

VT Teviot UK Smaller Companies Fund

Monthly Fact Sheet – November 2021



Key Facts

Launch Date: 29.08.17	Fund Size: £86m	
Price at 30.11.21 (12:00)	Accumulation 190.8794p	Income 179.1272p
Sedol	BF6X212	BF6X223
ISIN	GB00BF6X2124	GB00BF6X2231
Annual Management Fee	0.75%	
Ongoing Charges	0.84%	
Minimum Investment	£1,000	
Dilution Levy: (effective 1 December 2021)	Purchases: 1.27% Redemptions: 0.93%	
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 85%
- ❖ Bottom up driven with an asset allocation overview

Monthly Manager Commentary

November saw the emergence of Omicron, a variant of COVID-19 which caused concern about economic recovery. The bell-weather Oil & Gas sector saw the biggest decline in the Index, partially reversing strong performance in September.

The Fund has a pro-recovery bias which hampered performance this month. Many commentators cite that the UK equity market is both fast growing (consensus real UK GDP growth for 2022 is 5.0%) and cheap relative to global equities. One could argue that the UK has been held back for some time by the absence of government spending. The New Year should provide the first sight of a different type of recovery. Consumption could be strong (as high savings rates unwind), the job market is booming, corporate investment is likely to pick up and the outlook for government spending is positive.

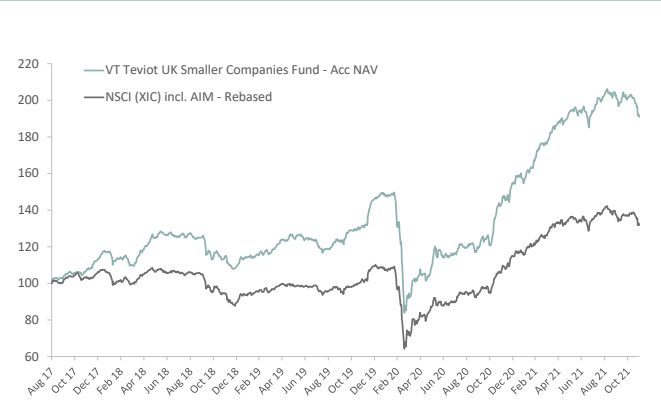
November saw large swings in the probability of an interest rate hike, with inflation fears suddenly retreating as Omicron emerged and supply chain congestion started to ease. Dry bulk rates reversed sharply on reports of weak Chinese steel production and reduced congestion, although container prices remain elevated. Global energy prices receded from recent highs, and one might reasonably expect Chinese export price rises to ease as the coal crisis subsides and power rationing abates.

Omicron has the potential to delay economic recovery by several months if restrictions are re-introduced, but households remain in a good position and the outlook for investment is generally positive.

The largest contributor to performance was U and I Group, which was the subject of a recommended cash offer. Although the Fund holds a relatively small position, the seventy percent premium was welcome. Vivo Energy was also the subject of corporate interest, albeit at a more modest premium of circa twenty percent.

The largest detractor in the month was Studio Retail. Strong half year results were tempered by supply chain challenges in Q3, which added cost and gross margin pressure that has, to date, only been partially offset by pricing adjustments. Eco Animal Health Group warned on a significant decline in revenues from China. This was caused by the dramatic fall in pig prices, a cyclical influence which is expected to reverse.

Performance



Returns (%)	1 m	3 m	6 m	1 Year	3 Years	Since Launch
The Fund	-5.0%	-6.0%	-1.2%	+33.5%	+66.4%	+90.9%
NSCI (XIC) incl. AIM	-3.6%	-6.4%	-2.5%	+24.5%	+39.6%	+31.8%

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

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

Authorised Corporate Director & Administrator

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VT Teviot UK Smaller Companies Fund

Top 10 Holdings as at 30/11/21

Holding	Sector	% of portfolio
1. Drax	Electricity Provider	3.3
2. Renewi	Waste Services	2.3
3. De La Rue	Bank Note & Authentication Solutions	2.3
4. Future	Digital Media	2.0
5. Indivior	Speciality Pharmaceuticals	2.0
6. Serica Energy	North Sea Oil & Gas Producer	1.9
7. Staffline Group	Recruitment & Training	1.8
8. Trifast	Industrial Distributor	1.8
9. Mears Group	Property Management & Maintenance	1.7
10. Cairn Energy	Oil Exploration & Production	1.6
Total		20.7

Market Cap Breakdown			Listing	%
	% of Portfolio	No. of Stocks		
Above £1bn	19.0	13	Main	67.0
£500m - £1bn	17.1	13	Aim	28.9
£250m - £500m	21.1	23	Cash	4.1
£100m - £250m	30.0	31		
Below £100m	8.7	14		
Cash	4.1			
Total	100.0	94		

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 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.



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 January 2022 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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