

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 31 December 2022

Investment Commentary

The GBP A class of the fund recorded a loss of 1.22% for the month of December 2022. This brings the cumulative return of the fund in GBP from inception in June 2015 to 60.54%. The latest net asset value of each of the fund's share classes can be found [here](#).

The shares of popular mega cap stocks have continued to react negatively to the higher interest rate environment, with the US base rate now 4.25%, having started the year at 0%. Higher yields available in the bond market have made riskier assets less attractive by comparison. It also seems that strong operating businesses with sensibly priced shares are becoming favourable once again too; the MSCI Value Index versus the MSCI Growth Index is making new three-year highs. One example of a strong operating 'value' stock is Japanese battery manufacturer, Yuasa Trading Co.

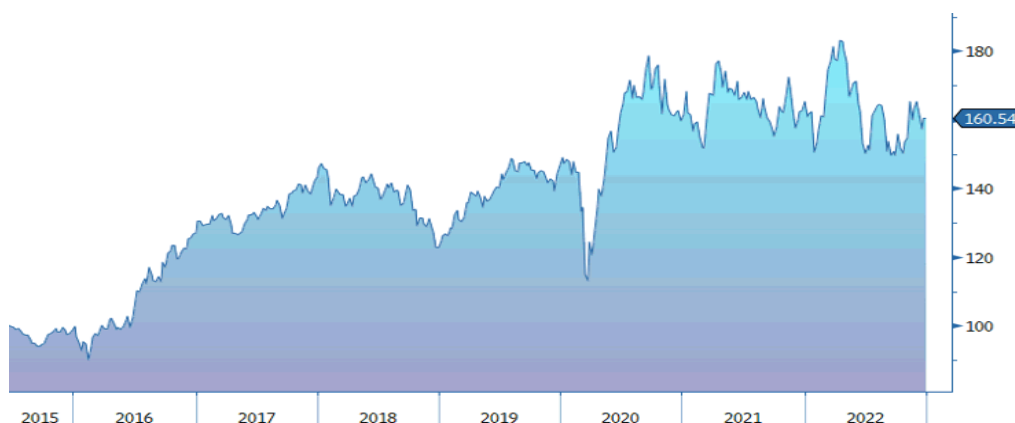
Tokyo-based Yuasa Trading (+0.8%) confirmed strong results for the last six-month period. Group sales increased 10.8% to ¥234.02bn. Operating income at ¥5.13bn was 15.2% higher. Import costs, particularly from the U.S., saw price rises for parts and materials, and an increase in personnel costs too. Yet Yuasa's growth in operating income, at a rate faster than revenue growth, is reflective of the firm's ability to keep those cost increases under control. In Yuasa's Industrial Equipment Division, demand for hydraulic equipment remained strong; sector sales rose 6% to ¥37.06bn. Orders for semiconductor and industrial machinery increased too; revenue in the Machine Tools Division rose 23.6% to ¥52.84bn. Yuasa offers a particularly compelling cash flow yield, at 41.5%, reflecting its exceptional attractiveness.

European multimetals firm Aurubis (+0.7%) ended the fiscal year once again with the best annual results in its history. Earnings before tax increased 40% to €532m. Higher metal and sulfuric acid prices, and strong demand for copper products, more than offset increased energy costs. The firm confirmed progress with several new projects, particularly in the U.S. and in Bulgaria. In Richmond, Georgia, an expansion of the modular recycling system will double its recycling processing capacities in the U.S. An expansion of the existing solar park in Pirdop, Bulgaria, to 14MW capacity, will save more than 500k tons of CO2 emissions over the planned 15-year period of operations. At a 34.4% cash flow yield, Aurubis is

Performance History

Period	GBP A Share Class
1 Month	-1.22%
Year-to-date	-2.82%
Since inception (16.06.2015)	+60.54%

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	28%	US	21%
Europe	12%	UK	9%
Japan	8%	Asia ex-Japan	7%
Canada	6%	Cash	9%

Sector Exposure*

Sector	Allocation	Sector	Allocation
Commodities	46%	Industrial	18%
Consumer	16%	Financials	9%
Technology	2%	Cash	9%

Major Holdings*

Perseus Mining Ltd	7.0%
Betsson AB	4.6%
IG Group Holdings PLC	4.5%
Heartland Express Inc	4.5%
CMC Markets PLC	4.4%
Northern Star Resources Ltd	4.3%
Agnico Eagle Mines Ltd	4.2%
Boliden AB	4.1%
Mueller Industries Inc	4.1%
Weis Markets Inc	4.0%

Fund Metrics*

Price to earnings ratio	19x
Price to book ratio	1.3x

*as at 31 December 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

priced to perform well. Firms operating with minimal debt are well placed to navigate the ebbs and flows of industry, and indeed Aurubis's net debt ratio is -0.26, highlighting its ability to pay down any existing debt immediately if it ever chooses to.

Australian gold producer Ramelius Resources (+8.7%) produced 61k ounces in the last reporting period, at an all-in sustaining cost (AISC) of A\$1,930. Following a steadying of market conditions, Ramelius recently provided a three-year outlook, reflecting continued consistent output and a falling cost profile. The outlook shows consistent gold production in the 240k – 290k ounce per year range with reducing AISC, from A\$1,950 down to A\$1,600 by FY2025, driven in part by the commencement of the high-grade low-cost Penny mine at Mt Magnet early this year. At the Hill 50 Underground mine, near the Mt Magnet facility, the scoping study is complete, confirming 210k mineral resource gold ounces. Expected AISC is just A\$1,200 per ounce, and property, plant & equipment expenditure is expected to be A\$67m. At the current A\$ gold price – A\$2,700 – the project would generate \$567m. We look forward to Ramelius's conversion assessment of mineral resource ounces into viable production targets. Today, Ramelius offers a 28.8% cash flow yield, and also operates with a negative debt to earnings ratio.

Gold producer Regis Resources (+6.7%) is also priced attractively, offering a 20% cash flow yield. Regis recently confirmed 114k ounces at an AISC of A\$1,782 per ounce. This includes 36k ounces from its 30% share in the low-cost Tropicana mine 400km southeast. at just A\$1,243 per ounce, over 50% below the current AUD gold price. Its bi-annual exploration update also confirms resource ounces at its Rosemont mine have increased faster than expected due to higher-than-forecasted high grade mineralisation. We look forward to Regis's next update in a few weeks, where we expect, as with Ramelius, to see a continued pattern of falling input costs for firms operating in the commodity space.

Despite the significant price corrections of popular stocks through 2022, the five largest holdings of the MSCI Growth Index still offer only a 6.4% average cash flow yield. By comparison, the five largest positions in the VT Price Value Portfolio offer an average 19.6% cash flow yield. Historically, firms trading meaningfully below their accounting value, and therefore offering strong cash flow yields, tend to significantly outperform their low-cash flow yield rivals.

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