

VT Teviot UK Smaller Companies Fund

Monthly Fact Sheet – July 2021



| Key Facts | | |
|---|----------------------------------|----------------------------|
| Launch Date: 29.08.17 | Fund Size: £120m | |
| Price at 30.07.21 (12:00) | Accumulation 193.5580p | Income 181.6408p |
| Sedol | BF6X212 | BF6X223 |
| ISIN | GB00BF6X2124 | GB00BF6X2231 |
| Annual Management Fee | 0.75% | |
| Ongoing Charges | 0.84% | |
| Minimum Investment | £1,000 | |
| Dilution Levy: (effective 1 August 2021) | Purchases: 1.34% | Redemptions: 1.03% |
| 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 8 companies of the available universe
- ❖ Active Share 86%
- ❖ Bottom up driven with an asset allocation overview

Monthly Manager Commentary

Through the course of July, the Market paused for breath after a first half of the year in which economies showed strong recovery, particularly in the UK. There is political and economic pressure for a return to normality but with this comes uncertainty about the trajectory of Covid infection rates. The other evident risk is inflation. The rapid recovery of the economy is exposing some pinch points where there are clear signs of inflation. Time will tell whether this proves to be a "temporary" phenomena. Both these factors help to explain why there has been some style rotation away from value in recent weeks. Set against this the pace of corporate activity in the UK shows no sign of abating, providing evidence that overseas buyers and private equity funds see value in UK equities.

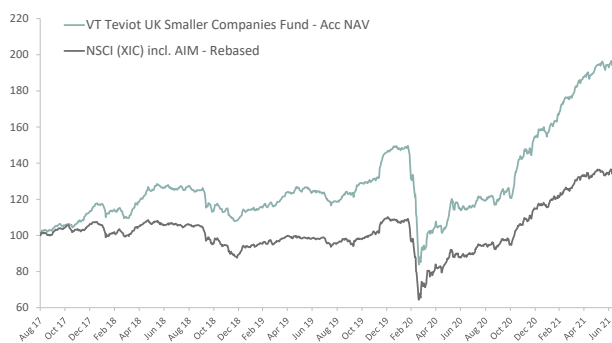
Headlam was the largest contributor to returns. Demand has recovered strongly and the recent Capital Markets Day highlighted the significant efficiency initiatives which should drive a positive outlook for earnings. Serica Energy is one of the UK's largest gas producers and their profits will improve materially with the recent spike in natural gas prices.

The largest detractor from relative returns was a non-holding, Ultra Electronics. This is a large index constituent that received a bid approach from Cobham. Fonix Mobile drifted after releasing an inline trading update.

Cash at the month end was 5.8%.

During the month Teviot Partners announced organisational changes which can be viewed at www.teviotpartners.com on the 'About Us' page.

Performance



| Returns (%) | 1 m | 3 m | 6 m | 1 Year | 3 Years | Since Launch |
|----------------------|-------|-------|--------|--------|---------|--------------|
| The Fund | +0.3% | +3.1% | +23.9% | +66.2% | +54.0% | +93.6% |
| NSCI (XIC) incl. AIM | +1.0% | +1.1% | +16.8% | +50.3% | +27.1% | +35.0% |

12 months Discrete Returns (%)

| | 2021 | 2020 | 2019 |
|----------------------|--------|--------|-------|
| – To End Q2 | | | |
| The Fund | +68.3% | -7.1% | -2.5% |
| NSCI (XIC) incl. AIM | +52.3% | -10.7% | -7.2% |

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
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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 31/07/21

| Holding | Sector | % of portfolio |
|----------------------|-------------------------------------|----------------|
| 1. De La Rue | Banknote & Authentication Solutions | 2.5 |
| 2. Drax Group | Electricity Provider | 2.1 |
| 3. IG Design Group | Giftware Manufacturer & Designer | 1.9 |
| 4. Renewi | Waste Services | 1.8 |
| 5. Staffline | Recruitment & Training | 1.8 |
| 6. Headlam Group | Floorcoverings Distributor | 1.8 |
| 7. Future | Digital Media | 1.8 |
| 8. Randall & Quilter | Non-Life Insurance | 1.7 |
| 9. Mears Group | Property Management & Maintenance | 1.7 |
| 10. Serica Energy | North Sea Oil & Gas Producer | 1.6 |

Total

Market Cap Breakdown

| | % of Portfolio | No. of Stocks |
|---------------|----------------|---------------|
| Above £1bn | 14.6 | 13 |
| £500m - £1bn | 16.6 | 15 |
| £250m - £500m | 27.6 | 26 |
| £100m - £250m | 29.7 | 31 |
| Below £100m | 5.7 | 13 |
| Cash | 5.8 | |
| Total | 100.0 | 98 |

Listing

| Listing | % |
|---------|------|
| Main | 61.5 |
| Aim | 32.7 |
| Cash | 5.8 |

Fund Managers



Barney Randle,
Partner

Barney has a strong 3-year performance record managing the VT Teviot UK Smaller Companies Fund. Prior to founding Teviot Partners in November 2016, Barney spent over 20 years on the sell side on UK Small Caps, advising investors and corporates, working for a variety of investment banks including Merrill Lynch and JP Morgan. Barney specialised in original and rigorous investment analysis, with a non-consensual approach, and has a deep understanding of the implications of liquidity in an illiquid asset class.



Dan Vaughan,
Partner Designate

Dan joined Teviot in May 2021 and will be acceding to Partner in late 2021. He has a strong pedigree in UK Smaller Company investing, having managed UK Smaller Companies pension and life money at Colombia Threadneedle for 13 years, latterly heading up the team until 2013 when he took a career break. As a specialist in UK Small Caps, Dan was an analyst then fund manager at CU/CGU/Morley Fund Management as the organisation grew with the mergers of Commercial Union with General Accident in 1998 and then CGU with Norwich Union in 2000.



Andy Bamford,
Partner

Andy has a 28 year 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. He will be leaving the firm in late 2021 as part of an orderly transition whereupon Dan Vaughan will become a Partner.

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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