

Amati AIM VCT plc Investor Guide

to Prospectus Offer for Subscription
of New Shares to raise up to £25m in aggregate
(with an over-allotment facility of a further £20m)

Tax Years 2019/20 & 2020/21



*“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 It is not for publication or distribution to persons outside the United Kingdom.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 31 October 2019 (the “Prospectus”) 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 £439.6m assets under management 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 (supported by analyst Dr Gareth Blades) and collectively they manage all Amati funds with a combined experience of over 65 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.

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.

Signatory of:



Investment Team



Dr Paul Jourdan
CEO/Fund Manager



David Stevenson
Director/Fund Manager



Anna Macdonald
Fund Manager



Dr Gareth Blades
Analyst



Iain Whiteford
Investment Administrator

Sales Team



Rachel Le Derf
Head of Sales



Carol Cunningham
Sales Director



Jonathan Woolley
Sales Director



Samantha Dalby
Investor Relations Manager



Joy Pumayi
Sales Support Executive

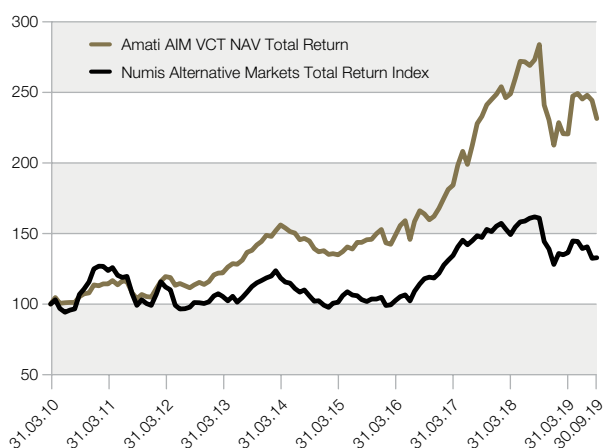
Key Benefits/Reasons to Invest

- subscribers for New Shares benefit from the strength and depth of the maturing portfolio of investee companies built up over many years which largely determine the ability to pay dividends for which new investees immediately qualify
- the Manager has a strong track record of being able to identify the most promising early-stage growth companies on AIM and has been recognised through numerous industry awards over recent years for UK smaller company investment
- the Non-Qualifying element of the Company's portfolio is held in a single investment, TB Amati UK Smaller Companies Fund (for which management fees are rebated to the Company), which means that the cash surplus to short term requirements can be productively employed through investment in small and mid-sized UK companies in a portfolio managed by the Manager
- the dividend policy of the Company is to pay tax free dividends twice a year. Dividends in recent years have represented 5% to 6% of year end NAV (equivalent to 6.9% to 8.3% tax free yield after and taking into account the full 30% initial income tax relief available to subscribers, and adjusting for the maximum up-front costs of 3%)
- the Company maintains a share buyback programme which, subject to the availability of distributable reserves and the Company's cash requirements, provides liquidity for Shareholders who wish to sell their Shares
- the Manager brings together an award winning team of highly experienced investment professionals focusing on smaller companies listed on AIM and the Main Market of the London Stock Exchange. The Amati fund managers and staff, and the VCT Board Directors, have significant shareholdings in the Company, aligning their interests with the interests of the Shareholders investment

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).

Amati AIM VCT Performance (From Change of Manager)*



Past performance is not a reliable indicator to future performance.
Source: Amati Global Investors Ltd and Numis Securities Ltd at 30 September 2019

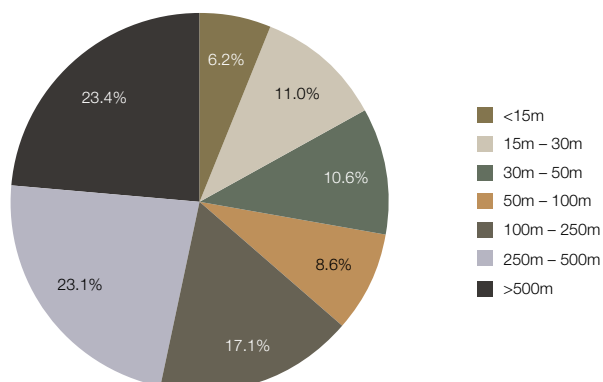
Dividend History

Year ended 31 January	Total dividends per share** p	Cumulative dividends per share p
2011	4.74	4.74
2012	5.50	10.24
2013	6.00	16.24
2014	6.75	22.99
2015	6.25	29.24
2016	6.25	35.49
2017	7.00	42.49
2018	8.50	50.99
2019	7.50	58.49
2020 (interim)	3.50	61.99

* 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.

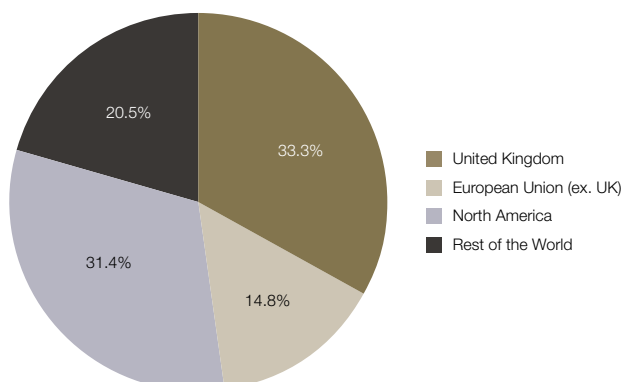
** Total dividends per share are the declared dividends of the financial year.
Source: Amati Global Investors Ltd and Numis Securities Ltd

Market Capitalisation of Qualifying Investments (£m)

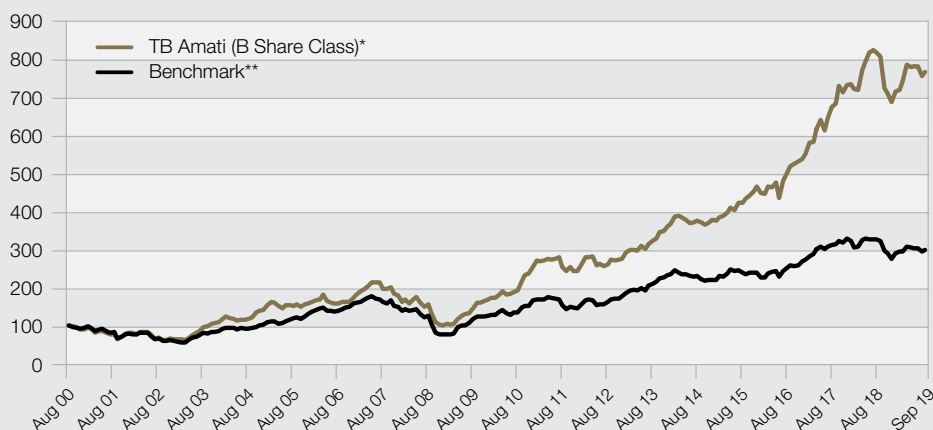


Source: Amati Global Investors at 30 September 2019

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 to future performance.

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

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

- TB Amati currently represents 9.1% of the Amati AIM VCT portfolio
- Diversified exposure to 70 AIM, Small and Mid cap holdings
- Weighted average market cap of £890m
- TB Amati fund has returned +104.2% since VCT investment made in December 2014
- Fund Size: £302.8m
- Long track record – Dr Paul Jourdan has been managing the fund since August 2000
- The fund is multi award winning with most recent award being Investment Week Fund Manager of the Year 2019 (UK Smaller Companies Sector)
- Ratings: Morningstar Bronze Analyst Rating & 5 Star Rating; FE 5 Crowns & Approved List; RSMR Rated Fund; Citywire AAA Manager Rating & Platinum Group Rating

Source: Amati Global Investors as at 30 September 2019

TB Amati – cumulative performance (as at 30 September 2019)

	Fund Return* %	Benchmark Return** %	Average Sector Return*** %	Quartile Ranking
3 mths	-1.97	-1.16	-1.40	3
6 mths	3.07	1.37	3.17	3
1 yr	-5.02	-7.34	-7.11	2
3 yrs	47.23	15.77	28.60	1
5 yrs	106.06	34.25	54.89	1
10 yrs	378.08	139.28	206.25	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 Factors on pages 8 and 9 of the Prospectus

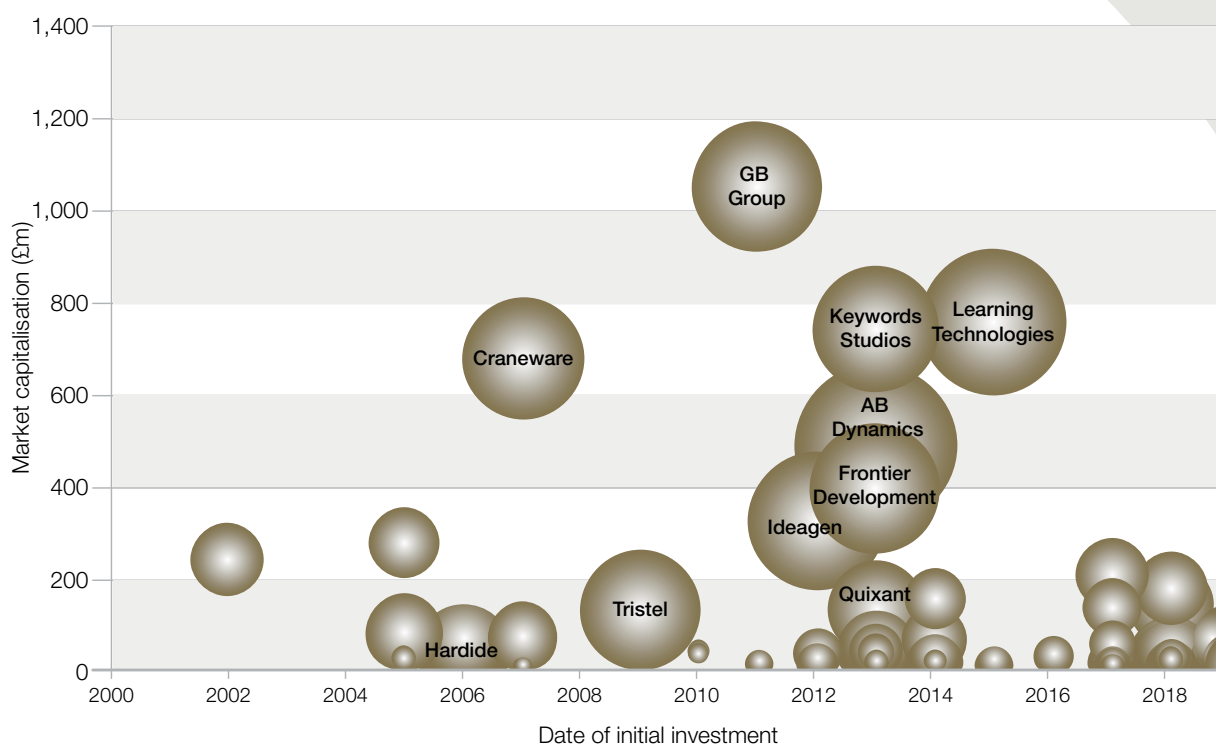
The value of your investment and the income from it can go down as well as up and you may not get back the amount invested, even allowing for the tax reliefs. An investment in Amati AIM VCT plc may not be suitable for your circumstances and you should seek professional advice before investing. Past performance 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 8 and 9 of the Prospectus.

Facts about the Top 10 Qualifying Holdings (at 30 September 2019)

- 8 out of the top 10 holdings are dividend paying
- The top ten qualifying holdings represent approximately 47% of the value of the portfolio providing a strong set of core holdings
- The weighted average market capitalisation of the qualifying portfolio is approximately £327m
- Four of the top ten qualifying holdings have market capitalisations in excess of £500m
- The unweighted average holding period of these investments thus far is 8.5 years
- The unweighted average share price return since acquisition by the VCT is 749%

Significance of Top 10 Qualifying Holdings (at 30 September 2019):



Source: Amati Global Investors Ltd

The portfolio of qualifying investments in the VCT as at 30 September 2019 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 ten holdings are labelled.

Top 10 Qualifying Holdings

	Year of First Investment	Total investment	Total realisations to date	Current Value	Investment Return* (%)
AB Dynamics	2013	£0.6m	£4.4m	£9.4m	2,118%
Learning Technologies	2015	£1.6m	£1.0m	£7.8m	443%
Ideagen	2012	£1.2m	£0.3m	£7.0m	497%
Frontier Developments	2013	£1.3m	£5.3m	£6.3m	836%
GB Group	2011	£0.5m	–	£6.1m	1,247%
Keywords Studios	2013	£0.9m	£3.6m	£5.8m	924%
Tristel	2005	£2.0m	£0.8m	£5.3m	210%
Craneware	2007	£0.7m	£0.2m	£5.3m	746%
Hardide**	2006	£2.0m	£1.8m	£3.3m	162%
Quixant	2013	£0.8m	–	£3.3m	312%

* excluding dividends

** including conversion of convertible loans

Source: Amati Global Investors Ltd at 30 September 2019

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 the Dividend Reinvestment Scheme)

How to apply to the Offer

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

The Prospectus is available from fund platforms, financial intermediaries or can be downloaded from: **www.amatiglobal.com**

To request a hard copy of the prospectus or if you have any queries on the offer or application process, please contact our investor line on 0131 503 9115.

Online Applications

Subscriptions to the offer can now also be made online. Please either contact our investor line on 0131 503 9115 for more information or visit: **www.amatioffer.com**

Receiving Agent

Share Registrars Ltd
The Courtyard, 17 West Street,
Farnham, Surrey GU9 7DR
Tel: 01252 821390
Email: AmatiOffer@shareregistrars.uk.com

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 share 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 (and thereafter in multiples of £500)

Trail Commission

Annual trail commission of 0.375% per annum (limited to 5 years) is available to authorised execution-only, off platform intermediaries, and will be paid by the Manager. (trail commission is not available to intermediaries acting in an advisory capacity nor fund platforms).

Fees

Ongoing Charges Figure

1.96% 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.

Structure of Fundraising

The Directors have set the maximum amount that can be raised under the Offer prior to 31 January 2020 at £15 million. The amount to be raised after 31 January 2020 will be £25 million less the amount already raised under the Offer. In addition, if the Directors believe that there is a pipeline of investments to utilise the funds raised, the Board may use the over-allotment facility to raise up to a further £20 million under the Offer.

Timetable

2019/2020 and 2020/2021 Opens 31 October 2019

2019/2020 Closes 12 noon on 2 April 2020

2020/2021 Closes 12 noon on 16 October 2020

The first allotment will be on or around 25 November 2019 and thereafter on a monthly basis or at the discretion of the Manager.

VCT Seminars

Amati will be hosting a series of VCT seminars for advisers. For further information please contact our investor line on 0131 503 9115.



Amati
Global Investors

www.amatiglobal.com

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Amati Global Investors Ltd

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Calls are recorded and monitored.