

# 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  
A \$ Acc:  
GB00BWZMTY16  
A € Acc:  
GB00BWZMTZ23  
B £ Acc:  
GB00BWZMV016  
B £ Inc:  
GB00BD8PLY84  
B \$ Acc:  
GB00BWZMV123  
B € Acc:  
GB00BWZMV230  
£1000 / \$1000 / €1000  
£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.)

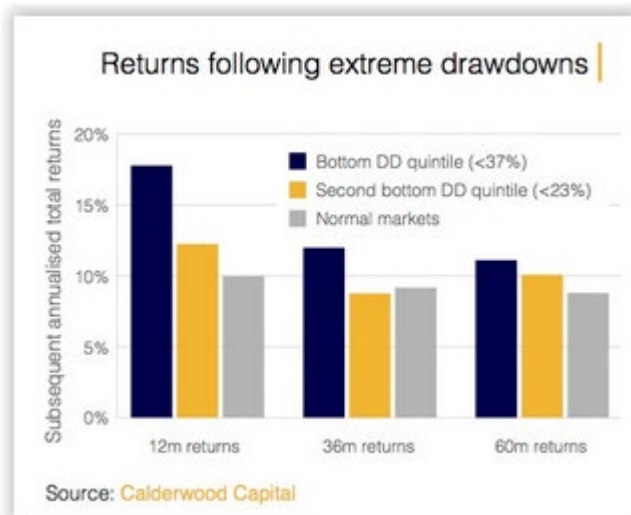
Minimum Investment A  
Minimum Investment B

## Factsheet as at 31 March 2020

## Investment Commentary

The GBP A class of the fund recorded a loss of 8.98% for the month of March 2020. This brings the cumulative return of the fund in GBP from inception in June 2015 to 21.38%. The latest net asset value of each of the fund's share classes can be found [here](#).

As financial markets around the world struggle to price in the economic impact of the coronavirus pandemic, it would be plausible to expect some form of relief rally by global stocks. Following the sharp falls experienced during March, the chart below indicates the historic returns from stock markets in the aftermath of previous dramatic sell-offs.

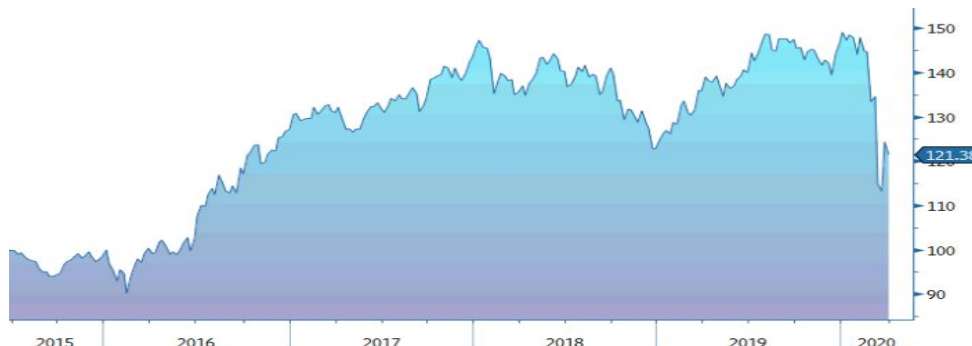


But not all markets are created equal amid the coronavirus pandemic. Japanese companies, for example, have been hoarding cash for the last 25 years as they have dealt with the impact of their own domestic deflationary depression. As a result, they now have the healthiest balance sheets in the world. By dint of carefully stewarding their capital, they have also been able to roughly triple their dividends over the last six years or so. Compare the situation of Japanese companies with that of their US peers, for example. US companies are entering this recession with more leverage than ever. Corporate debt issuance has risen by 78% since the Global Financial Crisis. In the light of this leverage predicament, ratings agency Moody's at the end of March downgraded its outlook on \$6.6 trillion of US corporate debt to 'negative'.

## Performance History

Period	GBP A Share Class
1 Month	-8.98%
Year-to-date	-17.46%
Since inception (16.06.2015)	21.38%

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	22%	UK	14%
Vietnam	8%	US	8%
Europe	7%	Australia	18%
Canada	10%	Other	4%
Cash	9%		

## Sector Exposure\*

Sector	Allocation	Sector	Allocation
Commodities	39%	Industrials	12%
Consumer	13%	Financials	11%
Technology	7%	Real Estate, Infrastructure	7%
Utilities	2%	Cash	9%

## Major Holdings\*

Samarang Japan Value	15.0%
Halley Asian Prosperity Fund	11.9%
Argos Argonaut Fund	7.0%
Wheaton Precious Metals	7.0%
Ramelius Resources Ltd.	6.7%
Vietnam Value and Income Fund	5.6%
CMC Markets plc	4.8%
Seaboard Corp	4.5%
IG Group Holdings plc	4.3%
Fresnillo plc	4.3%

## Fund Metrics\*

Price to earnings ratio	15.2x
Price to book ratio	1.7x

\*as at 31 March 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.

## Investment Commentary (continued)

Given the severity of the likely economic fallout from the spread of Covid-19, companies around the world are also likely to come under pressure to trim or suspend dividend payments altogether.

Because of the significant role that reinvested dividend income plays in overall equity returns, we are only willing to countenance investing in listed companies that are generating strong cash flows, and that have robust balance sheets with little or no attendant debt.

The rapid response by governments and central banks to the coronavirus crisis has already led to massive fiscal and monetary stimulus. We expect more of both. It has only been a month since the impact of Covid-19 was reflected in heightened equity market volatility. However, from a microeconomic perspective, the commodity firms held in the fund are operating more strongly as at the end of March than at the beginning. In this light, we continued to add to our favoured holdings during the month – a strategy that started at the end of February. In essence we're simply trying to follow the cash-flows, and to take advantage of the wholesale indiscriminate sell-off that has occurred in some of these companies' share prices over the last month. That way, the fund will be better positioned as and when the stock market reacts to these improving cash-flows.

During March, we saw gains from our financial investments, CMC Markets (+20%) and IG Index (+2.8%), and some of our precious metals exposure, with Fresnillo up 10.5%. We also saw net positive gains from our latest commodity investments and we'll provide more information on these holdings when we're fully allocated. The negative return was led by our holding in Vietnam Value & Income Fund, down c. 20%. We will fully exit that fund this month as we see more compelling value elsewhere following this generalised market decline. Ramelius, for example, announced record profits for the quarter, yet its shares fell by 12%. Such an environment enables us to add more to positions in highly profitable firms – at even more compelling valuations.

## 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.	