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
(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.)	
Minimum Investment A	£1000 / $1000 / €1000
Minimum Investment B	£1M; $1M; €1M

Factsheet as at 30 September 2021

Investment Commentary

The GBP A class of the fund recorded a loss of 6.12% for the month of September 2021. This brings the cumulative return of the fund in GBP from inception in June 2015 to 56.61%. The latest net asset value of each of the fund's share classes can be found here.

The world's most indebted real estate developer, Evergrande, made headlines this month as the extent of its vast debt problem and lack of cash-flow ultimately became clear. 12 months ago, each of the 15 analysts reporting on Evergrande via Bloomberg were recommending the stock as a buy or a hold, including JP Morgan, Goldman Sachs, and Credit Suisse. Over the following year, the share price eventually started to react to the underlying operations of the firm and as at the time of writing, the shares were down 85% since those positive analyst notes from last year.

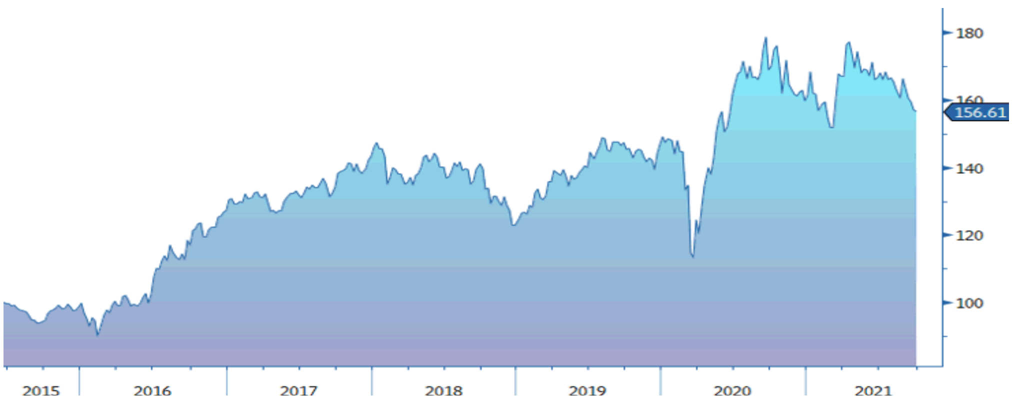
Yet to us, Evergrande was and remains the definition of a poor operating company. Real estate firms generate the vast majority of their profits by simply revaluing their property portfolio - with only a small percentage of net income generated through cash-flow from operations. Since 2004, Evergrande has consistently posted positive EBITDA figures, yet, accounting for working capital adjustments, the firm has posted positive cashflow from operations just twice in that 18 year period. This was a speculative trading firm, not an operating firm, and the additional debt burden simply increased the risk while decreasing the ability of the firm to weather price fluctuations in its property portfolio. It is for this reason that we invest only into strongly 'operating' businesses. One added benefit of focusing on the cash-flow is we can take advantage when the shares of our firms fall whilst the operations remain strong. Anyone taking advantage during the early fall in Evergrande's share price has paid a very high price for assuming the share price would recover.

However, despite strong operations, all stocks will fluctuate in line with the vicissitudes of the market. As Benjamin Graham calmly reflected, the market is a voting machine in the short term, but a weighing machine in the long term. This implies firms with 'substance' outperform the market over time, albeit with potentially volatile share price swings along the way, something we're well accustomed to. Founder-owned CMC Markets was down 32.6% on the month after cutting revenue guidance by 15%

Performance History

Period	GBP A Share Class
1 Month	-6.12%
Year-to-date	-2.94%
Since inception (16.06.2015)	56.61%

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



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Geographic Exposure*

Country	Allocation	Country	Allocation
Australia	23%	Japan	21%
US	20%	Europe	17%
UK	10%	Canada	6%
Vietnam	2%	Other	1%
Cash	*0%*		

Sector Exposure*

Sector	Allocation	Sector	Allocation
Commodities	38%	Industrials	21%
Consumer	15%	Financials	11%
Technology	9%	Real Estate, Infrastructure	4%
Utilities	2%	*Cash*	*0%*

Major Holdings*

Samarang Japan Value	15.0%
Halley Asian Prosperity Fund	10.1%
Argos Argonaut Fund	8.9%
Ramelius Resources Ltd	8.1%
CMC Markets plc	7.6%
Seaboard Corp.	5.3%
Weis Markets Inc	4.6%
Kirkland Lake Gold Ltd	4.4%
Perseus Mining Ltd	4.0%
Mueller Industries Inc	3.7%

Fund Metrics*

Price to earnings ratio	16.1x
Price to book ratio	1.8x

*as at 30 September 2021

Investment Commentary

as a result of reduced market volatility and thus lower trading activity across its client base. Yet the firm's monthly active client numbers remain largely unchanged at around one third higher than pre-covid levels, and the firm still expects to bring in £250m of operating income this year. We have taken advantage of the market's irrationality by buying more shares of this objectively well-run company, by rotating proceeds from IG Group. IG, also a very strong operating firm with little to no debt, offers a 19% cashflow yield whereas CMC's yield stands at 35%. These firms operate in the same sector as trading platform providers, so we're now gaining more exposure to an objectively cheaper company while taking no additional sector risk.

Our commodity firms will soon release their end September updates which we're cautiously optimistic about. Our cheapest real asset allocations, Ramelius Resources and Silver Lake Resources, offering 38% and 30% cashflow yields, were down on the month 11.3% and 2.6% respectively. In its last update, Ramelius reaffirmed FY2022 production guidance of 260,000 ounces, confirmed increased year on year net profits +12% at A$126.8m, and is operating in-line for another record year with the introduction of ore material from the Tampia Gold mine to its Edna May processing facility.

Silver Lake is operating just as strongly. The firm has 1.36m ounces of ore reserves (economically viable resources), an 18% increase versus its June 2020 figure. Gold production guidance is 255,000 ounces, driven by its flagship mine Deflector, operating at a 63% cost-production margin. Both Ramelius and Silver Lake continue to finance all production and life of mine extensions via internal organic cashflow from operations. Ramelius and Silver Lake are the definitions of 'sleep-at-night' holdings, because while share prices of quality operating firms will fluctuate, all our underlying holdings operate with bulletproof balance sheets which allows them to weather the ebbs and flows of their respective industries.

We've experienced several drawn-out periods of underwhelming price action before, and we're once again grateful for the opportunity to buy more of our favoured firms, be they mineral producers or non-commodity firms, at irrationally low valuations. We'll patiently await the quarterly operating updates early this month and take advantage of the current disconnect between the share prices and the operations of our holdings.

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

Important Information