

Finely crafted investments

Amati
Global Investors



T.BAILEY

TB Amati Investment Funds

Interim Report and Financial Statements (Unaudited)
31 July 2013

TB Amati UK Smaller Companies Fund

THE MANAGER

Amati Global Investors Ltd is the investment manager (the 'Manager') of TB Amati Investment Funds (the 'Company'). The Authorised Corporate Director (the 'ACD'), is T. Bailey Fund Managers Limited. 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 Conduct Authority. Further information about Amati Global Investors Ltd and the funds which it manages can be found at www.amatiglobal.com.

YOUR INVESTMENTS

You can buy or sell shares in the Company through your Financial Advisor. Alternatively, you can telephone the dealing line; 0115 988 8275, during normal office hours. Application forms can be requested in writing from the ACD or by calling the Client Services Team on the dealing line. They can also be downloaded from www.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 and also on www.fundlistings.co.uk.

RISK PROFILE

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.

OTHER INFORMATION

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.

The Key Investor Information document and Supplementary Information document are also available from www.tbailey.co.uk/amati.

AUTHORISED STATUS

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

Shareholders are not liable for the debts of the Company. A Shareholder is not liable to make any further payment to the Company after he has paid the price on purchase of the Shares.

STRUCTURE OF THE COMPANY

The Company is structured as an umbrella company, in that different Sub-funds may be established from time to time by the ACD with the approval of the FCA and the agreement of the Depositary. On the introduction of any new Sub-fund or 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. The regulations allow a transitional period for implementation of the Protected Cell Regime, but it must be in place before 20 December 2013.

At the date of these accounts the Protected Cell Regime has not been implemented for TB Amati Investment Funds, although the ACD is in the process of implementing the Protected Cell Regime and the TB Amati Investment Funds will be compliant in advance of the 20 December 2013 deadline.

There is currently one Fund in existence; TB Amati UK Smaller Companies Fund (the 'Fund').

INVESTMENT OBJECTIVE AND POLICY

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

Asset Allocation

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

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

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

ONGOING CHARGES FIGURE

The Ongoing Charges Figure ('OCF') includes the Annual Management Charge ('AMC') and other operating expenses (Depository's fees, audit fee etc). The OCFs, as calculated in accordance with the CESR guidelines, are as follows:

| | 31.07.13 % p.a. | 31.01.13 % p.a. |
|--|----------------------------------|----------------------------------|
| TB Amati UK Smaller Companies - B Shares | 1.19 | 1.24 |
| TB Amati UK Smaller Companies - A Shares | 1.84 | 1.89 |

SYNTHETIC RISK AND REWARD INDICATOR

The Synthetic Risk and Reward Indicator demonstrates in a standard format where the Fund ranks in terms of its potential risk and reward. It is based on historical 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.

STATEMENT OF ACD'S RESPONSIBILITIES

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

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

- are in accordance with United Kingdom Generally Accepted Accounting Practice ("United Kingdom Accounting Standards and applicable law") 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 adequate 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.

DIRECTORS' STATEMENT

In accordance with the requirements of the Financial Conduct 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
12 September 2013

INVESTMENT REVIEW

Performance

| | Cumulative returns for the periods ended 31 July 2013 (%) | | | |
|--|---|--------|---------|---------|
| | 6 months | 1 year | 3 years | 5 years |
| A Accumulation Shares | 7.00 | 21.43 | 63.87 | 101.33 |
| Numis Smaller Companies Index (inc AIM, ex Inv Trusts) | 10.92 | 31.13 | 52.04 | 69.00 |

Source: Financial Express. 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.

Market Review

The strong momentum in equity markets which emerged in the second half of last year has continued into 2013. Central bank stimulus within western economies has been backed up by economic data indicating a recovery is taking place in the US and the UK, even if the picture in Europe remains fragile whilst emerging markets are now giving cause for concern. Such is the new-found confidence, debate has moved on to the likely timing of a reversal of bond buying activity, or so-called stimulus "tapering". In fact, global bond yields are already rising sharply as markets anticipate a turning point in the interest rate cycle. Recent comments from the respective heads of both the US Federal Reserve and the Bank of England indicate that central banks are concerned that market rates have moved too far and too fast, but it is clear that these differing standpoints will be a major influence on stock market returns in the months ahead.

Performance

The fund rose 7.0% during the six month period, but this lagged a benchmark gain of 10.9%. Medium and smaller sized companies continued to show strong leadership in the UK stock market, but disappointingly the more junior AIM index saw declines over the period. With over 50% of the portfolio invested in AIM companies, this acted as a drag on performance.

Good diversity within the portfolio was reflected in a broad range of outperforming stocks. The biggest contribution came from Xaar, the manufacturer of patented inkjet print heads and peripherals, which announced strong growth particularly for digitalised ceramic tile decoration. The company anticipates a 50% growth in total revenues in the current financial year. Internet video search engine developer, Blinkx, was also a strong performer, again beating market expectations for revenue growth. The company continues to acquire premium content, and is developing leading edge advertising and video products. International Personal Finance provides unsecured, short term consumer credit in a range of Eastern European markets, and more recently in Mexico. The company, which also beat expectations, combines strong earnings growth with progressive dividends and a share buyback programme. Tribal is an international provider of software and related services to education and training markets. The company has a recent history of positive earnings surprise, and is enjoying growth from a range of school, university, government and corporate clients across the UK, North America, Asia Pacific and Middle East.

INVESTMENT REVIEW (CONTINUED)

Other stock highlights included Lo-Q, the developer of patented virtual queuing technology for North American theme parks; Smart Metering, the industrial and commercial gas metering services company; and Perform, the multimedia sports content owner. In each case, these companies combined premium earnings growth with strong share price outperformance.

Disappointments in the period were similarly spread across a diverse range of holdings. Idox, the supplier of document management software and services to UK public sector and regulated private sector clients, announced poorer than expected interim results. This reflected delays in securing industrial licensing contracts, although the company remains confident about pipeline visibility for the full year. Silverdell, a specialist environmental and land remediation service company, had its shares suspended after one of its subsidiaries was put into administration. The cause of this appears to have been nothing other than management carelessness in failing to settle a claim from a small trade creditor on time. We remain dumbfounded by this. Silverdell has begun rectifying the situation, but no full explanation has yet been forthcoming. We have made a prudent provision against the carrying value of this investment pending its relisting. Cupid, the online dating services provider, had to respond to press allegations about its working practices towards existing and prospective users. An independent review was instigated, and whilst this subsequently found no evidence to support the allegations, the episode undermined our confidence in the company and the position was sold.

Portfolio Activity

Significant new purchases during the period included specialist software providers, EMIS (healthcare), and Aveva (engineering design); house builders, Telford Homes based in London only, and Crest Nicholson, which operates nationwide; coal mine methane power generator, Alkane Energy; motor distributor, Vertu; residential property website operator, Rightmove; Bank of Georgia; oil and gas exploration and production company Genel Energy; leading photo booth operator, Photo-Me; branded restaurant operator, Restaurant Group and energy procurement & management services provider, Utilitywise. Investment strategy behind these positions reflects a combination of sustained prospects for UK household spending, underpinned by government initiatives in the case of house builders, plus individual structural growth situations.

Following positive performance contributions we sold out of sausage skin manufacturer, Devro; data centre operator, Iomart; synthetic fuel developer, Oxford Catalysts; buy-to-let mortgage lending specialist, Paragon; business media services group, Progressive Digital; London property developer, Quintain Estates; health services outsourcer, Synergy Health; and wireless communications equipment developer, Telit Communications. In an environment of deteriorating commodity prices and tightening availability of finance, a risk control decision was taken to reduce the portfolio's exposure to resources by exiting some positions in more junior operators such as Goldplat, New World Oil & Gas, and Griffin Mining.

INVESTMENT REVIEW (CONTINUED)

The asset allocation at the balance sheet date was as follows:

| Sector | Asset allocation as at 31 July 2013 (%) | Asset allocation as at 31 January 2013 (%) |
|-------------------------------------|--|---|
| Alternative Energy | 1.7 | - |
| Banks | 2.5 | - |
| Beverages | 2.0 | 1.5 |
| Chemicals | 4.0 | 7.2 |
| Electronic & Electrical Equipment | 4.2 | 5.9 |
| Equity Investment Instruments | 1.6 | 1.3 |
| Financial Services | 6.9 | 5.1 |
| Food Producers | 2.3 | 5.0 |
| General Retailers | 5.8 | 3.2 |
| Household Goods & Home Construction | 3.0 | - |
| Health Care Equipment & Services | - | 1.4 |
| Industrial Mining & Metals | 0.9 | 1.1 |
| Industrial Transportation | 0.7 | 0.8 |
| Leisure Goods | 2.1 | - |
| Media | 5.2 | 5.8 |
| Mining | 5.2 | 7.9 |
| Nonlife Insurance | 1.5 | - |
| Oil & Gas Producers | 5.8 | 8.1 |
| Personal Goods | 1.2 | 0.6 |
| Pharmaceuticals & Biotechnology | 4.1 | 5.3 |
| Real Estate Investment & Services | 1.5 | 2.7 |
| Real Estate Investment Trusts | - | 0.9 |
| Software & Computer Services | 20.5 | 16.8 |
| Support Services | 12.0 | 8.1 |
| Technology Hardware & Equipment | - | 3.4 |
| Travel & Leisure | 2.8 | 3.3 |
| Cash and Other | 2.5 | 4.6 |
| Total | 100.0 | 100.0 |

INVESTMENT REVIEW (CONTINUED)

Outlook

In August, after the period end, the Bank of England announced it was moving towards US-style forward guidance on interest rates, with policy now linked to a combination of inflation and unemployment targets. This is likely to increase market volatility as investor sentiment will react to each announcement of economic data and every nuanced interpretation of policy guidance. The improved economic indicators are already prompting global bond markets to factor in an earlier reversal of stimulus than previously expected, with suggestions that the US Federal Reserve will make its first move in September. Recent stock market patterns show this is creating some headwinds for interest-rate sensitive, cyclical stocks, with a tendency also for investors to crystallise gains in areas which have had the greatest outperformance such as mid-caps. In contrast, the legislation change in early August which now allows AIM stocks to be held within ISA's has already had an impact on the traded volumes and relative performance of that index. Should these broader trends prove to be ongoing, then the fund is well-placed to benefit.



Paul Jourdan
Fund Manager
Amati Global Investors Ltd
12 September 2013



Douglas Lawson
Fund Manager
Amati Global Investors Ltd
12 September 2013



David Stevenson
Fund Manager
Amati Global Investors Ltd
12 September 2013

PORTFOLIO STATEMENTAs at 31 July 2013

| Holding or nominal value of positions | Bid market value £ | Percentage of total net assets % |
|---|-----------------------------------|---|
| Alternative Energy (1.7%; 31.01.13 - 0.0%) | | |
| 533,330 Alkane Energy | 197,332 | 1.7 |
| | 197,332 | 1.7 |
| Banks (2.5%; 31.01.13 - 0.0%) | | |
| 15,500 Bank of Georgia | 283,650 | 2.5 |
| | 283,650 | 2.5 |
| Beverages (2.0%; 31.01.13 - 1.5%) | | |
| 22,500 Nichols Group | 228,375 | 2.0 |
| | 228,375 | 2.0 |
| Chemicals (4.0%; 31.01.13 - 7.2%) | | |
| 44,232 Carclo | 165,428 | 1.4 |
| 119,000 Elementis | 300,475 | 2.6 |
| | 465,903 | 4.0 |
| Electronic & Electrical Equipment (4.2%; 31.01.13 - 5.9%) | | |
| 789,660 Sabien Technology | 189,518 | 1.6 |
| 34,850 Xaar | 294,308 | 2.6 |
| | 483,826 | 4.2 |

PORTFOLIO STATEMENT (CONTINUED)As at 31 July 2013

| Holding or nominal value of positions | Bid market value £ | Percentage of total net assets % |
|--|-----------------------------------|---|
| Financial Services (6.9%; 31.01.13 - 5.1%) | | |
| 17,446 Brooks | 225,053 | 2.0 |
| 15,793 IG Group | 91,915 | 0.8 |
| 58,000 International Personal Finance | 374,390 | 3.3 |
| 980,000 London Asia | 38,514 | 0.3 |
| 152,600 London Capital | 58,751 | 0.5 |
| | 788,623 | 6.9 |
| Food Producers (2.3%; 31.01.13 - 5.0%) | | |
| 1,206,000 Asian Citrus | 259,290 | 2.3 |
| | 259,290 | 2.3 |
| General Retailers (5.8%; 31.01.13 - 3.2%) | | |
| 120,000 CVS Group | 253,200 | 2.2 |
| 12,850 Dignity | 191,594 | 1.7 |
| 450,000 Vertu Motors | 218,250 | 1.9 |
| | 663,044 | 5.8 |
| Household Goods & Home Construction (3.0%; 31.01.13 - 0.0%) | | |
| 69,337 Crest Nicholson | 233,250 | 2.0 |
| 39,898 Telford Homes | 119,694 | 1.0 |
| | 352,944 | 3.0 |
| Industrial Mining & Metals (0.9%; 31.01.13 - 1.1%) | | |
| 1,120,000 International Ferro Metals | 105,840 | 0.9 |
| | 105,840 | 0.9 |

PORTFOLIO STATEMENT (CONTINUED)As at 31 July 2013

| Holding or nominal value of positions | Bid market value £ | Percentage of total net assets % |
|--|-----------------------------------|---|
| Industrial Transportation (0.7%; 31.01.13 - 0.8%) | | |
| 83,444 Skil Ports & Logistics | 76,768 | 0.7 |
| | 76,768 | 0.7 |
| Leisure Goods (2.1%; 31.01.13 - 0.0%) | | |
| 250,000 Photo-Me | 235,000 | 2.1 |
| | 235,000 | 2.1 |
| Media (5.2%; 31.01.13 - 5.8%) | | |
| 119,000 Entertainment One | 245,140 | 2.1 |
| 25,700 Perform Group | 129,400 | 1.1 |
| 9,100 Rightmove | 221,949 | 2.0 |
| | 596,489 | 5.2 |
| Mining (5.2%; 31.01.13 - 7.9%) | | |
| 152,120 African Mining Warrants | - | 0.0 |
| 100,000 Aureus Mining | 30,000 | 0.3 |
| 60,000 Aureus Mining Warrants | - | 0.0 |
| 3,333,333 Beacon Hill Resources | 72,667 | 0.6 |
| 130,000 Central Asia Metals | 146,900 | 1.3 |
| 600,000 Fox Marble | 96,000 | 0.9 |
| 563,898 Gemfields | 121,238 | 1.1 |
| 79,290 Highland Gold | 50,944 | 0.4 |
| 300,000 Rambler Metals & Mining | 73,500 | 0.6 |
| | 591,249 | 5.2 |
| Nonlife Insurance (1.5%; 31.01.13 - 0.0%) | | |
| 21,084 Lancashire Holdings | 169,832 | 1.5 |
| | 169,832 | 1.5 |

PORTFOLIO STATEMENT (CONTINUED)As at 31 July 2013

| Holding or nominal value of positions | Bid market value £ | Percentage of total net assets % |
|--|-----------------------------------|---|
| Oil & Gas Producers (5.8%; 31.01.13 - 8.1%) | | |
| 395,000 Amerisur | 171,825 | 1.5 |
| 10,000 Coastal Energy | 90,500 | 0.8 |
| 18,572 Genel Energy | 182,377 | 1.6 |
| 94,000 Trinity Exploration and Production | 91,180 | 0.8 |
| 10,000,000 Victoria Oil | 121,000 | 1.1 |
| | 656,882 | 5.8 |
| Personal Goods (1.2%; 31.01.13 - 0.6%) | | |
| 7,000 Ted Baker | 135,170 | 1.2 |
| | 135,170 | 1.2 |
| Pharmaceuticals & Biotechnology (4.1%; 31.01.13 - 5.3%) | | |
| 17,334 Dechra Pharmaceuticals | 117,525 | 1.0 |
| 56,000 Eco Animal | 130,200 | 1.1 |
| 240,000 Vectura | 225,600 | 2.0 |
| | 473,325 | 4.1 |
| Real Estate Investment & Services (1.5%; 31.01.13 - 2.7%) | | |
| 3,544 CLS Holdings | 39,019 | 0.4 |
| 307,276 Puma Brandenburg | 16,078 | 0.1 |
| 29,813 Unite Group | 117,612 | 1.0 |
| | 172,709 | 1.5 |

PORTFOLIO STATEMENT (CONTINUED)As at 31 July 2013

| Holding or nominal value of positions | Bid market value £ | Percentage of total net assets % |
|---|-----------------------------------|---|
| Software & Computer Services (20.5%; 31.01.13 - 16.8%) | | |
| 196,000 Anite | 251,272 | 2.2 |
| 4,687 Aveva | 113,566 | 1.0 |
| 350,417 Blinkx | 474,815 | 4.0 |
| 1,000,000 Earthport | 242,500 | 2.1 |
| 45,000 EMIS Group | 351,000 | 3.1 |
| 715,000 Eservglobal | 178,750 | 1.6 |
| 1,108,500 Idox | 401,831 | 3.5 |
| 50,000 InternetQ | 157,500 | 1.4 |
| 30,500 LO-Q | 179,950 | 1.6 |
| | 2,351,184 | 20.5 |
| Support Services (12.0%; 31.01.13 - 8.1%) | | |
| 48,359 Brammer | 191,018 | 1.7 |
| 63,656 Driver Group | 61,746 | 0.5 |
| 125,550 Optimal Payments | 233,837 | 2.1 |
| 1,500,000 Silverdell | 95,625 | 0.8 |
| 55,000 Smart Metering Group | 176,000 | 1.5 |
| 226,000 Tribal Group | 431,095 | 3.8 |
| 157,649 UtilityWise | 178,143 | 1.6 |
| | 1,367,464 | 12.0 |
| Travel & Leisure (2.8%; 31.01.13 - 3.3%) | | |
| 35,500 Restaurant Group | 189,038 | 1.6 |
| 150,000 Sportech | 132,000 | 1.2 |
| | 321,038 | 2.8 |
| Portfolio of investments | 11,162,706 | 97.5 |
| Net other assets | 287,194 | 2.5 |
| Total net assets | 11,449,900 | 100.0 |

Note: 'Healthcare Equipment & Services' (31 Jan 2013: 1.4%), 'Real Estate Investment Trusts' (31 Jan 2013: 0.9%) and 'Technology Hardware and Equipment' (31 Jan 2013: 3.4%) Sectors disinvested since the beginning of the period.

SUMMARY OF FUND PERFORMANCE

Share Prices and Revenue

| Calendar year | A Accumulation shares | | | B Accumulation shares | | |
|-------------------|--------------------------|-------------------------|--|--------------------------|-------------------------|--|
| | Highest price (pence) | Lowest price (pence) | Net revenue accumulated per share (pence) | Highest price (pence) | Lowest price (pence) | Net revenue accumulated per share (pence) |
| 2008 ¹ | 248.74 | 135.16 | - | 268.67 | 147.08 | - |
| 2009 | 228.55 | 135.80 | 1.3007 | 250.43 | 148.03 | 2.5679 |
| 2010 | 339.82 | 229.96 | - | 374.79 | 252.16 | - |
| 2011 | 377.03 | 313.84 | - | 417.28 | 347.89 | - |
| 2012 | 386.10 | 325.32 | 0.3894 | 429.23 | 361.24 | 3.1523 |
| 2013 ² | 413.36 | 367.76 | - | 463.69 | 411.02 | 0.6495 |

¹ From 29 July.

² Prices to 31 July and net revenue to 30 September.

Net Asset Values

| Date | A Accumulation shares | | | B Accumulation shares | | |
|-------------|-----------------------|--------------------------|------------|-----------------------|--------------------------|------------|
| | Total shares in issue | NAV per share (pence) | NAV (£) | Total shares in issue | NAV per share (pence) | NAV (£) |
| 31 Jan 2011 | 2,533,094 | 359.99 | 9,118,760 | 105,866 | 397.26 | 420,562 |
| 31 Jan 2012 | 2,672,491 | 343.63 | 9,183,434 | 358,587 | 381.71 | 1,368,778 |
| 31 Jan 2013 | 2,359,344 | 381.40 | 8,998,429 | 951,283 | 426.50 | 4,057,218 |
| 31 Jul 2013 | 2,125,572 | 412.78 | 8,773,886 | 577,908 | 463.05 | 2,676,014 |

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.

STATEMENT OF TOTAL RETURNFor the six months ended 31 July 2013

| | | 31.07.13 | 31.07.12 |
|---|----------|-----------------|------------------|
| | £ | £ | £ |
| Income | | | |
| Net capital gains/(losses) | | 973,937 | (285,111) |
| Revenue | 81,193 | | 73,568 |
| Expenses | (93,136) | | (101,789) |
| Finance costs: Interest | (13) | | - |
| Net expense before taxation | (11,956) | | (28,221) |
| Taxation | - | | (413) |
| Net expense after taxation | | (11,956) | (28,634) |
| Total return/(loss) before distributions | | 961,981 | (313,745) |
| Finance costs: Equal. credit | | 136 | - |
| Change in net assets attributable to shareholders from investment activities | | 962,117 | (313,745) |

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERSFor the six months ended 31 July 2013

| | | 31.07.13 | 31.07.12 |
|--|-------------|-------------------|-------------------|
| | £ | £ | £ |
| Opening net assets attributable to shareholders | | 13,055,647 | 10,552,212 |
| <i>Movements due to sales and repurchases of shares:</i> | | | |
| Amounts receivable on issue of shares | 872,629 | | 1,688,366 |
| Amounts payable on cancellation of shares | (3,436,839) | | (714,935) |
| | | (2,564,210) | 973,431 |
| Stamp duty reserve tax | | (3,654) | (3,801) |
| Change in net assets attributable to shareholders from investment activities | | 962,117 | (313,745) |
| Retained distributions on accumulation shares | | - | - |
| Closing net assets attributable to shareholders | | 11,449,900 | 11,208,097 |

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.

BALANCE SHEETAs at 31 July 2013

| | 31.07.13 | 31.01.13 |
|--|-------------------|-------------------|
| | £ | £ |
| Assets: | | |
| Investment assets | 11,162,706 | 12,450,518 |
| Debtors | 8,325 | 49,345 |
| Cash and bank balances | 391,752 | 831,342 |
| Total other assets | 400,077 | 880,687 |
| Total assets | 11,562,783 | 13,331,205 |
| Liabilities: | | |
| Investment liabilities | - | - |
| Creditors | 112,883 | 275,558 |
| Total liabilities | 112,883 | 275,558 |
| Net assets attributable to shareholders | 11,449,900 | 13,055,647 |

NOTES TO THE FINANCIAL STATEMENTSAs at 31 July 2013

1. Accounting policies

The financial statements have been prepared on the basis of the accounting policies set out in the Annual Reports and Financial Statements for the year ended 31 January 2013.

2. Portfolio transaction costs

| | 31.07.13 | 31.07.12 |
|---|-------------------------|-------------------------|
| | £ | £ |
| Analysis of total purchase costs | | |
| Net purchases before transaction costs | 4,125,750 | 5,768,398 |
| Commissions and Taxes | <u>20,292</u> | <u>40,053</u> |
| Total purchase costs | 20,292 | 40,053 |
| Gross purchases total | <u>4,146,042</u> | <u>5,808,451</u> |
| Analysis of total sale costs | | |
| Gross sales before transaction costs | 6,426,545 | 5,385,951 |
| Commissions and Taxes | <u>(18,240)</u> | <u>(14,791)</u> |
| Total sale costs | (18,240) | (14,791) |
| Net sales total | <u>6,408,306</u> | <u>5,371,160</u> |

DISTRIBUTION TABLEAs at 31 July 2013

Interim Distribution (31 July 2013)

Group 1 - Shares purchased on or prior to 31 January 2013

Group 2 - Shares purchased after 31 January 2013

| Shares | Gross revenue | Tax credit at 10% | Net revenue | Equal -isation ¹ | Paid/Acc -umulated 30.09.13 | Paid/Acc -umulated 30.09.12 |
|--------|---------------|-------------------|-------------|-----------------------------|-----------------------------|-----------------------------|
| | (pence) | (pence) | (pence) | (pence) | (pence) | (pence) |

A Accumulation

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

B Accumulation

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

¹ 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.

APPENDIX

Additional Performance Data

| | Cumulative returns for the periods ended 31 July 2013 (%) | | | | |
|--|--|--------|---------|---------|----------|
| | 6 months | 1 year | 3 years | 5 years | 10 years |
| A Accumulation Shares | 7.00 | 21.43 | 63.87 | 101.33 | 237.05 |
| Numis Smaller Companies Index (Inc AIM, ex Inv Trust) | 10.92 | 31.13 | 52.04 | 69.00 | 169.83 |

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

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. The above performance data, for periods prior to this date, is relevant for 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.

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.

DIRECTORY

The Company

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

ACD

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 Conduct 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 Conduct Authority.

Depository

National Westminster Bank Plc
135 Bishopsgate
London EC2M 2UR

Authorised and regulated by the Financial Conduct Authority and by the Prudential Regulation 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 8258

Authorised and regulated by the Financial Conduct Authority.

Auditors

Deloitte LLP
4 Brindleyplace
Birmingham B1 2HZ

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

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