

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	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

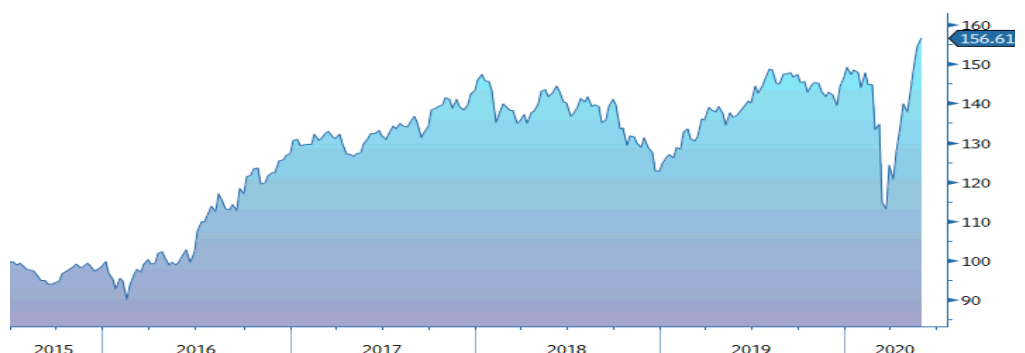
(Variations in historic performance shown by the different currency share classes of the fund relate solely to foreign exchange translation effects, as the underlying holdings are identical.)

Minimum Investment A	£1000 / \$1000 / €1000
Minimum Investment B	£1M; \$1M; €1M

Performance History

Period	GBP A Share Class
I Month	9.74%
Year-to-date	6.49%
Since inception (16.06.2015)	56.61%

The fund is managed independently of any benchmarks. Chart source: Bloomberg LLP. Past performance is not necessarily a guide to future returns.



Factsheet as at 29 May 2020

Investment Commentary

The GBP A class of the fund recorded a gain of 9.74% for the month of May 2020. This brings the cumulative return of the fund in GBP from inception in June 2015 to 56.61%. The latest net asset value of each of the fund's share classes can be found [here](#).

As the global workforce emerges hesitantly from lockdown, the world economy and stock markets are beset by a gigantic tug of war between the forces of deflation and inflation. These opposing forces are clearly visible in the United States, for example. On the one hand, more than 36 million Americans have filed for unemployment benefit since the coronavirus pandemic first reached the US. On the other, the Federal Reserve's Quantitative Easing programme has been equivalent, in just two months, to more than half of what was done over 6 years during the Global Financial Crisis. Bank lending continues to grow and the Fed's \$2.3 trillion loan stimulus, as at the end of May, had yet to begin.

The stock markets have thus far taken a 'glass half full' perspective on the economic outlook, buoyed by that tide of central bank liquidity, but we retain some sympathy for the view of Oaktree Capital's Howard Marks, who remarked on 20th April that

We're only down 15% from the all-time high of 19th February, and it seems to me that the world is more than 15% screwed up.

One asset class, however, is behaving entirely logically, given the extent of already announced monetary and fiscal stimulus, namely the precious metals sector. What may surprise some investors is just how strong the performance of gold – in all currencies – has been since as far back as 2001.

THE VT PRICE VALUE PORTFOLIO

Geographic Exposure*

Country	Allocation	Country	Allocation
Australia	25%	Japan	21%
UK	11%	Canada	11%
US	11%	Vietnam	8%
Europe	6%	Other	2%
Cash	5%		

Sector Exposure*

Sector	Allocation	Sector	Allocation
Commodities	45%	Consumer	13%
Industrials	13%	Financials	9%
Technology	7%	Real Estate, Infrastructure	6%
Utilities	2%	Cash	5%

Major Holdings*

Samarang Japan Value	14.4%
Halley Asian Prosperity Fund	10.9%
Ramelius Resources Ltd.	9.6%
Wheaton Precious Metals	8.3%
Argos Argonaut Fund	6.1%
Vietnam Value and Income Fund	5.5%
Silver Lake Resources Ltd.	4.6%
CMC Markets plc	4.1%
Saracen Mineral Holdings Ltd.	4.1%
St Barbara Ltd.	4.0%

Fund Metrics*

Price to earnings ratio	16.1x
Price to book ratio	1.9x

*as at 29 May 2020

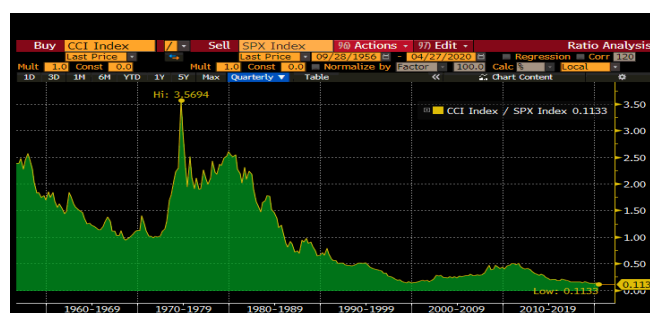
Important Information

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)

That said, one of the lessons we learned as asset managers during the gold drawdowns of 2013 and 2015 was never to buy into an overarching macro-economic thesis ("gold is going up") irrespective of the underlying valuations of associated companies. So while we have recently rotated some of the fund's capital into shares of listed, predominantly western Australia-based gold miners, we have done so with the same Benjamin Graham-style focus on undemanding price multiples, explicit cash generation, and a focus on those companies with little or no debt. These miners continued to add value during the month, with Ramelius rising 30% following news that it had finally acquired Spectrum. The best performer was a firm we are still accumulating. Its shares rose 34% and we'll discuss that in more detail in due course.

In light of the aggressive coordinated monetary stimulus by central banks throughout the world in response to coronavirus, we are also struck by the current apparent undervaluation of the entire commodities sector relative to US equities, as shown in the graph below.



Source: Bloomberg LLP

At current valuations, commodities appear to be at their most attractive, by comparison to (US) stocks, for at least 60 years. Given the uncertainty over the global economic outlook, it is probably premature to be buying broad commodities *per se*. But the valuation mismatch does suggest there may be buying opportunities in the sector over the medium term as the outlook for global growth becomes clearer. Our gold miners are set to announce record profit margins during their Q2 financial updates. Once we see some stabilisation of base metal and other commodity prices, we'll diversify our gold mining exposure to other resource firms generating strong cash-flow yields. Until then, the fund will continue to follow the cash-flow.

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