

# 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 31 March 2023

## Investment Commentary

The GBP A class of the fund recorded a gain of 3.48% for the month of March 2023. This brings the cumulative return of the fund in GBP from inception in June 2015 to 66.03%. The latest net asset value of each of the fund's share classes can be found [here](#).

UK government debt rose £16.7bn in February, a record increase for the month. Total government debt now sits at over £2.5 trillion, more than 100% of UK Gross Domestic Product. The government paid £107.3bn in interest on that debt in 2022, up 84% from its 2021 payments. Higher rates have also affected the private sector globally. Year to date, bank failures as measured by the deposits held at those banks, like Silicon Valley Bank, outpaced any year in U.S. history. In contrast to these troubling macroeconomic signals, our lowly indebted investee firms continue to operate well.

Seaboard Corporation's main business areas include pork production, shipping services, and grain processing. The shares fell 4.56% during March, yet the firm recently confirmed sales for the year-end quarter at \$2.67bn, an 8.2% increase on \$2.46bn the previous year. Operating income increased by 84.3%, from \$89m to \$164m. Net income also rose by 84.3%, from \$121m to \$223m. There were no dilutive share issuances through 2022, which meant these strong earnings fed through to a direct increase in earnings per share, which at \$192.11 was an 86% increase over \$103.27 the year prior. Seaboard Marine is its shipping division, which recently added its first Liquefied Natural Gas (LNG) vessel to the fleet, retrofitted to operate on both LNG and diesel fuel to increase reliability and distance capabilities. Seaboard Corp is our fund's longest standing investment. While performance has been strong, the firm's shares still offer a compelling 22% cashflow yield today, suggesting its shares are priced to continue compounding strongly.

In the commodity space, March saw positive price action. Gold in USD ended March with a record high quarterly close, at \$1,969.28. The below chart from [Incrementum](#) shows that over decades-long cycles, commodity uptrends are often powerful and long-lived. The 10-year average of broad commodity prices is c. 50% below its long-term average. We expect this price recovery to act as a strong tailwind for our commodity allocations as it continues its uptrend. Regardless of trends in metals prices or commodities sectors, we endeavour to remain allocated to strong operating businesses, like Regis Resources and Torex Gold.

## Performance History

Period	GBP A Share Class
1 Month	3.48%
Year-to-date	3.42%
Since inception (16.06.2015)	+66.03%

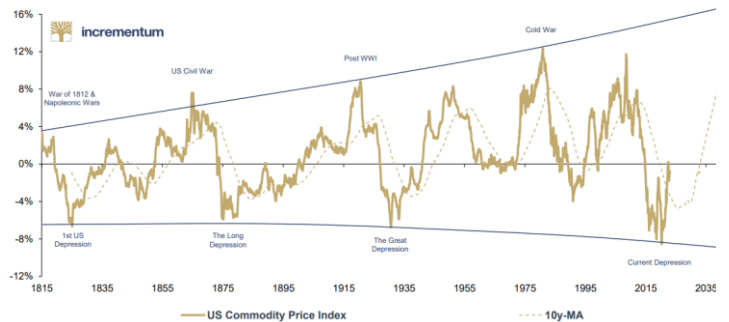
Past performance is not necessarily a guide to future returns.  
The fund is managed independently of any benchmarks.  
Chart source: Bloomberg LLP.



## Investment Commentary

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US Commodity Price Index, 10-year rolling CAGR, 1815-2023



### Geographic Exposure\*

Country	Allocation	Country	Allocation
US	36%	Australia	27%
Europe	16%	Canada	10%
UK	7%	Cash	4%

### Sector Exposure\*

Sector	Allocation	Sector	Allocation
Commodities	48%	Industrial	22%
Consumer	19%	Financials	7%
Cash	4%		

### Major Holdings\*

Perseus Mining Ltd	6.2%
Betsson AB	5.1%
Mueller Industries Inc	4.8%
Heartland Express Inc	4.3%
Boliden AB	4.0%
IG Group Holdings PLC	3.9%
Agnico Eagle Mines Ltd	3.9%
Weis Markets Inc	3.8%
Seaboard Corporation	3.7%
Aurubis AG	3.6%

### Fund Metrics\*

Price to earnings ratio	20x
Price to book ratio	1.4x

\*as at 31 March 2023.

Western Australian gold producer Regis Resources (+19.5%) confirmed half-year production of 232.1k ounces, 10.4% more than the year prior. Production cost per ounce was A\$1,771, reflecting a 45% margin given the average gold price of A\$2,581 through the same period. The average grade of ore mined was 1.36 grams per ton, higher than 1.22 previously, and recovery rates remained strong at c. 90%. Economically viable ounces at its 30%-owned Tropicana mine in northeast Kalgoorlie now sit at 1.88m, a 15% increase on the prior period, outpacing ounces depleted through mining. Pleasingly, Regis has also now received final approval from the Independent Planning Commission to proceed with construction of its fifth mining centre, McPhillamys, in New South Wales. We look forward to further updates regarding a finalised feasibility study and the funding programme. Regis offers shareholders a compelling c. 20% cash flow yield, with its cash-flow set to appreciate strongly as the price of gold rises.

Torex Gold (+33.9%) offers an even stronger cash flow yield, at 44%. The Mexican gold miner has released several positive announcements in recent weeks. Gold reserves across its Morelos Complex are roughly in line with last year at 4.9m. Torex produced 474k ounces through 2022, yet reserve ounces, discovered through exploration drilling, outpaced that depletion by 298k. 27km of drilling was completed at its EPO deposit last year, and 30km at its other large deposit, Media Luna. Over \$19m was spent on these drilling programmes in 2022 and the firm expects to spend a similar amount this year. This drilling has enabled Torex to reclassify c. 50% of its 'inferred' ounces up to 'indicated', which confirms a higher degree of certainty of future cash flows. Torex continues to operate free of debt and has grown its operating margins year on year since operations began in 2017. With a 43% cash flow yield, we would not be surprised to see Torex's shares trade much higher over the next 12 months.

### 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

### 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.