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**Amati**  
Global Investors



T.BAILEY

## TB Amati Investment Funds

**Interim Report and Financial Statements (Unaudited)**  
31 July 2017

**TB Amati UK Smaller Companies Fund**



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*Note: The Authorised Corporate Director’s Report consists of ‘Authorised Status’, ‘Structure of the Company’ and ‘Investment Objective and Policy’ on page 2, ‘Investment Review’ as provided by the Investment Manager, on pages 6 to 9 and ‘Directory’ on page 21.*



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## THE AUTHORISED CORPORATE DIRECTOR AND INVESTMENT MANAGER

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

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

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## YOUR INVESTMENTS

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

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

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

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## RISK PROFILE

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

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## SYNTHETIC RISK AND REWARD INDICATOR

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

The Fund is in risk category 4 because it invests in shares. (As per the Annual Report and Financial Statements for the year ended 31 May 2016 the risk category was 5, the risk category for the Fund has since changed to be risk category 4.)

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## ONGOING CHARGES FIGURE

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The Ongoing Charges Figure ('OCF') provides investors with a clearer picture of the total annual costs in running a Collective Investment Scheme. The OCF consists principally of the Annual Management Charge, but also includes the costs for other services paid in respect of Depositary, custody, FCA and audit fees. The OCFs, as calculated in accordance with ESMA guidelines, are disclosed as 'Operating charges (p.a.)' in the Summary of Fund Performance tables on pages 15 and 16.

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## **AUTHORISED STATUS**

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

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

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## **STRUCTURE OF THE COMPANY**

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

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

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

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## **INVESTMENT OBJECTIVE AND POLICY**

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

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.

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## **OTHER INFORMATION**

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

The Key Investor Information document and Supplementary Information document are also available from [www.tbaileyfs.co.uk/funds/tb-amati-investment-funds](http://www.tbaileyfs.co.uk/funds/tb-amati-investment-funds).

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## THE INVESTMENT MANAGEMENT TEAM

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The TB Amati UK Smaller Companies Fund\* has been managed by Dr Paul Jourdan since 2000, and co-managed with 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 and management team's long term performance record is award winning, and recently includes Money Observer Best UK Smaller/Mid Cap Equity Fund of the Year 2016 & 2017, and Investment Week UK Smaller Companies Fund Manager of the Year 2017. The Fund has 5 Crowns from FE Trustnet, 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](mailto:info@amatiglobal.com)

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

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## BIOGRAPHIES

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### **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, which was taken over by First State in 2000, at which time Paul became manager of what is now the TB Amati UK Smaller Companies Fund. In early 2005 he launched what is now Amati VCT plc and he also manages Amati VCT 2 following the award of the investment management contract to Amati Global Investors in 2010. In September 2014 Amati launched the Amati IHT Portfolio Service, which Paul co-manages with Douglas Lawson and David Stevenson. Prior to 1998 Paul worked as a professional violinist, including a four year period with the City of Birmingham Symphony Orchestra. He is CEO of Amati Global Investors Ltd and a Director of Sistema Scotland.



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## **BIOGRAPHIES (CONTINUED)**

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### **Douglas Lawson - Director**

Douglas Lawson co-founded Amati Global Investors with Paul Jourdan. Prior to this he worked in corporate finance and private equity, initially 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 and Amati VCT since 2009, Amati VCT 2 since 2010 and the Amati AIM IHT Portfolio service since 2014. Douglas started his career at Ernst & Young in London, where he qualified as a Chartered Accountant in 2002. He is a Director of Amati Global Investors Ltd.



### **David Stevenson - Fund Manager**

David joined Amati in 2012. In 2005, he was a co-founding partner of investment boutique Cartesian Capital, which managed a range of retail and institutional UK equity funds in long only and long/short strategies. Prior to that he was Assistant Director at SVM, where he also managed equity products including the UK Opportunities small/midcap fund which was ranked top decile for the 5 year period from inception to 2005. David started his career at KPMG where he qualified as a Chartered Accountant. He latterly specialised in corporate finance, before moving into private equity with Dunedin Fund Managers. David has co-managed the TB Amati UK Smaller Companies Fund and the Amati VCTs since 2012, and the Amati AIM IHT Portfolio Service since 2014.





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## STATEMENT OF THE AUTHORISED CORPORATE DIRECTOR'S RESPONSIBILITIES

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

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

- are in accordance with United Kingdom Generally Accepted Accounting Practice ("United Kingdom Accounting Standards and applicable law"), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Statement of Recommended Practice: "Financial Statements of 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 UK 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 proper accounting records that disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the applicable IA SORP and United Kingdom Accounting Standards and applicable law. The ACD is also responsible for the system of internal controls, for safeguarding the assets of the Company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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## DIRECTORS' STATEMENT

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In accordance with COLL 4.5.8BR, the report and financial statements were approved by the board of directors of the ACD of the Company and authorised for issue on 15 September 2017.

The Directors are of the opinion that it is appropriate to continue to adopt the going concern basis in the preparation of the financial statements as the assets of the Company and the sub-fund consist predominantly of readily realisable securities 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**  
**Nottingham, United Kingdom**  
**15 September 2017**

**Richard Taylor**  
**Compliance Director**  
**T. Bailey Fund Services Limited**  
**Nottingham, United Kingdom**  
**15 September 2017**

## INVESTMENT REVIEW

### Performance

	Cumulative returns for the periods ended 31 July 2017 (%)					
	6 months	1 year	3 years	5 years	10 years	From PJ take on*
A Accumulation Shares	16.28	32.69	69.39	141.71	181.42	462.43
B Accumulation Shares	16.72	33.70	73.26	150.55	201.94	541.58
Numis Smaller Companies Index (inc AIM, ex Inv Trusts)	12.34	26.27	35.33	95.93	82.72	207.66

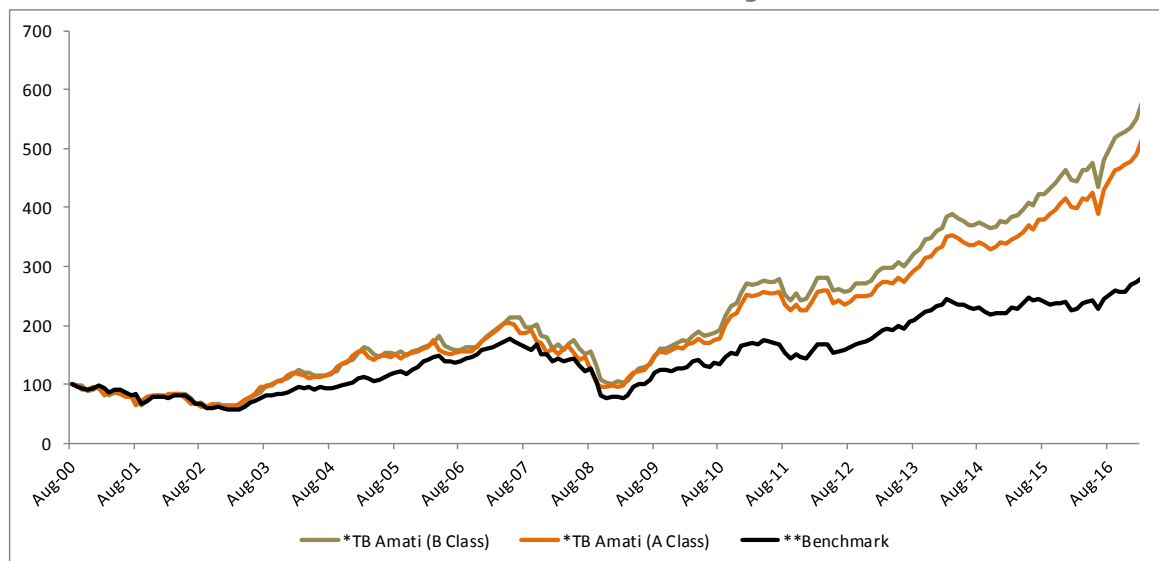
Source: Financial Express. Total return, bid to bid. Sterling terms.

\*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 5th and 6th 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 (B Class & A Class) Fund Total Return Index (rebased to 100). \*\* Benchmark Index: Numis (formerly RBS Hoare Govett) Smaller Companies (inc AIM, ex Inv Trusts) Total Return (rebased to 100).

Source: Amati Global Investors Ltd as at 31 July 2017.

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

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## INVESTMENT REVIEW (CONTINUED)

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### Market Review

For most of the period under review the momentum which has persisted within UK equities since early 2016, continued unabated. All segments of the market progressed, with large, mid and small cap indices achieving all-time highs. AIM stocks, whilst still below historic index peaks, enjoyed the strongest gains, driven by the largest companies. The surprise UK election result in early June, however, checked this momentum. From that point until mid-July, there was a pattern of profit-taking and some increased volatility. The catalyst for this came from a cocktail of uncertainties: political, arising from a minority government plus Brexit negotiation risks; economic, arising from a slowdown in UK economic growth, principally due to a pullback in consumer spending; and capital markets, arising from emerging signs of an inflection point in bond yields. A positive reporting season in late July, however, reignited investor appetite, with all segments more or less regaining their previous peaks, apart from large caps which stalled following negative news flow in some key sectors such as pharmaceuticals and tobacco.

Although the overall headline picture was one of sustained equities progress, there were some significant changes to the components of this momentum. Leadership by large companies in 2016, driven by an expected boost to exports from sterling's devaluation, has not carried through into 2017. Large caps have lagged the rest of the market, and in particular have underperformed high growth AIM stocks. In another change, whilst cyclical sectors dominated the market at the start of 2017, mostly reflecting robust UK economic data plus anticipation of a Trump driven global boost, this pattern fragmented during the reporting period with oil and gas, mining and retail ending up the poorest performing areas. This followed a combination of falling global commodity prices, and a retreating UK consumer. Some domestic sectors managed to maintain leadership throughout, such as housebuilders, whilst technology was another mainstay.

### Performance

The share price (B Accumulation) of the Fund rose by 16.7% during the period, as compared to the rise in the benchmark index of 12.3%. The biggest contributors to performance featured a number of larger AIM stocks which continue to report significant, sustained earnings growth. **Keywords Studios**, the provider of localisation, cultural adaption and testing services to the global video gaming industry, continues to be core to the Fund's performance. The shares doubled in the period, reflecting trading which was ahead of market expectations built on strong organic growth augmented by a series of acquisitions. **Fevertree Drinks**, the leading supplier of premium mixers for alcoholic spirits, has similarly continued to report outstanding organic growth as it launches new product lines across a variety of distribution channels in more than 50 countries worldwide. **boohoo.com**, the "fast fashion" online retailer, supplemented its organic growth, which was also ahead of market expectations in the period, with the acquisition of a US brand targeted at the same young female demographic. **Gear4Music**, the online music instrument retailer, continued its rapid expansion as it builds a pan-European capability within a highly fragmented market. Main Market holdings which also contributed to the Fund's performance included small cap **Forterra**, the UK's second largest clay brick manufacturer, which is benefiting from the sustained growth in new housebuilding activity. Demand exceeds supply in the UK for every type of accommodation ranging from social and affordable housing, to private rental and sale, and Forterra's building materials address all of these end markets. Mid cap international IT services provider, **FDM**, saw significant organic progress as it expanded its consultant pool across all of its markets to meet client demand.

The detractors from performance were mainly resources related stocks. This reflected unsupportive commodity prices, particularly oil, which retraced from around \$55 a barrel at the start of the reporting period to around \$50 at the end of July, touching a low of just under \$43 in the process. This environment impacted sentiment towards junior resources stocks such as oil and gas explorers **Faroe Petroleum** and **Amerisur Resources**, along with South African platinum and chrome miner, **Tharisa**, and gold miner **Pan African Resources**. It also caused weakness in mining drill rig services provider **Capital Drilling**. Specialist inhaled drug and device manufacturer, **Vectura**, was impacted by an announcement from the US Food and Drug Administration which delayed approval of its generic replacement for GlaxoSmithKline's Advair. This has resulted in a deferral of milestone payments and sales royalty income. The holdings in Faroe, Amerisur and Vectura were sold during the period.

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## INVESTMENT REVIEW (CONTINUED)

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The asset allocation at the period end was as follows:

Sector	Asset allocation as at 31 July 2017 (%)	Asset allocation as at 31 January 2017 (%)
Banks	2.2	1.6
Beverages	2.5	2.8
Construction & Materials	3.7	3.6
Electronic & Electrical Equipment	2.7	2.0
Financial Services	13.9	6.2
Fixed Line Telecommunications	0.6	1.3
General Retailers	7.6	9.1
Health Care Equipment & Services	1.3	2.0
Household Goods & Home Construction	5.3	3.8
Leisure Goods	2.1	5.3
Life Insurance	0.8	0.5
Media	1.3	0.1
Mining	6.7	9.0
Mobile Telecommunications	1.1	0.9
Nonlife Insurance	2.0	2.0
Oil & Gas Producers	3.9	4.2
Pharmaceuticals & Biotechnology	7.7	7.2
Real Estate Investment & Services	1.9	1.7
Real Estate Investment Trusts	1.6	1.8
Software & Computer Services	10.1	9.4
Support Services	14.0	14.5
Technology Hardware & Equipment	4.1	3.5
Cash and Other Net Assets	2.9	7.5
<b>Total</b>	<b>100.0</b>	<b>100.0</b>

The full list of holdings at the period end is shown in the Portfolio Statement on pages 10 to 14.

### Activity

Portfolio activity during the period fell into two broad categories. Firstly, we refreshed our exposure to broad healthcare related themes by selling out of drug delivery specialists **Consort Medical** and **Vectura**, funeral services provider **Dignity** and animal genetics developer **Genus**. We introduced holdings in specialty pharmaceuticals manufacturer **Alliance Pharma**; adult and child care home operator **CareTech**; clinical drug trial service provider and short-supply medicine supplier **Clinigen**; and leading addiction treatment specialist **Indivior**.

The second broad area of portfolio activity involved taking exposure to a number of market leading, quality businesses with international revenues. A slowing domestic UK environment prompted new holdings such as global litigation financier and advisor, **Burford Capital**; world leading provider of film and TV insurance contracts, **FFI**; power control components manufacturer, **XP Power**; business spend management software provider, **Proactis**; pan-European technology-focussed venture capital investor **Draper Esprit**; and e-learning services provider **Learning Technologies**. Learning Technologies was a company first invested in by Amati's AIM VCTs in 2015. Other additions, all UK-focused but with similarly robust business models, included **Rightmove**, the market leading property website; **Tatton**, a DFM fund selection platform and back office outsourcer; and **Quiz**, a fast fashion womenswear retailer. To make way for these new positions, sales included used car auctioneer and website operator, **BCA**; legal marketing services provider **NAHL**; vending machine operator, **Photo-Me**; and property developer, **St. Modwen**.

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## INVESTMENT REVIEW (CONTINUED)

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With the growth in the size of the Fund, some smaller holdings which offered limited ongoing liquidity were also sold. These included **Bilby** and **Sprue Aegis**.

### Outlook

Gains achieved by the UK market over the last two years now appear exceptional in light of the headwinds and uncertainty faced in the upcoming two years. Negotiating an EU exit against the backdrop of a low growth domestic economy, with added global risks from central banks starting to reverse extreme stimulus measures, creates a fragile UK environment. It remains to be seen whether Brexit will need to involve a longer transition period, how much financial compensation the UK will be required to pay, how changes to labour mobility will impact the economy, and how much the negotiation process disrupts all other policy agendas for the government, which is already in a weakened, minority position. In such a landscape, our fund strategy will continue to focus on dynamic smaller companies, which can achieve durable growth from a combination of technology, intellectual property or strong market position. Whilst they can never be completely immune to the risks which lie ahead, we believe that they have many of the attributes required to withstand a more difficult economic backdrop in the UK.

**Paul Jourdan**  
CEO  
Amati Global Investors Ltd  
Edinburgh, United Kingdom  
15 September 2017

**Douglas Lawson**  
Director  
Amati Global Investors Ltd  
Edinburgh, United Kingdom  
15 September 2017

**David Stevenson**  
Fund Manager  
Amati Global Investors Ltd  
Edinburgh, United Kingdom  
15 September 2017

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**PORTFOLIO STATEMENT**As at 31 July 2017

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<b>Holding or nominal value of positions</b>	<b>Bid market value £</b>	<b>Percentage of total net assets %</b>
<b>Banks</b> (2.2%; 31.01.17 - 1.6%)		
718,000 Aldermore	1,556,624	2.2
	<b>1,556,624</b>	<b>2.2</b>
<b>Beverages</b> (2.5%; 31.01.17 - 2.8%)		
80,055 Fever-tree Drinks	1,719,581	2.5
	<b>1,719,581</b>	<b>2.5</b>
<b>Construction &amp; Materials</b> (3.7%; 31.01.17 - 3.6%)		
608,000 Forterra	1,748,000	2.5
850,000 Van Elle	824,500	1.2
	<b>2,572,500</b>	<b>3.7</b>
<b>Electronic &amp; Electrical Equipment</b> (2.7%; 31.01.17 - 2.0%)		
161,900 Xaar	663,790	0.9
47,593 Xp Power	1,237,418	1.8
	<b>1,901,208</b>	<b>2.7</b>
<b>Financial Services</b> (13.9%; 31.01.17 - 6.2%)		
155,000 Burford Capital	1,683,300	2.4
250,000 Draper Esprit	812,500	1.2
660,000 FFI Holdings	1,023,000	1.5
160,293 IG Group	1,019,463	1.4
260,925 Morses Club	299,411	0.4
411,000 Mortgage Advice Bureau	1,871,078	2.7
530,000 Onesavings Bank	2,094,560	3.0
256,410 Tatton Asset Management	482,051	0.7
287,769 Xafinity	451,797	0.6
	<b>9,737,160</b>	<b>13.9</b>

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**PORTFOLIO STATEMENT (CONTINUED)**As at 31 July 2017

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<b>Holding or nominal value of positions</b>	<b>Bid market value £</b>	<b>Percentage of total net assets %</b>
<b>Fixed Line Telecommunications</b> <b>(0.6%; 31.01.17 - 1.3%)</b>		
713,054 CityFibre Infrastructure	392,180	0.6
	<b>392,180</b>	<b>0.6</b>
<b>General Retailers</b> <b>(7.6%; 31.01.17 - 9.1%)</b>		
465,000 Boohoo.Com	1,093,913	1.6
297,000 Card Factory	910,899	1.3
76,500 CVS Group	986,850	1.4
209,500 Just Eat	1,299,948	1.8
537,578 Quiz	1,048,277	1.5
	<b>5,339,887</b>	<b>7.6</b>
<b>Health Care Equipment &amp; Services</b> <b>(1.3%; 31.01.17 - 2.0%)</b>		
208,803 Caretech	876,973	1.3
	<b>876,973</b>	<b>1.3</b>
<b>Household Goods &amp; Home Construction</b> <b>(5.3%; 31.01.17 - 3.8%)</b>		
192,500 MJ Gleeson	1,286,863	1.8
197,000 Victoria	1,073,650	1.5
702,000 Watkin Jones Group	1,365,390	2.0
	<b>3,725,903</b>	<b>5.3</b>
<b>Leisure Goods</b> <b>(2.1%; 31.01.17 - 5.3%)</b>		
195,102 Gear4music	1,443,755	2.1
	<b>1,443,755</b>	<b>2.1</b>
<b>Life Insurance</b> <b>(0.8%; 31.01.17 - 0.5%)</b>		
153,000 Chesnara	584,078	0.8
	<b>584,078</b>	<b>0.8</b>

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**PORTFOLIO STATEMENT (CONTINUED)**As at 31 July 2017

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<b>Holding or nominal value of positions</b>	<b>Bid market value £</b>	<b>Percentage of total net assets %</b>
<b>Media</b> <b>(1.3%; 31.01.17 - 0.1%)</b>		
21,850 Rightmove	919,448	1.3
	<b>919,448</b>	<b>1.3</b>
<b>Mining</b> <b>(6.7%; 31.01.17 - 9.0%)</b>		
480,000 Anglo Pacific Group	561,600	0.8
3,270,910 Base Resources	490,636	0.7
4,633,561 Base Resources (AUD)	714,883	1.0
6,712,500 Georgian Mining	1,141,125	1.6
7,800,000 Pan African Resources	1,053,000	1.5
1,785,714 Prairie Mining	428,571	0.6
450,000 Tharisa	315,000	0.5
	<b>4,704,815</b>	<b>6.7</b>
<b>Mobile Telecommunications</b> <b>(1.1%; 31.01.17 - 0.9%)</b>		
115,000 Gamma Communications	745,200	1.1
	<b>745,200</b>	<b>1.1</b>
<b>NonLife Insurance</b> <b>(2.0%; 31.01.17 - 2.0%)</b>		
166,000 Beazley Group	849,920	1.2
41,500 Hiscox	538,255	0.8
	<b>1,388,175</b>	<b>2.0</b>
<b>Oil &amp; Gas Producers</b> <b>(3.9%; 31.01.17 - 4.2%)</b>		
2,468,993 Diversified Gas & Oil	1,641,880	2.3
1,500,000 Eland Oil & Gas	727,500	1.0
871,845 Pantheon Resources	396,689	0.6
	<b>2,766,069</b>	<b>3.9</b>



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**PORTFOLIO STATEMENT (CONTINUED)**As at 31 July 2017

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<b>Holding or nominal value of positions</b>	<b>Bid market value £</b>	<b>Percentage of total net assets %</b>
<b>Pharmaceuticals &amp; Biotechnology</b> (7.7%; 31.01.17 - 7.2%)		
1,650,000 Alliance Pharma	849,750	1.2
75,000 Bioventix	1,387,500	2.0
85,000 Clinigen Group	850,850	1.2
131,000 Eco Animal Health Group	858,050	1.2
380,000 Indivior	1,458,440	2.1
	<b>5,404,590</b>	<b>7.7</b>
<b>Real Estate Investment &amp; Services</b> (1.9%; 31.01.17 - 1.7%)		
637,250 CLS Holdings	1,343,960	1.9
	<b>1,343,960</b>	<b>1.9</b>
<b>Real Estate Investment Trusts</b> (1.6%; 31.01.17 - 1.8%)		
648,808 Londonmetric Property	1,090,646	1.6
	<b>1,090,646</b>	<b>1.6</b>
<b>Software &amp; Computer Services</b> (10.1%; 31.01.17 - 9.4%)		
72,800 Accesso Technology	1,190,280	1.7
2,090,000 Dotdigital Group	1,442,100	2.0
165,000 FDM Group	1,517,175	2.2
445,808 GB Group	1,645,032	2.3
149,809 Iomart Group	472,273	0.7
434,351 Proactis Holdings	816,580	1.2
	<b>7,083,440</b>	<b>10.1</b>

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**PORTFOLIO STATEMENT (CONTINUED)**As at 31 July 2017

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<b>Holding or nominal value of positions</b>	<b>Bid market value £</b>	<b>Percentage of total net assets %</b>
<b>Support Services</b> <b>(14.0%; 31.01.17 - 14.5%)</b>		
445,853 Blancco Tech Group	423,560	0.6
833,333 Capital Drilling	320,833	0.5
191,000 Keywords Studios	2,150,660	3.1
2,845,000 Learning Tech Group	1,351,375	1.9
946,687 Premier Technical Services	1,202,292	1.7
232,000 Restore	1,099,680	1.6
156,000 Sanne Group	1,077,180	1.5
351,000 Smart Metering Systems	2,142,855	3.1
	<hr/> <b>9,768,435</b>	<hr/> <b>14.0</b>
<b>Technology Hardware &amp; Equipment</b> <b>(4.1%; 31.01.17 - 3.5%)</b>		
602,290 Quixant	2,529,618	3.6
10,299,974 Seeing Machines	360,499	0.5
	<hr/> <b>2,890,117</b>	<hr/> <b>4.1</b>
<b>Portfolio of investments</b>	<b>67,954,744</b>	<b>97.1</b>
<b>Net other assets</b>	<b>2,064,735</b>	<b>2.9</b>
<b>Total net assets</b>	<hr/> <b>70,019,479</b>	<hr/> <b>100.0</b>

*All holdings are equities quoted on recognised stock exchanges.*

## SUMMARY OF FUND PERFORMANCE

<b>A Accumulation Shares</b>	<b>1 Feb 2017 to 31 July 2017</b>	<b>1 Feb 2016 to 31 Jan 2017</b>	<b>1 Feb 2015 to 31 Jan 2016</b>	<b>1 Feb 2014 to 31 Jan 2015</b>
	(Pence per Share)	(Pence per Share)	(Pence per Share)	(Pence per Share)
<b>Change in net assets per share</b>				
Opening net asset value per share	703.49	576.05	485.43	478.40
Return before operating charges*	122.16	138.11	99.82	15.69
Operating charges	(6.34)	(10.67)	(9.20)	(8.66)
Return after operating charges*	115.82	127.44	90.62	7.03
Distributions	0.00	(1.69)	(0.17)	0.00
Retained distributions on accumulation shares	0.00	1.69	0.17	0.00
Closing net asset value per share	819.31	703.49	576.05	485.43
* after direct transaction costs of:	1.93	2.97	2.68	2.66
<b>Performance</b>				
Return after charges	16.46%	22.12%	18.67%	1.47%
<b>Other information</b>				
Closing net asset value	£6,578,276	£5,640,540	£5,294,095	£7,958,055
Closing number of shares	802,903	801,789	919,041	1,639,390
Operating charges (p.a)	1.65%	1.69%	1.71%	1.77%
Direct transaction costs (p.a)	0.50%	0.47%	0.50%	0.54%
<b>Prices</b>				
Highest published share price	821.71	710.83	600.80	517.46
Lowest published share price	710.19	548.88	488.40	450.78

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

## SUMMARY OF FUND PERFORMANCE (CONTINUED)

<b>B Accumulation Shares</b>	<b>1 Feb 2017 to 31 July 2017</b>	<b>1 Feb 2016 to 31 Jan 2017</b>	<b>1 Feb 2015 to 31 Jan 2016</b>	<b>1 Feb 2014 to 31 Jan 2015</b>
	(Pence per Share)	(Pence per Share)	(Pence per Share)	(Pence per Share)
<b>Change in net assets per share</b>				
Opening net asset value per share	809.75	658.08	550.40	538.44
Return before operating charges*	140.85	158.58	113.70	17.71
Operating charges	(4.01)	(6.91)	(6.02)	(5.75)
Return after operating charges*	136.84	151.67	107.68	11.96
Distributions	(2.79)	(7.46)	(4.88)	(2.14)
Retained distributions on accumulation shares	2.79	7.46	4.88	2.14
Closing net asset value per share	946.59	809.75	658.08	550.40
* after direct transaction costs of:	2.23	3.45	3.10	3.00
<b>Performance</b>				
Return after charges	16.90%	23.05%	19.56%	2.22%
<b>Other information</b>				
Closing net asset value	£63,441,203	£36,677,757	£15,156,764	£7,399,466
Closing number of shares	6,702,101	4,529,494	2,303,167	1,344,382
Operating charges (p.a.)	0.90%	0.94%	0.96%	1.02%
Direct transaction costs (p.a)	0.50%	0.47%	0.50%	0.53%
<b>Prices</b>				
Highest published share price	949.34	817.97	685.91	583.04
Lowest published share price	817.46	628.97	553.77	509.96

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

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**STATEMENT OF TOTAL RETURN**For the six month period ended 31 July 2017

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		31.07.17	31.07.16
	£	£	£
Income			
Net capital gains		8,518,527	1,713,152
Revenue	456,715		224,262
Expenses	<u>(286,473)</u>		<u>(136,260)</u>
Net revenue before taxation	170,242		88,002
Taxation	<u>-</u>		<u>-</u>
Net revenue after taxation		<u>170,242</u>	<u>88,002</u>
<b>Total return before distributions</b>		<b>8,688,769</b>	<b>1,801,154</b>
Distributions		(174,087)	(87,951)
<b>Change in net assets attributable to shareholders from investment activities</b>		<b><u>8,514,682</u></b>	<b><u>1,713,203</u></b>

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

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**STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS**For the six month period ended 31 July 2017

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		31.07.17	31.07.16
	£	£	£
<b>Opening net assets attributable to shareholders</b>		<b>42,318,297</b>	<b>20,450,859</b>
<i>Movements due to sales and repurchases of shares:</i>			
Amounts receivable on issue of shares	29,419,317		11,628,622
Amounts payable on cancellation of shares	<u>(10,419,934)</u>		<u>(4,704,086)</u>
		18,999,383	6,924,536
Change in net assets attributable to shareholders from investment activities		8,514,682	1,713,203
Retained distributions on accumulation shares		187,117	98,481
<b>Closing net assets attributable to shareholders</b>		<b><u>70,019,479</u></b>	<b><u>29,187,079</u></b>

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

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**BALANCE SHEET**As at 31 July 2017

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	31.07.17	31.01.17
	£	£
<b>Assets:</b>		
<b>Fixed Assets:</b>		
Investments	67,954,744	39,140,929
<b>Current Assets:</b>		
Debtors	1,471,419	286,158
Cash and bank balances	2,009,314	3,645,818
<b>Total assets</b>	<b>71,435,477</b>	<b>43,072,905</b>
<b>Liabilities:</b>		
<b>Creditors:</b>		
Other creditors	1,415,998	754,608
<b>Total liabilities</b>	<b>1,415,998</b>	<b>754,608</b>
<b>Net assets attributable to shareholders</b>	<b>70,019,479</b>	<b>42,318,297</b>

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**NOTES TO THE FINANCIAL STATEMENTS**

As at 31 July 2017

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**Accounting policies**

The financial statements have been prepared on the basis of the accounting policies set out in the Annual Report and Financial Statements for the year ended 31 January 2017.

The financial statements have been prepared under the historical cost basis, as modified by the revaluation of investments, and in accordance with Financial Reporting Standard 102 (FRS 102) and in accordance with the Statement of Recommended Practice (SORP) for Financial Statements of Authorised Funds issued by the Investment Association in May 2014.

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

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**DISTRIBUTION TABLE**For the six month period ended 31 July 2017

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**Interim Distribution (31 July 2017)**

Group 1 - Shares purchased on or prior to 31 January 2017

Group 2 - Shares purchased after 31 January 2017

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<b>Shares</b>	<b>Revenue</b>	<b>Equalisation<sup>1</sup></b>	<b>Accumulated</b>	<b>Accumulated</b>
	<b>(pence)</b>	<b>(pence)</b>	<b>30.09.17</b>	<b>30.09.16</b>
			<b>(pence)</b>	<b>(pence)</b>
<b>A Accumulation</b>				
Group 1	-	-	-	<b>0.1793</b>
Group 2	-	-	-	<b>0.1793</b>
<b>B Accumulation</b>				
Group 1	2.7919	-	<b>2.7919</b>	<b>2.8130</b>
Group 2	1.8724	0.9195	<b>2.7919</b>	<b>2.8130</b>

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



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## DIRECTORY

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### The Company

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

### Authorised Corporate Director

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](http://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](mailto:info@amatiglobal.com)  
Website: [www.amatiglobal.com](http://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](http://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.

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