

VT Teviot UK Smaller Companies Fund

Monthly Fact Sheet – May 2019



TEVIOT PARTNERS
investment managers

Key Facts		
Launch Date: 29.08.17	Fund Size: £62m	
Price at 31.05.19 (12:00)	Accumulation 124.9086p	Income 121.5346p
Sedol	BF6X212	BF6X223
ISIN	GB00BF6X2124	GB00BF6X2231
Annual Management Fee	0.75%	
Ongoing Charges	0.89%	
Minimum Investment	£1,000	
Dilution Levy: (effective 1 June 2019)	Purchases: 1.47% Redemptions: 1.16%	
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 11 companies of the available universe
- ❖ Active Share 91%
- ❖ Bottom up driven with an asset allocation overview

Monthly Manager Commentary

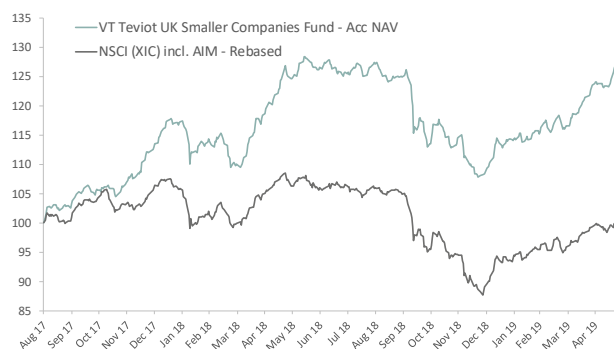
Markets pulled back as President Trump ratcheted up the stakes with sanctions on China and Mexico. While the strategy may serve domestic political objectives, there is little doubt that it undermines global economic confidence. Within our investment universe, the larger mid cap constituents retreated, reversing their relative outperformance earlier in the year. The Fund's bias to smaller constituents therefore helped in May.

One of the smallest companies in the portfolio was bid for during the month. WYG is one of the larger building and planning consultants in the UK but it has a chequered record. The premium of 244% is an extreme example of the value gaps on offer at the lower end of our universe. This is the third bid in the portfolio so far this year, two of which emanated from North America. Continuing an exemplary recent record, Future was the second biggest contributor to returns following its results. Strong top line growth allied with high gross margins are a rewarding combination.

De La Rue results disappointed. Poor execution is hampering the company's efforts to reposition into higher growth markets. Low and Bonar further downgraded expectations blaming end markets. However, its predicament is mostly self-inflicted and a change of management should herald a more proactive approach to realising value.

Cash was 3.5% at month end.

Performance



Returns (%)	1 m	3 m	6 m	YTD	12 m	Since Launch
The Fund	+0.7%	+8.2%	+8.9%	+14.2%	-0.1%	+24.9%
NSCI (XIC) incl. AIM	-0.9%	+3.6%	+4.7%	+10.4%	-7.0%	-1.1%

Yearly Discrete Returns (%) - To End Q1 2019

The Fund	+5.9%
NSCI (XIC) incl. AIM	-4.1%

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: 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
Aviva
Hargreaves Lansdown
Interactive Investor
Transact
7IM

Authorised Corporate Director & Administrator

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VT Teviot UK Smaller Companies Fund

Top 10 Holdings as at 31/05/19

Holding	Sector	% of Portfolio
1. Mothercare	Global Retail Franchise	3.8
2. Future	Digital Media	3.4
3. Findel	Online Retail	2.8
4. Eurocell	Building Materials	2.5
5. CareTech Holdings	Specialist Care Services	2.5
6. Ricardo	Business Consultancy	2.3
7. S&U	Motor Finance	2.2
8. IG Design Group	Giftware Manufacturer & Distributor	2.1
9. Countryside Properties	Housebuilding	2.1
10. Renewi	Waste Services	2.0
Total		25.7


Market Cap Breakdown

	% of Portfolio	No. of Stocks
Above £1bn	6.1	4
£500m - £1bn	16.0	10
£250m - £500m	31.1	19
£100m - £250m	17.9	14
Below £100m	25.4	23
Cash	3.5	
Total	100.0	70

Listing


Listing	%
Main	61.5
Aim	35.0
Cash	3.5

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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