

VT Teviot UK Smaller Companies Fund

Monthly Fact Sheet – October 2018



TEVIOT PARTNERS
investment managers

Key Facts		
Launch Date: 29.08.17	Fund Size: £49m	
Price at 31.10.18 (12 noon)	Accumulation 114.4871p	Income 112.5360p
Sedol	BF6X212	BF6X223
ISIN	GB00BF6X2124	GB00BF6X2231
Annual Management Fee	0.75%	
Ongoing Charges	0.89%	
Minimum Investment	£1,000	
Dilution Levy: (effective 1 November 2018)	Purchases: 1.51% Redemptions: 1.22%	
Dilution levy is updated monthly. For more information visit www.teviotpartners.com		

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

Global Markets became markedly more hostile in October as a result of rising yields in the US and well documented political issues in the UK and internationally. This has contributed to a more disappointing trend in corporate earnings, on both sides of the Atlantic. While political uncertainty persists, the associated volatility will provide opportunities.

The Fund tracked the fall in the benchmark index. Relative to peers, this was a top quartile performance which underlines the challenges felt particularly by growth-orientated managers. Our value approach helped, but the de-rating affected most companies in our universe with 81% of constituents losing ground over the month.

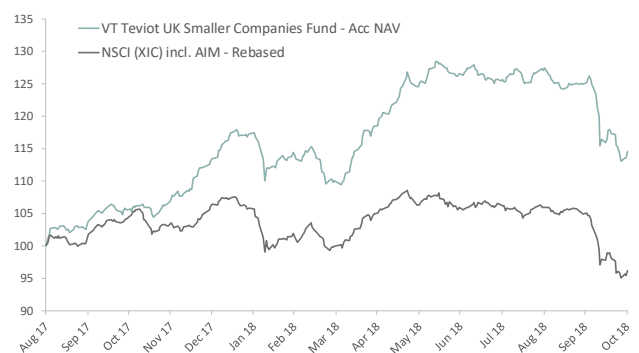
Surprising to us was the magnitude of de-rating in the industrials and cyclical services businesses where the Fund is overweight. Many of these now discount a pessimistic scenario and, as such, the valuations look well underpinned.

Any stocks with negative earnings revisions were severely de-rated. Within our portfolio, Amino Technologies saw its US business disrupted by concerns around trade tariffs and its emerging markets customers. Keller, a provider of ground engineering solutions, warned of provisions in its Asia Pacific region. Both companies now yield close to 6% with dividends that are still expected to grow.

The largest contributor to performance was Ebiquity after receiving provisional regulatory approval for a disposal which transforms the profile of the company. Drax acquired a package of a quick response renewables in a debt funded deal that improves diversification and significantly enhances earnings.

In many cases The Market correction has been indiscriminate. We have used our relative liquidity advantage to meaningfully enhance the value credentials of the portfolio, and to invest where interesting value opportunities have emerged.

Performance



Returns (%)	1 m	3 m	6 m	YTD	12 m	Since Launch
The Fund	-8.4%	-8.9%	-3.5%	+0.9%	+8.7%	+14.5%
NSCI (XIC) incl. AIM	-8.3%	-9.4%	-8.4%	-9.6%	-8.2%	-3.8%

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

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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Top 10 Holdings

Holding	Sector	% of Portfolio
1. Mothercare	Global Retail Franchise	3.0
2. TT Electronics	Electronics	3.0
3. Anglo Pacific Group	Mining Royalties	2.8
4. Future	Digital Media	2.8
5. Ricardo	Business Consultancy	2.7
6. Sabre Insurance Group	Motor Insurance	2.7
7. Kin and Carta	Digital Marketing	2.7
8. TI Fluid Systems	Automotive Supplier	2.6
9. Findel	Online Retail	2.5
10. Lookers	Motor Retail	2.5
Total		27.3

Market Cap Breakdown

	% of Portfolio	No. of Stocks
Above £1bn	6.5	3
£500m - £1bn	10.3	6
£250m - £500m	28.0	16
£100m - £250m	24.1	17
Below £100m	27.8	27
Cash	3.3	
Total	100.0	69

Listing

Listing	%
Main	58.0
Aim	38.7
Cash	3.3

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.

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 retail 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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