

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 31 August 2021

Investment Commentary

The GBP A class of the fund recorded a gain of 0.14% for the month of August 2021. This brings the cumulative return of the fund in GBP from inception in June 2015 to 66.83%. The latest net asset value of each of the fund's share classes can be found [here](#).

Fed Chairman Powell, speaking at the virtual Jackson Hole symposium, suggested that while 'substantial' progress has been made and that the time is right to begin tapering off some economic support, this does not mean that the Fed will be raising interest rates from their near-zero levels any time soon.

"There has been clear progress toward maximum employment... Even after our asset purchases and our elevated holdings of longer-term securities, we will continue to support accommodative financial conditions... The 12-month window we use in computing inflation now captures the rebound in prices, but not the initial decline, temporarily elevating reported inflation. These effects, which are adding a few tenths [of a percentage point] to measured inflation, should wash out over time."

We remain unsure as to just how effective ultra-low interest rates and excessive bond-buying are in generating a meaningful employment recovery. In the Bretton Woods monetary system (pre-1971), interest rates were raised during economic crises and yet the economy then grew more strongly than today. Following Powell's speech, the August employment release came in - with half the expected 613,000 increase in workers. Perhaps the long-forecasted 'tapering' of the Fed's purchases is likely to be delayed - again.

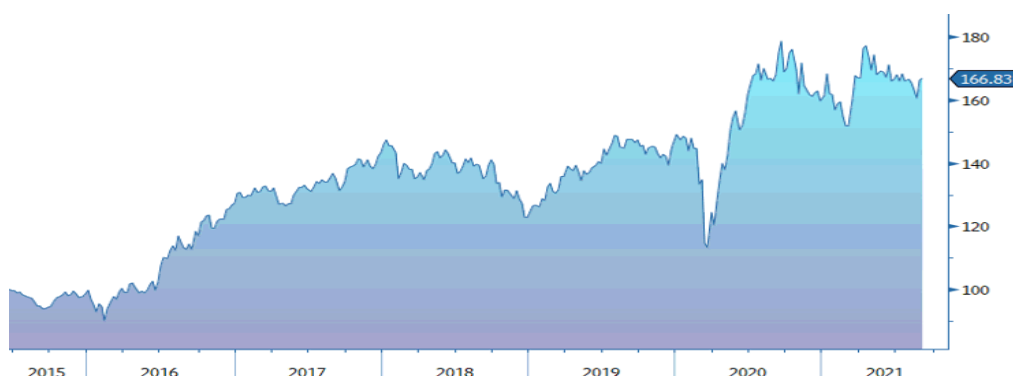
That said, our crystal ball is as cloudy as the next investment manager's. Inflation, interest rates and employment rates all may or may not rise. In many ways, our investment approach mirrors the approach of successful business owners and executives. Their focus, and ours, should be on strong cash operations - primarily financed through retained earnings, as opposed to borrowings. None of our invested companies seems overly interested in the macroeconomic outlook, or the size of the Fed's balance sheet. The only inflation they care about is in their specific input costs - which they have reported as increasing at a higher rate than Powell's 'few tenths' of a percent. They also reported strong cash operations and are all giving us double digit cash-flow yields - with our commodity firms in some cases offering c. 40% yields.

Performance History

Period	GBP A Share Class
1 Month	0.14%
Year-to-date	3.40%
Since inception (16.06.2015)	66.83%

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%	US	18%
Japan	18%	Europe	16%
UK	12%	Canada	8%
Vietnam	2%	Other	1%
Cash	2%		

Sector Exposure*

Sector	Allocation	Sector	Allocation
Commodities	36%	Industrials	22%
Consumer	14%	Financials	13%
Technology	8%	Real Estate, Infrastructure	3%
Utilities	2%	Cash	2%

Major Holdings*

Samarang Japan Value	13.1%
Halley Asia Prosperity Fund	8.7%
Ramelius Resources	8.3%
Argos Argonaut Fund	7.9%
CMC Markets plc	7.1%
IG Group Holdings plc	4.9%
Seaboard Corp.	4.6%
Airboss of America Corp.	4.5%
Weis Markets Inc	4.1%
Perseus Mining	3.9%

Fund Metrics*

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

*as at 31 August 2021

Important Information

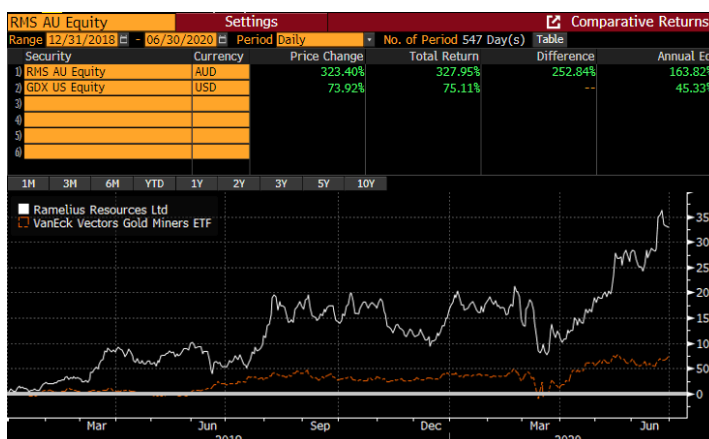
Past performance is not necessarily a guide to future returns. The value of investments and the income from them may go down as well as up and is not guaranteed. An investor may not get back the amount originally invested. Price Value Partners Ltd does not give you investment advice so you will need 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

Airboss shares were up 11.2% for the month after the company expanded its 'custom rubber solution' operations with the acquisition of Ace Elastomer. We halved the position earlier in the year after it doubled in price, and we may look to continue to rotate profits in due course. In the meantime, despite the strong share price performance year-to-date, it is still offering us a compelling double-digit cash-flow yield.

One of our worst performing stocks for the month was the German listed Aurubis. Shares in the metals firm were down 15.7% on the month despite the company recently posting strong results which beat market expectations by 112%. Pre-tax profit for the 9 months to end June was €268m, more than double that recorded the previous year. The disconnect between the shares of our mining firms and their operational updates is stark. Aurubis and our other resource firms do not require any uptick in inflation. At current commodity prices, Aurubis offers a 30% cashflow yield.

Ramelius was another poor performer during August, its shares falling by 9.6%. The firm is now again generating a 40% cashflow yield. The last time its shares were this cheap was at the end of 2018, with gold trading at c. \$1,300. Shares in Ramelius then rallied c. 3x over the next 18 months as sentiment towards the sector reversed. Its cash flow yield fell to 16%. The disconnect between the share prices of our miners and their operations may persist for a while more, but we expect a similar catch-up to take place.



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