

# VT Teviot UK Smaller Companies Fund

Monthly Fact Sheet – November 2018



**TEVIOT PARTNERS**  
investment managers

| Key Facts   |  |                            |
|---|--|----------------------------|
| <b>Launch Date:</b> 29.08.17  | <b>Fund Size:</b> £50m                 |                            |
| Price at 30.11.18 (12 noon)   | <b>Accumulation</b><br>114.6955p       | <b>Income</b><br>112.7405p |
| Sedol   | BF6X212                                | BF6X223                    |
| ISIN  | GB00BF6X2124                           | GB00BF6X2231               |
| <b>Annual Management Fee</b>  | 0.75%                                  |                            |
| <b>Ongoing Charges</b>  | 0.89%                                  |                            |
| <b>Minimum Investment</b>   | £1,000                                 |                            |
| <b>Dilution Levy:</b><br>(effective 1 December 2018)  | Purchases: 1.53%<br>Redemptions: 1.24% |                            |
| Dilution levy is updated monthly. For more information visit <a href="http://www.teviotpartners.com">www.teviotpartners.com</a> |  |                            |

| Summary Investment Objective   |
|--|
| 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 Attributes  |
|--|
| ❖ 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 13 companies of the available universe                          |
| ❖ Active Share 92%   |
| ❖ Bottom up driven with an asset allocation overview                                       |

## Monthly Manager Commentary

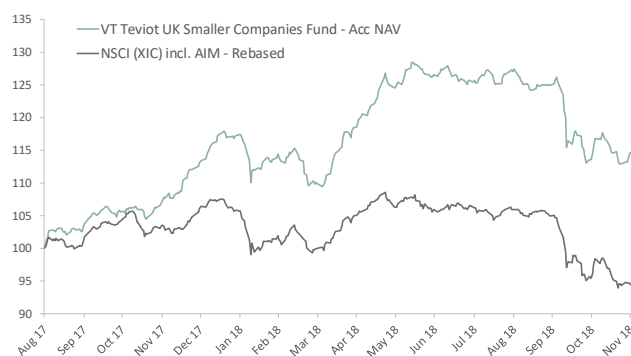
A more conciliatory tone from the Federal Reserve and further sharp falls in the oil price would often be interpreted positively by Markets. However political uncertainties remain and the UK Market, in particular, should expect further volatility given the wide range of potential outcomes on Brexit. Business, Markets and consumers crave certainty and almost any outcome, other than a “No Deal” scenario, are likely to be greeted with relief. Recent results have reflected the skittish mood of investors where the typical reaction has been to accentuate the negative and ignore the positives.

The biggest contributor to performance was Future where results exceeded expectations benefitting from organic growth and well executed acquisitions. The company has found favour with growth investors who are helping the shares to re-rate and we have reduced into this demand. Kin & Carta performed strongly as investors responded to new management and a more attractively positioned group of businesses. The re-rating potential of this company is significant.

Mothercare’s share price fell as it reported interim results covering the period of its financial restructuring. Now a £55m market cap. company, the results showed resilient international profits, a major program to reduce overheads and the company forecasts being debt free in 2019. These positives were overlooked in the face of disrupted UK trading from a store base that will shortly be radically cut. TI Fluids trading update reflected the slowdown in global automotive demand and, despite a low valuation, sentiment remains against it.

In current markets where trading volumes are thin, Teviot’s relatively small unit size of investment and consequent liquidity advantage, allows us to reposition capital as opportunities arise.

## Performance



| Returns (%) | 1 m | 3 m | 6 m | YTD | 12 m | Since Launch |
|-------------|-----|-----|-----|-----|------|--------------|
|-------------|-----|-----|-----|-----|------|--------------|

|                      |       |        |        |        |       |        |
|----------------------|-------|--------|--------|--------|-------|--------|
| The Fund             | +0.2% | -10.0% | -8.3%  | +1.1%  | +6.4% | +14.7% |
| NSCI (XIC) incl. AIM | -1.8% | -10.8% | -11.2% | -11.2% | -8.6% | -5.6%  |

Past performance is not necessarily a guide to future performance.  
Fund launched on 29 August 2017.  
Fund performance is illustrated by the Accumulation Share Class NAV.

## How to Invest

Details of how to invest in the VT Teviot UK Smaller Companies Fund are available from our website at: [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

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## VT Teviot UK Smaller Companies Fund

### Top 10 Holdings

| Holding                  | Sector                              | % of Portfolio |
|--------------------------|-------------------------------------|----------------|
| 1. Anglo Pacific Group   | Mining Royalties                    | 3.0            |
| 2. Kin and Carta         | Digital Marketing                   | 3.0            |
| 3. TT Electronics        | Electronics                         | 2.9            |
| 4. Sabre Insurance Group | Motor Insurance                     | 2.9            |
| 5. Ricardo               | Business Consultancy                | 2.7            |
| 6. Findel                | Online Retail                       | 2.6            |
| 7. Mothercare            | Global Retail Franchise             | 2.6            |
| 8. IG Design Group       | Giftware Manufacturer & Distributor | 2.6            |
| 9. Future                | Digital Media                       | 2.5            |
| 10. Lookers              | Motor Retail                        | 2.3            |
| <b>Total</b>             |                                     | <b>27.1</b>    |

### Market Cap Breakdown

|               | % of Portfolio | No. of Stocks |
|---------------|----------------|---------------|
| Above £1bn    | 5.4            | 3             |
| £500m - £1bn  | 12.3           | 7             |
| £250m - £500m | 29.6           | 15            |
| £100m - £250m | 21.6           | 15            |
| Below £100m   | 29.1           | 28            |
| Cash          | 2.0            |               |
| <b>Total</b>  | <b>100.0</b>   | <b>68</b>     |

### Listing

| Listing | %    |
|---------|------|
| Main    | 57.8 |
| Aim     | 40.2 |
| Cash    | 2.0  |

## Fund Managers



### Andy Bamford

Andy has a 26-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 24-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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