

# Amati AIM VCT plc Investor Guide

Offer for Subscription of New Shares to raise  
up to £40m (with an over-allotment facility to raise  
up to a further £25m)

Tax Years 2021/22 and 2022/23

*“Amati AIM VCT aims to  
make long term investments  
in innovative businesses  
which have the potential  
to become successful AIM-  
quoted growth companies”.*



#### 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 It is not for publication or distribution to persons outside the United Kingdom.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 AIM VCT plc.

Applications for shares must be made solely on the basis of a thorough consideration of the information contained in the Amati AIM VCT plc Prospectus dated 28 July 2021 as a whole by the investor. An investment in the Amati AIM VCT plc 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. The value of investments may go up as well as down and you may not get back the full amount of your 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 Amati AIM VCT plc’s ability to meet its 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 Prospectus.

## The Manager

Amati Global Investors (AGI) is an independent specialist fund management business with £1.3bn AUM as at 30 June 2021 and based in Edinburgh. It focuses on UK small and mid-sized companies, with a universe ranging from fully listed constituents of the FTSE Mid 250 and FTSE Small Cap indices, to stocks quoted on the Alternative Investment Market ("AIM"). The fund management team is made up of Dr Paul Jourdan, David Stevenson, Anna Macdonald, Scott McKenzie and Dr Gareth Blades and collectively manage all UK funds with a combined experience of 90 years in smaller company investments.

The Investment Manager recognises that managing investments on behalf of clients involves taking into account a wide set of responsibilities in addition to seeking to maximise financial returns for investors. Industry practice in this area has been evolving rapidly and AGI has been an active participant in seeking to define and strengthen its principles accordingly. This involves both integrating ESG considerations into the Investment Manager's investment decision-making process as a matter of course, and also signing up to major external bodies who are leading influencers in the formation of industry best practice. The following is an outline of the kinds of ESG considerations that the Investment Manager will take into account as part of its investment process.

Amati is also a supporter of the Task Force on Climate-related Financial Disclosures, whose aim is to improve and increase reporting of climate-related financial information.

**Environmental** – examining issues arising from supply chains, climate change and contamination. The Investment Manager looks for management teams who are aware of the issues and are proactive in responding to them.

**Social** – seeking to avoid unequivocal social negatives, such as profiting from addiction or forced labour and to support positive impacts which will more likely find support from customers and see rising demand.

**Governance** – examining and, where appropriate, engaging with companies on board membership, remuneration, conflicts of interest such as related party transactions, and business leadership and culture.

**Human Rights** – adopting and advocating a Clean Trade approach, which means avoiding companies that tacitly support the most oppressive regimes and engaging positively with those that uphold Article 1 of the International Covenants on Civil and Political Rights, particularly in relation to the extraction of natural resources.

In terms of external validation and support, AGI is a Tier 1 signatory to the UK Stewardship Code, which aims to enhance the quality of engagement between investors and companies to help improve long-term risk-adjusted returns to shareholders. AGI is also a signatory to the UN-supported Principles for Responsible Investment (PRI), which works to support its international network of signatories in incorporating ESG factors into their investment and ownership decisions. The PRI acts in the long-term interests of its signatories, of the financial markets and economies in which they operate and ultimately of the environment and society as a whole.

Amati is also a supporter of the Task Force on Climate-related Financial Disclosures, whose aim is to improve and increase reporting of climate-related financial information.

*Signatory of:*



## Investment Team



**Dr Paul Jourdan**  
CEO/Fund Manager



**David Stevenson**  
Director/Fund  
Manager



**Anna Macdonald**  
Fund Manager



**Dr Gareth Blades**  
Analyst



**Scott McKenzie**  
Fund Manager



**Hamish Galt**  
Investment  
Administrator

## Sales Team



**Rachel Le Derf**  
Head of Sales  
& Marketing



**Colin Thomson**  
Sales Director



**Jonathan Woolley**  
Sales Director



**Samantha Dalby**  
Investor Relations  
Manager



**Ross Barbour**  
Sales Support  
Executive



**Olivia Pattison**  
Marketing  
Support Executive

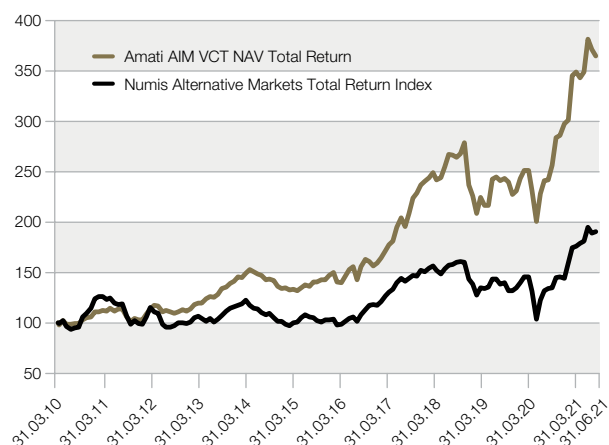
## Key Benefits/Reasons to Invest

- Subscribers for New Shares will benefit from the strength and depth of the Company's maturing portfolio of investee companies built up over many years.
- The Investment Manager has a strong track record of identifying promising early-stage growth companies on AIM and has been recognised through numerous industry awards over recent years for UK smaller company investment.
- The Company's portfolio contains only one material Non-Qualifying Investment, TB Amati UK Smaller Companies Fund, which accounts for approximately 7% of the Company's net assets as at 30 June 2021. Management fees in relation to the investment in the TB Amati UK Smaller Companies Fund are related to the Company in full, which means that the Company's cash surplus to short-term requirements can be productively employed through investment (via the TB Amati UK Smaller Companies Fund) in small and mid-sized UK companies in a portfolio managed by the Investment Manager.
- The Board aims to pay annual dividends equal to around 5% of the Company's Net Asset Value at its immediately preceding financial year end, subject to the Company's distributable reserves and cash resources, and with the authority to increase or decrease this level at the Directors' discretion. For UK tax payers who have not exceeded the £200,000 annual investment limit these dividends are tax free.
- The Company operates a share buyback programme which, subject to the availability of distributable reserves and the Company's cash requirements, provides a measure of liquidity for Shareholders who wish to sell their Shares.
- The Investment Manager brings together an award-winning team of highly experienced investment professionals focusing on smaller companies listed on AIM and the Main Market. The fund managers and staff at the Investment Manager and the Directors have significant shareholdings in the Company, aligning their interests with the interests of the other Shareholders.

## Dividend Reinvestment Option

Amati AIM VCT operates a scheme 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). For dividend history, please [click here](#).

## Amati AIM VCT Performance (From Change of Manager)\*



\* On 25 March 2010 Amati Global Investors was appointed as Manager of ViCTory VCT. On 8 November 2011 Invesco Perpetual AIM VCT merged with ViCTory VCT and the name was changed to Amati VCT 2. On 4 May 2018 the Company merged with Amati VCT and the name was changed to Amati AIM VCT.

Past performance is not a reliable indicator of future performance.

Source: Amati Global Investors Ltd and Numis Securities Ltd at 30 June 2021

## Amati AIM VCT – cumulative performance (as at 30 June 2021)

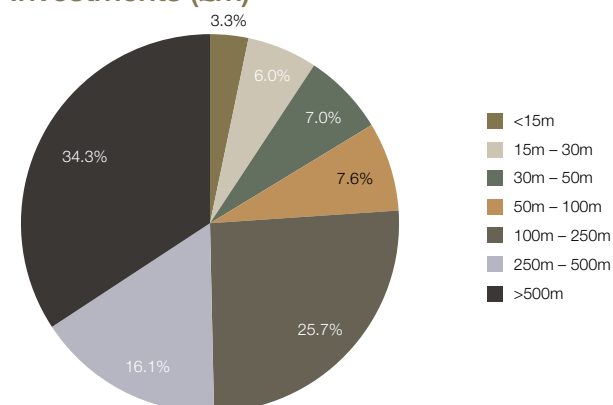
Time Period	Fund Return*	Benchmark Return**
3m	4.6	5.1
6m	5.8	9.3
1yr	50.9	42.2
2yr	51.5	37.5
3yr	36.8	20.7
5y	154.9	87.5
Since change of manager	265.0	90.7

Past performance is not a reliable indicator of future performance.

\* NAV Total Return, uses NAV per share, net of fees, assuming dividends are re-invested on the ex-dividend date, excluding tax reliefs and up-front costs.

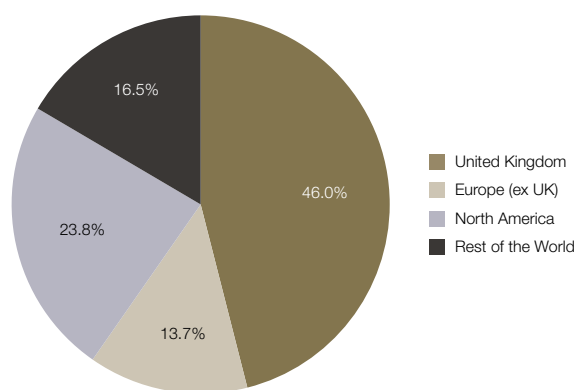
\*\* Numis Alternative Markets Total Return Index.

## Market Capitalisation of Qualifying Investments (£m)

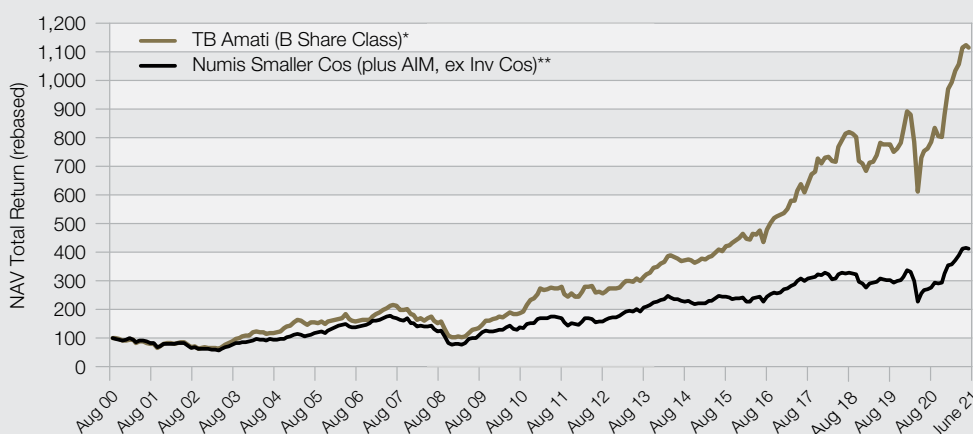


Source: Amati Global Investors at 30 June 2021

## Geographic Exposure of Qualifying Investments



## TB Amati UK Smaller Companies Fund (Amati AIM VCT's non qualifying investment)



### Past performance is not a reliable indicator of future performance.

\* TB Amati UK Smaller Companies Fund, Total Return, since Paul Jourdan take-on of predecessor fund (31 August 2000). See the Key Investor Information Document for the Fund, 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.

Source: Amati Global Investors Ltd, T Bailey Fund Services Ltd and Numis Securities Ltd.

- TB Amati currently represents 7% of the Amati AIM VCT Portfolio
- Diversified exposure to 83 AIM, small and mid cap holdings
- Weighted average market cap of £1 billion
- TB Amati fund has returned +114.4% since initial VCT investment in December 2014
- Fund size: £987.3m
- Long track record – Dr Paul Jourdan has been managing the fund for over 20 years since August 2000
- The fund is multi award winning – view Amati Awards [here](#)

Source: Amati Global Investors as at 30 June 2021

## TB Amati – cumulative performance (as at 30 June 2021)

	Fund Return* %	Benchmark Return** %	Average Sector Return*** %	Quartile Ranking
3 mths	5.3	6.0	10.0	4
6 mths	14.9	16.5	19.9	4
1 yr	46.2	52.3	53.1	3
3 yrs	36.8	26.1	34.2	2
5 yrs	156.8	80.9	114.4	1
10 yrs	306.9	141.3	220.4	1

\* Total Return, after all charges, net of UK tax (B Share Class)

\*\* Numis Smaller Companies Index (plus AIM, excluding Investment Companies), Total Return.

\*\*\* IA UK Smaller Companies Sector, Total Return.

Source: Amati Global Investors Ltd, T Bailey Fund Services Ltd and Numis Securities Ltd.

## Risk warnings – Please see Risk Warnings on pages 9 to 11 of the Prospectus

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 AIM VCT plc 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 AIM VCT plc shares, although listed, may be difficult to sell. Although Amati AIM VCT plc has 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 AIM VCT plc 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 AIM VCT plc 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 AIM VCT plc 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 9 to 11 of the Prospectus.

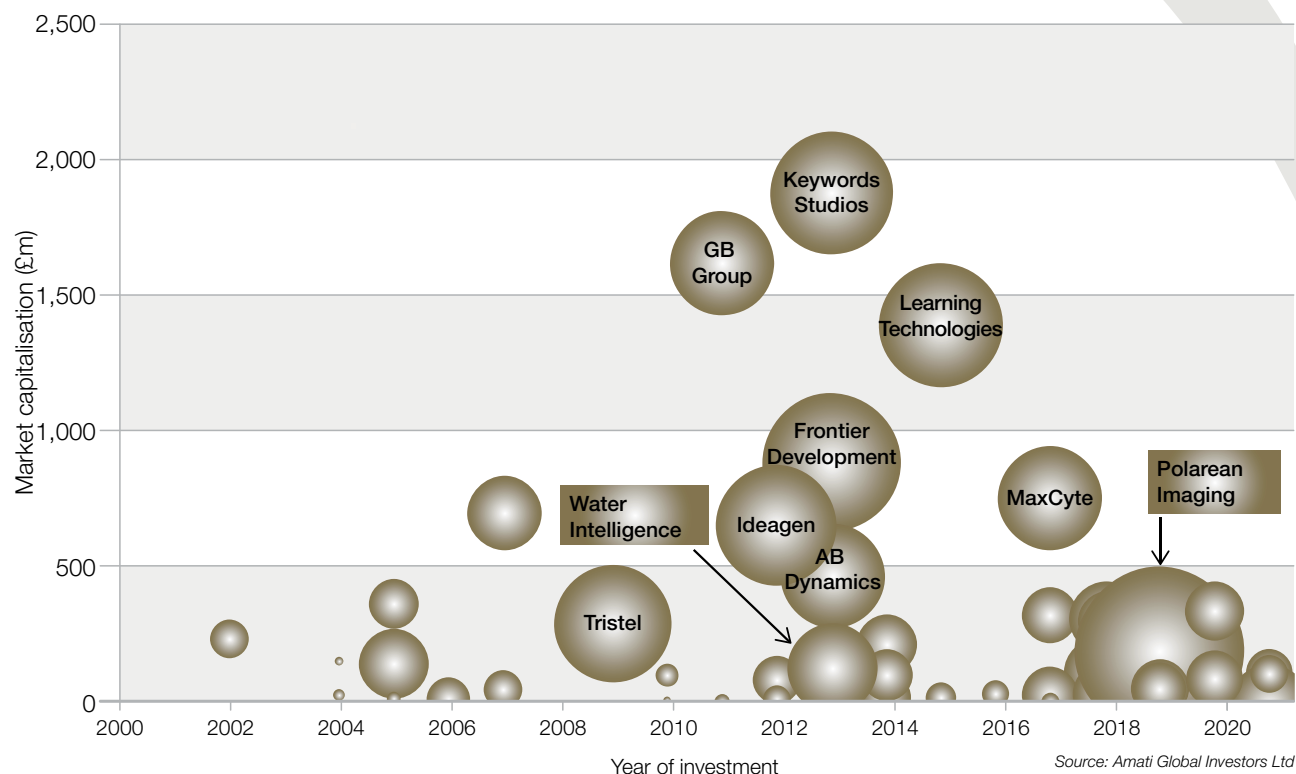
## Top Qualifying Investments (at 30 June 2021)

The weighted average market capitalisation of the qualifying portfolio is currently £508m.

Notable features of the top ten Qualifying investments are as follows:

- 6 out of the top 10 holdings are dividend paying
- The top ten qualifying holdings represents approximately 50% of the value of the portfolio, providing a strong set of core holdings
- Six of the top ten qualifying holdings have market capitalisations in excess of £500m
- The unweighted average holding period of these investments thus far is 7.9 years
- The unweighted share price return since initial investment by the VCT is 1,164%

## Significance of Top 10 Qualifying Investments (at 30 June 2021):



The top 10 Qualifying Investments in the VCT as at 30 June 2021 is analysed by date of initial investment and market capitalisation. The size of the circles represents the relative size of the holdings in the portfolio by value. The top 10 Qualifying Investments are labelled.

## Top 10 Qualifying Investments

	Fund Weighting (%)	Year of First Investment	Total investment	Total realisations to date	Current Value	Investment Return* (%)
Polarean Imaging	9.7	2018	£5.4m	–	£24.0m	343
Frontier Developments	5.8	2013	£1.3m	£5.4m	£14.4m	1,477
Learning Technologies Group	5.3	2015	£1.6m	£1.0m	£13.0m	764
Keywords Studios	5.1	2013	£0.9m	£3.6m	£12.7m	1,661
Ideagen	5.1	2012	£1.2m	£0.3m	£12.5m	949
Tristel	4.7	2005	£2.0m	£0.8m	£11.6m	530
AB Dynamics	3.8	2013	£0.6m	£4.4m	£9.4m	2,117
GB Group	3.8	2011	£0.5m	–	£9.3m	1,951
MaxCyte	3.6	2018	£1.7m	–	£8.9m	426
Water Intelligence	2.8	2013	£0.5m	–	£6.8m	1,426
<b>Total</b>	<b>49.7</b>					

\* excluding dividends

\*\* including conversion of convertible loans

Source: Amati Global Investors Ltd at 30 June 2021

## Tax Benefits

- 30% UK income tax relief on new VCT share issues
- Tax free dividends
- No capital gains tax

## However...

- You must remain invested for 5 years to retain the tax relief
- £200k limit on investment in any one tax year (which includes secondary shares bought on the market and shares issued under dividend reinvestment schemes)



## How to apply to the Offer

If you are considering applying for this Offer, you should read the Prospectus in full, which contains the full terms and conditions. It is recommended that you seek independent financial advice.

## Online Applications

The Offer's application process will be **online only** via a service provided by the Company's receiving agent and registrar, The City Partnership (UK) Ltd. Full details including the Prospectus and associated documentation will be displayed at [www.amatiglobal.com](http://www.amatiglobal.com) from 9am on Friday 30 July 2021 and our investor relations team will be at hand to deal with any enquiries at [info@amatiglobal.com](mailto:info@amatiglobal.com) or tel: 0131 503 9115.

## Receiving Agent

The City Partnership (UK) Limited  
The Mending Rooms  
Park Valley Mills  
Meltham Road  
Huddersfield, HD4 7BH

Email: [AmatiVCT@city.uk.com](mailto:AmatiVCT@city.uk.com)  
Tel: 01484 240910

## Offer Costs

Existing Shareholders and for subscriptions through a financial intermediary 1%.

For other subscribers 3%.

The costs are applied by way of the subscription price of the shares purchased. The subscription price will be the Net Asset Value (NAV) per share divided by 0.99 in the case of 1% charge and 0.97 in the case of 3% charge.

## Minimum Subscription

In each tax year: £4,000.

## Trail Commission

Trail commission: 0.375% of the subscription amount per annum (limited to five years) is available to authorised financial intermediaries acting in an execution-only capacity and will be paid by the Manager.

## Fees

### Ongoing Charges Figure (unaudited)

2.1% of net assets (including Annual Management Fee of 1.75%).

Annual cap on running costs 3.5% of net assets.

### No Performance Fees

## Adviser Charging

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

## Timetable/Priority Period

The Offer is expected to open at **9am on Friday 30 July 2021**. Priority will be given to valid applications from existing shareholders received by 9am on Wednesday, 4 August 2021. Applications will otherwise normally be accepted on a first come, first served basis (provided cheques are not post-dated and with priority given to applications with cleared funds), subject always to the discretion of the Board.

The first allotment will be on or around Monday 9 August 2021 and thereafter monthly at the discretion of the Board.

## Contact Us

Investor Enquiries: 0131 503 9115.

## Intermediary Enquiries



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**Jonathan Woolley**  
Sales Director  
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**Colin Thomson**  
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