

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 July 2022

Investment Commentary

The GBP A class of the fund recorded a gain of 8.47% for the month of July 2022. This brings the cumulative return of the fund in GBP from inception in June 2015 to 62.77%. The latest net asset value of each of the fund's share classes can be found [here](#).

The US dollar as measured by the DXY Index has strengthened 10% year to date, affecting global trade and investor sentiment. Indeed, over 40% of trade worldwide uses the dollar as the default currency for invoicing. Significant increases in G7 market interest rates contributed to that volatility. Price volatility, however, creates opportunities for businesses well-positioned to capitalise on them. One such firm is UK listed trading platform provider IG Group, which benefits from increased trading volumes during volatile periods as market participants seek to speculate for profit or hedge existing positions for stability.

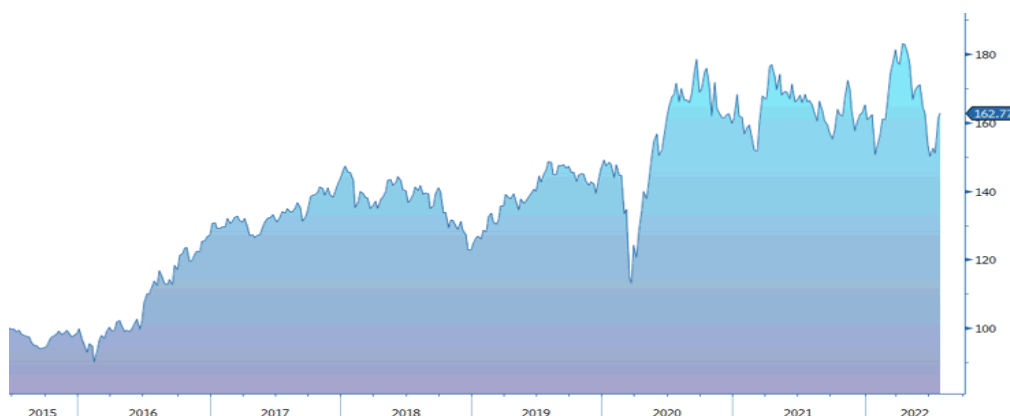
IG Group (+15.2%) confirmed record full year revenue, up 16% to £973.1m, and record profit before tax, up 7% to £477m. Strong revenues combined with good cost control delivered a profit before tax margin of 51%. Active clients increased 31% to 381,500, significantly above pre-Covid levels. Despite record revenues, earnings per share fell slightly to 92.9p due to a share issuance as part of its acquisition of online brokerage and investor education platform, Tastytrade. The acquisition will help IG penetrate the 1.5m US retail options and futures market. IG also confirmed an increased dividend of 44.2p, plus a share buyback programme of 4-5% of outstanding shares. Management expects regular distributions to shareholders of c. 50% of net profit each year. Share buybacks, larger dividends, and value-accretive acquisitions are all options available to well-managed and well-capitalised firms. At today's price, IG still offers a strong 26% cashflow yield.

North American manufacturer of metal and plastic products, Mueller Industries (+26.3%) also still offers a 26% cashflow yield. The firm announced revenue up 14% on the quarter while operating income rose 70%, showing that despite today's environment of higher prices, Mueller is able not only to hold its operating margins steady but grow them. Indeed, this was Mueller's 12th consecutive quarter in which operating income grew over the prior year. This is reflected in the firm's operating margins, expanding from 5.4% in 2010 to 23.4% in 2022. Mueller's cash reserves at end June was \$202.5m and the firm's net debt

Performance History

| Period | GBP A Share Class |
|---------------------------------|-------------------|
| 1 Month | 8.47% |
| Year-to-date | -1.47% |
| Since inception (16.06.2015) | +62.77% |

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 | 32% | US | 23% |
| Europe | 11% | UK | 10% |
| Japan | 9% | Asia ex-Japan | 8% |
| Canada | 3% | Cash | 4% |

Sector Exposure*

| Sector | Allocation | Sector | Allocation |
|-------------|------------|------------|------------|
| Commodities | 50% | Industrial | 19% |
| Consumer | 14% | Financials | 10% |
| Technology | 3% | Cash | 4% |

Major Holdings*

| | |
|---------------------------|------|
| CMC Markets PLC | 8.1% |
| Ramelius Resources Ltd | 7.4% |
| Seaboard Corp | 6.0% |
| Muller Industries Inc | 5.8% |
| Perseus Mining Ltd | 5.5% |
| Betsson AB | 4.9% |
| Weis Markets Inc | 4.3% |
| Heartland Express Inc | 3.9% |
| Silver Lake Resources Ltd | 3.6% |
| Westgold Resources Ltd | 3.4% |

Fund Metrics*

| | |
|-------------------------|-------|
| Price to earnings ratio | 11.7x |
| Price to book ratio | 1.4x |

*as at 31 July 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

figure was negative. The firm is therefore well equipped to take advantage of a strategic acquisition should the opportunity arise. Mueller in fact has acquired over a dozen companies over the last decade. Management also declared another quarterly cash dividend of \$0.25. This is 92% higher than 12 months ago and 150% higher than 12 months prior to that.

The recent reversal in dollar strength may have contributed this month to the performance of commodity producers. However, over the longer term it is strong operations such as those discussed below which drive share prices higher. This applies to both commodity and non-commodity operating businesses.

Positive updates relating to cost profiles continued this month. Gold producer Perseus Mining (+6.6%) confirmed a Q2 all in sustaining cost (AISC) figure of US\$1,004, 45% below the average Q2 USD gold price. Half-year production of 252k ounces comfortably met guidance and confirms Perseus is now operating at its target 500k ounces annualised production rate. Its third mine, Yaouré, now processes 512 tonnes of ore material every hour and accounts for 66% of group production, plus is Perseus's lowest cost-per-ounce mine at just US\$641. Given Perseus's 22% cashflow yield, we'd be happy for the firm simply to operate just as well in 2023 as it has in 2022 and a strong appreciation in its share price would be well-justified.

Ramelius Resources (+24.1%) also confirmed both full year gold production and an AISC within guidance, of 258k ounces at an average cost of A\$1,523. Further drilling at the newly acquired Rebecca project uncovered an additional 100k ounces, increasing the mineral reserve plan by 9% to 1.2m ounces. This represents just 12% of the current drilling plan, so we look forward to further positive announcements as Ramelius completes the programme. Given Ramelius's strong balance sheet and the continued negative sentiment across the sector, we would not be surprised to soon see the likes of Ramelius announce another purchase of mineral resources or the outright acquisition of a competitor in the near term. Regardless of industrial sector, a well-capitalised firm making strong profits can expand its operations through acquisitions. By allocating to companies making strong cashflows, we stay away from speculative firms not making profits at today's commodity prices, and instead allocate to firms that can and do expand their operations and production profiles in a value-accretive manner.

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 |