

THE VT PRICE VALUE PORTFOLIO

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.)

Factsheet as at 29 January 2021

Investment Commentary

The GBP A class of the fund recorded a loss of 2.85% for the month of January 2021. This brings the cumulative return of the fund in GBP from inception in June 2015 to 56.75%. The latest net asset value of each of the fund's share classes can be found [here](#).

The most headline-grabbing phenomenon of the month was the extraordinary story of GameStop and the broader trend of short squeezes in a number of listed, but heavily shorted, stocks on the US exchanges. The chart below shows the extent of short sales activity in the Russell 3000 index of the largest-capitalised US stocks:



The accepted narrative is that the short squeeze in such stocks represents the "fight back" by retail investors against privileged Wall Street / hedge fund interests. We suspect that a fairer way of describing the trend is a reflection of the chaos that comes when government furlough money collides with legions of bored day-traders, with Wall Street / hedge fund interests then playing **both** sides of the game.

In addition to the price action of the short-squeezed stocks, the FT [reported](#) the returns of a Goldman Sachs constructed index of non-profitable US listed firms. The index returned over 250% since the crisis in March last year. Its largest position, Plug Power Inc., has failed to report an annual profit since listing in 1999. Plug Power is up 500% since June. To us, this type of mania may well signal an inflection point in the seemingly perennial, but in fact comparatively recent, underperformance of value versus growth; see chart overleaf, which shows the performance of the MSCI World Value Index vs the MSCI World Growth Index.

Performance History

Period	GBP A Share Class
1 Month	-2.85%
Year-to-date	6.59%
Since inception (16.06.2015)	56.75%

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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Geographic Exposure*

Country	Allocation	Country	Allocation
Australia	19%	UK	18%
Japan	18%	US	14%
Europe	11%	Canada	10%
Vietnam	2%	Other	2%
Cash	6%		

Sector Exposure*

Sector	Allocation	Sector	Allocation
Commodities	41%	Industrials	17%
Financials	13%	Consumer	10%
Technology	8%	Real Estate, Infrastructure	3%
Utilities	2%	Cash	6%

Major Holdings*

Samarang Japan Value	13.03%
Halley Asian Prosperity Fund	8.64%
CMC Markets plc	7.19%
Argos Argonaut Fund	7.07%
Ramelius Resources Ltd.	6.55%
Fresnillo plc	6.21%
Wheaton Precious Metals	4.56%
IG Group Holdings plc	4.21%
Weis Markets Inc.	3.77%
Saracen Mineral Holdings Ltd.	3.50%

Fund Metrics*

Price to earnings ratio	16.1x
Price to book ratio	1.7x

*as at 29 January 2021.

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.

Investment Commentary (continued)



We have managed to deliver reasonable returns since inception despite eschewing the more hyped, market-leading stocks. The rise and subsequent collapse in the 'meme' stocks such as GameStop, Koss Corp and AMC Entertainment highlights once again that only strong operations lead to lasting share price performance. The other pertinent characteristic of long-term returns is the starting price paid for any investment. From Benjamin Graham and David Dodd's ground-breaking book on value investing, *Security Analysis* of 1934:

The notion that the desirability of a common stock was entirely independent of its prices seems incredibly absurd. Yet the new-era theory led directly to this thesis. An alluring corollary of this principle was that making money in the stock market was now the easiest thing in the world. It was only necessary to buy 'good' stocks, regardless of price, and then to let nature take her upward course. The results of such a doctrine could not fail to be tragic.

Our precious metals mining positions generally endured a weak month of returns, despite all reporting operations that exceeded our expectations. Saracen was the only miner adding value as it completed its merger with Northern Star Resources. These returns were partially offset by relatively strong performances by Intel (+11.4%) along with a number of industrial related firms; perhaps another signal that value sectors are starting to perform. We continue to find attractively valued, cash-generative companies with little or no attendant debt, as it is becoming increasingly clear that it is the bond market, not the equity market, that is priced for perfection at currently prevailing valuations.

Fund Platforms

The fund is available on the following platforms:

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