

THE VT PRICE VALUE PORTFOLIO

Factsheet as at 31 August 2019

Investment Commentary

Focus

The VT Price Value Portfolio is an open-ended UCITS fund incorporated in the UK. The fund's objective is to deliver attractive long term returns.

Investment Philosophy

The fund seeks to invest with specialist 'value' equity managers internationally on an unconstrained basis. The fund also seeks to invest into listed businesses of exceptional quality trading at undemanding multiples. The fund endeavours to invest according to the time-honoured principles of 'value' investing developed by Benjamin Graham.

Fund Facts

Investment Manager	Price Value Partners
Launch Date	16 June 2015
Share Classes	A, B
Currency Classes	GBP, USD, EUR
Dealing, Valuation	Daily 12:00p.m. GMT
Management Fees	A: 0.75% B: 0.50%
ISIN Codes	A £ Acc: GB00BWZMTX09 A £ Inc: GB00BD8PLW60 A \$ Acc: GB00BWZMTY16 A € Acc: GB00BWZMTZ23 B £ Acc: GB00BWZMV016 B £ Inc: GB00BD8PLY84 B \$ Acc: GB00BWZMV123 B € Acc: GB00BWZMV230
Minimum Investment A	£1000 / \$1000 / €1000
Minimum Investment B	£1M; \$1M; €1M

(Variations in historic performance shown by the different currency share classes of the fund relate solely to foreign exchange translation effects, as the underlying holdings are identical.)

The GBP A class of the fund recorded a loss of 1.09% for the month of August 2019. This brings the cumulative return of the fund in GBP from inception in June 2015 to 47.64%. The latest net asset value of each of the fund's share classes can be found [here](#).

The month began with a 25 basis points cut in the federal funds target rate by the US Federal Reserve, which cited "uncertainties" arising from global economic weakness and ongoing trade tensions between the US and China. The Federal Open Market Committee strongly hinted that there would be more monetary easing to come. China then followed up by allowing its currency to weaken past RMB7 to the US Dollar. This led President Trump to accuse the Chinese of currency manipulation. Mid-month, the Argentine Peso lost a fifth of its value in a single day following a primary election victory by the opposition candidate Alberto Fernández, prompting fears of a populist resurgence in presidential elections in two months' time. Buenos Aires announced at the end of August that it would postpone \$7 billion of payments on short term local bonds, pushing the country into technical default – the ninth default in its history, and the third since the turn of the millennium.

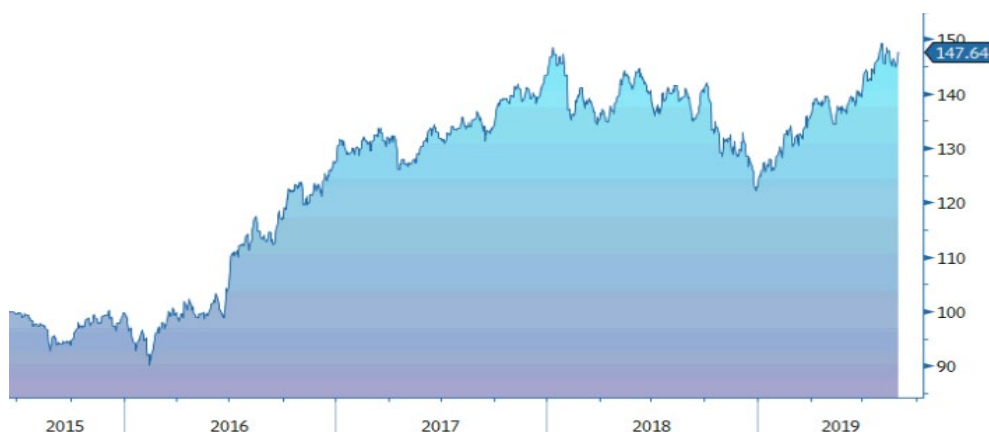
Writing of the Fernández election, analyst and financial historian Russell Napier observes:

"The surprising scale of this victory is important for global investors because Fernández's running mate is Cristina Fernandez de Kirchner, a former President widely agreed to have pursued the unsound policies that necessitated the IMF bailout for Argentina in the first place. Few if any can believe that Argentina will honour its agreement with the IMF should Fernández and Kirchner come to power in October. The biggest IMF package in history will have failed and investors, whether foreign or local, will be subject to policies that may include the appropriation of assets whether through formal or informal means. The safety net for emerging market investors just failed and this was no ordinary safety net – this was the biggest safety net ever deployed by the IMF."

In short, political risk is rising in numerous locations around the world, along with an acceleration in competitive currency depreciation. In light of these developments we are extremely comfortable having meaningful exposure to precious metals and

Performance History

Period	GBP A Share Class
1 Month	-1.09%
Year-to-date	20.02%
Since inception (16.06.2015)	47.64%



The fund is managed independently of any benchmarks. Chart source: Bloomberg LLP. Past performance is not necessarily a guide to future returns.

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Investment Commentary (continued)

other hard assets through our holdings in, for example, Ramelius Resources (a Western Australian gold producer), Wheaton Precious Metals (one of the world's largest precious metals streaming companies) and Boliden AB (which mines and smelts both base metals and precious metals). Base metals prices have fallen amidst concern over economic growth as macroeconomic data has underwhelmed over the last few months. Boliden shares fell again during the month (down 1.4%) in light of this negative sentiment. It continues however to operate strongly with little or no debt – one of our primary risk metrics. We'll look to add to the position over the next few months. Ramelius and Wheaton on the contrary had much stronger months, up 27% and 13% respectively. Optically, a holding of 6.8% of portfolio value in a Western Australian miner might be deemed 'risky'. Its financials suggest otherwise. The firm, despite its strong performance YTD, still offers a 20% CFO yield, and cash-flows that don't incorporate either the recent move in gold, or anticipated increased production. The firm is also carrying zero debt, so is well placed to take advantage of opportunities in the M&A market – which is picking up within the mining industry. Wheaton is a larger, more diversified firm, with zero exploration risk due to its streaming business model. We feel the combination of these two positions in the portfolio offers both diversification and real return benefits for the fund.

We are also comfortable having extremely selective country exposure within the portfolio, whether in frontier markets (i.e. Vietnam) or in more developed markets. Although our portfolio is not benchmarked to any global equity index, relative to our peers we maintain significant effective 'underweights' to the UK, US and especially China, where our exposure is effectively nil. We have purposely focused on the metric of cash-flow – either via our direct holdings, or those of regional managers. This is what has driven our lack of exposure to China, rather than the political unrest which is dominating headlines at present.

Fund Platforms

The fund is available on the following platforms:

AJ Bell	Allfunds
Alliance Trust	Ascentric
Aviva	Brewin Dolphin
Co-Funds	Hargreaves Lansdown
James Hay	Novia
Nucleus	Old Mutual Wealth
Stocktrade	TD Direct
Transact.	

Geographic Exposure*

Country	Allocation	Country	Allocation
Japan	29%	Vietnam	18%
Europe	21%	Canada	10%
US	11%	Malaysia	1%
Australia	7%	Other	2%
Cash	0%		

Sector Exposure*

Sector	Allocation	Sector	Allocation
Industrials	27%	Consumer	16%
Financials	9%	Commodities	26%
Technology	8%	Real Estate, Infrastructure	10%
Utilities	2%	Other	1%

Major Holdings*

Samarang Japan Value	19.4%
Halley Asian Prosperity Fund	18.7%
Argos Argonaut Fund	6.8%
Ramelius Resources Ltd.	6.8%
Vietnam Value and Income Fund	6.2%
Wheaton Precious Metals	5.8%
Loews Corp.	4.6%
Seaboard Corp.	4.5%
Yara International	4.4%
Boliden AB	3.8%

Fund Metrics*

Price to earnings ratio	12.8x
Price to book ratio	1.3x

*as at 31 August 2019

Important Information

Past performance is not necessarily a guide to future returns. The value of investments and the income from them may go down as well as up and is not guaranteed. An investor may not get back the amount originally invested. Price Value Partners Ltd does not give you investment advice so you will need to decide if an investment is suitable for you. Before investing in the fund please read the Key Information Document and Prospectus (and take particular note of the risk factors detailed therein). If you are unsure whether to invest you should contact a financial advisor. We have taken all reasonable steps to ensure that the above content is correct at the time of publication. However, markets are volatile and the portfolio may change at any time. If you no longer wish to receive these commentaries, please let us know and we will remove you from our distribution list, which is opt-in exclusively. The information above does not constitute investment advice or make any recommendation.