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**Amati**  
Global Investors



T.BAILEY

## TB Amati Investment Funds (Formerly CF Amati Investment Funds)

**Interim Unaudited Report and Financial Statements**  
31 July 2012

**TB Amati UK Smaller Companies Fund**  
(formerly CF Amati UK Smaller Companies Fund)



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## THE MANAGER

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Amati Global Investors Ltd is the investment manager (the 'Manager') of TB Amati Investment Funds (the 'Company'). The Authorised Corporate Director (the 'ACD'), from 1 August 2012, is T. Bailey Fund Managers Limited. Prior to this, the ACD was Capita Financial Managers Limited (see note below – Change of ACD). The day to day administration of the Company is delegated to T. Bailey Asset Management Limited.

Amati Global Investors Ltd, T. Bailey Fund Managers Limited and T. Bailey Asset Management Limited are authorised and regulated by the Financial Services Authority. Further information about Amati Global Investors Ltd 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.tbailey.co.uk/amati](http://www.tbailey.co.uk/amati).

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.tbailey.co.uk/amati](http://www.tbailey.co.uk/amati) and also on [www.fundlistings.co.uk](http://www.fundlistings.co.uk).

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## RISK PROFILE

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Please remember that both the price of shares and the revenue derived from them may go down as well as up and that you may not get back the money you invested. Furthermore, changes in foreign currency exchange rates may cause the value of your investment to increase or diminish. Capital appreciation in the early years will be adversely affected by the impact of any initial charges which by their nature are not levied uniformly throughout the life of the investment. You should, therefore, regard your investment as medium to long term. Past performance is not a reliable indicator of future results.

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## OTHER INFORMATION

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

The Key Investor Information document and Supplementary Information document are also available from [www.tbailey.co.uk/amati](http://www.tbailey.co.uk/amati).

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## CHANGE OF AUTHORISED CORPORATE DIRECTOR (ACD)

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From 1 August 2012 the Authorised Corporate Director (ACD) of the Fund changed from Capita Financial Managers Limited to T. Bailey Fund Managers Limited. As a result the name of the Company changed from CF Amati Investment Funds to TB Amati Investment Funds. Also on this date the Depositary of the Fund changed from BNY Mellon Trust & Depositary (UK) Limited to National Westminster Bank Plc and the Auditors changed from Kinetic Partners Audit LLP to Deloitte LLP.

The above changes were classified as a significant change under the FSA Handbook and were therefore notified to shareholders in advance.

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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 Services Authority with effect from 26 March 2008. The Company has an unlimited duration. It is a UCITS scheme as detailed in the Collective Investment Schemes Sourcebook (COLL) and also an umbrella company for the purposes of the OEIC regulations.

Shareholders are not liable for the debts of the Company. A Shareholder is not liable to make any further payment to the Company after he has 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 FSA and the agreement of the Depositary. On the introduction of any new Sub-fund or Class, a revised prospectus will be prepared setting out the relevant details of each Sub-fund or Class.

The assets of each Sub-fund will be treated as separate from those of every other Sub-fund and will be invested in accordance with the investment objective and investment policy applicable to that Sub-fund. Investment of the assets of each of the Sub-funds must comply with the COLL Sourcebook and the investment objective and policy of the relevant Sub-fund.

However, please note, on 21 December 2011, the Open Ended Investment Companies Regulations were amended to introduce a 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.

At the date of these accounts the Protected Cell Regime has not been implemented for TB Amati Investment Funds.

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## **INVESTMENT OBJECTIVE AND POLICY**

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

### **Asset Allocation**

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

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

The benchmark of the Fund is the Numis Smaller Companies (inc AIM ex investment trusts) index.

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## ONGOING CHARGES FIGURE

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The Ongoing Charges Figure ('OCF') includes the Annual Management Charge ('AMC') and other operating expenses (Depositary's fees, audit fee etc). The OCFs, as calculated in accordance with the FSA Handbook COLL 4, Annex 1, are as follows:

	<b>01.02.11 to 31.07.12 % p.a.</b>
TB Amati UK Smaller Companies - B Shares	1.23
TB Amati UK Smaller Companies - A Shares	1.88

The Company's AMC is 0.85% for the B Shares and 1.50% for the A Shares.

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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 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 Fund's ranking is 6.

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## STATEMENT OF ACD'S RESPONSIBILITIES

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The ACD of the Company is responsible for preparing the Report and the Financial Statements in accordance with the Open-Ended Investment Companies Regulations 2001 ("the OEIC Regulations"), the Financial Services Authority's Collective Investment Schemes' Sourcebook ("COLL") and the Company's Instrument of Incorporation.

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

- are in accordance with United Kingdom Generally Accepted Accounting Practice ("United Kingdom Accounting Standards and applicable law") and the Statement of Recommended Practice: "Financial Statements of Authorised Funds" issued by the Investment Management Association ("IMA SORP") in October 2010; and
- give a true and fair view of the financial position of the Company as at the end of that period and the net revenue and the net capital gains or losses on the property of the Company for that period.

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

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

The ACD is responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the applicable IMA 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.

T. Bailey Fund Managers Limited became ACD of the TB Amati UK Smaller Companies Fund on 1 August 2012, taking over from Capita Financial Managers Limited. As Capita Financial Managers Limited were the ACD for the period covered by this Financial Statement, information contained in the Financial Statements for the six months ended 31 July 2012 has been provided by both Capita Financial Managers Limited and T. Bailey Fund Managers Limited.

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## DIRECTORS' STATEMENT

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In accordance with the requirements of the Financial Services Authority's Collective Investment Schemes sourcebook, I hereby certify the report on behalf of the Directors of T. Bailey Fund Managers Limited.

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 consists of predominantly securities readily realisable and, accordingly the Company has adequate resources to continue in operational existence in the foreseeable future.

**Peter Letley**  
**Director**  
**14 September 2012**

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## INVESTMENT REVIEW

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### Performance

	Cumulative returns for the periods ended 31 July 2012 (%)			
	6 months	1 year	3 years	From launch <sup>1</sup>
A Accumulation Shares	(2.28)	(8.60)	87.63	66.17
Numis Smaller Companies Index (inc AIM, ex Inv Trusts) (formerly RBS Hoare Govett)	0.19	(7.03)	47.40	30.44

<sup>1</sup> 29 July 2008.

Source: Financial Express, T. Bailey. Total Return, Bid to Bid

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

Note: The TB Amati UK Smaller Companies Fund (formerly CF Amati UK Smaller Companies Fund) was seeded by the transfer of the First State British Smaller Companies Fund to CFM on 29 July 2008. Those investors who held shares in First State British Smaller Companies Fund and transferred their holdings to the CF Amati UK Smaller Companies Fund at this date should refer to the additional performance data shown on page 19.

### Manager's Review

The Eurozone sovereign debt crisis dominated the news during the six month period from February to July 2012. Equity markets started the period strongly on expectations of further ECB liquidity injections and an orderly resolution to the Greek crisis. Momentum continued into March, aided by improved sentiment in the US and China, however, by April the market was pausing for breath. An inconclusive Greek election and the re-surfacing of a banking crisis in Spain sent equity markets sharply lower in May. The 'risk-off' sentiment resulted in a broad sell-off although particular pain was felt by investors in commodities and natural resource stocks. By June a way out seemed plausible as Eurozone leaders agreed to recapitalise struggling banks directly. This action created a recognition that the sell-off in May had created buying opportunities, which sent equities higher in June and July, albeit on small volumes. However, the Eurozone crisis is still very much ongoing, and likely to become the source of further shocks later in the year. Asset allocation decisions in this environment are extremely difficult.

### Performance

The fund has underperformed its benchmark by 2.5% over the six month period, falling 2.3% compared to a 0.2% rise for the benchmark index. We ended January with an overweight exposure to natural resources, which was a very strong sector in January and February, but fell back sharply in April as fears of a stalling Chinese economy hit sentiment, and commodity prices began to fall. Despite taking profits in this area, the fund remained with a higher weighting than the benchmark and this effected performance after April. Equally, we have adopted a cautious stance this year, in terms of building up liquidity and cash levels in anticipation of further problems from the Eurozone. We deployed this cash to some degree during the rally from May to July, but didn't participate as fully as we could have in it. Whilst this may have been overly cautious, we think the unsolved issues in Europe do justify this stance.

A number of the best performing stocks in the period were from the natural resources sector, in particular Cove Energy and Nautical Petroleum, both of which were the subject of takeovers. In addition two mining stocks which were relatively little known "special situations", namely Sierra Rutile and Gemfields, both also performed strongly, despite the weakness of the mining sector as a whole. This was offset by falls in Anglo Pacific, Kenmare, Petra Diamonds and Griffin, which were related to commodity price moves. Elsewhere GB Group, Idox, Sabien Technology, Sportech and Paypoint all performed well, and are representative of the kind of companies that can continue to grow in a recession.

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## INVESTMENT REVIEW (CONTINUED)

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On the negative side, the biggest disappointment was Hargreaves Services, which is one of the fund's core holdings, and a material position. During May Hargreaves announced that the works to prepare a new face at their underground coal mine in Maltby had hit a highly exceptional and completely unexpected problem, which would result in a four month delay in getting the face ready. This in turn means that once the current face finishes there will be a hiatus in production for four months, with a significant loss of revenue. The resultant profit downgrade was around 30%, and although one-off in nature, it has shaken the confidence of the market. We hold Hargreaves because we believe it to be outstandingly well managed, and therefore remain confident that the problem will be fixed on schedule, and is unlikely to recur. The next period will provide confirmation one way or the other, and we are hopeful that the issues at the Maltby mine will be resolved soon. Other fallers during the period included Entertainment One, which fell back after expectations of a bid didn't materialise, and Software Radio Technology, which saw orders being delayed during the period. In addition, Asian Citrus declined following news that higher than expected rainfall resulted in greater than normal consumption of fertilizer and pesticides at its orange farms, which pushed up costs. This was compounded by lower concentrate prices worldwide, which impacted juicing margins. We see significant potential for these stocks to bounce back in due course.

### Transactions

Significant new purchases during the period included: the software companies, Aveva and Idox; the manufacturer of collagen sausage skins, Devro; the funeral provider and operator of crematoria, Dignity; the scientific instrument and nano-technology specialist, Oxford Instruments; the inkjet print head manufacturer Xaar; and the pre-eminent manufacturer of PEAK (a high-performance plastic), Victrex. We have sought to focus the fund on companies which we believe can grow through the current tough economic conditions.

Companies we sold (other than those which were taken over) included: Advanced Medical Solutions, GB Group, Kenmare Resources, and RPC. Sales were motivated either by valuations having run too high, or specific economic concerns.



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**INVESTMENT REVIEW (CONTINUED)**

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The asset allocations at the balance sheet date are shown below:

<b>Sector</b>	<b>Asset allocation as at 31 July 2012 (%)</b>	<b>Asset allocation as at 31 January 2012 (%)</b>
Oil & Gas Producers	4.1	8.7
Chemicals	4.8	-
Mining	12.2	11.2
Electronic & Electronic Equipment	8.7	9.2
Industrial Engineering	1.6	0.5
Industrial Transportation	2.1	0.6
Support Services	7.6	10.9
Food Producers	8.2	7.1
Healthcare Equipment & Services	1.4	1.6
Pharmaceuticals & Biotechnology	3.8	3.5
General Retailers	1.7	-
Media	3.1	7.8
Travel & Leisure	5.5	7.9
Electricity	0.8	0.8
Real Estate Investment & Services	0.1	0.1
Real Estate Investment Trusts	0.9	1.2
Financial Services	5.8	6.3
Equity Investment Instruments	0.6	0.7
Software & Computer Services	7.5	2.9
Technology Hardware & Equipment	2.8	1.8
General Industries	-	3.2
Industrial Metals & Mining	-	1.0
Cash and Other	16.7	13.0
<b>Total</b>	<b>100.0</b>	<b>100.0</b>

The list of holdings at the balance sheet date is shown on pages 9 to 13.

**Outlook**

Unfortunately, the global economic outlook has not improved since we last wrote our Fund Manager's Review in February 2012. Whilst pedestrian US growth and a slowing China have dampened enthusiasm, the situation in the Eurozone remains the issue dominating newsflow and causing most consternation amongst investors. Political sound-bites as much as hard data have provided the catalyst for market lurches as sentiment has moved from 'risk off' to 'risk on' and back again, albeit on historically low trading volumes. The lack of a credible solution to the sovereign debt crises engulfing the southern states suggest that volatility will continue and this is undoubtedly holding back equities.

We maintain a focus on business models that can produce revenue and earnings growth in an environment of low or negative economic growth. This has led us to invest in businesses where we see compelling and resilient structural growth stories, often driven by the steadily increasing adoption of a relatively new technology, such as PEAK in the case of Victrex, or of piezoelectric drop-on-demand ink-jet print heads in the case of Xaar, or of something apparently simpler like collagen sausage skins in the case of Devro.

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**INVESTMENT REVIEW (CONTINUED)**

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The outlook for stocks will also be influenced by fund flows, which continue to show a bias towards bonds, at the expense of equities. With low bond yields set against attractive equity dividend yields, repaired balance sheets following the onset of the financial crisis and the prospect for capital growth, it is reasonable to expect that this situation cannot persist and investors will begin to reallocate towards equities. This would, of course, be good news for share prices. In conclusion, whilst we remain pessimistic over the short to medium term outlook for the global economy, and would not rule out further shocks precipitated by a deterioration of the Eurozone sovereign debt situation, we continue to see good value and long-term growth opportunities in our portfolio.



**Paul Jourdan**  
**Fund Manager**  
**Amati Global Investors Ltd**  
**14 September 2012**



**Douglas Lawson**  
**Fund Manager**  
**Amati Global Investors Ltd**  
**14 September 2012**



**David Stevenson**  
**Fund Manager**  
**Amati Global Investors Ltd**  
**14 September 2012**

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**PORTFOLIO STATEMENT**As at 31 July 2012

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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>Oil &amp; Gas Producers</b>			
<b>(4.1%; 31.01.12 - 8.7%)</b>			
10,000	Coastal Energy Company	91,000	0.8
160,000	Faroe Petroleum	235,200	2.1
70,000	Salamander Energy	131,530	1.2
		<b>457,730</b>	<b>4.1</b>
<b>Chemicals</b>			
<b>(4.8%; 31.01.12 - 0.0%)</b>			
44,232	Carclo	194,621	1.7
60,000	Elementis	125,880	1.1
17,500	Victrex	221,900	2.0
		<b>542,401</b>	<b>4.8</b>
<b>Mining</b>			
<b>(12.2%; 31.01.12 - 11.2%)</b>			
153,120	African Mining & Exploration Warrants	-	0.0
279,291	Altona Energy	8,379	0.1
73,788	Anglo Pacific Group	166,023	1.5
563,898	Gemfields	208,642	1.8
800,000	Goldplat	96,000	0.9
500,000	Griffin Mining	150,000	1.3
125,000	Highland Gold Mining	144,062	1.3
1,400,000	Ormonde Mining	87,500	0.8
120,000	Petra Diamonds	143,880	1.3
400,000	Rambler Metals and Mining	102,000	0.9
350,000	Sierra Rutile	262,500	2.3
		<b>1,368,986</b>	<b>12.2</b>

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**PORTFOLIO STATEMENT (CONTINUED)**As at 31 July 2012

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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>Electronic &amp; Electronic Equipment (8.7%; 31.01.12 - 9.2%)</b>			
12,000	Oxford Instruments	150,240	1.3
1,339,660	Sabien Technology Group	442,088	3.9
104,500	Xaar	239,305	2.1
13,343	XP Power	146,773	1.4
		<b>978,406</b>	<b>8.7</b>
<b>Industrial Engineering (1.6%; 31.01.12 - 0.5%)</b>			
50,000	Fenner	175,650	1.6
		<b>175,650</b>	<b>1.6</b>
<b>Industrial Transportation (2.1%; 31.01.12 - 0.6%)</b>			
15,000	Clarkson	192,000	1.7
39,000	SKIL Ports & Logistics	41,340	0.4
		<b>233,340</b>	<b>2.1</b>
<b>Support Services (7.6%; 31.01.12 - 10.9%)</b>			
48,359	Brammer	107,840	0.9
150,000	Capital Drilling	86,250	0.8
40,186	Hargreaves Services	288,134	2.6
30,000	PayPoint	209,550	1.9
186,000	Tribal Group	153,450	1.4
		<b>845,224</b>	<b>7.6</b>

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**PORTFOLIO STATEMENT (CONTINUED)**As at 31 July 2012

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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>Food Producers</b> <b>(8.2%; 31.01.12 - 7.1%)</b>		
1,384,834 Asian Citrus Holdings	408,526	3.7
341,981 China Food Company	78,656	0.7
74,452 Devro	216,655	1.9
26,200 New Britain Palm Oil	216,150	1.9
	<b>919,987</b>	<b>8.2</b>
<b>Healthcare Equipment &amp; Services</b> <b>(1.4%; 31.01.12 - 1.6%)</b>		
17,080 Synergy Health	154,062	1.4
	<b>154,062</b>	<b>1.4</b>
<b>Pharmaceuticals &amp; Biotechnology</b> <b>(3.8%; 31.01.12 - 3.5%)</b>		
75,000 Eco Animal Health Group	186,000	1.7
340,000 Vectura Group	232,900	2.1
	<b>418,900</b>	<b>3.8</b>
<b>General Retailers</b> <b>(1.7%; 31.01.12 - 0.0%)</b>		
21,000 Dignity	187,215	1.7
	<b>187,215</b>	<b>1.7</b>
<b>Media</b> <b>(3.1%; 31.01.12 - 7.8%)</b>		
142,487 Entertainment One	223,704	2.0
559,867 Progressive Digital Media Group	123,171	1.1
	<b>346,875</b>	<b>3.1</b>

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**PORTFOLIO STATEMENT (CONTINUED)**As at 31 July 2012

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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>Travel &amp; Leisure</b> <b>(5.5%; 31.01.12 - 7.9%)</b>		
96,222 Cupid	189,798	1.7
480,000 Sportech	289,200	2.6
400,000 Sportingbet	134,000	1.2
	<b>612,998</b>	<b>5.5</b>
<b>Electricity</b> <b>(0.8%; 31.01.12 - 0.8%)</b>		
222,922 OPG Power Ventures	90,283	0.8
	<b>90,283</b>	<b>0.8</b>
<b>Real Estate Investment &amp; Services</b> <b>(0.1%; 31.01.12 - 0.1%)</b>		
307,276 Puma Brandenburg	14,492	0.1
	<b>14,492</b>	<b>0.1</b>
<b>Real Estate Investment Trusts</b> <b>(0.9%; 31.01.12 - 1.2%)</b>		
58,000 NewRiver Retail	101,500	0.9
	<b>101,500</b>	<b>0.9</b>
<b>Financial Services</b> <b>(5.8%; 31.01.12 - 6.3%)</b>		
15,000 Brooks Macdonald Group	181,500	1.6
214,646 London Capital Group Holdings	128,788	1.2
100,000 Noble Investments (UK)	168,000	1.5
95,000 Paragon Group Companies	168,150	1.5
	<b>646,438</b>	<b>5.8</b>

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**PORTFOLIO STATEMENT (CONTINUED)**As at 31 July 2012

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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>Equity Investment Instruments (0.6%; 31.01.12 - 0.7%)</b>		
48,820 Jurdica Investments	37,347	0.3
980,000 London Asia Capital	38,514	0.3
	<b>75,861</b>	<b>0.6</b>
<b>Software &amp; Computer Services (7.5%; 31.01.12 - 2.9%)</b>		
9,250 Aveva Group	165,113	1.5
84,571 Escher Group Holdings	180,136	1.6
500,000 eServGlobal	62,500	0.5
525,000 idox	202,125	1.8
50,000 InternetQ	112,500	1.0
85,000 iomart Group	121,550	1.1
	<b>843,924</b>	<b>7.5</b>
<b>Technology Hardware &amp; Equipment (2.8%; 31.01.12 - 1.8%)</b>		
555,000 Software Radio Technology	113,775	1.0
275,000 Telit Communications	145,750	1.3
30,000 Ubisense Group	60,900	0.5
	<b>320,425</b>	<b>2.8</b>
<b>Portfolio of investments</b>	<b>9,334,697</b>	<b>83.3</b>
<b>Net other assets</b>	<b>1,873,400</b>	<b>16.7</b>
<b>Total net assets</b>	<b>11,208,097</b>	<b>100.0</b>

*Note: 'General Industries' (31 Jan 2012: 3.2%) and 'Industrial Metals & Mining' (31 Jan 2012: 1.0%) Sectors disinvested since the beginning of the period.*

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## SUMMARY OF FUND PERFORMANCE

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### Share Prices and Revenue

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Calendar year	B Accumulation shares			A Accumulation shares		
	Highest price	Lowest price	Net revenue accumulated per share	Highest price	Lowest price	Net revenue accumulated per share
	(pence)	(pence)	(pence)	(pence)	(pence)	(pence)
2008 <sup>1</sup>	232.51	147.08	-	214.04	135.16	-
2009	250.43	148.03	2.5679	228.55	135.80	1.3007
2010	374.79	252.16	-	339.82	229.96	-
2011	417.28	347.89	-	377.03	313.84	-
2012 <sup>2</sup>	429.23	361.24	3.1523	386.10	325.32	0.3894

<sup>1</sup> From 29 July. <sup>2</sup> Prices to 31 July and net revenue to 30 September.

### Net Asset Values

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Date	B Accumulation shares			A Accumulation shares		
	Total shares in issue	NAV per share	NAV	Total shares in issue	NAV per share	NAV
		(pence)	(£)		(pence)	(£)
31 Jan 2010	129,945	254.08	330,166	1,961,251	231.76	4,545,306
31 Jan 2011	105,866	397.26	420,562	2,533,094	359.99	9,118,760
31 Jan 2012	358,587	381.71	1,368,778	2,672,491	343.63	9,183,434
31 Jul 2012	615,113	374.42	2,303,109	2,650,777	335.94	8,904,988

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



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**STATEMENT OF TOTAL RETURN**For the six month period ended 31 July 2012

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		31.07.12	31.07.11
	£	£	£
Income			
Net capital (losses)/gains		(285,111)	304,288
Revenue	73,568		68,789
Expenses	(101,789)		(103,953)
Finance costs: Interest	-		(11)
Net expense before taxation	(28,221)		(35,175)
Taxation	(413)		-
Net expense after taxation		(28,634)	(35,175)
<b>Total (loss)/return before distributions</b>		<b>(313,745)</b>	<b>269,113</b>
Finance costs: Distributions		-	-
<b>Change in net assets attributable to shareholders from investment activities</b>		<b>(313,745)</b>	<b>269,113</b>

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**STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS**For the six months period ended 31 July 2012

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		31.07.12	31.07.11
	£	£	£
<b>Opening net assets attributable to shareholders</b>		<b>10,552,212</b>	<b>9,539,322</b>
<i>Movements due to sales and repurchases of shares:</i>			
Amounts receivable on issue of shares	1,688,366		4,436,924
Amounts payable on cancellation of shares	(714,935)		(2,391,550)
		973,431	2,045,374
Stamp duty reserve tax		(3,801)	(10,652)
Change in net assets attributable to shareholders from investment activities		(313,745)	269,113
<b>Closing net assets attributable to shareholders</b>		<b>11,208,097</b>	<b>11,843,157</b>

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

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**BALANCE SHEET**As at 31 July 2012

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	31.07.12	31.01.12
	£	£
<b>Assets:</b>		
<b>Investment assets</b>	<b>9,334,697</b>	<b>9,175,963</b>
Debtors	10,357	246,748
Cash and bank balances	1,916,409	1,282,410
<b>Total other assets</b>	<b>1,926,766</b>	<b>1,529,158</b>
<b>Total assets</b>	<b>11,261,463</b>	<b>10,705,121</b>
<b>Liabilities:</b>		
Creditors	45,908	152,909
Bank overdrafts	7,458	-
<b>Total liabilities</b>	<b>53,366</b>	<b>152,909</b>
<b>Net assets attributable to shareholders</b>	<b>11,208,097</b>	<b>10,552,212</b>

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**NOTES TO THE FINANCIAL STATEMENTS**

As at 31 July 2012

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**1. Accounting policies**

The financial statements have been prepared on the basis of the accounting policies set out in the Annual Report and Financial Statements for the year ended 31 January 2012.

**2. Transaction costs**

There were no material transaction costs in the period.

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**DISTRIBUTION TABLE**As at 31 July 2012

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**Interim Distribution (31 July 2012)**

Group 1 - Shares purchased on or prior to 31 January 2012

Group 2 - Shares purchased after 31 January 2012

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Shares	Gross revenue	Tax credit at 10%	Net revenue	Equal-isation <sup>1</sup>	Paid/Acc-umulated 30.09.12	Paid/Acc-umulated 30.09.11
	(pence)	(pence)	(pence)	(pence)	(pence)	(pence)

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**B Accumulation**

Group 1	-	-	-	-	-	-
Group 2	-	-	-	-	-	-

**A Accumulation**

Group 1	-	-	-	-	-	-
Group 2	-	-	-	-	-	-

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

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**APPENDIX**

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**Additional Performance Data**

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	Cumulative returns for the periods ended 31 July 2012 (%)				
	6 months	1 year	3 years	5 years	10 years
A Accumulation Shares	(2.28)	(8.60)	87.63	16.43	250.22
Numis Smaller Companies Index (Inc AIM, ex Inv Trust) (formerly RBS Hoare Govett)	0.19	(7.03)	47.40	(6.74)	138.65

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*Source: Amati Global Investors Ltd*

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

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## DIRECTORY

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### The Company

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

### ACD (prior to 1 August 2012)

Capita Financial Managers Limited  
Ibex House  
42-47 Minories  
London EC3N 1DX

Authorised and regulated by the Financial Services Authority.

### ACD (from 1 August 2012)

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

Tel: 0115 988 8200  
Fax: 0115 988 8222  
Website: www.tbailey.co.uk

Authorised and regulated by the Financial Services Authority.

### Directors of the ACD

Mr Q F Baer  
Mr P A Letley  
Mr N J Forman Hardy  
Mr M Hughes

### Investment Manager

Amati Global Investors Limited  
18 Charlotte Square  
Edinburgh EH2 4DF

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

Authorised and regulated by the Financial Services Authority.

### Depository (prior to 1 August 2012)

BNY Mellon Trust & Depository (UK) Limited  
The Bank of New York Mellon Centre  
160 Queen Victoria Street  
London EC4V 4LA

Authorised and regulated by the Financial Services Authority.

### Depository (from 1 August 2012)

National Westminster Bank Plc  
Trustee & Depository Services  
7<sup>th</sup> Floor, 135 Bishopsgate  
London EC2M 2UR

Authorised and regulated by the Financial Services Authority.

### Registrar and Share Dealing

T. Bailey Asset Management Limited  
64 St. James's Street  
Nottingham NG1 6FJ

Tel: 0115 988 8200  
Fax: 0115 988 8222  
Dealing Line: 0115 988 8275

Authorised and regulated by the Financial Services Authority.

### Auditors (from 1 August 2012)

Deloitte LLP  
4 Brindleyplace  
Birmingham B1 2HZ

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

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