

Assessment of Value

Statement by the Authorised Fund Manager for the year to 31st May 2020 to the shareholders of

VT Dominion Holdings Investment Company with Variable Capital

The purpose of this document is to assess the value that VT Dominion Holdings ICVC (the Company) has delivered to its shareholders in relation to the charges that they have incurred. Valu-Trac Investment Management Limited (Valu-Trac) is the Authorised Fund Manager (AFM) and Authorised Corporate Director (ACD) of the Company. Inpersca Limited is its Investment Adviser.

Background

The Company was established on the 14th July 2017 as a vehicle for business ownership and is only intended for like-minded shareholders who recognise the risks and benefits of its investment objective and approach. Its investment objective is to preserve and grow the purchasing power of shareholders' capital (i.e. for the returns of the Company to increase in excess of the UK's CPI) over the long term. To achieve this objective, it endeavours to participate patiently in the ownership of a limited number of carefully selected businesses.

Financial year ending 31st May	2020	2019	2018¹
Assets attributable to shareholders (£)	20,488,820	21,786,345	18,597,973
Shares outstanding			
Income	220,760	200,000	200,000
Accumulation	18,805,951	18,920,013	17,441,867
Net asset value per share			
Income	103.9p	110.4p	102.8p
Accumulation	107.9p	114.0p	105.6p

¹ Period from 14 July 2017

Quality of Service

The quality of administrative service, including the depositary, custodial bank and auditors of the Company are constantly monitored by the AFM. These services are essential in ensuring the Company is operated efficiently. Since the Company's inception a new custodial bank was appointed to improve service quality and lower fees.

The AFM also monitors the Investment Adviser, who is dedicated solely to advising the Company. Its directors all have a significant portion of their financial capital invested in the Company. While neither the AFM or Investment Adviser solicit for new subscriptions, like-minded shareholders who subscribe to the investment philosophy, perspective of risk, return expectations and time horizon of the Company are welcome to subscribe for shares. The Investment Adviser meets all prospective shareholders before their subscription and with all shareholders regularly.

Valu-Trac recognises that existing shareholders are likely to be well placed to assess the quality of the service provided by the Company. An indication of their perception as to the quality of service they receive is their willingness to remain shareholders. The total number of shares redeemed each year relative to total number of shares outstanding at the beginning of each year is given below:

Financial year ending 31st May	2020	2019	2018¹
Total shares redeemed as a percentage of total shares outstanding at beginning of the year	1.8%	1.1%	Nil

¹ Period from 14 July 2017

Valu-Trac does not delegate any of the core functions of the Company such as administration, accounting and transfer agency. This means it directly employs and supervises the individuals who carry out this work, ensuring they are appropriately qualified and experienced. Through this supervision any shareholder requests and queries are dealt with effectively. The timely publication of interim and annual reports is also reviewed and all reporting to shareholders is done directly.

The AFM considers that a good level of service commensurate with the amounts paid for those services has been delivered to the Company's shareholders by all parties involved.

Investment Returns

As at 31st May 2020 the net asset value per accumulation shares had risen by 7.9% since inception. The Company's investment objective is to preserve and grow the real purchasing power of shareholders' capital. Therefore, a realistic measure of long-term performance is considered to be progress against the UK's consumer price index over a rolling five-year period. The Company has not yet been in existence for five years.

Charges

The Company has accumulation and income shares in a single share class. All shareholders are treated equally and incur the same charges. None are subject to preliminary or performance fees. Shareholders who elect to redeem within three years of subscription are subject to a 3% redemption fee. This fee is payable to the Company to compensate existing shareholders. It is not paid to either the AFM or Investment Adviser.

Annual ongoing charges incurred by the Company are capped at 1% p.a. Any ongoing charges incurred in excess of this limit are reimbursed to the Company by the Investment Adviser. This reimbursement is accounted for as revenue in the Company's financial statements. The Investment Adviser is committed to sharing the benefits of scale with the Company's shareholders via a systematic reduction of the ongoing charges figure. In the first instance the cap on the ongoing charges figure will be reduced to 0.75% p.a. on incremental net assets in excess of £50m.

The ACD's policy is that it may require a dilution levy on the subscription or redemption of the Company's shares if, in its opinion, the interests of other shareholders might otherwise be adversely affected.

The Company is a vehicle for business ownership. It seeks to patiently participate in a small number of carefully selected companies. This investment approach limits transaction costs, an important and often overlooked expense that impairs long-term investment returns.

The total charges incurred by shareholders in the year to 31st May 2020 are provided below:

Authorised Corporate Director fees	£218,980
Depository and safekeeping fees	£20,908
Audit fee	£6,000
Financial Conduct Authority	£77
Ongoing charges	£245,965
Ongoing charges reimbursed by investment adviser	(£26,985)
Net ongoing charges	£218,980
Total transaction costs	£2,532
Total costs of ownership	£221,512

The AFM continually monitors and reviews all charges and the total cost of ownership and compares these to other total return ICVC's. The AFM manages other investment companies which incurred comparable charges and receive comparable service.

Conclusion

Having considered the justification for the charges incurred by the Company in relation to the value delivered to its shareholders, the AFM is of the opinion that all shareholders of the Company are treated equitably and have received good value.

Anne A Laing CA

Chief Executive

Douglas J Halley

Independent Non-Executive Director

05 August 2020