

THE VT PRICE VALUE PORTFOLIO

Factsheet as at 30 April 2024

Investment Commentary

The GBP A class of the fund recorded a gain of 9.66% for the month of April 2024. This brings the cumulative return of the fund in GBP from inception in June 2015 to 80.39%. The latest net asset value of each of the fund's share classes can be found [here](#).

In a recent [interview](#), financial historian Russell Napier suggests that today's economic and political environment necessitates a radical change in asset allocation. Having written for a quarter century about the problem of disinflation and deflation, Napier changed tack in 2020 and now believes we are experiencing a secular period of inflation. The fiscal response to Covid added more debt and more money to an already over-burdened financial system. At current interest rates, in a little over 5 years, the US government will have to double its interest payments to bond holders once their outstanding debt has matured and reset to market rates. That sounds even more concerning when you realise that the US government's interest payments currently account for a larger share of its budget than the Defence Department. Napier is not suggesting that investor asset allocation should include 'risky' assets. It simply means eschewing assets that benefited from decades of lower interest rates and embracing investments in the commodity sector that offer robust rates of return, at compelling valuations. Admittedly, we had expected commodities to respond far quicker to the money printing excesses of Covid, however it does appear that a secular period of commodity outperformance (as in from 1999 and also from the early 1970s) is upon us.

Aya Gold and Silver (+13.5%) is a firm that looks well positioned for a period of outperformance from precious metals. Whilst most silver miners produce a mixture of gold and silver, Aya's production is made up entirely of silver ounces making it a clean way of getting exposure to that metal. At Aya's Zgounder Mine there are 70.9m silver ounces of Proven and Probable Reserves, with additional Indicated and Inferred Reserves at Boumadine. In 2023 AYA produced almost 2m ounces of silver and are guiding for an increased 2.6m – 3.2m ounces this year. This increased production profile results from the ongoing expansion at Zgounder, which is now around 80-90% complete. The Zgounder expansion is on time and budgeted for commissioning in Q2 of 2024. Once complete, with a higher throughput, the firm will still boast an impressive c. 10 year life of mine. The mineralisation is still open at depth and the firm will also look to add production in

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
(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.)	
Minimum Investment A	£1000 / \$1000 / €1000
Minimum Investment B	£1M; \$1M; €1M

Performance History

Period	GBP A Share Class
1 Month	+9.66%
Year-to-date	+12.95%
Since inception (16.06.2015)	+80.39%

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	21%
UK	19%	Canada	13%
Europe	6%	Cash	10%

Sector Exposure*

Sector	Allocation
Commodities - Mining	53%
Commodities - Soft	1%
Value Equity	22%
Bullion	14%
Cash	10%

Major Holdings*

Karora Resources Inc	6.7%
Tyson Foods Inc	5.3%
CMC Markets PLC	5.2%
Fortuna Silver Mines	4.2%
Agnico Eagle Mines Ltd	3.8%
Hecla Mining Co	3.7%
Invesco Physical Gold ETC	3.4%
iShares Physical Silver ETC	3.4%
SilverCrest Metals Inc	3.4%
TRM Physical Gold ETC	3.4%

Fund Metrics*

Price to earnings ratio	22.3x
Price to book ratio	1.29x

*as at 30 April 2024.

Investment Commentary

due course from the high-grade Boumadine tenements. The expansion means the all-in sustaining cost over the life of mine is \$9.58, resulting in a 175% margin to the spot silver April close price. Finally, it is worth noting Aya's Board and Management own 15% of the company, with this alignment to shareholders often a benefit to share price appreciation over the long term.

Away from precious metals, we feel there are other opportunities to make strong returns for investors in the commodity space, in particular the 'softs'. The fund is building up a position in a North America based fertiliser company. The big grain elevators and agri-business firms are traditional ways to gain exposure to soft commodities. However, these are trading at high margins precisely because soft commodity prices have fallen over the last few years. We think shares of these firms will now be vulnerable to higher grain prices. The fertiliser firm in question offers us a compelling 16% CFO yield and our analysis shows its margins tend to rise, not fall, alongside grain prices.

Aside from commodities, the fund invests into discrete value equities that ought to see strong share price appreciation as their operating margins revert more closely towards their historic average. One company that has experienced this recently is CMC Markets (+20.5%). CMC's margin has expanded from record lows at the end of last year. This is the result of multiple initiatives to improve efficiencies within the firm. Management confirmed in the most recent trading update that operating income is likely to beat the previously guided figure of £310m. CMC continues to roll out new features on the Invest UK Platform as well as improving their trading offering with the addition of OTC options. The company has done well to diversify its revenue streams to be more predictable and consistent. Prior periods of outperformance have come with spikes in active users, in 2008-09 and 2020-21; since then, CMC have broadened their offering to have a more stable client base to capture and maintain a high and more easily repeatable margin. Their current margins remain at the low end of the last 10 years of operations.

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

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