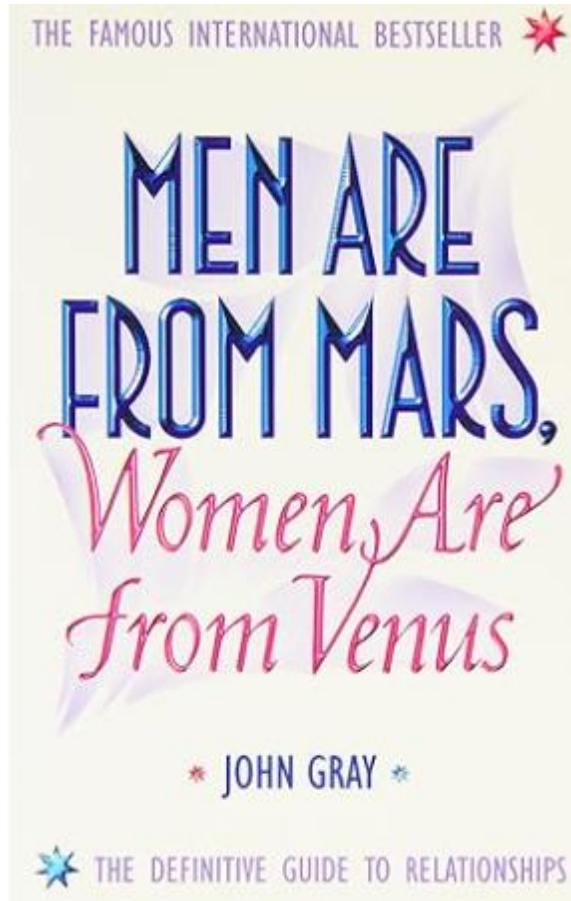
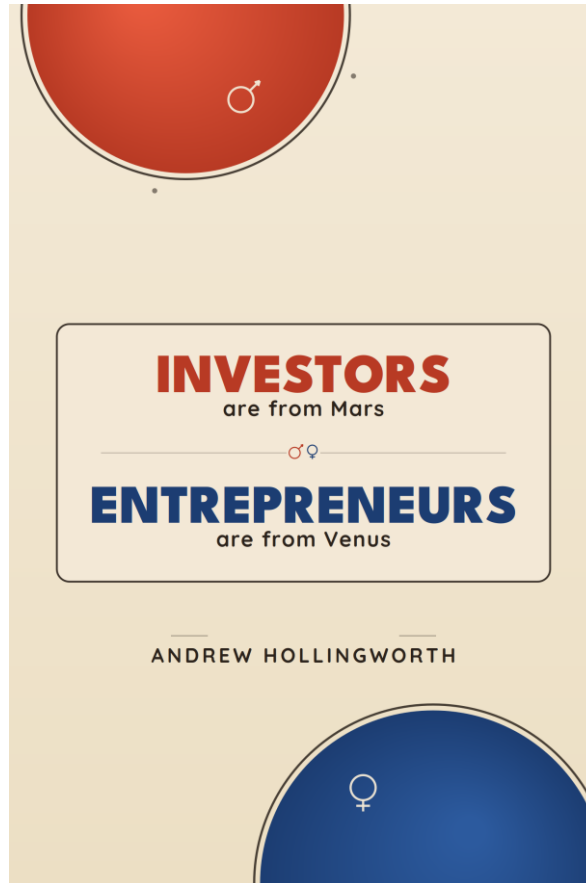

Backing entrepreneurs in an AI world

VT Holland Advisors Equity Fund

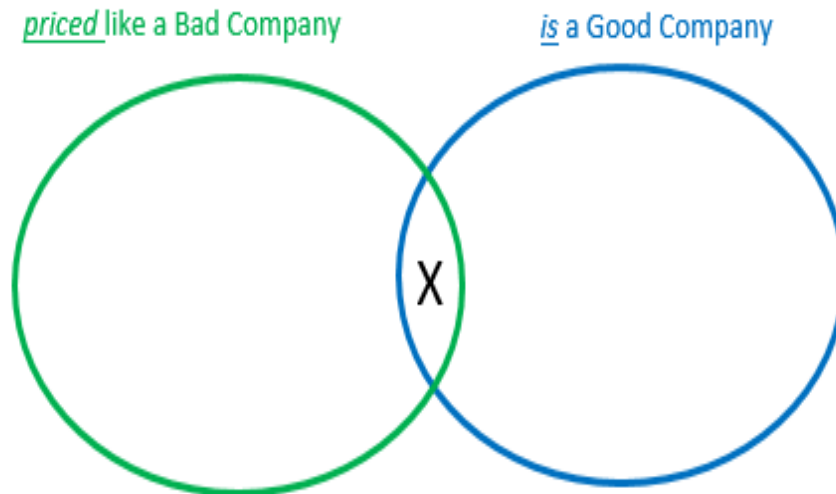
Andrew Hollingworth

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.





BB1: Buying great Co's when others hate them



Source: Holland Advisors

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

Warren Buffett

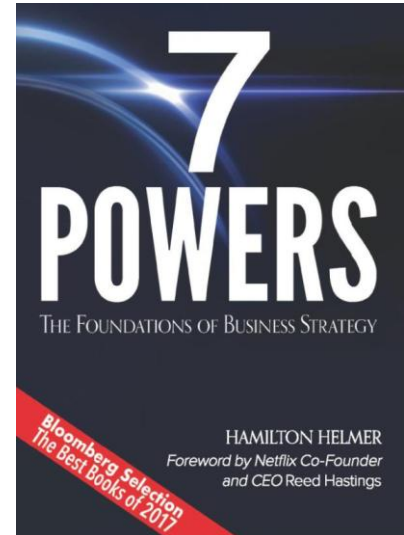
BB2: Sustainable Competitive Advantages (SCA's)

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

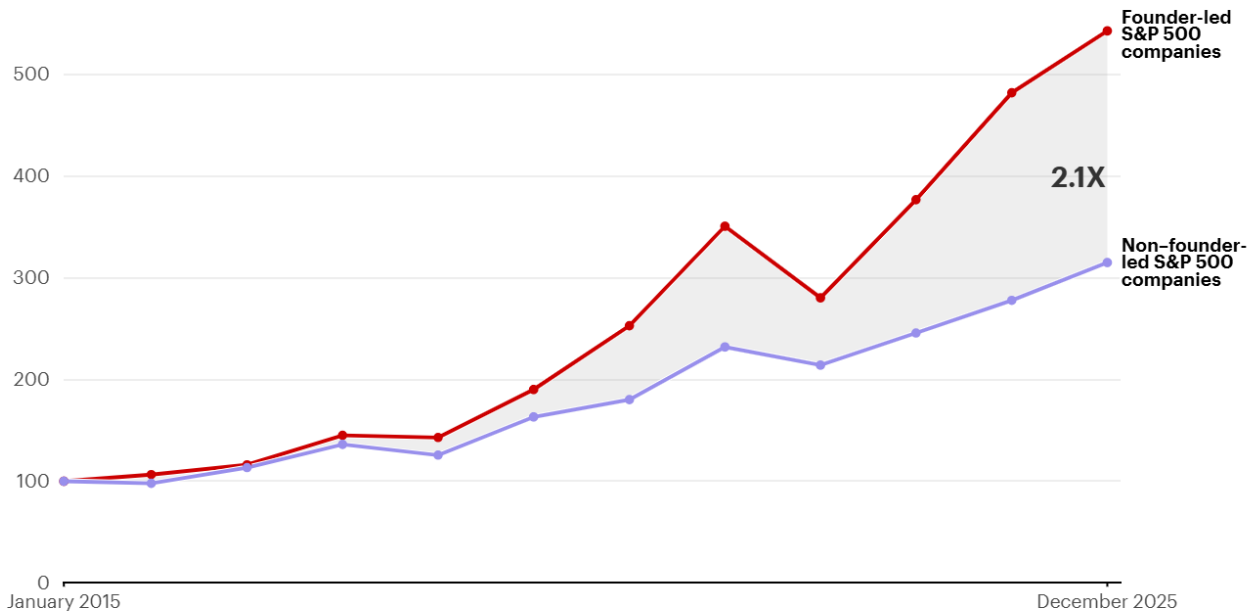
We find most opportunity in SCA's least understood by other investors

Buy right, sit tight



BB3: Owner Managers

Indexed total shareholder return (2015–2024)



Notes: Total shareholder return is not weighted by market cap

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

Find a genius and hold on tight

David Ogilvy on Owner Managers (OMs):

- *“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 is 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 by 2x

- But investors avoid them
- 2% of meetings + bad chemistry

Our Owner Manager obsession



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

Marilyn Monroe

Meta: Sentiment/Investment cycles

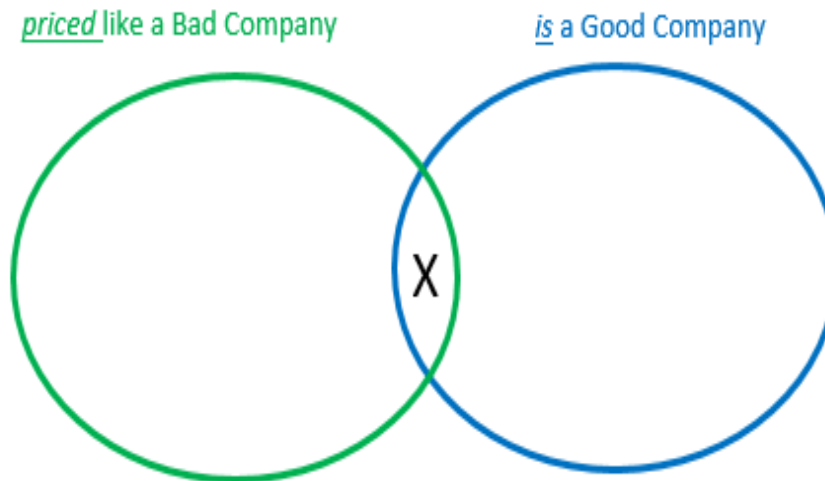
- Meta is an example of occasional very inefficient markets
-that don't understand Owner Manager psychology



Source: Bloomberg, April 26

Advertisement Break

80% of Our Portfolio



Source: Holland Advisors

A great fishing net, but what might it miss?

Supernatural Compounders – In search of Nirvana



Source: In Search of Nivana, March 24

Study of Nick Sleep's 20y, 20% pa returns

Supernatural Compounders – How to spot them

Supernatural Compounders (SNC's) have very specific traits:

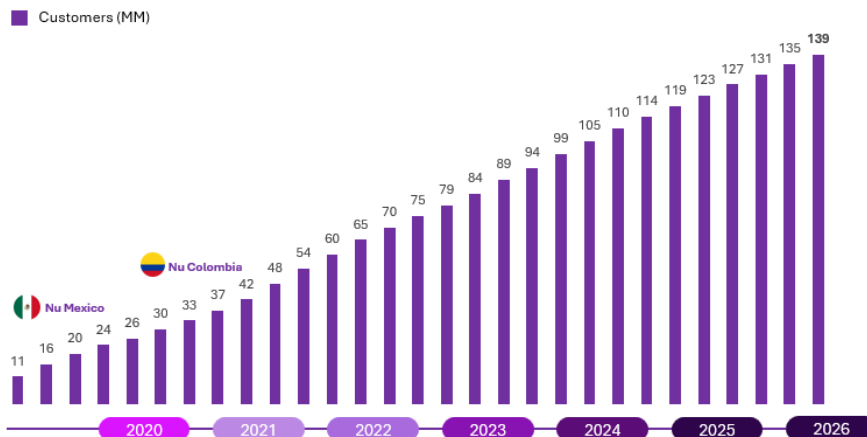
- A visionary thinker
- Who re-thinks their industry – solving a hard problem
- To give customers a more compelling offering
- Low unit-cost driven and customer obsessed
- Have huge runways of growth ahead
- Make great ROICs that enable self-funded growth

Crucially the ability to redeploy huge amounts of retained capital at high rates of ROIC

Nubank: An SNC 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
- Is Amazon-esq in customer focus and disruption
- Its global growth runway could be very long



Source: Nu Holdings

Investing in an AI world

Lessons from past cycles

- Danger of ingrained view (Bull or Bear)
- Separate 20y secular growth from today's capital cycle

Our holdings

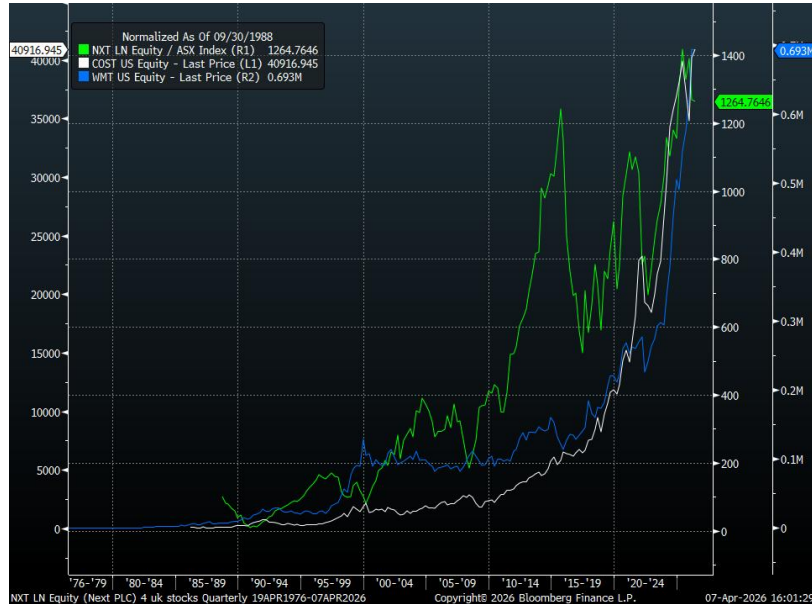
- Customer service obsessed + lowest cost + price obsessed
- Constant innovation + quick at pivoting
- Deferred gratification investments vs op. gearing today

Best opportunities arise from:

- Others ingrained view
- Where uncertainty is confused with risk
- Misunderstood investment cycles

AI coming for lazy profit pools but value for money and CX still rule

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



Source: Bloomberg, April 26

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

Our USP

We aim to grow capital 16x in 20y (15% IRR)

- We seek out SCA's others don't recognise
- Buying at times of high uncertainty

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

Thank you

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