VT Dominium Holdings
Investment Company with Variable Capital

INTERIM REPORT AND UNAUDITED FINANCIAL STATEMENTS

FOR THE PERIOD ENDING 30th NOVEMBER 2019

SHAREHOLDER INFORMATION

Size of the Company:	£22,533,970
Shares Outstanding:	
Accumulation:	19,066,520
Income:	200,000
Net Asset Value per Share:	
Accumulation:	117.1p
Income:	113.4p
Ongoing Charges Figure *(annualised):*	1% *(Capped at 1% p.a., reduced to 0.75% p.a. on incremental net assets above £50m).*
Redemption Charge:	3% for redemptions within three years *(payable to VT Dominium Holdings ICVC)*
Portfolio Turnover:	0%
Minimum Initial Investment:	£250,000
Minimum Subsequent Investment:	£20,000
Year end:	31st May
Ex-Dividend Date:	31st May
Dividend Distribution Date:	31st July

Authorised Corporate Director (ACD), Alternative Investment Fund Manager (AIFM) and Registrar	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
Investment Adviser	Inpersca Limited 43 Melville Street, Edinburgh EH3 7JF Appointed Representative of Valu-Trac Investment Management Limited
Depository	NatWest Trustee and Depositary Services Limited 2nd Floor, Drummond House, 1 Redheughs Avenue, Edinburgh EH12 9RH Authorised and regulated by the Financial Conduct Authority
Auditor	Johnston Carmichael LLP, CA Commerce House, South Street, Elgin IV30 1JE

ABOUT VT DOMINIUM HOLDINGS ICVC

VT Dominium Holdings ICVC ('the Company') is an Open-Ended Investment Company that is regulated and authorised 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 intended for like-minded shareholders who recognise the risks and benefits of its investment objective and approach. It 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 Adviser, 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 will have the privilege and burden 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, or illiquidity, 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 15% of net asset value. We have no ability to time 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 investment vehicles. A realistic measure of long-term performance would be progress against the UK's Consumer Price Index over a rolling five-year period. We suggest that a reasonable long-term comparator for global business ownership may be the MSCI World Index.

INVESTMENT ADVISER'S BUSINESS PRINCIPLES

As Investment Adviser, Inpersca Limited takes seriously its fiduciary responsibility to your savings. To ensure a community of interest between it and 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 the savings of our staff are invested in the Company. We aim to make money with its shareholders, not from them.
- We care about investment returns. Inpersca Limited is dedicated solely to advising 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 Company grows it is our intention to share with the Company's shareholders the benefits of scale via a systematic reduction of the 'Ongoing Charges Figure'. In addition, our investment approach seeks to minimize 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, it is unlikely to be a suitable vehicle for your savings (a redemption fee is payable to the Company for redemptions within three years). Our own time horizon is much longer and we only intend to comment on performance, whether that of the Company or an individual holding, over a minimum of a three-year rolling period.

Inpersca Limited
Investment Adviser

LETTER TO SHAREHOLDERS

Dear fellow shareholders,

Our Company was established with the objective of preserving and growing the purchasing power of shareholders' wealth. To achieve this, it participates as an owner in the capital of a small number of remarkable companies that are overseen by trustworthy people. Through the process of converting our cash subscriptions into ownership claims, oversight of our savings is in effect outsourced to these entrepreneurs. They have both the privilege and burden of determining how best to make use of it to continuously delight their customers.

All companies have shareholders, yet relatively few truly have owners
In 1864 Gerard Adriaan Heineken, then only 22, acquired a loss-making brewery in Amsterdam. As its new owner, rather than directing his attentions to immediately generating a profit, he instead focused on improving the operations of the brewery – despite his age he understood that the former would come if he did the latter properly. While not a brewer, he recognised the importance of a quality product and of treating his people and clients well. He invested substantially in researching techniques aimed at enhancing the brewing process. In 1873, in response to competition from newly introduced German beers, Heineken launched his namesake beer. Then in 1886, thanks to the earlier breakthroughs of Louis Pasteur, the firm discovered its unique 'A' yeast. This has been used ever since to impart the brand's distinctive taste. To maintain its quality, Heineken is produced applying an uncommon 28-day fermentation process that uses both horizontal and vertical tanks; a process that is not compromised. To those truly disposed to owning Heineken this focus on quality and consistency matters. Over the 146 years since its launch, the company's owners and managers have had to endure periods where the pressures to prejudice the product have been severe. The incentives to reduce the fermentation period, to make concessions on the quality of the hops, barley or water used, to simplify the brewing process, to add preservatives, or to avoid the expense of transporting samples all the way back to Amsterdam for quality testing, would have been considerable. All are necessary but costly investments. Today, promoting this heritage to establish and maintain the product as an aspiration choice worth paying a little more for requires significant upfront investment. Associations with the likes of the James Bond franchise, the UEFA Champions League, the Rugby World Cup and, since the introduction of Heineken's alcohol-free version, Formula One, are all used to enhance its image. The enormous costs of this are borne by today's owners, while some of the benefits will only accrue to future owners. Through their control of the group, four generations of family have been careful stewards of this great brand, dedicated to maintaining its integrity and guarding against even the slightest compromise in their pursuit of making and selling a quality beer. In my assessment, their patient focus on creating something of enduring worth is a powerful one to have to compete with. If you share their time preference, it is a rare and attractive one to partner with.

The virtuous circle available from consumers paying a little more
Within our collection of assets we own a group of companies who, like Heineken, work very hard at persuading their customers to pay a little more. These firms are owners of recognisable consumer brands, such as Cartier, IRN-BRU, Martell, Nescafe, Omega and Johnnie Walker, that are produced and distributed over largely fixed cost manufacturing and distribution infrastructures. For each extra unit of volume sold the incremental return is substantial, more so if that additional unit is sold at a higher unit price. Rather than passing all these scale benefits on to the consumer through constantly lowering prices, they instead choose to invest a portion of them into research, development and advertising. Effective research and development spending make possible innovations that better address consumer needs, and for which they are willing to pay a premium. Expenditure on promotional and advertising activities serves to constantly reinforce the product's credentials, heritage, craftsmanship or superior efficacy, driving demand and thus volumes. The resulting uplift in profitability is again reinvested and the process continued.

Though this business model is a powerful foundation from which to compete, future success is not a given. While brand loyalty offers some demand inelasticity, it is not infinite and is very frequently abused. There are many branded consumer goods companies today who are suffering because of a seemingly obsessive focus on reporting ever expanding profit margins.

LETTER TO SHAREHOLDERS

Often the incentives of shareholders and managers are aligned with overlooking the small, seemingly imperceptible, degradation of a product or service that results from compromising the quality of inputs, the time to maturation, the skills and training of craftsmen, the control of distribution or the promotion of the merchandise. These seemingly innocuous shortcuts may have the effect of increasing immediately reported profitability but are likely to undermine a firm's ability to thrill customers in the fullness of time. Additionally, technological innovations have made new production and distribution methods available to a multitude of competitors and brought about a fragmentation of media messaging. The outcome is that the scale benefits accruing from each are under threat and brand loyalty is harder to earn and retain. This requires that our businesses operate with the courage to innovate, to adapt and to constantly test new methods of delivering satisfaction to customers, all without jeopardising product integrity.

Focusing on the substance of what we own

In his book *Mastery,* author Robert Greene suggests that the need for certainty is the greatest disease the human mind faces. In the quest for certainty we attempt to consume vast amounts of information to learn everything about everything. Most of this information has no lasting value and, worse, it crowds out our time and willingness to seek knowledge that is enduring.

Our Company's assets comprise a unique set of firms, each purposefully chosen for their corporate ethos. While none is assured of future prosperity, at their core are business models that gives them the opportunity to endure in the face of inevitable future headwinds. Additionally, they are overseen by 'cathedral thinkers' who understand the importance of resisting the powerful incentives to deviate from these business practices to chase short-term profit maximisation. The future is always an unknown. The psychological challenge for owners is to accept this and instead focus on the substance of what we own.

I recognise that patient, purposeful ownership is difficult to practise. My thanks to each of you for your ongoing commitment. I wish you and your families a healthy and rewarding 2020.

Evan Green
Inpersca Limited

OWNERSHIP INTERESTS

Portfolio Statement as at 30th November 2019

Holding	Security	Currency	Value (£)	% of Net Assets	31st May 2019
1,800	Markel Corp.	USD	1,592,719	7.07	
20,850	Heineken Holding NV	EUR	1,548,500	6.87	
5,610	Costco Wholesale Corp.	USD	1,303,677	5.79	
60,900	Admiral Group plc	GBP	1,302,042	5.78	
8,900	Pernod-Ricard SA	EUR	1,267,373	5.62	
6,300	Schindler Holding AG	CHF	1,166,774	5.18	
6,700	Berkshire Hathaway Inc.	USD	1,140,513	5.06	
15,400	RLI Corp.	USD	1,088,506	4.83	
13,100	Nestle SA	CHF	1,053,662	4.68	
16,600	Fielmann AG	EUR	1,002,626	4.45	
39,998	Jardine Strategic Holdings	USD	981,929	4.36	
99,801	VP plc	GBP	893,219	3.96	
29,900	Brown & Brown Inc.	USD	880,071	3.91	
144,936	A.G. Barr plc	GBP	852,224	3.78	
3,300	Mastercard Inc.	USD	745,008	3.31	
11,300	Compagnie Financiere Richemont SA	CHF	665,950	2.95	
17,816	TFF Group	EUR	567,832	2.52	
9,600	PriceSmart Inc.	USD	552,841	2.45	
900	Rational AG	EUR	532,855	2.36	
35,000	Compania Cervecerias Unidas SA (ADR)	USD	502,572	2.23	
15,750	Diageo plc	GBP	500,141	2.22	
1,500	The Swatch Group	CHF	325,032	1.44	
Total Equities			**20,466,066**	**90.82**	89.54
Cash and Equivalents		Various	2,097,080	9.31	10.52
Adjustment to revalue assets from mid to bid			(29,176)	(0.13)	(0.06)
Total Portfolio			**22,533,970**	**100.0**	

During the six months to 30th November 2019 there were investment purchases of £425,379 and investment sales of £nil.

FINANCIAL STATEMENTS

Statement of total return

For the 6 months ended 30th November		2019		2018
	£	£	£	£
Income				
Net capital gains		502,818		688,086
Revenue	212,332		148,911	
Expenses	(127,716)		(110,113)	
Finance costs: interest	-		-	
Net revenues before taxation	84,616		38,798	
Taxation	(14,810)		(10,222)	
Net revenues after taxation		69,806		28,576
Total return before dividends		572,624		716,662
Finance costs: dividends		191		3,787
Change in net assets attributable to shareholders from investment activities		572,815		720,449

Statement of changes in net assets attributable to shareholders

For the 6 months ended 30th November	2019	2018
	£	£
Opening net assets attributable to shareholders	21,786,345	18,597,973
Amounts receivable on creation of shares	174,810	1,776,622
Amounts payable on cancellation of shares	-	(205,409)
Change in net assets attributable to shareholders from investment activities (see above)	572,815	720,449
Closing net assets attributable to shareholders	22,533,970	20,889,635

The revenue for the six months ended 30th November 2019 includes £12,752 of expense reimbursement received from the investment adviser. The corresponding figure for the period ended 30th November 2018 was £11,111.

As comparatives are shown for the comparable interim period the net asset value at the end of the period will not agree to the net asset value at the start of the period. The Company net asset value as at 31th May 2019 was £21,786,345.

FINANCIAL STATEMENTS

Balance sheet

As at	30th November 2019		31st May 2019	
	£	£	£	£
Assets				
Investment assets		20,436,890		19,494,946
Debtors	59,526		53,193	
Cash and bank balances	2,066,110		2,263,310	
Total other assets		2,125,636		2,316,503
Total assets		22,562,526		21,811,449
Liabilities				
Creditors	(28,555)		(23,754)	
Dividend payable	-		(1,349)	
Bank overdraft	(1)		(1)	
Total liabilities		(28,556)		(25,104)
Net assets attributable to shareholders		22,533,970		21,786,345

Accounting Policies
The financial statements have been prepared in accordance with the Statement of Recommended Practice ('SORP') Authorised Funds issued by the Investment Association in May 2014. The accounting policies applied are consistent with those of the financial statements for the period ended 31st May 2019 and are described in those financial statements.

AUTHORISED CORPORATE DIRECTOR RESPONSIBILITIES

The rules of the Financial Conduct Authority's ('FCA') Collective Investment Schemes Sourcebook ('COLL') require the ACD to prepare financial statements for each accounting period which give a true and fair view of the financial position of the Company at the end of the financial period and its net revenues and net capital gains for the period. In preparing these financial statements the ACD is required to:

- comply with the Prospectus, the Statement of Recommended Practice for Authorised Funds issued by the Investment Association in May 2014, the Instrument of Incorporation, generally accepted accounting principles and applicable accounting standards, subject to any material departures which are required to be disclosed and explained in the financial statements.
- select suitable accounting policies and then apply them consistently.
- make judgments and estimates that are reasonable and prudent.
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Company will continue in operation for the foreseeable future.

The ACD is required to keep proper accounting records and to manage the Company in accordance with the COLL regulations, the Instrument of Incorporation, and the Prospectus. The ACD is responsible for taking reasonable steps for the prevention and detection of fraud and other irregularities.

DIRECTOR'S STATEMENT

In accordance with the requirements of the Financial Conduct Authority's Collective Investment Scheme's Sourcebook, we hereby certify the interim report.

Anne A. Laing CA

Neil J. Smith MA BA CA

Valu-Trac Investment Management Limited
Authorised Corporate Director

Date ……………

COMPARATIVE TABLES

	Income shares		
	6 months to 30th Nov 2019	For the year ended 31st May 2019	1st Sep 2017 to 31st May 2018
Change in net assets per share			
Opening net asset value per share	110.4p	102.8p	100.0p
Return before operating charges †	4.1p	9.4p	4.3p
Operating charges	(1.1p)	(1.1p)	(1.0p)
Return after operating charges	3.0p	8.3p	3.3p
Dividend on income shares	(0.0p)	(0.7p)	(0.5p)
Closing net asset value per share	113.4p	110.4p	102.8p
† after direct transaction costs of	0.01p	0.03p	0.14p
Returns			
Total return after charges	2.7%	8.1%	3.3%
Other information			
Closing net asset value	£0.2m	£0.2m	£0.2m
Closing number of shares	0.2m	0.2m	0.2m
Annualised operating charges	1.00%	1.00%	1.00%
Direct transaction costs	0.01%	0.03%	0.14%
Share prices			
Highest price	118.9p	110.4p	102.8p
Lowest price	111.0p	102.3p	97.0p

	Accumulation shares		
	6 months to 30th Nov 2019	For the year ended 31st May 2019	14th Jul 2017 to 31st May 2018
Change in net assets per share			
Opening net asset value per share	114.0p	105.6p	100.0p
Return before operating charges †	4.3p	9.5p	6.6p
Operating charges	(1.2p)	(1.1p)	(1.0p)
Return after operating charges	3.1p	8.4p	5.6p
Dividend on accumulation shares	(0.0p)	(0.7p)	(0.6p)
Reinvested dividend on accumulation shares	0.0p	0.7p	0.6p
Closing net asset value per share	117.1p	114.0p	105.6p
† after direct transaction costs of	0.01p	0.05p	0.14p
Returns			
Total return after charges	2.7%	8.0%	5.6%
Other information			
Closing net asset value	£22.3m	£21.6m	£18.4m
Closing number of shares	19.1m	18.9m	17.4m
Annualised operating charges	1.00%	1.00%	1.00%
Direct transaction costs	0.01%	0.03%	0.14%
Share prices			
Highest price	122.8p	114.0p	105.6p
Lowest price	114.6p	105.0p	99.1p

ADDITIONAL INFORMATION

Issue and redemption of shares
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 email to dominium@valu-trac.com or by sending an application form to the Registrar. Application forms are only available from the Registrar.

The price of shares 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, and in this event the ACD will return any money sent, or the balance of such monies, at the risk of the applicant. In addition, the ACD may reject any application previously accepted in circumstances where the applicant has paid by cheque and that cheque subsequently fails to be cleared. 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 in such circumstances.

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 by reference to which the purchase price is determined. 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. Statements in respect of periodic distributions of revenue will show the number of shares held by the recipient in respect of which the distribution is made. Individual statements of a shareholder's shares will also be issued at any time on request by the registered holder.

Where shares are redeemed, payment will be made not later than the close of business on the fourth business day following the next valuation point after receipt by the ACD of a request for redemption. Please note that shares redeemed within three years of purchase will be subject to a redemption charge. This redemption charge is payable to the Company, not to the ACD or Investment Adviser.

The prices of shares are published on www.valu-trac.com/dominium. Neither the ACD nor the Company can be held responsible for any errors in the publication of the prices.

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

Distribution
Distributions of the revenue of the Company will be made to shareholders on or before 31st July each year.

UK Resident individual shareholders
UK resident shareholders are currently subject to tax on dividend income in excess of an annual allowance. The actual rate depends on the individual's tax rate band. They may also be liable to capital gains tax on realisation of their shares in the Company, as with other chargeable assets. Shareholders should consult with their tax adviser about their circumstances.

Debts of the Company
Shareholders of the Company are not liable for the debts of the Company.

ADDITIONAL INFORMATION

Alternative Investment Fund Managers Directive

Under the European Union's Alternative Investment Fund Managers Directive ('AIFMD') 2013, the Company has been designated an Alternative Investment Fund. The ACD, Valu-Trac Investment Management Limited, has been appointed as the AIFM. The AIFMD has had little impact on the operating costs or management of VT Dominium Holdings ICVC.

To comply with the AIFMD, information about the AIFM's remuneration policies and disclosures and conflict of interest policies are available from Valu-Trac Investment Management Limited on its website. The Company does not employ any staff directly from the AIFM, so there are no quantitative disclosures in this report.