

THE VT PRICE VALUE PORTFOLIO

Factsheet as at 31 July 2024

Investment Commentary

The GBP A class of the fund recorded a gain of 1.45% for the month of July 2024. This brings the cumulative return of the fund in GBP from inception in June 2015 to 80.69%. The latest net asset value of each of the fund's share classes can be found [here](#).

Fears of a US economic slowdown are rising. The Federal Reserve maintained the federal funds rate at the 23-year high of 5.50% for the eighth consecutive FOMC meeting, while the reported unemployment rate rose to 4.3% (approaching a 3-year high). We expect the term 'stagflation', defined as higher goods and services prices coupled with higher unemployment, to start appearing more frequently in mainstream discourse. It is now widely expected that the Fed will cut interest rates in September, perhaps by as much as 0.50%. History indicates that when the Fed starts cutting to prevent a recession it is usually too late. Reported GDP adjusted for reported inflation suggests we're already in one. Any rate cuts are likely to exacerbate inflationary pressures. The Bank of England cut its base rate by 0.25% but says that higher rates are here to stay. The resilience of the precious metals to this data has been impressive. The physical metals have performed strongly year-to-date (gold and silver up 18% and 21% respectively). During the month, the GDX Index (broad precious metals equities) broke out of a 17-year downtrend against gold.

A new addition to the fund, Western Australian gold miner Genesis Minerals (+19.1%), produced 34,617 gold ounces at an all-in sustaining cost of A\$2,698, offering a 32% margin versus the average sales price of A\$3,548. Operating cash flow of A\$39m was up 254% versus the previous quarter on account of higher sales prices and 23% more ounces sold. Genesis currently processes all of its ore at its Leonora mill, predominantly fed by its Gwalia underground mine. To reach annual production figures of over 200,000 ounces, 48% above current levels, management are also ramping up the Admiral open pit and are developing the underground Ulysses deposit. Management anticipate delivery of first ore to the mill from Ulysses during Q3. The elevated gold price coupled with positive news regarding the Hub and Tower Hill projects means management can bring forward the restart of Laverton, their second mill. The Hub project received early approval for site earthworks for pit development.

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	+1.45%
Year-to-date	+13.13%
Since inception (16.06.2015)	+80.69%

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	40%	Canada	16%
Australia	15%	UK	14%
Europe	6%	Cash	9%

Sector Exposure*

Sector	Allocation
Commodities - Mining	53%
Commodities - Soft	4%
Commodities - Energy	2%
Value Equity	18%
Bullion	14%
Cash	9%

Major Holdings*

Tyson Foods Inc	5.1%
Endeavour Silver Corp	4.6%
Hecla Mining Co	4.6%
SilverCrest Metals Inc	4.2%
Pan American Silver Corp	4.1%
Heartland Express Inc	3.7%
iShares Physical Silver ETC	3.6%
WisdomTree Physical Silver ETC	3.6%
Invesco Physical Gold ETC	3.5%
TRM Physical Gold ETC	3.5%

Tower Hill, meanwhile, received advice from the Environmental Protection Agency that their applications can be managed via the standard mining approval process, which means a shorter timeline to production. The restart of the Laverton mill will boost company production in excess of 300,000 gold ounces a year. Over the next 10 years, 3m gold ounces are forecast to be produced by the company from the high-grade deposits, reaching 350,000 gold ounces in year 10, a step change of 160% above current production levels.

MAG Silver (+18.3%) reported net income of \$21.6m during Q2, driven by its 44% ownership of the Fresnillo operated Juanicipio mine in Mexico. This is a high-grade deposit that mined 349,460 tonnes of ore during the quarter with a silver head grade of 498 g/t. Juanicipio has an initial life of mine of 13 years in which management anticipate generating annual average free cash flow in excess of \$130m. This is based on a \$22 per ounce silver price, however the end July silver price was 30% higher, therefore we expect considerably higher figures confirmed in near-term quarter updates. Exploration programmes are underway at Deer Trail in Utah and Larder in Ontario.

Tyson Foods (+6.6%) shares have shown strong momentum year to date. Three consecutive quarters of expansion have seen margins increase from their lowest level since 2009, perhaps due to the higher cost of eating out which is starting to see people cook more at home. Regardless, the company has focused on bringing on state of the art production plants, such as the \$300m facility in Danville, Virginia while closing less efficient ones. In the chicken segment these operational efficiencies and lower input costs (lower grain prices) have helped increase operating income to \$244m. While chicken and prepared foods contributed the most to operating income, it was encouraging to see the pork segment sales increase as a result of growth in global demand.

Fund Metrics*

Price to earnings ratio	30.3x
Price to book ratio	1.6x

*as at 31 July 2024.

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
Swissquote		

Important Information

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