

TB Amati UK Listed Smaller Companies Fund

Fund 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) [here](#).

Contact Details

Investment Manager	ACD of the Fund
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Key Information

Launch Date	December 1998
Fund Size	£660m
B Share Class	1,207.64p
Dealing Line	+44(0)115 988 8275
IA Sector	UK Smaller Cos
No. of Holdings	68
Minimum Investment	£1,000
Net Dividend Yield	1.8%
Min Lump Sum Regular	£50/month
Share Type	Accumulation
Scheme Type	UK UCITS
ISIN	GB00B2NG4R39
Benchmark	Numis Smaller Cos index (plus AIM ex. Investment Cos), Total Return
Charges (no initial)	Ongoing: 0.84% (inc 0.75% Annual Mgt Charge plus research charge of up to 0.10%)

Investment Team

	Dr Paul Jourdan CEO & Fund Manager		David Stevenson Director & Fund Manager
	Anna Macdonald Fund Manager		Scott McKenzie Fund Manager
	Dr Gareth Blades Analyst		

Ratings, Awards & Signatories



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

10 Largest Holdings

% OF TOTAL ASSETS

OSB Group	4.3%
Gamma Communications	3.0%
Qinetiq Group	3.0%
Accesso Technology	2.8%
Ergomed	2.7%
Polar Capital	2.6%
Craneware	2.6%
TT Electronics	2.2%
Gresham House	2.2%
Vistry Group	2.1%

Cumulative Performance

(B CLASS)#

	Fund Return #(%)	Benchmark Return (%)	Avg Sector ##(%)	Q'tile Rank
1month	-0.33	0.42	-0.20	3
3months	-0.61	4.25	2.44	4
6months	-2.95	4.05	1.67	4
1year	-14.76	-7.54	-11.32	3
3years	3.71	17.18	11.63	3
5years	13.38	12.00	13.45	2
10years	174.15	80.86	118.49	1
Since take-on*	716.14	249.10	336.93	1

Cumulative performance data as at 28/02/2023

#Total return, after all charges, net of UK tax. Cumulative performance data as at 28/02/2023

##IA UK Smaller Cos Sector Total Return.

*Since take-on 31/08/2000

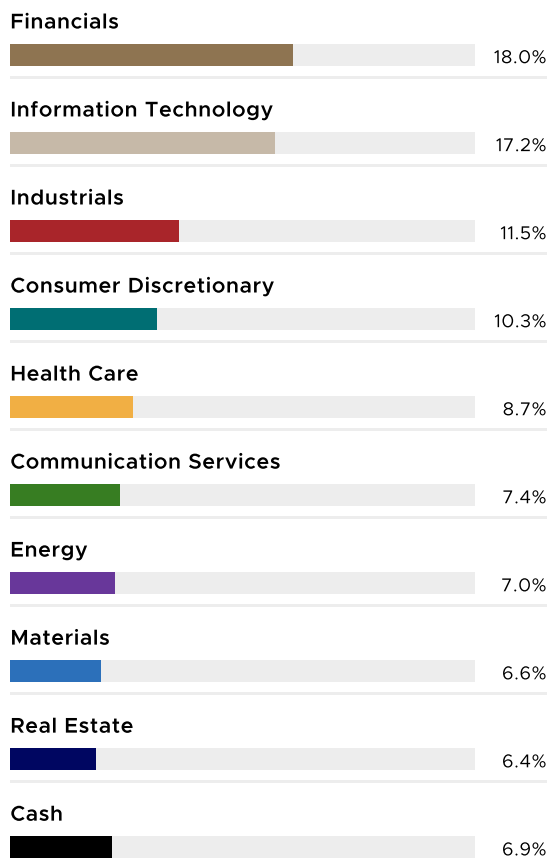
Past performance is not a reliable indicator of future performance.

Discrete Annual Performance

(B CLASS)#

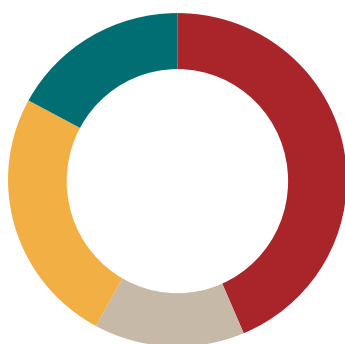
	Fund Return (%)	Benchmark Return (%)
28/02/2023	-14.76	-7.54
28/02/2022	-7.47	1.48
26/02/2021	31.49	24.88
28/02/2020	9.86	1.40
28/02/2019	-0.49	-5.74

Sector Weightings



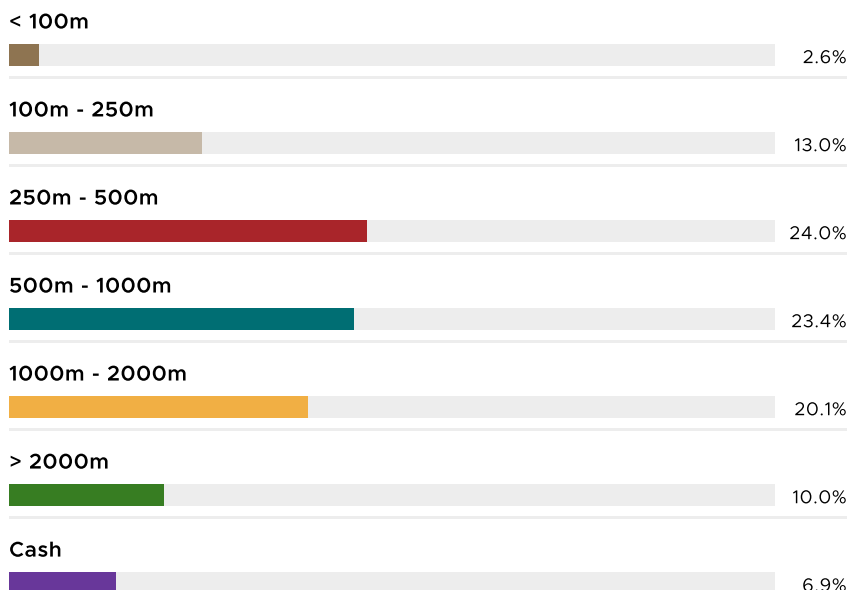
Source: Amati Global Investors as at 28/02/2023

Geographical Distribution by Revenue



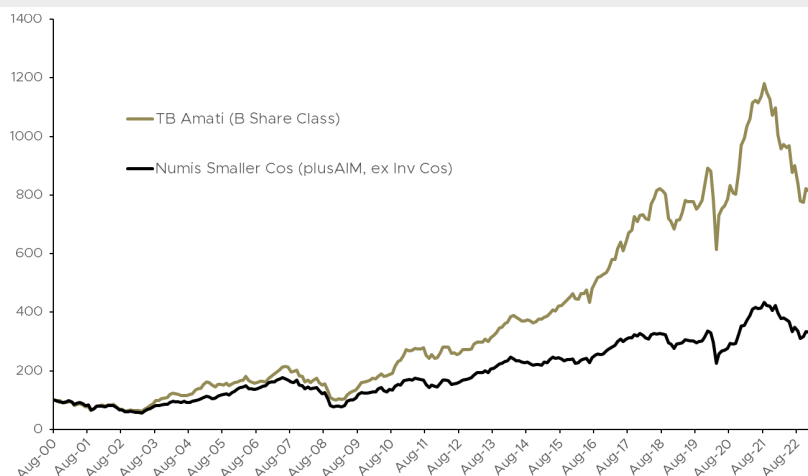
Source: Amati Global Investors as at 28/02/2023

Market Cap (£)



Source: Amati Global Investors as at 28/02/2023

Performance vs Benchmark



Source: Amati Global Investors as at 28/02/2023

*TB Amati UK Listed 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 that 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.

*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). On 31 August 2022 the Fund was renamed TB Amati UK Listed Smaller Companies Fund.

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 Investment Report

Please [click here](#) for audio 

After a strong start to 2023, markets were steadier in February. Inflation remains well entrenched despite energy prices continuing to fall. Comments from central bank chiefs, such as the Bank of England's Andrew Bailey, set out to remind investors that the inflation genie is not yet back in the bottle. It seems unlikely that rates will fall at the end of the year, despite what the Treasury market is pricing. Some elements of goods inflation may have peaked, but services inflation is still running hot, with data from the US, UK and Germany over the last month showing wages rising mid-to-high single digits.

Outflows from UK equity funds have continued, despite the blue-chip index reaching new highs. The Windsor Agreement reached between the UK and EU did not have an immediate impact on Sterling or the stock market. However, if it is successfully implemented, it should help build confidence in the outlook for investment in the UK, from which domestically exposed names would benefit. The Chancellor's Spring Statement on 15 March is likely to show that borrowing costs are not as bad as originally feared at the height of the energy crisis in Autumn 2022.

Companies reporting this month received mixed reactions. Interest rate increases and tax rises are putting downward pressure on earnings numbers. Some stocks which have still managed to deliver upgrades have not been rewarded by investors, whilst others receiving downgrades have in some cases been priced upwards. Over the longer term, we think the market will reassess some stocks which are oversold in our view, and reward companies run by excellent management teams with conservative balance sheets, sustainable revenues and margins, and strong cash generation.

The Fund fell back slightly over the month, by -0.3% against a positive return for the benchmark of 0.4%.

On the positive side, Teddy Sagi of **Kape Technologies** announced a bid at 285p for the 45% of stock he doesn't currently own via his company, Unikmind. The shares rose 19%, however, the board has advised shareholders to take no action for now, believing the bid to undervalue the business significantly, a view with which we concur. Housing related stocks such as **MJ Gleeson**, **Vistry**, **Mortgage Advice Bureau**, and **OSB** were all positive contributors to fund performance over the month as well. The UK mortgage market has calmed significantly since Kwasi Kwarteng's autumn fiscal event and the number of mortgage deals has returned to previous levels, albeit at higher rates, whilst house prices have not declined as fast or as much as some feared.

Fallers included **Indivior**, whose FY22 results showed that the demand for its opioid addiction treatment continues undiminished. However, the company revealed a \$290m litigation provision which wiped around £600m, or 21%, from the value of the stock over the month. This seems a harsh reaction given the strength of the balance sheet, the growth of Sublocade and the potential value creation from their acquisition of Opiant Pharmaceuticals. Opiant makes an overdose treatment sufficiently powerful to counteract the newer, much stronger artificial opioid street drugs. **FRP Advisory**, the insolvency practitioner, fell 13% over the month after analysts took 5% off their 2022 profit forecasts, as the expected upturn in administrations is taking longer than expected to materialise and some corporate finance fees have been deferred to after the year end. We believe earnings have been 'pushed to the right' rather than lost, given the big backlog of potential cases.

We have bought a new position in **Big Technologies Group**, the maker of market-leading electronic tagging solutions, which they principally sell for use in criminal justice. Buddi tags are smaller, more robust, longer lasting and more accurate than alternatives. This means they are more cost-effective as there are fewer callouts for the police to check on equipment that is malfunctioning, generating false alarms or dropping data connections. Incarceration is more expensive, prisons are overcrowded, and tagging has much lower rates of recidivism, which means governments globally are looking at broadening the base of users. We also added to our position in **Diversified Energy Company**, when they placed shares to part finance their acquisition of Tanos Energy. This acquisition is in line with DEC's strategy to buy high visibility revenue streams, which they hedge, and the company is on track to deliver a dividend yield of around 13% this year.

We trimmed the holdings in **Accesso** and **Spirent** and sold out of **DFS Furniture**.



Written by
Anna Macdonald

 Risk Warnings

This factsheet is issued by Amati Global Investors Ltd, which is 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](#).