Amati Global Investors

B Share Class
1436.07p

INVESTMENT WEEK SPECIALIST INVESTMENT AWARDS 2020 WINNER Boutique of the Year (below £1bn AUM)

TB Amati UK Smaller Companies

December 2020

10 Largest Holdings (% of total assets)

HeiQ	3.5%
Inspecs	3.4%
OSB Group	2.8%
RWS Holdings	2.7%
Sumo Group	2.6%
Gear4music	2.4%
Eqtec	2.3%
CMC Markets	2.1%
CLS Group	1.9%
Renalytix	1.9%

Discrete Performance (B Class)#

Period 12 Months to	Fund Return %	Benchmark Return %
31.12.2020	**8.85**	**4.93**
31.12.2019	**30.35**	**22.16**
31.12.2018	**-6.31**	**-15.84**
31.12.2017	**36.23**	**21.89**
31.12.2016	**15.61**	**12.01**

Cumulative Performance (B Class)#

Time Period	Fund Return %	Benchmark Return %	Avg Sector Return ##%	Q'tile Rank
3mths	**20.32**	**21.51**	**21.44**	**3**
6mths	**27.23**	**30.80**	**27.66**	**3**
1yr	**8.85**	**4.93**	**6.48**	**2**
3yrs	**32.93**	**7.87**	**17.84**	**1**
5yrs	**109.37**	**47.28**	**61.94**	**1**
10yrs	**283.17**	**112.23**	**179.87**	**1**

#Total return, after all charges, net of UK tax. Cumulative performance data as at 31 December 2020. ##IA UK Smaller Cos Sector Total Return.

Investment Report

December was dominated by Covid-19 headlines as the vaccine rollout commenced and the first patient received their initial dose of the Pfizer vaccine on the 8th December. By the end of the month about 950,000 people in the highest risk groups across the UK had been vaccinated. The UK's vaccination strategy is to protect the most vulnerable first, and numerous studies have pointed to age being the single most important factor in Covid-19 mortality. The AZ-Oxford vaccine was approved at the tail end of the month. Combining the on-order supply of the Pfizer, Moderna and AZ-Oxford vaccines provides two doses for every adult in the UK.

The start of the immunisation programme provided perhaps the only bright spot in the Covid-19 coverage. As Covid-19 cases accelerated further during December, pressure from public health experts, the NHS and scientists reversed the government's plan to relax restrictions over the Christmas period. The discovery of a more transmissible Covid-19 lineage in October, became an urgent concern. Models suggested that VOC-202012/01 was associated with an increase in R of up to 70% compared to current non-VOC lineages. VOC-202012/01 became the dominant strain in the South East of England and was detected in all the home nations as well as in North and South America, Europe, the Middle East and Australasia.

The discovery of a new Covid-19 lineage is not itself troubling, for example the Covid-19 Genomics UK Consortium (COG-UK), that sequences around 10% of PCR positive cases, has found 276 separate Covid-19 lineages in Scotland from 1st March to 1st April alone. Only about a quarter of these lineages subsequently became established within the population, thus the vast majority do not survive long enough to establish chains of transmission. What is of concern is the apparent effect on transmissibility.

It should be said that of all the pandemic initiatives that have been touted as "world-beating" but fallen short, COG-UK is a notable exception that has flown below the radar. By 1st October 2020 more than 100,000 Covid-19 genomes had been shared online, roughly half of these were from UK infections. The only reason the UK identified VOC-202012/01 and can analyse different lineages, their spread and effect is due to COG-UK. Having this data is essential in understanding the changing epidemiological and genomic dynamics of Covid-19 in the UK.

After a long period of extensions, the EU and UK agreed a trade deal on 24th December. The deal provides tariff-free trade on most goods and a platform for future co-operation. However, leaving the single market will increase trade frictions with the EU and this will impact many areas of the economy in ways that will not become clear for some time. Negotiators did not agree equivalence on conformity assessment for manufacturing, so UK producers need to fulfil both sets of standards and regulations. No-longer being part of the European Chemicals Agency (ECHA) is likely to cause significant problems for manufacturers with no obvious solution in sight. Equally having to document the origin of all components to work out whether tariffs will apply is complex and expensive. In addition, little has been done for the service side of the economy. It is likely that due to symmetric provisions of protection against unfair competition the UK and EU will remain aligned on labour rights, environmental policy and state aid rules. Key to the government in this regard was that the rebalancing mechanism does not involve the European Court of Justice or EU Law. Although leaving the single market will cause many problems, the deal is a psychological boon removing the inherent uncertainty of the last four years especially when juxtaposed with the cliff edge of no-deal.

In December the Smaller Companies Fund rose 10.11%, leading the benchmark which returned 8.41%. Positive contributors in the month included newly listed **HeiQ**, which rose 61%. HeiQ is a Swiss based textile technology company that creates high-performance innovative fabrics and textile coatings. It is an IP rich business with a proven ability to turn innovation into commercial products. The innovation that has caught the market's attention is a long lasting anti-viral/anti-bacterial coating – Virobloc – that kills pathogens on contact. Originally developed during the Ebola outbreak, Virobloc is being applied to face masks and other coverings. **Inspecs** continued its November rally into December, returning 24%. **Eqtec** rose 201% during a month of positive announcements for the gasification technology and project management company. The company announced agreements to acquire two project sites for deployment of its technology that would significantly reduce the environmental impact of these projects.

Negative performers included **RWS**, falling 6% in the month. RWS completed an all-share merger with **SDL** in November. Technical share selling weighed on both names after the initial post-announcement rally. The RWS end-of-year trading statement struck a typically cautious tone about market outlook and cost saving synergies of the merger.

During the month we sold the gold mining company **Centamin** to make space for gold and silver miner **Hochschild Mining**, which had sold off following a large share sale by the chairman. Both companies have significant production, but we see better exploration upside and optionality from new projects in Hochschild. We also made a new investment in fund manager **Polar Capital**. Polar has an impressive range of funds, 91% of which, by AUM, have been first quartile performers over 3 years.

We also participated in a NASDAQ fundraising for dual listed **Amryt Pharmaceuticals**. The company develops and markets drugs for rare diseases. This year the company has performed exceptionally in a tough environment; integrating the assets of Aegerion that it acquired at the end of 2019, aggressively growing its sales and successfully completing a Phase 3 trial in Epidermolysis Bullosa, another rare disease. Amryt is generally thinly traded, thus participating in the US transaction allowed us to increase our weighting in this high performing but underrated company.

Gareth Blades

Investment Objective

The Fund aims to achieve long-term capital growth over periods of 5 years or longer. The Fund invests in UK smaller companies.

For further information on our objectives and policy, please view the Key Investor Information Document (KIID) at: http://amatiglobal.com/smco_literature.php

Key Information

Launch Date	December 1998*
Fund Size	£590.6m
Dealing Line	+44 (0) 115 988 8275
IA Sector	UK Smaller Companies
Benchmark	Numis Smaller Companies Index (plus AIM, ex Investment Cos), Total Return
No. of holdings	73
Min Investment	£1,000
Net Dividend Yield	0.9%
Lump sum regular	£50/month
Charges	Initial: 0.0% Ongoing Charges Figure: 0.89% (inc. annual management charge of 0.75% and research charge of 0.10%)
Share Type	Accumulation
Scheme	UK authorized ICVC
ISIN	GB00B2NG4R39

Investment Team

Dr Paul Jourdan
Fund Manager

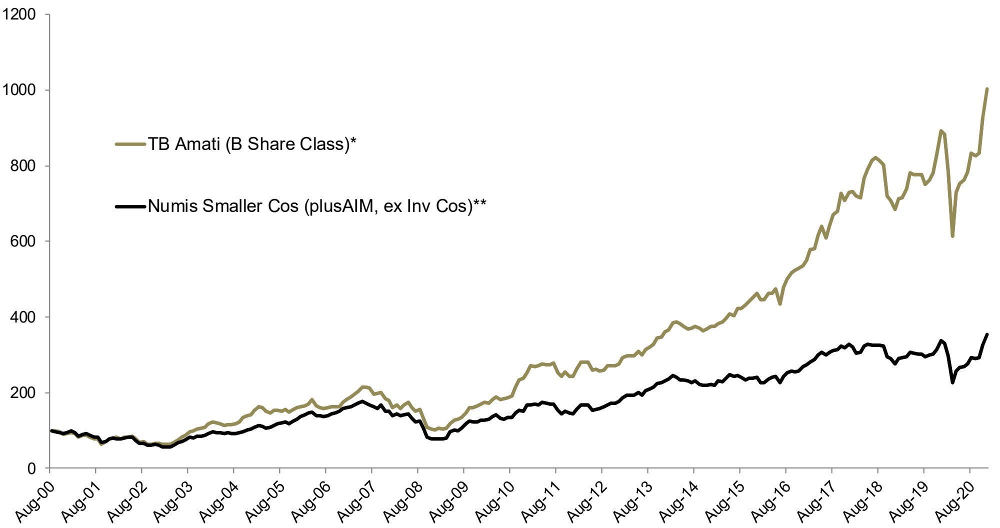
David Stevenson
Fund Manager

Anna Macdonald
Fund Manager

Dr Gareth Blades
Analyst

Performance vs. Benchmark

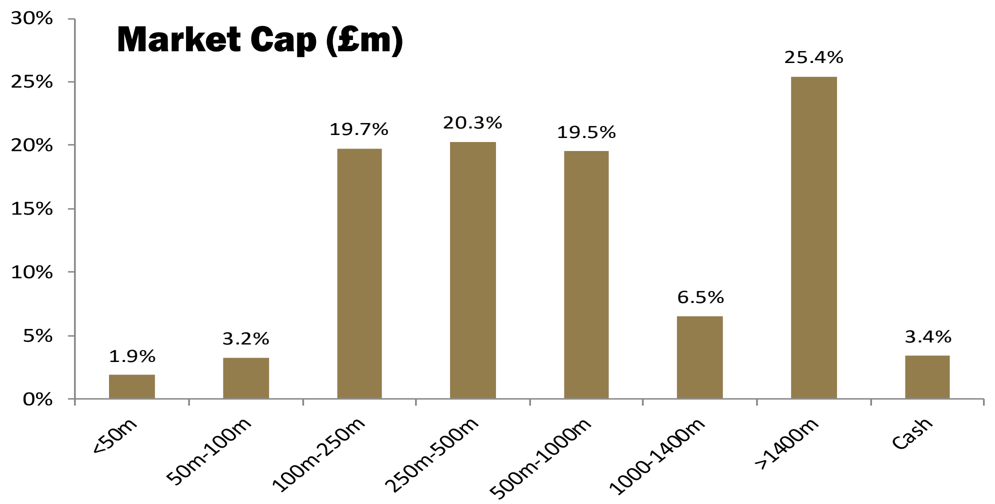
Source: Amati Global Investors as at 31 December 2020



*TB Amati UK Smaller Companies Fund, Total Return, since Paul Jourdan take-on of predecessor fund (31 August 2000). See Key Investor Information Document p.2.
**Numis Smaller Companies Index (plus AIM, excluding Investment Companies), Total Return. The stocks comprising the index are aligned with the Fund's objectives, and on that basis, the index is considered an appropriate performance comparator for the Fund. Please note the Fund is not constrained by or managed to the index.
##The Investment Association's UK Smaller Companies sector return gives investors an indication of how the Fund is performing compared with others investing in a similar, but not identical, investment universe.
Sources: T. Bailey Fund Services, Financial Express Analytics and Numis Securities. Information in this factsheet is at the last valuation point of the month, except where indicated.

Past performance is not a reliable indicator of future performance.

*The launch date refers to the forerunner of the Fund, the First State British Smaller Companies Fund, of which Paul Jourdan was appointed manager on 31 August 2000. The present Fund was created as a new investment structure in July 2008 by the transfer of the assets to Capita Financial Managers, at which time the name was changed to CF Noble UK Smaller Companies Fund and later to CF Amati UK Smaller Companies Fund. The Fund was renamed TB Amati UK Smaller Companies Fund on 1 August 2012 following the appointment of T Bailey Fund Services as Authorised Corporate Director (ACD).



Source: Amati Global Investors as at 31st December 2020

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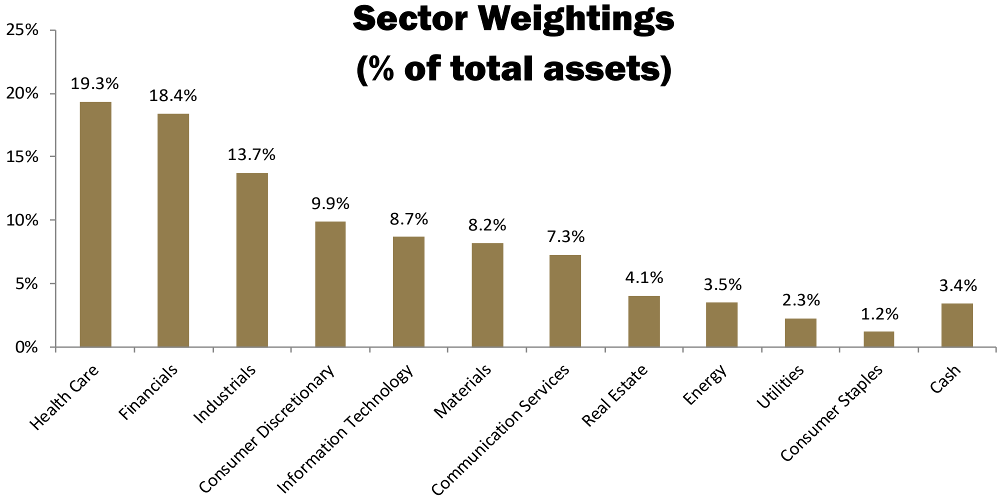
Please ensure you read the Risk Warnings section below. Before making an investment, you should ensure that you have read and understood the relevant Key Investor Information Document, available from http://amatiglobal.com/smco_literature.php

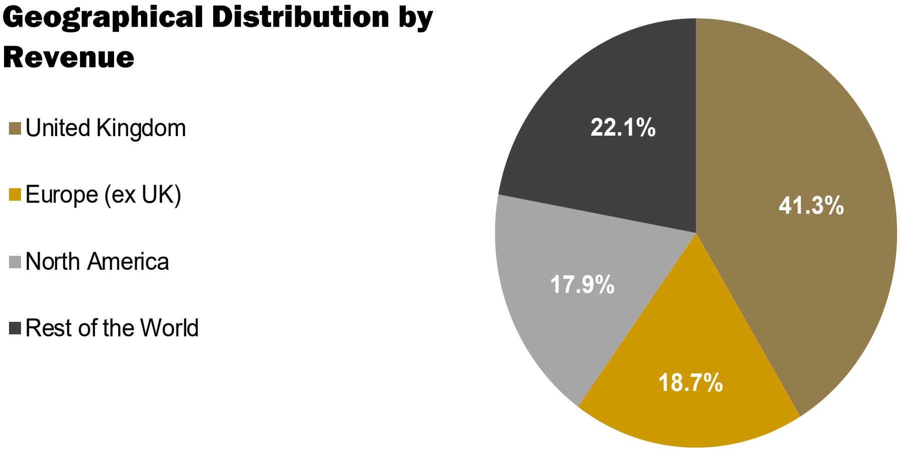
Signatory of:

Sector Weightings (% of total assets)



Source: Amati Global Investors as at 31 December 2020

Geographical Distribution by Revenue



Source: Amati Global Investors as at 31 December 2020

Risk Warnings

This factsheet is issued by Amati Global Investors Ltd, authorised and regulated by the Financial Conduct Authority.

The value of your investment is not guaranteed and may go down as well as up and you may not get back the amount invested. This is because the share price is determined by the changing conditions in the markets in which the Fund invests. You should regard your investments as long-term. A dilution levy may be applied to the share price whenever the Fund is expanding or contracting. Should you buy when the Fund is expanding and sell when the Fund is contracting, this will have an adverse impact on the return from your investments. Full details of the TB Amati UK Smaller Companies Fund, including costs and risk warnings, are published in the Prospectus of the TB Amati Investment Funds. This factsheet does not provide you with all the facts that you need to make an informed decision about investing in the Fund. You need to read the associated Key Investor Information Document (KIID) and the Supplementary Information Document (SID) and decide whether to contact an authorised intermediary. If you do not already have a copy, please contact T. Bailey on 0115 988 8275 (www.tbaileyfs.co.uk/funds/tb-amati-investment-funds). The SID details your cancellation rights (if any) and the KIID shows you how charges and expenses might affect your investment. Tax rates, as well as the treatment of OEICs, could change at any time.

Smaller Companies - Investment in smaller companies can be higher risk than investment in well established blue chip companies. Funds investing significantly in smaller companies can be subject to more volatility due to the limited marketability of the underlying asset.