

THE VT PRICE VALUE PORTFOLIO

Factsheet as at 31 July 2021

Investment Commentary

The GBP A class of the fund recorded a gain of 0.82% for the month of July 2021. This brings the cumulative return of the fund in GBP from inception in June 2015 to 66.59%. The latest net asset value of each of the fund's share classes can be found [here](#).

In 1795, magistrates gathered in the English village of Speenhamland to solve a social crisis brought on by the rising price of grain and an increase in poverty. Measured help was offered; household incomes were topped up to cover the cost of living for the first time. Thereafter, the welfare state has continued to expand, with Universal Basic Income (UBI) or 'helicopter money' being its latest manifestation. Rather than providing genuine welfare, a government pays a sum of money to each of its citizens regardless of their income or employment status. The Covid-19 crisis has given the idea fresh momentum. In Germany, according to plans of a recent country-wide campaign 'Bring Basic Income to The State', 10,000 people are to receive a monthly basic income of about 1,200 euros for three years.

Jürgen Schupp, who is leading the study, told the German newspaper Der Spiegel:

"It is — on both sides — shaped by clichés: Opponents claim that with a basic income people would stop working in order to dull on the couch with fast food and streaming services. Proponents argue that people will continue to do fulfilling work, become more creative and charitable, and save democracy."

British classical economist David Ricardo complained that the Speenhamland model was a prosperity drain, and invited imprudence. We have sympathy with Ricardo's viewpoint but rather than waste energy highlighting yet more financial imprudence by Western governments, we'll ensure our investment exposure will benefit from these inflationary macroeconomic policies. Q2 operational updates were limited to mostly the mining sector, in which all participants announced another strong quarter. Unfortunately, not all our mining firms saw these operational improvements reflected in immediate share price appreciation.

Western Australia gold miner Silver Lake Resources fell 7.5% despite meeting guidance and forecasting yet another strong 12 months ahead. Perhaps investors overreacted to comments of a labour shortage due to Australia's continued strict Covid-19 restrictions. The firm currently produces gold ounces at a margin in excess of AUD 850 per oz., and is set to produce another 250,000 ounces over the next year.

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	0.82%
Year-to-date	3.25%
Since inception (16.06.2015)	66.59%

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	24%	US	18%
Japan	17%	Europe	16%
UK	13%	Canada	8%
Vietnam	2%	Other	1%
Cash	1%		

Sector Exposure*

Sector	Allocation	Sector	Allocation
Commodities	39%	Industrials	21%
Financials	14%	Consumer	13%
Technology	8%	Real Estate, Infrastructure	3%
Utilities	1%	Cash	1%

Major Holdings*

Samarang Japan Value	12.8%
Ramelius Resources	9.1%
Halley Asia Prosperity Fund	8.2%
Argos Argonaut Fund	7.9%
CMC Markets plc	7.7%
IG Group Holdings plc	4.8%
Seaboard Corp.	4.6%
Airboss of America Corp.	4.4%
Perseus Mining	4.2%
Weis Markets Inc	3.9%

Fund Metrics*

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

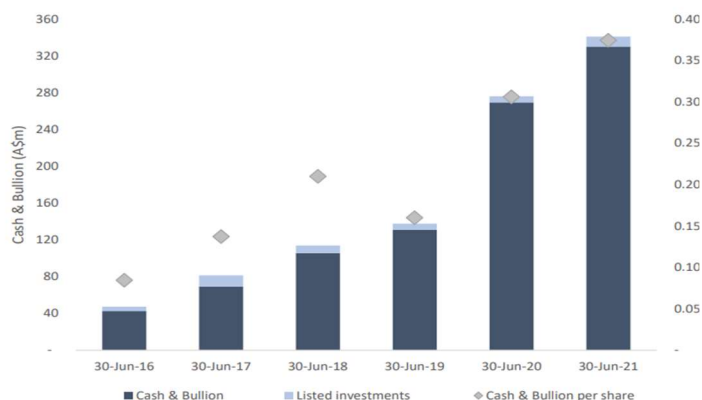
*as at 31 July 2021

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

These figures translate to a 32% CFO yield, which is c. 2.6 times as high as large cap gold producer, Newmont Mining. As a result of its strong cash operations, Silver Lake's balance sheet now has A\$330m in cash (shown below). Cash-robust firms are the first ones able to take advantage of struggling competitors by buying their reserve bases and incorporating them into existing processing facilities. We've seen Ramelius do this several times with its Edna May and Vivien projects, and Silver Lake has also incorporated new acquisitions into its two processing centres. We expect them to continue adding ounces via acquisitions later this year.



Another Western Australia gold miner, Regis Resources, posted an equally impressive update and was up 9.32% for the month. Completion of the Tropicana acquisition and first production from its newly operational Rosemont Underground mine resulted in record quarterly production of over 114k ounces, and the firm continues to make progress with the New South Wales Department of Planning, Industry and Environment in relation to permitting for the McPhillamys Project.

Away from the mining sector, Weis Markets, a US grocery retailer with 197 stores, was up 2.52% on the month. The family run, debt free business, had a strong 2020 and start to this year, however the market continues to ignore its improvement in operations. It offers a c. 25% CFO yield which is a reflection of the disparity over the last few years between operations and share price. Patience should be rewarded in due course as the shares catch up with the ever more profitable operations.

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