

VT Teviot UK Smaller Companies Fund

Monthly Fact Sheet – February 2018



Key Facts			Summary Investment Objective						
Launch Date	29.08.17		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).						
Fund Size	£28m								
	Accumulation	Income							
Price at 28.02.18 (12 noon)	113.9725p	113.1530p							
Sedol	BF6X212	BF6X223							
ISIN	GB00BF6X2124	GB00BF6X2231							
Annual Management Fee	0.75%								
Ongoing Charges	1.00%								
Minimum Investment	£1,000								
Dilution Levy: <i>(effective 1 March 2018)</i>	Purchases: 1.36%								
	Redemptions: 1.07%								
Dilution levy is updated monthly. For more information visit www.teviotpartners.com									
			Fund Attributes						
			<ul style="list-style-type: none"> ❖ A value investment style ❖ Small unit size of investment confers a significant advantage in an illiquid asset class ❖ Broad and diverse investment universe ❖ Invest in less than 1 in 14 companies of the available universe ❖ Active Share 93% ❖ Bottom up driven with an asset allocation overview 						
			Month End Price History - Fund Accumulation Shares (p)						
			29 Aug 17 (Launch)	Sept 17	Oct 17	Nov 17	Dec 17	Jan 18	Feb 18
			100.0	103.8	105.3	107.8	113.5	116.5	114.0

Monthly Manager Commentary

February proved a turbulent month for Markets across the globe. Inflationary pressures were reflected in rising bond yields and the market confronted the prospect of imminent interest rate rises in the US and also closer to home in the UK. By the second week of February, the Numis Smaller Companies Index (ex ITs incl. AIM) had fallen by 5.1% and finished the month down 3%. This leaves the index down by 4.8% in 2018 and marginally positive, 1.3%, since the Fund launch.

In February, the Fund asset value reduced to 114.0p* but remains in positive territory for 2018.

The Fund's exposure to smaller than average companies worked to our favour in January and this partly reversed in February. Nonetheless, the returns were boosted by a bid for Hogg Robinson at a premium of 49% to the previous closing price. The company has a leading market position in travel and expense management but its qualities and record of innovation have tended to be overlooked by UK investors. Another positive contributor was Driver Group. This £35m market cap AIM listed business is a globally recognised business specialising in dispute resolution and project management. Driver increased guidance as management continue to execute an impressive turnaround of the business.

Negatively impacting performance, the new Chief Executive of RPS revised expectations to allow for investment in the business and currency movements. NAHL gave back some of its recent gains and McColls released results which reflected the short term disruption of moving to new distribution arrangements. Negative or cautious updates are currently being treated severely by The Market; and relative success is defined as much about avoiding losers as it is about picking winners. The Fund's asset allocation is skewed away from interest rate sensitive stocks and companies that may struggle to recover input cost inflation. We favour non-domestic companies, income and self help situations.

The Fund finished the month with cash of 5.1%, reflecting inflows towards the end of the month.

**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.*

How to Invest

Details of how to invest in the VT Teviot UK Smaller Companies Fund are available from our website: www.teviotpartners.com

Application forms and other supporting documents are also available at: www.valu-trac.com/teviot
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Platforms

AJ Bell
Allfunds
Hargreaves Lansdown
Transact
7IM

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VT Teviot UK Smaller Companies Fund

Top 10 Holdings

Holding	Sector	% of Portfolio
1. Ricardo	Business Consultancy	4.3
2. TT Electronics	Electronics	3.4
3. Headlam	Carpet Distributor	2.8
4. De La Rue	Security Solutions	2.7
5. Morses Club	Home Collected Credit	2.7
6. Macfarlane	Packaging Distributor	2.5
7. NAHL Group	Claims Litigation Processing	2.5
8. Driver Group	Business Services	2.3
9. Dairy Crest	Food Producer	2.3
10. Cairn Energy	Oil Exploration & Production	2.3
Total		27.8

Source: Teviot Partners LLP

Market Cap Breakdown

	% of Portfolio	No. of Stocks
Above £1bn	7.5	4
£500m - £1bn	20.6	11
£250m - £500m	18.5	11
£100m - £250m	24.7	15
Below £100m	23.6	17
Cash	5.1	
Total	100.0	58

Listing

	%
Main	58.0
Aim	36.9
Cash	5.1

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.

This document is provided for general information purposes only and should not be interpreted as investment advice. It is not a personal recommendation and it should not be regarded as a solicitation or an offer to buy or sell any securities or instruments mentioned in it. We recommend private investors seek the services of a Financial Adviser. Full details of the VT Teviot UK Smaller Companies Fund (the "Fund"), including risk warnings are published in the Key Investor Information document and Prospectus all available from www.valu-trac.com/teviot. The Fund is subject to normal stock market fluctuations and other risks inherent in such investments.

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