Company's income is applied in accordance with the Regulations; and
- the instructions of the Authorised Corporate Director ("the ACD") are carried out (unless they conflict with the Regulations).

The Depositary also has a duty to take reasonable care to ensure that the Company is managed in accordance with the Regulations and the Scheme documents in relation to the investment and borrowing powers applicable to the Company.

DEPOSITARY'S REPORT TO THE SHAREHOLDERS OF TB AMATI INVESTMENT FUNDS

Having carried out such procedures as we consider necessary to discharge our responsibilities as Depositary of the Company, it is our opinion, based on the information available to us and the explanations provided, that in all material respects the Company, acting through ACD:

(i) has carried out the issue, sale, redemption and cancellation, and calculation of the price of the Company's shares and the application of the Company's income in accordance with the Regulations, the Scheme documents of the Company, and

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

NatWest Trustee & Depositary Services Limited
London, United Kingdom
17 May 2019

Report on the audit of the financial statements

Opinion

In our opinion the financial statements:

- give a true and fair view of the financial position of the Company as at 31 January 2019 and of the net revenues and the net capital losses on the property of the company for the year ended 31 January 2019; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", the Statement of Recommended Practice "Financial Statements of UK Authorised Funds", the rules in the Collective Investment Schemes Sourcebook and the Instrument of Incorporation.

We have audited the financial statements of TB Amati Investment Funds (the 'company') which comprise for each sub-fund:

- the statement of total return;
- the statement of change in net assets attributable to shareholders;
- the balance sheet;
- the related individual notes 1 to 15; and
- the distribution tables

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice), the Statement of Recommended Practice: "Financial Statements of UK Authorised Funds" issued by the Investment Association in May 2014, the Collective Investment Schemes Sourcebook and the Instrument of Incorporation.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We are required by ISAs (UK) to report in respect of the following matters where:

- the Authorised Corporate Director's (ACD's) use of the going concern basis of accounting in preparation of the financial statements is not appropriate; or
- the ACD has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of these matters.

Other information

The ACD is responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in respect of these matters.

Responsibilities of depositary and ACD

As explained more fully in the statement of depositary's responsibilities and the statement of the ACD's responsibilities, the Depositary is responsible for the safeguarding the property of the company and the ACD is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the ACD determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the ACD is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the ACD either intends to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF TB AMATI INVESTMENT FUNDS (CONTINUED)

Report on other legal and regulatory requirements

Opinion on other matters prescribed by the Collective Investment Schemes Sourcebook

In our opinion:

- proper accounting records for the company have been kept and the financial statements are in agreement with those records;
- we have received all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit; and
- the information given in the ACD's report for the year ended 31 January 2019 is consistent with the financial statements.

Use of our report

This report is made solely to the company's shareholders, as a body, in accordance with Paragraph 4.5.12R of the Collective Investment Schemes Sourcebook of the Financial Conduct Authority. Our audit work has been undertaken so that we might state to the company's shareholders those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

Deloitte LLP
Statutory Auditor
Birmingham, United Kingdom
17 May 2019

Performance

	Cumulative returns for the periods ended 31 January 2019 (%)				
	1 year	**3 years**	**5 years**	**10 years**	**From PJ take on***
A Accumulation Shares	(3.38)	56.01	87.76	532.60	518.19
B Accumulation Shares	(2.65)	59.57	94.93	578.64	613.18
Numis Smaller Companies Index (inc AIM, ex Inv Trusts)	(9.59)	28.28	23.56	271.93	190.50

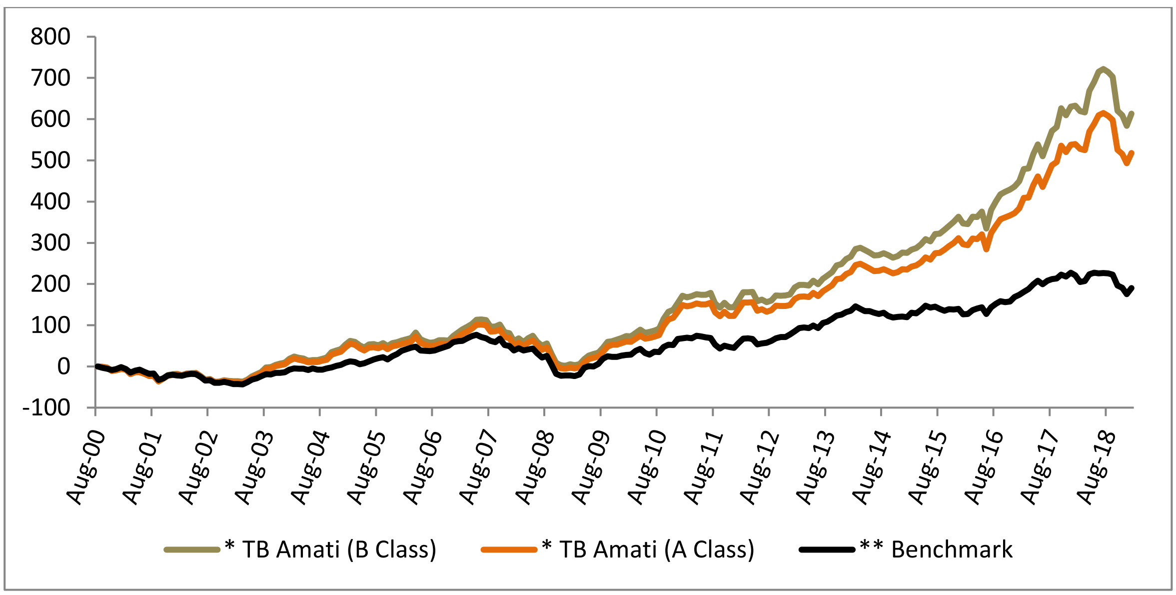
Source: Financial Express. Total return, bid to bid. Sterling terms.

* *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). This is relevant to the 5th column.

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 January 2019.

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.

Market Review

Just as with politics, a year can be a long time in stock markets. At the start of 2018, after a prolonged period of strong gains, consensus views were focused on synchronised global growth, the continuation of positive momentum and low volatility in capital markets. In fact, the year ended on a sour note, with cash outperforming both equities and bonds for the first time since 1994. Interestingly, that year was another in which the US central bank raised rates to cool a strong economy. In 2018 the Federal Reserve took this step four times and the Bank of England once. These moves were certainly amongst the catalysts destabilising global markets, as many years of monetary easing turned into tightening, while the global political backdrop also contributed. During 2018, US/China trade disputes, UK/EU Brexit tensions and the US government shutdown, all combined to play a part in unsettling investors.

In the first quarter of the year, a jump in US bond yields sparked an initial correction in global stock markets with the UK falling 10% from its early January high point. However, the stimulatory effects of Trump's tax reliefs created a robust results season for US corporates, prompting a rebound in investor appetite. The UK market recovered all of its losses by early summer, but this marked the peak for the year. A UK rate rise in August, alongside deteriorating economic data in most key economies and the ongoing uncertainty surrounding Brexit negotiations, sparked a sell-off which continued through to the end of the year. In the last quarter this was particularly focused on premium growth stocks and notably those on the Alternative Investment Market ("AIM"). Reasons for this included the de-rating effect that rising interest rates have on the valuation of future earnings streams, sharp declines in US technology stocks and the significant investment gains made on AIM in recent years. Following a more than 20% decline from October to December, AIM swung from being the best performing segment of the UK market at the mid-point of 2018, to being the worst by the close of the year. Whilst January saw a noteworthy rebound across the whole of the UK market, the durability of these gains will depend largely on the Brexit outcome over the coming weeks.

Performance

The share price (B Accumulation) of the Fund fell 2.7% during the period, compared to a decline in the benchmark index of 9.6%. This was an outcome driven by second half performance, with both the Fund and the benchmark registering gains at the interim stage.

Contributing to the fund's relative outperformance against its benchmark, were strong gains from a number of holdings. **Bushveld Minerals**, a new position in the period, is a South African producer of high grade vanadium which saw its share price almost treble. Whilst the demand for vanadium is largely based on the steel industry, it has a developing role in the growing global energy storage market with the adoption of Vanadium Redox Flow Batteries. This has been a strong driver of demand for the commodity, with the average Ferrovanadium price in 2018 being 149% higher than a year ago, driving a similar uplift in Bushveld's revenues. Global litigation finance provider, **Burford Capital**, rose 55%. This was achieved despite a 35% decline during the AIM sell-off, when Burford, as the biggest AIM constituent, was exposed. The shares recovered most of these losses during late December and January after the company announced substantial new funding arrangements from a sovereign wealth fund and other institutional investors. This followed other positive updates during the period involving successful litigation outcomes and profitable disposals of case investments. Record results were reported for the full year, including a 24% increase in after tax profits and a return on equity of 30%. **Diversified Gas & Oil**, the US onshore producer operating mature wells in the Appalachian Basin, rose 50%. This followed a series of asset acquisitions during the period which have taken average daily production from 6,600 barrels of oil equivalent in 2017 to 41,000 currently, increasing EBITDA by almost ten times. With no exploration investment requirements, the group currently yields more than 8%. North Sea explorer and producer, **Serica Energy**, rose 72% in the period. In late 2017, Serica agreed to purchase BP's interests in three gas fields representing 5% of the UK's indigenous production. One of these, Rhum, was 50% owned by the National Iranian Oil Company. In May, the US government announced a new sanctions regime which threatened the use of US service providers within the Rhum field. The US government subsequently agreed to a licence waiver, allowing Serica to complete its deal and providing a strong catalyst for the shares. Specialist automotive engineer, **AB Dynamics**, another new holding, gained 62%. The company's products are used by global automotive manufacturers in research, development, testing and quality control, where activity is being driven by increasing vehicle complexity and the push towards autonomous and electric vehicles. This includes advanced driving robots, used to test conventional and driverless vehicles, and advanced driver assistance systems, used to evaluate active collision avoidance and collision mitigation. The company's full year results for 2018 showed growth in turnover of 51%, and in operating profit of 79%.

Other major contributors included **Eland Oil & Gas**, an explorer and producer focused on the highly prolific Niger Delta region of Nigeria, which grew its production by 60%; **discoverIE Group**, the international designer, manufacturer and supplier of customised electronic components, which also reported strong trading driven by both organic and acquisitive growth; new holding **Spirent Communications**, the provider of performance testing solutions for telecoms networks and mobile handsets, which is benefiting from operator investment in new high speed platforms and cyber security protections; new holding **Auto Trader Group**, the UK's largest digital automotive marketplace, which saw growth from the adoption of new products and advertising packages by car manufacturers and retailers; and **Gamma Communications**, the technology based provider of telecoms to businesses and the public sector, where growth is being driven by migration to VOIP and Cloud services in which Gamma has a strong market position.

The biggest detractor from performance over the period was flooring product manufacturer, **Victoria**, which announced it was discounting prices to drive volume and market share growth. This coincided, however, with softer trading conditions within the UK, Europe and Australia, which impacted sentiment towards what had previously been a strong growth story. In addition, the company badly handled, and subsequently withdrew from, a bond issue to refinance its debt. The decision was taken to exit the position, as a share decline of 50% together with gearing limitations is likely to impact the company's ability to make future acquisitions.

Documentation storage and shredding services provider, **Restore**, which has previously been a reliable growth company driven by consolidation of its end markets and steady organic momentum, was impacted by poorer trading. Its shredding business experienced a slowdown from previous high activity levels caused by the introduction of the General Data Protection Regulation ("GDPR"), which translated into a margin decline and earnings downgrades due to operational leverage. In addition, the company's well respected and longstanding CEO decided to retire, and in combination with the forecast miss this took the shares down 49% over the period. Regulated gaming technology specialist, **Quixant**, gave a trading update towards the end of the period, which stated that annual revenues and pre-tax profits would be lower than market expectations. This was due to a strategic decision to reduce exposure to low margin customers within its gaming monitor business. The core gaming platform business, however, has continued to grow and take market share. Despite the strategic shift being communicated at the time of Quixant's interim results, the market reacted negatively, which combined with weakness during the AIM sell-off, saw the shares down 37%. We added to our position following the update. Online musical instrument and equipment retailer, **Gear4music**, fell 72% in the period. This followed a trading update in January which indicated sales growth of 41% for four months of the second half of the current financial year, up from 36% in the first half. The increased sales volume was, however, driven by price cuts and it created warehouse capacity issues leading to lower gross margins and a decline in EBITDA, hitting sentiment towards the stock. The group's longer term growth prospects should remain intact, however, and so we have added to our position. Queueing and ticketing software provider, **Accesso Technology**, was impacted by the AIM sell-off, falling 36%, despite making a number of announcements regarding commercial partnerships and leisure site customers. Just after the period end, however, the company issued a trading update announcing exceptional costs relating to an aborted acquisition, and also that the driving force behind the business in recent years, Executive Chairman Tom Burnet, was moving to a non-executive position. As part of its future full year results announcement, there will be enhanced disclosure of the group's operational and financial performance, which has been an issue for some investors.

Other weak performers included new holding **Yu Group**, the independent supplier to UK corporates of gas, electricity and water, which announced an unexpected review of its accounting procedures, prompting an immediate sale of the position; **Clinigen Group**, the pharmaceutical services provider, which reported slowing growth in its market leading clinical trials business, and a series of product and corporate acquisitions which investors were initially hesitant about (the shares have recovered after the period end); **Ricardo**, the engineering and environmental consultancy, which was impacted by disruption to the global automotive industry caused by new emissions regulations, trade conflicts and declining diesel vehicle sales; **Indivior**, the speciality pharmaceuticals company focused on opioid addiction treatments, which suffered generic competition for its leading Suboxone film product and a slower than anticipated take-up of a replacement injection product, prompting a sale of the position; and new holding **Scapa Group**, the supplier and manufacturer of bonding and adhesive products for healthcare and industrial markets, which experienced downgrades following a significant, but near term earnings dilutive, acquisition.

Activity

In an environment of rising macroeconomic and political risks, the major portfolio additions during the period were targeted at companies offering structural growth potential able to withstand tougher trading conditions. Examples include **Auto Trader Group**, which is offering a dominant, innovative trading platform in a difficult car market; **QinetiQ Group**, the provider of scientific and technology solutions to global defence and security markets, where growth has wider drivers than macroeconomics; and **Spirent**, where telecoms investment will be dependent on the upcoming rollout of 5G technology. Each of these stocks featured amongst the fund's largest holdings at the period end. Smaller new positions on a similar structural theme, were **Manolete Partners**, which finances litigation for companies in liquidation; **Integrafin Holdings**, a wrap platform servicing investors and their financial advisers; **Oxford Biomedica**, an established biotechnology company which has developed a landmark drug to treat acute leukaemia in younger patients; **Alpha FX Group**, a foreign exchange service provider managing risks for corporates and institutions; and **Sumo Group**, an independent developer of video games. Resources remain a longstanding exposure within the portfolio, and during the period new positions were taken in vanadium miner **Bushveld Minerals**, and oil & gas plays **Hurricane Energy** (North Sea), **Jadestone Energy** (South East Asia) and **Pantheon Resources** (Alaska). The fund's largest holding, **Diversified Gas & Oil**, the US onshore producer with significant cash flow and a high dividend yield, was also added to during the period. With a focus on discount offerings, some selective consumer spending exposure was taken through **B&M European Value Retail**, **Cakebox Holdings** and **Gym Group**.

Material disposals of certain underperforming stocks have already been detailed above. In addition positions in discount greetings card retailer, **Card Factory**; entertainment industry services specialist, **FFI Holdings**; and alternative asset and corporate services provider, **Sanne Group**; were sold after disappointing trading updates. Profits were taken in UK challenger bank, **Aldermore Group**, which was bid for by South African financial services group FirstRand; monoclonal antibody and clinical diagnostics specialist, **Bioventix**; veterinary services provider, **CVS Group**; international healthcare group, **Alliance Pharma**; and pension consultant and administrator, **Xafinity**. Exposure to premium rated AIM stocks was reduced by booking substantial gains in alcohol mixer supplier, **Fevertree Drinks**; online fashion retailer, **Boohoo Group**; and robotic automation software specialist, **Blue Prism Group**; plus a part-sale of European venture capital firm, **Draper Esprit**. Switches in sector exposures within resources, healthcare and media, prompted exits from **Pan African**, **Tharisa**, **Caretech Holdings** and **Rightmove**.

INVESTMENT REVIEW (CONTINUED)

The asset allocations at the period end date are shown in the table below:

Sector	Asset allocation as at 31 January 2019 (%)	Asset allocation as at 31 January 2018 (%)
Aerospace & Defense	2.6	-
Banks	-	1.4
Beverages	-	2.6
Chemicals	1.5	-
Construction & Materials	1.8	1.7
Electronic & Electrical Equipment	2.5	3.9
Financial Services	18.5	14.7
General Retailers	1.5	2.8
Health Care Equipment & Services	-	1.2
Household Goods & Home Construction	5.6	7.6
Industrial Engineering	1.4	-
Leisure Goods	1.7	1.1
Life Insurance	1.5	2.5
Media	2.0	1.1
Mining	3.0	4.3
Mobile Telecommunications	1.8	1.3
NonLife Insurance	4.1	3.6
Oil & Gas Producers	9.0	3.3
Pharmaceuticals & Biotechnology	5.5	7.6
Real Estate Investment & Services	2.8	1.7
Real Estate Investment Trusts	1.1	2.7
Software & Computer Services	5.8	9.0
Support Services	8.3	13.0
Technology Hardware & Equipment	5.2	3.7
Travel & Leisure	2.4	-
Cash and Other	10.4	9.2
Total	**100.0**	**100.0**

The full list of holdings at the period end is shown in the Portfolio Statement on pages 17 to 21.

Outlook

One year forward from the expected synchronised global growth of early 2018, there is now evidence of economic softness in most developed economies, with China, Germany and the US amongst the most concerning. This reflects a combination of trade tensions plus monetary policy tightening and, in the case of the UK, political uncertainty impeding consumer and corporate spending. Against such a backdrop, many investors might still be attracted to cash, as the best performing asset class of last year, but there has in fact been a meaningful rebound across all segments of the UK stock market in early 2019. Clearly, no one knows whether this is a short term bounce or a longer term opportunity - for the UK, the next few weeks in the Brexit saga will be hugely influential. However, these gains may provide some support for the old maxim that time in the market is more important than timing the market. UK stocks have been de-rated substantially and now look cheap by international comparison. Any resolution of the current uncertainty could spur further investor appetite. Over the period under review, the major investment focus has been on companies with growth prospects offering more sustainable, structural drivers, offsetting some of the risks within the economic and political environment. As has been stated before, the performance of the portfolio in coming months will be determined by the underlying robustness of these individual business models.

Paul Jourdan
CEO
Amati Global Investors Ltd
Edinburgh, United Kingdom
17 May 2019

David Stevenson
Fund Manager
Amati Global Investors Ltd
Edinburgh, United Kingdom
17 May 2019

Anna Wilson
Fund Manager
Amati Global Investors Ltd
Edinburgh, United Kingdom
17 May 2019

PORTFOLIO STATEMENT
As at 31 January 2019

Holding or nominal value of positions		Bid market value £	Percentage of total net assets %
	Aerospace & Defense (2.6%; 31.01.18 - 0.0%)		
1,825,000	QinetiQ Group	5,527,925	2.6
		5,527,925	**2.6**
	Chemicals (1.5%; 31.01.18 - 0.0%)		
940,000	Scapa Group	3,211,040	1.5
		3,211,040	**1.5**
	Construction & Materials (1.8%; 31.01.18 - 1.7%)		
1,473,017	Forterra	3,888,765	1.8
		3,888,765	**1.8**
	Electronic & Electrical Equipment (2.5%; 31.01.18 - 3.9%)		
796,997	discoverIE Group	3,339,417	1.5
102,824	XP Power	2,077,045	1.0
		5,416,462	**2.5**
	Financial Services (18.5%; 31.01.18 - 14.7%)		
350,000	Alpha FX Group	2,135,000	1.0
245,000	Burford Capital	4,498,200	2.1
587,979	Draper Esprit	3,086,890	1.4
5,604,883	Duke Royalty	2,253,163	1.1
690,000	IG Group	4,381,500	2.0
721,480	IntegraFin Holdings	2,456,639	1.1
1,523,200	Manolete Partners	3,320,576	1.6
2,725,000	Morses Club	4,087,500	1.9
621,000	Mortgage Advice Bureau (Holdings)	3,713,580	1.7
1,427,312	OneSavings Bank	5,366,693	2.5
560,000	Premier Asset Management Group	1,108,800	0.5
1,150,000	River & Mercantile Group	2,576,000	1.2
469,817	Tatton Asset Management	892,652	0.4
		39,877,193	**18.5**

PORTFOLIO STATEMENT (CONTINUED)
As at 31 January 2019

Holding or nominal value of positions		Bid market value £	Percentage of total net assets %
	General Retailers (1.5%; 31.01.18 - 2.8%)		
1,025,000	B&M European Value Retail	3,322,025	1.5
		3,322,025	**1.5**
	Household Goods & Home Construction (5.6%; 31.01.18 - 7.6%)		
1,415,000	Countryside Properties	4,349,710	2.0
257,500	MJ Gleeson	1,838,550	0.8
1,600,000	Springfield Properties	1,840,000	0.9
1,757,000	Watkin Jones	4,085,025	1.9
		12,113,285	**5.6**
	Industrial Engineering (1.4%; 31.01.18 - 0.0%)		
195,436	AB Dynamics	3,029,258	1.4
		3,029,258	**1.4**
	Leisure Goods (1.7%; 31.01.18 - 1.1%)		
570,102	Gear4Music (Holdings)	1,026,184	0.5
2,123,161	Sumo Group	2,643,335	1.2
		3,669,519	**1.7**
	Life Insurance (1.5%; 31.01.18 - 2.5%)		
425,000	Chesnara	1,445,000	0.7
1,682,514	Just Group	1,704,387	0.8
		3,149,387	**1.5**

PORTFOLIO STATEMENT (CONTINUED)
As at 31 January 2019

Holding or nominal value of positions		Bid market value £	Percentage of total net assets %
	Media		
	(2.0%; 31.01.18 - 1.1%)		
930,000	Auto Trader Group	4,250,100	2.0
		4,250,100	**2.0**
	Mining		
	(3.0%; 31.01.18 - 4.3%)		
1,734,958	Anglo Pacific Group	2,793,282	1.3
6,178,081	Base Resources (AUD)	821,736	0.4
4,361,213	Base Resources	566,958	0.2
5,713,633	Bushveld Minerals	2,114,044	1.0
2,879,590	Georgian Mining	164,137	0.1
		6,460,157	**3.0**
	Mobile Telecommunications		
	(1.8%; 31.01.18 - 1.3%)		
467,000	Gamma Communications	3,810,720	1.8
		3,810,720	**1.8**
	NonLife Insurance		
	(4.1%; 31.01.18 - 3.6%)		
221,068	Hiscox	3,132,534	1.5
2,013,270	Sabre Insurance	5,717,687	2.6
		8,850,221	**4.1**
	Oil & Gas Producers		
	(9.0%; 31.01.18 - 3.3%)		
6,624,223	Diversified Gas & Oil	7,650,978	3.6
2,135,000	Eland Oil & Gas	2,658,075	1.2
4,795,669	Hurricane Energy	2,396,875	1.1
6,966,666	Jadestone Energy	2,605,533	1.2
6,557,376	Pantheon Resources	1,524,590	0.7
1,874,000	Serica Energy	2,642,340	1.2
		19,478,391	**9.0**

PORTFOLIO STATEMENT (CONTINUED)
As at 31 January 2019

Holding or nominal value of positions		Bid market value £	Percentage of total net assets %
	Pharmaceuticals & Biotechnology (5.5%; 31.01.18 - 7.6%)		
4,705,882	Amryt Pharma	752,941	0.3
476,000	Clinigen Group	3,786,580	1.8
468,000	Eco Animal Health Group	2,199,600	1.0
100,000	Genus	2,226,000	1.0
440,368	Oxford BioMedica	2,998,906	1.4
		11,964,027	**5.5**
	Real Estate Investment & Services (2.8%; 31.01.18 - 1.7%)		
1,770,000	CLS Holdings	4,336,500	2.0
580,000	Palace Capital	1,740,000	0.8
		6,076,500	**2.8**
	Real Estate Investment Trusts (1.1%; 31.01.18 - 2.7%)		
1,318,808	LondonMetric Property	2,475,403	1.1
		2,475,403	**1.1**
	Software & Computer Services (5.8%; 31.01.18 - 9.0%)		
154,100	Accesso Technology Group	2,172,810	1.0
4,886,000	Dotdigital Group	3,908,800	1.8
361,500	FDM Group	2,978,760	1.4
421,216	GB Group	1,931,275	0.9
510,000	LoopUp Group	1,530,000	0.7
		12,521,645	**5.8**

PORTFOLIO STATEMENT (CONTINUED)
As at 31 January 2019

Holding or nominal value of positions		Bid market value £	Percentage of total net assets %
	Support Services (8.3%; 31.01.18 - 13.0%)		
255,000	Keywords Studios	3,034,500	1.4
5,137,164	Learning Technologies Group	3,863,147	1.8
2,374,607	Premier Technical Services Group	3,443,180	1.6
868,500	Restore	2,275,470	1.0
306,205	Ricardo	1,849,478	0.9
519,116	Smart Metering Systems	3,405,401	1.6
		17,871,176	**8.3**
	Technology Hardware & Equipment (5.2%; 31.01.18 - 3.7%)		
1,863,652	Quixant	5,125,043	2.4
23,628,594	Seeing Machines	1,205,058	0.5
3,350,000	Spirent Communications	4,924,500	2.3
		11,254,601	**5.2**
	Travel & Leisure (2.4%; 31.01.18 - 0.0%)		
1,369,444	Cake Box Holdings	2,259,583	1.1
1,367,939	The Gym Group	2,893,191	1.3
		5,152,774	**2.4**
	Portfolio of investments	**193,370,574**	**89.6**
	Net other assets	**22,438,519**	**10.4**
	Total net assets	**215,809,093**	**100.0**

All holdings are equities quoted on recognised stock exchanges.

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

'Beverages' sector disinvested since the beginning of the period (31 January 2018: 2.6%).

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

SUMMARY OF FUND PERFORMANCE

A Accumulation Shares	1 Feb 2018 to 31 Jan 2019 (Pence per Share)	1 Feb 2017 to 31 Jan 2018 (Pence per Share)	1 Feb 2016 to 31 Jan 2017 (Pence per Share)
Change in net assets per share			
Opening net asset value per share	928.82	703.49	576.05
Return before operating charges*	(14.99)	239.09	138.11
Operating charges	(15.99)	(13.76)	(10.67)
Return after operating charges*	(30.98)	225.33	127.44
Distributions	(1.06)	0.00	(1.69)
Retained distributions on accumulation shares	1.06	0.00	1.69
Closing net asset value per share	897.84	928.82	703.49
* after direct transaction costs of:	2.57	3.77	2.97
Performance			
Return after charges	(3.34)%	32.03%	22.12%
Other information			
Closing net asset value	£9,489,438	£8,852,906	£5,640,540
Closing number of shares	1,056,919	953,136	801,789
Operating charges (p.a)	1.67%	1.64%	1.69%
Direct transaction costs (p.a)	0.27%	0.45%	0.47%
Prices			
Highest published share price	1049.66	946.05	710.83
Lowest published share price	853.00	710.19	548.88

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 Accumulation Shares	1 Feb 2018 to 31 Jan 2019 (Pence per Share)	1 Feb 2017 to 31 Jan 2018 (Pence per Share)	1 Feb 2016 to 31 Jan 2017 (Pence per Share)
Change in net assets per share			
Opening net asset value per share	1077.17	809.75	658.08
Return before operating charges*	(17.86)	276.15	158.58
Operating charges	(10.20)	(8.73)	(6.91)
Return after operating charges*	(28.06)	267.42	151.67
Distributions	(9.59)	(6.69)	(7.46)
Retained distributions on accumulation shares	9.59	6.69	7.46
Closing net asset value per share	1,049.11	1077.17	809.75
* after direct transaction costs of:	2.99	4.41	3.45
Performance			
Return after charges	(2.60)%	33.03%	23.05%
Other information			
Closing net asset value	£206,319,655	£105,309,602	£36,677,757
Closing number of shares	19,666,197	9,776,521	4,529,494
Operating charges (p.a.)	0.92%	0.89%	0.94%
Direct transaction costs (p.a)	0.27%	0.45%	0.47%
Prices			
Highest published share price	1,221.66	1097.02	817.97
Lowest published share price	995.98	817.46	628.97

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.

STATEMENT OF TOTAL RETURN
For the year ended 31 January 2019

	Notes	£	31.01.19 £	31.01.18 £
Income				
Net capital (losses)/gains	2		(13,897,291)	18,518,161
Revenue	3	3,244,065		1,192,963
Expenses	4	(1,716,668)		(720,405)
Interest payable and similar charges	6	(17)		1
Net revenue before taxation		1,527,380		472,559
Taxation	5	(35,300)		-
Net revenue after taxation			1,492,080	472,559
Total (loss)/return before distributions			**(12,405,211)**	**18,990,720**
Distributions	6		(1,513,715)	(483,268)
Change in net assets attributable to shareholders from investment activities			**(13,918,926)**	**18,507,452**

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

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS
For the year ended 31 January 2019

	Notes	£	31.01.19 £	31.01.18 £
Opening net assets attributable to shareholders			**114,162,508**	**42,318,297**
Movements due to sales and repurchases of shares:				
Amounts receivable on issue of shares		190,463,870		109,348,755
Amounts payable on cancellation of shares		(76,642,720)		(56,579,894)
			113,821,150	52,768,861
Change in net assets attributable to shareholders from investment activities			(13,918,926)	18,507,452
Retained distributions on accumulation shares	6		1,744,361	567,898
Closing net assets attributable to shareholders			**215,809,093**	**114,162,508**

BALANCE SHEET

As at 31 January 2019

	Notes	31.01.19	31.01.18
		£	£
Assets:			
Fixed Assets:			
Investments		193,370,574	103,667,404
Current Assets:			
Debtors	7	3,383,160	4,901,621
Cash and bank balances	8	20,419,301	7,225,830
Total assets		**217,173,035**	**115,794,855**
Liabilities:			
Creditors:			
Other creditors	9	1,363,942	1,632,347
Total liabilities		**1,363,942**	**1,632,347**
Net assets attributable to shareholders		**215,809,093**	**114,162,508**

1. Accounting policies

(a) Basis of accounting

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 the Authorised Corporate Director's responsibilities, the ACD continues to adopt the going concern basis in the preparation of the financial statements of the Company.

(b) Functional Currency

The functional currency used in the financial statements is Pound Sterling because it is the currency of the primary economic environment in which the Company operates.

(c) Recognition of revenue

Dividends on holdings, net of any irrecoverable tax credits, are recognised when the underlying security is quoted ex-dividend. Bank interest is accounted for on an accruals basis. Revenue on debt securities is accounted for on an effective yield basis.

All revenue is recognised on the condition that the flow of economic benefits is probable and the amount can be measured reliably.

(d) Treatment of stock dividends

Stock dividends are credited to the capital account when the stock is quoted ex-dividend. The cash equivalent is then transferred to the revenue account and forms part of the distributable revenue.

The allocation of special dividends is considered on a case-by-case basis in determining whether the dividend is to be treated as revenue or capital.

(e) Treatment of expenses

All expenses, except those relating to the purchase and sale of investments are allocated to the revenue account on an accrual basis.

(f) Allocation of revenue and expenses to multiple share classes

Any assets or liabilities not attributable to a particular share class are allocated by the ACD in a manner which is considered fair to shareholders in general, usually pro-rata based on the net asset values of the relevant share classes.

(g) Taxation/deferred taxation

Corporation tax is provided for on taxable revenue, less deductible expenses, at a rate of 20%. This is the rate that has been enacted or substantively enacted by the balance sheet date.

Deferred tax is provided for in respect of all items that have been included in these financial statements that will be included in future periods for taxation purposes, other than those timing differences regarded as permanent. Any liability to deferred tax is provided for at the rate of tax expected to apply to the reversal of timing difference.

1. Accounting policies (continued)

(h) Distribution policy

Revenue produced by the Fund’s investments is accrued six-monthly. At the end of each period, the revenue, less the expenses allocated to the revenue account, is accumulated.

(i) Exchange rates

Assets and liabilities in overseas currencies at the period end are translated into Sterling at the latest available rates of exchange on the balance sheet date. Transactions in overseas currencies occurring during the year are recorded at the rate of exchange on the date of the transaction.

(j) Financial instruments

Financial assets and financial liabilities are recognised in the Fund’s balance sheet when the Fund becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially recognised at transaction price (including transaction costs) and subsequently measured at amortised cost, except for the Fund’s investments classified as financial assets at fair value through profit or loss, which are initially recognised at fair value (excluding transaction costs).

The investments are measured at closing prices on the balance sheet date. If closing prices are not available, the latest available prices are used. If separate offer and bid prices are quoted for shares or units, then the bid price is used. If no price or recent available price exists, the investments are valued at a price which, in the opinion of the ACD, reflects the fair value of the asset. This may involve the use of an appropriate valuation technique/methodology.

2. Net capital (losses)/gains

	31.01.19	31.01.18
	£	£
Non-derivative securities	(13,911,807)	18,538,938
Currency gains/(losses)	17,879	(16,667)
Transaction charges	(3,363)	(4,110)
Net capital (losses)/gains	**(13,897,291)**	**18,518,161**

3. Revenue

	31.01.19	31.01.18
	£	£
UK franked dividends	2,678,572	1,091,345
UK unfranked dividends	105,505	42,859
Overseas dividends	480,480	66,433
Bank interest	13	1
Unfranked income currency losses	(20,505)	(7,675)
Total revenue	**3,244,065**	**1,192,963**

4. Expenses

	31.01.19	31.01.18
	£	£
Payable to the ACD, associates of the ACD and agents of either:		
Annual management charge	1,419,959	619,061
Registration fees	73,956	39,999
Administration fees	6,454	6,506
	1,500,369	665,566
Payable to the Depositary, associates of the Depositary and agents of either:		
Depositary's fees	54,453	34,810
Safe custody fees	3,406	2,015
	57,859	36,825
Other expenses:		
Audit fee	6,942	6,480
Tax fee	2,352	2,280
FCA fee	159	185
Research Fees	148,987	8,945
Other expenses	-	124
	158,440	18,014
Total expenses	**1,716,668**	**720,405**

	31.01.19	31.01.18
	£	£
Fees payable to the company auditor for the audit of the company's annual financial statements:		
Total audit fee	**6,942**	**6,480**
Total non audit fees - Tax compliance services	**2,352**	**2,280**

5. Taxation

(a) Analysis of the charge in the year

	31.01.19	31.01.18
	£	£
Analysis of charge in the year		
Overseas tax	35,300	-
Total current tax for the year (see note 5(b))	**35,300**	**-**
Deferred tax (see note 5(c))	-	-
Total taxation for the year	**35,300**	**-**

Corporation tax has been provided at a rate of 20%.

(b) Factors affecting the current taxation charge for the year

The taxation assessed for the year is lower than the standard rate of corporation tax in the UK for an authorised Open-Ended Investment Company (20%). The differences are explained below:

	31.01.19	31.01.18
	£	£
Net revenue before taxation	1,527,380	472,559
Corporation tax at 20%	305,476	94,512
Effects of:		
Revenue not subject to taxation	(631,810)	(231,556)
Excess expenses for which no relief taken	326,334	137,044
Overseas taxation	35,300	-
Total tax charge for the year (see note 5(a))	**35,300**	**-**

(c) Provision for deferred tax

At 31 January 2019 the Fund had surplus management expenses of £3,847,631 (31 January 2018: £2,215,959). The deferred tax in respect of this would be £769,526 (31 January 2018: £443,192). It is unlikely that the Fund will generate sufficient taxable profits in the future to utilise these expenses and therefore no deferred tax asset has been recognised at year end, or at the previous period end (see note 5(a)). Changes in tax laws and rates may affect recorded deferred tax assets and liabilities and the effective tax rates in the future.

6. Distributions

Distributions and interest

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

	31.01.19	31.01.18
	£	£
Interim - Accumulation (31 July)	663,601	187,117
Final - Accumulation (31 Jan)	1,080,760	380,781
	1,744,361	567,898
Add: Revenue deducted on cancellation of shares	151,568	117,851
Deduct: Revenue received on issue of shares	(382,214)	(202,481)
Net distribution for the year	**1,513,715**	**483,268**
Interest	17	(1)
Total finance costs	**1,513,732**	**483,267**
Reconciliation to net distribution for the year		
Net revenue after taxation	1,492,080	472,559
Income currency gains/(losses)	21,635	6,619
Losses transferred to capital	-	4,090
Net distribution for the year	**1,513,715**	**483,268**

Details of the distributions per share are set out on page 38.

7. Debtors

	31.01.19	31.01.18
	£	£
Amounts receivable for issue of shares	2,495,437	4,820,189
Sales awaiting settlement	560,700	-
Accrued revenue	326,996	81,403
Prepayments	27	29
Total debtors	**3,383,160**	**4,901,621**

8. Cash and bank balances

	31.01.19	31.01.18
	£	£
Cash and bank balances	20,419,301	7,225,830
Total cash and bank balances	**20,419,301**	**7,225,830**

9. Other creditors

	31.01.19	31.01.18
	£	£
Amounts payable for cancellation of shares	1,183,567	337,050
Purchases awaiting settlement	-	1,185,984
Accrued annual management charge	139,769	81,906
Accrued registration fees	6,302	4,345
Accrued administration fees	542	601
Accrued depositary fees	4,990	4,300
Accrued custody fees	1,766	456
Accrued audit fees	6,822	6,480
Accrued tax fees	2,352	2,280
Accrued research fees	17,832	8,945
Total creditors	**1,363,942**	**1,632,347**

10. Related party transactions

The ACD is regarded as a related party of the Fund. The ACD acts as either agent or principal for the Depositary in respect of all transactions of shares. The aggregate monies received through issue and paid on cancellation are disclosed in the statement of change in net assets attributable to shareholders.

As at the balance sheet date, TB Wise Multi-Asset Growth and Unity Fund, both authorised funds which are also administered by the ACD, held 88,314 and 88,240 shares respectively, in the TB Amati UK Smaller Companies fund (B Accumulation Shares).

Details of transactions occurring during the accounting period with the ACD and the Depositary, and any balances due at the year end, are fully disclosed in the notes to the Financial Statements.

11. Share classes

As at the year end the Fund had two share classes. The following table shows a breakdown of the change in shares in issue of each share class in the year:

	A Accumulation
Opening shares at the start of the year	953,135.812
Total creation of shares in the year	584,907.466
Total cancellation of shares in the year	(481,124.599)
Closing shares at the end of the year	**1,056,918.679**

	B Accumulation
Opening shares at the start of the year	9,776,520.899
Total creation of shares in the year	16,266,975.983
Total cancellation of shares in the year	(6,377,299.573)
Closing shares at the end of the year	**19,666,197.309**

The annual management charge of each share class is as follows:

A Accumulation Shares	1.50% p.a.
B Accumulation Shares	0.75% p.a.

The net asset value of each share class, the net asset value per share and the number of shares in each class are given in the Summary of Fund Performance tables on pages 22 and 23. The distributions per share class are given in the distribution table on page 38. All share classes have the same rights on winding up.

12. Risk management polices

In pursuing the investment objectives, financial instruments are held which may expose the Fund to various types of risk. The main risks inherent in the investment portfolios, and the ACD's policies for managing these risks, which were applied consistently throughout the year, are set out below:

(a) Currency exposures

The Fund's financial assets are mainly invested in equities and other transferrable securities whose prices are generally quoted in Sterling. The Fund may also invest in other securities whose prices are quoted in other currencies. This gives rise to a direct currency exposure, details of which are shown in the following table.

	Net foreign currency assets at 31 January 2019			Net foreign currency assets at 31 January 2018		
	Monetary exposures £'000	Non-monetary exposures £'000	Total £'000	Monetary exposures £'000	Non-monetary exposures £'000	Total £'000
Australian Dollar	-	822	822	-	947	947

If GBP to foreign currency exchange rates had strengthened by 10% as at the balance sheet date, the net asset value of the fund would have decreased by £74,703 (31 January 2018: £105,230). If GBP to foreign currency exchange rates had weakened by 10% as at the balance sheet date, the net asset value of the fund would have increased by £91,304 (31 January 2018: £86,098). These calculations assume all other variables remain constant.

12. Risk management polices (continued)

(b) Cash flow risk and interest rate risk profile of financial assets and liabilities

The Fund's revenue is mainly received from holdings in equities. The Fund does not have any long term financial liabilities. The Fund is affected by the impact of movements in interest rates on its own cash balances.

The direct exposure of the Fund to interest rate risk as at the balance sheet date is shown in the following table:

	Floating rate financial assets	Fixed rate financial assets	Financial assets not interest bearing	Floating rate financial liabilities	Financial liabilities not interest bearing	Total
	£'000	£'000	£'000	£'000	£'000	£'000
31.01.19						
Australian Dollar	-	-	822	-	-	822
Sterling	20,419	-	195,932	-	(1,364)	214,987
31.01.18						
Australian Dollar	-	-	947	-	-	947
Sterling	7,226	-	107,622	-	(1,632)	113,216

Short term debtors and creditors are included as financial assets and liabilities not interest bearing in the above table.

The floating rate financial assets and liabilities comprise: Sterling denominated bank account balances that bear interest at the Bank of England base rate less 75 basis points (to a minimum of NIL) and overdrafts that bear interest at the Bank of England base rate plus 100 basis points. Financial assets and liabilities not interest bearing mainly comprise investments that do not have a maturity date.

Changes in interest rates would have no material impact to the valuation of floating rate financial assets or liabilities as at the balance sheet date. Consequently, no sensitivity analysis has been presented.

(c) Liquidity risk

The majority of the Fund's underlying financial assets are considered to be readily realisable. Where investments cannot be realised in time to meet any potential liability, the Fund may borrow up to 10% of its value to ensure settlement. All of the Fund's financial liabilities are payable on demand or in less than one year.

12. Risk management polices (continued)

(d) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. This includes counterparty and issuer risk. Cash is held with reputable credit institutions and credit risk is assessed on a regular basis.

Certain transactions in securities that the Fund enters into expose it to the risk that the counterparty will not deliver the investment for a purchase, or cash for a sale after the Fund has fulfilled its obligations. The Fund only buys and sells investments through brokers which have been approved by the ACD as an acceptable counterparty and these are reviewed on an ongoing basis.

(e) Market price risk and fair value of financial assets and liabilities

The Fund's underlying investments are equities mainly quoted on recognised stock exchanges.

The value of shares is not fixed and may go down as well as up. This may be the result of a specific factor affecting the value of an individual share held within an underlying holding or be caused by general market factors (such as government policy or the health of the underlying economy) which can affect the entire portfolio.

The Investment Manager seeks to minimise these risks by holding diversified portfolios of equities in line with the investment objectives. In addition, the management of the Fund complies with the Financial Conduct Authority's Collective Investment Schemes sourcebook, which includes rules prohibiting a holding greater than 20% of the assets of the Fund in any one underlying investment.

If the value of shares/units in the underlying investments were to increase or decrease by 10% the change in the net asset value of the Fund would be £19,337,057 (31 January 2018: £10,366,740). This calculation assumes all other variables remain constant.

(f) Fair value of financial assets and liabilities

	INVESTMENT ASSETS	
	31 January 2019	31 January 2018
Valuation technique	£	£
Level 1: Quoted Prices	193,370,574	103,667,404
Level 2: Observable Market Data	-	-
Level 3: Unobservable Data	-	-
	193,370,574	**103,667,404**

As at the year-end there were no investment liabilities (31 January 2018: £nil). There is no material difference between the value of the financial assets and liabilities, as shown in the balance sheet, and their fair value.

(g) Commitments on derivatives

No derivatives were held at the balance sheet date (31 January 2018: £nil).

13. Transaction costs

(a) Direct transaction costs

Direct transaction costs include fees and commissions paid to agents, advisers, brokers and dealers, levies by regulatory agencies and securities exchanges, and transfer taxes and duties incurred when purchasing and selling the underlying securities. In addition to the direct transaction cost below, indirect cost are incurred through the bid offer spread. It is not possible for the ACD to quantify these indirect cost. A breakdown of the purchases and sales, and the related direct transaction costs incurred by the Fund in the year are shown in the table below.

	31.01.19		31.01.18	
	£		£	
Analysis of total purchase costs				
PURCHASES				
Equities	150,230,428		74,963,093	
Investment Trusts	1,171,864		570,088	
Net purchases before direct transaction costs	151,402,292		75,533,181	
DIRECT TRANSACTION COSTS		**% of total purchases**		**% of total purchases**
Equities	417,808	0.28%	274,861	0.37%
Investment Trusts	7,313	0.00%	3,354	0.00%
Total direct transaction costs	425,121	0.28%	278,215	0.37%
Gross purchases total	**151,827,413**		**75,811,396**	
Analysis of total sale costs				
SALES				
Equities	48,189,030		29,441,473	
Investment Trusts	-		414,608	
Gross sales before direct transaction costs	48,189,030		29,856,081	
DIRECT TRANSACTION COSTS		**% of total sales**		**% of total sales**
Equities	(56,904)	0.12%	(59,795)	0.20%
Investment Trusts	-	0.00%	(1,245)	0.00%
Total direct transaction costs	(56,904)	0.12%	(61,040)	0.20%
Net sales total	**48,132,126**		**29,795,041**	

13. Transaction costs (continued)

(a) Direct transaction costs (continued)

	31.01.19 £	% of average NAV	31.01.18 £	% of average NAV
Analysis of total direct transaction costs				
Equities	474,712	0.27%	334,656	0.44%
Investment Trusts	7,313	0.00%	4,599	0.01%
Total direct transaction costs	**482,025**	**0.27%**	**339,255**	**0.45%**

(b) Average portfolio dealing spread

The average portfolio dealing spread of the investments at the balance sheet date was 1.40% (31 January 2018: 1.31%). This is calculated as the difference between the offer and bid value of the portfolio as a percentage of the offer value

14. Capital commitments and contingent liabilities

The Fund had no capital commitments or contingent liabilities at the balance sheet date (31 January 2018: £nil).

15. Post balance sheet events

Subsequent to the year end, the net asset value per share of the B Accumulation shares has increased from 1,049.11p to 1,132.27p as at 23 April 2019. This movement takes into account routine transactions but also reflects the market movements of recent months. There are no post balance sheet events which require adjustments at the year end.

DISTRIBUTION TABLE

For the year ended 31 January 2019

Interim Distribution (31 July 2018)

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

Group 2 - Shares purchased after 31 January 2018

Shares	Revenue (pence)	Equalisation[1] (pence)	Accumulated 30.09.18 (pence)	Accumulated 30.09.17 (pence)
A Accumulation				
Group 1	0.0107	-	**0.0107**	**-**
Group 2	-	0.0107	**0.0107**	**-**
B Accumulation				
Group 1	4.1487	-	**4.1487**	**2.7919**
Group 2	1.7575	2.3912	**4.1487**	**2.7919**

Final Distribution (31 January 2019)

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

Group 2 - Shares purchased after 31 July 2018

Shares	Revenue (pence)	Equalisation[1] (pence)	Accumulated 31.03.19 (pence)	Accumulated 31.03.18 (pence)
A Accumulation				
Group 1	1.0487	-	**1.0487**	**-**
Group 2	0.6056	0.4431	**1.0487**	**-**
B Accumulation				
Group 1	5.4391	-	**5.4391**	**3.8948**
Group 2	2.8129	2.6262	**5.4391**	**3.8948**

[1] 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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Authorised and regulated by the Financial Conduct Authority.

Directors of the ACD

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