

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 on an unconstrained basis 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 28 February 2023

Investment Commentary

The GBP A class of the fund recorded a loss of 5.16% for the month of February 2023. This brings the cumulative return of the fund in GBP from inception in June 2015 to 60.45%. The latest net asset value of each of the fund's share classes can be found [here](#).

The UK government spent £6.7bn on debt repayments in the first month of the year, the highest January figure since records began. Last year, government spending increased by 80% over a 12-month period. Excessive money creation has contributed to higher prices; we discuss below four investee firms that continue to compound their balance sheets strongly despite the inflationary environment.

One such firm is London-based trading platform IG Group (+2.55%), which confirmed half-year revenue at record highs. Revenue increased 10% from £471.5m to £519.1m. The firm's 'tastytrade' subsidiary contributed to group sales, with revenue growth, on a constant currency basis, of 8%. Management passed on those returns to shareholders through buying back its own shares. IG bought back £114.1m of shares in the second half of 2022. In 2023 that buyback scheme has been extended from £150m to £200m, and a further £12.5m of shares have been repurchased. Share buybacks increase each remaining shareholder's claim on company profits. Indeed, IG's interim dividend per share increased to 13.26p, totalling £55.1m distributed to shareholders. Given its strong operations, continued shareholder-friendly actions, and 22% cash flow yield, we are very comfortable owning IG today.

Multi-national manufacturer of copper products, Mueller Industries (+12.85%), also confirmed strong end-year operations. Operating income rose 10.6% from \$172.1m to \$190.4m, and net income also rose 10.6%, from \$125.6m to \$138.9m. Earnings per share, allowing for dilutive instruments such as outstanding options and warrants, grew 11.3% from \$2.21 to \$2.46. While it's natural for prices to fluctuate, these results are instructive of Mueller's ability to manage volatility in both input and output prices. 57% of Mueller's copper inputs are from scrap, which trades at a c.25% discount to the high-grade copper cathode which Mueller produces. To improve margins further, Mueller recently invested \$20m in a new UK furnace, allowing it to recycle scrap copper in-house. This will help toward its long-term goal of using

Performance History

Period	GBP A Share Class
1 Month	-5.16%
Year-to-date	-0.06%
Since inception (16.06.2015)	+60.45%

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	36%	Australia	24%
Europe	17%	UK	9%
Canada	9%	Cash	5%

Sector Exposure*

Sector	Allocation	Sector	Allocation
Commodities	42%	Industrial	25%
Consumer	19%	Financials	9%
Cash	5%		

Major Holdings*

Perseus Mining Ltd	5.5%
Mueller Industries Inc	5.1%
Betsson AB	5.1%
CMC Markets PLC	4.8%
Heartland Express Inc	4.8%
IG Group Holdings PLC	4.7%
Boliden AB	4.4%
Seaboard Corp	4.1%
Aurubis AG	4.0%
Weis Markets Inc	3.8%

Fund Metrics*

Price to earnings ratio	17x
Price to book ratio	1.3x

*as at 28 February 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

only scrap copper inputs, which are more easily sourced and cost less. Mueller generated \$207m of cash from operations in Q4 and held \$678.9m in cash at year end. We'd expect to see a portion of these compelling cash reserves deployed in more value-accretive ways or returned to shareholders through dividends in time. Mueller's shares still offer a compelling 26% cash flow yield.

U.S. transportation and logistics firm Schneider National rose 5.89%. Through Q4, Schneider shifted rail contractors from BNSF to Union Pacific, a new partnership that will see the firm double its intermodal multi-carrier offerings by 2030, and provide access to a greater number of rail lanes as well as direct connections on transcontinental freight. Revenues were in line with last year's Q4 at \$1.6bn. Full-year revenue at \$6.6bn was a 50.6% increase on 5 years before. We see that growth of sales reflected in Schneider's average return on equity over the same period of 13.1%. Those net profits feed through to the compounding of Schneider's balance sheet. Indeed, Schneider's net asset value has expanded 50.1% over the five years, from \$1.89bn to a record \$2.84bn. These are textbook signs of a strong operating firm. Given Schneider's current 21% cash flow yield, its shares are priced today to rise significantly higher.

Gold miner Perseus Mining fell 8.18% in February but remains up 19.5% over the last 12 months. Gold production for the six months totalled 268.3k ounces at an all-in cost (AISC, which includes production, royalties, and sustaining capital) of \$930 per ounce. These results were driven largely by Perseus's flagship and largest of its three mines, Yaouré, which delivered 136.8k ounces at an AISC of just \$724. The average USD gold price over the six months was \$1,729, representing a 138% margin over Yaouré's cost profile. Group revenue increased 22% versus the year before, to A\$665m. Like Schneider, the net value of Perseus's balance sheet reached a new high, at A\$1.84bn, a 56% increase over just 12 months prior. A\$426.8m of that forms Perseus's cash reserves which again we wouldn't be surprised to see deployed in a value-accretive manner in the near term. Perseus also declared a dividend of 1.64 cents, a 102% increase on 0.81 cents the year before. As with each firm discussed above, Perseus's continued strong operations and attractive valuation result in a compelling cash flow yield of 23%.

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