



TB AMATI UK SMALLER COMPANIES FUND

June 2022



KEY INFORMATION

Launch date	December 1998*
Fund Size	£755m
B Share Class	1,297.61p
Investment Team	Dr Paul Jourdan, David Stevenson, Anna Macdonald, Scott McKenzie, Dr Gareth Blades
Dealing Line	+44(0)115 988 8275
IA Sector	UK Smaller Cos
Benchmark	Numis Smaller Cos index (plus AIM ex. Investment Cos). Total Return
No Holdings	71
Minimum Investment	£1,000
Net Dividend Yield	1.0%
Min Lump sum regular	£50/month
Charges (no initial)	Ongoing: 0.84% (incl 0.75% Annual Mgt Charge plus research charge of up to 0.10%)
Share Type	Accumulation
Scheme Type	UK UCITS
ISIN	GB00B2NG4R39



10 LARGEST HOLDINGS (% OF TOTAL ASSETS)

Indivior	3.3%
I3 Energy	3.1%
Qinetiq Group	3.1%
OSB Group	3.0%
Craneware	3.0%
Spirent Communications	2.7%
Accesso Technology	2.6%
Vistry	2.4%
CLS Holdings	2.3%
Rathbones	2.3%



CUMULATIVE PERFORMANCE (B CLASS)#

Time Period	Fund Return #%	Bench- mark Return %	Avg Sector Return ##%	Q'tile Rank
3 mths	-9.79	-12.34	-12.89	1
6 mths	-20.13	-21.45	-24.05	2
1 yr	-21.37	-19.03	-22.15	2
3 yrs	12.73	10.08	11.37	2
5 yrs	43.70	11.12	22.45	1
10 yrs	234.25	113.79	166.12	1
Since take-on*	776.94	233.05	330.43	1



DISCRETE PERFORMANCE (B CLASS)#

Period 12 Months to	Fund Return %	Benchmark Return %
30/06/2022	-21.37	-19.03
30/06/2021	46.21	52.32
30/06/2020	-1.95	-10.74
28/06/2019	-4.56	-7.22
29/06/2018	33.56	8.80

#Total return, after all charges, net of UK tax. Cumulative performance data as at 30 June 2022

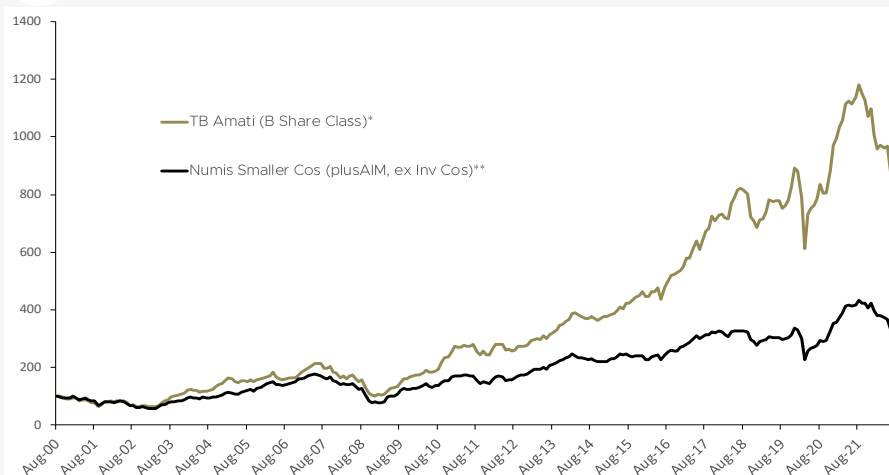
##IA UK Smaller Cos Sector Total Return.

* Since take-on 31/08/2000



PERFORMANCE VS BENCHMARK

SOURCE: AMATI GLOBAL INVESTORS (AS AT 30 JUNE 2022)



*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.

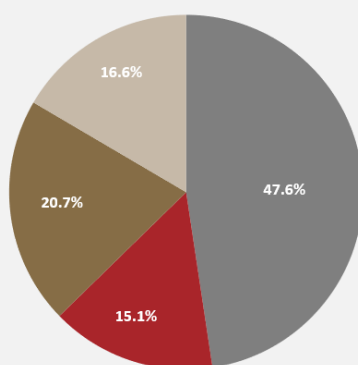
Past performance is not a reliable indicator of future performance.

*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). Past Performance is not reliable indicator of future performance



GEOGRAPHICAL DISTRIBUTION BY REVENUE

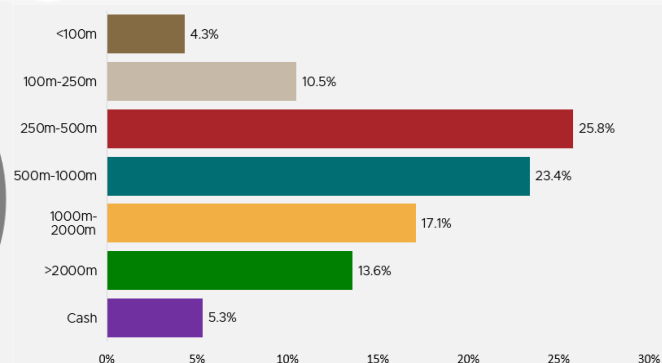
United Kingdom	47.6%
Europe (ex UK)	15.1%
North America	20.7%
Rest of the World	16.6%



Source: Amati Global Investors as at 30/06/2022



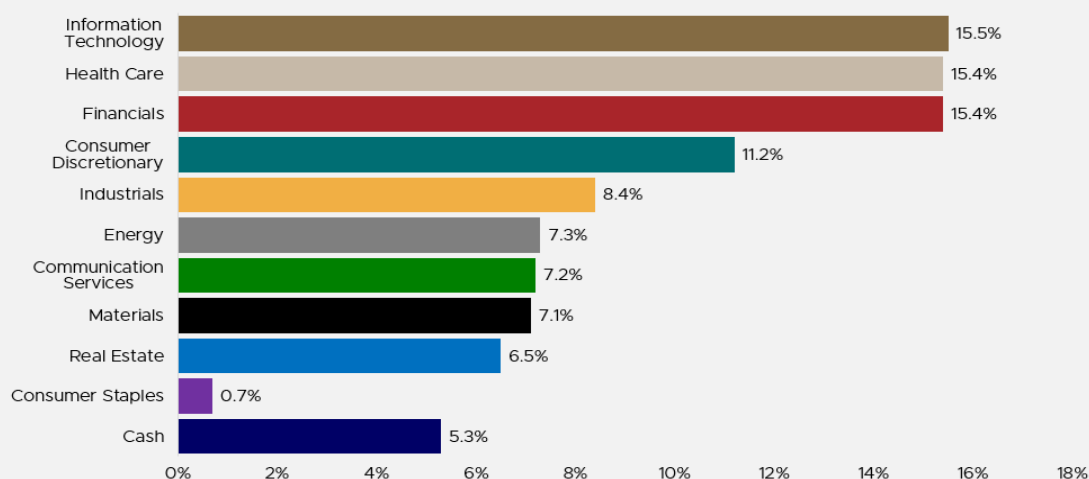
MARKET CAP (£)



Source: Amati Global Investors as at 30/06/2022



SECTOR WEIGHTINGS



Source: Amati Global Investors as at 30/06/2022



INVESTMENT REPORT

June was another difficult month for investors globally with both the S&P and the NASDAQ indices falling by 7%. The UK was not immune to the broader trends, with the Numis Large Cap index falling by 5.8%. UK small and midcap stocks continued to lose ground, and we saw a decline in the Numis Smaller Companies & AIM index of 9.4%, taking the falls in the first half of 2022 to over 20%.

The ongoing derating of equities in response to rising interest rates and stubbornly high inflation remains a dominant theme. This contagion has now spread across many other asset classes, with most commodity markets also reversing their previously strong upward trends. The highest risk assets in sectors such as cryptocurrency and early-stage tech companies continued their savage declines. Many such businesses are now announcing major downsizing and cost cutting programmes as reality starts to bite.

We are now in an interest rate tightening mode in both the US and Europe, and it is possible that short rates could reach 4% in the US and 3% in the UK by the end of 2022. Inflationary pressures look set to remain regardless of central bank actions. The dollar goes from strength to strength and has recently reached a twenty-year high. Sterling and the euro appear friendless, with the economic ramifications of the ongoing conflict in Ukraine now set to be profound, in terms of rising commodity prices and the prospect of a severe shortage of natural gas in Europe going into winter. Linked to these concerns is the increasing inevitability of recession, with the Bank of England now seeing this as a central case. Even Federal Reserve chair Jay Powell has now acknowledged that a US recession is “certainly a possibility”. We are now in the next phase of market adjustment – falling corporate profits. All of this suggests a cautious ongoing approach to investing, with the likelihood of earnings downgrades to come.

However, there is a good chance that the current bear market is well advanced already and a number of recent sentiment indicators including the BofA investor survey suggest to us that extreme pessimism is now a deeply embedded and consensual view amongst global investors. The UK market remains out of favour with investors, with a heady cocktail in the UK of Brexit, government instability and weak sterling serving to undermine confidence. As a result UK assets remain modestly priced in an international context which suggests to us that the current boom in M&A involving UK listed companies looks set to continue.

There is a lack of market leadership at present, with only a narrow group of defensive businesses or takeover targets showing positive returns. Both value and growth strategies appear to be struggling at the same time, with companies who disappoint on earnings being savagely treated by markets. Having seen a broadly based market adjustment in 2022 we remain alert to opportunities which allow us to increase our holdings in high quality companies with strong balance sheets at attractive valuations.

The TB Amati Smaller Companies Fund fell by 9.4% over the month, which was exactly in line with the benchmark return.

In a difficult month for markets positive contributions were hard to come by. Our best performers during June were concentrated in two key themes – takeover activity and recovery in some oversold technology stocks. Three of our holdings were involved in takeover activity. The highlight was **EMIS**, which rose 42% in response to an agreed takeover bid. This is a business which had only recently been added to the Fund so it was pleasing to see such strong returns materialise quickly. In a similar vein there has been an initial approach for **Euromoney**, where the shares rose 25%. This was a business where we had recently begun building a position and therefore it was a more modest holding for the Fund. The final M&A announcement came from **Caretech**, where we got confirmation of the management buyout offer we had hoped for. Several of our technology holdings saw recovery from previously oversold positions, including **Craneware** and **Spirent**.

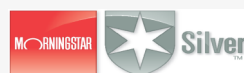
Offsetting these positives were a number of material fallers, led by weakness in consumer spending plays. Halfords fell 38% in response to a profit warning for the year ahead and Inspeks fell by 23% despite solid results finally being reported. Technology remains a mixed bag and we saw meaningful declines in **GB Group** and **Accesso**, which were affected by the ongoing weakness in NASDAQ rather than any company specific issues. There was profit taking in the energy sector as oil prices drifted back towards \$100, leading to falls in **i3 Energy** and **Jadestone**.

There were no new holdings added in June. Instead we continued to add to existing holdings such as **FRP Advisory**, **Watkin Jones**, **CLS** and **Gamma**. The remaining holding in **Dunelm** was sold and we took some profit in **Atalaya Mining**. **Liquidity** remains healthy with cash at 5%.

Scott McKenzie



RATINGS



To view all fund awards, please [click here](#)



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: <https://amatiglobal.com/fund/tb-amati-uk-smaller-companies-fund/how-to-invest>



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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.

Please ensure you read the Risk Warnings above. Before making an investment, you should ensure that you have read and understood the relevant Key Investor Information Document, available from [Smaller Companies Fund Literature](#)