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Global Investors



T.BAILEY

## TB Amati Investment Funds

**Annual Report and Audited Financial Statements**  
31 January 2021

**TB Amati UK Smaller Companies Fund**



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*Note: The Authorised Corporate Director's Report consists of 'Authorised Status', 'Structure of the Company' and 'Investment Objective and Policy' on page 2, 'Investment Review' as provided by the Investment Manager, on pages 15 to 20 and 'Directory' on page 44.*



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## THE AUTHORISED CORPORATE DIRECTOR AND INVESTMENT MANAGER

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

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

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## YOUR INVESTMENTS

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

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

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

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## RISK PROFILE

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Smaller companies' securities are often traded less frequently than those of larger companies, this means they may be more difficult to buy and sell. Their prices may also be subject to short-term swings. The value of investments may go down as well as up in response to general market conditions and the performance of the assets held. Investors may not get back the money which they invested. There is no guarantee that the Fund will meet its stated objectives. The movements of exchange rates may lead to further changes in the value of investments and the income from them. There is a risk that any company providing services such as safe keeping of assets or acting as counterparty to derivatives may become insolvent, which may cause losses to the Fund.

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## SYNTHETIC RISK AND REWARD INDICATOR

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

The Fund is in risk category 6\* because it invests in shares.

\*The Fund was previously in risk category 5 but changed to risk category 6 within the period.

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## ONGOING CHARGES FIGURE

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The Ongoing Charges Figure ('OCF') provides investors with a clearer picture of the total annual costs in running a Collective Investment Scheme. The OCF consists principally of the Annual Management Charge, but also includes the costs for other services paid in respect of Depositary, custody, FCA and audit fees. The OCFs, as calculated in accordance with ESMA guidelines, are disclosed as 'Operating charges (p.a.)' in the Summary of Fund Performance tables on pages 27 and 28.

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## AUTHORISED STATUS

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

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

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## STRUCTURE OF THE COMPANY

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The Company is structured as an umbrella company, in that different sub-funds may be established from time to time by the ACD with the approval of the FCA and the agreement of the Depositary. On the introduction of any new sub-fund or share class, a revised prospectus will be prepared setting out the relevant details of each sub-fund or share class. The Company is compliant with the Protected Cell Regime for OEICs. Under the Protected Cell Regime, each sub-fund represents a segregated portfolio of assets and accordingly, the assets of the sub-fund belong exclusively to that sub-fund and shall not be used or made available to discharge (directly or indirectly) the liabilities of, or claims against, any other person or body, including any other sub-fund and shall not be available for any such purpose.

Currently, there is one sub-fund\*; TB Amati UK Smaller Companies Fund. This company is a UCITS scheme.

\*Since the year end (15 March 2021) a new sub-fund has been launched; TB Amati Strategic Metals Fund.

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## INVESTMENT OBJECTIVE AND POLICY

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The TB Amati UK Smaller Companies Fund aims to achieve long-term capital growth over periods of 5 years or longer.

At least 80% of the Fund will typically be invested in shares, equity-related securities or bonds in or issued by UK smaller companies. For these purposes, UK companies are companies incorporated or domiciled in the UK, or companies that are listed\* in the UK and have the majority of their economic activity in the UK. Smaller companies are companies which form the bottom 10% of the UK equity market by market capitalisation.

The Fund may also invest (up to 20%) in shares, equity-related securities or bonds in or issued by companies which are not UK smaller companies, money market instruments, cash or near cash. There may be occasions when the Investment Manager chooses to hold large degrees in these asset classes in order to protect returns in certain market conditions (e.g. severe market downturns). Up to 10% of the Fund may be invested in collective investment schemes (which may include those managed or operated by the ACD and its associates).

The Fund is actively managed, taking into account the Investment Manager's views on growth opportunities and prevailing market conditions. Derivatives may be used for Efficient Portfolio Management purposes to reduce risk or cost or to generate additional capital or income.

\* "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 Aquis Stock Exchange.

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## FUND BENCHMARKS

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

The Numis Smaller Companies (plus AIM, excluding Investment Companies) Index is a comparator Benchmark of the Fund.

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

The IA UK Smaller Companies sector is a comparator Benchmark of the Fund.

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## OTHER INFORMATION

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

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## CHANGES TO THE COMPANY

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Since the period end TB Amati Investment Funds launched one new sub-fund, the TB Amati Strategic Metals Fund on 15 March 2021.

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## THE INVESTMENT MANAGEMENT TEAM

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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. Dr Gareth Blades has supported the management team as an Analyst since 2019. 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, investing in small and mid-sized companies.

The Fund and management team's long-term performance record is award winning, and in 2019 the Fund won Investment Week's UK Smaller Companies Fund Manager of the Year Award and more recently has been shortlisted for the 2021 Award. In February 2020, the Fund was awarded a fund rating from Square Mile Research along with an upgrade from Bronze analyst rating to Silver from Morningstar and an Elite rating from FundCalibre. Other fund ratings include Rayner Spencer Mills, FE Trustnet (4 Crowns), Citywire Group Rating (Gold). Only around 20-25% of groups in each sector are invited by Citywire to receive a rating. The team were also awarded Boutique Manager of the Year (below £1bn AUM) from Investment Week in its Specialist Investment Awards 2020.

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

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



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## BIOGRAPHIES

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### **Dr Paul Jourdan – CEO and Fund Manager**

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 ('Amati') 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 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 AIM IHT Portfolio Service, which Paul co-manages with David Stevenson and Anna Macdonald. Prior to 1998 Paul worked as a professional violinist, including a four year period with the City of Birmingham Symphony Orchestra. He is CEO of Amati Global Investors Ltd and also a founding trustee of Clean Trade, a charity registered in England and Wales.



### **David Stevenson – Director and 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 small/midcap UK Opportunities Fund. 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 Macdonald – Fund Manager**

Anna joined Amati in 2018. She began her career as an analyst and fund manager at Henderson Global Investors in London, where she co-managed the core enhanced UK equity product, the UK Equity Market Neutral hedge fund and researched the media sector. After some time living in Kenya, as head of research for Old Mutual Asset Management, she returned to the UK and worked at Threadneedle Investors in London before moving to Edinburgh. Anna joined Amati in 2018 from Adam & Company, where she led research for the PAM-award winning wealth manager and ran the successful AIM-listed portfolio service. Anna also has experience of managing substantial OEICs, private client and charity portfolios and has been a CFA Charterholder since 2003.

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**BIOGRAPHIES (CONTINUED)**

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**Dr Gareth Blades - Analyst**

Dr Gareth Blades joined Amati in 2019 as an Analyst supporting the fund management team. Prior to Amati, Gareth worked as an independent consultant supporting early stage life science companies in their operational and strategic decision making. In 2016 he worked for the College of Medicine and Veterinary Medicine at the University of Edinburgh building and spinning-out therapeutic, med-tech, diagnostic and e-health companies. In 2015, Gareth worked in healthcare corporate finance at PharmaVentures in Oxford. During his time at PharmaVentures he delivered expert reports, business development, licensing and due diligence projects for international clients. Prior to this he worked for White Space Strategy in Oxford, a leading market analysis and strategy consultancy serving financial services, TMT, manufacturing, energy and public sector clients. Gareth has a DPhil in Systems Biology -

Biochemistry from the University of Oxford, an MPhil in Micro and Nanotechnology Enterprise from the University of Cambridge and a first in Neuroscience from Cardiff University.

**INTRODUCTION AND SCOPE**

TBFS has policies and practices for those staff whose professional activities have a material impact on the risk profile of the combined activities. TBFS is a UCITS firm and is therefore subject to the UCITS Remuneration Code.

The Remuneration Policy:

- (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 firm;
- (iii) Encourages behaviour that delivers results which are aligned to the interests of TBFS's clients and the UCITS funds it manages;
- (iv) Aligns the interests of Code Staff with the long-term interests of TBFS's clients and the UCITS funds it manages;
- (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.

In accordance with BIPRU 11.5.18R the following disclosures are made:

**1. Decision making process for determining remuneration policy, link between pay and performance**

There is no remuneration committee. Remuneration is set within the context of a 5-year plan which ensures any threats to capital adequacy, liquidity and solvency caused by excessive remuneration would be identified. The bonus and commission 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 the Board of T. Bailey Holdings ('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 2018 which incorporated information from external consultants in connection with remuneration.

**2. Policy on link between pay and performance**

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 Board bears in mind the projected performance of the company when making any adjustments to the scheme. This is agreed within the setting of the annual operating plan and reviewed once full year results are available.

The final bonus total is signed off by the TBFS board. The bonus payments are non-contractual and can be amended or withdrawn at any time.

Payment of scheme bonus to individuals is linked to their performance against agreed objectives from staff appraisals. All bonuses are monetary and paid through the payroll.

Staff are eligible to be a part of the scheme once they have completed a full years' service prior to the start of the relevant appraisal year. The same process applies to all grades of staff including executive directors.

There are no commission based payments made to staff.

No other pay reward schemes exist within the business.

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**REMUNERATION POLICY OF THE AUTHORISED CORPORATE DIRECTOR (CONTINUED)**

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**Total remuneration paid by the ACD for the year ended 30 September 2020**

<b>Total Number of Staff</b>	<b>46</b>
	<b>£'000</b>
Fixed	1,698
Variable	38
<b>Total Remuneration Paid</b>	<b>1,736</b>

**Total remuneration paid by the ACD to Remuneration Code Staff for the year ended 30 September 2020**

	<b>Senior Management</b>	<b>Staff with Material Impact</b>
<b>Total Number of Staff</b>	<b>11</b>	<b>0</b>
	<b>£'000</b>	<b>£'000</b>
Fixed	797	-
Variable	26	-
<b>Total Remuneration Paid</b>	<b>823</b>	<b>-</b>

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

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## STATEMENT OF THE AUTHORISED CORPORATE DIRECTOR'S RESPONSIBILITIES

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The Authorised Corporate Director (the "ACD") of TB Amati Investment Funds (the 'Company') is responsible for preparing the Annual 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 annual 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 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.

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## DIRECTOR'S STATEMENT

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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 28 May 2021. 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**  
**28 May 2021**

**Rachel Elliott, Finance Director**  
**T. Bailey Fund Services Limited**  
**Nottingham, United Kingdom**  
**28 May 2021**

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## STATEMENT OF DEPOSITARY'S RESPONSIBILITIES

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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.

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

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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  
28 May 2021

**Report on the audit of the financial statements****Opinion**

In our opinion the financial statements of TB Amati Investment Funds (the 'company'):

- give a true and fair view of the financial position of the Company as at 31 January 2021 and of the net revenue and the net capital gains on the property of the Company for the year ended 31 January 2021; 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 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 16; 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 Financial Reporting Council's (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**

In auditing the financial statements, we have concluded that the authorised corporate director's (ACD's) use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the ACD with respect to going concern are described in the relevant sections of this report.

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

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**Other information**

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The ACD is responsible for the other information contained within the annual report. 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.

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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 this regard.

**Responsibilities of depositary and ACD**

As explained more fully in the statement of Depositary's responsibilities and the statement 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 has 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 FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.



**Extent to which the audit was considered capable of detecting irregularities, including fraud**

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

We considered the nature of the company's industry and its control environment, and reviewed the company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management about their own identification and assessment of the risks of irregularities.

We obtained an understanding of the legal and regulatory framework that the company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. This included the Collective Investment Schemes Sourcebook; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty.

We discussed among the audit engagement team regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance and reviewing correspondence with FCA.

**Report on other legal and regulatory requirements**

**Opinions 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 disclosed in the annual report for the year ended 31 January 2021 for the purpose of complying with Paragraph 4.5.9R of the Collective Investment Schemes Sourcebook is consistent with the financial statements.

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

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**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**  
**28 May 2021**

## INVESTMENT REVIEW

### Performance

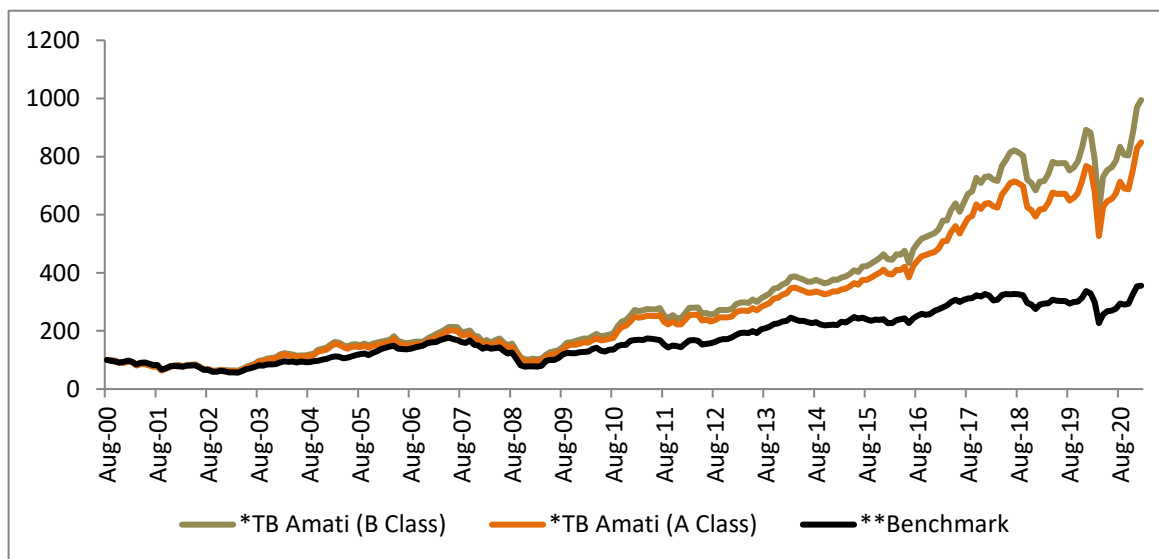
	Cumulative returns for the periods ended 31 January 2021 (%)				
	1 year	3 years	5 years	10 years	From PJ take on*
A Accumulation Shares	11.87	32.68	114.24	240.55	748.94
B Accumulation Shares	12.76	35.77	122.56	266.23	894.69
IA UK Smaller Companies	6.60	17.94	71.64	176.22	363.88
Numis Smaller Companies Index (plus AIM, excluding Investment Companies) Total Return	7.89	10.69	57.06	111.65	255.68

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 4). 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 prior to 29 July 2008 relates to First State British Smaller Companies Fund (see page 4). \* TB Amati (B Class & A Class) Fund Total Return. \*\* Comparator Benchmark Index: Numis Smaller Companies (plus AIM, excluding Investment Companies) Total Return. Source: Amati Global Investors Ltd as at 31 January 2021. Past performance is not a reliable indicator of future performance. Investors are reminded that the price of shares and the revenue derived from them is not guaranteed and may go down as well as up.

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## INVESTMENT REVIEW (CONTINUED)

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### Market Review

The year under review has been entirely dominated by the impact of the COVID-19 pandemic. In early 2020, the global economy suffered the full force of shutdowns across most countries, with consequential damage to jobs, consumer spending, capital investment and corporate profitability. The dramatic effect on GDP saw individual economies report recessionary conditions for the first two quarters of the year, despite unprecedented emergency measures involving fiscal and monetary stimulus.

Until mid-February stock markets had broadly sustained their momentum from late 2019, as investors assessed whether the initial outbreak in China, and Asia more generally, could be contained. As evidence emerged from Europe that the situation could become a global pandemic, sentiment collapsed causing a rapid sell-off. Initially this was indiscriminate, with all assets – equities, bonds, property and even gold – being hit as liquidity was sought at almost any price. This environment continued in the UK until mid-March. It was followed by a period of almost frenetic capital raising activity, as investors were approached by companies most impacted by the downturn as well as others seeking further funding for investment and acquisition opportunities. This coincided with a view that these might prove to be the last offerings in the event of a strong economic recovery. Alongside a more general search by investors for bargains within the UK market, it fostered a sharp rebound which continued through to early June. This, however, marked a relative high point for the next five months as the rally lost momentum, with investors re-assessing the likely strength and trajectory of a future recovery.

In early November, stock market confidence received a huge boost from the news that the Pfizer-BioNTech phase III vaccine trial results showed 90% efficacy. This was followed by equally positive vaccine results from Moderna and Oxford-AstraZeneca. In early December, a UK woman was the first person in the world to receive the Pfizer vaccine, since when inoculation programs have been rolled out globally. This was an extraordinary achievement by medical science in such a short timescale, and markets reacted with renewed momentum. This was particularly so for smaller listed and AIM quoted stocks in the UK, which, by the end of January, had exceeded their pre-Covid index levels. This performance was not matched by large and mid-sized stocks, however, which remained in negative territory for the period. The most noteworthy performance came from AIM stocks involved with the growing online economy, such as in retail, data communications, software, video gaming and cyber security, as well as those leading research and development into COVID-19 treatments and vaccines.

### Performance Review

The unit price (B Accumulation) of the Fund gained 12.8% during the period, compared to a rise in the Numis Smaller Companies (plus AIM excluding Investment Companies) index of 7.9% and the IA UK Smaller Companies sector of 6.6%.

The biggest contributor to performance was **Gear4music**, the online retailer of musical instruments and music equipment, which nearly trebled its share price over a year. This reflected the company's exceptionally strong trading during the UK's lockdown periods, as households focused on home entertainment. In addition, Gear4music's growth has seen it take market share from smaller independents operating from the high street. For the quarter to end December, its peak trading period, sales grew 10% year on year in the UK, and 51% in Europe and the rest of the world. The company upped its trading guidance again in February. With distribution centres in the UK, Sweden and Germany, the company has an e-commerce platform capable of driving sustained growth into the future. Another strong performer was new holding **Eqtec**, a developer of waste to energy technology employed in the manufacture of synthesis gas used in fuels, chemicals and power generation. Gasification involves higher energy conversion and lower emissions than incineration, and Eqtec's intellectual property lies in a fluid bed process producing the cleanest syngas available.

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## INVESTMENT REVIEW (CONTINUED)

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The Fund invested in a placing in July to raise growth funding, and the shares rose more than fivefold to the end of the period. This followed a number of announcements about projects in the UK, Europe and the US, involving agricultural and timber waste conversions. Another new holding, **Renalytix AI**, also performed strongly. The company has developed an artificial intelligence enabled blood test for the diagnosis and clinical management of chronic kidney disease. A series of positive announcements were issued involving this KidneyIntelX test and associated platform. These included the first roll-out of the test and platform integration with Mount Sinai and other health-system partners, insurance coverage as well as application submission to the FDA for regulatory consideration. The company also achieved a dual listing on Nasdaq in July. The shares more than trebled from the Fund's initial investment in April. **MaxCyte**, the developer of cell and gene-editing tools, grew full year revenues by more than 20%. Licensed partner programs now exceed 140, involving all of the top ten global biopharmaceutical companies. MaxCyte is planning a Nasdaq dual listing in 2021. The shares more than quadrupled during the period. **Sumo**, the provider of turnkey and co-development solutions to the global video games industry, traded ahead of consensus expectations reflecting an already fast-growing market boosted by the home entertainment impact of the pandemic lockdowns. Organic growth was augmented by two acquisitions. The shares gained more than 80%.

Other significant contributors to performance during the period included a new holding in **Inspects**, a global designer, manufacturer and distributor of eyewear frames which listed on AIM in February and then completed two significant acquisitions. The shares rose 76%. Another successful new listing the Fund participated in was **HeiQ**, a market leader in speciality chemicals used within textile and materials innovation. The shares rose 48%. **Oxford Biomedica**, the leading gene and cell therapy manufacturing company, gained 61%. In April, it announced it had signed a supply agreement with AstraZeneca to manufacture the adeno based COVID-19 vaccine candidate AZD1222, as part of the consortium led by Oxford University. Following strong trial results and regulatory authorisation later in the year, this has now become the cornerstone vaccine of the UK roll-out programme. In May the Fund participated in a placing for **Jet2**, the holiday airline operator, to provide it with working capital until markets re-open. The shares have more than doubled from their low point even though the near-term outlook remains uncertain. **Dechra Pharmaceuticals**, the veterinary medicine specialist, announced a stronger than expected trading performance helped by customer inventory build in the lead up to Brexit, plus a number of acquisitions. The shares gained 28%. **Softcat**, the IT infrastructure and services supplier, also traded ahead of expectations, benefiting from strong public sector demand and recovering corporate spending as the year progressed. The shares rose 29%.

Major detractors from performance included stocks exposed to the housing market and construction, where business activity was interrupted by the virus lockdown and investors had fears about ongoing market conditions. Following a rebound in such stocks when the government allowed building sites to re-open from May, the decision was taken to reduce portfolio exposure and certain positions were sold. Whilst this had the effect of locking in underperformance, it was offset by other retained holdings achieving better ongoing recovery into the end of the period. Amongst the major underperformers to be sold were **Redrow**, the volume housebuilder (down 45%); **Watkin Jones**, the student accommodation and build-to-rent construction specialist (down 44%); and **Forterra**, the brick manufacturer (down 46%). Other businesses whose trading prospects were severely threatened by lockdown were **The Gym Group**, the discount gym operator (down 54%); and **4imprint**, the US-focused promotional goods marketing company (down 48%). Again, the decision was taken to exit these positions early in the period to reduce portfolio risk.

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## INVESTMENT REVIEW (CONTINUED)

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Other underperformers included oil & gas producer **PetroTal** (down 53%), which gave back its strong performance in 2019 amidst uncertainty about global energy demand and commodity prices; **Morses Club** (down 59%), the home collected credit provider, which suffered concerns about the impact of physical distancing restrictions and default risks on its business model; **MJ Gleeson** (down 24%), the specialist affordable housebuilder, which also gave back 2019 performance on the risks rising unemployment might pose for its customer base; **Synairgen** (down 14%), a new holding which announced significantly positive clinical trial results from the use of its respiratory immune modulator to treat hospitalised COVID-19 patients, but then saw share price headwinds generated by successful vaccine announcements; and **Alpha FX** (down 48%), the foreign exchange services specialist which issued a profit warning caused by reduced lockdown activity. The positions in Synairgen and Alpha FX were sold.

### Portfolio Activity

During the period, new positions were taken in companies offering select characteristics. Either they should be businesses which had experienced durable, even enhanced, trading during lockdown periods; or if they were more economically exposed, they had to be well placed to be an early beneficiary from the eventual relaxation of restrictions; or they should provide exposure to proprietary technologies likely to play a key future role in the economy.

Contra-cyclical exposure was added with financial trading platform **CMC Markets**, which has experienced strong underlying conditions in the past year reflecting higher capital market volatility. **CareTech**, a provider of complex social care services to adults and children, was another addition. These special needs remain a priority for local authorities. Cyclical recovery exposure was added through **Jet2**, as detailed above, and **Air Partner**, a provider of aircraft charter and aviation health & safety services. Both businesses have robust franchises and should continue to take market share when air travel recovers. Eyewear designer and supplier, **Inspects**, was another cyclical addition, referred to previously, as was miner **Atalaya Mining**, a specialist in copper which is seeing significant commodity price inflation as demand builds from electrical energy transition. The Fund also maintained its focus on emerging technologies, with new positions in **Eqtec**, **Renalytix AI** and **HeiQ**, as detailed above. **IP Group** and **Draper Esprit**, respectively private equity specialists within healthcare and technology, were also added to the portfolio.

Having exited **Spirent Communications**, the telecoms testing solutions provider, in early February the decision was taken to re-invest based on accelerating global investment in 5G technology as a consequence of the impact of the pandemic. Major additions to other existing holdings included **Grainger**, the UK's largest listed residential landlord, which raised funds to support its growth in the private rental market ("PRS"); **Amryt Pharma**, the rare and orphan disease specialist, which did a Nasdaq raise to fund future acquisitions; and CLS, the European office property specialist, in a clear-out trade to remove an overhanging seller. Positions in furniture retailer **DFS Furniture**, and business communications specialist **Gamma Communications**, were also increased.

In addition to the disposals mentioned above, the Fund also exited **Premier Asset Management**, following its merger with Miton; **Ricardo**, due to a deteriorating global automotive market; **IG Design**, after the CEO unexpectedly sold his entire shareholding; **Hollywood Bowl**, on concerns about the impact of prolonged lockdowns; **Clinigen**, after management lowered their organic sales growth expectations; and **IntegraFin**, due to a premium valuation and the retirement of its founder. Smaller positions sold included **Bonhill**, **Equals**, **Springfield Properties**, **LoopUp** and **Restore**.

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**INVESTMENT REVIEW (CONTINUED)**

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

<b>Sector</b>	<b>Asset allocation as at 31 January 2021 (%)</b>	<b>Asset allocation as at 31 January 2020 (%)</b>
Aerospace & Defense	1.0	1.7
Alternative Energy	0.6	-
Banks	2.5	-
Chemicals	3.1	-
Construction & Construction Materials	-	1.6
Electricity	1.8	-
Electronic & Electrical Equipment	4.8	4.6
Financial Services	14.7	18.6
General Retailers	3.2	-
Health Care Equipment & Services	7.6	-
Household Goods & Home Construction	5.4	11.9
Industrial Engineering	0.6	2.0
Infrastructure	-	1.7
Leisure Goods	7.5	5.3
Media	1.8	3.9
Mining	4.7	1.4
Mobile Telecommunications	2.0	1.7
NonLife Insurance	2.3	1.0
Oil & Gas Producers	3.5	4.8
Personal Goods	3.3	-
Pharmaceuticals & Biotechnology	9.8	9.5
Real Estate Investment & Services	2.8	3.0
Real Estate Investment Trusts	0.8	0.9
Software & Computer Services	5.1	7.1
Support Services	2.0	7.1
Technology Hardware & Equipment	1.5	1.0
Travel & Leisure	1.7	4.9
Cash and Other	5.8	6.3
<b>Total</b>	<b>100.0</b>	<b>100.0</b>

The full list of holdings at the period end is shown in the Portfolio Statement on pages 21 to 26.

### Outlook

Stock markets around the world have surprised many with their strength during the period under review, given how great the impact of the pandemic has been in many areas of the global economy. However, the response of governments in developed economies, to avert economic disaster through large scale bailout programmes, has meant that money supply has been greatly increased, and that cash in the system has prevented the worst hardships from the pandemic. This comes at the cost of government debt having risen to levels that would have been regarded as dangerous by prior generations, leaving a greatly heightened sensitivity to the interest rate rises which may be necessary in the next few years to prevent inflation, a long-forgotten problem, from re-emerging.

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**INVESTMENT REVIEW (CONTINUED)**

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Savings rates have also increased, as lockdowns have suppressed household spending, and the stock market has been a major beneficiary of this. There are clear concerns about valuations, which had been gradually rising over the last decade even before the pandemic, with favoured sectors such as healthcare and technology being amongst the more exposed. Whilst the Fund has significant presence in these areas, the companies involved have some of the strongest growth prospects across the UK stock market. The Fund also has exposure to a number of cyclical businesses linked to recovering consumer demand in housing, retail and travel, and to the global economy through manufacturing supply chains, capital investment and resources. As a medium to long-term investor, we do not attempt to track fluctuating sentiment within the stock market, but hope and expect that the companies in the portfolio will continue to realise the many opportunities they have for growth.

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28 May 2021

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28 May 2021



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**PORTFOLIO STATEMENT**As at 31 January 2021

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Holding or nominal value of positions	Bid market value £	Percentage of total net assets %
<b>Aerospace &amp; Defense</b> (1.0%; 31.01.20 - 1.7%)		
2,075,000 QinetiQ	6,249,900	1.0
	<b>6,249,900</b>	<b>1.0</b>
<b>Alternative Energy</b> (0.6%; 31.01.20 - 0.0%)		
20,750,000 SIMEC Atlantis Energy	3,942,500	0.6
	<b>3,942,500</b>	<b>0.6</b>
<b>Banks</b> (2.5%; 31.01.20 - 0.0%)		
3,899,621 OSB Group	15,988,446	2.5
	<b>15,988,446</b>	<b>2.5</b>
<b>Chemicals</b> (3.1%; 31.01.20 - 0.0%)		
11,607,000 HeiQ	19,615,830	3.1
	<b>19,615,830</b>	<b>3.1</b>
<b>Electricity</b> (1.8%; 31.01.20 - 0.0%)		
492,666,600 Eqtec	11,577,665	1.8
	<b>11,577,665</b>	<b>1.8</b>
<b>Electronic &amp; Electrical Equipment</b> (4.8%; 31.01.20 - 4.6%)		
1,374,425 DiscoverIE	9,291,113	1.5
108,500 Judges Scientific	6,835,500	1.1
269,476 Oxford Instruments	5,346,404	0.8
171,674 XP Power	8,566,533	1.4
	<b>30,039,550</b>	<b>4.8</b>

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**PORTFOLIO STATEMENT (CONTINUED)**As at 31 January 2021

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<b>Holding or nominal value of positions</b>	<b>Bid market value £</b>	<b>Percentage of total net assets %</b>
<b>Financial Services (14.7%; 31.01.20 - 18.6%)</b>		
5,982,412 Argentex	6,939,598	1.1
3,142,191 CMC Markets	12,615,897	2.0
1,650,000 Draper Esprit	11,352,000	1.8
645,770 Intermediate Capital	10,978,090	1.7
6,594,393 IP Group	6,258,079	1.0
2,801,907 John Laing	8,876,441	1.4
697,466 Liontrust Asset Management	8,788,072	1.4
1,358,200 Manolete Partners	2,648,490	0.4
8,090,941 Morses Club	4,126,380	0.7
621,000 Mortgage Advice Bureau	5,526,900	0.9
961,885 Polar Capital	6,175,302	1.0
3,706,959 River & Mercantile	8,377,727	1.3
	<hr/> <b>92,662,976</b>	<hr/> <b>14.7</b>
<b>General Retailers (3.2%; 31.01.20 - 0.0%)</b>		
5,304,348 DFS Furniture	11,404,348	1.8
661,310 Jet2	8,722,679	1.4
	<hr/> <b>20,127,027</b>	<hr/> <b>3.2</b>
<b>Health Care Equipment &amp; Services (7.6%; 31.01.20 - 0.0%)</b>		
1,820,000 CareTech	8,845,200	1.4
2,394,400 Creo Medical	4,836,688	0.8
4,125,000 EKF Diagnostics	2,825,625	0.4
2,455,247 Renalytix AI	22,588,272	3.6
5,730,555 Sensyne Health	8,595,833	1.4
206,153 Trellus Health*	26,800	0.0
	<hr/> <b>47,718,418</b>	<hr/> <b>7.6</b>

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**PORTFOLIO STATEMENT (CONTINUED)**As at 31 January 2021

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Holding or nominal value of positions		Bid market value £	Percentage of total net assets %
<b>Household Goods &amp; Home Construction</b> <b>(5.4%; 31.01.20 - 11.9%)</b>			
1,989,558	Countryside Properties	8,578,974	1.3
1,130,522	MJ Gleeson	8,026,706	1.3
2,984,070	RWS	17,546,332	2.8
		<b>34,152,012</b>	<b>5.4</b>
<b>Industrial Engineering</b> <b>(0.6%; 31.01.20 - 2.0%)</b>			
197,695	AB Dynamics	3,775,974	0.6
		<b>3,775,974</b>	<b>0.6</b>
<b>Leisure Goods</b> <b>(7.6%; 31.01.20 - 5.3%)</b>			
905,200	Focusrite	9,414,080	1.5
289,064	Frontier Developments	9,119,969	1.4
1,759,789	Gear4music	13,550,375	2.2
4,515,081	Sumo	15,893,085	2.5
		<b>47,977,509</b>	<b>7.6</b>
<b>Media</b> <b>(1.8%; 31.01.20 - 3.9%)</b>			
90,953	GlobalData	1,136,912	0.2
8,207,500	The Pebble Group	10,259,375	1.6
		<b>11,396,287</b>	<b>1.8</b>
<b>Mining</b> <b>(4.7%; 31.01.20 - 1.4%)</b>			
12,222,222	AEX Gold	6,111,111	1.0
3,664,589	Atalaya Mining	9,894,390	1.6
4,512,982	Anglo Pacific	5,578,046	0.9
6,178,081	Base Resources (AUD)	930,590	0.1
4,361,213	Base Resources	675,988	0.1
2,841,763	Hochschild Mining	6,519,004	1.0
		<b>29,709,129</b>	<b>4.7</b>

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**PORTFOLIO STATEMENT (CONTINUED)**As at 31 January 2021

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Holding or nominal value of positions	Bid market value £	Percentage of total net assets %
<b>Mobile Telecommunications</b> (2.0%; 31.01.20 - 1.7%)		
772,000 Gamma Communications	12,352,000	2.0
	<b>12,352,000</b>	<b>2.0</b>
<b>Non-Life Insurance</b> (2.3%; 31.01.20 - 1.0%)		
850,000 Conduit	4,148,000	0.7
5,925,454 Randall & Quilter Investment	10,369,544	1.6
	<b>14,517,544</b>	<b>2.3</b>
<b>Oil &amp; Gas Producers</b> (3.5%; 31.01.20 - 4.8%)		
11,822,336 Jadestone Energy	8,157,412	1.3
6,983,953 Pantheon Resources	2,514,223	0.4
28,168,065 PetroTal	3,521,008	0.5
1,750,000 PetroTal Warrants*	-	0.0
5,263,158 Touchstone Exploration	8,105,263	1.3
	<b>22,297,906</b>	<b>3.5</b>
<b>Personal Goods</b> (3.3%; 31.01.20 - 0.0%)		
6,129,142 Inspecc	20,593,917	3.3
	<b>20,593,917</b>	<b>3.3</b>

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**PORTFOLIO STATEMENT (CONTINUED)**As at 31 January 2021

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Holding or nominal value of positions		Bid market value £	Percentage of total net assets %
<b>Pharmaceuticals &amp; Biotechnology</b>			
<b>(9.8%; 31.01.20 - 9.5%)</b>			
1,022,847	Amryt EMA CVR*	128,457	0.0
1,022,847	Amryt FDA CVR*	299,733	0.1
3,443,847	Amryt Pharma	6,887,694	1.1
400,000	Amryt Pharma Sponsored	3,892,617	0.6
1,022,847	Amryt Revenue CVR*	100,404	0.0
243,665	Dechra Pharmaceuticals	8,786,560	1.4
1,934,350	Eco Animal Health	4,642,440	0.7
140,528	Genus	6,919,599	1.1
559,728	MaxCyte	3,638,232	0.6
1,675,000	MaxCyte Restricted	10,133,750	1.6
1,094,433	Oxford Biomedica	10,736,388	1.7
964,533	Verici Dx	723,400	0.1
37,909,468	Yourgene Health	4,928,231	0.8
		<b>61,817,505</b>	<b>9.8</b>
<b>Real Estate Investment &amp; Services</b>			
<b>(2.8%; 31.01.20 - 3.0%)</b>			
5,056,550	CLS	10,770,452	1.7
2,679,759	Grainger	7,133,518	1.1
		<b>17,903,970</b>	<b>2.8</b>
<b>Real Estate Investment Trusts</b>			
<b>(0.8%; 31.01.20 - 0.9%)</b>			
2,218,808	Londonmetric Property	5,041,132	0.8
		<b>5,041,132</b>	<b>0.8</b>
<b>Software &amp; Computer Services</b>			
<b>(5.1%; 31.01.20 - 7.1%)</b>			
1,084,069	Accesso	4,444,683	0.7
538,803	FDM	5,441,910	0.9
704,171	GB	6,027,704	0.9
2,666,666	Kape	5,013,332	0.8
768,087	Softcat	11,598,114	1.8
		<b>32,525,743</b>	<b>5.1</b>

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**PORTFOLIO STATEMENT (CONTINUED)**As at 31 January 2021

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Holding or nominal value of positions	Bid market value £	Percentage of total net assets %
<b>Support Services</b> (2.0%; 31.01.20 - 7.1%)		
5,904,855 Begbies Traynor	6,761,059	1.1
648,165 Electrocomponents	5,687,648	0.9
	<b>12,448,707</b>	<b>2.0</b>
<b>Technology Hardware &amp; Equipment</b> (1.5%; 31.01.20 - 1.0%)		
1,413,927 Quixant	1,838,105	0.3
3,148,851 Spirent Communications	7,510,010	1.2
	<b>9,348,115</b>	<b>1.5</b>
<b>Travel &amp; Leisure</b> (1.7%; 31.01.20 - 4.9%)		
6,344,309 Air Partner	4,250,687	0.7
3,329,444 Cake Box	6,725,477	1.0
	<b>10,976,164</b>	<b>1.7</b>
<b>Portfolio of investments</b>	<b>594,755,926</b>	<b>94.2</b>
<b>Net other assets</b>	<b>36,411,267</b>	<b>5.8</b>
<b>Total net assets</b>	<b>631,167,193</b>	<b>100.0</b>

\* Unquoted assets. All other holdings are equities quoted on recognised stock exchanges.

'Construction & Construction Materials' sector disinvested since the beginning of the period (31 January 2020: 1.6%).

'Infrastructure' sector disinvested since the beginning of the period (31 January 2020: 1.7%).

## SUMMARY OF FUND PERFORMANCE

A Accumulation Shares	1 Feb 2020 to 31 Jan 2021 (Pence per Share)	1 Feb 2019 to 31 Jan 2020 (Pence per Share)	1 Feb 2018 to 31 Jan 2019 (Pence per Share)
<b>Change in net assets per share</b>			
Opening net asset value per share	1098.66	897.84	928.82
Return before operating charges*	154.61	217.04	(14.99)
Operating charges	(16.03)	(16.22)	(15.99)
Return after operating charges*	138.58	200.82	(30.98)
Distributions	0.00	(3.98)	(1.06)
Retained distributions on accumulation shares	0.00	3.98	1.06
Closing net asset value per share	1,237.24	1098.66	897.84
* after direct transaction costs of:	1.68	3.51	2.57
<b>Performance</b>			
Return after charges	12.61%	22.37%	(3.34)%
<b>Other information</b>			
Closing net asset value	£2,152,457	£13,382,775	£9,489,438
Closing number of shares	173,972	1,218,096	1,056,919
Operating charges (p.a)	1.64%	1.64%	1.67%
Direct transaction costs (p.a)	0.17%	0.36%	0.27%
<b>Prices</b>			
Highest published share price	1,284.24	1,131.03	1049.66
Lowest published share price	674.42	884.35	853.00

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

## SUMMARY OF FUND PERFORMANCE (CONTINUED)

<b>B Accumulation Shares</b>	<b>1 Feb 2020 to 31 Jan 2021</b>	<b>1 Feb 2019 to 31 Jan 2020</b>	<b>1 Feb 2018 to 31 Jan 2019</b>
	(Pence per Share)	(Pence per Share)	(Pence per Share)
<b>Change in net assets per share</b>			
Opening net asset value per share	1,293.42	1,049.11	1077.17
Return before operating charges*	185.49	254.67	(17.86)
Operating charges	(10.68)	(10.36)	(10.20)
Return after operating charges*	174.81	244.31	(28.06)
Distributions	(4.29)	(13.24)	(9.59)
Retained distributions on accumulation shares	4.29	13.24	9.59
Closing net asset value per share	1,468.23	1,293.42	1,049.11
* after direct transaction costs of:	2.08	4.14	2.99
<b>Performance</b>			
Return after charges	13.52%	23.29%	(2.60)%
<b>Other information</b>			
Closing net asset value	£629,014,736	£412,256,891	£206,319,655
Closing number of shares	42,841,594	31,873,323	19,666,197
Operating charges (p.a.)	0.89%	0.89%	0.92%
Direct transaction costs (p.a.)	0.17%	0.36%	0.27%
<b>Prices</b>			
Highest published share price	1,523.75	1,331.34	1,221.66
Lowest published share price	794.77	1033.58	995.98

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



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**STATEMENT OF TOTAL RETURN**For the year ended 31 January 2021

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	Notes	£	31.01.21 £	31.01.20 £
Income				
Net capital gains	2		78,022,409	60,494,254
Revenue	3	5,647,070		6,153,154
Expenses	4	(3,985,606)		(2,768,213)
Interest payable and similar charges	6	(111)		(32)
Net revenue before taxation		1,661,353		3,384,909
Taxation	5	(87,010)		(75,821)
Net revenue after taxation			1,574,343	3,309,088
<b>Total return before distributions</b>			<b>79,596,752</b>	<b>63,803,342</b>
Distributions	6		(1,603,788)	(3,350,857)
<b>Change in net assets attributable to shareholders from investment activities</b>			<b>77,992,964</b>	<b>60,452,485</b>

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

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**STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS**For the year ended 31 January 2021

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	Notes	£	31.01.21 £	31.01.20 £
<b>Opening net assets attributable to shareholders</b>			<b>425,639,667</b>	<b>215,809,093</b>
<i>Movements due to sales and repurchases of shares:</i>				
Amounts receivable on issue of shares		317,089,901		239,665,666
Amounts payable on cancellation of shares		(191,345,561)		(94,020,923)
			125,744,340	145,644,743
Change in net assets attributable to shareholders from investment activities			77,992,964	60,452,485
Retained distributions on accumulation shares	6		1,790,222	3,733,346
<b>Closing net assets attributable to shareholders</b>			<b>631,167,193</b>	<b>425,639,667</b>

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**BALANCE SHEET**As at 31 January 2021

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	Notes	31.01.21 £	31.01.20 £
<b>Assets:</b>			
<b>Fixed Assets:</b>			
Investments		594,755,926	398,631,622
<b>Current Assets:</b>			
Debtors	7	9,875,936	7,024,049
Cash and bank balances	8	<u>39,642,310</u>	<u>24,745,619</u>
<b>Total assets</b>		<u><b>644,274,172</b></u>	<u><b>430,401,290</b></u>
<b>Liabilities:</b>			
<b>Creditors:</b>			
Other creditors	9	<u>13,106,979</u>	<u>4,761,623</u>
<b>Total liabilities</b>		<u><b>13,106,979</b></u>	<u><b>4,761,623</b></u>
<b>Net assets attributable to shareholders</b>		<u><b>631,167,193</b></u>	<u><b>425,639,667</b></u>

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**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31 January 2021

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**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.

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.

**(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 substantially 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.

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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**For the year ended 31 January 2021

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**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 bid prices, and quoted price for single priced funds, on the balance sheet date. If bid 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 gains**

	31.01.21	31.01.20
	£	£
Non-derivative securities	78,142,083	60,498,115
Currency (losses)/gains	(115,274)	7,139
Transaction charges	(4,400)	(11,000)
<b>Net capital gains</b>	<b>78,022,409</b>	<b>60,494,254</b>

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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**For the year ended 31 January 2021

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**3. Revenue**

	31.01.21	31.01.20
	£	£
UK franked dividends	4,466,485	5,529,244
UK unfranked dividends	144,207	173,349
Overseas dividends	1,035,828	489,404
Bank interest	-	19
Unfranked income currency losses	550	(38,862)
<b>Total revenue</b>	<b>5,647,070</b>	<b>6,153,154</b>

**4. Expenses**

	31.01.21	31.01.20
	£	£
<b>Payable to the ACD, associates of the ACD and agents of either:</b>		
Annual management charge	3,360,607	2,347,563
Registration fees	151,369	102,914
Administration fees	6,921	6,500
	<u>3,518,897</u>	<u>2,456,977</u>
<b>Payable to the Depositary, associates of the Depositary and agents of either:</b>		
Depositary's fees	86,907	70,400
Safe custody fees	10,716	8,377
	<u>97,623</u>	<u>78,777</u>
<b>Other expenses:</b>		
Audit fee	8,244	6,822
Tax fee	5,904	2,352
FCA fee	167	159
Research Fees	346,392	219,132
Other expenses	8,379	3,994
	<u>369,086</u>	<u>232,459</u>
<b>Total expenses</b>	<b>3,985,606</b>	<b>2,768,213</b>
	31.01.21	31.01.20
	£	£
<b>Fees payable to the company auditor for the audit of the company's annual financial statements:</b>		
Total audit fee	<u>8,244</u>	<u>6,822</u>
Total non-audit fees - Tax compliance services	<u>5,904</u>	<u>2,352</u>

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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**For the year ended 31 January 2021

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**5. Taxation****(a) Analysis of the charge in the year**

	31.01.21	31.01.20
	£	£
<b>Analysis of charge in the year</b>		
Overseas tax	87,010	75,821
<b>Total current tax for the year (see note 5(b))</b>	<u>87,010</u>	<u>75,821</u>
Deferred tax (see note 5(c))	-	-
<b>Total taxation for the year</b>	<u>87,010</u>	<u>75,821</u>

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:

	31.01.21	31.01.20
	£	£
Net revenue before taxation	<u>1,661,353</u>	<u>3,384,909</u>
Corporation tax at 20%	332,271	676,982
<b>Effects of:</b>		
Revenue not subject to taxation	(1,100,463)	(1,203,730)
Excess expenses for which no relief taken	768,192	526,748
Overseas taxation	87,010	75,821
<b>Total tax charge for the year (see note 5(a))</b>	<u>87,010</u>	<u>75,821</u>

**(c) Provision for deferred tax**

At 31 January 2021 the Fund had surplus management expenses of £10,322,330 (31 January 2020: £6,481,371). The deferred tax in respect of this would be £2,064,466 (31 January 2020: £1,296,274). 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.

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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**For the year ended 31 January 2021

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**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:

	31.01.21	31.01.20
	£	£
Interim - Accumulation (31 July)	238,739	1,958,888
Final - Accumulation (31 Jan)	1,551,483	1,774,458
	<u>1,790,222</u>	<u>3,733,346</u>
Add: Revenue deducted on cancellation of shares	200,315	263,590
Deduct: Revenue received on issue of shares	(386,749)	(646,079)
<b>Net distribution for the year</b>	<u><b>1,603,788</b></u>	<u><b>3,350,857</b></u>
Interest	111	32
<b>Total finance costs</b>	<u><b>1,603,899</b></u>	<u><b>3,350,889</b></u>
<b>Reconciliation to net distribution for the year</b>		
Net revenue after taxation	1,574,343	3,309,088
Income currency (losses)/gains	(1,054)	41,769
Losses transferred to capital	30,499	-
<b>Net distribution for the year</b>	<u><b>1,603,788</b></u>	<u><b>3,350,857</b></u>

Details of the distributions per share are set out on page 43.

**7. Debtors**

	31.01.21	31.01.20
	£	£
Amounts receivable for issue of shares	9,355,330	4,797,679
Sales awaiting settlement	-	1,426,083
Accrued revenue	519,425	799,082
Prepayments	11	35
Income tax recoverable	1,170	1,170
<b>Total debtors</b>	<u><b>9,875,936</b></u>	<u><b>7,024,049</b></u>

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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**For the year ended 31 January 2021

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**8. Cash and bank balances**

	31.01.21	31.01.20
	£	£
Cash and bank balances	39,642,310	24,745,619
<b>Total cash and bank balances</b>	<b>39,642,310</b>	<b>24,745,619</b>

**9. Other creditors**

	31.01.21	31.01.20
	£	£
Amounts payable for cancellation of shares	4,314,477	1,935,638
Purchases awaiting settlement	8,330,141	2,483,512
Accrued annual management charge	369,810	276,767
Accrued registration fees	13,186	9,085
Accrued administration fees	546	542
Accrued depositary fees	8,480	7,087
Accrued custody fees	5,289	1,717
Accrued audit fees	7,662	9,174
Accrued tax fees	8,256	2,352
Accrued research fees	49,132	35,749
<b>Total creditors</b>	<b>13,106,979</b>	<b>4,761,623</b>

**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 146,959 and 104,543 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.



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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**For the year ended 31 January 2021

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**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:

	<b>A Accumulation</b>
Opening shares at the start of the year	1,218,095.642
Total creation of shares in the year	665,198.502
Total cancellation of shares in the year	<u>(1,709,321.940)</u>
<b>Closing shares at the end of the year</b>	<b><u>173,972.204</u></b>

	<b>B Accumulation</b>
Opening shares at the start of the year	31,873,323.113
Total creation of shares in the year	25,796,995.906
Total cancellation of shares in the year	<u>(14,828,725.215)</u>
<b>Closing shares at the end of the year</b>	<b><u>42,841,593.804</u></b>

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 27 and 28. The distributions per share class are given in the distribution table on page 43. All share classes have the same rights on winding up.

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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**For the year ended 31 January 2021

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**12. Risk management policies**

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 2021			Net foreign currency assets at 31 January 2020		
	Monetary exposures	Non- monetary exposures	Total	Monetary exposures	Non- monetary exposures	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Australian Dollar	-	931	931	-	704	704
US Dollar	-	3,893	3,893	-	-	-

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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 £192,140 (31 January 2020: £64,017). 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 £782,245 (31 January 2020: £78,243). These calculations assume all other variables remain constant.

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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**For the year ended 31 January 2021

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**12. Risk management policies (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 £'000	Fixed rate financial assets £'000	Financial assets not interest bearing £'000	Floating rate financial liabilities £'000	Financial liabilities not interest bearing £'000	Total £'000
<b>31.01.21</b>						
Australian Dollar	-	-	931	-	-	931
Sterling	39,642	-	599,808	-	(13,107)	626,343
US Dollar	-	-	3,893	-	-	3,893
<b>31.01.20</b>						
Australian Dollar	-	-	704	-	-	704
Sterling	24,746	-	404,952	-	(4,762)	424,936

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.

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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**For the year ended 31 January 2021

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**12. Risk management policies (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 £59,475,593 (31 January 2020: £39,863,162). This calculation assumes all other variables remain constant.

**(f) Fair value of financial assets and liabilities**

Valuation technique	INVESTMENT ASSETS	
	31 January 2021	31 January 2020
	£	£
Level 1: Quoted Prices	594,200,532	395,212,283
Level 2: Observable Market Data	-	-
Level 3: Unobservable Data	555,394	3,419,339
	<u>594,755,926</u>	<u>398,631,622</u>

As at the year-end there were no investment liabilities (31 January 2020: £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 2020: £nil).

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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**For the year ended 31 January 2021

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**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 costs below, indirect costs are incurred through the bid offer spread. These are not included in this analysis. 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.

	31.01.21		31.01.20	
	£		£	
<b>Analysis of total purchase costs</b>				
<b>PURCHASES</b>				
Equities	291,449,866		252,003,937	
Investment Trusts	900,000		850,292	
Net purchases before direct transaction costs	292,349,866		252,854,229	
		<b>% of total</b>		
		<b>purchases</b>	<b>% of total</b>	
			<b>purchases</b>	
<b>DIRECT TRANSACTION COSTS</b>				
Equities	579,947	0.20%	945,343	0.37%
Investment Trusts	-	0.00%	5,107	0.00%
Total direct transaction costs	579,947	0.20%	950,450	0.37%
<b>Gross purchases total</b>	<b>292,929,813</b>		<b>253,804,679</b>	
<b>Analysis of total sale costs</b>				
<b>SALES</b>				
Equities	174,779,566		108,558,148	
Gross sales before direct transaction costs	174,779,566		108,558,148	
		<b>% of total</b>		
		<b>sales</b>	<b>% of total</b>	
			<b>sales</b>	
<b>DIRECT TRANSACTION COSTS</b>				
Equities	(187,805)	0.11%	(126,430)	0.12%
Total direct transaction costs	(187,805)	0.11%	(126,430)	0.12%
<b>Net sales total</b>	<b>174,591,761</b>		<b>108,431,718</b>	

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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**For the year ended 31 January 2021

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**13. Transaction costs (continued)****(a) Direct transaction costs (continued)**

	31.01.21	% of	31.01.20	% of
	£	average NAV	£	average NAV
<b>Analysis of total direct transaction costs</b>				
Equities	767,752	0.17%	1,071,773	0.37%
Investment Trusts	-	0.00%	5,107	0.00%
Total direct transaction costs	<u>767,752</u>	<u>0.17%</u>	<u>1,076,880</u>	<u>0.37%</u>

**(b) Average portfolio dealing spread**

The average portfolio dealing spread of the investments at the balance sheet date was 1.68% (31 January 2020: 1.30%). 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 2020: £nil).

**15. Going concern**

During the period from the date of the Balance Sheet to the date that the Financial Statements were approved, the coronavirus (COVID-19) outbreak has caused extensive disruptions to businesses and economic activities globally. The uncertainties over the emergence and spread of COVID-19 have caused market volatility on a global scale.

The Fund's business activities, together with the factors likely to affect its future development, performance and position are set out in the Investment Manager's Investment Review on pages 15 to 20. The Fund has sufficient resources to meet both further investments in portfolio companies and working capital requirements for the foreseeable future. The ACD believes the key risk facing the Fund to be the Fund's ability to cover any potential significant redemptions out of the Fund. However, as the assets of the Fund consist predominantly of readily realisable securities the ACD believes the Fund is well positioned to manage its business risks successfully. In light of this the ACD has a reasonable expectation that the Fund will continue in operational existence for the foreseeable future. Accordingly, it continues to adopt the going concern basis in preparing the financial statements.

**16. Post balance sheet events**

During the period from the date of the Balance Sheet to the date that the Financial Statements were approved, the coronavirus (COVID-19) outbreak has caused extensive disruptions to businesses and economic activities globally. The uncertainties over the emergence and spread of COVID-19 have caused market volatility on a global scale. In accordance with the requirements of FRS 102 the fair valuations at the Balance Sheet date reflect the economic conditions in existence at that date.

Since the Balance Sheet date, the valuation of the quoted investments held has increased from £594,755,926 to £893,230,013 (30 April 2021).

Subsequent to the year-end, the net asset value per share of each share class has changed as follows:

A Accumulation Shares – Increased from 1,237.73 pence per share to 1,387.02 pence per share (30 April 2021).

B Accumulation Shares – Increased from 1,468.81 pence per share to 1,649.07 pence per share (30 April 2021).

There are no post balance sheet events which require adjustments at the year-end.

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**DISTRIBUTION TABLE**For the year ended 31 January 2021

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**Interim Distribution (31 July 2020)**

Group 1 - Shares purchased on or prior to 31 January 2020

Group 2 - Shares purchased after 31 January 2020

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Shares	Revenue	Equalisation <sup>1</sup>	Accumulated 30.09.20	Accumulated 30.09.19
	(pence)	(pence)	(pence)	(pence)
<b>A Accumulation</b>				
Group 1	-	-	-	3.0754
Group 2	-	-	-	3.0754
<b>B Accumulation</b>				
Group 1	0.6673	-	0.6673	7.7063
Group 2	0.0834	0.5839	0.6673	7.7063

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**Final Distribution (31 January 2021)**

Group 1 - Shares purchased on or prior to 31 July 2020

Group 2 - Shares purchased after 31 July 2020

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Shares	Revenue	Equalisation <sup>1</sup>	Accumulated 31.03.21	Accumulated 31.03.20
	(pence)	(pence)	(pence)	(pence)
<b>A Accumulation</b>				
Group 1	-	-	-	0.9060
Group 2	-	-	-	0.9060
<b>B Accumulation</b>				
Group 1	3.6214	-	3.6214	5.5325
Group 2	1.1340	2.4874	3.6214	5.5325

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<sup>1</sup> Equalisation applies only to shares purchased during the distribution period (Group 2 shares). It is the average amount of revenue included in the purchase price of all Group 2 shares and is refunded to holders of these shares as a return of capital. Being capital, it is not liable to income tax but must be deducted from the cost of shares for capital gains tax purposes.

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## DIRECTORY

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### The Company

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

### Authorised Corporate Director (ACD)

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

Tel: 0115 988 8200  
Website: [www.tbaileyfs.co.uk](http://www.tbaileyfs.co.uk)

Authorised and regulated by the Financial Conduct Authority.

### Directors of the ACD

Miss J L Kirk (appointed 1 October 2020)  
Mr G M J Padbury  
Mrs R E Elliott  
Mrs A E Troup (Non-Executive)  
Mr A Kerneis (Non-Executive)  
Mrs H C Stevens (resigned 30 April 2020)  
Mr M Hughes (resigned 6 November 2020)

### Investment Manager

Amati Global Investors Limited  
8 Coates Crescent  
Edinburgh  
EH3 7AL

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

Authorised and regulated by the Financial Conduct Authority.

### Depository

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

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

### Registrar and Share Dealing

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

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

Authorised and regulated by the Financial Conduct Authority.

### Auditor

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

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

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