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# 2026 Investor Presentation

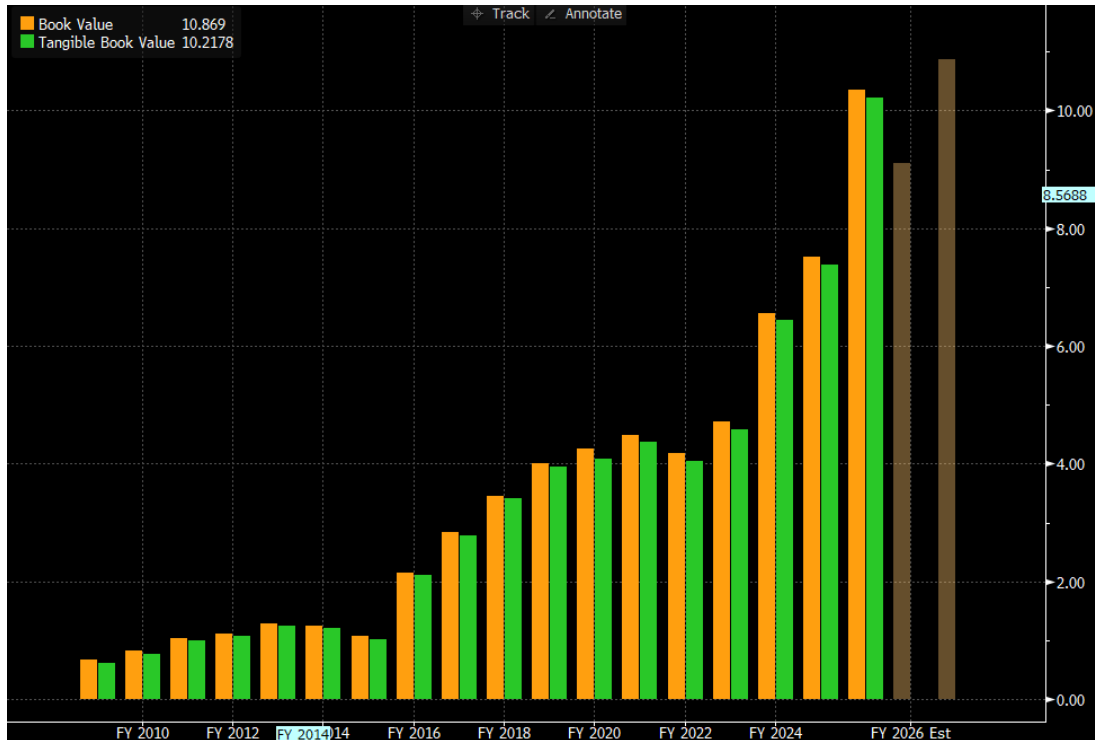
**VT Holland Advisors Equity Fund**

**Andrew Hollingworth**

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Disclaimer: This presentation is not investment advice nor a promotion to invest in any Holland Advisors fund. It is not part of the fund prospectus or offering documentation of VT Holland Advisors Equity Fund. Opinions expressed below are only those of the manager and shared for the interest of readers only. Readers are instructed to look at the full disclaimers on the Holland Advisors website and the VT Holland Advisors Equity Fund prospectus.

# Jet2: No goodwill and lots of it!



Source: Bloomberg, April 26

# We are different (very): Our USP

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- We want to grow investor capital at 15% pa (= 16x in 20y)
  - We seek different types of co. and managers anywhere
  - Often buying at times of high uncertainty
- We have a unique approach to:
  - Owner Managers
  - Pattern recognition
- Andrew is an ‘Outsider’ and 20y Owner Manager himself
- Our intangible skills are our ‘edge’
  - Company analysis (tangible) is now ‘a given’
  - Pattern recognition, reading of people, cycles and judgement takes decades to develop
- >90% of fund invested alongside aligned Owner Managers
  - All have one company, it’s their life’s work
  - Andrew has one fund, this is his life’s work.

# Jet2: Mr Market's view

- PE = 5x, MCap = £2.2bn (@ £11.25) but £500m = Company cash

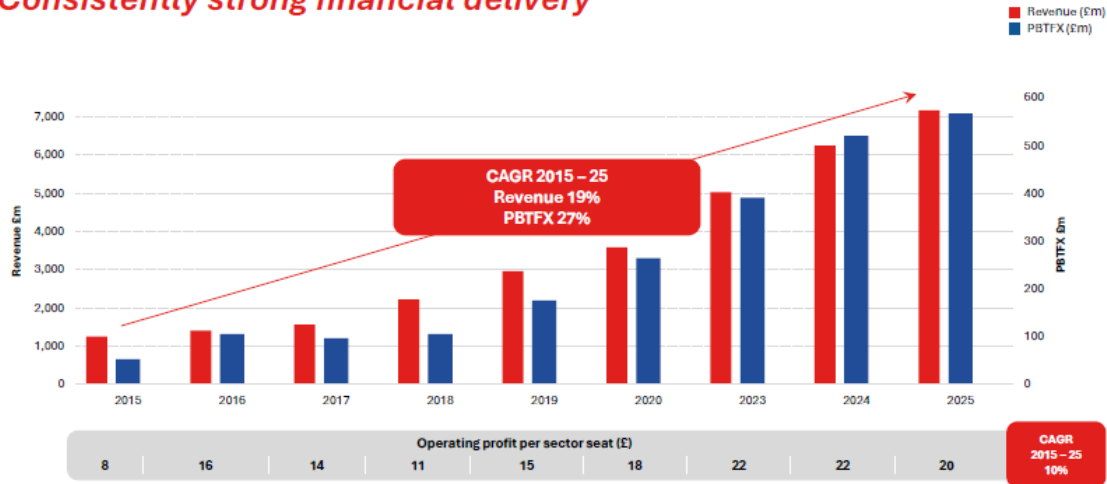


Source: Bloomberg, 31<sup>st</sup> March 26

# Jet2: 15-20% compounding for PE of 5x

**Jet2 plc**

**Consistently strong financial delivery**



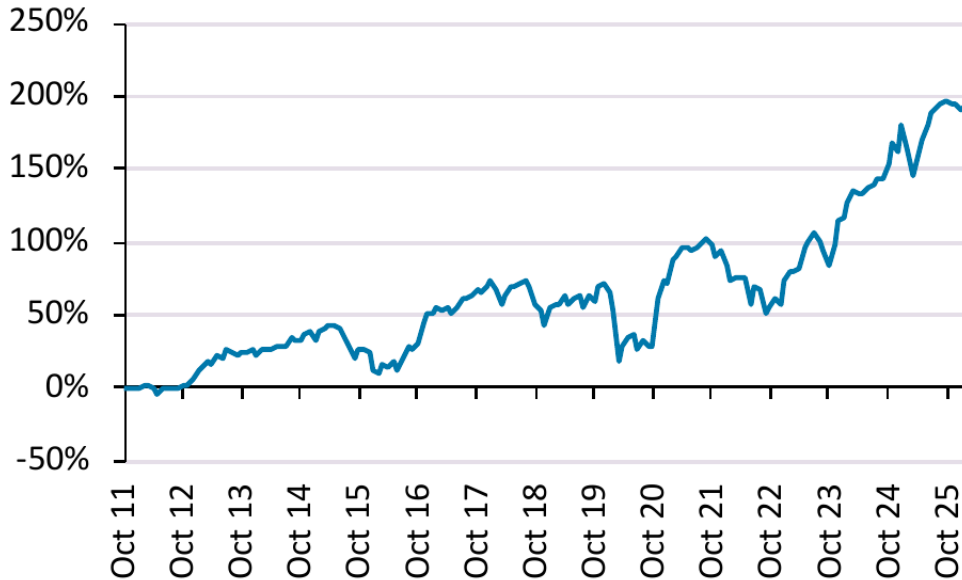
6 Jet2 plc Financial Results | Year ended 31 March 2025

\* All numbers exclude 2021-22 pandemic period

Source: Jet2, Final Results 2025

# Fund Performance: Absolute

## STRATEGY TRACK RECORD <sup>1</sup>



Source: VT Holland Advisors Equity Fund Factsheet, March 26

# Fund Performance: Relative



■ VT Holland Advisors Equity R Acc GBP
 ■ IA Global

Key	3 m	6 m	1 y	3 y	5 y
<span style="color: teal;">■</span>	-1.5	0.4	22.5	62.2	-
<span style="color: green;">■</span>	0.1	5.3	26.8	38.8	41.1
Quartile Ranking	<span style="background-color: orange;">3</span>	<span style="background-color: blue;">4</span>	<span style="background-color: orange;">3</span>	<span style="background-color: teal;">1</span>	

Time Period 3 m 6 m 1 y 3 y

Source: FT Trustnet, Apr 26

# Top Holdings + Performance by Year

CALENDAR YEAR PERFORMANCE <sup>2</sup>	%
Year to Date	-9.5
2025	12.3
2024	21.8
2023	37.6
2022	-19.7
2021	12.2
2020	0.7
2019	21.4
2018	-16.6
2017	13.4
2016	21.1
2015	-9.9
2014	9.2
2013	19.7
2012	5.7
2011	-0.2

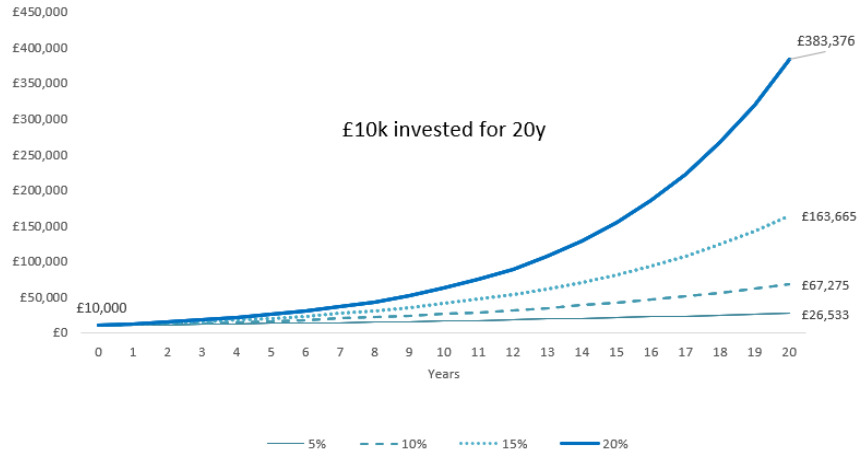
TOP 10 HOLDINGS as at 31 March 2026	%
Block Inc	7.8
Wise PLC	7.8
Nu Holdings Ltd	7.0
Jet2 PLC	6.6
Ryanair Holdings PLC	6.0
Amazon.com Inc	4.6
Taiwan Semiconductor Manufacturing Co Ltd	4.3
Constellation Software Inc	4.2
Rosebank Industries PLC	3.8
Meta Platforms Inc	3.6
Total Top 10 Holdings	55.7

<sup>2</sup>Data since launch (2021) is present above the dotted line.

# We use all the compounding levers we can

We aim to compound investor capital at very high rates

- Growing at **15%pa** for 20y results in a **16x multiplier** of today's capital
  - This compares with only a **2.6x** multiple after 20y at **5% pa**
- Equity markets compound at 7-10%, Investors often make +/- 5%
- The very best money managers/CEO's compounded at 20%
  - They inspire our approach



# Knowing exactly what you are looking for

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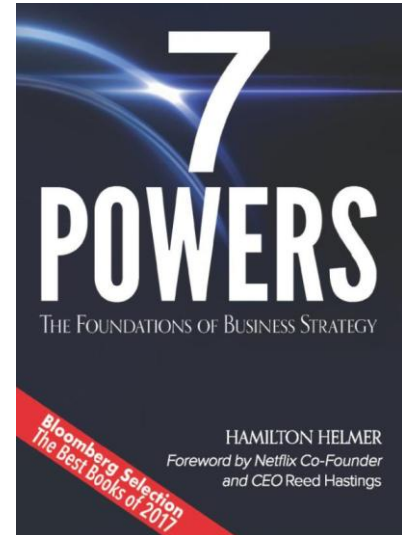
## The power of ‘and’

*“If we can’t make an investment decision in five minutes, we can’t make it in five months”* Warren Buffett

# BB1: Sustainable Competitive Advantages (SCA's)

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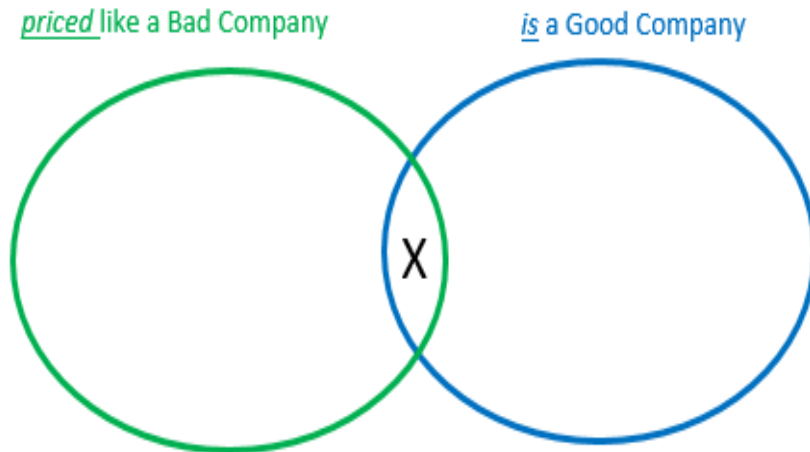
- We want all investments to demonstrate one or more Sustainable Competitive Advantages:
  - Scale Economics
  - Network Economics
  - Counter-positioning
  - Switching costs
  - Branding
  - Cornered Resource
  - Process Power
- We find most opportunity in SCA's least understood by other investors



*Buy right, sit tight*

# BB2: Buying great Co's when others hate them

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Source: Holland Advisors

*“Be fearful when others are greedy and greedy when others are fearful”*

Warren Buffett

# BB3: Our Owner-Manager obsession



*“If you can’t handle me at my worst, you don’t deserve me at my best”*

Marilyn Monroe

# Owner Manager (OM) vs Investors: Oil vs Water

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- OMs = Unconventional & **challenge consensus** thinking
  - Will have spent life turning ‘left’, when told ‘right’!
  - Not complied with rules, been right and emboldened
- OMs = Want to change industries by **revolution** not evolution
  - They are **Outsiders** not **Insiders**
  - Fought bureaucracy every step of way
  - Very long term orientated - **this is their life’s work**
  - **Large org CEO’s** are the **complete** opposite
- OMs = Quietly influential or charismatic
  - They stopped promoting themselves long ago
  - Also stopped caring what others thought of them

# Find a genius and hold on tight

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- David Ogilvy on Owner Managers:
  - *“Talent is most likely to be found among non-conformists, dissenters and rebels”*
  - *“As a leader you have to learn to tolerate genius”*
  - *“My observation has been that mediocre men recognise genius, resent it and feel compelled to destroy it.”*
  - *“There are very few men of genius, but we need all we can find.”*
  - *“Do not destroy them, they lay golden eggs.”*
- Owner Managers outperform S&P 500 by 2x
  - But many investors actively avoid them?!
  - We seek them out anywhere and everywhere

# Meta: Sentiment/Investment cycles

- Meta is an example of occasional very inefficient markets
- ....that don't understand Owner Manager psychology



Source: Bloomberg, April 26

# ABB: Finding exceptional compounding businesses

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## In search of Nirvana – Supernatural Compounders

March 2024



# Bessembinder Stock Market Study

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- Studied stock market returns for 64,000 companies from 1990-2020
  - “We find that the top 2.4% of firms account for all of the \$75.7 trillion in net stock market wealth creation from 1990 to 2020”
    - = 1,500 companies out of 64,000
  - “The best performing firms (0.25% of total) accounted for half of net stock market wealth creation”
    - = Only **160** companies out of 64,000!!!

*Many see MAG7 as bubble: are they missing a bigger picture?*

# Supernatural compounders: The Giant Redwoods

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- We have well established traits we look for in SCA's and Owner Managers
- Supernatural compounders (SNC's) have additional requirements
  - A visionary founder
  - Who re-thinks their industry – solving a hard problem
  - To give customers a more compelling offering
  - Low unit-cost driven and customer obsessed
  - Have huge runways of growth ahead
  - Make good/great ROICs that enable self-funded growth
- The crucial financial trait is the ability to redeploy huge amounts of retained capital at high rates of ROIC

# Sustainable Competitive Advantages in an AI world

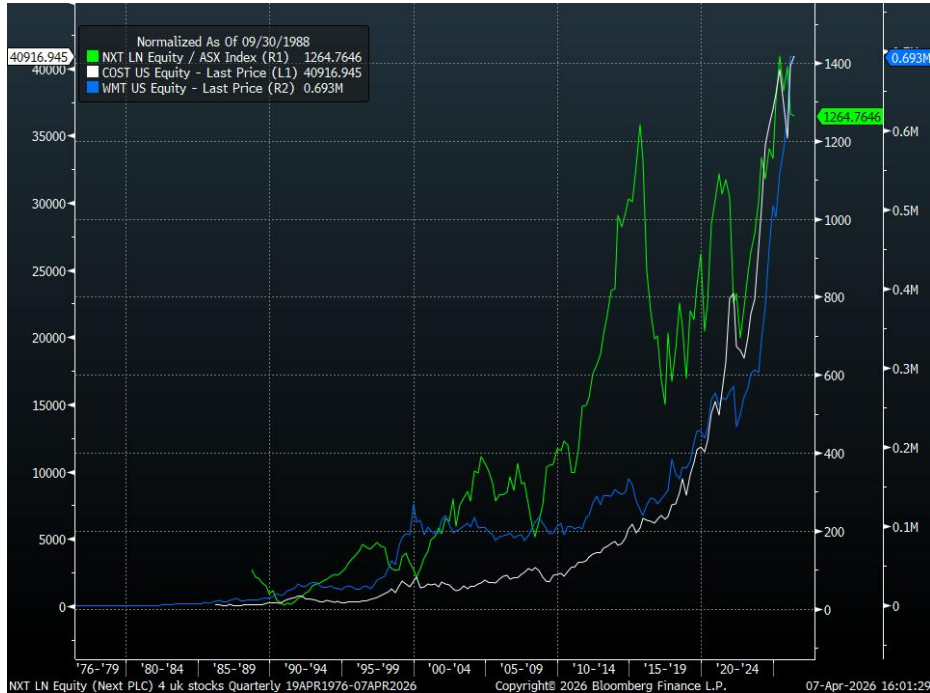
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*“There are years when nothing happens, then weeks when years happen”*

- AI is coming for lazy profit pools
  - Imagine AI in your home..?
  - But you still want value for money & customer service
- New opportunities on offer: 100/500 S&P stocks +/- 20 YTD!
  - Best opportunities are when uncertainty confused with risk
  - Software..?
- How resilient is our portfolio?
  - Lowest future unit-costs in numerous sectors
  - Scale economy shared models with intense customer focus
  - Owner Managers who embrace change
  - Powerful networks that adapt

# AI – Echoes of 1999: Adapt and thrive... or die

*“The atom bomb will change everything, except how men think”* Albert Einstein



Source: Bloomberg, April 26

# What we own

## VT Holland Equity Fund - Full holdings list - 27 March 2026

● Block	8%
✓ ● Wise	7%
✓ ● Nu Holdings	7%
● Jet2	7%
● Ryanair	6%
Amazon	5%
● TSMC ADR	4%
✓ Constellation Software	4%
Rosebank	4%
Meta	4%
● Credit Acceptance Corp	3%
Odet	3%
● PDD	3%
Netflix	3%
Yum China	3%
	<u>71%</u>

Green Brick	2%
Carvana	2%
AppFolio	2%
✓ Kelly Partners	2%
● W R Berkley	2%
Biglari Holdings	2%
Next	2%
LVMH	2%
Bioventix	2%
● Wetherspoons	2%
● BYD	1%
Judges Scientific	1%
Summerset	1%
Exor	1%
	<u>24%</u>

### Key

- Counter-cyclical capital allocation
- Customer service obsession
- Lowest unit cost / disruptor
- ✓ Supernatural compounders

# In Summary

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- Our charges/structure/security/access = the same as other funds
- Where we differ **significantly** is our investment approach
  - This different input means **very** different outputs
- Inspired by **outstanding** capital managers of the past, we are:
  - Unconstrained, concentrated and fiercely independent
  - Intensely and solely focused on absolute long term capital compounding. Nothing else.
- Our advantages are bigger than we first realised
  - Free, independent thinking, open to learning and evolving
  - No constraints, no masters, no career risk + huge alignment

*Our biggest advantage is we love what we do*

# Thank you

[www.hollandadvisors.co.uk](http://www.hollandadvisors.co.uk)

Twitter: @Andrewhollingw

# Appendices

# Companies we own by mental model

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## Supernatural Compounders

- Wise, Nubank, Biglari, Bollore, Carvana, Kelly Partners

## Capital Cycle/Investment Cycle +/- Sentiment Cycle

- Netflix, Meta

## Compounders dressed up as cyclicals

- Jet2, Credit Acceptance, Ryanair, Greenbrick, Summerset

## Scale Economy Shared models

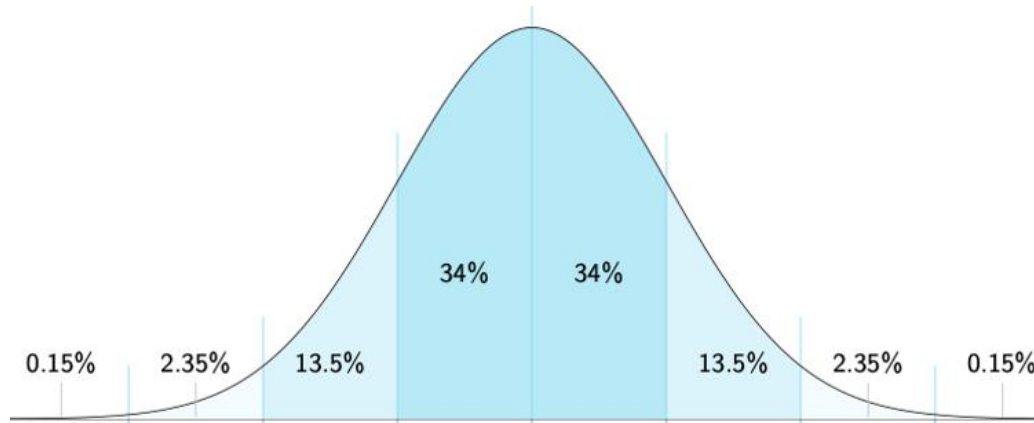
- Amazon, TSMC, BYD, PDD, Next, JDW

**We love disrupters and lowest unit-cost winners**

# The supernatural compounders (SNC) of tomorrow

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- We are using our long study of compounding to:
  - Try to find tomorrow's 'supernaturals'
  - Which will likely be run by tomorrow's great Owner-Managers



Source: TikZ.net

*c.25% of Fund today invested in companies with SNC traits*

# Wise... A supernatural compounder

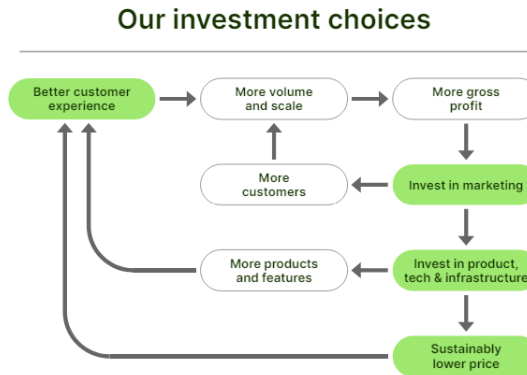
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- The best innovative businesses solve a problem
  - Wise's is the cost of Forex via banks
  - Banks Forex spreads = an unseen global tax on SME/Individual
  - Customers save c.2% of every single transaction with Wise
- Wise is re-investing profits to reduce customer pricing further
  - Customers love this, but the share price fell!
  - Also building an alternative clearing network of its own
- Wise is re-investing back in itself at likely high ROIC rates
- Wise has all the four traits we love in great Co's (#builttolast)
  - Preserve a core ideology
  - BHAG (Big Hairy Audacious Goals)
  - Trying new things
  - Constant innovation in new products and services

# Wise: Scale Economy Shared in action

*“The market leader over time will be the provider of the cheapest, fastest, most convenient service with the broadest coverage. This will only be achieved by building the best global infrastructure, so we will continue to re-invest every year.”* Kristo Kaarmann, Wise CEO and Founder, June 2024 analyst meeting

**Growth and scaling creates capacity to reinvest.**



Source: Wise Plc Investor Presentation, June 2024

# Wise words

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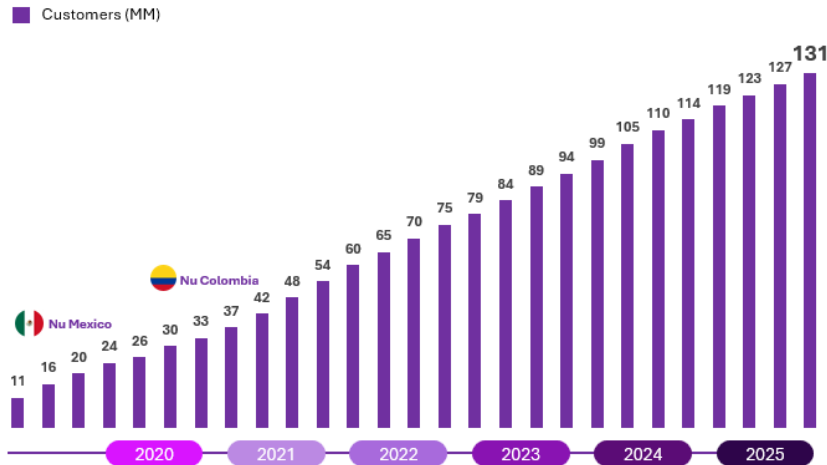
*“You need a genuine desire day in day out to delight the customer. I’ve seen a lot of business, but I’ve never seen one that focused on delighting the customer that didn’t succeed.”* **Warren Buffett, emphasis ours**

*“The biggest driver of new customers is word of mouth/recommendations... And the biggest driver of recommendations is the fact that we are so much cheaper and more transparent than other banks or anything else that is available.”* **Kristo Kaarmann, Wise CEO and Founder, June 2024 analyst meeting**

# Nubank: A snowball on a long, wet hill

## Nubank's trifactor

- Is the **lowest unit-cost** bank, has **very high ROE's** & customers **LOVE** it
- Brought powerful 'Scale Economy Shared' model to sleepy banking sector
- Looks a perfect SNC. Is Amazon-esq in customer focus and disruption
- Its global growth runway could be very long



Source: Nu Holdings

# Netflix: A changing capital cycle

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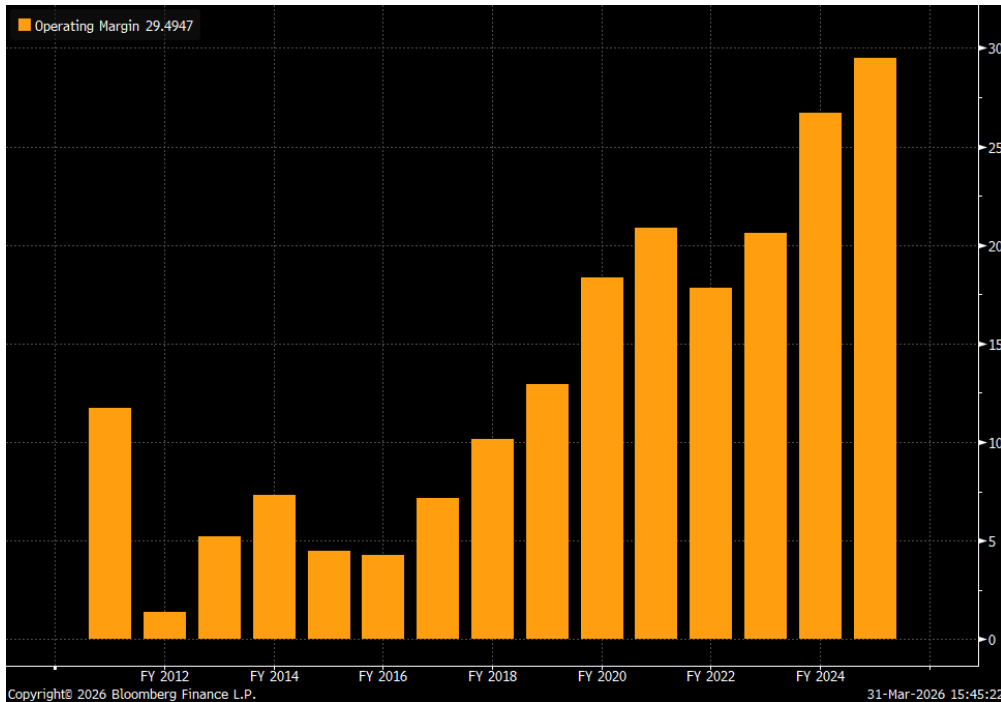
## Who are you?

- A counter-positioning business run by a driven Owner Manager
- That achieved scale and used it powerfully
  - A disrupter that created Network + Scale Economics
  - Which it re-invested for customers benefit & a bigger moat

## Where are you?

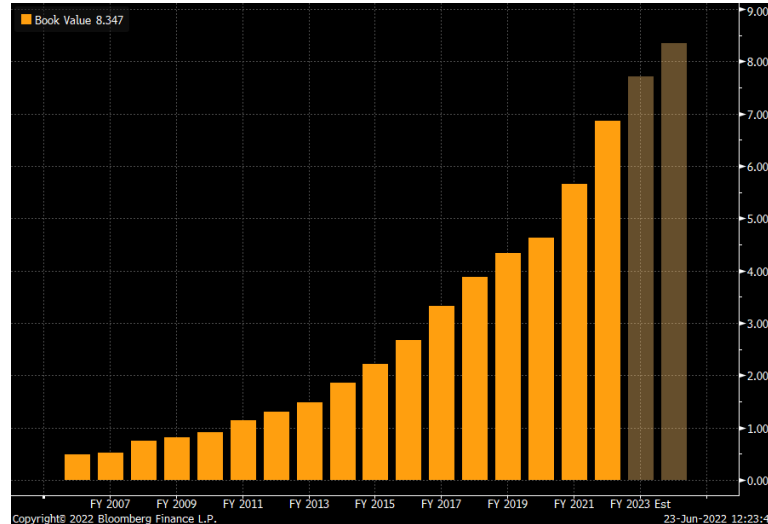
- Netflix was being attacked by gorillas with capital and ambition
  - e.g. Apple, Amazon, Disney
  - But it prospered in the heat of competition
    - Due to its high-quality, innovative products
    - Achieving industry leading margins
- When the capital cycle turned (i.e. others gave in) it was uniquely positioned = Huge operational gearing resulted
- Sector analysts are not SCA or capital cycle specialists. This requires a generalist approach + age!?

# Netflix: To the victor, the spoils



Source: Bloomberg, April 26

# A mistake: Ryman Healthcare



Source: Bloomberg

- A 'great' mistake example because I loved it/raved about it!
- NZ property market created a tailwind
  - & the company forgot it was a business
  - & made big liquidity mistakes
- Owner Manager founded but not run by them anymore!!

# Buffett: “scramble out of your mistakes”



Source: Bloomberg, April 26

# Our edge is our investment approach

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- Fund **outputs**: perf + volatility + exposures = hard facts
- Fund **input**: Is our differentiated investment process
  - This is why we always explain our process fully
  - And why our performance is different
  - Fund's Active Share at c.96%

	Good Outcome	Bad Outcome
Good Process	<b>Deserved Success</b>	<b>Bad Break</b>
Bad Process	<b>Dumb Luck</b>	<b>Poetic Justice</b>

Source: Michael Maboussin

# We try to be (and want) quality shareholders

## *Quality Shareholders*

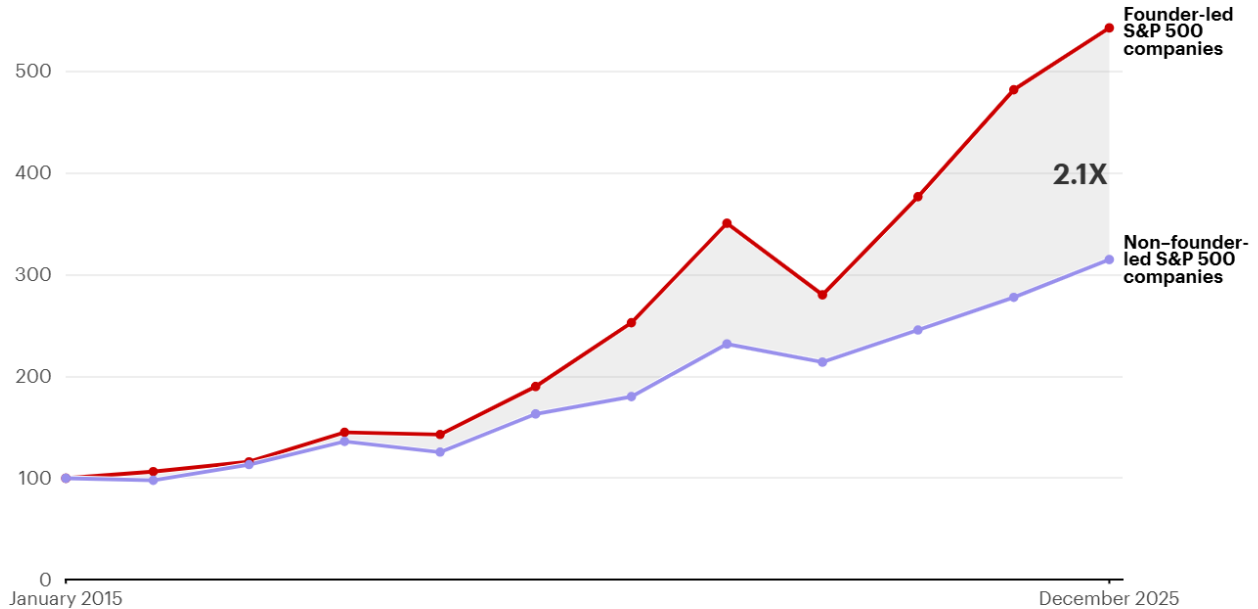
		<i>Investment Conviction</i>	
		Lower	Higher
<i>Investment Horizon</i>	Shorter	Transients	Activists
	Longer	Indexers	Quality



Source: Kelly Partners

# Owner Manager compounders

Indexed total shareholder return (2015–2024)

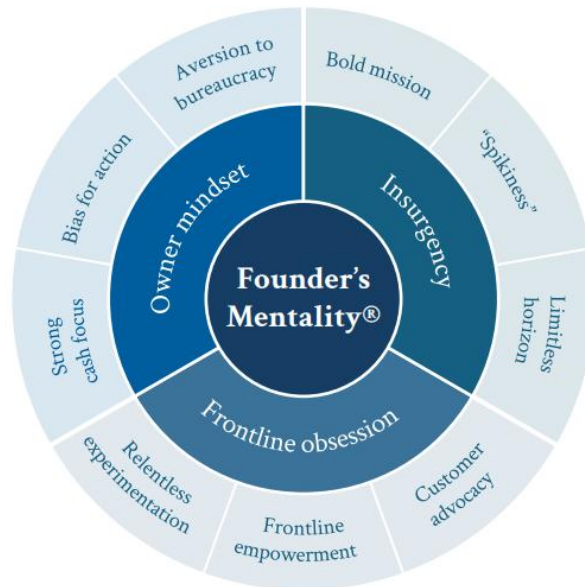


Notes: Total shareholder return is not weighted by market cap

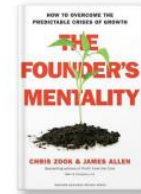
Source: S&P Capital IQ; Refinitiv; Bain analysis

# Founders are wired differently

## *Founders Mentality*



Source: Bain & Company



Source: Kelly Partners

# Economic forecasting & Wing mirrors

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Here is my economic forecast...!

*“The only function of economic forecasting is to make astrology look respectable”*

**John Kenneth Galbraith**

# Understanding market cycles

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