

# VT Teviot UK Smaller Companies Fund

Monthly Fact Sheet – April 2018



**TEVIOT PARTNERS**  
investment managers

Key Facts			Summary Investment Objective	
<b>Launch Date:</b> 29.08.17		<b>Fund Size:</b> £31.6m		
Price at 30.04.18 (12 noon)	<b>Accumulation</b> 118.6120p	<b>Income</b> 117.7591p	The objective of the fund is to achieve a total return (of growth and income, after fees) greater than the Numis Smaller Companies Index (including AIM but excluding Investment Companies).	
Sedol	BF6X212	BF6X223		
ISIN	GB00BF6X2124	GB00BF6X2231		
<b>Annual Management Fee</b>	0.75%			
<b>Ongoing Charges</b>	1.00%			
<b>Minimum Investment</b>	£1,000			
<b>Dilution Levy:</b> (effective 1 May 2018)	Purchases: 1.60%		Redemptions: 1.28%	
Dilution levy is updated monthly. For more information visit <a href="http://www.teviotpartners.com">www.teviotpartners.com</a>				
Fund Attributes				
<ul style="list-style-type: none"> <li>❖ A value investment style</li> <li>❖ Small unit size of investment confers a significant advantage in an illiquid asset class</li> <li>❖ Broad and diverse investment universe</li> <li>❖ Invest in less than 1 in 13 companies of the available universe</li> <li>❖ Active Share 93%</li> <li>❖ Bottom up driven with an asset allocation overview</li> </ul>				

## Monthly Manager Commentary

Markets were stronger in April, with the benchmark Numis Smaller Companies Index (including AIM and excluding ICs) rising 5.1%, to leave the index down 1.3% since the start of 2018, and up 5.0% since the Fund launch.

Over the month, the Fund asset value increased to 118.6p\*.

It is difficult to isolate a single factor being behind the rise in The Market. The risk of imminent interest rate rises in the UK has diminished as growth proved softer than expected and inflation expectations moderated. Political risk has arguably reduced from elevated levels and it has been a consensual position of asset allocators to be negative on the UK although a clear valuation disparity has emerged. Meanwhile, corporate activity continues unabated, often involving some of the more overlooked companies in the market. Over recent weeks, the extreme polarisation of ratings between value and growth companies has started to be challenged. However it would be premature to believe April's performance has washed away the fears that stalked investors in the preceding months.

The contributors to performance were broadly based: 30% of the Fund's holdings saw their shares rise by more than 10% in April. Premier Oil lead the way. Technical factors had depressed the price following the offer to convertible bond holders while a firmer oil price is particularly positive for this highly geared company. TT Electronics also recovered following completion of an earnings enhancing acquisition. Scisys reported strong results and a healthy outlook which lead to a re-rating of the shares. Drax continued its recovery as the investment merits of the business became more widely recognised.

The only negative contributor of note was Clarkson. Shipping transaction volumes have been unusually depressed. These are market challenges rather than company specific issues and we believe the company will recover strongly when its markets turn.

The Fund closed the month with cash of 2.8%.

*\*In order to comply with the regulation on financial promotions(Cobs 4.6.2R), Teviot can not present past performance of the Fund until the first anniversary of the Fund launch. Accordingly, we can not express the Fund price change as a percentage.*

## Month End Price History - Fund Accumulation Shares (p)

29.8.17 (Launch)	Sept 17	Oct 17	Nov 17	Dec 17	Jan 18	Feb 18	Mar18	Apr 18
100.0	103.8	105.3	107.8	113.5	116.5	114.0	110.1	118.6

## How to Invest

Details of how to invest in the VT Teviot UK Smaller Companies Fund are available from our website: [www.teviotpartners.com](http://www.teviotpartners.com)

Application forms and other supporting documents are also available at: [www.valu-trac.com/teviot](http://www.valu-trac.com/teviot)  
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## Platforms

AJ Bell  
Allfunds  
Hargreaves Lansdown  
Transact  
7IM

## Authorised Corporate Director & Administrator

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## VT Teviot UK Smaller Companies Fund

### Top 10 Holdings

Holding	Sector	% of Portfolio
1. Ricardo	Business Consultancy	3.9
2. TT Electronics	Electronics	3.2
3. Lookers	Motor Retail	2.6
4. Drax Group	Electricity Producer	2.5
5. Morses Club	Home Collected Credit	2.5
6. WYG	Support Services	2.4
7. Cairn Energy	Oil Exploration & Production	2.4
8. Severfield	Steel Solutions	2.4
9. Macfarlane Group	Packaging Distributor	2.3
10. Ultra Electronics	Aerospace & Defence	2.3
Total		26.5

Source: Teviot Partners LLP

### Market Cap Breakdown

	% of Portfolio	No. of Stocks
Above £1bn	9.3	5
£500m - £1bn	20.3	11
£250m - £500m	22.0	13
£100m - £250m	25.3	17
Below £100m	20.3	16
Cash	2.8	
Total	100.0	62

### Listing

	%
Main	64.8
Aim	32.4
Cash	2.8

## Fund Managers



### Andy Bamford

Andy has a 25-year track record of investing in UK smaller companies, running large and prestigious mandates.

He is a trained accountant who worked with General Accident and Edinburgh Fund Managers before joining Aberforth Partners in 2001 where he became a partner. Aberforth is a respected value investor and Andy had a successful 15-year career with the firm. Passionate about investing in small companies, Andy set up Teviot Partners in November 2016.



### Barney Randle

Barney has a 23-year career working for a variety of investment banks including Merrill Lynch, JP Morgan and latterly Arden Partners.

He has always specialised in UK smaller companies and enjoys a strong reputation for original and rigorous investment analysis. His non-consensual and value orientated approach was well received by some of the largest and most successful investors in the asset class.

## Important Information / Risk Warnings

This fund invests in smaller companies and carries a higher degree of risk than funds investing in larger companies. The shares of smaller companies may be less liquid and their performance more volatile over shorter time periods. The fund can also invest in smaller companies listed on the Alternative Investment Market (AIM) which also carry the risk described above.

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