

VT Teviot UK Smaller Companies Fund

Monthly Fact Sheet – June 2020



Key Facts

Launch Date: 29.08.17		Fund Size: £71m
Price at 30.6.20 (12:00)	Accumulation 114.6618p	Income 108.5359p
Sedol	BF6X212	BF6X223
ISIN	GB00BF6X2124	GB00BF6X2231
Annual Management Fee		0.75%
Ongoing Charges		0.88%
Minimum Investment		£1,000
Dilution Levy: (effective 1 July 2020)		Purchases: 1.86% Redemptions: 1.55%
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 87%
- ❖ Bottom up driven with an asset allocation overview

Monthly Manager Commentary

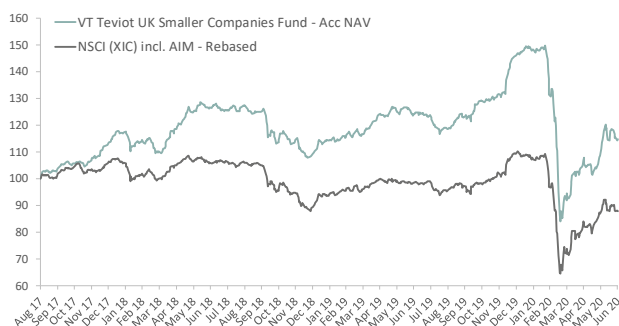
Since the market correction in March, markets have been weighing up the negative consequences of Covid19 on the global economy against the immense support provided by governments and central banks. Prospects for a vaccine and a return to some normality are weighed against the risk of easing lockdown too quickly and risking a second wave. The NSCI (XIC) Incl. AIM continued to recover through June but the uncertain profile of recovery continues to cause gyrations in the Market.

We continue to observe elevated dispersion in both stocks and sectors within our universe. The search for beneficiaries of the crisis has elevated some ratings, particularly in the technology and healthcare sectors. This contrasts with a broad swathe of UK listed companies where share prices languish while the Market assimilates the degree to which earnings are impaired by Covid19. Investors are beginning to get more clarity on the impact with trading on a sequentially improving trend and refinancing of companies continuing. This process is revealing some material mis-pricing of companies where their low ratings are at odds with their prospects. June was generally more positive for our style of investing but it is too early to herald a sustained resurgence of the “value style”.

The leading contributor was De La Rue where the share price tripled in response to a statement confirming trading was as expected and demand was unaffected by Covid19. It subsequently announced a fund raising to support the Turnaround Plan, strengthen the balance sheet and invest in its growing businesses of polymer bank notes and authentication solutions. Premier Foods confirmed positive trading momentum and addressed concerns around its liabilities, allowing the equity to re-rate. Both businesses trade on low single digit historic price earnings ratios, implying challenges ahead. In practice, however, their prospects are far from impaired.

Among the detractors, Morses Club operates in a sector where many of its peers are encountering issues. It will face challenges but with a stronger balance sheet it will present opportunities. It was also unhelpful that a small part of the business involved in online payments processing was temporarily disrupted by the Wirecard collapse. Mothercare's update confirmed progress on restructuring but also noted the hurdles that they need to clear over coming weeks. Cash in the Fund at the month end was 3.4%.

Performance



Returns (%)	1 m	3 m	6 m	YTD	12 m	Since Launch
The Fund	+5.7%	+21.3%	-21.5%	-21.5%	-7.1%	+14.7%
NSCI (XIC) incl. AIM	+1.0%	+19.2%	-19.8%	-19.8%	-10.7%	-12.3%

Yearly Discrete Returns (%) - To End Q2		2020	2019
The Fund		-7.1%	-2.5%
NSCI (XIC) incl. AIM		-10.7%	-7.2%

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
<p>Details of how to invest in the VT Teviot UK Smaller Companies Fund are available from our website: www.teviotpartners.com</p> <p>Application forms and other supporting documents are also available at www.valu-trac.com/teviot +44 (0)1343 880344</p>
Platforms
<p>AJ Bell Allfunds Aviva Hargreaves Lansdown Interactive Investor Pershing Transact 7IM</p>
Authorised Corporate Director & Administrator
<p>* Valu-Trac Administration Services Orton, Moray, IV32 7QE Tel: +44 (0)1343 880344 Fax: +44 (0)1343 880267 www.valu-trac.com</p>
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VT Teviot UK Smaller Companies Fund		
Top 10 Holdings as at 30/06/20		
Holding	Sector	% of portfolio
1. Drax Group	Electricity Provider	3.0
2. Future	Digital Media	3.0
3. De La Rue	Banknote Printer & Product Authentication Solutions	2.6
4. Randall & Quilter	Non-Life Insurance	2.4
5. Premier Foods	Food Producer	2.2
6. Studio Retail Group	Online Retail	2.2
7. Card Factory	Card Manufacturer & Retailer	1.9
8. Coats Group	Industrial Thread Manufacturer	1.8
9. IG Design Group	Giftware Manufacturer & Designer	1.7
10. Chemring Group	Defence	1.7
Total		22.5

Market Cap Breakdown		
	% of Portfolio	No. of Stocks
Above £1bn	7.8	4
£500m - £1bn	16.0	12
£250m - £500m	18.0	16
£100m - £250m	40.3	34
Below £100m	14.5	20
Cash	3.4	
Total	100.0	86

Listing	%
Main	61.9
Aim	34.7
Cash	3.4

Fund Managers		
	<p>Andy Bamford Andy has a 27-year track record of investing in UK smaller companies, running large and prestigious mandates.</p>	
	<p>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.</p>	
	<p>He has always specialised in UK smaller companies and enjoys a strong reputation for original and rigorous investment analysis. His non-consensual and value orientated approach was well received by some of the largest and most successful investors in the asset class.</p>	<p>Barney Randle Barney has a 25-year career working for a variety of investment banks including Merrill Lynch and JP Morgan.</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>