

THE VT PRICE VALUE PORTFOLIO

Factsheet as at 31 July 2020

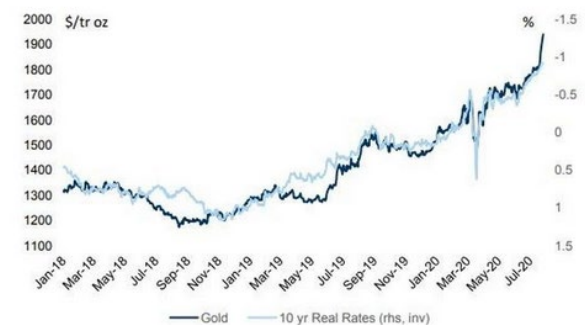
Investment Commentary

The GBP A class of the fund recorded a gain of 2.54% for the month of July 2020. This brings the cumulative return of the fund in GBP from inception in June 2015 to 66.17%. The latest net asset value of each of the fund's share classes can be found [here](#).

July ended with reports that the US economy during Q2 2020 shrank by an annualised 32.9 percent, according to a preliminary estimate by the Bureau of Economic Analysis. Whether to attribute this kind of unprecedented slowdown to coronavirus itself, or to multiple governments' haphazard, chaotic and arbitrary responses to the disease, is somewhat moot. The US dollar also fell during July by the most in a decade. The dollar index, a measure of the US currency's strength versus six international peers, fell by 4.4 percent for the month. The corollary of weakness in the world's major reserve fiat currency is strength in the monetary metals, gold and silver, both of which enjoyed solid gains during July. Gold reached a record nominal high above \$1983 per troy ounce, rising 11 percent for the month. Goldman Sachs' chief commodities strategist, Jeffrey Currie, remarked on July 28th that

Real concerns around the longevity of the U.S. dollar as a reserve currency have started to emerge.. We have long maintained gold is the currency of last resort, particularly in an environment like the current one where governments are debasing their currencies and pushing real interest rates to all-time lows.. The greater the deflationary concerns that policymakers must fight today, the greater the debt build-up and the higher the inflationary risks are in the future.. Today the risk is from debasement of fiat currencies that sows the risk for inflation, and gold is the best hedge against debasement.

Exhibit 1: Gold has broken away from real rates



Source: Bloomberg, Goldman Sachs Global Investment Research

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

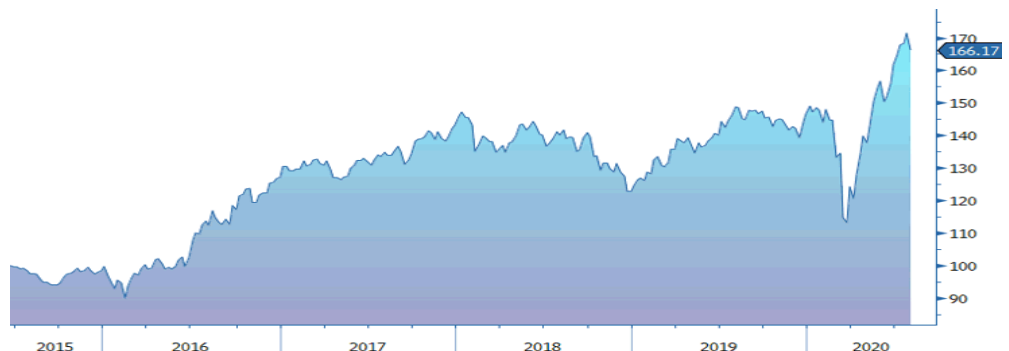
Investment Manager	Price Value Partners
Launch Date	16 June 2015
Share Classes	A, B
Currency Classes	GBP, USD, EUR
Dealing, Valuation	Daily 12:00p.m. GMT
Management Fees	A: 0.75% B: 0.50%
ISIN Codes	A £ Acc: GB00BWZMTX09 A £ Inc: GB00BD8PLW60 A \$ Acc: GB00BWZMTY16 A € Acc: GB00BWZMTZ23 B £ Acc: GB00BWZMV016 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	2.54%
Year-to-date	12.99%
Since inception (16.06.2015)	66.17%

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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Investment Commentary (continued)

As Goldman Sachs point out in their chart on the previous page, gold has started to decouple from the ever-lower trend in US real interest rates. It has long been argued that gold bullion, for example, struggles to compete with interest-bearing securities given the costs associated with its storage and its inability to provide a coupon or dividend. That argument starts to break down when interest-bearing securities no longer offer a positive real rate of interest, and when the value of supposedly low risk government securities such as US Treasury bonds is imperilled by the amount of future issuance consistent with the US administration's aggressive monetary and fiscal response to the coronavirus crisis.

We see merit in the inflation hedging characteristics of both gold and silver, but our investments within the portfolio in precious metals mining companies are not so much driven by an over-arching 'macro' view about ailing fiat currencies, as by compelling bottom-up valuations. We are seeing similar bottom-up opportunities in the broad commodity complex and over the next few months, we'll start to rotate some of our commodity exposure back into base metal and oil-related securities that also offer compelling cash-flow yields and where those companies carry zero debt. Our caution is due to the seeming unwillingness of western governments to fully restart their economies in the face of declining Covid death rates. As with all narratives, we expect the current concern over higher numbers of positive Covid tests to shift to more favourable coverage regarding low death rates – but perhaps not before the end of the winter flu season.

In July we rotated c. 2% of capital between Wheaton Precious Metals and Fresnillo on the back of more robust cash-flow yields from the latter. The fund benefitted from this slight shift, with Fresnillo gaining 46% for the month, and Wheaton adding another 23%. CMC continued its strong operations, announcing to the market a strong end June quarter. Whilst no specific profit forecast was announced, the firm stated that even if client activity normalised, the firm would exceed guidance provided earlier in July. CMC shares rose 20% during the month. We hold 8% of the fund in cash, which will be used to take advantage of opportunities as we are still awaiting end June operational updates for some existing and target 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

Geographic Exposure*

Country	Allocation	Country	Allocation
Australia	27%	UK	18%
Japan	17%	Canada	10%
US	10%	Europe	6%
Vietnam	2%	Other	2%
Cash	8%		

Sector Exposure*

Sector	Allocation	Sector	Allocation
Commodities	48%	Consumer	9%
Industrials	12%	Financials	11%
Technology	6%	Real Estate, Infrastructure	4%
Utilities	2%	Cash	8%

Major Holdings*

Samarang Japan Value	12.0%
Ramelius Resources Ltd.	9.7%
Halley Asian Prosperity Fund	9.0%
Fresnillo plc	7.8%
Wheaton Precious Metals	6.4%
CMC Markets plc	6.0%
Argos Argonaut Fund	5.8%
Silver Lake Resources Ltd.	4.6%
Saracen Mineral Holdings Ltd.	4.4%
IG Group Holdings plc	4.3%

Fund Metrics*

Price to earnings ratio	16.8x
Price to book ratio	2.0x

*as at 31 July 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.