

VT Teviot UK Smaller Companies Fund

Monthly Fact Sheet – August 2021



Key Facts		
Launch Date: 29.08.17	Fund Size: £119m	
Price at 31.08.21 (12:00)	Accumulation 203.0566p	Income 190.5546p
Sedol	BF6X212	BF6X223
ISIN	GB00BF6X2124	GB00BF6X2231
Annual Management Fee	0.75%	
Ongoing Charges	0.84%	
Minimum Investment	£1,000	
Dilution Levy: (effective 1 September 2021)	Purchases: 1.26%	Redemptions: 0.95%
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

The Fund celebrated its fourth anniversary in August, and we are delighted to report a doubling of the accumulation unit price since launch. We are working hard on trying to continue the performance record and remain 100% focused on that goal.

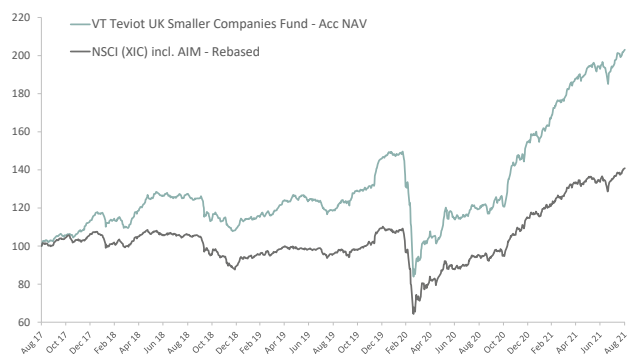
Market trading volumes remained fairly thin in August as investors continued to grapple with the conflicting dynamics of improving demand, set against supply constraints and rising covid infections. Teviot's liquidity continues to benefit, enabling us to execute on our intentions where many others cannot.

The emergence of the Delta variant may put a dent in the global recovery but it seems unlikely to halt it. Markets need to weigh up the benefits of strong growth fueled by further re-opening and the challenges of tightening excess liquidity and fading policy stimulus.

The largest contributor to performance was Cairn Energy. After a protracted legal battle to recover \$1.06bn tax, the Indian government passed legislation which will outline terms for a settlement. Cairn has responded positively to this development and a significant return of capital is now expected. Staffline also performed well, after its recent fund raising, as there is increased demand for temporary labour and reskilling the unemployed.

There were few detractors of any materiality. Morses Club provided a positive trading update and news of a restructuring but the shares drifted. Jet2 continues to oscillate depending on the latest status of travel restrictions. Its AGM statement confirmed a strong balance sheet and the company placed more aircraft orders to take advantage of current discounts.

Performance



Returns (%)	1 m	3 m	6 m	1 Year	3 Years	Since Launch
The Fund	+4.9%	+5.1%	+21.7%	+70.2%	+59.4%	+103.1%
NSCI (XIC) incl. AIM	+4.4%	+4.2%	+16.5%	+47.6%	+33.1%	+40.9%

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
+44 (0)1343 880344

Platforms

AJ Bell	Allfunds
Aviva	Hargreaves Lansdown
Interactive Investor	Pershing
Transact	7IM

Authorised Corporate Director & Administrator

* Valu-Trac Administration Services
Orton, Moray, IV32 7QE
Tel: +44 (0)1343 880344
Fax: +44 (0)1343 880267
www.valu-trac.com

Teviot Partners LLP

46 Charlotte Square
Edinburgh EH2 4HQ
Tel: +44 (0)131 510 7280
info@teviotpartners.com
www.teviotpartners.com

VT Teviot UK Smaller Companies Fund

Top 10 Holdings as at 31/08/21

Holding	Sector	% of portfolio
1. De La Rue	Banknote & Authentication Solutions	2.4
2. Staffline	Recruitment & Training	2.3
3. Drax Group	Electricity Provider	2.2
4. IG Design Group	Giftware Manufacturer & Designer	2.0
5. Renewi	Waste Services	2.0
6. Mears Group	Property Management & Maintenance	1.8
7. Future	Digital Media	1.7
8. Headlam Group	Floorcoverings Distributor	1.7
9. Serica Energy	North Sea Oil & Gas Producer	1.6
10. Randall & Quilter	Non-Life Insurance	1.6
Total		19.3

Market Cap Breakdown

	% of Portfolio	No. of Stocks	Listing	%
Above £1bn	16.0	13	Main	62.7
£500m - £1bn	16.0	14	Aim	30.6
£250m - £500m	27.2	28	Cash	6.7
£100m - £250m	27.8	28		
Below £100m	6.3	12		
Cash	6.7			
Total	100.0	95		

Fund Managers



Barney Randle,
Partner

Barney has a strong 4-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.

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.

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.

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.