

VT Dominium Holdings
Investment Company with Variable Capital

INVESTMENT MANAGER'S ANNUAL REVIEW
for the year ending 31 May 2025 (unaudited)

SHAREHOLDER INFORMATION

Net assets attributable to shareholders:	£36,836,239
Shares outstanding:	
Accumulation:	22,114,774
Income:	290,804
Net asset value per share ('NAV'):	
Accumulation:	164.8p
Income:	153.0p
Ongoing charges figure ('OCF'):	0.98%
Redemption charge:	3% for redemptions within 3 years (payable to VT Dominion Holdings ICVC)
Portfolio turnover:	8.8%
Minimum initial investment:	£250,000
Minimum subsequent investment:	£20,000
Year end:	31 st May
Ex-dividend date:	31 st May
Dividend distribution date:	31 st July
Dividend per share:	
Accumulation:	1.8740p
Income	1.7608p
<i>Authorised Corporate Director (ACD), Alternative Investment Fund Manager (AIFM) and Registrar</i>	Valu-Trac Investment Management Limited Orton, Moray IV32 7QE Telephone: 01343 880217 Email: dominium@valu-trac.com Authorised and regulated by the Financial Conduct Authority
<i>Investment Manager</i>	Inpersca Limited 43 Melville Street, Edinburgh EH3 7JF Authorised and regulated by the Financial Conduct Authority
<i>Depository</i>	NatWest Trustee and Depositary Services Limited House A, Floor 0, 175 Glasgow Road, Gogarburn Edinburgh EH12 1HQ Authorised and regulated by the Financial Conduct Authority
<i>Auditor</i>	Johnston Carmichael LLP, CA Strathlossie House, Kirkhill Avenue, Elgin IV30 8DE

ABOUT VT DOMINIUM HOLDINGS ICVC

VT Dominion Holdings ICVC ('the Company') is an Open-Ended Investment Company that is authorised and regulated by the United Kingdom's Financial Conduct Authority ('FCA') as a non-UCITS retail scheme. It began operations on 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. The Company does not directly own immovable assets, commodities, derivatives or collective investment schemes, and does not 'short' shares or borrow to invest.

Investment Objective

The Company's investment objective is to preserve and grow the purchasing power of shareholders' capital (i.e. for its returns to increase in excess of the UK's Consumer Price Index) over the long-term.

Investment Approach

As investment manager, Inpersca Limited is of the opinion that business ownership offers the best means to protect and grow capital in real terms over time. It provides owners with a claim on the true sources of wealth creation. Participating patiently in the ownership of a limited number of carefully selected businesses, each efficiently providing products and services that effectively satisfy society's needs, is the core of the Company's investment approach. It has no defined time horizon for each but hopes to own them for decades. *Simply put, its goal is to buy well and hold on.*

The Company will seek to partner with competent and honest entrepreneurs or business owners who share with it a community of interest. These individuals have the responsibility of overseeing the distribution or reinvestment of the cash flows generated by their businesses, a key determinant of the rate at which the Company's capital will compound over time.

In order that this wealth creation accrues to owners, and is not competed away, each business in which the Company has an ownership participation should have barriers to entry that are scarce and difficult to replicate. They should also operate with capital structures and business models resilient enough to endure life's inevitable vicissitudes.

At Inpersca Limited we believe that neither 'risk' nor 'value' is a number that can be found on a spreadsheet.

Given the sanctity of capital, we see 'risk' as the likelihood of permanent capital loss. The careful selection of each business the Company owns is its best protection against this outcome – even then we will make errors of judgement. As long-term business owners we do not view asset price volatility as risk. You should know in advance that the Company will not avoid large drops in the share prices of the companies it owns. By understanding its businesses and management partners we hope to have the resilience to survive these falls and the courage to take advantage of them.

We 'value' scarcity, resilience, adaptability, ingenuity, probity and competence. The Company will look to own as much of this as possible for every portion of a business it acquires. Price volatility may provide it with the opportunity to acquire a greater portion of this value relative to the price it is being asked to pay - a welcome outcome.

Cash represents the residual of the investment approach. Suitable investment opportunities do not arise each and every day, or just because we might want them to. When suitable investment candidates are not available cash will be allowed to accumulate, to a maximum of fifteen percent of net asset value. We have no ability to time asset price movements in capital markets and so do not attempt to do so.

We do not believe making comparisons of investment performance with other assets over short periods of time is helpful. Furthermore, the Company's ownership interests are selected without consideration of benchmark weightings and as such performance may deviate substantially from other investments. A realistic measure of long-term performance may be progress against the UK's Consumer Price Index ('CPI') over a rolling five-year period.

INVESTMENT MANAGER'S BUSINESS PRINCIPLES

As investment manager of the Company, Inpersca Limited takes seriously its fiduciary responsibility to your savings. To ensure a community of interest between it and you as the shareholders of the Company, Inpersca Limited is operated on the following broad business principles:

- ❖ We regard the capital entrusted to the Company as irreplaceable. Its long-term preservation, in real terms, is our first priority. A major portion of both the savings of our directors and the capital of Inpersca Limited is invested in the Company. Our intention is to participate in the progress of the Company alongside its other shareholders, not at their expense.
- ❖ We care about investment returns. Inpersca Limited is dedicated solely to managing the Company and to monitoring the businesses it owns. The Company's size will be limited so as to maximise its opportunity set.
- ❖ As the assets of the Company increase it is our intention to share with its shareholders the benefits of scale via a systematic reduction of the ongoing charges figure. In addition, our investment approach seeks to minimise transaction costs, an important and often overlooked expense that impairs long-term investment returns.
- ❖ It is essential that the shareholders of the Company are like-minded investors who share our investment philosophy, perspective of risk, return expectations and time horizon. The longer your investment time horizon the better. If your investment time horizon is less than five years, the Company is unlikely to be a suitable vehicle for your savings. Our own time horizon is much longer and we only intend to comment on its progress over a minimum of a five-year rolling period. Be aware that a three percent fee is charged on share redemptions within three years of purchase. This is not paid to the ACD or investment manager, instead it accrues to the Company's remaining shareholders.

Inpersca Limited

HISTORICAL DATA

The information in the table below is all sourced from Valu-Trac Investment Management Limited except for consumer price index data ('CPI'), which is sourced from the UK's Office of National Statistics.

As at, or for the period ending:	Net assets	OCF ¹	Portfolio turnover ²	Redemptions ³	NAV per acc. share	CPI (rebased)	Real NAV per acc. Share ⁴	Div. per income share
Inception	£5.0m	-	-	-	100.0p	100.0	100.0	-
31 st May 2018 ⁵	£18.6m	1.00%	Nil	Nil	105.6p	102.4	103.1	0.48p
31 st May 2019	£21.8m	1.00%	Nil	1.1%	114.0p	104.5	109.1	0.67p
31 st May 2020	£20.5m	1.00%	Nil	1.8%	107.9p	105.0	102.7	0.65p
31 st May 2021	£24.0m	1.00%	4.1%	0.7%	126.7p	107.3	118.1	0.44p
31 st May 2022	£30.4m	1.00%	1.2%	0.9%	132.9p	116.9	113.6	0.93p
31 st May 2023	£33.6m	0.99%	Nil	Nil	141.7p	127.1	111.5	0.87p
31 st May 2024	£36.3m	0.98%	5.2%	3.6%	158.0p	129.6	121.9	1.02p
31 st May 2025	£36.8m	0.98%	8.8%	4.8%	164.8p	134.0	123.0	1.76p
Five year rolling compound average annual return					8.9%	5.0%	3.7%	
Compound average annual total return since inception					6.5%	3.8%	2.7%	
Cumulative change since inception					64.8%	34.0%	23.0%	

Notes to table:

1. OCF is capped at 1% p.a., reducing to 0.85% p.a. on incremental assets above £30m and 0.75% p.a. on incremental assets over £50m.
2. Portfolio turnover is the lower of total investment purchases or sales over the period as a percentage of the average assets for the period.
3. Redemptions are the gross number of shares redeemed over the period as a percentage of total shares in issue at the start of the period.
4. Real NAV per accumulation share is determined by deflating the net asset value per accumulation share by the rebased CPI.
5. The period ending 31st May 2018 was not a full year so the OCF and portfolio turnover figures for that period are annualised.

LETTER TO SHAREHOLDERS

Dear fellow owners,

Shallow and deep risk

The financial sector, rife with conflicts of interest, has gradually increased the distance between investors and the businesses they own and visa versa. Far removed from one another, each is encouraged to focus their attention and time on a single quantitative KPI to determine success and risk: the share price. Many management teams commit considerable resource to managing it and many investors do likewise attempting to anticipate it. This serves only to reinforce short-termism. In my view, short-term price moves are mostly random and capricious. Instead, I consider risk through a different prism.

Financial author William Bernstein identifies two types of risk. He describes ‘shallow risk’ as a loss of real capital (i.e. after inflation) that recovers within several years. Most investors in assets via global capital markets will have experienced this. On the other hand, Bernstein labels risks that threaten an irrecoverable loss in real capital as ‘deep risk’. Shallow risks can be uncomfortable, but deep risks are devastating. It is the latter we wish to avoid.

In last year’s letter I described how the allocation of capital at TFF Group had influenced progress in its underlying worth over the long run. While the price its shares trade at may rise and fall sharply over any day, month or year due to the speculative ebb and flow of capital markets, with time the weight of its underlying fundamentals becomes increasingly influential. As such, an irrecoverable loss in this worth is where most deep risk resides.

Mitigating deep risk

Selected financial data for Rational AG between 2014 and 2024 is shown below in Table 1. This information is necessarily incomplete, but it offers useful insight into time preference, capital allocation and corporate ethos. Based in Germany, Rational produces ovens for commercial kitchens, a notoriously cyclical industry. We have held a participation in it since the inception of our Company.

Table 1: Historical financial data for Rational AG (2014 – 2024)

At and for the year to 31 st Dec	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Revenue (€m)	497	564	613	702	778	844	650	780	1,022	1,126	1,194
Net profit (€m)	110	122	127	143	157	172	80	124	186	214	251
Dividends (€m)	77	85	114	125	108	65	55	114	153	153	171
# of shares (m)	11	11	11	11	11	11	11	11	11	11	11
Earnings per share (€)	10	11	11	13	14	15	7	11	16	19	22
Shareholders equity (€m)	311	356	397	425	456	517	535	603	676	761	857
Intangible assets (€m)	2	5	9	9	8	7	7	8	16	21	19
Net cash (€m)	193	239	250	253	180	222	251	252	207	138	153
Acquisitions (€m)	0	0	0	0	0	0	0	0	0	0	0
Share buybacks (€m)	0	0	0	0	0	0	0	0	0	0	0
Net capex ¹ /sales	3%	3%	4%	5%	6%	5%	5%	3%	4%	3%	3%
R&D ² /sales	4%	4%	5%	5%	5%	5%	6%	6%	4%	5%	6%
Return on sh. equity	38%	37%	34%	35%	36%	35%	15%	22%	29%	30%	31%

Source: Company financial statements. **Notes to table:** 1. net capital expenditures ex acquisitions; 2. research & development expenses

Rational’s commercial success over the last decade can be seen in the advance of revenue and net profits. External conditions have been both beneficial and difficult during this time. However, our ownership is not based on a forecast of these. Rather, it is an assessment of the integrity of Rational’s endogenous strengths to endure life’s unknowns and my confidence in this.

Since Siegfried Meister founded it over 50 years ago, Rational has focused on delivering maximum customer benefit in a narrow industry niche.¹ To facilitate this, it maintains a well-invested asset base and operates as a community of entrepreneurs. Many employees are chefs with deep knowledge and empathy gained from close observation of professional kitchens over many years. From this comes creativity and high levels of customer service. Every year Rational burdens profitability by committing a relatively high percentage of its revenues to research and development expenditure. The aim is to enhance and adapt its capabilities through incremental improvements to the quality, reliability and superior technology that its products have developed a reputation for. Higher revenues and net profits are the outcome of attention given to delighting customers.

LETTER TO SHAREHOLDERS

To reinforce this, remuneration paid to its executives is linked to customer satisfaction and the prudent use of capital. Rational eschews acquisitions, preferring to build underlying worth organically, and values the independence and optionality that comes with having no net debt. Meister's family remain significant owners.

A different path

By way of comparison, the same financial information for a larger competitor based in the US is provided in Table 2. I've labelled it 'Group A'. It has chosen to grow through acquisitions. These are financed by net profits and financial debt. The bonuses of its executives are determined by growth in 'adjusted' profits and relative share price performance. In early 2025, Group A announced it would be spinning off some of its operations and committing more cash to buying back its shares. Evidently, it walks a different path in allocating its capital.

Table 2: Historical financial data for Group A (2014 – 2024)

At and for the year to 31 st Dec	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Revenue (\$m)	1,637	1,827	2,268	2,335	2,723	2,959	2,513	3,251	4,033	4,037	3,875
Net profit (\$m)	193	192	284	298	317	352	207	489	437	401	428
Dividends (\$m)	0	0	0	0	0	0	0	0	0	0	0
# of shares (m)	57	57	57	57	56	56	55	57	55	54	54
Earnings per share (\$)	3.4	3.4	5.0	5.3	5.7	6.3	3.8	8.6	8.0	7.4	7.9
Shareholders equity (\$m)	1,007	1,167	1,265	1,361	1,665	1,947	1,977	2,494	2,798	3,250	3,638
Intangible assets (\$m)	1,301	1,733	1,789	2,045	3,104	3,293	3,385	4,119	4,206	4,179	4,129
Net debt (\$m)	554	711	664	939	1,820	1,779	1,462	2,234	2,560	2,178	1,705
Acquisitions (\$m)	220	349	211	305	1,203	281	79	964	279	69	112
Share Buybacks (\$m)	44	5	4	240	0	6	86	29	265	75	35
Net capex ¹ /sales	1%	1%	1%	2%	1%	2%	1%	1%	2%	2%	1%
R&D ² /sales	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%
Return on sh. equity	21%	18%	23%	24%	22%	19%	11%	22%	17%	13%	12%

Source: Company financial statements. **Notes to table:** 1. net capital expenditures ex. acquisitions; 2. research & development expenses

Building enduring wealth

A prudent saver is concerned with protecting the purchasing power of their savings and the means employed to do so. This may be especially important in a complex world of fiscal and monetary policy imprudence. Page four provides the quantitative information on our Company's progress that I would like to know if our roles were reversed. These letters are intended to give an insight into the means employed to achieve those ends.

Our Company's aim is to protect and build wealth in real terms over the long run without shareholders suffering undue stress. To achieve this its assets are mostly comprised of a small, carefully curated collection of commercial interests. Like us, our management partners must attempt to convey precious capital through a messy and unpredictable world. Daring or restrained, impulsive or intentional, they need to make choices without knowing the consequences. This entails risk.

Many companies and people do not respond well to variability. Others benefit. They build in characteristics that enable them to adapt to future adversity and uncertainty. At Rational these are witnessed in its corporate ethos, operational capabilities and prudent capital structure. Through experience, both direct and indirect, I have learnt that, when bought well, it is these that offer the best mitigation against deep risk. Developing them involves time, effort and resources. This demands alignment between owners and their management partners and an understanding by each of their responsibilities to the other. I encourage you to think of yourself as an owner: not just of our Company, but also of each of the enterprises listed below.

Yours in appreciation,
Evan Green

Notes:

1: Rational AG applies *Engpasskonzentrierte Strategie* (EKS), or 'bottleneck-focused strategy,' developed by Wolfgang Mewes.

VT Dominium Holdings ICVC

Investment Manager's Annual Review for the year ended 31st May 2025

OWNERSHIP INTERESTS

Holding	Security	Currency	Value (£)	% of Net Assets	
13,000	Schindler Holding AG	CHF	3,306,585	9.0	
67,500	Fielmann Group	EUR	3,163,750	8.6	
54,000	Heineken Holding NV	EUR	3,116,564	8.5	
8,200	Berkshire Hathaway Inc.	USD	3,060,662	8.3	
1,900	Markel Group	USD	2,712,757	7.4	
80,000	Admiral Group plc	GBP	2,698,400	7.3	
30,800	RLI Corp.	USD	1,746,730	4.7	
12,358	Compagnie Financiere Richemont SA	CHF	1,727,695	4.7	
20,000	Pernod Ricard SA	EUR	1,534,889	4.2	
18,500	Exor NV	EUR	1,317,403	3.6	
15,600	Nestle SA	CHF	1,233,286	3.3	
62,503	TFF Group	EUR	1,202,874	3.3	
171,950	A.G. Barr plc	GBP	1,198,492	3.2	
12,000	Brown & Brown Inc.	USD	1,000,334	2.7	
2,000	Mastercard Inc.	USD	862,198	2.3	
1,100	Costco Wholesale Corp.	USD	852,606	2.3	
1,400	Rational AG	EUR	845,435	2.3	
1,150	Robertet Group	EUR	839,750	2.3	
128,660	Vp plc	GBP	752,661	2.0	
18,238	Rémy Cointreau SA	EUR	732,397	2.0	
50,000	Compania Cervecerias Unidas SA (ADR)	USD	510,015	1.4	
1,500	Sika AG	CHF	296,429	0.8	
1,400	Bossard Group	CHF	241,058	0.7	
Total ownership interests (31 st May 2024: 94.5%)			34,952,970	94.9	
Cash and equivalents (31 st May 2024: 5.7%)			Various	1,939,507	5.3
Adjustment to revalue assets from mid to bid				(56,238)	(0.2)
Total portfolio			36,836,239	100.0	

During the year there were investment purchases of £3,170,109 and investment sales of £3,594,245.

Source: Valu-Trac Investment Management Limited

ADDITIONAL INFORMATION

A word of caution

This annual review is issued by the investment manager for the shareholders of the Company. The ACD is solely responsible for its distribution to them. The contents herein are only for informational purposes. It is not intended as investment advice, or to invite, encourage or persuade investors to subscribe for shares in the Company. A shareholding in the Company is not suitable for everyone. Information about the risks associated with the Company can be found in its prospectus. This as well as the other formal documents relating to the Company are available on the ACD's website (www.valu-trac.com/dominium).

There can be no certainty that the Company will achieve its investment objective. The net asset value of its shares and the dividend income earned on them may go down as well as up. Past progress in net asset value or dividend income is not a guide to future progress.

Issue and redemption of shares in the Company

Valu-Trac Investment Management Limited is the ACD and Registrar and will receive requests for the purchase or sale of shares at any time during normal business hours. Instructions may be given by sending an application form by email to dominium@valu-trac.com or by post. Application forms are only available from the Registrar.

The price of shares purchased or sold will be determined by reference to a valuation of the Company's net assets at 4:30pm on the 1st and 15th (or the next business day) of each month.

The ACD has the right to reject, on reasonable grounds relating to the circumstances of the applicant, any application for shares in whole or part. In this event the ACD will return any money sent, or the balance of such monies, at the risk of the applicant. Any subscription monies remaining after a whole number of shares has been issued will not be returned to the applicant. Instead, smaller denomination shares will be issued.

A contract note giving details of the shares purchased and the price used will be issued by the Registrar by the end of the business day following the valuation point. Settlement is due four business days after the trade date shown on the contract note and should be made to the ACD's dealing account.

Ownership of shares will be evidenced by an entry on the Company's Register of Shareholders. Certificates will not be issued. Annual statements in respect of distributions of revenue will show the number of shares held by the recipient in respect of which the distribution is paid. Individual statements of a shareholder's shares will also be issued at any time on request by the registered holder.

Where shares are sold, payment will be made not later than the close of business on the fourth business day following the next valuation point. Please note that shares sold within three years of purchase will be subject to a redemption charge. This charge is payable to the Company. It is not paid to the ACD or investment manager.

The most recent prices of shares are published by the ACD on its website.

Taxation of the Company

The Company will pay no corporation tax on its profits for the period and capital gains within the Company will not be taxed.

Shareholder engagement

Inpersca Limited's policies on shareholder engagement and the UK's Stewardship Code are available on request.