

VT Teviot UK Smaller Companies Fund

Monthly Fact Sheet – April 2020



Key Facts		
Launch Date: 29.08.17	Fund Size: £68m	
Price at 30.4.20 (12:00)	Accumulation 107.7026p	Income 102.3422p
Sedol	BF6X212	BF6X223
ISIN	GB00BF6X2124	GB00BF6X2231
Annual Management Fee	0.75%	
Ongoing Charges	0.88%	
Minimum Investment	£1,000	
Dilution Levy: (effective 1 May 2020)	Purchases: 1.83% Redemptions: 1.52%	
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 9 companies of the available universe
 - ❖ Active Share 87%
 - ❖ Bottom up driven with an asset allocation overview

Monthly Manager Commentary

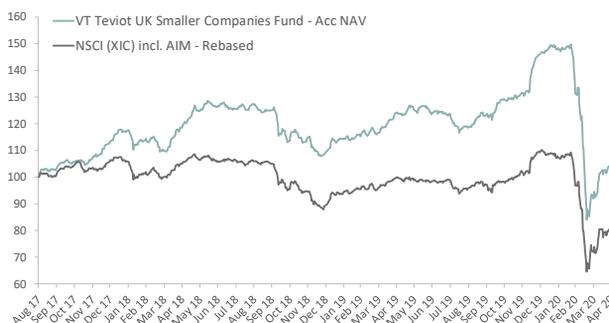
Equity markets recovered sharply in April; a month when most of the world was in lockdown and short term economic forecasts painted a bleak picture. The NSCI (XIC+AIM) fell 41.0% from 21st February 2020 to the 19th March low point; and has subsequently rallied by 29.5% to the end of April. Partly, this reflects attention turning to the exit from lockdown as several countries begin to ease restrictions. Most companies have updated investors on the immediate implications and have responded swiftly to the situation, conserving cash and adjusting to the new challenges. However the Market's ability to bounce back is also undoubtedly influenced by the response of government and central banks providing additional liquidity. This has encouraged risk appetite to return. Companies are being given leeway by the banks and equity fundraisings are underway.

While it may be too early to draw firm conclusions from this phase of the Market, there are some discernible trends. The AIM market is showing material outperformance relative to the Main Market which is unusual in a historical context. Within the NSCI (XIC+AIM), Main listed companies are down by 28.2% year to date while AIM constituents are down by 15.5%. This trend is broadly neutral to the Fund given its current exposure to AIM.

The biggest contributors to relative performance were Drax and Morses Club, which both rallied strongly after underperforming in March. Drax confirmed existing guidance and a highly attractive dividend; and appropriate leverage given good visibility of demand and stability of income. Morses Club refinanced its bank facilities and is significantly less leveraged than many of its peers in sub-prime lending, so whilst short term trading will be challenging it is well placed to take market share. The portfolio benefitted from a takeover bid for Castleton Technology from a private equity backed US company. The largest detractor from relative performance was Eurocell. It suspended operations during lockdown and raised money in a placing, and expects to gain share from weaker competitors as it exits lockdown. Wincanton shares also drifted despite a strong balance sheet and resilient mix of business.

Continued/

Performance



Returns (%)	1 m	3 m	6 m	YTD	12 m	Since Launch
The Fund	+14.0%	-27.2%	-16.5%	-26.3%	-13.2%	+7.7%
NSCI (XIC) incl. AIM	+13.2%	-22.2%	-14.9%	-23.8%	-16.5%	-16.7%

Yearly Discrete Returns (%) - To End Q1		2019	2018
The Fund		-18.9%	5.9%
NSCI (XIC) incl. AIM		-23.2%	-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.

Monthly Manager Commentary (continued)

We have been actively adjusting the portfolio to the new circumstances and opportunities that have been presented. For most companies 2020 will be a challenging year but many companies become stronger during periods of adversity and there are several market leading businesses where outstanding value exists without making heroic assumptions about the economy in 2021. The Market has pivoted further towards growth in pursuit of apparent beneficiaries and safe havens, but this often risks ignoring valuation or the risk that some of these companies may be equally vulnerable to the economic outlook. Peel Hunt argues that the value dispersion in the market is at its widest at any point in the last eight years.

VT Teviot UK Smaller Companies Fund		
Top 10 Holdings as at 30/04/20		
Holding	Sector	% of portfolio
1. Drax Group	Electricity Provider	2.7
2. Future	Digital Media	2.5
3. Studio Retail Group	Online Retail	2.2
4. Anglo Pacific Group	Mining Royalties	2.2
5. Sabre Insurance Group	Motor Insurance	1.9
6. Randall & Quilter	Non-Life Insurance	1.9
7. IG Design Group	Giftware Manufacturer & Designer	1.8
8. PayPoint	Retail Services Technology	1.8
9. FirstGroup	Public Transport Operator	1.8
10. Ergomed	Pharmaceutical Services	1.8
Total		20.6

Market Cap Breakdown		
	% of Portfolio	No. of Stocks
Above £1bn	4.2	3
£500m - £1bn	19.3	13
£250m - £500m	23.7	20
£100m - £250m	32.3	29
Below £100m	16.6	24
Cash	3.9	
Total	100.0	89

Listing	%
Main	62.3
Aim	33.8
Cash	3.9

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
Pershing
Transact
7IM

Authorised Corporate Director & Administrator

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Fund Managers



Andy Bamford

Andy has a 27-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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