AMATI GLOBAL INVESTORS

Newsletter

Spring 2024: Issue 26

Amati AIM VCT AGM & Investor Afternoon

Amati Global Investors would like to invite you to attend our investor afternoon which follows the Amati AIM VCT's AGM.

Thursday 13 June 2024

The VCT's AGM & Amati's Investor Afternoon this year will be held at The Barber-Surgeons' Hall, Monkwell Square, Wood Street, London EC2Y 5BL on Thursday 13 June 2024. Registration will be from 1.30pm with the AGM commencing at 2pm. The Investor afternoon will then follow at 2.30pm where we will offer investors an update from the fund managers but also hear from two VCT portfolio companies, **Velocity Composites** and **Diaceutics**. To view the timings and format for the afternoon please click here

Should you like to register to attend the AGM & Investor Afternoon in person, please either email **info@amatiglobal.com** or call our investor line on **0131 503 9115**. (Please note that places are limited for the Investor Afternoon).

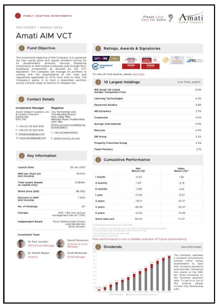
We will also be livestreaming the event, therefore should you be unable to attend in person, you will be able to watch and listen remotely. Ahead of the event there will be a link posted at www.amatiglobal.com with instructions on how to join the session.

The VCT Annual Report to 31 January 2024 has now been published and is available to view here: Amati AIM VCT's Annual Report 31 Jan 24*

*VCT Shareholders will receive communication regarding 2024 Annual Report and proxy voting shortly.

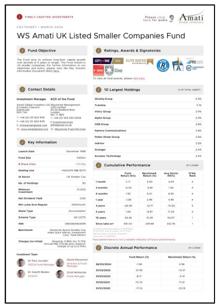
Factsheets

as at 31/03/2024

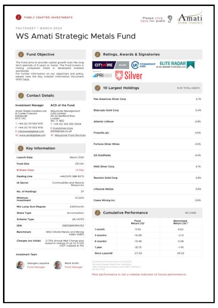


Amati AIM VCT

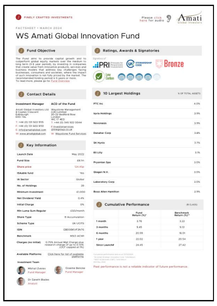
Amati AIM IHT Portfolio Service



WS Amati UK Listed Smaller Companies Fund



WS Amati Strategic Metals Fund



WS Amati Global Innovation Fund

AMATI GLOBAL INVESTORS

Upcoming Events

22nd May - WS Amati Global Innovation Fund Seminar, Edinburgh (for financial intermediaries only)

12th June - WS Amati Global Innovation Fund Lunch Seminar, London (for financial intermediaries only)

Managers will discuss why innovation remains an important driver for investment as well as a some of the specific innovation frontiers they consider most compelling.

13th June - "Buybacks, Bids and Beta. Capturing the Upside in UK Smallcap" Breakfast Seminar, London (for financial intermediaries only)

WS Amati UK Listed Smaller Companies Fund Presentation with David Stevenson, Amati UK Smallcap Fund Manager & Jock Glover, Strategic Relationships Director from Square Mile Investment Consulting & Research.

20th June - WS Amati Strategic Metals Fund Lunch Seminar, London (for financial intermediaries only)

Fund manager presentation to mark the 3rd anniversary of the WS Amati Strategic Metals Fund.

For further information on our upcoming events, including how to register, please click here.

Upcoming BrightTALK Webinars

21st May 2024, 11am - **WS Amati UK Listed Smaller Companies Fund Update**. To register, please click here.

23rd May 2024, 11am - **Amati AIM IHT Portfolio Service Update.** To register, please click here.

27th June 2024, 11am - **WS Amati Global Innovation Fund Update.** To register, please click here.

Opinion Pieces / Videos / Podcasts

In case you missed some of our recent publications, please note a selection below:

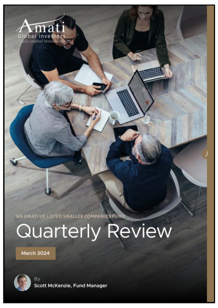
- Could 2024 be a transformative year for investors in the commodities sector?
- Innovation Frontier - Enabling Digital Revolution
- Thoughts on UK Smallcap
- Square Mile Panel - UK Equities in 2024
- FundCalibre Podcast - Why Britain is back in business

Please click here to visit our media section to view further content.

Quarterly Reviews - WS Amati Funds

Please see below fund reports (accompanied by Q&A videos) from Scott McKenzie, Georges Lequime & Graeme Bencke over the quarter for their respective funds highlighting portfolio activity, fund performance, contributors & detractors as well as outlook.

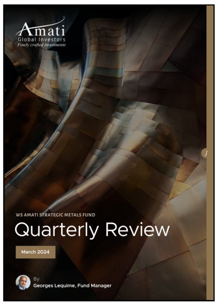
WS Amati UK Listed Smaller Companies Fund



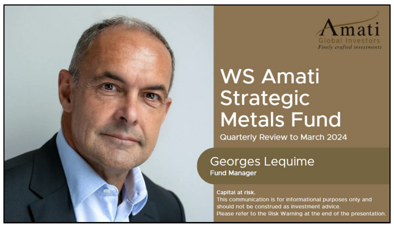
Written Report

Q&A Video

WS Amati Strategic Metals Fund

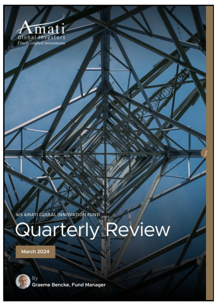


Written Report



Q&A Video

WS Amati Global Innovation Fund



Written Report

Q&A Video

Amati Insights

- UK Smallcap Buybacks & Dividends
- Magnificent 7
- Innovation in Healthcare
- The Geopolitics of the Unexpected Gold Price Boom

Please click here to visit our Amati Insights page to view further content.

If you would like to register for the fornightly calendar invitations, please email info@amatiglobal.com

ALPHA

WS AMATI UK LISTED SMALLER COMPANIES FUND

Alpha Group International

Written by
Dr Paul Jourdan

During April Alpha Group has become the second largest holding in our UK Listed Smaller Companies Fund. It's a good example of a company which has recently started a programme of share buybacks. Alpha's strategy has evolved very significantly over the past five years. It began life as a provider of cost-effective treasury services to SMEs based around making FX payments and hedging FX transactions. FX broking for SMEs is a highly competitive area, but Alpha differentiated itself through offering an internally developed software platform which provides sophisticated treasury type functions and which tie directly into a company's financial systems. The philosophy of this part of the business is not to encourage clients to time FX markets, but rather to help them hedge out their actual exposures in order to make their businesses more robust and protected from currency volatility. To do this they focus on obtaining, in their own words, "a deep understanding of an organisation's operating model, any supply chain considerations, their target market, competitive landscape, profit margins, cash constraints and pain points".

The FX Risk Management division of the business has grown strongly since flotation. In the year prior to flotation revenue was £8.5m and Profit Before Tax (PBT) was £4.3m. In 2023 this had grown to £76m of revenue, making around £39m PBT, boosted by significant growth from institutional and international business, with the company now having offices outside the UK in Toronto, Milan, Amsterdam, Sydney and Madrid.

Over and above the rapid growth of the core business, Alpha has progressively built up a comprehensive **Alternative Banking Solutions** (ABS) business for alternative investment funds. In 2022 this division began to reach scale, growing 41% in a year with revenue of £28.8m, rising a further 17% to £33.9m in 2023. It is in this business that we believe the upside to Alpha Group really lies.

Whilst the FX business is strong, it also has a good deal of competition. The Banking Solutions business offers alternative investment funds something they can't currently get anywhere else outside of mainstream banks. This business has its main centre of operations in Malta, an EU regulatory jurisdiction with a broad base of expertise in alternative investment funds. It also has offices in London and Luxembourg. Alpha's argument is that over the last 10 years fund administration services for these funds have been taken out of banks almost completely, as banks services were not really fit for this client group. Alpha has built its systems specifically to service these fund administrators, and they are jumping at the opportunity to upgrade the banking solutions that they offer. Mainstream banks don't offer services specifically tailored to fund administrators.

One of the features of the ABS business is that as it grows, the bank accounts accumulate high levels of deposits. Even though these are subject to high levels of churn as cash is invested, the underlying quantum is fairly stable and the interest margin on these accounts is very high. Last year the company earned net interest of around £73m on these funds, which it modestly excluded from its adjusted operating profit, making it the only company we know which puts forwards adjusted earnings numbers very substantially below its statutory earnings. In 2023 net cash from operations after deducting capitalised development expenditure was £83m, and net cash at the end of the year was £179m. With a market cap of £876m today it is easy to see why the company is buying back shares.

Weighting in the WS Amati UK Listed Smaller Companies Fund - 2.9% as at 31/03/2024

WS AMATI UK LISTED SMALLER COMPANIES FUND

Whilst Stocks Last - UK Share Buybacks

Written by
Scott McKenzie

There is currently no shortage of doom and gloom amongst observers of the UK equity market and the decline of the listed company has been well documented. As each month passes we see domestic retail investors withdrawing from the market, regardless of historically low valuation levels. UK pensions funds have long since deserted domestic equities.

Given the ongoing challenges UK equity funds have faced from the relentless outflows we have seen in recent years, it is important to note that the valuation attributes we have been highlighting for some time are now being noticed by others. In the midst of the despair a quiet revolution is beginning to happen. Alongside the recent acceleration in M&A activity (a subject for another day) , we have seen a material increase in share buyback programmes in 2024 so far. Indeed the daily RNS regulatory newsflow feed is increasingly dominated by 'transaction in own shares' announcements. For larger companies this trend has been ongoing for some time and the numbers involved are of significant magnitude, being almost omnipresent in sectors such as oils, mining, tobacco and banks amongst many others.

However, this trend has now firmly arrived in our world of UK smallcap . The reasons for this are straightforward – increasing boardroom frustration with multi-decade low valuations and evaporating investor interest, combined with a backdrop of strong balance sheets and a more robust trading outlook than the headline writers would have you believe.

Of the ten largest holdings in the Amati UK Listed Smaller Companies Fund no less than nine of them are currently engaged in share buybacks. This is unprecedented in the history of the Fund - in total we have 14 companies buying back their shares, over 30% of the total portfolio by value.

This increase in share buybacks offers an important offset to the ongoing selling of UK equities by domestic investors and provides compelling support for the bargain valuations on offer, whilst highlighting the sheer financial strength of the companies doing them.

Whilst these buybacks in themselves are no panacea for the more structural challenges facing UK listed markets, they clearly demonstrate that UK smaller companies are currently an exceptionally cheap, if unloved, asset class.

Top 10 Fund Holdings

Company	Portfolio Weighting	Description
Qinetiq Group plc *	4.0%	A science and engineering company, providing products and services to Western defence and security markets.
Trainline plc *	3.1%	UK online rail ticketing platform.
Vistry Group plc *	2.9%	UK housebuilding and social housing partnerships.
Alpha Group International *	2.9%	High-tech, high-touch financial services firm offering corporate treasury services internationally and alternative banking solutions for offshore funds.
OSB Group plc *	2.8%	Specialist UK buy-to-let mortgage lender
Gamma Communications *	2.8%	A provider of integrated digital communications to corporates and the public sector in Western Europe, underpinned by cloud transition.
Pollen Street Group *	2.6%	Pollen Street is an alternative asset manager specialising in private equity and private credit, with a focus on the fintech and financial services sectors.
Indivior plc *	2.5%	Pharma company focused primarily on the treatment of opioid addiction.
Grainger plc	2.4%	Market leading residential property owner and manager
Accesso Technology Group *	2.4%	Global ticketing solutions for the leisure industry
Total	**28.4%**	

Source: Amati Global Investors as at 31/03/2024

We believe therefore that the biggest challenge investors in UK smallcap face is not one of valuation but one of liquidity, and the need to attract a broader investor base to the sector. At Amati we continue to focus on businesses with conservative balance sheets, sustainable margins and strong cash generation, and currently there are plenty of these companies available at attractive prices. If investors don't take the clear opportunities now available in UK equities , then corporate buyers will continue to do so instead , either by acquiring listed UK businesses on the cheap or by buying back as much of their own equity as they can. This process is well and truly underway already, highlighting the compelling value on offer in UK markets right now.

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.

WS AMATI GLOBAL INNOVATION FUND

Robotic Assisted Surgery

Written by
Dr Gareth Blades

All healthcare systems function in a resource constrained environment and aim to provide the best possible care to patients within the limits of their budgets, no matter their size. A conversation I had with a UK health economist sticks out: every intervention, whether it is a drug, medical device or test, is judged based on the benefits it provides compared with the costs. Taken to an extreme, it can be a challenge not to adopt something that has marginally lower benefits but materially lower costs, the reasoning being that it provides extra budget to spend on something else that could have higher utility. At the other extreme, adoption of something that has materially higher costs must show materially higher utility because it effectively shrinks the already limited budget.

In this context it is interesting to see the increasing adoption and utilisation of robotic assisted surgery (RAS). This technology may have high upfront costs, but does it have higher utility than traditional surgical methods such as open and laparoscopic?

What are these benefits and are they meaningful?

If you were designing a surgical system from scratch, what would you want? I would want more efficient surgeries, fewer complications, shorter hospital stays and ultimately better outcomes. RAS is a way to achieve these aims. It has been documented, in medical journals as well as by the companies involved such as market leader Intuitive Surgical, that patients spend less time in hospital, have shorter recovery times, less scarring, fewer complications and return visits when undergoing RAS, as compared to traditional open or laparoscopic surgery alternatives.

While these benefits are not universal and outcomes in certain procedures are equivalent between laparoscopic and RAS, an important differentiator for RAS is the improvement in a surgeon's level of skill, itself linked to better outcomes. This is in part achieved by the robotic system correcting surgeon hand tremor, such that an average surgeon can perform at the level of a superior one and which should lead to better patient outcomes.

While these innovations are great for patients, healthcare systems and surgeons have different concerns.

Our conversations with surgeons revealed that these concerns differ depending on where they are in the world and how they are incentivised. In the US, RAS is about total cost of ownership, surgical volume ramp and as a tool to attract/keep surgeons and patients. This second point is critical, getting through surgeries more efficiently and with less fatigue allows surgeons to successfully complete more procedures per day. A peculiarity of US healthcare, at least from a UK perspective, is the financial incentive of seeing more patients. As US hospitals and surgeons are paid per procedure, being able to perform more surgeries per day becomes an attractive financial feature, whereas in the UK the focus is more on patient outcomes and on value for money, given that being a more efficient hospital or surgeon is not tied to levels of reimbursement.

Our conversations suggested that hospital acceptance was slow until surgical teams were adept at using RAS. Only then could they provide evidence that waiting lists were going down faster as they went quicker through surgeries. Following this, RAS adoption really took off.

Who are the players?

The leader in soft tissue surgeries is **Intuitive Surgical**, a holding in the Amati Global Innovation Fund. Their flagship product is the 'da Vinci' multi-arm robot, currently on its 4th generation with approvals for the likes of general surgery, bariatric surgery and urology. The company has recently announced FDA approval of the 5th generation da Vinci. The 4th generation system is still growing well, with procedure growth of 22% in 2023. The total number of systems placed grew 8% during the year, taking the installed base to 8,606. This growth is due not only to the expansion into new surgical subsegments but also the growth in leasing, which spreads the costs of such systems that can run to more than $1.4m upfront.

Intuitive also has a flexible robot, 'Ion', focused on lung biopsies of indeterminate lung nodules. These nodules might be cancerous but due to their size they are not small enough to dismiss and reassess at a follow up visit. The flexibility of Ion allows it to navigate through the narrow and branching architecture of the lung to the location of distal nodules.

The ultimate aim for this robot is to have it remove the nodules so there is no need for a biopsy. Something it is working on with UK listed **Creo Medical**, a holding in two of our UK funds. What Creo brings is advanced energy capabilities that don't require cooling. As such, their instruments can fit down the narrow form factor of the Ion arms. This is not an insignificant problem, with the annual incidence of lung cancer estimated to be 200k+ in the US, 300k+ in Europe and more than 1m in China. These are confirmed cases only, meaning that total biopsy procedures undertaken to confirm cases will be even higher. In the US, there are ~1.5m patients identified with indeterminate nodules by CT scan, and being able to remove nodules in the first investigation would change the care paradigm completely.

Competition

Other entrants in robotic surgery include **Johnson & Johnson** (J&J), **Medtronic** and **CMR Surgical**. In the second half of 2024, J&J is expecting to submit for approval to initiate US clinical trials of its Ottava system. Only after these trials will it be able to file for US approval. J&J has a flexible robot called Monarch, which is also used for lung nodule biopsies and it also has approval to remove kidney stones.

Medtronic is conducting trials with its Hugo system in the US, while it is CE marked in the EU. CMR's Versius is approved across the EU, Australia and Brazil but not the US. While these compete directly with da Vinci, there are other specialist RAS systems such as Stryker's Mako RAS for joint replacement, albeit that joint replacement is not an area Intuitive has plans to enter due to Stryker's dominance.

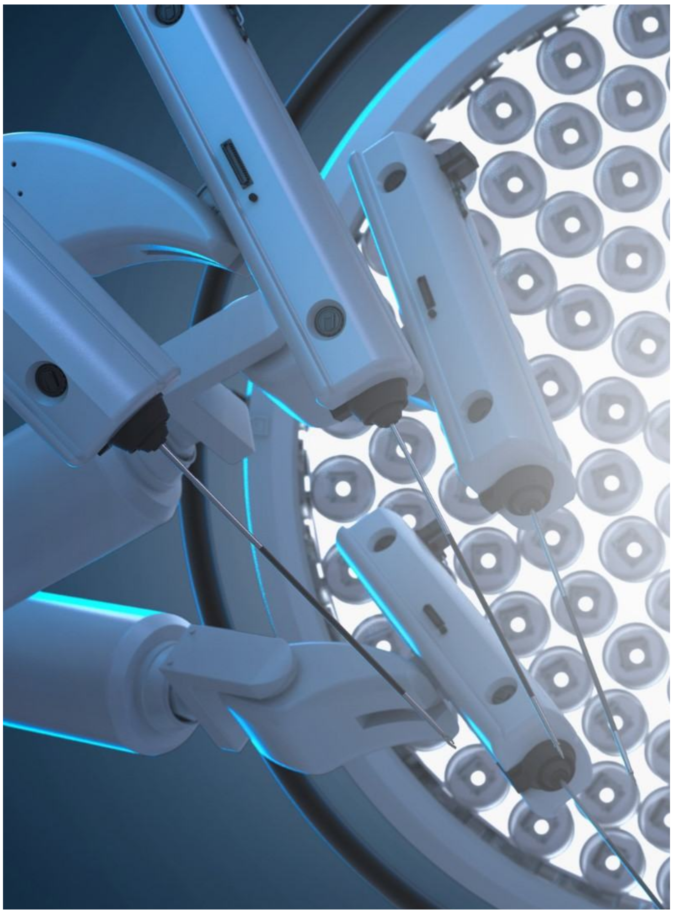
The Future of Robotic Assisted Surgery

Intuitive Surgical has built an ecosystem around its robots including clinical workflow/decision making/ pre-operative planning/operation guidance/post-operative analytics, as well as personalised learning that includes learning from best-in-class surgeries. Thus their robots effectively become surgical hubs rather than just machines.

For example, surgeons can track their own skill level on the system, see their progression and assess how their surgeries compare to others who may be faster or have better patient outcomes. Importantly, they can see what better surgeons are doing differently so they can use this in their own procedures.

Further modules will include machine learning to improve procedures and outcomes, an example being the Case Insights system, an AI-driven application launched by Intuitive in 2023, which leverages domain data across the da Vinci ecosystem and hospital Electronic Medical Record (EMR) systems to find correlations between surgical techniques and surgical outcomes across the patient population. This is what the company refers to as surgical data science. It is interesting to note that the 5th generation da Vinci robot will have 10,000x the processing power of generation 4. Management has suggested that surgical data science will be a way to not only benefit surgeon performance and patient outcomes, but also hospital efficiency, although specific details are not yet fleshed out.

Intuitive is not the only company focused on these advances; Medtronic also offers a surgery insights module for surgeons and their team. What differentiates Intuitive's offering is their much larger installed base of over 8,600, providing a much broader ecosystem of data.



Where could this be heading? A recent conference I attended provides an illustration of the direction of travel. The Head of Nvidia’s Healthcare unit discussed their work in both imaging and the use of AI in robotic assisted surgery. Applications included faster image processing with more accurate identification of structures. A use case being AI enhanced robotic surgery, where a “don’t cut here” label is overlaid on the surgeon's field of view, or ensuring more tumour tissue is removed in a resection and where AI suggests the next step in a surgery to optimise outcomes. While post-operatively, an “AI assistant” could write up the surgery in case notes and process the administrative side for the hospital, freeing up medical team time. The possibilities are only just beginning to be explored.

The entry of AI specialists such as **Nvidia** should mean that these capabilities spread more rapidly through the RAS market. Access to data will be key, benefitting those companies with a larger installed base. One of the advantages of RAS is more consistent surgeries which lead to better outcomes for patients. Evidence suggests that surgeons tend to use the robots more and more, even for simple surgeries. Any improvements from AI will only increase the use cases, driving up utilisation and increasing the returns for hospitals. RAS manufacturers are striving to make their systems easier to use, providing an experience for surgeons that is "point and shoot". As such, surgeons don't have to worry about the robot, they can concentrate on the patient and the technicalities of the surgical process. AI augmentation should improve the patient benefit, making the health economic argument even easier to make.

Past performance is not a reliable indicator of future performance.

WS AMATI STRATEGIC METALS FUND

G2 Goldfields and Reunion Gold

Written by
Mark Smith

Last Year Amati Fund Manager, Mark Smith visited the properties of **G2 Goldfields** and **Reunion Gold**, in Guyana, Latin America. G2 Goldfields identified a structural shear corridor which can be traced for over 20km and G2 Goldfields controls 17km of this strike. G2 has so far delineated 2.02 million ounces at 3.09g/t gold, hosted within five discrete, multi-kilometre long shear zones. To date, mineralization is found within fold hinges, parallel shear zones, and breccias along lithological contacts within a sequence of metamorphosed carbonaceous sediments and volcanics.

A high-grade underground resource at OMZ (1.18 MMoz grading 8.95 g/t) will be an important source of high-grade feed to a potential future operation in the camp, while the large, open pittable resource at Ghanie (712,000 oz grading 1.56 g/t) adds additional scale on G2's side of the border within the emerging Oko camp (i.e. Reunion + G2).

There is every evidence that these two companies share the same district scale orebody. This can be clearly seen in Figure 1 (view looking south), where the exploration camps of Reunion and G2 are connected by Guyanese legal small scale mining.

Figure 1 - Aerial view of the shear zone corridor, connect both company's exploration projects

Source: Company reports; Amati

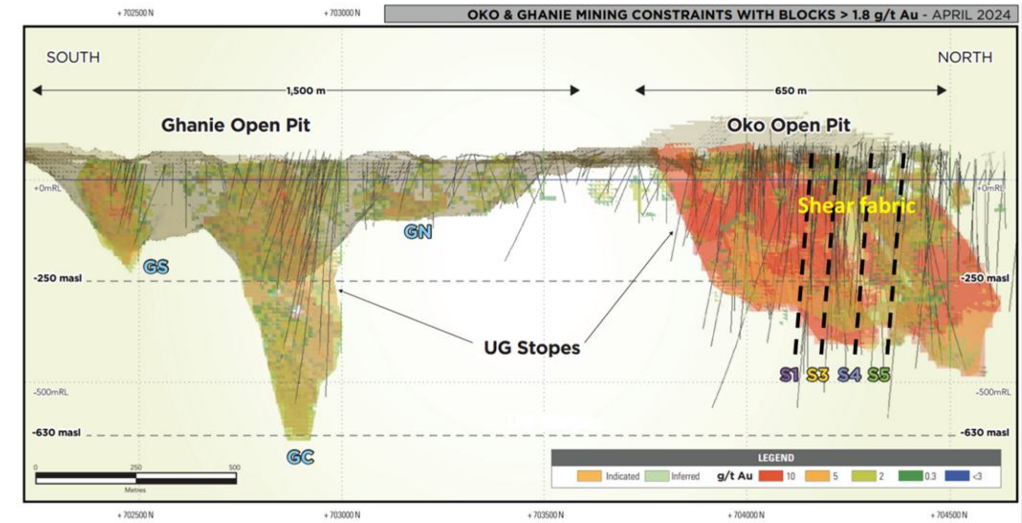
The updated resource provides an excellent platform from which to continue district wide target definition and drill programs in parallel with resource expansion at OMZ and Ghanie. A further resource estimate is planned for Q4/24, with potential to add ounces from new regional discoveries (the primary focus in 2024).

Based on this updated resource estimate, G2 now trades at US$69/oz, which we believe is compelling given the near-term potential to significantly increase its resource size and make new discoveries, particularly given the external validation from AngloGold (11.7% shareholder). The recent 69% resource expansion is comprised of a discrete high-grade resource for the OKO Main Zone (OMZ) and a disseminated bulk minable resource for the Ghanie Zone.

The company's geological model is becoming 'more predictive', leading to regular discoveries along the 20 km OKO-Aremu trend. Approximately 500 m northwest of the OMZ lies the NW OKO discovery, where G2 intercepted 15.0m at 6.3 g/t gold. The company is adding an additional rig at NW OKO. The company is commencing drilling at the Tracy target, located a further 5 km along strike. Subsequently, G2 will initiate drilling at the Aremu target.

From our site visit to Reunion last year, we identified the importance of intersection-lineations of geological structures (shears, cleavage, fold hinges) which create plunging pathways for high grade mineralization. Applying this geological interpretation to G2 we invested on the expectation of resource discovery. It is encouraging that G2's recent resource announcement supports our investment theory – Figure 2.

Figure 2 - Oko & Ghanie Resource blocks showing plunging orebodies

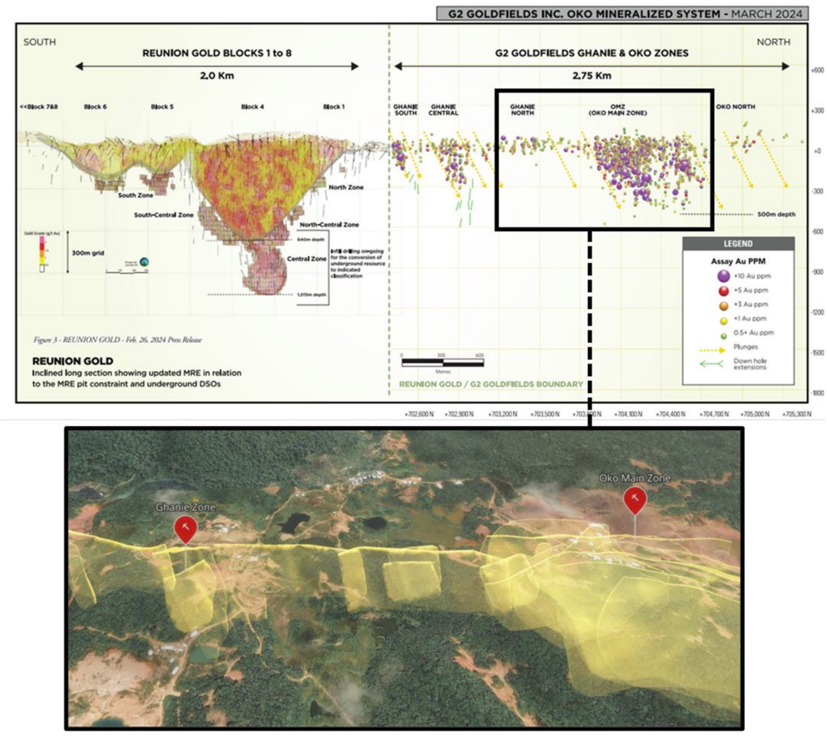


Source: G2 Goldfields; Amati

Now looking at the emerging mineralized system developing along the OKO camp, we expect G2 Goldfields to play ‘resource expansion catch-up’ to Reunion Gold. This is based on the geological principle of repeating geometries and along the shear zone. Any resource expansion at G2 should benefit both companies as it cements our view this is a +10MMoz gold camp which should be developed and operated by a major mining company.

The WS ASMF has a portfolio exposure of 8.2% to this gold camp (as at 31/03/2024). As the gold price continues to make all-time highs we expect the gold equities to significantly rerate and close the implied US$540/oz (23%) discount to the gold price. In addition, as the tier 1 gold equities re-rate they are in a stronger position to conduct M&A. Put simply, there are not too many +10Moz gold camps left, let alone in the hands of junior developers!

Figure 3 - Reunion-G2 Goldfields Long Section with mineralized trace



Source: Company reports; Amati

The investments associated with this fund are concentrated in natural resources companies, which are subject to greater risk and volatility than companies held in other funds with investments across a range of industries and sectors.

Charitable Engagement

Amati gives 10% of its net profits to UK registered charities. These are chosen by Amati's shareholders in proportion to the percentage that they own. Some examples of recent activity:

On Friday 8 March, Rachel Le Derf, Amati's Head of Sales & Marketing chose to support a local charity called, The Lyme Resource Centre and hosted a fundraising ceilidh to help raise awareness of this little understood disease.

The Lyme Resource Centre (LRC) is a Scottish Registered charity and is run by a team of trustees, volunteers and clinical advisers who give their time freely and voluntarily to help the charity meet its aims. It benefits from a highly skilled team of medical advisers, pharmacists, educationalists, engineers and other business professionals who guide and advise on policy, projects and collaborative partnerships.

LRC's mission is to ensure that the public are educated and that health professionals are sufficiently equipped to diagnose at an early stage. If not caught early, it's hard to diagnose, and even harder to treat.

To find out more about LRC or to make a donation please visit www.lymeresourcecentre.com.

LRC have also recently created tick removal cards which are available to buy directly from their website at a cost of £3.95 each: Tick Removal Cards

"LRC are indebted to Amati Global Investors Ltd for raising a staggering £9330 for the work of our Lyme disease charity. The team at LRC would like to thank each and every person who participated or donated - and special thanks to Rachel for organising an amazing event. Our trustees Jack Lambert and Arlene Brailey had opportunity to raise awareness of ticks and Lyme disease, with video messages from Morven-May MacCallum and Rico Franchi & The Unknowns. LRC would like to take this opportunity to publicly thank all who supported this wonderful fundraiser!"

Ali Clark, Amati's Finance Director, is an avid hill walker/mountaineer and in 2022 completed the challenge of "bagging" 282 Scottish Munros. Scottish Mountain Rescue (SMR) represents 25 Mountain Rescue Teams made up of highly trained volunteers who are available 24 hours a day, 365 days a year to respond to emergencies and carry out a specialist search and rescue service in the mountains and remote communities in Scotland to keep people safe and help people if and when they get into difficulty. SMR is a charity that Amati has supported in 2023 and Ali and her friends also raised money for SMR through the Edinburgh marathon relay last year.

Lyme Resource Centre

Scottish Mountain Rescue

Feedback Survey

We would really appreciate your feedback on what we deliver at Amati. We take pride in what we offer our investors and therefore should there be any area that you think we could improve on. Please take a few minutes to complete our survey on our recent published Quarterly Fund Reviews.

Metals Blog

Last month we launched the WS Amati Strategic Metals Fund Blog. Fund managers Georges Lequime and Mark Smith will be using this platform to offer regular updates based on recent market movements and news. The blog page can be accessed on our website here.

Email Communications

We are conscious not to overload our investors with emails but also from an environmental standpoint we are looking to reduce this where possible. More recently we are tending to promote content and news via LinkedIn and so if you are not already following Amati via LinkedIn then we recommend you follow us by clicking here.

Risk Warning

This newsletter does not constitute investment, tax, or legal advice, and nor does it constitute an offer, invitation or solicitation to invest in the products described. Amati will not provide any investment, tax, or legal advice, or make any personal recommendations as to the suitability or otherwise of these products. Before investing in our products we recommend that you contact your financial adviser.

These investment products place your capital at risk and you may not get back the full amount invested, even allowing for any tax breaks. The value of your investment may go down as well as up. Past performance is not a reliable indicator of future performance. Investors should be aware that any investment in equities is subject to risk, and that investment in smaller companies, in particular unquoted companies and those quoted on the Alternative Investment Market (AIM), carries an even higher risk than that of larger companies listed on the main market of the London Stock Exchange. This is due to the higher volatility and lack of liquidity often found in smaller company shares, as well as typically higher levels of business specific risks. Illiquidity means that buying and selling portfolio holdings may take some time, and in a worst case scenario portfolio companies could be delisted from AIM, making them very difficult to buy or sell, which in turn could affect the value of your investment. Current tax rules and the available tax reliefs offered on investments into AIM-quoted stocks may change at any time, and there is a considerable risk that if the legislation changed in respect of these tax reliefs, then those portfolio companies that no longer qualified for such reliefs would be subject to heavy selling pressure, potentially leading to significant investment losses.

Amati Global Investors

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