

VT Teviot UK Smaller Companies Fund

Monthly Fact Sheet – October 2019



TEVIOT PARTNERS
investment managers

Key Facts		
Launch Date: 29.08.17	Fund Size: £66m	
Price at 31.10.19 (12:00)	Accumulation 128.9376p	Income 123.6474p
Sedol ISIN	BF6X212 GB00BF6X2124	BF6X223 GB00BF6X2231
Annual Management Fee	0.75%	
Ongoing Charges	0.89%	
Minimum Investment	£1,000	
Dilution Levy: (effective 1 November 2019)	Purchases: 1.32% Redemptions: 1.01%	
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 circa 1 in 11 companies of the available universe
 - ❖ Active Share 90%
 - ❖ Bottom up driven with an asset allocation overview

Monthly Manager Commentary

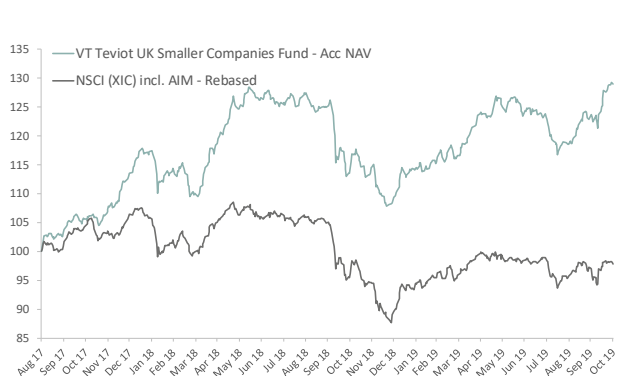
UK politics continues to provide a volatile and uncertain backdrop against which to invest in UK equities. Sharp upward spikes in UK domestic equities during the month indicate that any political resolution will bring a sharp re-appraisal of UK prospects. Countering this, there is greater evidence of the uncertainty undermining trading across a range of sectors and the fourth quarter will produce more warnings. It remains in the balance whether the election will yield the decisive result required to restore confidence.

The Fund generated good absolute and relative returns over the month. Stock selection was the main reason, helped by further outperformance of the value style. The largest contributor to performance was Augean which is a UK specialist waste services business. The turnaround of this business has seen underlying profits treble in just two years. Future provided another strong update and its latest acquisition is forecast to deliver substantial accretion to earnings.

Corporate activity also contributed positively to returns. Elegant Hotels received an offer from Marriott Hotels. The 56% premium is still at a discount to the company's net asset value which largely comprises of unique freehold assets. Eland Oil & Gas received an offer from Seplat Petroleum. Eland's prospective cashflow was significantly undervalued given its rising production profile. Carpetright was the third piece of M&A in the portfolio although less favourable. The largest shareholder was able to frustrate the refinancing and bid at a discount.

Negatively impacting performance, Castleon Technology warned of a shortfall in one-off product and services revenues. In part, this reflects the progression to more valuable recurring revenues. Mothercare was weak as speculation grew about its loss making UK business. Announcements after the month end indicate that the company is restructuring to permanently address the UK business.

Performance



Returns (%)	1 m	3 m	6 m	YTD	12 m	Since Launch
The Fund	+4.5%	+5.0%	+3.9%	+17.9%	+12.6%	+28.9%
NSCI (XIC) incl. AIM	+0.7%	-0.5%	-1.9%	+9.3%	+1.7%	-2.1%

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

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

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VT Teviot UK Smaller Companies Fund

Top 10 Holdings as at 31/10/19

Holding	Sector	% of Portfolio
1. Future	Digital Media	3.4
2. Countryside Properties	Housebuilding	2.8
3. CareTech Holdings	Specialist Care Services	2.8
4. Studio Retail	Online Retail	2.7
5. Drax Group	Electricity Provider	2.6
6. Renewi	Waste Services	2.6
7. Eurocell	Building Materials	2.2
8. Rank Group	Gaming	2.2
9. Ricardo	Business Consultancy	2.1
10. Augean	Waste Services	2.0
Total		25.4


Market Cap Breakdown

	% of Portfolio	No. of Stocks
Above £1bn	12.2	5
£500m - £1bn	12.8	9
£250m - £500m	26.2	19
£100m - £250m	26.0	19
Below £100m	18.7	21
Cash	4.1	
Total	100.0	73

Listing


Listing	%
Main	61.3
Aim	34.6
Cash	4.1

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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