

Finely crafted investments

Amati
Global Investors



T. BAILEY

TB Amati Investment Funds

Interim Report and Financial Statements (Unaudited)
31 July 2019

TB Amati UK Smaller Companies Fund

CONTENTS

The Authorised Corporate Director and Investment Manager, Your Investments, Risk Profile. Synthetic Risk and Reward Indicator, Ongoing Charges Figure.....	1 2
Authorised Status, Structure of the Company, Investment Objective and Policy, Other Information.....	3
Review of Fund Benchmarks.....	4
The Investment Management Team.....	5
Biographies.....	6
Statement of the Authorised Corporate Director's Responsibilities, Director's Statement.....	8
Investment Review.....	9
Portfolio Statement.....	14
Summary of Fund Performance.....	20
Statement of Total Return, Statement of Change in Net Assets Attributable to Shareholders	22
Balance Sheet.....	23
Notes to the Financial Statements.....	24
Distribution Table.....	25
Directory.....	26

Note: The Authorised Corporate Director's Report consists of 'Authorised Status', 'Structure of the Company' and 'Investment Objective and Policy' on page 3, 'Investment Review' as provided by the Investment Manager, on pages 9 to 13 and 'Directory' on page 26.

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.tbaileys.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.tbaileys.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 5 because it invests in shares.

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 20 and 21.

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.

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 a UCITS scheme.

The Company is structured as an umbrella so that the Scheme Property of the Company may be divided among one or more sub-funds. The assets of each sub-fund will generally be treated as separate from those of every other sub-fund and will be invested in accordance with the investment objective and investment policy applicable to that sub-fund. New sub-funds may be established from time to time by the ACD with the approval of the FCA and the agreement of the Depositary. If a new sub-fund is introduced, a new Prospectus will be prepared to set out the required information in relation to that sub-fund.

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 a 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 in existence; TB Amati UK Smaller Companies Fund (the 'Fund').

The base currency of the Company is Pound Sterling.

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 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.

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.tbaileys.co.uk/funds/tb-amati-investment-funds.

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

REVIEW OF FUND BENCHMARKS

Following the Financial Conduct Authority's Asset Management Market Study, a review of the Fund's benchmarks was undertaken. As a result, the Numis Smaller Companies (plus AIM, excluding Investment Trusts) Index and the Investment Association (IA) UK Smaller Companies sector were identified and classified as comparator benchmarks of the Fund.

Shareholders may wish to compare the performance of the Fund against the Numis Smaller Companies (plus AIM, excluding Investment Trusts) Index. The stocks comprising the Index are aligned with the Fund's objectives, and on that basis the Index is considered an appropriate performance comparator for the Fund. Please note the Fund is not constrained by or managed to the Index.

Shareholders may also wish to compare the Fund's performance against other funds within the Investment Association (IA) UK Smaller Companies sector as that will give investors an indication of how the Fund is performing compared with others investing in a similar but not identical investment universe. As the sector aligns with the Fund's asset allocation, it is considered that this is an appropriate comparator.

THE INVESTMENT MANAGEMENT TEAM

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 Macdonald 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 Investment Week's UK Smaller Companies Fund Manager of the Year Award 2019 and was also added to the FE Invest Approved List in 2019. 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.*

***Note: July 2019 saw the fund management team augmented by the appointment of Dr Gareth Blades as an analyst. Prior to joining Amati Global Investors Limited, Dr Blades worked for the University of Edinburgh building and spinning-out therapeutic, med tech, diagnostic and e-health companies, and also for PharmaVentures in healthcare and corporate finance.*

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.



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.



BIOGRAPHIES (CONTINUED)

Anna Macdonald - Fund Manager

Anna Macdonald 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.



STATEMENT OF THE AUTHORISED CORPORATE DIRECTOR'S RESPONSIBILITIES

The Authorised Corporate Director (the "ACD") of TB Amati Investment Funds (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 or expense and the net capital gains or 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 9 October 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 twelve months from the approval of the financial statements.

Gavin Padbury
Director of Operations
T. Bailey Fund Services Limited
Nottingham, United Kingdom
9 October 2019

INVESTMENT REVIEW

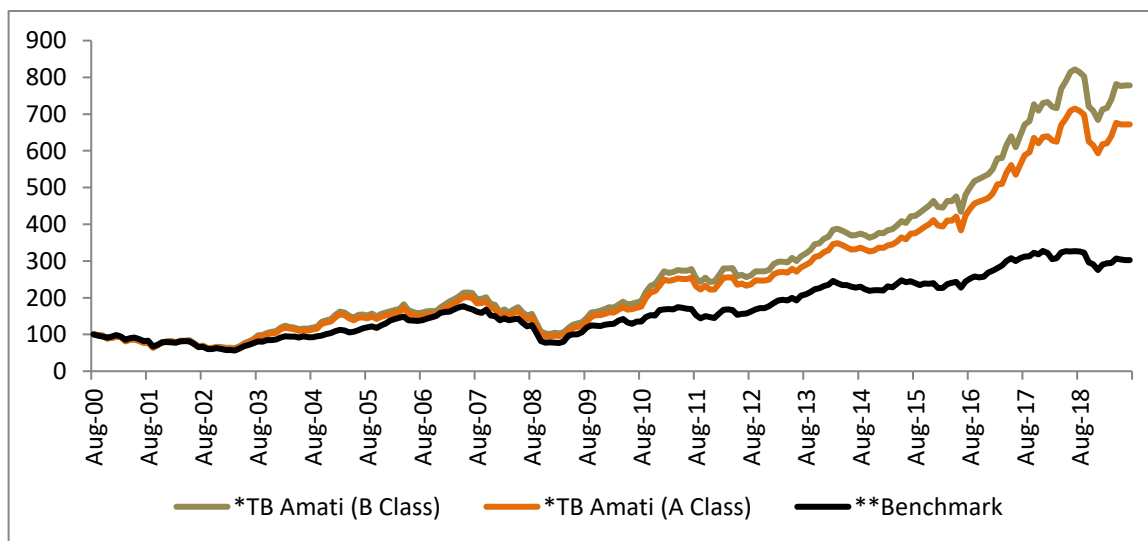
Performance

	Cumulative returns for the periods ended 31 July 2019 (%)					
	6 months	1 year	3 years	5 years	10 years	From PJ take on*
A Accumulation Shares	8.67	(6.04)	58.48	102.31	441.66	571.75
B Accumulation Shares	9.08	(5.33)	62.11	110.08	482.93	677.90
Numis Smaller Companies Index (+ AIM, Excluding Investment Trusts)**	4.23	(7.38)	24.28	33.19	184.24	202.80
IA UK Smaller Companies Sector**	7.14	(6.09)	39.88	56.47	266.29	287.22

Source: Financial Express. Total return, bid to bid. Sterling terms. * Performance since Dr Paul Jourdan take on of the Fund on 31 August 2000. ** Comparator Benchmarks. Performance prior to 29 July 2008 relates to First State British Smaller Companies Fund (see page 5).

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 the Fund on 31 August 2000. Performance prior to 29 July 2008 relates to First State British Smaller Companies Fund (see page 5). * TB Amati UK Smaller Companies Fund (B Class & A Class) Total Return ** Comparator Benchmark Index: Numis Smaller Companies (plus AIM, excluding Investment Trusts) Total Return. Source: Amati Global Investors Limited.

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

After sustained weakness in the final quarter of 2018, the UK stock market staged a strong recovery in the early months of 2019. The drivers behind this appeared to be more global than domestic, and influenced more by investor sentiment than fundamental data. A key component was the decision by the US Federal Reserve to step away from monetary policy tightening in late January, which represented a sharp reversal of its previous stance. Pointing to sluggish inflation and slowing growth in Europe and China, it said that the case for raising interest rates had weakened. Buoyed by this dovish tone, US investors shifted towards an expectation of rate cuts and further stimulus. Despite a slew of conflicting headlines, there was also faith that a trade deal would eventually be struck between the US and China. These sentiment tailwinds saw US indices achieve all-time highs in late April, and as global stock markets joined in with the momentum, the UK recorded strong gains across all segments. This was despite poor domestic news involving a fairly chaotic political environment, principally, the failure to negotiate a Brexit agreement by the initial deadline of the end of March. In May, stock markets suffered their first weakness of the year. The most likely catalyst was profit-taking, as highly rated valuations contrasted with a backdrop of fairly anaemic macroeconomic and earnings data, particularly in the UK. May also saw a turning point in currency markets, where Sterling started to weaken after several months of surprising strength. With Brexit rhetoric hardening towards a possible “no-deal” outcome in the lead up to the Conservative leadership contest, Sterling continued to fall heavily into the end of July, even as the UK stock market rebounded to reach a high point for the period. Currency trends influenced the pattern of the UK's recovery, as investors heavily favoured companies with international earnings likely to benefit from the pound's weakness. As a result, larger capitalisation companies provided the strongest performance over the period, with smaller companies and AIM stocks lagging some way behind.

Performance Review

The share price (B Accumulation) of the Fund rose by 9.1% during the period, compared to a gain in the Numis Smaller Companies (plus AIM excluding Investment Trusts) index of 4.2% and a gain in the IA UK Smaller Companies sector of 7.1%. The biggest contributor to performance was litigation finance specialist, **Manolete Partners**, which followed up its successful flotation last December with a trading update in February which indicated that its maiden results would be ahead of market expectations. In June the company reported a full year organic uplift in revenues of 30%, reflecting a doubling of insolvency case investments. Since its inception in 2009, Manolete has achieved an average money multiple of 2.8 times, and a Return on Investment of 180%, for all completed cases. It also indicated that new case enquiries were running at all-time record levels for the four month period to end May. The shares gained 143% over the period. A new position in **Intermediate Capital Group**, the private debt asset manager, rose 38% following full year results which showed a growth in assets under management of 29%. The group is capitalising on increasing allocations by institutional investors into alternative asset classes, and it continues to attract clients with its consistent investment performance. **Gamma Communications**, the business and public sector telecoms systems provider, continued its share price momentum, gaining 34% as it indicated that full year earnings would be slightly above market expectations. Organic growth has been supplemented by the company's first acquisition, in the Netherlands, and additional opportunities are being assessed across Western Europe. Specialist automotive engineer, **AB Dynamics**, also continued to re-rate despite the headwinds facing the global industry. The company is benefiting from structural demand for its advanced testing systems and measurement products, used by global automotive manufacturers in driver assist technology and autonomous vehicle development. The shares gained 59% following buoyant results and a placing to raise funds for manufacturing capacity investment and future acquisitions. Several AIM holdings within the portfolio registered strong gains as they recovered from the sell-off experienced in the fourth quarter of 2018. These included **Learning Technologies Group**, the digital learning and talent management specialist, which gained 50% after announcing full year results were likely to be materially ahead of market expectations; **Restore**, the provider of document management and office relocation services, which gained 62% after

INVESTMENT REVIEW (CONTINUED)

improved operating performance; and **Keywords Studios**, the video gaming outsourcer, which gained 40% after its results showed continued organic and acquisitive growth.

The major detractors from performance included **Scapa Group**, the specialist adhesives manufacturer, which was impacted by the surprise departure of its chief executive and then the loss of a material healthcare contract with medical products customer, ConvaTec. Subsequent to this, the chief executive reversed his decision, and the company has filed against ConvaTec for breach of contract. Over the period, the shares fell 42%. **Accesso Technology Group**, the queuing, ticketing and visitor experience software provider fell sharply after a trading update stated that the Executive Chairman, Tom Burnet, was moving to a non-executive role, and that exceptional costs had been incurred relating to an aborted acquisition. The position was sold, but the shares fell 41%. **LoopUp Group**, the Software-as-a-Service (SaaS) provider of conference call technology also warned that it had experienced year-on-year revenue declines across its predominantly professional services client base. This was attributed to lower activity volumes caused by Brexit uncertainty and global macroeconomic conditions. The shares fell 55%. **Smart Metering Systems**, the installer, owner and manager of next generation energy meters, continued to suffer from under-utilisation of its engineering workforce caused by the persistent slow uptake of domestic appliances under the government's roll out programme. The company remains resourced for a pick-up in installation rates, but meantime is suffering a drag on its profitability. The shares fell 24%. **Just Group**, the non-standard annuities and equity release loan provider, suffered from a challenging market environment involving falling risk-free rates and house prices, plus the impact of the Prudential Regulation Authority consultation on increased capital requirements. The position was sold, but the shares fell 42%.

Portfolio Activity

A backdrop of caution about the near term prospects for the UK economy, plus an escalation in tariffs impacting global trade, left a fairly narrow field for selecting new investment opportunities during the period. The required attributes incorporated international earnings which could benefit from Sterling weakness; structural growth drivers which might overcome broader economic softness; and companies which would be well placed to benefit from any resolution of Brexit or global risks but where valuations heavily discounted any such outcome. Examples of material new positions include **Intermediate Capital Group** (as previously discussed); **4imprint Group**, a leading supplier of custom printed merchandise for corporate promotions, operating primarily in North America; **Electrocomponents**, a global distributor of industrial and electronic products and solutions; **GlobalData**, a business data and analytics platform provider which is acquiring to expand its industry coverage and international scale; **RWS Holdings**, a global service specialist in patent translations, filings and searches; **Charter Court Financial Services Group**, a UK provider of secured lending, primarily to the Buy To Let and residential markets, which has announced a merger with its peer One Savings Bank; and **Equals Group**, a UK provider of foreign exchange payment services for individuals and corporates, which was already a holding within the Amati AIM VCT portfolio.

Gains were booked in a number of material positions. **Diversified Gas & Oil**, the US energy producer, was sold after significant outperformance amidst some concerns about the rapid pace of asset acquisitions as well as the adequacy of provisions for decommissioning liabilities. **Auto Trader Group**, the digital automotive marketing and selling platform, and **Hiscox**, the Lloyds insurer, were both sold following their promotion into the index of the UK's largest companies, which took them outside the Fund's investment universe. **Burford Capital**, the provider of litigation finance, was exited in March, crystallizing major gains. This was prompted by our difficulties in reconciling the various ways in which the group report its financial performance, and concerns over the valuation being ascribed to the business. A subsequent research report published in August by an influential short seller caused a sharp correction in the shares. **Draper Esprit**, the Pan-European private equity investor, was also sold after outperforming, whilst **Premier Technical Services Group**, the building maintenance specialist, received a cash offer from global financial group Macquarie at a substantial premium to the share price. This transaction completed in August. In addition to **Accesso Group** and **Just Group** (as previously discussed), some other significant disposals included motor insurer, **Sabre Insurance Group**, on concerns about claims cost inflation and disappointing premium income growth; and

INVESTMENT REVIEW (CONTINUED)

online financial markets platform, **IG Group**, following regulatory changes which tightened client restrictions.

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

Sector	Asset allocation as at 31 July 2019 (%)	Asset allocation as at 31 January 2019 (%)
Aerospace & Defense	2.0	2.6
Chemicals	0.8	1.5
Construction & Materials	1.4	1.8
Electronic & Electrical Equipment	3.0	2.5
Financial Services	18.8	18.5
Food Producers	1.3	-
General Retailers	1.9	1.5
Household Goods & Home Construction	6.7	5.6
Industrial Engineering	1.7	1.4
Leisure Goods	4.3	1.7
Life Insurance	-	1.5
Media	4.2	2.0
Mining	1.7	3.0
Mobile Telecommunications	1.9	1.8
Non-Life Insurance	1.4	4.1
Oil & Gas Producers	6.1	9.0
Pharmaceuticals & Biotechnology	7.6	5.5
Real Estate Investment & Services	2.3	2.8
Real Estate Investment Trusts	1.2	1.1
Software & Computer Services	6.6	5.8
Support Services	9.8	8.3
Technology Hardware & Equipment	4.5	5.2
Travel & Leisure	3.5	2.4
Cash and Other	7.3	10.4
Total	100.0	100.0

The full list of holdings as at the year end is shown in the Portfolio Statement on pages 14 to 19.

Outlook

Uncertainty has become a persistent state of mind for investors as the year has progressed. Principal concerns involving Brexit and the US/China trade dispute have shown little sign of early resolution, but global equity markets have climbed this wall of worry nevertheless. One reason for this has been the expectation of multiple interest rate cuts in the US, following the central bank's change of tone in January. This pushed US indices to further all-time highs by late July. The first cut for more than a decade occurred right at the end of July, but the accompanying comments from the Federal Reserve Chairman suggested that it should be taken as a mid-cycle adjustment to policy with no guarantee of further moves. US equities reacted with disappointment, and alongside a further deterioration in Chinese relations there was a sharp sell-off in August which quickly spread to global markets. September has seen a rebound, but the additional issues in the UK, involving political upheaval and currency weakness, provide significant headwinds to the market maintaining the gains it has made thus far.

INVESTMENT REVIEW (CONTINUED)

The final Brexit outcome, together with the political and economic environment created in its aftermath, is impossible to predict. There is the prospect, nonetheless, that a combination of the need for domestic stimulus to boost business activity, and a heavily discounted valuation for UK equities, creates the conditions for renewed investor appetite. Investments are, however, selected for their longer term potential, rather than any alignment with the stock market's more immediate time horizons, and we remain confident about the ultimate growth potential contained within the portfolio, across a range of diverse businesses and end markets.

Paul Jourdan
CEO
Amati Global Investors Ltd
Edinburgh, United Kingdom
9 October 2019

David Stevenson
Fund Manager
Amati Global Investors Ltd
Edinburgh, United Kingdom
9 October 2019

Anna Macdonald
Fund Manager
Amati Global Investors Ltd
Edinburgh, United Kingdom
9 October 2019

PORTFOLIO STATEMENTAs at 31 July 2019

Holding or nominal value of positions	Bid market value £	Percentage of total net assets %
Aerospace & Defense (2.0%; 31.01.19 - 2.6%)		
2,025,000 QinetiQ Group	5,856,300	2.0
	5,856,300	2.0
Chemicals (0.8%; 31.01.19 - 1.5%)		
1,222,181 Scapa Group	2,400,363	0.8
	2,400,363	0.8
Construction & Materials (1.4%; 31.01.19 - 1.8%)		
1,536,972 Forterra	4,280,467	1.4
	4,280,467	1.4
Electronic & Electrical Equipment (3.0%; 31.01.19 - 2.5%)		
1,082,520 Discoverie Group	4,784,738	1.6
13,000 Judges Scientific	449,800	0.2
171,674 XP Power	3,502,150	1.2
	8,736,688	3.0

PORTFOLIO STATEMENT (CONTINUED)As at 31 July 2019

Holding or nominal value of positions	Bid market value £	Percentage of total net assets %
Financial Services (18.8%; 31.01.19 - 18.5%)		
350,000 Alpha FX Group	2,590,000	0.9
2,688,679 Argentex Group	3,500,660	1.2
1,336,159 Charter Court Financial Services Group	3,948,350	1.3
3,000,000 Equals Group	3,780,000	1.3
721,480 Integrafin Holdings	2,774,091	0.9
670,770 Intermediate Capital Group	9,323,703	3.2
1,358,200 Manolete Partners	7,062,640	2.4
2,842,000 Morses Club	3,694,600	1.2
621,000 Mortgage Advice Bureau (Holdings)	3,539,700	1.2
2,171,889 Onesavings Bank	7,888,301	2.7
1,466,000 Premier Asset Management	2,594,820	0.9
1,466,000 River & Mercantile Group	3,928,880	1.3
469,817 Tatton Asset Management	958,427	0.3
	<hr/> 55,584,172	<hr/> 18.8
Food Producers (1.3%; 31.01.19 - 0.0%)		
141,000 Cranswick	3,753,420	1.3
	<hr/> 3,753,420	<hr/> 1.3
General Retailers (1.9%; 31.01.19 - 1.5%)		
1,480,000 B&M European Value Retail	5,474,520	1.9
	<hr/> 5,474,520	<hr/> 1.9
Household Goods & Home Construction (6.7%; 31.01.19 - 5.6%)		
1,589,558 Countryside Properties	4,673,300	1.6
257,500 MJ Gleeson	2,178,450	0.7
830,209 RWS Holdings	5,396,358	1.8
1,600,000 Springfield Properties	1,744,000	0.6
2,833,000 Watkin Jones	6,048,455	2.0
	<hr/> 20,040,563	<hr/> 6.7

PORTFOLIO STATEMENT (CONTINUED)As at 31 July 2019

Holding or nominal value of positions	Bid market value £	Percentage of total net assets %
Industrial Engineering (1.7%; 31.01.19 - 1.4%)		
197,695 AB Dynamics	5,041,222	1.7
	5,041,222	1.7
Leisure Goods (4.3%; 31.01.19 - 1.7%)		
810,000 Focusrite	4,066,200	1.4
1,619,789 Gear4Music (Holdings)	3,077,599	1.0
3,579,255 Sumo Group	5,708,912	1.9
	12,852,711	4.3
Media (4.2%; 31.01.19 - 2.0%)		
227,333 4imprint Group	6,342,591	2.1
3,122,000 Bonhill Group	1,904,420	0.6
500,000 GlobalData	4,350,000	1.5
	12,597,011	4.2
Mining (1.7%; 31.01.19 - 3.0%)		
1,734,958 Anglo Pacific Group	3,539,314	1.2
6,178,081 Base Resources (AUD)	892,990	0.3
4,361,213 Base Resources	566,958	0.2
	4,999,262	1.7
Mobile Telecommunications (1.9%; 31.01.19 - 1.8%)		
517,000 Gamma Communications	5,635,300	1.9
	5,635,300	1.9

PORTFOLIO STATEMENT (CONTINUED)As at 31 July 2019

Holding or nominal value of positions	Bid market value £	Percentage of total net assets %
Non-Life Insurance (1.4%; 31.01.19 - 4.1%)		
2,470,000 Randall & Quilter Investment Holdings	4,199,000	1.4
	4,199,000	1.4
Oil & Gas Producers (6.1%; 31.01.19 - 9.0%)		
13,636,000 Block Energy	1,063,608	0.4
2,480,790 Eland Oil & Gas	2,962,063	1.0
5,295,669 Hurricane Energy	2,302,557	0.8
10,943,869 Jadestone Energy	6,183,286	2.1
11,197,777 Pantheon Resources	2,078,307	0.7
19,000,000 Petrolal	3,230,000	1.1
	17,819,821	6.1
Pharmaceuticals & Biotechnology (7.6%; 31.01.19 - 5.5%)		
784,313 Amryt Pharma	582,352	0.2
669,977 Clinigen Group	6,753,368	2.3
878,000 Eco Animal Health Group	3,512,000	1.2
140,528 Genus	3,707,129	1.2
757,490 Oxford Biomedica	5,226,681	1.8
20,181,184 Yourgene Health	2,573,101	0.9
	22,354,631	7.6
Real Estate Investment & Services (2.3%; 31.01.19 - 2.8%)		
2,356,550 CLS Holdings	5,361,151	1.8
580,000 Palace Capital	1,624,000	0.5
	6,985,151	2.3
Real Estate Investment Trusts (1.2%; 31.01.19 - 1.1%)		
1,718,808 Londonmetric Property	3,485,743	1.2
	3,485,743	1.2

PORTFOLIO STATEMENT (CONTINUED)As at 31 July 2019

Holding or nominal value of positions		Bid market value £	Percentage of total net assets %
Software & Computer Services			
(6.6%; 31.01.19 - 5.8%)			
4,606,000	Dotdigital Group	4,513,880	1.5
530,000	FDM Group	4,335,400	1.5
602,065	GB Group	3,612,390	1.2
4,347,164	Learning Technologies Group	4,903,601	1.7
1,581,467	LoopUp Group	2,087,536	0.7
		19,452,807	6.6
Support Services			
(9.8%; 31.01.19 - 8.3%)			
3,463,334	Begbies Traynor Group	2,753,351	0.9
908,042	Electrocomponents	5,526,344	1.9
298,000	Keywords Studios	4,952,760	1.7
2,374,607	Premier Technical Services Group	4,962,929	1.7
921,500	Restore	3,888,730	1.3
479,656	Ricardo	3,386,371	1.1
729,116	Smart Metering Systems	3,652,871	1.2
		29,123,356	9.8
Technology Hardware & Equipment			
(4.5%; 31.01.19 - 5.2%)			
1,994,244	Quixant	5,783,308	2.0
4,660,070	Spirent Communications	7,362,911	2.5
		13,146,219	4.5

PORTFOLIO STATEMENT (CONTINUED)As at 31 July 2019

Holding or nominal value of positions	Bid market value £	Percentage of total net assets %
Travel & Leisure (3.5%; 31.01.19 - 2.4%)		
1,759,444 Cake Box Holdings	2,955,866	1.0
1,300,000 Hollywood Bowl Group	2,743,000	0.9
1,842,939 The Gym Group	4,662,636	1.6
	<hr/>	<hr/>
	10,361,502	3.5
Portfolio of investments	274,180,229	92.7
Net other assets	21,640,261	7.3
	<hr/>	<hr/>
Total net assets	295,820,490	100.0

All holdings are in equities quoted on recognised stock exchanges.

'Life Insurance' sector disinvested since the beginning of the period (31 January 2019: 1.5%).

SUMMARY OF FUND PERFORMANCE

A Accumulation Shares	1 Feb 2019 to 31 Jul 2019	1 Feb 2018 to 31 Jan 2019	1 Feb 2017 to 31 Jan 2018	1 Feb 2016 to 31 Jan 2017
	(Pence per Share)	(Pence per Share)	(Pence per Share)	(Pence per Share)
Change in net assets per share				
Opening net asset value per share	897.84	928.82	703.49	576.05
Return before operating charges*	84.45	(14.99)	239.09	138.11
Operating charges	(7.94)	(15.99)	(13.76)	(10.67)
Return after operating charges*	76.51	(30.98)	225.33	127.44
Distributions	(3.08)	(1.06)	0.00	(1.69)
Retained distributions on accumulation shares	3.08	1.06	0.00	1.69
Closing net asset value per share	974.35	897.84	928.82	703.49
* after direct transaction costs of:	1.51	2.57	3.77	2.97
Performance				
Return after charges	8.52%	(3.34)%	32.03%	22.12%
Other information				
Closing net asset value	£10,038,104	£9,489,438	£8,852,906	£5,640,540
Closing number of shares	1,030,232	1,056,919	953,136	801,789
Operating charges (p.a)	1.66%	1.67%	1.64%	1.69%
Direct transaction costs (p.a)	0.32%	0.27%	0.45%	0.47%
Prices				
Highest published share price	991.43	1,049.66	946.05	710.83
Lowest published share price	884.35	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 2019 to 31 Jul 2019	1 Feb 2018 to 31 Jan 2019	1 Feb 2017 to 31 Jan 2018	1 Feb 2016 to 31 Jan 2017
	(Pence per Share)	(Pence per Share)	(Pence per Share)	(Pence per Share)
Change in net assets per share				
Opening net asset value per share	1,049.11	1,077.17	809.75	658.08
Return before operating charges*	98.78	(17.86)	276.15	158.58
Operating charges	(5.13)	(10.20)	(8.73)	(6.91)
Return after operating charges*	93.65	(28.06)	267.42	151.67
Distributions	(7.71)	(9.59)	(6.69)	(7.46)
Retained distributions on accumulation shares	7.71	9.59	6.69	7.46
Closing net asset value per share	1,142.76	1,049.11	1,077.17	809.75
* after direct transaction costs of:	1.77	2.99	4.41	3.45
Performance				
Return after charges	8.93%	(2.60)%	33.03%	23.05%
Other information				
Closing net asset value	£285,782,386	£206,319,655	£105,309,602	£36,677,757
Closing number of shares	25,008,045	19,666,197	9,776,521	4,529,494
Operating charges (p.a.)	0.91%	0.92%	0.89%	0.94%
Direct transaction costs (p.a)	0.32%	0.27%	0.45%	0.47%
Prices				
Highest published share price	1,161.10	1,221.66	1,097.02	817.97
Lowest published share price	1,033.58	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 RETURNFor the six-month period ended 31 July 2019

		31.07.19	31.07.18
	£	£	£
Income			
Net capital gains		18,732,402	16,386,742
Revenue	3,048,757		1,243,798
Expenses	(1,243,406)		(733,104)
Interest payable and similar charges	(32)		-
Net revenue before taxation	1,805,319		510,694
Taxation	(51,708)		-
Net revenue after taxation		1,753,611	510,694
Total return before distributions		20,486,013	16,897,436
Distributions		(1,792,971)	(512,505)
Change in net assets attributable to shareholders from investment activities		18,693,042	16,384,931

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERSFor the six-month period ended 31 July 2019

		31.07.19	31.07.18
	£	£	£
Opening net assets attributable to shareholders		215,809,093	114,162,508
<i>Movements due to sales and repurchases of shares:</i>			
Amounts receivable on issue of shares	97,058,906		104,230,193
Amounts payable on cancellation of shares	(37,699,438)		(31,085,200)
		59,359,468	73,144,993
Change in net assets attributable to shareholders from investment activities		18,693,042	16,384,931
Retained distributions on accumulation shares		1,958,887	663,601
Closing net assets attributable to shareholders		295,820,490	204,356,033

BALANCE SHEET
As at 31 July 2019

	31.07.19	31.01.19
	£	£
Assets:		
Fixed Assets:		
Investments	274,180,229	193,370,574
Current Assets:		
Debtors	3,331,397	3,383,160
Cash and bank balances	19,558,997	20,419,301
Total assets	<u>297,070,623</u>	<u>217,173,035</u>
Liabilities:		
Creditors:		
Other creditors	1,250,133	1,363,942
Total liabilities	<u>1,250,133</u>	<u>1,363,942</u>
Net assets attributable to shareholders	<u>295,820,490</u>	<u>215,809,093</u>

NOTES TO THE FINANCIAL STATEMENTS

As at 31 July 2019

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 2019.

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.

DISTRIBUTION TABLEFor the six-month period ended 31 July 2019

Interim Distribution (31 July 2019)

Group 1 - Shares purchased on or prior to 31 January 2019

Group 2 - Shares purchased after 31 January 2019

Shares	Revenue	Equalisation ¹	Accumulated 30.09.19	Accumulated 30.09.18
	(pence)	(pence)	(pence)	(pence)
A Accumulation				
Group 1	3.0754	-	3.0754	0.0107
Group 2	2.3528	0.7226	3.0754	0.0107
B Accumulation				
Group 1	7.7063	-	7.7063	4.1487
Group 2	3.9597	3.7466	7.7063	4.1487

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.

DIRECTORY

The Company

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

Authorised Corporate Director (ACD)

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

Tel: 0115 988 8200
Website: www.tbaileys.co.uk

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)
Mrs A Troup (Non-Executive)

Investment Manager

Amati Global Investors Limited
8 Coates Crescent
Edinburgh
EH3 7AL

Tel: 0131 503 9100
Email: info@amatiglobal.com
Website: www.amatiglobal.com

Authorised and regulated by the Financial Conduct Authority.

Depository

NatWest Trustee & 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.tbaileys.co.uk

Authorised and regulated by the Financial Conduct Authority.

Auditor

Deloitte LLP
Statutory Auditor
4 Brindleyplace
Birmingham
United Kingdom
B1 2HZ

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

Issued by T. Bailey Fund Services Limited ('TBFS'). TBFS is a Regulated Collective Investment Scheme Manager and is authorised and regulated by the Financial Conduct Authority. Registered in England No: 3720363.