

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 January 2023

Investment Commentary

The GBP A class of the fund recorded a gain of 5.38% for the month of January 2023. This brings the cumulative return of the fund in GBP from inception in June 2015 to 69.18%. The latest net asset value of each of the fund's share classes can be found [here](#).

The US Bureau of Labor Statistics (BLS) is set to revise its inflation calculations once again. The BLS will focus on one-year price changes as opposed to two, removing the impact of higher prices 12-24 months ago, causing upcoming inflation figures to appear lower. Holders of inflation-linked Treasuries will therefore receive a lower return than they otherwise would have before the BLS' actions. In this political and economic environment, we maintain that strong operating businesses offer the safest medium-term returns, especially when the firms are trading at meaningful discounts to their inherent values, such as CMC Markets (+8.0%).

CMC's revenue per client increased 36% and client retention increased from 80% to 83%. Guidance for cost expenditures between now and end March also remains unchanged, at £215m. The new end-to-end CMC UK Invest platform expanded its offering with the recent additions of ETFs and ISAs. Another milestone was achieved for the firm's growth in Asia, as CMC Singapore Invest was granted its regulatory operational permit. CMC's book value per share has increased in all but two years since 2013. Book value is the firm's net accounting value 'owned' by common shareholders and it increases through strong operations and the compounding of net profits. Over the medium term, share prices tend to rise to reflect this increase in inherent value. To ensure we aren't overpaying for CMC's shares, we try to ensure the shares offer a margin of safety. CMC certainly meets this requirement, offering a 21% cash flow yield.

U.S. logistics firm Heartland Express (+9.7%) offers a similar cash flow yield, at 22%. Several new earnings records were announced. Revenue at \$968m was an all-time record. Adjusting for operating costs, earnings were \$188.4m, a 79% increase over the year before. This fed through to an operating margin of 19.5%, the firm's strongest margins since 2011. While Heartland has not been invulnerable to higher input costs, driven largely by higher fuel prices during the year and increased truck driver salaries, these decade-strong margins disprove popular narratives that industries reliant on energy aren't able to manage those costs.

Performance History

Period	GBP A Share Class
1 Month	5.38%
Year-to-date	5.38%
Since inception (16.06.2015)	+69.18%

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
US	31%	Australia	28%
Europe	15%	Canada	10%
UK	9%	Japan	4%
Cash	3%		

Sector Exposure*

Sector	Allocation	Sector	Allocation
Commodities	45%	Industrial	26%
Consumer	17%	Financials	9%
Cash	3%		

Major Holdings*

Perseus Mining Ltd	5.7%
Heartland Express Inc	4.5%
CMC Markets PLC	4.4%
Boliden AB	4.4%
IG Group Holdings PLC	4.4%
Betsson AB	4.3%
Agnico Eagle Mines Ltd	4.2%
Mueller Industries Inc	4.1%
Aurubis AG	4.0%
Weis Markets Inc	3.8%

Fund Metrics*

Price to earnings ratio	20x
Price to book ratio	1.5x

*as at 31 January 2023.

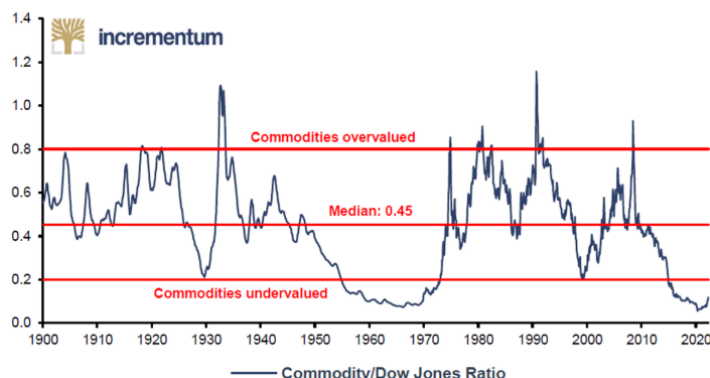
Important Information

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

Heartland's book value reached a new record too, at \$855.5m, driven largely by the firm's two significant acquisitions, of Smith Transport in May, and Contract Freighters in August – acquisitions delivered without equity dilution. We expect this growth in book value to drive Heartland's shares higher through 2023.

Commodity/Dow Jones Ratio, 01/1900-04/2022



The above chart from Incrementum compares the Goldman Sachs Commodity Index with the Dow Jones equity index. The ratio shows commodities are as cheap today versus broad equities as they have ever been. Only in the depths of the Great Depression and at the end of the Bretton Woods system have commodities reached this level of undervaluation. One commodity firm representative of this cheapness is gold producer Torex Gold Resources (+17.6%), offering a compelling 52% cash flow yield, and which recently confirmed record production.

Torex produced 116k ounces in Q4, or 474k in total through 2022, beating production guidance by 10%. This was the fourth consecutive year that Torex achieved or surpassed production guidance. We look forward to Torex's full operating update later in February, but the firm is guiding for an all-in-sustaining-cost of \$1,130 per ounce for the full year to end June. This is over 40% below the current gold price of \$1,875. Progress was made at the Mexican Media Luna project, where over 3,250 metres of underground tunnelling is complete at the Guajes Tunnel, leaving Torex on track to reach the main pit in early 2024. Torex has compounded its balance sheet with a return on equity of over 12% over the past four years. Torex's 52% cash flow yield today shows its shares remain hugely undervalued.

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