

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, 15 years of which was in top tier investment banks advising institutional investors on stock ideas. Andrew established Holland Advisors in 2008, setting up the fund in 2011 and converted it to UCITS in June 2021. Andrew is also the largest investor in the fund.

What do we offer?

The VT Holland Advisors Equity Fund is a truly unconstrained concentrated global equity fund. The focus is on identifying great businesses run by aligned owner managers. We typically hold c.30 companies with the top 10 making up c.50% of the portfolio. Whilst we are aware of benchmarks, we do not make investment decisions based on benchmark constituents or their weightings – ever! Instead, our primary purpose is to invest where we have conviction and believe we can achieve sustained long term growth. Consequently, we are significantly differentiated to any benchmark demonstrated by our active share¹, which is c.96%. Our focus is on the long term absolute compounding of our investor's capital. Portfolio turnover is c.25%².

What is our style?

We look for sustainable businesses that can grow their intrinsic value consistently over time while retaining strong defences against the threats that emerge from innovation and new competition. We call this an SCA or 'Sustainable Competitive Advantage'. The main forces that determine the growth of a company's intrinsic value are:

- the speed by which it can grow its sales and profits
- its return on existing capital and on the capital it reinvests in itself
- how any excess cash flow is allocated by management

A company that is labelled 'growth' will often look good on the first 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. This can occur if its business model is misunderstood, or its owner manager out of favour (e.g. Meta in 2022 or Netflix in 2023). Our focus is on the long term compounding our investments can deliver as this will ultimately drive unit holder returns.

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. We outsource all fund administration and custody to Valu-Trac Investment Management Ltd. This allows us to focus our energies on identifying the best long term investment opportunities. Our team own c.16% of the fund's units aka "*we eat our own cooking.*"

The fund is available via all wealth managers and is listed on almost all UK investment platforms (please search for 'VT Holland Advisors'). We write open and candid investor letters twice a year. We also write about companies we invest in. Our letters, research, fund factsheets 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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