THE VT PRICE VALUE PORTFOLIO

Factsheet as at 28 February 2020

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

Investment Commentary

The GBP A class of the fund recorded a loss of 7.35% for the month of February 2020. This brings the cumulative return of the fund in GBP from inception in June 2015 to 33.36%. The latest net asset value of each of the fund's share classes can be found here.

In last month's commentary we suggested that the new coronavirus was likely to become a "transient" worry for equity markets. That may yet turn out to be correct, but it is now clear that the spread of Covid-19 will have a big impact on corporate supply lines, global travel and trade, and presumably the share prices of cyclical industrial businesses.

Covid-19 is a perfect example of what Nassim Nicholas Taleb, in his book of the same name, has popularised as a "black swan" event. Nobody saw it coming. In his '20 risks to markets in 2020', for example, Deutsche Bank economist Torsten Slok's November 2019 list of potential concerns for equity investors for the year ahead, the threat of a global pandemic does not feature.

The longer term impact of Covid-19 on equity markets is not as straightforward as it might seem in the heat of widespread investor panic. It is almost certainly correct to suggest that the acceleration of coronavirus cases outside China will likely trigger substantial global demand and supply shocks. However, a number of investors are already looking through the short term deflationary pressure and economic uncertainty (and the prospect of the successful development of a vaccine for the disease in the months to come), and are starting to anticipate the policy response on the part of the world's governments and central banks.

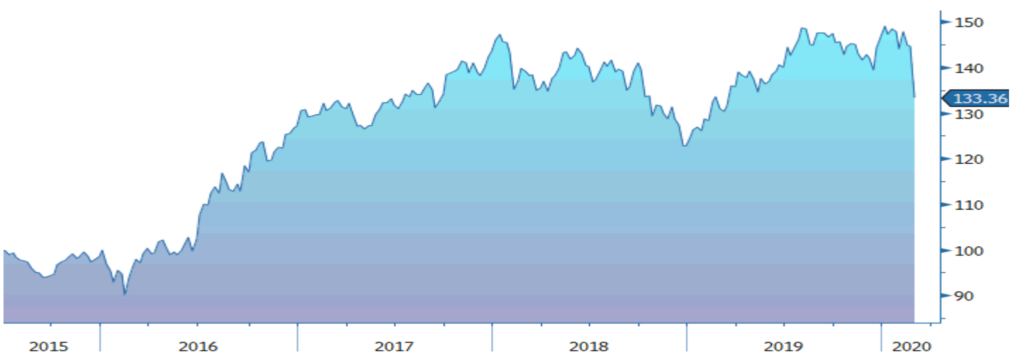
We agree that further economic stimulus – perhaps both monetary *and* fiscal – is a plausible outcome from the global spread of a virus that nobody foresaw, but which will have an undoubted impact on corporate revenues – and debt service for already heavily indebted governments.

In this light, we took the decision during the panic selling at the end of the month to reduce the fund's exposure to objectively cyclical investments - Yara International, Boliden and Aggreko - to reinvest the proceeds into three firms that we believe are better positioned to deliver strong shareholder returns (RoE) in this 'new' environment. These firms share similar characteristics: they are all debt free, all generating strong cash-flow yields (in

Performance History

Period	GBP A Share Class
1 Month	-7.35%
Year-to-date	-9.32%
Since inception (16.06.2015)	33.36%

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
Japan	30%	UK	12%
Vietnam	10%	US	10%
Europe	8%	Australia	7%
Canada	7%	Other	4%
Cash	*12%*		

Sector Exposure*

Sector	Allocation	Sector	Allocation
Commodities	25%	Industrials	17%
Consumer	14%	Financials	12%
Technology	9%	Real Estate, Infrastructure	8%
Utilities	3%	*Cash*	*12%*

Major Holdings*

Samarang Japan Value	19.0%
Halley Asian Prosperity Fund	18.5%
Argos Argonaut Fund	8.4%
Wheaton Precious Metals	6.7%
Ramelius Resources Ltd.	6.3%
Vietnam Value and Income Fund	6.0%
Loews Corp	4.8%
Seaboard Corp	4.7%
IG Group Holdings plc	3.7%
Fresnillo plc	3.6%

Fund Metrics*

Price to earnings ratio	13.2x
Price to book ratio	1.4x

*as at 28 February 2020

Investment Commentary (continued)

excess of 20% in some cases) and all of them are growing their cash-flow and EBITDA. It is curious that the share prices of these firms fell more heavily than those of Yara, Boliden and Aggreko during the month-end sell-off, but they represent an opportunity for the fund to gain access to faster growing firms at much cheaper valuations than we expected. We'll discuss these holdings in more detail next month.

The month's disappointing returns were spread relatively evenly across the fund. Yara and IG Index were the best performers over the month, adding just under 2% each. Ramelius made a new high during the month, reaching AUD 1.475. Its share price was, however, a casualty of the broad end-February sell-off, and it finished down 12.5% for the month. We'll make a small top-up with the sales proceeds but we're happy with its current position size given the strength of its cash operations.

Along with Ramelius, Seaboard was one of the worst performers, down over 11%. The firm nevertheless announced strong operations during February, with EBITDA up 11% versus 2018, despite a tough environment for its pork and turkey subsidiaries. Indeed, its EBITDA figure of $380m was its highest since 2014, as margins that were c. 1% at the start of the year rose to over 5% in Q4. We often find investment opportunities in firms with fluctuating margins, possibly because the market tends to favour companies that report stable margins - even if such stability is illusory. The key, in our view, is to ensure that firms have little to no leverage, as this gives management more flexibility to operate at these lower margins and to acquire competitors. With meaningful debt, a firm is sometimes in a race against time to increase margins. This may sometimes force firms to make poor capital allocation decisions. Over the last few years of lower pork prices, Seaboard has acquired multiple hog farms, and in 2019 it expanded its pork producing facilities with a $164m capital expenditure - all whilst maintaining a negative net debt position (more cash and investments than debt on its balance sheet).

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.	

Important Information