

VT Holland Advisors Equity Fund

Who are we?

We are an investment boutique based in Farnham, Surrey. Our Fund Manager Andrew Hollingworth has over 30 years investment experience, over 14 years of which was in top tier investment banks Merrill Lynch and Redburn, advising institutional investors on discovering the best stock opportunities. Andrew established Holland Advisors in 2009. He set up the predecessor fund to VT Holland in 2011, this fund then converted to UCITS in June 2021.

What do we offer?

The Holland Advisors fund is a truly unconstrained concentrated global equity fund. The focus is on identifying compounding businesses run by aligned owner managers. We typically aim to hold less than 40 companies in the portfolio with the top 10 making up c.50% of the total portfolio. Whilst we are aware of global benchmarks, we do not make investment decisions based on benchmark constituents or their weightings. Instead, our primary purpose is to invest where we have conviction and believe we can achieve powerful compound growth. Consequently, we are significantly differentiated to any benchmark demonstrated by our active share¹, which is well over 90%. Our approach is long term in nature, so portfolio turnover runs around 25%².

What is our style?

We look for sustainable business franchises that can grow their intrinsic value consistently over time while retaining strong defences against the constant threats that emerge from innovation and new competition. We call this an SCA or ‘Sustainable Competitive Advantage’. The three main forces that determine the speed of growth in a company’s long-term value are:

- the speed by which it can grow its sales and profits
- the return on capital the business generates and the capital it reinvests in itself
- the allocation of any excess cash flow by management

A company that is labelled ‘growth’ will often look good on some of these measures but a company we consider attractive will excel in all three. Furthermore, we build a margin of safety by only investing when such a company is trading at a discount to our valuation of the business. This can occur if its business model is misunderstood, or its owner manager out of favour. Our focus is on the absolute compounding of capital our investments, and in turn unit holders, can achieve over the long term.

What sets us apart?

We love what we do, it’s not a job, it’s a passion. We spend our time analysing the actions and behaviours of great businesses and entrepreneurial managers. It is challenging but rewarding and inspiring work. In order to retain our focus, we outsource all fund administration and custody to Valu-Trac Investment Management Ltd which allows us to focus our energies on identifying the best long term investment opportunities. All our team invest in our fund, so our incentives are totally aligned with our clients.

Our fund is small, which has its advantages as we can be nimble in our actions unconstrained by liquidity. Our fund can grow in size significantly in scale without running up against those constraints and we are determined to see this happen. Please don’t use size as the reason not to invest, use it as the reason to. Our fund investors mindsets match our own, being long term buy and hold, focused on absolute capital compounding.

The fund is available on almost all UK investment platforms. We write open and candid investor letters twice a year. We also write about companies we invest in. Fund factsheets, assessment of value and all other documents can be found on our website. www.hollandadvisors.co.uk or contact us info@hollandadvisors.co.uk

¹ **Active share** is a measure of the difference between a portfolio's holdings and its benchmark index. Mathematically, it is calculated as the sum of the difference between the weight of each stock in the portfolio and its benchmark weight, divided by two. The scale is from 0 to 100, with zero being perfectly aligned to the benchmark.

² **Portfolio turnover** is a measure of how frequently assets within a fund are bought and sold by the managers. Portfolio turnover is calculated by taking either the total amount of new securities purchased, or the number of securities sold (whichever is less) over a particular period, divided by the total net asset value (NAV) of the fund.

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