

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
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.)

Factsheet as at 30 November 2022

Investment Commentary

The GBP A class of the fund recorded a gain of 5.48% for the month of November 2022. This brings the cumulative return of the fund in GBP from inception in June 2015 to 62.53%. The latest net asset value of each of the fund's share classes can be found [here](#).

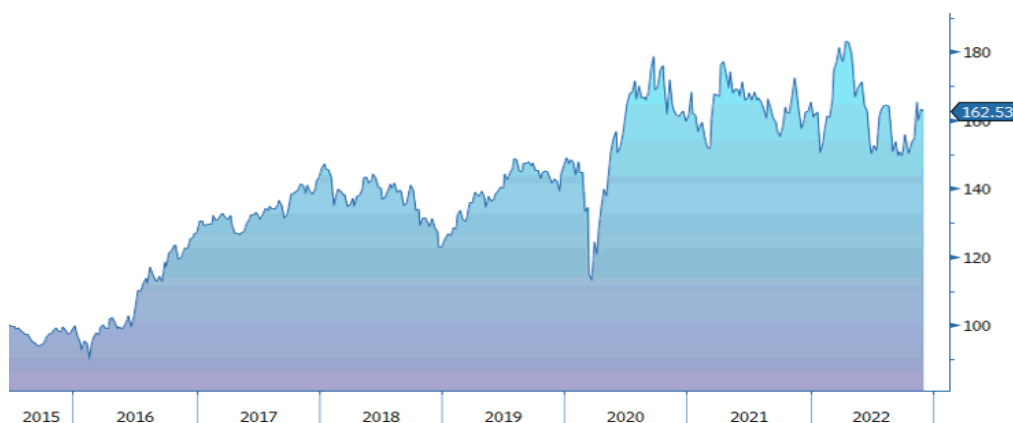
Bahama-based cryptocurrency platform, FTX, filed for bankruptcy in November, leaving billions owed to creditors. The bankruptcy proceedings brought FTX's balance sheet to public light and it highlights the inherent danger with crypto investing. The firm incorrectly recorded its own tokens as assets, greatly inflating the firm's book value. FTX also recorded not-yet-released tokens at values that were over 100x their (then) current market capitalisations. The coding behind the search engine Google, for example, has economic value (it generates extremely strong cash-flow). The vast majority of crypto assets however can't be classed as economic assets. They are neither capital nor land - the mineral wealth of a nation. Investments generally revert to their economic and intrinsic value which is what has recently occurred at FTX and other crypto exchanges. The cash-flow generation of assets is a key determinant of capital and by focusing on firms generating cash-flow, we are able to remain calm during periods where the share prices of firms, but not their intrinsic value, fluctuate quite dramatically. We discuss several examples of strong financial accounts below.

Diversified Japanese industrials firm Nichias rose 5.3%. Six-month revenue rose 9.6% year on year, from ¥103.5bn to ¥113.5bn, driven in part by high demand for semiconductor production equipment. Operating income rose 2.3% to ¥12.9bn, and net profit attributable to common shareholders rose 10.3% to ¥11.3bn. Strong earnings help to compound the accounting value of a firm's balance sheet. In the short term, strong earnings are reflected in a firm's earnings per share; Nichias's EPS rose 10.3% from ¥154.5 to ¥170.5. Over a longer period, strong earnings compound a firm's book value and drives share prices higher; Nichias's book value has increased 63% in the last five years. Management confirmed a half-year dividend of ¥46, up from ¥42 last year, and is guiding for another six-month ¥46 dividend, totalling ¥92 versus ¥86 last year. Nichias has increased these dividend payments by 100% over the last six years. Despite these strong operations, Nichias is still trading quite conservatively, offering a 25.6% cash flow yield.

Performance History

Period	GBP A Share Class
1 Month	5.48%
Year-to-date	-1.62%
Since inception (16.06.2015)	+62.53%

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	27%	US	23%
Europe	12%	Japan	10%
UK	9%	Asia ex-Japan	7%
Canada	5%	Cash	7%

Sector Exposure*

Sector	Allocation	Sector	Allocation
Commodities	44%	Consumer	19%
Industrial	19%	Financials	9%
Technology	2%	Cash	7%

Major Holdings*

Perseus Mining Ltd	7.1%
Heartland Express Inc	4.7%
IG Group Holdings PLC	4.7%
Mueller Industries Inc	4.6%
CMC Markets PLC	4.5%
Betsson AB	4.5%
Weis Markets Inc	4.1%
Seaboard Corp	4.0%
Northern Star Resources Ltd	4.0%
Agnico Eagle Mines Ltd	4.0%

Fund Metrics*

Price to earnings ratio	28.1x
Price to book ratio	1.4x

*as at 30 November 2022.

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.

Investment Commentary

Also operating in Tokyo, Japanese manufacturer of automobile parts Topre (+7%) confirmed Q3 results in line with expectations. Total sales grew 33.3% during the quarter from ¥54.6bn to ¥72.7bn versus the same period last year. This leaves the firm on-track to achieve full-year sales guidance. Operating profit at ¥1.17bn was higher than forecast. Net assets at ¥195.4bn saw an increase of ¥14.9bn versus six months ago, driven largely by an increase in retained earnings. At current prices, Shares in Topre offer a 37% cash flow yield, so as with those of Nichias, are priced to perform well in due course. Indeed, Topre offered a 40% cash flow yield in 2012 and shares subsequently rallied over 300%.

Mainstream economics tells us rising rates are bad for gold, yet the ten-year period starting 1971 was also suffused with inflation. The US 10-year yield rose 91% from 6.5% to 12.4%. Yet, gold in USD rose 15x from \$38.8 to \$589.7. While up in every other currency, gold in USD is flat this year, despite a 126% rise in yields. The World Gold Council confirms central banks bought a record 399 tonnes of gold in Q3. Gold bought in Q2 was almost as much as that bought in the previous three quarters combined. This suggests to us a slow but systematic gravitation toward inflation-protecting real assets. While this is likely to be a powerful tailwind for the commodity sector, our investing is guided by arithmetic and balance sheets. We remain focussed on these characteristics, as with gold miner Perseus Mining, up 22.1% on the month.

Perseus recently confirmed record quarterly production of over 137k gold ounces, a 12% increase from 122k in Q2. This leaves Perseus comfortably on track to achieve production guidance of 240k ounces by end December. All in sustaining costs – total expenses required to produce each of the 137k ounces – at \$879 was Perseus's lowest cost per ounce figure since March 2019. This again leaves Perseus on track to achieve below end-year cost guidance of \$1,100. These are exactly the kind of cost-efficient operations we like to see from our investee firms. Combined sales from all three mines totalled 58k ounces at an average price of \$1,645 per ounce, a 45%+ margin over the cost to produce each gold ounce. We wrote about Perseus's acquisition of Orca Gold back in May. Given how the firm's financial position continues to strengthen, with available cash and bullion of \$354m, we wouldn't be surprised to see these funds put to good use by acquiring another less well-capitalised producer in time.

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