

THE VT PRICE VALUE PORTFOLIO

Factsheet as at 31 January 2019

Investment Commentary

The GBP A class of the fund recorded a gain of 4.29% for the month of January 2019. This brings the cumulative return of the fund in GBP from inception in June 2015 to 28.28%.

2019 looks set to be marked by increasing politicisation of monetary and economic policy. While President Trump has been squaring off against China over trade, Federal Reserve chairman Jay Powell appears to have softened the US central bank's attitude towards winding down crisis-era stimulus. Fears that the Fed had become too hawkish on interest rates and quantitative tightening took their toll on equity markets in 2018; US stocks welcomed the apparent change in emphasis at the Fed's January meeting, at which the target range for Fed Funds was kept at 2.25% - 2.50%. Previous Fed guidance had indicated the likelihood of at least two hikes in short term rates this year. Its new language suggests that that degree of tightening is now off the table.

We have used the volatility in the marketplace to readjust the fund somewhat during the last few weeks. We remained fully invested over the period, however we built up larger positions in holdings or businesses that are operating strongly, but which have sold off further during this volatile period than other investments. Shares in Samarang Asian Prosperity, for example, fell almost twice as much as our holding in Arcus Japan in the last quarter of 2018. This period was a challenging one for all investors in the listed equity markets, however the big advantage of listed equity over private equity is that there is always someone willing to sell shares of the company on a daily basis – albeit the price is clearly negotiable. This brings with it attendant 'mark to market' price movements, but we are genuinely delighted to be investing into companies and funds that we can add to during these sharp falls. We are not immune to the negative emotional response to falls in the value of the fund, though the advantages to being able to adjust the portfolio during such times, and increase exposure to higher conviction positions, more than outweigh the angst generated by short term performance issues. The last time Samarang traded with similar underlying metrics to today – with an average p/e of 8x, a price / book ratio of 0.8, and with a historic return on equity of 16% - was at the fund's launch in 2012. The fund has since returned c. 14% annually to its investors.

Earnings season is in full swing at the moment but so far we have only seen a couple of our holdings report – namely Ramelius Resources and Millennium Minerals (continued overleaf).

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.

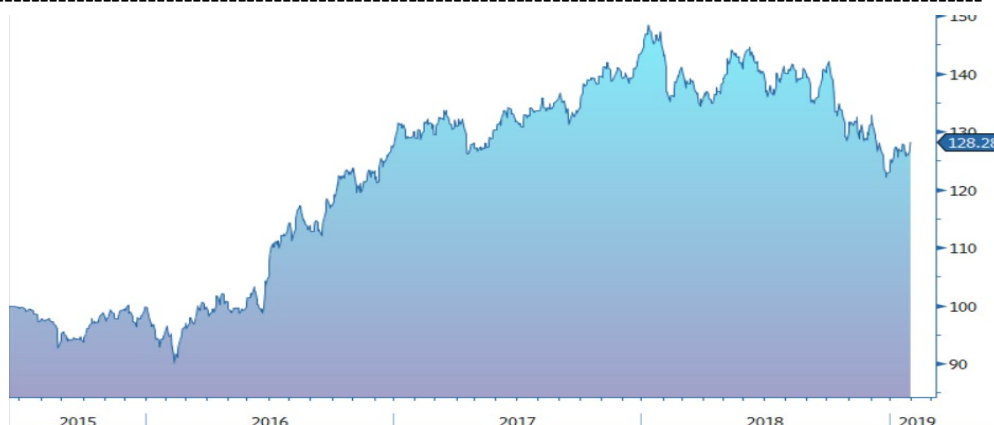
Fund Facts

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.)

Performance History

Period	GBP A Share Class
1 Month	4.29%
Year-to-date	4.29%
Since inception (16.06.2015)	28.28%



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	32%	Vietnam	19%
Europe	22%	Canada	8%
US	11%	Malaysia	3%
Australia	3%	Other	1%
Cash	1%		

Sector Exposure

Sector	Allocation	Sector	Allocation
Industrials	27%	Consumer	17%
Financials	9%	Commodities	21%
Technology	9%	Real Estate, Infrastructure	11%
Utilities	3%	Other	2%

Major Holdings

Halley Asian Prosperity Fund	18.5%
Samarang Japan Value	17.4%
Vietnam Value and Income Fund	9.4%
Argos Argonaut Fund	7.7%
Loews Corp	4.8%
Michinori Japan Equity Fund	4.7%
Wheaton Precious Metals	4.5%
Yara International	4.4%
Seaboard Corp	4.2%
Power Corp of Canada	3.7%

Fund Metrics

Price to earnings ratio	12.4x
Price to book ratio	1.2x

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)

Both saw continued strong operations and were rewarded with strong returns in January, up 21% and 27% respectively. Just as in the case of Samarang, the operational growth of Ramelius in 2018 was not reflected in its share price. The firm has grown every metric possible for a company – revenues, cash-flow from operations, life of mine, reserves, resources, and cash on balance sheet. Indeed, the only metric that has remained constant during the year was the level of its debt – which still stands at zero. Ramelius also received its first broker coverage in early January 2018 with RBC giving it a share price target of AUD 0.80. However, despite its impressive operational year, shares were priced at AUD 0.47 at the end of December after reaching a low of AUD 0.38 during the year. It is now a 200,000 oz. gold producer and has almost doubled the number of tenements within its mining portfolio. We expect strong rates of return from Ramelius during 2019 and we have a higher (informal) price target than RBC – but like all our investments, it may well require more patience until the market itself recognises the strength of its underlying operations.

The fund is now fully invested, however we anticipate an increase in trading over the next few weeks as a number of our smaller holdings, e.g. Boskalis Westminster, report end December financials. In the case of Boskalis, the firm appeared on our valuation screenings after its market capitalisation declined due to asset write-downs. The firm is generating a c. 11% CFO yield, as at the end of June, and has subsequently announced numerous contracts won in its towage, dredging and land reclamation subsidiaries. Write-downs are invariably forced upon companies due to a fall in cash-flow. If the cash-generating units (CGU) of their distinct product lines fall, then accounting rules require write-downs and subsequent net losses. However, we feel that by focusing on cash-flow, we can be confident that in the aggregate, cash-flow amongst our investee companies is strong and any associated write-downs, although painful, are not likely to persist.

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.	