

# VT Teviot UK Smaller Companies Fund

Monthly Fact Sheet – October 2021



## Key Facts

<b>Launch Date:</b> 29.08.17		<b>Fund Size:</b> £93m
Price at 29.10.21 (12:00)	<b>Accumulation</b> 200.8997p	<b>Income</b> 188.5307p
Sedol	BF6X212	BF6X223
ISIN	GB00BF6X2124	GB00BF6X2231
<b>Annual Management Fee</b>		0.75%
<b>Ongoing Charges</b>		0.84%
<b>Minimum Investment</b>		£1,000
<b>Dilution Levy:</b> (effective 1 November 2021)		Purchases: 1.25% Redemptions: 0.91%
Dilution levy is updated monthly. For more information visit <a href="http://www.teviotpartners.com">www.teviotpartners.com</a>		

## 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 86%
- ❖ Bottom up driven with an asset allocation overview

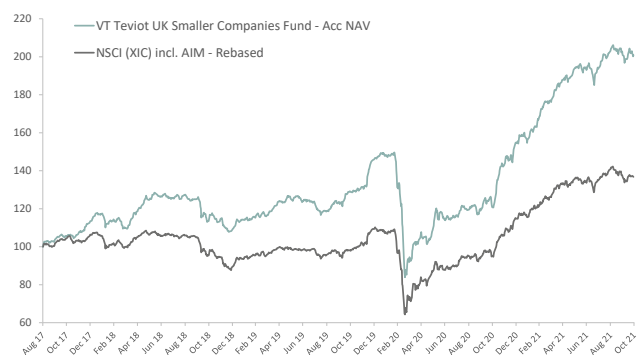
## Monthly Manager Commentary

Equity markets continue to wrestle with strong expected economic recovery versus the prospect of rising inflation – this may trigger a central bank response which could serve to curb growth. Investor expectations for 2022 UK real GDP remain well above trend – this tends to favour small cap companies, which generally benefit more from rising domestic demand. However, supply chain bottlenecks, labour shortages and higher inflation have led to debates regarding the degree of growth we can expect. As growth prospects have been questioned, smaller cap stocks have lost some momentum. Larger stocks have fared relatively well of late, given greater exposure to energy and financials. We might reasonably expect small caps to return to favour once supply chain issues are resolved and energy inflation starts to decline. Style and size were headwinds to performance in the month.

The largest contributor to performance in October was Playtech, which was the subject of a recommended offer for the company. As a leading online gambling software supplier and platform developer, it has scarcity value and appeal in markets that are opening up and for customers that are increasingly in need of solutions. Renewi reported performance that was ahead of expectations, continuing its impressive revival of fortunes.

The largest detractor to performance was IG Design. It updated the Market on strong demand characteristics, but guided profits down on global supply chain disruption that was hampering product availability and delivered profit margins. Morses Club also impacted performance. The results showed progress in digital lending and resilience in home collected credit. However the Market wants more evidence that the company will benefit from the demise of competitors and this will require patience.

## Performance






Returns (%)	1 m	3 m	6 m	1 Year	3 Years	Since Launch
The Fund	-0.9%	+3.8%	+7.0%	+66.4%	+75.5%	+100.9%
NSCI (XIC) incl. AIM	-0.6%	+1.3%	+2.4%	+43.5%	+42.1%	+36.7%

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		VT Teviot UK Smaller Companies Fund		
Details of how to invest in the VT Teviot UK Smaller Companies Fund are available from our website: <a href="http://www.teviotpartners.com">www.teviotpartners.com</a>		Top 10 Holdings as at 29/10/21		
Application forms and other supporting documents are also available at <a href="http://www.valu-trac.com/teviot">www.valu-trac.com/teviot</a> +44 (0)1343 880344		<i>Holding</i>	<i>Sector</i>	<i>% of portfolio</i>
<b>Platforms</b>		1. Drax	Electricity Provider	3.0
Aegon	AJ Bell	2. De La Rue	Banknote & Authentication Solutions	2.6
Allfunds	Aviva	3. Staffline Group	Recruitment & Training	2.2
Hargreaves Lansdown	Interactive Investor	4. Renewi	Waste Services	2.2
Pershing	Transact	5. Playtech	Gaming Software	2.0
7IM		6. Indivior	Speciality Pharmaceuticals	2.0
<b>Authorised Corporate Director &amp; Administrator</b>		7. SThree	Recruitment	1.8
* Valu-Trac Administration Services Orton, Moray, IV32 7QE Tel: +44 (0)1343 880344 Fax: +44 (0)1343 880267 <a href="http://www.valu-trac.com">www.valu-trac.com</a>		8. Future	Digital Media	1.8
<b>Teviot Partners LLP</b>		9. Cairn Energy	Oil Exploration & Production	1.7
46 Charlotte Square Edinburgh EH2 4HQ Tel: +44 (0)131 510 7280 <a href="mailto:info@teviotpartners.com">info@teviotpartners.com</a> <a href="http://www.teviotpartners.com">www.teviotpartners.com</a>		10. Serica Energy	North Sea Oil & Gas Producer	1.7
		Total		21.0
		Market Cap Breakdown		Listing
		<i>% of Portfolio</i>	<i>No. of Stocks</i>	<i>%</i>
		Above £1bn	20.4	13
		£500m - £1bn	18.4	15
		£250m - £500m	23.0	23
		£100m - £250m	28.6	29
		Below £100m	7.0	11
		Cash	2.6	
		Total	100.0	
				Main 68.3 Aim 29.1 Cash 2.6

Fund Managers			
	<b>Barney Randle, Partner</b>		<b>Dan Vaughan, Partner Designate</b>
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 joined Teviot in May 2021 and will be acceding to Partner in January 2022. 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.	
			<b>Andy Bamford, Partner</b>
		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 January 2022 as part of an orderly transition whereupon Dan Vaughan will become a Partner.	

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 <a href="http://www.valu-trac.com/teviot">www.valu-trac.com/teviot</a>. 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>