

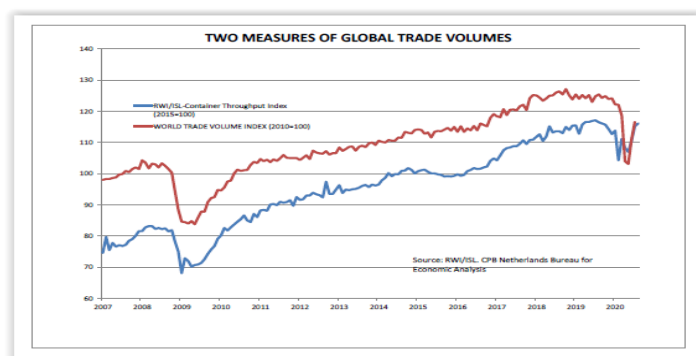
# THE VT PRICE VALUE PORTFOLIO

Factsheet as at 30 September 2020

## Investment Commentary

The GBP A class of the fund recorded a gain of 1.96% for the month of September 2020. This brings the cumulative return of the fund in GBP from inception in June 2015 to 69.14%. The latest net asset value of each of the fund's share classes can be found [here](#).

While governments' variously ham-fisted and entrepreneurially catastrophic over-reactions to coronavirus continue to dominate the headlines, if we look past the front pages, there are early signs of some economic or at least trade recovery, albeit at a generalised global level. The latest Global Trade Monitor from the CPB Netherlands Bureau for Economic Analysis shows that global trade in August continued to recover, in a chart (shown below, courtesy of SMBC Nikko Capital Markets) that could almost be described as V-shaped:



If governments – especially in the Anglosphere (and notably the UK, the US, Australia and New Zealand) – seem addicted to capricious and arbitrary economic lockdowns, nobody could accuse their central banks or national treasuries of monetary inactivity. As the financial analyst and historian Russell Napier points out,

*Today we are witnessing highly expansionary fiscal policy, a very expansionary Fed, and broad money growth at the highest level ever recorded in peacetime.. we [also] have Eurozone governments freed from prior fiscal restrictions, a central bank in expansionary mode, and euro broad money growth just about to breach record highs.*

As if to confirm these trends, the European Central Bank President Christine Lagarde told a conference in Frankfurt at the end of September that the ECB will consider following the lead of the US Federal Reserve by committing to let inflation overshoot its target after a period of sluggish price growth.

## 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

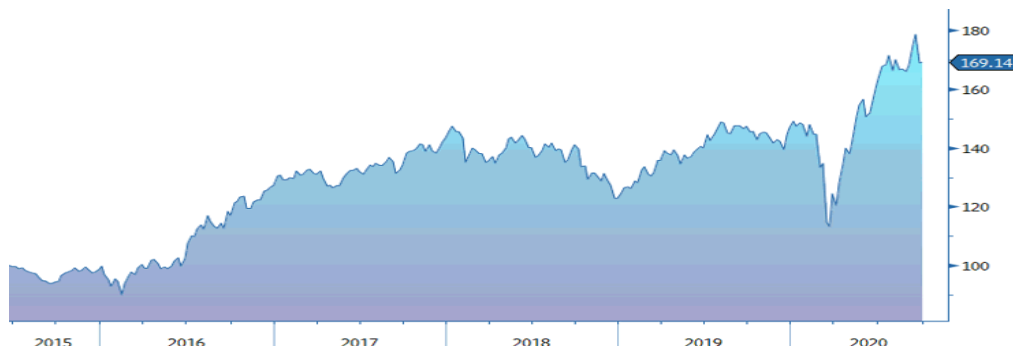
Investment Manager	Price Value Partners
Launch Date	16 June 2015
Share Classes	A, B
Currency Classes	GBP, USD, EUR
Dealing, Valuation	Daily 12:00p.m. GMT
Management Fees	A: 0.75% B: 0.50%
ISIN Codes	A £ Acc: GB00BWZMTX09 A £ Inc: GB00BD8PLW60 A \$ Acc: GB00BWZMTY16 A € Acc: GB00BWZMTZ23 B £ Acc: GB00BWZMV016 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	1.96%
Year-to-date	15.01%
Since inception (16.06.2015)	69.14%

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



# THE VT PRICE VALUE PORTFOLIO

## Geographic Exposure\*

Country	Allocation	Country	Allocation
Australia	23%	UK	17%
Japan	19%	US	11%
Canada	9%	Europe	6%
Vietnam	2%	Other	2%
Cash	11%		

## Sector Exposure\*

Sector	Allocation	Sector	Allocation
Commodities	43%	Industrials	13%
Financials	11%	Consumer	9%
Technology	8%	Real Estate, Infrastructure	3%
Utilities	2%	Cash	11%

## Major Holdings\*

Samarang Japan Value	13.5%
Halley Asian Prosperity Fund	9.5%
Ramelius Resources Ltd.	8.5%
Fresnillo plc	7.1%
Wheaton Precious Metals	5.7%
Argos Argonaut Fund	5.6%
CMC Markets plc	5.3%
IG Group Holdings plc	4.3%
Silver Lake Resources Ltd.	4.1%
Saracen Mineral Holdings Ltd.	3.6%

## Fund Metrics\*

Price to earnings ratio	16.6x
Price to book ratio	1.9x

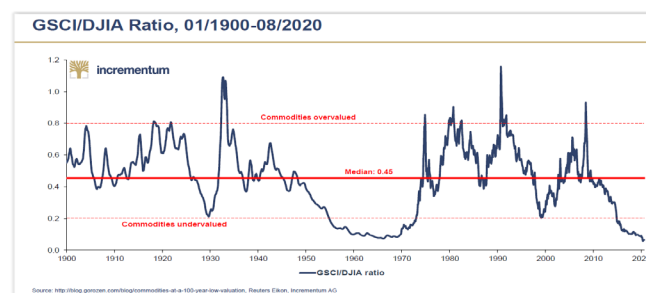
\*as at 30 September 2020.

## 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)

All the conditions would therefore appear to be in place for a bout of sustained inflation or at least stagflation, given the hit to the real economies of the West still under various forms of lockdown. Time will tell if the concerns of Napier are valid, but looking at the broader commodities market, and using the GSCI / DJIA ratio (the Goldman Sachs Commodities Index vs the Dow Jones Industrial Average), commodities are now at their cheapest levels, relative to equities, in over a century.



During a highly volatile March and April, we rotated out of cyclical holdings, such as Aggreko and Yara, and added more commodity risk in the form of gold and silver miners experiencing stronger operations during the crisis. Subsequent share price gains have led to over 40% of the fund being allocated to commodities-related companies, versus 20% pre-crisis. On the back of Q2 operational updates, we've started rotating some (c. 1.5%) of our gold mining exposure to broader metals and mining firms which enjoyed strong operations during the quarter to June. We'll discuss these positions in more detail once fully allocated. What struck us from analysing Q2 updates across the economy, however, was the continued disparity between companies' share prices and operational activity. For this reason we maintain a healthy cash allocation of c. 11% until we get a clearer picture of Q3 operations.

The worst and best performing investments this month were both mining companies, St Barbara (-12%) and Silver Lake (+6.5%). Neither made any operational announcements during the period; their returns, we believe, just reflected the largely irrational nature of the market. Ramelius has been first to announce a Q3 update, exceeding prior guidance and continuing to operate very strongly. We expect similar updates from our miners during October, and we look forward to finding other firms that are thriving in the current environment.

## 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