

VT Teviot UK Smaller Companies Fund

Monthly Fact Sheet – September 2021



Key Facts		
Launch Date: 29.08.17	Fund Size: £105m	
Price at 30.09.21 (12:00)	Accumulation 202.7247p	Income 190.2432p
Sedol	BF6X212	BF6X223
ISIN	GB00BF6X2124	GB00BF6X2231
Annual Management Fee	0.75%	
Ongoing Charges	0.84%	
Minimum Investment	£1,000	
Dilution Levy: (effective 1 October 2021)	Purchases: 1.27% Redemptions: 0.94%	
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 85%
 - ❖ Bottom up driven with an asset allocation overview

Monthly Manager Commentary

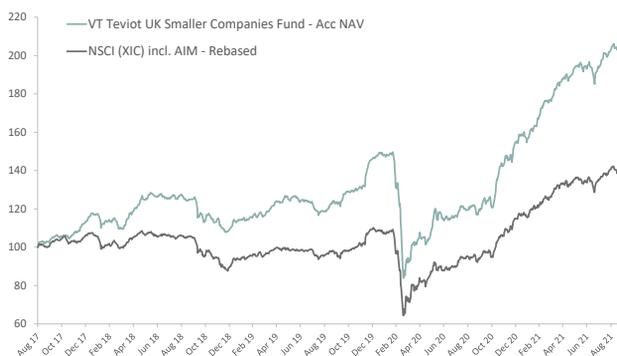
Global equity markets were confronted this month with the prospect of cost inflation. Markets had been fueled by consistent demand recovery, but September brought with it the realisation that supply chains were struggling to cope. Demand simply deferred or demand foregone remains a big question; as is whether inflationary pressures are short term or more prolonged.

The fund outperformed strongly in the month: -0.2% compared to the benchmark index at -2.3%, enabling another quarter of outperformance for the fund. The dramatic rise in the wholesale price of gas was a particular feature this month, and one which benefitted performance. Serica Energy was the top contributor. 80% of its production is natural gas. Drax also benefitted more indirectly, being a generator of dispatchable electricity. The fund was also able to use its strong liquidity to position for other long lasting implications of the gas price rise.

The largest detractor to performance was Xaar. Results were in line with expectations, but it flagged a tightening supply chain. Staffline also gave back some of its strong gains in August, succumbing to profit-taking after rising strongly since its equity-raise in May.

Whilst style in general provided a small headwind, the relative outperformance of smaller stocks in the benchmark relative to larger stocks provided the fund with a tailwind. Relative to the benchmark Index, the fund also benefited from its overweight position in Oil & Gas and from its underweight position in Financial Services.

Performance



Returns (%)	1 m	3 m	6 m	1 Year	3 Years	Since Launch
The Fund	-0.2%	+5.0%	+15.1%	+70.3%	+62.2%	+102.7%
NSCI (XIC) incl. AIM	-2.3%	+2.9%	+9.1%	+45.7%	+31.2%	+37.6%

12 months Discrete Returns (%) – To End Q3	2021	2020	2019	2018
The Fund	+70.3%	-3.5%	-1.3%	+20.4%
NSCI (XIC) incl. AIM	+45.7%	-2.8%	-7.3%	+3.0%

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

Authorised Corporate Director & Administrator

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Top 10 Holdings as at 30/09/21

Holding	Sector	% of portfolio
1. Drax	Electricity Provider	2.7
2. De La Rue	Banknote & Authentication Solutions	2.5
3. Staffline Group	Recruitment & Training	2.1
4. Renewi	Waste Services	1.9
5. Serica Energy	North Sea Oil & Gas Producer	1.9
6. IG Design Group	Giftware Manufacturer & Designer	1.9
7. Mears Group	Property Management & Maintenance	1.9
8. Headlam Group	Floorcoverings Distributor	1.8
9. Future	Digital Media	1.8
10. Indivior	Speciality Pharmaceuticals	1.8
Total		20.3

Market Cap Breakdown

	% of Portfolio	No. of Stocks	Listing	%
Above £1bn	18.2	13	Main	66.5
£500m - £1bn	16.5	15	Aim	30.7
£250m - £500m	27.3	27	Cash	2.8
£100m - £250m	29.5	30		
Below £100m	5.7	12		
Cash	2.8			
Total	100.0	97		

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.

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