

# VT Teviot UK Smaller Companies Fund

Monthly Fact Sheet – September 2019



**TEVIOT PARTNERS**  
investment managers

Key Facts		
<b>Launch Date:</b> 29.08.17	<b>Fund Size:</b> £63m	
Price at 30.09.19 (12:00)	<b>Accumulation</b> 123.3848p	<b>Income</b> 118.3224p
Sedol ISIN	BF6X212 GB00BF6X2124	BF6X223 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 October 2019)	Purchases: 1.44% 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 91%
❖ Bottom up driven with an asset allocation overview

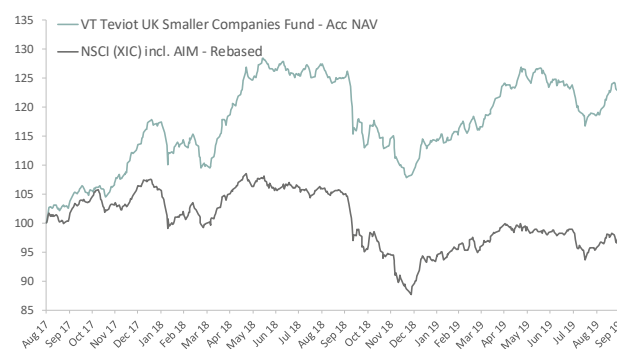
## Monthly Manager Commentary

September provided further evidence of a shift into “value” stocks; a trend that is not confined to the UK. As ever, there is a plethora of potential explanations: the growth/momentum trade is running out of steam after the best part of a decade in the ascendancy; investors value income in a market starved of yield; rising M&A highlights undervaluation and provides liquidity into this part of the market; the prospect of monetary stimulus stems fears of a slowdown. Of course, it may prove to be nothing more than a short-lived rotation. However, given Teviot’s investment approach it is a welcome development and the biggest factor driving returns over the month. The effect of size exposure was broadly neutral in September, although a significant headwind year to date.

The biggest contributor to relative performance was Low & Bonar which received a recommended offer from a German family-owned company. The 101% premium represents a good outcome in the circumstances as the company was labouring under high leverage and challenging markets. Low & Bonar was the fourth bid in the portfolio in the year to date, evidencing the pick up in M&A activity. The second largest contributor also came from the deeper value end of the spectrum. International Personal Finance has suffered from regulatory uncertainty and had fallen to a level where even the wind down of the business might be expected to yield significant upside.

Detracting from performance, Carpetright is caught in an increasingly difficult market with a re-financing impending. Much depends on the approach of its largest shareholder over the coming months. Character Group fell as one of its largest licensees was bid for by a competitor, creating uncertainty over the medium term prospects.

## Performance



Returns (%)	1 m	3 m	6 m	YTD	12 m	Since Launch
The Fund	+4.0%	0.0%	+5.9%	+12.8%	-1.3%	+23.4%
NSCI (XIC) incl. AIM	+1.5%	-1.2%	+1.4%	+8.5%	-7.3%	-2.8%

Yearly Discrete Returns (%) - To End Q3		2019	2018
The Fund		-1.3%	+20.4
NSCI (XIC) incl. AIM		-7.3%	+3.0

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](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  
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 30/09/19

Holding	Sector	% of Portfolio
1. Studio Retail Group	Online Retail	2.9
2. Countryside Properties	Housebuilding	2.8
3. CareTech Holdings	Specialist Care Services	2.7
4. Future	Digital Media	2.7
5. Drax Group	Electricity Provider	2.5
6. Renewi	Waste Services	2.5
7. Mothercare	Global Retail Franchise	2.4
8. Ricardo	Business Consultancy	2.3
9. Eurocell	Building Materials	2.2
10. IG Design Group	Giftware Manufacturer & Designer	2.1
<b>Total</b>		<b>25.1</b>


**Market Cap Breakdown**

	% of Portfolio	No. of Stocks
Above £1bn	12.3	6
£500m - £1bn	13.9	9
£250m - £500m	26.1	17
£100m - £250m	24.0	17
Below £100m	20.7	22
Cash	3.0	
<b>Total</b>	<b>100.0</b>	<b>71</b>

**Listing**


Listing	%
Main	62.3
Aim	34.7
Cash	3.0

**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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