

Finely crafted investments

Amati
Global Investors



T.BAILEY

TB Amati Investment Funds

Annual Report and Audited Financial Statements
31 January 2016

TB Amati UK Smaller Companies Fund

CONTENTS

The Authorised Corporate Director, Your Investments, Risk Profile, Synthetic Risk and Reward Indicator, Other Information.....	1
Authorised Status, Structure of the Company, Investment Objective and Policy, Ongoing Charges Figure.....	2
The Investment Management Team and Biographies.....	3
Statement of the Authorised Corporate Director’s Responsibilities, Director’s Statement.....	5
Statement of Depository’s Responsibilities, Depository’s Report to the Shareholders of TB Amati Investment Funds.....	6
Report of the Independent Auditor to the Shareholders of TB Amati Investment Funds.....	7
Investment Review.....	9
Portfolio Statement.....	13
Summary of Fund Performance.....	18
Statement of Total Return, Statement of Change in Net Assets Attributable to Shareholders.....	20
Balance Sheet.....	21
Notes to the Financial Statements.....	22
Distribution Table.....	34
Directory.....	35

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 9 to 12 and ‘Directory’ on page 35.

THE AUTHORISED CORPORATE DIRECTOR

The Authorised Corporate Director (the 'ACD') of TB Amati Investment Funds (the 'Company') is T. Bailey Fund Services Limited ('TBFS'). TBFS was previously called T. Bailey Fund Managers Limited and the name was changed on 30 June 2015. Amati Global Investors Limited is the Investment Manager (the 'Investment Manager') of the Company.

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

YOUR INVESTMENTS

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

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

Prices are published each normal business day on www.tbaileyfs.co.uk/funds/tb-amati-investment-funds and also on www.fundlistings.co.uk.

RISK PROFILE

Smaller companies' securities are often traded less frequently than those of larger companies, this means they may be more difficult to buy and sell. Their prices may also be subject to short term swings.

The value of investments may go down as well as up in response to general market conditions and the performance of the assets held. Investors may not get back the money which they invested.

There is no guarantee that the Fund will meet its stated objectives.

The movements of exchange rates may lead to further changes in the value of investments and the income from them.

There is a risk that any company providing services such as safe keeping of assets or acting as counterparty to derivatives may become insolvent, which may cause losses to the Fund.

SYNTHETIC RISK AND REWARD INDICATOR

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

The Fund is in risk category 5 because it invests in shares.

OTHER INFORMATION

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

AUTHORISED STATUS

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

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

STRUCTURE OF THE COMPANY

The Company is structured as an umbrella company, in that different sub-funds may be established from time to time by the ACD with the approval of the FCA and the agreement of the Depositary. On the introduction of any new sub-fund or share class, a revised prospectus will be prepared setting out the relevant details of each sub-fund or share class.

The Company is compliant with the Protected Cell Regime for OEICs. Under the Protected Cell Regime, each sub-fund represents a segregated portfolio of assets and accordingly, the assets of the sub-fund belong exclusively to that sub-fund and shall not be used or made available to discharge (directly or indirectly) the liabilities of, or claims against, any other person or body, including any other sub-fund and shall not be available for any such purpose.

Currently, there is one sub-fund; TB Amati UK Smaller Companies Fund.

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') 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, audit fees and transaction charges. 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 18 and 19.

THE INVESTMENT MANAGEMENT TEAM

The TB Amati UK Smaller Companies Fund* has been managed by Dr Paul Jourdan since 2000, and co-managed with Douglas Lawson since 2009 and David Stevenson since 2012. 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 is a specialist investment manager, solely focused on the universe of UK smaller companies.

The Fund's long term performance record is award winning, including Growth Company Small-Cap Fund of the Year 2011 and a Lipper Fund Award 2012 for the best UK Small & Mid Cap Fund over 3 years. Dr Paul Jourdan is also a 2013 FE Alpha Manager. The fund was awarded 5 Crowns from FE Trustnet in January 2016 and the managers are AAA Citywire rated.

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

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

BIOGRAPHIES

Dr Paul Jourdan - CEO

Dr Paul Jourdan is an award-winning fund manager, with a strong track record in small cap investment. He co-founded Amati Global Investors 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, emerging market, and global equities. In 2000 Stewart Ivory was taken over by First State and Paul became manager of what is now TB Amati UK Smaller Companies Fund. In early 2005 he launched what is now Amati VCT plc and he also manages Amati VCT 2 after the investment management contract moved to Amati Global Investors in 2010. Prior to 1998 Paul worked as a professional violinist, including a four year period with the City of Birmingham Symphony Orchestra. He is CEO of Amati Global Investors Ltd, a Director of Fox Marble, a portfolio company of the Amati VCTs, and also a Governor of the Royal Conservatoire of Scotland.



BIOGRAPHIES (CONTINUED)

Douglas Lawson - Director

Douglas Lawson co-founded Amati Global Investors with Dr Paul Jourdan. Prior to this he worked in corporate finance and private equity, initially as an associate focusing on middle market UK private equity and listed company M&A at British Linen Advisers, and latterly as an investment manager in the private equity team at Noble. Douglas has co-managed the TB Amati UK Smaller Companies Fund since 2009. He has also been co-manager of Amati VCT since 2009 and Amati VCT 2 since 2010. Douglas started his career at Ernst & Young in London, where he qualified as a Chartered Accountant in 2002. He is Director of Amati Global Investors Limited.



David Stevenson - Fund Manager

David joined Amati in 2012. In 2005, he was a co-founding partner of investment boutique Cartesian Capital, which managed a range of retail and institutional UK equity funds in long only and long/short strategies. Prior to that he was Assistant Director at SVM, where he also managed equity products including the UK Opportunities small/midcap fund which was ranked top decile for the 5 year period from inception to 2005. David started his career at KPMG where he qualified as a Chartered Accountant. He latterly specialised in corporate finance, before moving into private equity with Dunedin Fund Managers. David has been co-manager of the TB Amati UK Smaller Companies fund, and the Amati VCTs, since 2012.



STATEMENT OF THE AUTHORISED CORPORATE DIRECTOR'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 Association ("IA SORP") in May 2014; 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 or expense 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 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 them 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.

DIRECTORS' STATEMENT

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

Helen Stevens
Chief Executive Officer
T. Bailey Fund Services Limited
6 May 2016

Richard Taylor
Compliance Director
T. Bailey Fund Services Limited
6 May 2016

STATEMENT OF DEPOSITARY'S RESPONSIBILITIES

The Depositary is responsible for the safekeeping of all of the property of the Company (other than tangible moveable property) which is entrusted to it and for the collection of income that arises from that property.

It is the duty of the Depositary to take reasonable care to ensure that the Company is managed in accordance with the Financial Conduct Authority's Collective Investment Schemes Sourcebook, the Open-Ended Investment Companies Regulations 2001 (SI 2001/1228) (the OEIC Regulations), as amended (together "the Regulations"), the Company's Instrument of Incorporation and Prospectus, in relation to the pricing of, and dealings in, shares in the Company; the application of income of the Company; and the investment and borrowing powers applicable to the Company.

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

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

- (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 Regulations, the Instrument of Incorporation and Prospectus of the Company, and
- (ii) has observed the investment and borrowing powers and restrictions applicable to the Company.

National Westminster Bank Plc
Trustee & Depositary Services
London
6 May 2016

REPORT OF THE INDEPENDENT AUDITOR TO THE SHAREHOLDERS OF TB AMATI INVESTMENT FUNDS

We have audited the financial statements of the TB Amati Investment Funds (“the company”) for the year ended 31 January 2016 which comprise the Statements of Total Return, the Statements of Change in Net Assets Attributable to Shareholders, the Balance Sheets, the distribution tables and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 “The Financial Reporting Standard applicable in the UK and Republic of Ireland”, the Statement of Recommended Practice: “Financial Statements of Authorised Funds” issued by the Investment Management Association in May 2014, the Collective Investment Schemes Sourcebook and the Instrument of Incorporation.

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.

Respective Responsibilities of the Depositary, the Authorised Corporate Director (ACD) and the Auditor

As explained more fully in the Depositary’s Responsibilities Statement and the ACD’s Responsibilities Statement, the Depositary is responsible for safeguarding the property of the Company and the ACD is responsible for the preparation of the financial statements. Our responsibility is to audit and express an opinion on the financial statements in accordance with the requirements of the Collective Investment Schemes Sourcebook, applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board’s Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company’s circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the ACD; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the financial position of the Company as at 31 January 2016 and of the net revenue and the net capital gains on the property of the company for the year ended 31 January 2016; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, the Statement of Recommended Practice “Financial Statements of Authorised Funds”, the rules in the Collective Investment Schemes Sourcebook and the Instrument of Incorporation.

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

Opinion on other matters prescribed by the Collective Investment Schemes Sourcebook

In our opinion:

- proper accounting records for the company have been kept and the financial statements are in agreement with those records;
- we have received all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit; and
- the information disclosed in the Annual Report for the year ended 31 January 2016 for the purpose of complying with Paragraph 4.5.9R of the Collective Investment Schemes Sourcebook is consistent with the financial statements.

Deloitte LLP
Chartered Accountants and Statutory Auditor
Birmingham, United Kingdom
6 May 2016

INVESTMENT REVIEW

Performance

	Cumulative returns for the periods ended 31 January 2016 (%)				
	1 year	3 years	5 years	10 years	From take on*
A Accumulation Shares	18.09	50.06	58.96	156.20	296.26
B Accumulation Shares	18.98	53.29	64.56	174.37	346.94
Numis Smaller Companies Index (inc AIM, ex Inv Trusts)	2.99	21.99	34.75	64.31	126.46

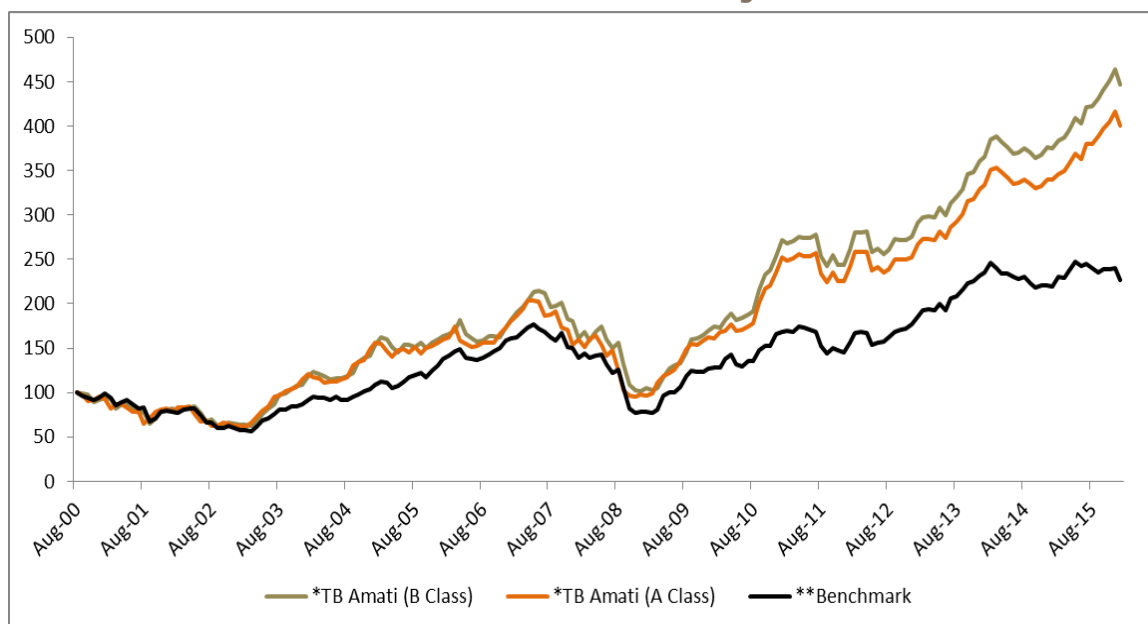
Source: Financial Express. Total return, bid to bid. Sterling terms.

*Performance since Dr Paul Jourdan take on of fund on 31 August 2000.

Performance prior to 29 July 2008 relates to First State British Smaller Companies Fund (see page 3). This is relevant to the 4th and 5th columns.

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

Performance since Dr Paul Jourdan take-on of fund on 31 August 2000



Performance since Dr Paul Jourdan take-on of fund on 31 August 2000. Performance prior to 29 July 2008 relates to First State British Smaller Companies Fund (see page 3).

* TB Amati (A Class & B Class) Fund Total Return Index (rebased to 100). ** Benchmark Index: Numis (formerly RBS Hoare Govett) Smaller Companies (inc AIM, ex Inv Trusts) TR (rebased to 100).

Source: Amati Global Investors Ltd as at 31 January 2016.

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.

INVESTMENT REVIEW (CONTINUED)

Market Review

News in 2015 was dominated by the unsettling events in Syria, from the increasing influence and territorial gains of ISIS to the ensuing humanitarian crisis that has witnessed an estimated 9 million Syrians fleeing their homes. In economics, it was the Chinese slowdown that preoccupied commentators and led to questions over the sustainability of global growth without a strong contribution from emerging markets. In the US, the first interest rate rise for 9 years should have been a signal of confidence by the Federal Reserve. Instead they have been variously criticised for acting too slowly, failing to give markets sufficiently clear guidance, or even at risk of having to reverse their decision in the light of slowing US data. These geopolitical and economic events had a varied effect on asset values, the most marked of which was the savage decline in commodity prices. The oil price fall was the most significant and led to drastic earnings downgrades for companies in the sector. For the UK consumer, the falling oil price was a boon. The resultant lower petrol prices and utility bills, alongside the return of wage inflation and a continued policy of low interest rates, served to increase household cash flows. Companies in the retail and leisure sectors were the predictable beneficiaries. As a consequence, stock market indices which are heavily resource weighted, such as the FTSE 100, endured a disappointing year, whereas those less focused on these sectors, such as the UK Mid and Small cap indices, fared better.

Performance

The share price of the Fund (B accumulation shares) rose by 19.0% during the period, significantly outperforming the benchmark index, which rose by 3.0%.

Although we maintained a domestic bias in the portfolio, the biggest contributors to performance in value terms came from companies operating in international markets, and across a variety of sectors. **Fever-Tree Drinks** is a leading supplier of premium tonic water, and other mixers for alcoholic spirits, to more than 50 countries worldwide. The company is benefiting from the resurgent popularity of gin and other traditional spirits, which has inspired a new wave of artisan producers and created demand for similarly upmarket mixers, from a new generation of consumers willing to pay a premium for high quality products made from natural ingredients. Fever-Tree is enjoying rapid growth in the UK and in international markets, and despite significant currency headwinds in Europe and the US is maintaining gross margins of over 50%. Although our exposure to the resources sector was very small, we saw some strong gains from the holding in **Pantheon Resources**, an onshore oil and gas exploration company with assets in south-east Texas, which rose more than seven fold after an outstandingly successful drilling programme. Flow testing on a first exploratory well indicated significant quantities of recoverable hydrocarbons, estimated to be able to produce oil at a cost of around \$5 per barrel due to the close proximity of refining and transport links. We took the decision, however, to lock in our profits in advance of the second flow test, taking the view that another positive result was 'in the price' and aware that the company would inevitably need to raise money to continue its exploration programme, at which time there may well be another entry point. **Paysafe** also made solid gains, having conducted a rights issue to make the ambitious acquisition of Skrill, a much larger competitor in the international online payments sector. The acquisition adds functionality to Paysafe's digital 'wallet', which enables gamblers to play across multiple sites without the need for a bank account or credit card, and the added scale and geographical reach leaves the combined company well positioned to compete with the US technology giants in the wider mobile payments market. A recent move from AIM to the Main Market of the London Stock Exchange has increased the liquidity of the shares and widened the company's shareholder base. Other strong contributors included **FDM**, an IT services provider, which has positioned itself to meet the growing global demand for IT outsourcing and recruitment; and **CVS**, an operator of a nationwide chain of veterinary surgeries, as it continued to execute an aggressive acquisition strategy, amidst rapid industry consolidation.

INVESTMENT REVIEW (CONTINUED)

There was no sectoral pattern to the companies that detracted from portfolio performance, as the declines were the result of the stock specific issues. These were generally in small holdings. **Sabien Technology** is a manufacturer and supplier of energy efficient boilers, which help commercial customers reduce energy costs and carbon emissions and thus reduce operational expenditure. Its flagship product is the MG2, a boiler load optimisation control that can be retrofitted to old boilers or as part of a new installation, with a payback time of less than two years and requiring no ongoing maintenance or seasonal calibration. Despite the clear commercial benefits, sales have been disappointing and recently prompted a change of strategy, whereby free pilot programmes are offered to prospective customers in order to boost sales. **Vislink**, a provider of high performance wireless delivery systems to the global broadcasting, surveillance and public safety markets, was also disappointing after reporting weakness in its core markets, despite an increasing contribution from its higher margin software business and a promising partnership with action camera maker GoPro. **Matomy Media**, a performance-based digital marketing company, issued a profit warning after several major digital media advertising trading platforms introduced verification tools to screen out fraudulent and low conversion websites. Realising there were bigger issues here than met the eye, we sold this holding immediately. Other fallers included **Base Resources**, a titanium producer with assets in Kenya, which is one of the lowest cost producers in the world but drifted lower as commodity prices continued to fall and **Mirada**, a provider of interactive services for digital television platforms and broadcasters with a focus on the Latin American market, after delays to the rollout of set top boxes by two cable television operators owned by a major Tier 1 client.

Activity

Whilst maintaining a broad exposure to the UK economy, we adjusted our portfolio weightings away from companies more directly exposed to discretionary consumer spending, especially towards the end of the period as wage growth slowed and the economic recovery lost some momentum. Significant profits were taken in veterinary services company **CVS**, and positions were sold in roadside assistance and insurance services brand **AA**; cinema operator **Cineworld**; five-a side football operator **Goals Soccer Centres**; and retailers **Dunelm**, **Pets at Home**, **Entu** and **Vertu Motors** some profits were also taken in premium tonic water manufacturer **Fever-Tree Drinks**, virtual queuing and ticketing specialist **Accesso Technology**, and online payments provider **Paysafe**, although these remain core portfolio holdings.

We used these gains to diversify into UK regional commercial property and housebuilding, taking new positions in developers **CLS**, **St. Modwen** and **Palace Capital**; rental property landlord and manager **Grainger**; self-storage operator **Safestore**; business accommodation provider **Workspace**; and affordable housebuilder and strategic land developer Gleeson. New positions in the health care and biotechnology space included **Consort Medical**, an international developer and manufacturer of devices for drug delivery; and **Genus**, an animal genetics specialist. We also added **Hiscox**, the international specialist insurer. Other new positions, each with a domestic focus, included **BCA Marketplace**, Europe's largest used car market place and owner of the WeBuyAnyCar.com website; network infrastructure owner **CityFibre**; motor retailer **Lookers**; UK and European floor coverings retailer **Headlam**; office services provider **Restore**; and **Bilby**, a property services provider to local authorities and housing associations in London and the South-East. We were very selective in our exposure to the resources sector, however we did establish various small positions, including **Pantheon Resources** and **Base Resources**; **Amerisur**, an oil and gas exploration company with assets in Columbia and Paraguay; and **Gemfields**, the world's leading supplier of ethically sourced coloured gemstones and owner of the iconic Fabergé brand. We took a somewhat larger defensive position in **Centamin**, operators of the first large scale gold mine in Egypt, as gold began to regain its traditional status as a haven from economic and geopolitical turmoil. We maintained our commitment to technology, with new positions taken in **Keywords Studios**, a provider of localisation, cultural adaptation and testing services to the global video games industry; and **Tracsis**, a provider of software and services to the rail and transport industries. Latterly we took profits on Tracsis and sold the position on valuation grounds.

Towards the end of the period we took advantage of the market volatility to add to some of our top holdings, including **FDM**, **Smart Metering Group**, **Consort Medical**, **Photo-Me International** and **Gleeson**.

INVESTMENT REVIEW (CONTINUED)

Sector	Asset allocation as at 31 January 2016 (%)	Asset allocation as at 31 January 2015 (%)
Banks	2.2	1.1
Beverages	4.1	3.1
Electronic & Electrical Equipment	2.2	5.1
Financial Services	4.8	4.3
Fixed Line Telecommunications	1.1	-
General Retailers	6.5	16.2
Health Care Equipment & Services	3.6	2.6
Household Goods & Home Construction	6.5	3.7
Industrial Transportation	-	1.0
Leisure Goods	2.6	2.2
Media	1.8	4.3
Mining	3.1	1.8
Mobile Telecommunications	-	0.9
Nonlife Insurance	2.0	1.8
Oil & Gas Producers	0.5	0.9
Personal Goods	1.4	1.4
Pharmaceuticals & Biotechnology	5.3	6.1
Real Estate Investment & Services	5.8	1.6
Real Estate Investment Trusts	2.6	-
Software & Computer Services	15.4	19.9
Support Services	15.9	7.9
Technology Hardware & Equipment	3.3	4.4
Travel & Leisure	2.0	4.0
Cash and Other	7.3	5.7
Total	100.0	100.0

Outlook

Having endured a torrid start to 2016, stock markets have subsequently recovered most of their losses. As ever, it is difficult to predict the direction of travel from here. Many of the issues which created the nervousness and sharp falls in January and February remain unresolved. Central bank policy has been a key driver in the pricing of financial assets since the global crisis of 2008 and there is a fear that capital markets will adjust unpredictably when accommodative policies begin to be withdrawn. There is also a headwind created by the short-term uncertainty surrounding Britain's membership of the EU. Despite this, the UK remains an attractive destination for equity investment, and one of the best environments in which to nurture a small business. Furthermore, our belief is that selective small companies, operating in niche growing markets, are more in control of their own destiny and less at the mercy of wider stock market trends.

Paul Jourdan
CEO
Amati Global Investors Ltd
6 May 2016

Douglas Lawson
Director
Amati Global Investors Ltd
6 May 2016

David Stevenson
Fund Manager
Amati Global Investors Ltd
6 May 2016

PORTFOLIO STATEMENTAs at 31 January 2016

Holding or nominal value of positions	Bid market value £	Percentage of total net assets %
Banks (2.2%; 31.01.15 - 1.1%)		
150,000 OneSavings Bank	459,300	2.2
	459,300	2.2
Beverages (4.1%; 31.01.15 - 3.1%)		
126,555 Fever-Tree Drinks	832,732	4.1
	832,732	4.1
Electronic & Electrical Equipment (2.2%; 31.01.15 - 5.1%)		
1,089,660 Sabien Technology	43,586	0.2
40,613 Solid State	221,341	1.1
36,900 Xaar	176,290	0.9
	441,217	2.2
Financial Services (4.8%; 31.01.15 - 4.3%)		
22,000 Brooks	383,900	1.9
54,293 IG Group	397,696	1.9
80,000 River & Mercantile Group	198,800	1.0
	980,396	4.8
Fixed Line Telecommunications (1.1%; 31.01.15 - 0.0%)		
386,000 CityFibre Infrastructure	223,880	1.1
	223,880	1.1

PORTFOLIO STATEMENT (CONTINUED)As at 31 January 2016

Holding or nominal value of positions	Bid market value £	Percentage of total net assets %
General Retailers (6.5%; 31.01.15 - 16.2%)		
87,000 Card Factory	303,543	1.5
7,000 CVS Group	55,580	0.3
10,000 Dignity	234,300	1.1
245,000 Lookers	385,140	1.9
140,000 Safestyle UK	346,150	1.7
	1,324,713	6.5
Health Care Equipment & Services (3.6%; 31.01.15 - 2.6%)		
72,000 Consort Medical	730,080	3.6
	730,080	3.6
Household Goods & Home Construction (6.5%; 31.01.15 - 3.7%)		
60,000 Headlam Group	294,600	1.4
115,000 M J Gleeson	684,825	3.3
128,000 Sprue Aegis	358,400	1.8
	1,337,825	6.5
Leisure Goods (2.6%; 31.01.15 - 2.2%)		
340,000 Photo-Me International	525,300	2.6
	525,300	2.6
Media (1.8%; 31.01.15 - 4.3%)		
1,300,000 Mirada	48,750	0.2
116,243 Nahl Group	272,590	1.3
250,000 Vislink	60,000	0.3
	381,340	1.8

PORTFOLIO STATEMENT (CONTINUED)As at 31 January 2016

Holding or nominal value of positions	Bid market value £	Percentage of total net assets %
Mining (3.1%; 31.01.15 - 1.8%)		
2,000,000 Base Resources	35,000	0.2
560,000 Centamin	379,960	1.9
600,000 Fox Marble	76,500	0.4
300,000 Gemfields	135,000	0.6
	626,460	3.1
NonLife Insurance (2.0%; 31.01.15 - 1.8%)		
41,500 Hiscox	411,680	2.0
	411,680	2.0
Oil & Gas Producers (0.5%; 31.01.15 - 0.9%)		
382,000 Amerisur	94,545	0.5
	94,545	0.5
Personal Goods (1.4%; 31.01.15 - 1.4%)		
9,250 Ted Baker	278,332	1.4
	278,332	1.4
Pharmaceuticals & Biotechnology (5.3%; 31.01.15 - 6.1%)		
41,000 Bioventix	461,250	2.3
81,000 Eco Animal Health	251,100	1.2
11,500 Genus	165,255	0.8
359,000 Vernalis	203,733	1.0
	1,081,338	5.3

PORTFOLIO STATEMENT (CONTINUED)As at 31 January 2016

Holding or nominal value of positions	Bid market value £	Percentage of total net assets %
Real Estate Investment & Services (5.8%; 31.01.15 - 1.6%)		
25,186 CLS Holdings	406,754	2.0
160,000 Grainger	368,960	1.8
55,000 Palace Capital	181,500	0.9
30,500 Puma Brandenburg*	67,329	0.3
40,000 St. Modwen	155,520	0.8
	1,180,063	5.8
Real Estate Investment Trusts (2.6%; 31.01.15 - 0.0%)		
100,000 Safestore	341,800	1.6
25,000 Workspace Group	201,125	1.0
	542,925	2.6
Software & Computer Services (15.4%; 31.01.15 - 19.9%)		
50,000 Accesso Technology Group	422,500	2.1
1,035,000 dotDigital Group	507,150	2.5
39,000 EMIS Group	381,420	1.9
139,470 FDM Group	713,389	3.5
165,000 GB Group	417,450	2.0
185,000 Iomart Group	437,987	2.1
89,000 Servelec Group	277,680	1.3
	3,157,576	15.4
Support Services (15.9%; 31.01.15 - 7.9%)		
183,333 BCA Marketplace	306,624	1.5
128,014 Bilby	179,220	0.9
63,000 Howden Joinery	315,630	1.5
207,500 Keywords Studios	415,000	2.0
160,000 Paysafe	640,800	3.1
241,000 Premier Technical Services	204,850	1.0
102,000 Restore	306,000	1.5
1,500,000 Silverdell*	-	-
226,000 Smart Metering Systems	905,130	4.4
	3,273,254	15.9

PORTFOLIO STATEMENT (CONTINUED)As at 31 January 2016

Holding or nominal value of positions	Bid market value £	Percentage of total net assets %
Technology Hardware & Equipment (3.3%; 31.01.15 - 4.4%)		
279,489 Quixant	433,208	2.1
5,299,974 Seeing Machines	238,499	1.2
	671,707	3.3
Travel & Leisure (2.0%; 31.01.15 - 4.0%)		
77,000 Restaurant Group	410,025	2.0
	410,025	2.0
Portfolio of investments	18,964,688	92.7
Net other assets	1,486,171	7.3
Total net assets	20,450,859	100.0

* Puma Brandenburg and Silverdell are de-listed. All other stocks are quoted on regulated markets.

'Industrial Transportation' sector disinvested since the beginning of the period (31 January 2015: 1.0%).

'Mobile Telecommunications' sector disinvested since the beginning of the period (31 January 2015: 0.9%).

SUMMARY OF FUND PERFORMANCE

A Accumulation Shares	1 Feb 2015 to 31 Jan 2016	1 Feb 2014 to 31 Jan 2015	1 Feb 2013 to 31 Jan 2014
	(Pence per Share)	(Pence per Share)	(Pence per Share)
Change in net assets per share			
Opening net asset value per share	485.43	478.40	381.40
Return before operating charges*	99.82	15.69	104.72
Operating charges	(9.20)	(8.66)	(7.72)
Return after operating charges*	90.62	7.03	97.00
Closing net asset value per share	576.05	485.43	478.40
Retained distributions on accumulation shares	0.17	0.00	0.00
* after direct transaction costs of:	2.68	2.66	2.46
Performance			
Return after charges	18.67%	1.47%	25.43%
Other information			
Closing net asset value	£5,294,095	£7,958,055	£9,629,297
Closing number of shares	919,041	1,639,390	2,012,818
Operating charges (p.a)	1.71%	1.77%	1.83%
Direct transaction costs (p.a)	0.50%	0.54%	0.58%
Prices			
Highest published share price	600.80	517.46	498.65
Lowest published share price	488.40	450.78	381.80

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

SUMMARY OF FUND PERFORMANCE (CONTINUED)

B Accumulation Shares	1 Feb 2015 to 31 Jan 2016	1 Feb 2014 to 31 Jan 2015	1 Feb 2013 to 31 Jan 2014
	(Pence per Share)	(Pence per Share)	(Pence per Share)
Change in net assets per share			
Opening net asset value per share	550.40	538.44	426.50
Return before operating charges*	113.70	17.71	117.53
Operating charges	(6.02)	(5.75)	(5.59)
Return after operating charges*	107.68	11.96	111.94
Closing net asset value per share	658.08	550.40	538.44
Retained distributions on accumulation shares	4.88	2.14	1.17
* after direct transaction costs of:	3.10	3.00	2.76
Performance			
Return after charges	19.56%	2.22%	26.25%
Other information			
Closing net asset value	£15,156,764	£7,399,466	£3,102,706
Closing number of shares	2,303,167	1,344,382	576,238
Operating charges (p.a.)	0.96%	1.02%	1.18%
Direct transaction costs (p.a.)	0.50%	0.53%	0.58%
Prices			
Highest published share price	685.91	583.04	561.04
Lowest published share price	553.77	509.96	427.45

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

STATEMENT OF TOTAL RETURNFor the year ended 31 January 2016

	Notes	£	31.01.16 £	31.01.15 £
Income				
Net capital gains	2		2,999,022	211,928
Revenue	3	322,416		180,021
Expenses	4	(230,967)		(198,547)
Interest payable and similar charges	6	(100)		(57)
Net revenue/(expense) before taxation		91,349		(18,583)
Taxation	5	(1,000)		(1,184)
Net revenue/(expense) after taxation			90,349	(19,767)
Total return before distributions			3,089,371	192,161
Distributions	6		(90,682)	(11,265)
Change in net assets attributable to shareholders from investment activities			2,998,689	180,896

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERSFor the year ended 31 January 2016

	Notes	£	31.01.16 £	31.01.15 £
Opening net assets attributable to shareholders			15,357,521	12,732,003
<i>Movements due to sales and repurchases of shares:</i>				
Amounts receivable on issue of shares		7,651,812		5,567,159
Amounts payable on cancellation of shares		(5,656,341)		(3,149,415)
			1,995,471	2,417,744
Stamp duty reserve tax			-	(1,829)
Change in net assets attributable to shareholders from investment activities			2,998,689	180,896
Retained distributions on accumulation shares	6		99,178	28,707
Closing net assets attributable to shareholders			20,450,859	15,357,521

BALANCE SHEET
As at 31 January 2016

	Notes	31.01.16 £	31.01.15 £
Assets:			
Fixed Assets:			
Investments		18,964,688	14,482,203
Current Assets:			
Debtors	7	72,375	561,575
Cash and bank balances	8	1,840,163	851,155
Total assets		20,877,226	15,894,933
Liabilities:			
Creditors:			
Other creditors	9	426,367	537,412
Total liabilities		426,367	537,412
Net assets attributable to shareholders		20,450,859	15,357,521

NOTES TO THE FINANCIAL STATEMENTS

As at 31 January 2016

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 FRS 102 as modified by the Statement of Recommended Practice for Financial Statements of Authorised Funds issued by the Investment Association in May 2014.

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

(b) 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.

(c) 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.

(d) Treatment of expenses

All expenses, except those relating to the purchase and sale of investments are charged to the revenue account.

(e) 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.

(f) Taxation/deferred taxation

Corporation tax is provided for on taxable revenue, less deductible expenses, at a rate of 20%.

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.

(g) Distribution policy

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)As at 31 January 2016

1. Accounting policies (continued)**(h) 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.

(i) Basis of valuation of investments

The investments are valued at closing prices on the balance sheet date. If closing prices are not available, the latest available prices are used.

If separate offer and bid prices are quoted for shares or units, then the bid price is used.

If no price or recent available price exists, the investment is valued at a price which, in the opinion of the ACD, reflects the fair value of the asset.

Unlisted investments are valued by the ACD taking into account, where appropriate, dealing prices, valuations from reliable sources, financial performance and other relevant factors. As at the year end the Fund held two unlisted investments; Puma Brandenburg and Silverdell. The basis of valuation of these investments is as follows:

Puma Brandenburg – A further tender offer was announced with an instruction date of 11 December 2015. Unfortunately the Fund was unable to participate as shareholders were only permitted to tender A and B shares together, and the Fund holds the A shares only. However, the ACD believes that the offer of €2.90 for each 'A' share (as part of a unit of €4.00 consisting of 1 A share at €2.90 and 1 B share at €1.10) is now an appropriate valuation for this holding.

Silverdell - Silverdell is in administration, with very little prospect of a distribution to shareholders therefore the ACD feels that it is appropriate to value the shares at zero.

2. Net capital gains

	31.01.16	31.01.15
	£	£
Non-derivative securities	3,003,947	233,272
Currency losses	(2,737)	(19,014)
Transaction charges	(2,188)	(2,330)
Net capital gains	<u>2,999,022</u>	<u>211,928</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)As at 31 January 2016

3. Revenue

	31.01.16	31.01.15
	£	£
UK franked dividends	295,718	156,696
UK unfranked dividends	3,000	-
Overseas dividends	23,696	23,325
Bank interest	2	-
Total revenue	322,416	180,021

4. Expenses

	31.01.16	31.01.15
	£	£
Payable to the ACD, associates of the ACD and agents of either:		
Annual management charge	193,629	165,630
Registration fees	12,562	10,708
Administration fees	6,319	6,174
	<u>212,510</u>	<u>182,512</u>
Payable to the Depositary, associates of the Depositary and agents of either:		
Depositary's fees	8,913	6,197
Safe custody fees	460	311
	<u>9,373</u>	<u>6,508</u>
Other expenses:		
Audit fee	6,480	6,792
Tax fee	2,280	2,340
FCA fee	324	395
	<u>9,084</u>	<u>9,527</u>
Total expenses	230,967	198,547
	31.01.16	31.01.15
	£	£

Fees payable to the company auditor for the audit of the companies annual accounts:

Total audit fee	<u>6,480</u>	<u>6,792</u>
Tax compliance services		
Total non audit fees	<u>2,280</u>	<u>2,340</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)As at 31 January 2016

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

	31.01.16	31.01.15
	£	£
Analysis of charge in the year		
Overseas tax	1,000	1,184
Total current tax for the year (see note 5(b))	1,000	1,184
Deferred tax (see note 5(c))	-	-
Total taxation for the year	1,000	1,184

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:

	31.01.16	31.01.15
	£	£
Net revenue/(expense) before taxation	91,349	(18,583)
Corporation tax at 20%	18,270	(3,717)
Effects of:		
Revenue not subject to taxation	(63,883)	(36,004)
Excess expenses for which no relief taken	45,613	39,721
Overseas taxation	1,000	1,184
Current tax charge for the year (see note 5(a))	1,000	1,184

(c) Provision for deferred tax

At 31 January 2016 the Fund had surplus management expenses of £1,224,989 (31 January 2015: £996,924). The deferred tax in respect of this would be £244,998 (31 January 2015: £199,385). 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)).

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)As at 31 January 2016

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:

	31.01.16	31.01.15
	£	£
Interim - Accumulation (31 July)	44,305	-
Final - Accumulation (31 Jan)	<u>54,873</u>	<u>28,707</u>
	99,178	28,707
Add: Revenue deducted on cancellation of shares	8,573	1,642
Deduct: Revenue received on issue of shares	<u>(17,069)</u>	<u>(19,084)</u>
Net distribution for the year	<u>90,682</u>	<u>11,265</u>
Interest	100	57
Total finance costs	<u>90,782</u>	<u>11,322</u>
Reconciliation to net distribution for the year		
Net revenue/(expense) before taxation	90,349	(19,767)
Income currency (losses)/gains	(259)	342
Losses transferred to capital	<u>592</u>	<u>30,690</u>
Net distribution for the year	<u>90,682</u>	<u>11,265</u>

Details of the distributions per share are set out on page 35.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)As at 31 January 2016

7. Debtors

	31.01.16	31.01.15
	£	£
Amounts receivable for issue of shares	58,548	557,661
Accrued revenue	13,773	3,847
Prepayments	54	67
Total debtors	72,375	561,575

8. Cash and bank balances

	31.01.16	31.01.15
	£	£
Cash and bank balances	1,840,163	851,155
Total cash and bank balances	1,840,163	851,155

9. Other creditors

	31.01.16	31.01.15
	£	£
Amounts payable for cancellation of shares	174,262	51,497
Purchases awaiting settlement	222,725	459,231
Accrued annual management charge	17,479	15,419
Accrued registration fees	1,529	835
Accrued administration fees	545	548
Accrued depositary fees	891	626
Accrued custody fees	176	109
Accrued audit fees	6,480	6,792
Accrued tax fees	2,280	2,340
Debit interest payable	-	15
Total creditors	426,367	537,412

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)As at 31 January 2016

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, Associates of the ACD (including other authorised funds managed by the ACD) held the following shareholdings in the Fund on behalf of other parties:

B Accumulation Shares	206,138
-----------------------	---------

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

11. Share classes

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

	A Accumulation
Opening shares at the start of the period	1,639,390.418
Total creation of shares in the period	84,239.764
Total cancellation of shares in the period	<u>(804,589.059)</u>
Closing shares at the end of the period	<u>919,041.123</u>
	B Accumulation
Opening shares at the start of the period	1,344,381.773
Total creation of shares in the period	1,140,316.574
Total cancellation of shares in the period	<u>(181,530.906)</u>
Closing shares at the end of the period	<u>2,303,167.441</u>

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 18 and 19. The distributions per share class are given in the distribution table on page 35. All share classes have the same rights on winding up.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)As at 31 January 2016

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 period, 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 2016			Net foreign currency assets at 31 January 2015		
	Monetary exposures	Non- monetary exposures	Total	Monetary exposures	Non- monetary exposures	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Euro	-	67	67	90	38	128
US Dollar	-	-	-	5	-	5

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)As at 31 January 2016

12. Risk management polices (continued)**(b) Cash flow risk and interest rate risk profile of financial assets and liabilities**

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

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

	Floating rate financial assets £'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
31.01.16						
Euro	-	-	67	-	-	67
Sterling	1,840	-	18,970	-	(426)	20,384
31.01.15						
Euro	90	-	38	-	-	128
Sterling	756	-	15,006	-	(537)	15,225
US Dollar	5	-	-	-	-	5

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.

(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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)As at 31 January 2016

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. However, at the balance sheet date the Fund held unquoted equities amounting to 0.3% of the Fund's Net Asset Value.

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.

(f) Fair value of financial assets and liabilities

Valuation technique	INVESTMENT ASSETS	
	31 January 2016	31 January 2015
	£	£
Quoted prices for identical instruments in active markets	18,897,359	14,429,556
Prices of recent transactions for identical instruments	-	-
Valuation techniques using observable market data	-	-
Valuation techniques using non-observable data*	67,329	52,647
	<u>18,964,688</u>	<u>14,482,203</u>

* The valuation techniques used can be found in Note 1 (i) on page 23.

As at the year-end there were no investment liabilities (31 January 2015: £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 2015: £nil).

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)As at 31 January 2016

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. A breakdown of the purchases and sales, and the related direct transaction costs incurred by the Fund in the period are shown in the table below:

	31.01.16		31.01.15	
	£		£	
Analysis of total purchase costs				
PURCHASES				
Equities	12,483,349		10,481,583	
Investment Trusts	<u>24,801</u>		<u>-</u>	
Net purchases before direct transaction costs	12,508,150		10,481,583	
		% of total		
		purchases	% of total	
			purchases	
DIRECT TRANSACTION COSTS				
Equities	59,262	0.47%	45,338	0.43%
Investment Trusts	<u>3,784</u>	<u>0.03%</u>	<u>-</u>	<u>0.00%</u>
Total direct transaction costs	63,046	0.50%	45,338	0.43%
Gross purchases total	<u>12,571,196</u>		<u>10,526,921</u>	
Analysis of total sale costs				
SALES				
Equities	10,846,918		8,414,632	
Investment Trusts	<u>249,187</u>		<u>-</u>	
Gross sales before direct transaction costs	11,096,105		8,414,632	
		% of total		
		sales	% of total	
			sales	
DIRECT TRANSACTION COSTS				
Equities	(28,317)	0.25%	(22,503)	0.27%
Investment Trusts	<u>(754)</u>	<u>0.01%</u>	<u>-</u>	<u>0.00%</u>
Total direct transaction costs	(29,071)	0.26%	(22,503)	0.27%
Net sales total	<u>11,067,034</u>		<u>8,392,129</u>	

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)As at 31 January 2016

13. Transaction costs (continued)

	31.01.16	% of	31.01.15	% of
	£	average NAV	£	average NAV
Analysis of total direct transaction costs				
Equities	87,579	0.47%	67,841	0.53%
Investment Trusts	4,538	0.03%	-	0.00%
Total direct transaction costs	92,117	0.50%	67,841	0.53%

(b) Average portfolio dealing spread

The average portfolio dealing spread of the investments at the balance sheet date was 0.74%. 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 2015: £nil).

15. Post balance sheet events

Subsequent to the year end, the net asset value per share of the B Accumulation shares has increased from 658.08p to 690.09p as at 15 April 2016. This movement takes into account routine transactions but also reflects the market movements of recent months. There are no post balance sheet events which require adjustments at the year end.

DISTRIBUTION TABLEAs at 31 January 2016

Interim Distribution (31 July 2015)

Group 1 - Shares purchased on or prior to 31 January 2015

Group 2 - Shares purchased after 31 January 2015

Shares	Gross revenue	Tax credit at 10%	Net revenue	Equal -isation ¹	Paid/Acc -umulated 30.09.15	Paid/Acc -umulated 30.09.14
	(pence)	(pence)	(pence)	(pence)	(pence)	(pence)
A Accumulation						
Group 1	0.1940	0.0194	0.1746	-	0.1746	-
Group 2	-	-	-	0.1746	0.1746	-
B Accumulation						
Group 1	2.7778	0.2778	2.5000	-	2.5000	-
Group 2	2.6642	0.2664	2.3978	0.1022	2.5000	-

Final Distribution (31 January 2016)

Group 1 - Shares purchased on or prior to 31 July 2015

Group 2 - Shares purchased after 31 July 2015

Shares	Gross revenue	Tax credit at 10%	Net revenue	Equal -isation ¹	Paid/Acc -umulated 31.03.16	Paid/Acc -umulated 31.03.15
	(pence)	(pence)	(pence)	(pence)	(pence)	(pence)
A Accumulation						
Group 1	-	-	-	-	-	-
Group 2	-	-	-	-	-	-
B Accumulation						
Group 1	2.6471	0.2647	2.3824	-	2.3824	2.1353
Group 2	0.5102	0.0510	0.4592	1.9232	2.3824	2.1353

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

DIRECTORY

The Company

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

Authorised Corporate Director

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

Tel: 0115 988 8200
Fax: 0115 988 8222
Website: www.tbaileyfs.co.uk/funds/tb-amati-investment-funds

Authorised and regulated by the Financial Conduct Authority.

Directors of the ACD

Mrs H C Stevens
Mr R J Bonney
Mr R J Taylor

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.

Depositary

National Westminster Bank Plc
Trustee & Depositary Services
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
Fax: 0115 988 8222
Dealing Line: 0115 988 8275
Website: www.tbaileyfs.co.uk/funds/tb-amati-investment-funds

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 Services Limited ('TBFS'). TBFS is a Regulated Collective Investment Scheme Manager and is authorised and regulated by the Financial Conduct Authority. Registered in England No: 3720363.