

VT Teviot UK Smaller Companies Fund

Monthly Fact Sheet – May 2020



Key Facts		
Launch Date: 29.08.17	Fund Size: £68m	
Price at 29.5.20 (12:00)	Accumulation 108.4557p	Income 103.0579p
Sedol	BF6X212	BF6X223
ISIN	GB00BF6X2124	GB00BF6X2231
Annual Management Fee	0.75%	
Ongoing Charges	0.88%	
Minimum Investment	£1,000	
Dilution Levy: (effective 1 June 2020)	Purchases: 1.78% Redemptions: 1.47%	
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

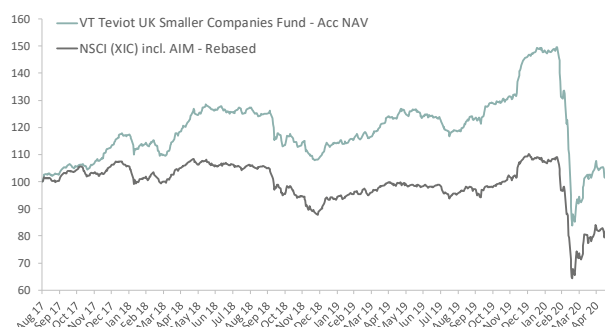
Markets continued to recover through May with the NSCI(XIC+AIM) bouncing by 35% since its low point on 19th March. For most of the period the Market continued to drive up the ratings of growth companies and the AIM market extended its recent period of outperformance relative to the Main Market. This accounts for the Fund's underperformance over the month. However, there was a discernible shift back in favour of value towards the end of the month. It is too early to say whether this is the beginning of a new style cycle or simply a case of stocks that are left behind playing catch up. Features that point in value's favour are evidence of private equity and corporate buyers seeing value in our investment universe. There have been an increasing stream of fund raises and, as yet, the feared insolvencies have not materialised. Economies are emerging from lockdown and while the UK lags, it is possible to see a path to recovery for companies which were in the eye of the storm two months ago.

The largest contributor to performance was Mothercare, reversing the fall in March. After significant restructuring through 2019, the company was recovering only for Covid 19 to present a new headwind. Fortunately it is now a franchise business with little fixed cost exposure. While trading will be impacted at its franchisees, the company has indicated that it has sufficient financial headroom to emerge profitably from the crisis. Future also contributed materially after Interim Results demonstrated that it is just as much a technology business as a traditional media business dependent on advertising and event revenues.

The largest detractor from performance was De La Rue where a lack of news flow weighed on the price. The company produced a positive update on 1st June and the share price moved sharply better, evidencing some of the extreme mis-pricing in the current market. Countryside Properties was a poor performer over the month as Results confirmed that land sales had been deferred given the current market uncertainty.

Cash at the month end was 2.7%.

Performance



Returns (%)	1 m	3 m	6 m	YTD	12 m	Since Launch
The Fund	+0.7%	-17.4%	-17.5%	-25.8%	-13.2%	+8.5%
NSCI (XIC) incl. AIM	+4.3%	-10.2%	-14.8%	-20.6%	-12.1%	-13.1%

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.

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 Pershing Transact 7IM
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VT Teviot UK Smaller Companies Fund		
Top 10 Holdings as at 29/05/20		
Holding	Sector	% of portfolio
1. Future	Digital Media	3.3
2. Drax Group	Electricity Provider	2.7
3. Coats Group	Industrial Thread Manufacturer	2.2
4. Studio Retail Group	Online Retail	2.2
5. IG Design Group	Giftware Manufacturer & Designer	1.9
6. Costain Group	Infrastructure Contractor	1.9
7. Randall & Quilter	Non-Life Insurance	1.8
8. EMIS Group	Software	1.7
9. Spire Healthcare	Private Hospitals	1.7
10. Ergomed	Pharmaceutical Services	1.6
Total		21.0

Market Cap Breakdown		
	% of Portfolio	No. of Stocks
Above £1bn	5.9	4
£500m - £1bn	19.6	13
£250m - £500m	19.4	17
£100m - £250m	34.1	30
Below £100m	18.3	25
Cash	2.7	
Total	100.0	89

Listing	%
Main	62.1
Aim	35.2
Cash	2.7

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 25-year career working for a variety of investment banks including Merrill Lynch and JP Morgan.</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>