

# **MORAY PLACE INVESTMENT COMPANY**

**INTERIM REPORT AND FINANCIAL STATEMENTS  
for the six months to 31 March 2024 (unaudited)**



## ABOUT YOUR COMPANY

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Moray Place Investment Company (MPIC) was formed on 2 May 2012 as an open-ended investment company and started trading on 15 May 2012. It is authorised and regulated by the Financial Conduct Authority in the UK as a non-UCITS retail scheme.

The company is intended to be a long-term investment vehicle for like-minded individuals. It is low-cost, straightforward and free of the conflicts of interest that bedevil the money management industry.

MPIC's objective is to preserve and then grow the purchasing power of its investors' capital. The investment manager believes that it is most meaningful to assess MPIC's progress over a full economic cycle, which is typically five to ten years. Over this time frame useful comparators include UK consumer price inflation, the yield on long-dated gilts, and equity indices.

MPIC expects to achieve its objective primarily through owning shares in established companies listed on stock exchanges around the world. It will not borrow, use derivatives, short-sell securities, or invest in property directly.

The investment approach is uncomplicated, disciplined and patient. The investment manager also believes that it is conservative, if idiosyncratic. MPIC is not designed to appeal to a broad constituency. It is only suitable for investors who can evaluate the merits and risks of such an approach: if you cannot, or it makes you uncomfortable, or it simply does not suit your psychology, you should not invest.

<b>Value of company at 31 March 2024</b>	£167m
<b>Authorised Corporate Director (ACD)</b>	Valu-Trac Investment Management Limited
<b>Investment manager</b>	Hollis Capital Limited
<b>Minimum investment</b>	Initial: £200,000 Subsequent: £10,000
<b>Dealing spread</b>	1%
<b>Ongoing charges</b> ( <i>annualised</i> )	0.44%
<b>Performance fee</b>	Not applicable
<b>Initial charges</b>	Not applicable
<b>Redemption charges</b>	5% for sales within 2 years of purchase; 2% for sales between 2 and 5 years of purchase <i>Paid to MPIC, not to the ACD or investment manager</i>
<b>Ex-dividend date</b>	30 September
<b>Dividend date</b>	30 November

## FINANCIAL SUMMARY

	At and for the period ended				
	31 Mar 2024	30 Sept 2023	30 Sept 2022	30 Sept 2021	30 Sept 2020
<b>Value of company</b>	£166.9m	£149.1m	£128.6m	£121.3m	£93.0m
<b>Shares outstanding</b>					
Accumulation	34.9m	34.6m	34.8m	33.6m	31.9m
Income	14.5m	14.4m	12.5m	10.5m	9.2m
<b>NAV per share (mid price)</b>					
Accumulation	350.3p	316.1p	279.9p	281.6p	230.4p
Income	308.9p	278.8p	250.4p	255.5p	211.8p
<b>Dividend per share</b>					
Accumulation	Nil	4.31p	4.07p	3.64p	1.82p
Income	Nil	3.85p	3.69p	3.34p	1.69p
<b>Effective liquidity</b>	14%	14%	14%	14%	20%
<b>Ongoing charges<sup>†</sup></b>	0.44%	0.49%	0.49%	0.45%	0.46%
<b>Portfolio turnover</b>	4%	9%	3%	8%	6%

<sup>†</sup> The Investment Association changed its definition of ongoing charges in 2022 and 2023. The 2022 and 2023 figures included the underlying costs of investment trust holdings. By the current and original definition the ongoing charges figure for 2022 and 2023 was 0.44%.

### Notes

The company started trading on 15 May 2012 when shares were issued at 100p each.

Effective liquidity includes the investment in gold; all the current constituents are shown on page 5.

The ongoing charges figure is based on the average NAV during the period.

Both the ongoing charges figure and portfolio turnover are annualised.

# LETTER TO SHAREHOLDERS

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Dear fellow shareholders

The company exists to protect and then grow the purchasing power of its investors' capital. I believe that owning businesses is the best way to achieve that goal. MPIC uses stock exchanges as a convenient way to own a variety of businesses.

Charlie Munger died in late 2023, one month before his 100th birthday. He was Warren Buffett's business partner. Together they formed a long, successful and renowned investment partnership. No two people have had more influence on my approach to investing or managing MPIC.

Munger was an outstanding practitioner, insightful writer and generous teacher. He advised Buffett to buy wonderful businesses at fair prices and stop favouring fair businesses at wonderful prices. Munger argued that Buffett's original strategy only works at small scale. For that insight, Buffett described Munger as the architect of Berkshire Hathaway.

Berkshire Hathaway is the corporate embodiment of their investing genius. Munger was Buffett's vice chairman from 1978. Since then, Berkshire has grown its asset value per share 1500-fold, or 18% annually. Yet, its success led to a scale that has curbed its growth. For instance, since 1998 Berkshire has grown its asset value per share by 10% annually. Other investors have achieved comparable returns, but none for so long and with such large sums. And often overlooked is the tax-efficiency of their results, especially compared to hedge funds and US mutual funds.

Most remarkable is how little risk Buffett and Munger have taken. They have used little debt. And their core investments have been in mundane, durable businesses, which supply necessities. Berkshire's resilience is evident in recessions, bear markets and panics. In bad times, Berkshire looks its best compared with peers. When adjusted for shareholders' stress, its results have been incomparable.

Berkshire Hathaway also embodies the duo's values. These are easier to emulate, but rare. At their core is a clear purpose and a sense of duty to fellow shareholders. Berkshire has never issued share options. Both men received a nominal salary, with no bonus. Both had over 90% of their wealth invested in Berkshire – on the same terms as every other shareholder. Buffett and Munger exemplified the golden rule: do as you would be done by.

Munger's quotes distil his values, pith and wisdom. These are amongst my favourites.

- *I constantly see people rise in life who are not the smartest, sometimes not even the most diligent. But they are learning machines. They go to bed every night a little wiser than they were that morning.*
- *Stocks are valued partly like bonds, based on future cash flows, and partly like Rembrandt paintings, purchased because their prices have gone up and are fashionable.*
- *All intelligent investing is value investing – to acquire more than you are paying for. Investing is where you find a few great companies and then sit on your ass.*
- *Since it's so obvious that investing in great businesses works, it gets horribly overdone from time to time.*
- *Almost all good businesses engage in "pain today, gain tomorrow" activities.*
- *It is remarkable how much long-term advantage people like us have gotten by trying to be consistently not stupid, instead of trying to be very intelligent.*
- *[In investing] knowing what you don't know is more useful than being brilliant.*

Peter Hollis

## PORTFOLIO AT 31 MARCH 2024

Security	Country	Holding	Value £'000	%	30 Sept 2023
Markel	US	11,500	13,838	8.4%	
Fairfax	Canada	11,000	9,476	5.8%	
Next	UK	100,000	9,258	5.6%	
Heineken Holding	Netherlands	125,000	8,002	4.8%	
Exor	Netherlands	90,000	7,922	4.7%	
Progressive Corp	US	48,000	7,870	4.7%	
JD Wetherspoon	UK	750,000	5,533	3.3%	
Ackermans & van Haaren	Belgium	38,000	5,256	3.1%	
Svenska Handelsbanken A	Sweden	650,000	5,196	3.1%	
BAT	UK	200,000	4,816	2.9%	
Moody's	US	15,000	4,689	2.8%	
U-Haul Holding Company Non-Vtg	US	76,500	4,013	2.7%	
U-Haul Holding Company	US	8,500	452		
Franco-Nevada	Canada	42,000	3,972	2.4%	
Ringkjoebing Landbobank	Denmark	27,000	3,750	2.2%	
Jardine Matheson Holdings	Singapore	120,000	3,542	2.1%	
VP	UK	621,141	3,416	2.0%	
Investor B	Sweden	160,000	3,179	1.9%	
Admiral Group	UK	110,000	3,134	1.9%	
LG Corp	South Korea	60,000	3,085	1.8%	
Winmark	US	10,000	2,822	1.7%	
Bunzl	UK	90,000	2,747	1.6%	
Jet2	UK	180,000	2,601	1.6%	
Ryanair	Ireland	140,000	2,521	1.5%	
Philip Morris International	US	30,000	2,188	1.3%	
RLI	US	18,000	2,117	1.3%	
Remgro	South Africa	400,000	2,039	1.2%	
Hansa Investment Company A	UK	825,000	1,683		
Hansa Investment Company Ord	UK	125,000	263	1.2%	
Texas Pacific Land Trust	US	3,600	1,637	1.0%	
Northern Trust	US	22,000	1,548	0.9%	
Charles Schwab	US	25,000	1,430	0.9%	
Atlas Copco B	Sweden	120,000	1,406	0.8%	
Rights & Issues Investment Trust	UK	54,128	1,153	0.7%	
Belc	Japan	30,000	1,087	0.7%	
Daiei Kankyo	Japan	75,000	1,036	0.6%	
Yaoko	Japan	20,000	949	0.6%	
Meitec	Japan	60,000	915	0.5%	
Greggs	UK	30,000	863	0.5%	
CF-Alba	Spain	20,000	822	0.5%	
Trancom	Japan	25,000	793	0.5%	
Cosmos Pharmaceutical	Japan	10,000	750	0.4%	
LG H&H Preferred Non-Voting	South Korea	5,000	499	0.3%	
Ocean Wilsons Holdings	UK	30,000	416	0.2%	
<b>Total equities</b>			<b>144,684</b>	<b>86.7%</b>	86.3%

## PORTFOLIO AT 31 MARCH 2024

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Security	Country	Holding	Value £'000	%	<i>30 Sept 2023</i>
Royal Canadian Mint Gold ETR	Canada	375,000	6,531	3.9%	
Perth Mint Gold ETP	Australia	282,836	4,888	2.9%	
Sprott Physical Gold Trust	US	340,000	4,646	2.8%	
Sprott Physical Gold and Silver Trust	Canada	200,000	3,212	1.9%	
Zurich Cantonal Bank Gold ETF	Switzerland	3,000	1,569	0.9%	
Cash and equivalents	Various		1,771	1.1%	
<b><i>Total effective liquidity</i></b>			<b>22,617</b>	<b>13.5%</b>	<i>14.0%</i>
<i>Adjustment to revalue assets from mid to bid</i>			-391	-0.2%	
<b>Total portfolio</b>			<b>166,910</b>	<b>100.0%</b>	

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## FINANCIAL STATEMENTS

### Statement of total return

<b>For the 6 months ended 31 March</b>	<b>2024</b>	<b>2023</b>
	<b>£'000</b>	<b>£'000</b>
Income		
Net capital gains	14,816	13,291
Revenue	1,915	1,193
Expenses	(343)	(307)
Finance costs: interest	<u>-</u>	<u>(1)</u>
Net revenue before taxation	1,572	885
Taxation	<u>(125)</u>	<u>(87)</u>
Net revenue after taxation	<u>1,447</u>	<u>798</u>
Total return before dividend	16,263	14,089
Finance costs: dividend	<u>-</u>	<u>-</u>
Change in net assets attributable to shareholders from investment activities	<u>16,263</u>	<u>14,089</u>

### Statement of changes in net assets attributable to shareholders

<b>For the 6 months ended 31 March</b>	<b>2024</b>	<b>2023</b>
	<b>£'000</b>	<b>£'000</b>
Opening net assets attributable to shareholders	149,054	128,636
Amounts receivable on creation of shares	3,698	4,770
Amounts payable on cancellation of shares	(2,105)	(3,253)
Change in net assets attributable to shareholders from investment activities (see above)	<u>16,263</u>	<u>14,089</u>
Closing net assets attributable to shareholders	<u>166,910</u>	<u>144,242</u>



# FINANCIAL STATEMENTS

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## Balance sheet

At	31 March 2024		30 Sept 2023	
	£'000	£'000	£'000	£'000
<b>Assets</b>				
Investment assets		165,139		146,345
Debtors		575		458
Cash and bank balances		<u>1,349</u>		<u>2,960</u>
Total other assets		<u>1,924</u>		<u>3,418</u>
Total assets		167,063		149,763
<b>Liabilities</b>				
Creditors		(153)		(154)
Dividend payable		<u>-</u>		<u>(555)</u>
Total liabilities		<u>(153)</u>		<u>(709)</u>
<b>Net assets attributable to shareholders</b>		<u>166,910</u>		<u>149,054</u>

# INFORMATION FOR INVESTORS

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## Accounting policies

The financial statements have been prepared in accordance with the Statement of Recommended Practice for Authorised Funds (SORP) issued by the Investment Association (IA) in May 2014, with amendments in June 2017. The accounting policies applied are consistent with those in the Long Form annual report for the period ended 30 September 2023 and are described in those financial statements.

## Portfolio purchases and sales

From 1 October 2023 to 31 March 2024 there were purchases of £6,796,798 and sales of £2,827,846.

## Risk profile

The Company's Key Investor Information Document is available on the ACD's website. It includes a synthetic risk and reward indicator scale, from 1 to 7, based on past data. The Company is rated 5 based on data that its portfolio has experienced relatively high rises and falls in value in the past.

## Corporate debts

Shareholders are not liable for the debts of the Company.

## Authorised Corporate Director's charges

The current annual ACD charge is £26,270, indexed each year on 1 October to the Consumer Price Index, plus the investment management fee. The annual investment management fee is:

- 0.50% of the net asset value of the Company on the first £20 million;
- 0.35% of the net asset value of the Company between £20 million and £150 million; and
- 0.30% of the net asset value of the Company thereafter.

## Authorised Corporate Director's report

The rules of the Financial Conduct Authority's (FCA) Collective Investment Schemes Sourcebook require the Authorised Corporate Director to prepare financial statements for each accounting period which give a true and fair view of the financial affairs of the Company and of its net revenue and net capital gains for the period. In preparing these financial statements which are unaudited the Authorised Corporate Director is required to:

- comply with the Prospectus 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 judgements 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 Authorised Corporate Director is required to keep proper accounting records and to manage the Company in accordance with the FCA's Collective Investment Schemes Sourcebook and Investment Funds Sourcebook, the Instrument of Incorporation, and the Prospectus. The Authorised Corporate Director is responsible for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## Authorised Corporate Director's statement

In accordance with the requirements of the FCA's Collective Investment Schemes Sourcebook and Investment Funds Sourcebook, we hereby certify the interim report.

David E. Smith CA

Jonathan M. Child CA

Valu-Trac Investment Management Limited  
Authorised Corporate Director

## COMPARATIVE TABLES

	<b>Income shares</b>		
	<b>6 months to 31 Mar 2024</b>	<b>12 months to 30 Sept 2023</b>	<b>12 months to 30 Sept 2022</b>
<b>Change in net assets per share</b>			
Opening net asset value per share	278.8p	250.4p	255.5p
Return before operating charges <sup>†</sup>	30.7p	33.6p	(0.2p)
Operating charges	(0.6p)	(1.3p)	(1.2p)
Return after operating charges	30.1p	32.3p	(1.4p)
Dividend on income shares	Nil	(3.9p)	(3.7p)
Closing net asset value per share	308.9p	278.8p	250.4p
† after direct transaction costs of	0.03p	0.06p	0.08p
<b>Returns</b>			
Total return after charges	10.8%	12.9%	(0.6%)
<b>Other information</b>			
Closing net asset value	£44.9m	£40.2m	£31.3m
Closing number of shares	14.5m	14.4m	12.5m
Annualised operating charges <sup>‡</sup>	0.44%	0.49%	0.49%
Direct transaction costs	0.01%	0.02%	0.03%
<b>Share prices</b>			
Highest offer price	310.5p	284.9p	271.1p
Lowest bid price	273.7p	247.2p	250.4p
<b>Accumulation shares</b>			
	<b>6 months to 31 Mar 2024</b>	<b>12 months to 30 Sept 2023</b>	<b>12 months to 30 Sept 2022</b>
<b>Change in net assets per share</b>			
Opening net asset value per share	316.1p	279.9p	281.6p
Return before operating charges <sup>†</sup>	34.9p	37.7p	(0.3p)
Operating charges	(0.7p)	(1.5p)	(1.4p)
Return after operating charges	34.2p	36.2p	(1.7p)
Dividend on accumulation shares	Nil	(4.3p)	(4.1p)
Reinvested dividend on accumulation shares	Nil	4.3p	4.1p
Closing net asset value per share	350.3p	316.1p	279.9p
† after direct transaction costs of	0.03p	0.06p	0.08p
<b>Returns</b>			
Total return after charges	10.8%	12.9%	(0.6%)
<b>Other information</b>			
Closing net asset value	£122.4m	£109.3m	£97.5m
Closing number of shares	34.9m	34.6m	34.8m
Annualised operating charges <sup>‡</sup>	0.44%	0.49%	0.49%
Direct transaction costs	0.01%	0.02%	0.03%
<b>Share prices</b>			
Highest offer price	352.1p	317.7p	298.8p
Lowest bid price	310.4p	276.5p	278.1p

<sup>‡</sup> The Investment Association changed its definition of ongoing charges in 2022 and 2023. The 2022 and 2023 figures included the underlying costs of investment trust holdings. By the current and original definition the ongoing charges figure for 2022 and 2023 was 0.44%.

# CORPORATE DIRECTORY

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<b>ACD, AIFM and Registrar</b>	<p>Valu-Trac Investment Management Limited Orton Moray IV32 7QE</p> <p>Telephone: 01343 880344 Fax: 01343 880267 E-mail: mpic@valu-trac.com</p> <p>Authorised and regulated by the Financial Conduct Authority Registered in England No. 2428648</p>
<b>Director</b>	<p>Valu-Trac Investment Management Limited as ACD</p>
<b>Investment Manager</b>	<p>Hollis Capital Limited 43 Melville Street Edinburgh EH3 7JF</p> <p>Authorised and regulated by the Financial Conduct Authority</p>
<b>Depositary</b>	<p>NatWest Trustee and Depositary Services Limited House A, Floor 0 175 Glasgow Road Gogarburn Edinburgh EH12 1HQ</p> <p>Authorised and regulated by the Financial Conduct Authority</p>
<b>Auditor</b>	<p>Johnston Carmichael LLP Chartered Accountants Commerce House South Street Elgin IV30 1JE</p>