

# 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  
Launch Date  
Share Classes  
Currency Classes  
Dealing, Valuation  
Management Fees  
ISIN Codes

Price Value Partners  
16 June 2015  
A, B  
GBP, USD, EUR  
Daily 12:00p.m. GMT  
A: 0.75% B: 0.50%  
A £ Acc:  
GB00BWZMTX09  
A £ Inc:  
GB00BD8PLW60

(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.)

A \$ Acc:  
GB00BWZMTY16  
A € Acc:  
GB00BWZMTZ23

B £ Acc:  
GB00BWZMV016  
B £ Inc:  
GB00BD8PLY84  
B \$ Acc:  
GB00BWZMV123  
B € Acc:  
GB00BWZMV230

Minimum Investment A  
Minimum Investment B

£1000 / \$1000 / €1000  
£1M; \$1M; €1M

## Performance History

Period	GBP A Share Class
1 Month	0.93%
Year-to-date	9.72%
Since inception (16.06.2015)	61.35%

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



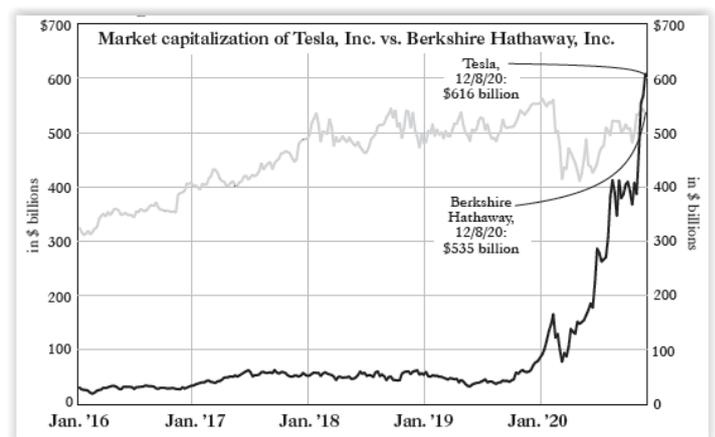
## Factsheet as at 31 December 2020

## Investment Commentary

The GBP A class of the fund recorded a gain of 0.93% for the month of December 2020. This brings the cumulative return of the fund in GBP from inception in June 2015 to 61.35%. The latest net asset value of each of the fund's share classes can be found [here](#).

In a year marked by strange things, perhaps few things in the financial markets were stranger than the continued surge in the stock price of Tesla, which ended 2020 worth more than Warren Buffett's holding company, Berkshire Hathaway Inc. Grant's Interest Rate Observer drew attention to a circumstance arguably even more remarkable than Tesla's ascension heavenwards, namely

..the indifference of the people who buy securities to the ancient beacons of price and value.



Source: Grant's Interest Rate Observer; Bloomberg LLP.

In the words of James Grant,

To the Vanguards, BlackRocks, State Streets, Schwabs, Feds, European Central Banks and Banks of Japan, it makes no difference whether the market is overvalued, undervalued or half out of its mind. They buy and sell as if Benjamin Graham had never lifted a pen. It's the overlay of indexed investing on radical monetary policy that's brought us to this value desert, we submit.

That said, we would contend that the death of value investing has, once again, been over-reported by the financial media. Our fund enjoyed decent returns for 2020 as a whole, despite being invested

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## Investment Commentary (continued)

in listed businesses markedly less “exciting” than Elon Musk’s trendy brainchild. But then 2020 was an unusual year. Who could have predicted that in a year when the cost of Covid 19-related lockdown to the US economy was estimated (by Messrs. Axe, Richards and Briggs in *The Price of Panic: how the tyranny of experts turned a pandemic into a catastrophe*) at \$1 trillion **a month**, the S&P 500 index (for example) would end up generating an annualised return of 18.4% ?

Something may yet have to give in 2021, and that something is likely to relate to the debt markets. Fund manager Otavio Costa of Crescat Capital points out that “a tsunami of \$8.5 trillion of US Treasury bonds will be maturing by the end of 2021. Monetary stimulus will have to be astronomic to cover this.” The economist David Rosenberg, on a related theme, opines:

The Central Banks are going to go into a new, non-conventional toolkit called debt monetization. They will lose control of the monetary base, and then we will go into a situation where, even with technology and with aging demographics in the industrialized world, we will be talking about inflation again. That might come in the next 18 to 24 months, and gold is going to skyrocket.

We happen to agree with this broad inflationary thesis, though longstanding clients will appreciate that our stock selection is driven entirely by bottom-up valuations and cash flow generation. The fortunate characteristic of our ‘inflation-protection’ commodity exposure, is that our miners don’t need higher commodity prices to generate strong book value growth. They are already offering us, as investors, strong double-digit cash-flow yields as at last year’s commodity prices. Perseus Mining rebounded from the lacklustre returns from the mining sector over recent months, up 17% for December. Ramelius has already released its end December quarterly update at the time of writing, and guidance was once again surpassed. Given the cash-flow yields on offer in the commodity sector, we expect our miners to push to new highs in the near future as their operations finance increased dividends, buybacks and capital expansion. We also own firms operating in other sectors of the economy that are all generating strong cash-flow yields with little or no real gearing. We continue to see value across many disparate sectors despite broad indices looking expensive. This supports our thesis that it is the bond market, not the listed equity one, that is perhaps fully valued.

## 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

## Geographic Exposure\*

Country	Allocation	Country	Allocation
Australia	20%	UK	19%
Japan	18%	US	13%
Europe	11%	Canada	9%
Vietnam	2%	Other	2%
Cash	6%		

## Sector Exposure\*

Sector	Allocation	Sector	Allocation
Commodities	43%	Industrials	15%
Financials	13%	Consumer	10%
Technology	8%	Real Estate, Infrastructure	3%
Utilities	2%	Cash	6%

## Major Holdings\*

Samarang Japan Value	12.83%
Halley Asian Prosperity Fund	9.12%
Ramelius Resources Ltd.	7.19%
Fresnillo plc	6.83%
CMC Markets plc	6.80%
Argos Argonaut Fund	6.67%
Wheaton Precious Metals	4.80%
IG Group Holdings plc	4.76%
Weis Markets Inc.	3.67%
Saracen Mineral Holdings Ltd.	3.43%

## Fund Metrics\*

Price to earnings ratio	16.3x
Price to book ratio	1.8x

\*as at 31 December 2020.

## 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.