

# VT Teviot UK Smaller Companies Fund

Monthly Fact Sheet – March 2025



## Key Facts

<b>Launch Date:</b> 29.08.17		<b>Fund Size:</b> £92m
Price at 31.03.25 (12:00)	<b>Accumulation</b> 182.0650p	<b>Income</b> 155.8725p
Sedol	BF6X212	BF6X223
ISIN	GB00BF6X2124	GB00BF6X2231
<b>Annual Management Fee</b>		0.75%
<b>Ongoing Charges</b>		0.88%
<b>Minimum Investment</b>		£1,000
<b>Dilution Levy:</b> (effective 1 April 2025)		Purchases: 1.14% Redemptions: 0.78%
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 Deutsche 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 6 companies of the available universe
- ❖ Active Share 82%
- ❖ Bottom up driven with an asset allocation overview

## Objectives and Investment Policy

The investment objective of the VT Teviot UK Smaller Companies Fund is to achieve a total return (of growth and income, after fees) greater than the Benchmark Index over the long term. The Benchmark Index is the Deutsche Numis Smaller Companies Index (including AIM but excluding investment companies).

The Fund will seek to achieve its investment objective by investing in a diversified portfolio of companies which shall primarily consist of small UK quoted companies. Small companies are those having a market capitalisation, at the time of purchase, equal to or lower than the largest company in the Deutsche Numis Smaller Companies Index (including AIM but excluding investment companies).

The Manager actively manages the portfolio in order to achieve the objective and will not be restricted in respect of investments by industrial sectors.

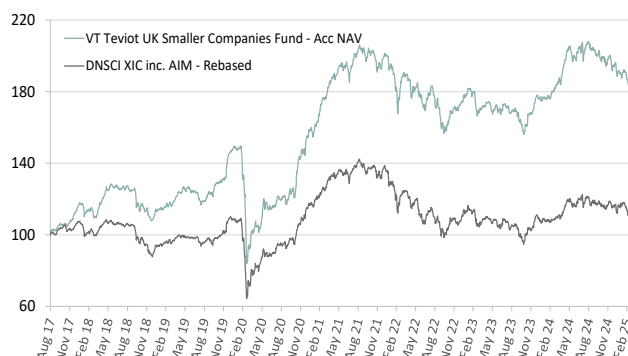
In addition to equities, the asset classes in which the Fund may invest includes transferable securities, units in collective investment schemes, money-market instruments, cash and near cash and deposits

The Fund will not invest in any immovable property or tangible movable property. The Fund may hold derivatives for efficient portfolio management purposes. It is not intended that the use of derivatives for efficient portfolio management purposes will increase the risk profile of the Sub-Fund. The Fund's base currency is Pounds Sterling.

If you hold income shares any income from the Fund may be paid out to you. If you hold accumulation shares, any income from the Fund will be re-invested to grow the value of your investment. You can buy and sell shares on any business day.

As indicated above, the Fund aims to achieve a total return over the longer term. Nevertheless capital is in fact at risk and there is no guarantee that a total return will be achieved over that specific, or any, time period. For full investment objectives and policy details, please refer to the Prospectus.

## Performance



### Returns

(%)	1 m	3 m	1 Year	3 Years	5 Years	Since Launch
The Fund	-2.6%	-6.8%	-1.0%	-3.6%	+92.7%	+82.1%
NSCI (XIC) incl. AIM	-3.3%	-5.9%	-0.4%	-11.1%	+49.0%	+9.7%

### 12 months Discrete Returns (%) – To End Q1

	2025	2024	2023	2022	2021
The Fund	-1.0%	+8.4%	-10.1%	+7.2%	+86.4%
NSCI (XIC) incl. AIM	-0.4%	+3.0%	-13.4%	-2.1%	+71.3%

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.

Quarterly Manager Commentary
<p>Amidst weak global stock markets, the Fund was down 6.8% in the first quarter of 2025, slightly lagging behind its benchmark Index (DNSCI XIC inc. AIM) which fell 5.9%. After a weak January (in both relative and absolute terms), compounded by some strong performances from new entrants into the Index upon its annual rebalancing, the Fund outperformed the Index in both February and March. Several of those new entrants – not owned by the Fund - such as Raspberry Pi, Oxford Nanopore and WH Smith subsequently gave up all their gains.</p> <p>The key positive contributors to the Fund in Q1 included telecoms stock Zegona Comms (as it implements its strategy for Vodafone Spain), Renewi (its recommended takeover by Macquarie was confirmed), Hargreaves Services (strong results), Secure Trust (resilient results and expectations of more benign regulatory intervention into car finance), and strong results from both building products company Alumasc and inter-dealer broker TP ICAP.</p> <p>More disappointing performances came from consultancy company Ricardo and structural steel stock Severfield (after weak trading statements). Independent food wholesaler Kitwave and leisure travel company Jet2 were weak despite robust trading updates, and remain in the Fund’s top 10 holdings. Relative to the Index, the Fund was hurt by not owning stocks such as TBC (a Georgian bank), Pantheon Resources (Siberian oil), Assura (property stock that received a takeover approach from Private Equity) and Hochschild (Peruvian silver miner) – an eclectic selection! Conversely, the Fund benefited from not owning poor performers such as Dar Global (Middle Eastern real estate), Trustpilot (website review platform), Travis Perkins (builders’ merchant) and carmaker Aston Martin.</p> <p>Takeover activity has been an ongoing theme for the Fund for some time, and this continued in March from two medical equipment stocks. NIOX received a proposal from Keensight Capital, and Montagu Private Capital confirmed that it is considering a possible offer for Advanced Medical Solutions. Neither have yet led to formal bids.</p> <p>From a sectoral perspective, the overweight positions in Aerospace &amp; Defence and Medical Equipment &amp; Services aided the Fund relative to the Index, as did underweights in Software &amp; Computer Services, Health Care Providers, Pharmaceuticals &amp; Biotechnology, Personal Goods, Electronic &amp; Electrical Equipment, and Chemicals. In contrast, the overweight in Media and underweights in Precious Metals &amp; Mining, Oil, Gas &amp; Coal, REITs and Banks were detrimental.</p> <p>The second quarter of 2025 has begun in volatile fashion, caused by the USA’s implementation of trade tariffs on most countries. Whilst the UK has so far emerged relatively unscathed compared to many, the economic outlook is weaker than we envisaged until recently. The Fund has a portfolio of stocks on undemanding valuations that are not factoring in significant earnings growth, and many offer very handsome dividend yields that are well covered by earnings and/or net cash. A good proportion of these stocks are also conducting share buybacks to utilise their balance sheet strength. This will be to the benefit of remaining shareholders in the medium term.</p> <p>The Fund focuses on resilient franchises with pricing power and robust balance sheets, and has a “value” bias. The consistent focus on preserving the Fund’s liquidity is key to capitalising on opportunities as they arise. This will be essential to enable strong performance as greater clarity emerges to the directions of economic activity across the globe.</p>

VT Teviot UK Smaller Companies Fund		
Top 10 Holdings as at 31/03/25		
Holding	Sector	% of Portfolio
1. Wilmington	Information, Training & Education Solutions	3.0
2. Renewi	Waste Services	2.9
3. TP ICAP	Inter-dealer Broker & Data Provider	2.7
4. Premier Foods	Branded Food Producer	2.4
5. Kitwave	Independent Wholesaler	2.3
6. Keller	Construction Services	2.1
7. Jet2	Leisure Travel Group	2.0
8. Norcros	Kitchen & Bathroom Products	1.8
9. Mears Group	Property Management & Maintenance	1.7
10. Harworth Group	Real Estate Developer	1.7
Total		22.6

Market Cap Breakdown		
	% of Portfolio	No. of Stocks
Above £1bn	26.6	20
£500m - £1bn	17.0	13
£250m - £500m	23.7	21
£100m - £250m	21.2	21
Below £100m	10.8	21
Cash	0.7	
Total	100	96

Listing	%
Main	71.5
AIM	27.8
Cash	0.7

## Fund Managers



**Barney Randle,**  
Partner

Barney has a strong performance record managing the VT Teviot UK Smaller Companies Fund since launch in August 2017. UK Smaller Companies has been his area of focus for over 25 years, initially advising investors and corporates on the sell side where he specialised in original and rigorous investment analysis, and where he developed a deep understanding of the implications of liquidity in an illiquid asset class.



**Dan Vaughan,**  
Partner

After graduating from Oxford University, Dan specialised in UK Smaller Companies in the mid-1990s at Aviva. He then spent 13 years managing UK Smaller Companies pension and life funds at Colombia Threadneedle, of which the final 7 years were as Head of Team. Dan joined Teviot in May 2021 and acceded to Partner in January 2022.

## How to Invest

Details of how to invest in the VT Teviot UK Smaller Companies Fund are available from our website: [www.teviotpartners.com](http://www.teviotpartners.com)

Application forms and other supporting documents are also available at:

[www.valu-trac.com/teviot](http://www.valu-trac.com/teviot)

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## The Fund is available on most major Platforms including

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

## Authorised Corporate Director & Administrator

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## 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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