



Amati VCTs Top Up Share Issues 2016/2017 and 2017/2018

INVESTOR GUIDE

**Target to raise, in aggregate,
up to £8,000,000 by way of
an issue of New Shares
in each VCT.**

“AIM provides a wealth of under-researched opportunities, but the work required to uncover them is significant. Dr Paul Jourdan and the Amati team have the experience and level-headed approach needed to succeed in this market and I believe they will do a good job for long-term investors.”

Richard Troue
Head of Investment Analysis
Hargreaves Lansdown

Important Notice

This leaflet constitutes a financial promotion pursuant to the Financial Services and Markets Act 2000, and has been approved by and is issued by Amati Global Investors Limited (“Amati” or “The Manager”). It is not for publication or distribution to persons outside the United Kingdom. It is not an offer or invitation to apply for shares in Amati VCT plc (“Amati VCT”) or Amati VCT 2 plc (“Amati VCT 2”, together the “Amati VCTs”). Applications for shares must be made solely on the basis of a thorough consideration of the information contained in the Amati VCTs Top Up Share Issues 2016/2017 and 2017/2018 Information Document (the “Information Document”) as a whole by the investor.

An investment in the Amati VCTs is suitable only for investors who are capable of evaluating the risk and merits of such investment and who have sufficient resources to bear any loss which might result from such investment. Investors should check their eligibility for income tax relief with a professional adviser. Rates and conditions of tax relief are subject to change. Changes in legislation in respect of VCTs in general, and qualifying investments in particular, may adversely affect the Amati VCTs’ ability to meet their objectives and/or reduce the level of returns which would otherwise have been achieved. The information in this leaflet is intended as a summary only of information contained in the Information Document and not as a substitute for reading the Information Document.

The Share Issues

Amati Global Investors is a well-established manager of AIM based VCTs. The Share Issues provide an opportunity for existing investors and new investors to apply to subscribe for new shares in one or both of Amati VCT plc and Amati VCT 2 plc.

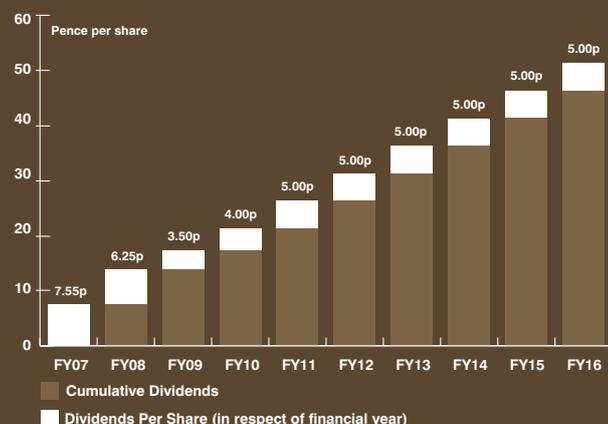
Key Elements

- Investment into an existing portfolio of around 55 companies in each VCT, covering both high growth and maturing businesses.
- Tax free dividends, targeted at 5-6% of year-end NAV (although there is no guarantee the targets will be met).
- AIM based VCTs typically have a more diversified portfolio than other types of VCT, and are likely to be invested in larger, more established companies, with transparent market pricing and reasonable liquidity.

The Benefits of Investing in Amati VCTs

- Income tax relief can be claimed to the value of 30% of your investment subject to a VCT investment limit of £200,000 per tax year.
- Assuming that you are able to claim 30% income tax relief on your investment and that you have paid the full 3% offer costs, the tax free yield on the net cost of investment is expected to be in the range of 6.9% to 8.3%.
- Simple charges: 1.75% management fee with no performance fees.

Amati VCT Dividends Since Launch (March 2004 to October 2016)



Total dividends since launch: 51.30p

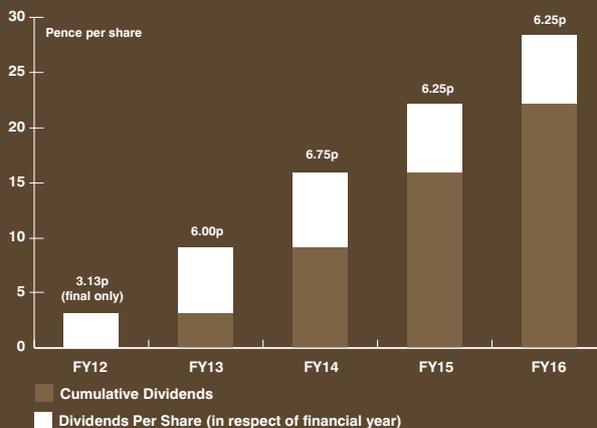
Source: Amati Global Investors Ltd

Past performance is not a reliable indicator of future results.

Dividend Reinvestment Option

Both the Amati VCTs operate schemes whereby dividends can be automatically reinvested in new shares, which will themselves attract 30% income tax relief (if held for five years) as well as tax free dividends, and which will not be subject to capital gains tax (subject to an investment limit of £200,000 in any tax year). Further information on each Dividend Reinvestment Scheme (DRIS) is available from Amati Global Investors.

Amati VCT 2 Dividends Since Merger (November 2011 to October 2016)



Total dividends since merger: 28.38p

Source: Amati Global Investors Ltd

Past performance is not a reliable indicator of future results.

The value of tax relief depends on the individual circumstances of each investor and may be subject to change in the future; the availability of tax reliefs depends on the companies invested in maintaining their qualifying status; and there can be no certainty that there will be sufficient new share issues on AIM to enable either VCT to achieve its intended level of investment in qualifying investments.

According to the provisions of the Finance Act 2014, an investor disposing of shares in a VCT is generally prevented from claiming upfront tax relief for a subscription up to the equivalent value of shares in the same VCT, where the disposal is within the period from six months before to six months after the new subscription, or is linked to a share buyback. The

legislation also prevents VCTs returning capital subscribed by investors within 3 years of the end of the accounting period in which the shares were issued (in respect of shares issued post April 2014), which could restrict the VCTs' ability to pay dividends from distributable reserves and thus have an impact on the ability of the Amati VCTs to maintain their current dividend policies. Amati VCT (but, for the avoidance of doubt, not Amati VCT 2) is currently undergoing a conversion of the share premium account, which is subject to shareholder consent and the consent of the Court of Session. If either consent is not obtained then Amati VCT's ability to make distributions and/or buy back shares may be impaired. Please also note our risk warning on the following page.



Why buy a VCT focused on the London Stock Exchange's Alternative Investment Market ("AIM")?

Opportunity to invest in an established, diversified and maturing portfolio of small and mid cap listed companies

- AIM based VCTs typically have a more diversified portfolio than most other types of VCTs and are likely to be invested into larger, more established companies. As at 30 September 2016, Amati VCT held investments in 56 companies and Amati VCT 2 held investments in 57 companies.
- The weighted average market capitalisation of qualifying investments held by Amati VCT was £133m and by Amati VCT 2 was £144m, as at 30 September 2016.

Liquidity

- A portfolio focused on companies quoted on AIM, rather than on private unquoted companies, provides flexibility when realising portfolio holdings because of the greater liquidity of publicly traded companies.
- Position sizes can be managed, and investments can be sold in part as well as outright.

Valuation transparency

- Amati's AIM based VCTs generally have the majority of their portfolio holdings in quoted companies, and these are "marked to market" on a daily basis. This gives transparency to the valuations.

VCT rule changes and qualifying investments

- Investors are reminded that new rules and conditions introduced with effect from November 2015, which impose stricter limits on the nature and extent of investments made by VCTs, could reduce the number of qualifying investments available and limit the Manager's ability to take larger positions in the most sought after fund raisings. The Boards and the Manager have therefore given careful consideration to the impact of the rule changes in determining the investment and fund raising strategies for the Amati VCTs.
- After seeing strong levels of qualifying investment opportunities for much of the past three years, deal activity slowed towards the end of 2015 and during the first half of 2016, as the industry awaited guidance from HMRC on the application of the new rules and because of the uncertainty for capital markets created by the EU referendum. However, there has been a marked increase in activity in recent months and, while we do not expect the level of activity to return to that of previous years, we believe that we will be presented with a number of attractive qualifying investment opportunities over the next twelve months.

Risk warnings - please see Risk Factors on pages 6-10 of the Information Document

The value of your investment and the income from it can go down as well as up and you may not get back the amount invested, even allowing for the tax reliefs. An investment in Amati VCT or Amati VCT 2 may not be suitable for your circumstances and you should seek professional advice before investing. Past performance should not be taken as a guide to future performance. New legislation in relation to VCTs has been introduced frequently over the last few years, the most recent of which imposes stricter limits on the nature and extent of investments made by VCTs, which in turn could impact on the tax-advantaged status of the shareholdings of individual investors and reduce returns to shareholders. Amati VCT or Amati VCT 2 shares, although listed, may be difficult to sell. Although Amati VCT and Amati VCT 2 have consistently bought back shares in the market over the last five years, this may not be the case in the future. An investment in Amati VCT or Amati VCT 2 should be regarded as a long term investment. Shareholders must retain their shares for five years to retain their initial income tax relief. Many of the investments made by Amati VCT or Amati VCT 2 will be in companies whose securities have limited liquidity and which may therefore be difficult to realise. Investments in such companies are substantially riskier than those in larger companies. If Amati VCT or Amati VCT 2 loses its HMRC approval, tax reliefs previously obtained may be lost. The levels of charges for VCTs are generally higher than for unit trusts and open ended investment companies. The foregoing is only a summary and more details are set out on pages 6 to 10 of the Offer Document.

Amati VCTs and UK Smaller Companies Team



Paul Jourdan
Fund Manager



Douglas Lawson
Fund Manager



David Stevenson
Fund Manager



Rachel Le Derf
Investor Relations Manager



Jason Rolf
Business Development Manager

The Manager – Amati Global Investors

Amati Global Investors is an independent fund management company wholly owned by its staff, with a highly experienced and talented investment team specialising in smaller companies quoted in London, both AIM and fully listed. With assets under management of more than £100m, Amati also manages the award-winning TB Amati UK Smaller Companies Fund and offers an AIM IHT Portfolio Service.

Investment Policy

The investment policy of both VCTs is the same.

The qualifying investments are focused on companies on AIM. The managers prefer to invest in companies with a value of more than £15m, believing that above this level companies have sufficient scale to succeed as public entities.

The VCTs have substantial non-qualifying investments in the TB Amati UK Smaller Companies Fund, which brings diversification to the non-qualifying portfolio, as well as access to the best ideas of the UK Equities team at Amati Global Investors. Direct non-qualifying investments are focused on larger, more liquid small and mid cap companies listed on the Main Market of the London Stock Exchange, with a bias towards income generation.

In general, the managers look for companies which can, over time, attract a wider pool of small company investors. This means seeking out companies with a compelling business proposition, operating in an area with high barriers to entry and with a strong management team.

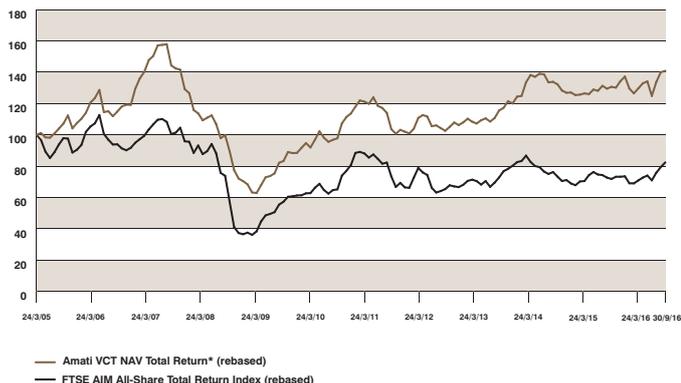
Background to Amati VCT plc

Amati VCT was launched by Paul Jourdan at First State Investments in March 2005 as First State Investments AIM VCT. In 2007 Paul Jourdan moved to Noble Fund Managers, and the VCT was renamed Noble AIM VCT. In 2010 Noble Fund Managers was renamed Amati Global Investors, and the VCT was renamed Amati VCT. Paul Jourdan has been manager of the trust throughout, being joined by Douglas Lawson in 2008 and David Stevenson in 2012.

Background to Amati VCT 2 plc

The management of Amati VCT 2 was taken on by Amati in March 2010. It incorporates the three Singer & Friedlander AIM VCTs which launched between 1998 and 2001, and which merged in 2006; the merged company was renamed ViCTory VCT in 2009. In February 2011 Amati also took on the management of Invesco Perpetual AiM VCT. In November 2011, having reached a point where Amati felt confident that the portfolio rebalancing had been appropriately completed for both ViCTory VCT and Invesco Perpetual AiM VCT (which had been renamed Amati VCT 2), the two VCTs undertook a merger, forming what is now Amati VCT 2, and the shares were consolidated to bring the NAV per share back close to 100p. This marked an effective re-launch, and made it easier for shareholders to monitor progress from that point.

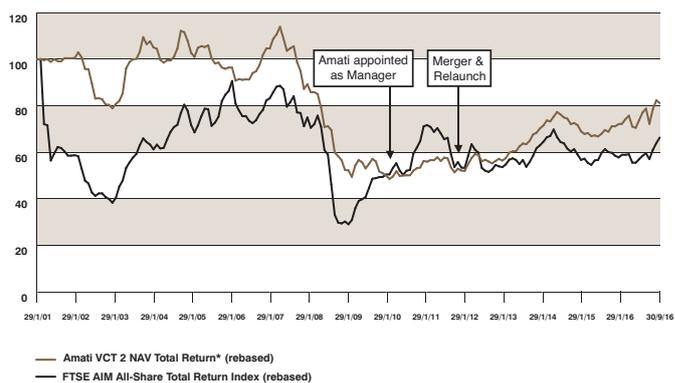
Track Record



Source: Amati Global Investors Ltd

* Net Asset Value per share Total Return, assuming dividends are reinvested on the ex-dividend date, excluding tax reliefs and upfront costs (as at 30 September 2016).
Past performance is not a guide to future performance.

Track Record



Source: Amati Global Investors Ltd

I would like to invest. Which VCT should I choose?

Investors are free to divide their application between the two VCTs, subject to the minimum investment levels of £3,000 if applying for one VCT, and £2,500 each if applying for both VCTs.

Amati VCT

Top 10 Holdings as at 30 September 2016 % of total assets

TB Amati UK Smaller Companies Fund	10.7%
Craneware plc	6.8%
IDOX plc	6.4%
Quixant plc	6.3%
GB Group plc	4.9%
Keywords Studios plc	4.2%
AB Dynamics plc	4.1%
Tristel plc	3.8%
Ideagen plc	3.4%
Learning Technologies Group plc	3.4%
Total	54.0%

The two VCTs have the same investment mandate and manager, and around 70-80% of the portfolios are overlapping. However, because of the unique history of each VCT there remain some significant differences, in particular amongst the top holdings.

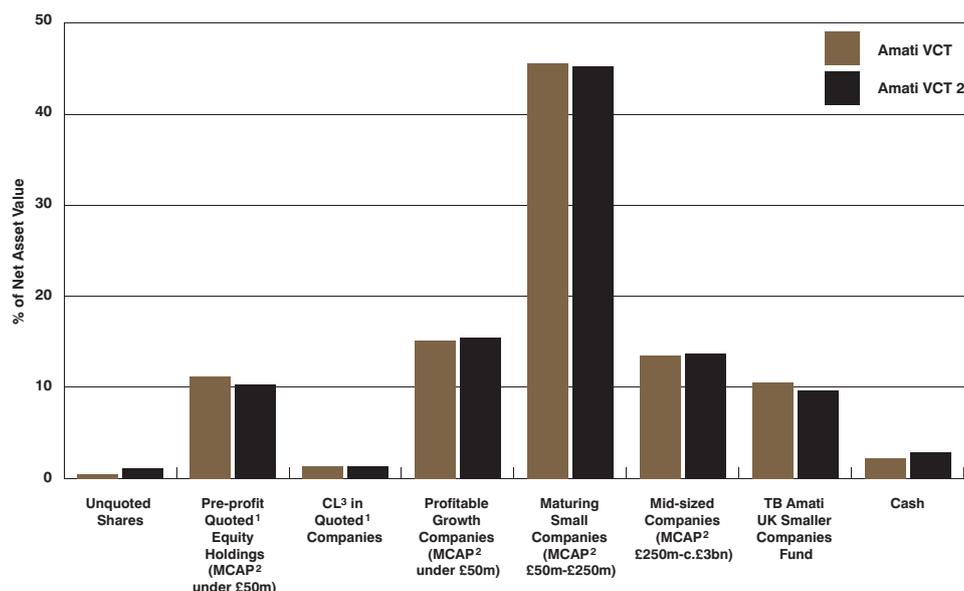
Amati VCT 2

Top 10 Holdings as at 30 September 2016 % of total assets

TB Amati UK Smaller Companies Fund	9.7%
Accesso Technology Group plc	8.9%
Quixant plc	6.0%
IDOX plc	5.7%
GB Group plc	4.8%
Brooks Macdonald Group plc	4.4%
Keywords Studios plc	3.9%
AB Dynamics plc	3.6%
Tristel plc	3.6%
Ideagen plc	3.1%
Total	53.7%

The chart below outlines the categories of investments in each portfolio, by value as at 30 September 2016. Although the VCTs are now broadly aligned, until relatively recently there were significant differences between them in terms of the proportion of the net asset values of the VCTs held in two categories: Convertible Loans in Quoted Companies; and Maturing Small Cap Companies (defined as those with market capitalisations between £50 million and £250 million). These differences arose for historical reasons.

The significant differences which remain between the two VCTs now relate almost exclusively to historical investments which have performed well and grown significantly in size. Amati VCT has holdings in Craneware and Sprue Aegis, which are not held by Amati VCT 2. Amati VCT2 has holdings in Accesso Technology Group, Brooks Macdonald Group, Tasty, Netcall and Dods Group, which are not held by Amati VCT.



- 1 Quoted = Quoted on AIM or the Main Market of the LSE
- 2 MCAP = Market Capitalisation
- 3 CL = Convertible Loan

Source: Amati Global Investors Ltd

“The Amati VCTs provide investors with access to a diversified portfolio of quality growth companies, typically with strong competitive advantages such as ownership of intellectual property, while avoiding highly leveraged businesses. The team at Amati have a very strong record of investing in smaller companies on AIM”

Jason Hollands, MD, Business Development & Communications, Tilney Bestinvest

Details of the Share Issues

Offer Costs:

The cost of the Offers is 3%, which is applied by way of the subscription price of shares purchased. The subscription price will be the last published net asset value per share, divided by 0.97.

Special discount for existing shareholders and subscriptions through authorised financial intermediaries:

The cost of the Share Issues will be 1%, which is applied by way of the subscription price of shares purchased. The subscription price will be the last published net asset value per share, divided by 0.99.

Advisor Charging:

Fees for initial advice can be facilitated through the application process.

Trail commission:

Annual trail commission of 0.375% per annum (limited to 5 years) is available to authorised execution-only, non-platform intermediaries, and will be paid by the Manager. (Note that trail commission is no longer payable in respect of applications received through an intermediary acting in an advisory capacity, nor those made on a fund platform).

Dividend Reinvestment Option:

Dividends can be automatically reinvested in new shares, which will themselves attract 30% income tax relief (if held for five years) as well as tax free dividends, and which will not be subject to capital gains tax (subject to an investment limit of £200,000 in any tax year). Subscribers can elect for dividend reinvestment during the application process.

How to apply

If you are considering applying for the Share Issues you should read the Information Document which contains the full terms and conditions and the application form. It is recommended that you seek professional advice.

The Information Document is available from fund platforms, financial advisers or can be downloaded from www.amatiglobal.com

To request a hard copy please email: vct-enquiries@amatiglobal.com

Or call: **0131 503 9115**

Further information

You are most welcome to call Amati Global Investors to speak to one of the fund managers. Please contact us on 0131 503 9115.

For intermediary sales

Please contact Rachel Le Derf on 0131 503 9104 or email: rachel.lederf@amatiglobal.com

Minimum subscription:

£3,000, or £2,500 per VCT if applying for both Offers.

Annual management fee:

1.75% of net assets and no performance fees.

Last reported Ongoing Charges Figures:

Amati VCT: 2.5% of net assets

Amati VCT 2: 2.7% of net assets

Annual cap on running costs: 3.5% of net assets

Expected Allotment Dates:

2016/2017 tax year

Monday 12 December 2016

Monday 30 January 2017

Monday 27 February 2017

Monday 27 March 2017

Wednesday 5 April 2017

2017/2018 tax year

Monday 22 May 2017

Monday 19 June 2017

Monday 17 July 2017

Capacity is limited and applications will be accepted on a first come, first served basis, subject to the discretion of the Directors. **We cannot guarantee a specific allotment date during the relevant tax year and applications which cannot be satisfied at one allotment date will be held for processing until a later allotment date.** In the event that Amati VCT is oversubscribed, investors may elect to subscribe automatically to Amati VCT 2, and vice versa, without having to submit a new application. Please refer to the Information Document for further details.

Manager

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Amati Global Investors Limited is authorised and regulated by the Financial Conduct Authority

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