

VT Teviot UK Smaller Companies Fund

Monthly Fact Sheet – June 2019



TEVIOT PARTNERS
investment managers

Key Facts		
Launch Date: 29.08.17	Fund Size: £61m	
Price at 28.06.19 (12:00)	Accumulation 123.4237	Income 118.3597p
Sedol ISIN	BF6X212 GB00BF6X2124	BF6X223 GB00BF6X2231
Annual Management Fee	0.75%	
Ongoing Charges	0.89%	
Minimum Investment	£1,000	
Dilution Levy: (effective 1 July 2019)	Purchases: 1.45% Redemptions: 1.13%	
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 92%
- ❖ Bottom up driven with an asset allocation overview

Monthly Manager Commentary

Political developments in the UK and US continue on an unpredictable path while falling bond yields and a rising gold price suggest investor sentiment is turning more risk averse. The importance of liquidity also came to the forefront of UK investors minds as a large Fund struggled to meet redemptions. Since inception we have been keen to emphasise the significance of liquidity. As liquidity comes under keener scrutiny it will present opportunities and challenges that we will manage. We remain convinced the size of the Fund does provide a relative liquidity advantage.

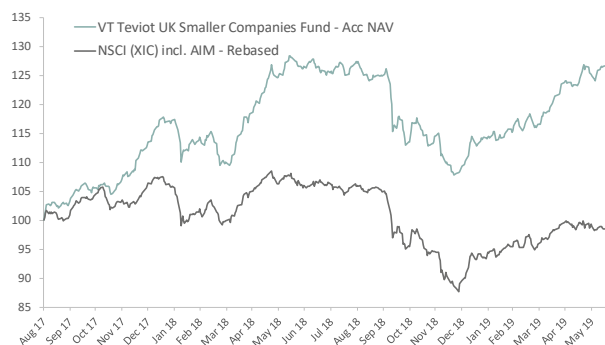
The Fund has declared a provisional interim distribution (Net Accumulation) of 1.7780p (2018: 1.2357p). We don't target a level of income but it is a valued output from our investment process. The increase principally reflects two factors. The portfolio is largely comprised of companies exhibiting dividend growth with a low level of unplanned dividend reductions. It also reflects active management of the portfolio to recycle capital when value gaps have closed.

The largest contributor to performance was Findel. It continues to demonstrate good trading momentum despite the recent unwelcome corporate interest in the company. Elektron Technology also released results which were well received.

Lookers share price reacted negatively to news of FCA scrutiny of its administrative procedures. The harsh reaction reflects the uncertain duration and outcome of this process. International Personal Finance was undermined by another change in the Polish government's proposals on high cost credit. Having fallen further into deep value territory, it would not be surprising if there was a change in strategy to address the value gap.

Cash at the period end was 1.8%

Performance



Returns (%)	1 m	3 m	6 m	12 m	Since Launch
The Fund	-1.2%	+5.9%	+12.9%	-2.5%	+23.4%
NSCI (XIC) incl. AIM	-0.6%	+2.6%	+9.8%	-7.2%	-1.7%

Yearly Discrete Returns (%) - To End Q2 2019

The Fund	-2.5%
NSCI (XIC) incl. AIM	-7.2%

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

+44 (0)1343 880344

Platforms

AJ Bell
Allfunds
Aviva
Hargreaves Lansdown
Interactive Investor
Transact
7IM

Authorised Corporate Director & Administrator

*Valu-Trac Administration Services

Orton, Moray, IV32 7QE

Tel: +44 (0)1343 880344

Fax: +44 (0)1343 880267

www.valu-trac.com

Teviot Partners LLP

46 Charlotte Square
Edinburgh EH2 4HQ
Tel: +44 (0)131 510 7280
info@teviotpartners.com
www.teviotpartners.com

VT Teviot UK Smaller Companies Fund

Top 10 Holdings as at 28/06/19

Holding	Sector	% of Portfolio
1. Findel	Online Retail	3.8
2. Mothercare	Global Retail Franchise	3.6
3. Countryside Properties	Housebuilding	2.8
4. Drax Group	Electricity Producer	2.5
5. CareTech Holdings	Specialist Care Services	2.5
6. Eurocell	Building Materials	2.5
7. Ricardo	Business Consultancy	2.3
8. IG Design Group	Giftware Manufacturer & Distributor	2.2
9. Future	Digital Media	2.1
10. Cairn Energy	Oil Exploration & Production	2.1
Total		26.4

Market Cap Breakdown

	% of Portfolio	No. of Stocks
Above £1bn	10.0	5
£500m - £1bn	12.7	8
£250m - £500m	28.4	18
£100m - £250m	20.7	15
Below £100m	26.4	25
Cash	1.8	
Total	100.0	71

Listing

Listing	%
Main	64.0
Aim	34.2
Cash	1.8

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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