

THE VT PRICE VALUE PORTFOLIO

Factsheet as at 31 December 2024

Investment Commentary

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 whilst minimising downside risk.

Investment Philosophy

The Fund seeks to invest on an unconstrained, multi-asset basis into a diversified array of high quality yet inexpensive investments. This includes listed businesses which the Fund's managers believe offer exceptional quality trading at undemanding multiples.

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.)

The GBP A class of the Fund recorded a loss of 5.67% for the month of December 2024. This brings the cumulative return of the Fund in GBP from inception in June 2015 to 74.17%. The latest net asset value of each of the Fund's share classes can be found [here](#).

Yields on UK government 30-year bonds recently reached their highest since 1998, up 17.2% during 2024 to finish the year at 5.1%. The 10-year yields rose 29.1% to 4.6%, a level which surpasses that seen during the short-lived Liz Truss administration. Yields tend to rise as the base rate rises, yet the Bank of England actually lowered borrowing costs over the year. It is likely that the market is focusing less on the base rate and more on the fiscal and monetary predicaments facing the UK government. Labour plans to sell £297bn of bonds this fiscal year, the second highest on record. In that light, it is unsurprising that gold has followed yields higher, rising 27.2%, its biggest annual gain since 2010. We continue to favour undervalued assets with economic value (versus government-issued liabilities), such as Birchcliff Energy.

Canadian-listed Birchcliff Energy (+4.6%) produces natural gas from the Montney resource field in Alberta. Their two operations are Pouce Coupe and Gordondale, accounting for 78% and 22% respectively of natural gas output. Management have secured an agreement with local peer AltaGas to operate AltaGas' Gordondale gas processing facility. Gordondale is already connected to Birchcliff's Pouce Coupe and the sharing of the facility will result in lower costs for both firms. Operating netback (revenue minus operating and transportation costs, often expressed per barrel of oil) fell to \$8.35, versus \$13.63 in 2023, as natural gas prices dropped over 40%. Narrower netbacks have meant operating margins contracting to 4%, firmly in the lowest decile of the firm's historic margin range. Historically, each time Birchcliff's margins have contracted to these levels they have expanded by over 500% within two years. The share price has outperformed in line with this margin expansion. Indeed, management are already signalling for increased margins as natural gas prices have gained strongly in Q4. Guidance released in August forecasted operating costs per oil barrel equivalent of \$3.70 but have since been reduced again to 14% to \$3.20, driven by the AltaGas transaction.

Performance History

Period	GBP A Share Class
1 Month	-5.67%
Year-to-date	+9.06%
Since inception (16.06.2015)	+74.17%

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	50%	Canada	15%
UK	11%	Australia	11%
Europe	6%	South Africa	5%
Cash	2%		

Sector Exposure*

Sector	Allocation
Commodities - Mining	42%
Commodities - Soft	4%
Commodities - Energy	4%
Value Equity	11%
Systematic Trend Followers	23%
Bullion	14%
Cash	2%

Major Holdings*

Pan American Silver Corp	4.6%
Tyson Foods Inc	4.5%
SilverCrest Metals Inc	4.2%
Hecla Mining Co	4.1%
iShares Physical Silver ETC	3.8%
WisdomTree Physical Silver	3.8%
Artemis Gold Inc	3.5%
TRM Physical Gold ETC	3.4%
Heartland Express Inc	3.3%
Endeavour Silver Corp	3.2%

Fund Metrics*

Price to earnings ratio	36.3x
Price to book ratio	1.1x

*as at 31 December 2024.

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. The information above does not constitute investment advice or make any recommendation.

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Investment Commentary

Anglo American Platinum (-4.2%) operates mainly in South Africa's Bushveld Complex. The group's largest operations are Mogalakwena and Amandelbult, contributing 40% and 29% respectively of Q3 production. At Mogalakwena, management is developing two exploration declines and advancing associated studies supporting possible underground operations. After a strong first nine months, end-year guidance was increased 12% to 3.7m ounces. Similar to Birchcliff, firms in the platinum group metals space have endured much lower sales prices in recent times. PGM sales prices averaged \$2,551 in 2022 but just \$1,442 through H1 2024. Prices look to have bottomed, increasing slightly in Q3, and we expect margins and the share price to continue rebounding accordingly. Through lower-margin periods it's natural for firms to pursue cost-cutting initiatives. Indeed, management have so far delivered 80% of an R10bn (\$540m) cost reduction programme. This leaves the firm on track for end 2024 target production cost per ounce at below \$1,050 which translates to a healthy 41% margin despite the lower sales prices.

Pan American Silver (-8%) fell in line with its peers as silver prices fell during the month. It was an unfortunate backdrop for the firm to announce a strong Q3 update. Management announced record revenue of \$716.1m and record free cash flow of \$151.5m, due to increased production and higher silver and gold prices. Cash reserves subsequently increased by \$101.3m to \$469m. Cost of production per ounce at \$19.63 is a small increase versus 12 months prior, yet the firm's average sales price for silver at \$29.52 is 27.7% higher over the same period. For gold at \$2,475 the 12-month increase is 28.4%. At the flagship La Colorada, capex of \$3.6m was directed to developing the underground Skarn project, and to completing new ventilation infrastructure for the existing mine. The new ventilation resulted in a 59% increase in silver production and a 26% decline in cash costs compared to Q2. Management expect ore throughput will continue to rise, reaching 2,000 tonnes per day by end-year, 15% above Q3 levels. We expect Pan to outperform peers once sentiment to the sector, and the price of silver itself, recovers.

Fund Platforms

The Fund is available on the following platforms:

AJ Bell	Co-Funds	Old Mutual Wealth
Allfunds	Hargreaves Lansdown	Stocktrade
Alliance Trust	James Hay	Swissquote
Ascentric	Nexus	TD Direct
Aviva	Novia	Transact
Brewin Dolphin	Nucleus	