

VT Teviot UK Smaller Companies Fund

Monthly Fact Sheet – December 2021



Key Facts		
Launch Date: 29.08.17	Fund Size: £88m	
Price at 31.12.21 (12:00)	Accumulation 199.4404p	Income 185.8778p
Sedol	BF6X212	BF6X223
ISIN	GB00BF6X2124	GB00BF6X2231
Annual Management Fee	0.75%	
Ongoing Charges	0.84%	
Minimum Investment	£1,000	
Dilution Levy: (effective 1 January 2022)	Purchases: 1.28% 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 9 companies of the available universe
 - ❖ Active Share 85%
 - ❖ Bottom up driven with an asset allocation overview

Monthly Manager Commentary

Markets' understanding of the impact of Omicron progressed through December, with strong performance for both the benchmark index (+4.5%) and the Fund (+4.5%). Whilst infections continue to rise rapidly, severity appears more becalmed, possibly offering a path back to some degree of normality.

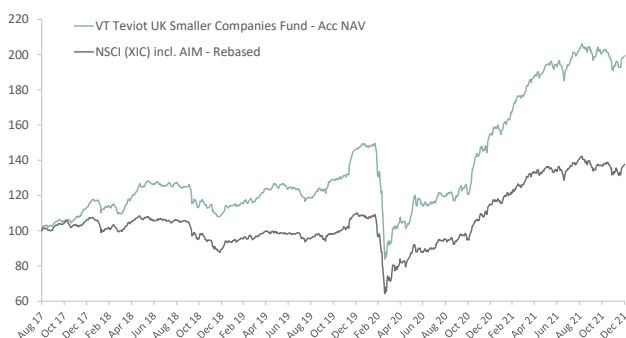
In response to elevated levels of inflation, the Bank of England raised rates by an initial 0.15% in the month (to 0.25%), and the US Federal Reserve signalled a similar intent for 2022. We will need to watch to what degree this may hamper growth or consumer demand into 2022. Consensus real UK GDP growth for 2022 is forecast to be well above trend still and UK equities appear cheap relative to global equities. The outlook for government spending also remains positive.

Style factors were mixed in the month for the Fund. 'Value' outperformed 'Growth', but 'Large' (index constituents) outperformed 'Small'. There has been some recent rotation in global equity markets away from growth-orientated companies due to increased concerns about higher interest rates, although less within UK mid/small caps; and general uncertainty always serves to hold back the smaller constituents.

The largest contributor to relative performance was De La Rue, which recovered from technically depressed levels in November. Trifast also contributed as investors took more confidence of a recovery in pricing.

The largest detractor in the month was SThree Plc, which retreated on news of the departure of the CEO. The takeover approach for Clinigen (not owned) also negatively contributed to the relative return against the index.

Performance






Returns (%)	1 m	3 m	6 m	1 Year	3 Years	Since Launch
The Fund	+4.5%	-1.6%	+3.3%	+29.1%	+82.4%	+99.4%
NSCI (XIC) incl. AIM	+4.5%	+0.1%	+3.1%	+20.0%	+53.9%	+37.7%

12 months Discrete Returns (%) – To End Q4	2021	2020	2019	2018
The Fund	+29.1%	+5.8%	+33.6%	-3.6%
NSCI (XIC) incl. AIM	+20.0%	+4.9%	+22.2%	-15.8%

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	
Aegon Allfunds Hargreaves Lansdown Pershing 7IM	AJ Bell Aviva Interactive Investor Transact
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	
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VT Teviot UK Smaller Companies Fund		
Top 10 Holdings as at 31/12/21		
Holding	Sector	% of portfolio
1. Drax	Electricity Provider	3.4
2. De La Rue	Bank Note & Authentication Solutions	2.5
3. Renewi	Waste Services	2.2
4. Indivior	Speciality Pharmaceuticals	2.1
5. Trifast	Industrial Distributor	2.0
6. Serica Energy	North Sea Oil & Gas Producer	2.0
7. Staffline Group	Recruitment & Training	2.0
8. Future	Digital Media	1.7
9. Mears Group	Property Management & Maintenance	1.7
10. OSB Group	Specialist Mortgage Lender	1.7
Total		21.3
Market Cap Breakdown		
	% of Portfolio	No. of Stocks
Above £1bn	19.7	13
£500m - £1bn	18.2	14
£250m - £500m	23.0	24
£100m - £250m	29.5	30
Below £100m	7.9	15
Cash	1.7	
Total	100.0	96
Listing		%
Main		68.2
Aim		30.1
Cash		1.7

Fund Managers		
 <p>Barney Randle, Partner</p> <p>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.</p>	 <p>Dan Vaughan, Partner Designate</p> <p>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.</p>	 <p>Andy Bamford, Partner</p> <p>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.</p>

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 www.valu-trac.com/teviot. 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>