THE VT PRICE VALUE PORTFOLIO

Factsheet as at 31 March 2021

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 gain of 9.16% for the month of March 2021. This brings the cumulative return of the fund in GBP from inception in June 2015 to 65.87%. The latest net asset value of each of the fund's share classes can be found here.

The month began and ended with financial scandals. The Anglo-Australian financial services company Greensill Capital filed for insolvency protection on March 8th, having specialised in what the company called "future accounts receivable finance", amid allegations of fraud. The German financial regulator BaFin is now investigating the case. On 26th March, family office group and hedge fund Archegos Capital Management defaulted on margin calls from several investment banks, including Credit Suisse, Nomura, Goldman Sachs and Morgan Stanley. The company had concentrated positions in Chinese, media and technology stocks along with what now seems, in hindsight, obviously imprudent levels of leverage.

The apparent rise in financial frauds and 'irregularities' should perhaps be no surprise after such an enduring period of rising stock markets allied with loose monetary conditions.

The US economist Hyman Minsky:

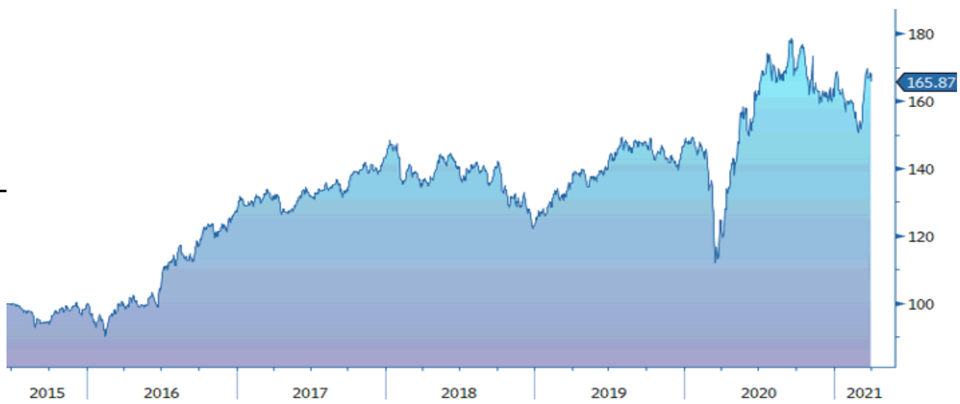
> It can be shown that if hedge financing dominates, then the economy may well be an equilibrium-seeking and containing system. In contrast, the greater the weight of speculative and Ponzi finance, the greater the likelihood that the economy is a deviation-amplifying system.. Over a protracted period of good times, capitalist economies tend to move from a financial structure dominated by hedge finance units to a structure in which there is large weight to units engaged in speculative and Ponzi finance.

From numerous reports, Archegos had fund equity of around \$10 billion. Positions have been estimated in the range of \$50 billion to \$100 billion, meaning a leverage ratio between 5 and 10 to one. We have never subscribed to the industry norm that price volatility is an adequate measure of risk. If we had to point to one key metric that best encapsulates 'risk', it would be debt. Archegos is a perfect example of how heavily indebted firms have little to no ability to withstand the typical ebbs and flows of industry. The firm financed its 'operations' with 90% debt, and just 10% of shareholder equity. It seems like it was structured to enrich the executives and imperil the shareholders – quite literally the opposite of the type of firm that we choose to invest into.

Performance History

Period	GBP A Share Class
1 Month	9.16%
Year-to-date	2.80%
Since inception (16.06.2015)	65.87%

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
Australia	23%	US	18%
Japan	17%	Europe	15%
UK	13%	Canada	8%
Vietnam	2%	Other	2%
Cash	2%		

Sector Exposure*

Sector	Allocation	Sector	Allocation
Commodities	36%	Industrials	21%
Financials	14%	Consumer	13%
Technology	9%	Real Estate, Infrastructure	3%
Utilities	2%	*Cash*	2%

Major Holdings*

Samarang Japan Value	12.54%
Halley Asian Prosperity Fund	8.69%
Ramelius Resources Ltd.	8.37%
CMC Markets plc	8.18%
Argos Argonaut Fund	7.48%
IG Group Holdings plc	4.78%
AirBoss of America Corp.	4.57%
Weis Markets Inc.	4.31%
Seaboard Corp.	4.10%
Heartland Express Inc.	3.47%

Fund Metrics*

Price to earnings ratio	16.2x
Price to book ratio	1.8x

*as at 31 March 2021.

Investment Commentary (continued)

Our fund's financial exposure is via two UK listed broker-dealer firms, IG Group and CMC Markets. Both delivered strong returns for the month, up 16% and 19% respectively. The cash operations of broker-dealers are generated from commissions, with the firms hedging the resultant trading positions with investment bank derivative desks. This may appear like a risky sounding proposition – and indeed operating margins can and do fluctuate. CMC Markets saw its margins fall from 28% in 2016 to just 5% in 2019. However, the firm had zero debt outstanding during this period and used the new regulatory environment to reclassify its clients to professional status, and also to 'white label' its trading platform to other third party financial institutions. Margins have now bounced back to c. 35%, and the shares have moved in lockstep with cash-flows. Goldman Sachs appear to have acted quickly to ensure the majority of the losses from Archegos were concentrated with Nomura and Credit Suisse. However, even investors in Goldman are taking significant risks since that firm currently finances its balance sheet with just 8% of shareholder equity. For some firms, one fears, it will always be a case of '*heads we win; tails our shareholders lose'*.

Our fund's other holdings mostly appreciated during the month, with two mining firms, Regis Resources and Perseus Mining (down 8% and 6%) being the worst performers. Our mining holdings will report their Q1 operating figures during April; given current margins and production guidance, we expect another set of strong results. It feels like sentiment toward the sector has bottomed and as that reverses, we expect to see their operational performance drive their respective share prices.

The stand-out performer during the month was the North American custom rubber manufacturer, Airboss of America Corp. The firm reported strong Q4 figures in early March, beating earnings estimates by c. 5%. The firm was generating a CFO yield of c. 30% at the start of the month, so a small earnings beat yielded a strong 25% share price gain over the subsequent few days. The firm then announced a new government contract, which saw its shares rise by another 66%, or 118% in total. The firm remains cheap from a cash-flow yield perspective, however we halved the position towards the end of the month and added to existing positions that are generating stronger CFO yields. Airboss finances itself with only 24% of debt.

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

Important Information