

# VT Teviot UK Smaller Companies Fund

Monthly Fact Sheet – February 2019



**TEVIOT PARTNERS**  
investment managers

Key Facts		
<b>Launch Date:</b> 29.08.17	<b>Fund Size:</b> £58m	
Price at 28.02.19 (12:00)	<b>Accumulation</b> 115.4785p	<b>Income</b> 112.3592p
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> (effective 1 March 2019)	Purchases: 1.43% Redemptions: 1.12%	
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 11 companies of the available universe
❖ Active Share 90%
❖ Bottom up driven with an asset allocation overview

## Monthly Manager Commentary

The rebound in global markets continued during February as concerns around interest rates and trade tensions receded. Closer to home, the UK markets are being led by mid-cap companies and the Numis Mid-Cap Index is now up 10.1% year to date. This corresponds with sterling strengthening against the Euro, from 1.11 to 1.17 over the year to date as we move closer to some clarity on Brexit. The consensual view is that when the uncertainty lifts, sterling will strengthen and domestically exposed companies will benefit. Given the Fund's skew towards smaller constituents, our size exposure was a drag over the month but this optimism should begin to filter down given the domestic exposure on offer.

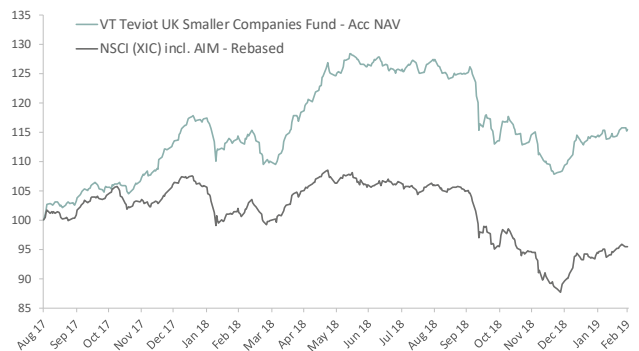
Brexit is arguably the link between the best and worst performing stocks over the month. The largest contributor was Dairy Crest, having received a recommended offer from Saputo, a Canadian dairy business. Dairy Crest has several prized brand assets in the UK that also have international appeal, and an emerging global food ingredients business with exciting prospects, which were being materially undervalued by investors.

On the negative tack, WYG warned that utilisation levels had dropped in its consultancy and services business as clients opted to sit on their hands amidst the uncertainty. Particularly notable was the strain on government departments who are redirecting personnel to prepare for Brexit. WYG will not be unique in facing these challenges and we will have to be discerning in the value opportunities this throws up.

Other stocks worthy of mention include Future which continued its strong trading momentum and made further enhancing acquisitions. TT Electronics underperformed as the macro-economic data points to tougher conditions for industrially exposed business.

Cash at the month end was 3.4%

## Performance



Returns (%)	1 m	3 m	6 m	YTD	12 m	Since Launch
The Fund	+0.9%	+0.7%	-9.4%	+5.6%	+1.3%	+15.5%
NSCI (XIC) incl. AIM	+1.1%	+1.1%	-9.8%	+6.6%	-5.7%	-4.5%

Yearly Discrete Returns (%)	2018
The Fund	-3.6%
NSCI (XIC) incl. AIM	-15.8%

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. Discrete performance is updated on a calendar quarter basis and reflects all available discrete periods since launch.

## 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. Mothercare	Global Retail Franchise	2.8
2. TT Electronics	Electronics	2.7
3. Findel	Online Retail	2.7
4. Future	Digital Media	2.6
5. Kin and Carta	Digital Marketing	2.4
6. Anglo Pacific Group	Mining Royalties	2.4
7. Lookers	Motor Retail	2.3
8. Morses Club	Home Collected Credit	2.1
9. Sabre Insurance Group	Motor Insurance	2.1
10. Countryside Properties	Housebuilding	2.1
<b>Total</b>		<b>24.2</b>

### Market Cap Breakdown

	% of Portfolio	No. of Stocks
Above £1bn	11.7	8
£500m - £1bn	17.7	11
£250m - £500m	22.2	13
£100m - £250m	20.7	15
Below £100m	24.3	24
Cash	3.4	
<b>Total</b>	<b>100.0</b>	<b>71</b>

### Listing

Listing	%
Main	62.6
Aim	34.0
Cash	3.4

## 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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