

VT Teviot UK Smaller Companies Fund

Monthly Fact Sheet – January 2020



TEVIOT PARTNERS
investment managers

Key Facts		
Launch Date: 29.08.17	Fund Size: £81m	
Price at 31.01.20 (12:00)	Accumulation 148.0337p	Income 140.6761p
Sedol	BF6X212	BF6X223
ISIN	GB00BF6X2124	GB00BF6X2231
Annual Management Fee	0.75%	
Ongoing Charges	0.86%	
Minimum Investment	£1,000	
Dilution Levy: (effective 1 February 2020)	Purchases: 1.43% Redemptions: 1.12%	
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 10 companies of the available universe
- ❖ Active Share 88%
- ❖ Bottom up driven with an asset allocation overview

Monthly Manager Commentary

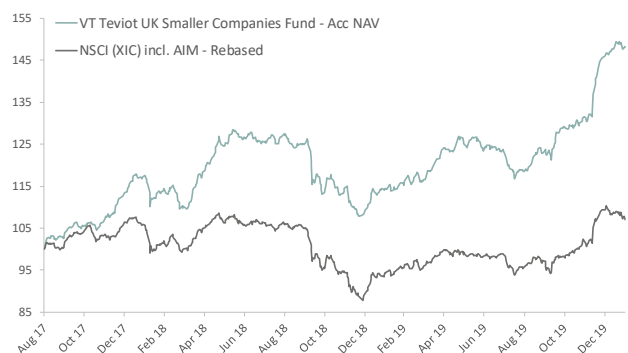
At the close of 2019, sentiment towards UK assets was improving following the decisive election result. A number of economic surveys have begun to hint at an improving trend and the Market is anticipating a fiscal expansion as trailed in the Conservative manifesto. However this emerging optimism has been challenged, first by the US raising tensions with Iran and then, more significantly, the coronavirus epidemic in China. In the short term, the direction of markets hinges on gaining control of the virus.

The biggest influence on relative performance was the Fund's size exposure. The larger constituents of the benchmark index underperformed, modestly reversing their significant outperformance in 2019.

Costain was the largest contributor to performance as speculation grew that HS2 would be given the go-ahead. The project is important to Costain in terms of its 2020/1 workload but not life threatening. The benefits to the construction sector of HS2 would be widespread. The next largest contributor was Eco-Animal Health Group. The company experienced a torrid time in 2019 due to African swine fever decimating Chinese pig production and accounting restatements. However this does not diminish their world leading anti-biotic treatment for pigs and poultry. Sales growth should resume in 2020 and there is a strong pipeline of products coming through.

Drax underperformed over the month without any update to the market. The mild winter and falling price of alternative fuels explain the caution but the business is not well understood by the Market. Agean succumbed to profit taking despite a positive update.

Performance



Returns (%)	1 m	3 m	6 m	YTD	12 m	Since Launch
The Fund	+1.3%	+14.8%	+20.5%	+1.3%	+29.3%	+48.0%
NSCI (XIC) incl. AIM	-2.1%	+9.5%	+8.9%	-2.1%	+13.5%	+7.1%

Yearly Discrete Returns (%) - To End Q4		2019	2018
The Fund		+33.6%	-3.6%
NSCI (XIC) incl. AIM		+22.2%	-15.8%

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
<p>Details of how to invest in the VT Teviot UK Smaller Companies Fund are available from our website at: www.teviotpartners.com</p> <p>Application forms and other supporting documents are also available at: www.valu-trac.com/teviot +44 (0)1343 880344</p>
Platforms
<p>AJ Bell Allfunds Aviva Hargreaves Lansdown Interactive Investor Pershing Transact 7IM</p>
Authorised Corporate Director & Administrator
<p>*Valu-Trac Administration Services Orton, Moray, IV32 7QE Tel: +44 (0)1343 880344 Fax: +44 (0)1343 880267 www.valu-trac.com</p>
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VT Teviot UK Smaller Companies Fund		
Top 10 Holdings as at 31/01/20		
Holding	Sector	% of Portfolio
1. Renewi	Waste Services	3.0
2. Studio Retail Group	Online Retail	2.7
3. Future	Digital Media	2.4
4. Mothercare	Global Retail Franchise	2.3
5. Eurocell	Building Materials	2.3
6. Ricardo	Business Consultancy	2.1
7. IG Design Group	Giftware Manufacturer & Designer	2.1
8. Countrywide	Property Services	2.0
9. CareTech Holdings	Specialist Care Services	1.9
10. Drax Group	Electricity Provider	1.9
Total		22.7

Market Cap Breakdown		
	% of Portfolio	No. of Stocks
Above £1bn	10.1	6
£500m - £1bn	20.8	15
£250m - £500m	26.0	20
£100m - £250m	30.1	22
Below £100m	12.6	17
Cash	0.4	
Total	100.0	80

Listing	%
Main	63.2
Aim	36.3
Cash	0.5

Fund Managers	
	<p>Andy Bamford Andy has a 27-year track record of investing in UK smaller companies, running large and prestigious mandates.</p> <p>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.</p>
	<p>Barney Randle Barney has a 24-year career working for a variety of investment banks including Merrill Lynch, JP Morgan and latterly Arden Partners.</p> <p>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.</p>

Important Information / Risk Warnings
<p>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.</p> <p>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.</p> <p>The information contained in this document has been obtained from sources that Teviot Partners LLP ("TP") considers to be reliable. However, TP cannot guarantee the accuracy or completeness of the information provided, and therefore no investment decision should be based solely on this data. Past performance is not a guide to future performance. This document is issued by TP, authorised and regulated by the Financial Conduct Authority (FCA), registration number 766508.</p> <p>Valu-Trac Administration Services are the Authorised Corporate Director of this fund. * Valu-Trac Administration Services is a trading name of Valu-Trac Investment Management Limited. Registered in England No. 2428648. Authorised and regulated by the Financial Conduct Authority (FCA), registration number 145168.</p>