

# **MORAY PLACE INVESTMENT COMPANY**

**INVESTMENT MANAGER'S ANNUAL REVIEW  
for the year ended 30 September 2024 (unaudited)**

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## 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 30 September 2024</b>	£181m
<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>	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 year ended				
	30 Sept 2024	30 Sept 2023	30 Sept 2022	30 Sept 2021	30 Sept 2020
<b>Value of company</b>	£181.4m	£149.1m	£128.6m	£121.3m	£93.0m
<b>Shares outstanding</b>					
Accumulation	35.1m	34.6m	34.8m	33.6m	31.9m
Income	16.2m	14.4m	12.5m	10.5m	9.2m
<b>NAV per share (mid price)</b>					
Accumulation	369.6p	316.1p	279.9p	281.6p	230.4p
Income	321.2p	278.8p	250.4p	255.5p	211.8p
<b>Dividend per share</b>					
Accumulation	5.42p	4.31p	4.07p	3.64p	1.82p
Income	4.78p	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>	3%	9%	3%	8%	6%

<sup>†</sup> The Investment Association changed its definition of ongoing charges in 2022 to include the underlying costs of investment fund holdings. Investment trusts were included in this definition in 2022 and 2023 but not in 2024.

	Cumulative gain to 30 Sept 2024		
	5 years	10 years	Since inception
<b>NAV per accumulation share</b>	50%	188%	270%
<b>Comparators</b>			
UK Consumer Price Index	24%	34%	40%
Index of the annual yield on the longest dated gilt	11%	23%	35%
FTSE All-Share Total Return Index	32%	84%	149%

### 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 9.

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

# LETTER TO SHAREHOLDERS

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Dear fellow shareholders

Moray Place Investment Company exists to protect and then grow the purchasing power of its investors' capital. My first letter to shareholders in 2012 outlined the guiding principles by which I manage the company. I have repeated those principles in full on pages six and seven.

## Progress so far

In my original letter I committed to compare MPIC's results with three benchmarks. I also stated that a single year is not a meaningful period over which to assess the company's progress. Instead, I would evaluate its results over a full economic cycle. As each cycle varies in length, and for simplicity, I committed to report on periods of five and ten years.

The table at the bottom of page two summarises MPIC's results against those three comparators over five and ten years, as well as since inception. Over all these periods, MPIC's asset value per share has advanced by more than consumer prices, the interest earned by savers, and the returns from British shares.

The table on page 13 offers another perspective. Its final row shows the compound annual growth in asset value per share since inception. MPIC's progress is equivalent to a gain in purchasing power of 8.2% each year. I do not expect the next 12½ years to be as good. But I do expect MPIC to outpace inflation and I hope for compound annual growth of up to 5% in real net asset value.

## Little change but fundamental progress

MPIC's portfolio changes little from year to year. It is not an equity fund. However, owning quoted businesses is integral to growing the purchasing power of its capital. What I buy in any year, and the annual price moves of individual securities, are seldom important. I rarely discuss transactions and share prices because they can distract attention from what is important: the fundamental progress of the portfolio. It is easy to mistake stockmarket fashions for fundamental progress.

In previous letters I have used a framework that distinguishes between two components of the total return from owning shares. The *fundamental* return is the growth in the underlying business plus the dividends it generates. This is how an owner might assess an unquoted business without the distraction of a stockmarket price. The *speculative* return is the change in the stockmarket price for each £1 of, say, profits, dividends or assets. It is this stockmarket froth that dominates attention.

<i>All figures calculated in £ sterling</i>	10 years to 30 September 2024		
	<b>Fundamental return</b>	<b>Speculative return</b>	<b>Total return</b>
	<i>Business growth + dividends (A)</i>	<i>Change in valuation (B)</i>	<i>Share price + dividends (1+A)(1+B)-1</i>
MPIC equity portfolio	150%	25%	210%
Vanguard World Index Fund	100%	50%	194%

In the table above I try to separate the fundamental and speculative elements of MPIC's equity portfolio as well as of the global universe. I have used dividends and net asset values as proxies for fundamental business returns. I have used Vanguard's FTSE All-World Index Fund as a proxy for the global universe. For MPIC, I have measured the returns of the 43 companies owned ten years ago. I regard that September 2014 portfolio as a reasonable surrogate as I trade little. Over the past decade I have sold about 5% of the equity portfolio each year.

# LETTER TO SHAREHOLDERS

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Over ten years, after fees, the total return from MPIC's equity portfolio was about 210%. This compares with Vanguard's global equity index fund of 194%. However, I regard the fundamental returns as the most important figures in the table. Fundamental return is the dominant component of the total return for both MPIC and the universe. And the longer the period, the more dominant it becomes. Over ten years, the fundamental return from MPIC's underlying businesses was 150%, or 9½% annual growth. That compares with the average quoted business of 100%, or 7% each year. That is a meaningful advantage in the returns from MPIC's underlying businesses. And that advantage has come without owning the stockmarket's favourites.

## **Avoiding the favourites**

All human endeavours involve luck and skill. There is a large academic literature across diverse activities on making decisions under uncertainty. These activities can offer insights for investors. For instance, successful gamblers do not only identify the best horse in a race. The real skill, and the money, is in identifying the mispriced horse – that whose chances of winning are greater than its odds imply. Favourites can be obvious and thus attract poor odds. As with horse racing, so with investing.

My investing approach is to identify superior companies, led by trustworthy people, and own them for years. I try to capture the fundamental return from the underlying business. Extending the racing analogy, this means I seek good horses ridden by honest jockeys. However, I tend to avoid the favourites, as their attractions can be obvious and thus attract poor odds in the stockmarket. Companies are most likely to be mispriced when their attractions are not obvious. Three common reasons for mispricing are when investors are panicked, disgusted or bored. I have found the “boring” cohort the easiest to identify, buy and hold. One does not need courage to buy “boring” companies, but holding on does need patience and control of one's fear of missing out.

## **Healthy businesses are compound interest machines**

While gambling is a useful analogy it is not perfect. Investing in businesses has a structural advantage that other investments, and gambling, do not. In 1924 Edgar Lawrence Smith identified that structural advantage in his book, *Common Stocks as Long-Term Investments*. A century later, his insight remains as powerful but seldom discussed. Smith noted that most companies distribute only part of their profits to shareholders as dividends. They retain the rest to reinvest back into their business. The retained profits in turn generate more profits, which in turn beget yet more. Thus, Smith said the heart of most healthy companies is “a practical demonstration of the principle of compound interest”.

MPIC owns healthy companies with a persistent tendency to compound their underlying business value – regardless of how their share prices fluctuate. Markel and Fairfax are pertinent examples. They are both North American insurers that earn money from underwriting commercial risks, as well as from investing their policyholders' premiums and their owners' capital. They reinvest over 90% of their combined profits to maximise the compounding of their owners' capital, or asset value. Annual progress in asset value is unpredictable owing to the vagaries of underwriting and investing. Still, every five to seven years their net asset value per share tends to double. Over the last ten years, their fundamental returns in pounds sterling have been 180% and 270%, respectively.

Markel and Fairfax have been MPIC's largest investments since inception. Their business results have been superior to the universe's in the period since. It is plausible that their superiority might continue. Yet, most investors appear bored by their prospects. For instance, over the last decade the speculative return in each case has been only 10%. Ten years ago, I thought their shares neglected and their stockmarket odds mis-priced. I still do.

# LETTER TO SHAREHOLDERS

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## Expect surprises

The polymath, Daniel Kahneman, once observed that, “The lesson of history is that it is surprising.” I predict that the future will also be surprising. This means its important events will be both unexpected and unforecastable. Instead of trying to predict the unexpected, I focus on what seems unlikely to change.

- *Bad headlines but good news*

Bad headlines grab our attention, but they are misleading. Consuming news headlines can mislead us into an overly pessimistic worldview. The important, undramatic and repetitive news is that every day free people try to improve the lives of their families by thinking, adapting and co-operating. It is a spontaneous, organic and evolutionary process. It simply relies on a radical idea from The Enlightenment – give people the freedom to make money, do not deride them for doing so, and allow them to keep what they earn.

- *Businesses are communities of problem-solvers*

Man’s ability to think is the source of his wealth. Businesses are the dominant institutional form through which people solve problems, satisfy needs and thus create wealth. Businesses are wealth-creating machines.

- *Paper money is based on faith in policymakers*

The pound sterling used to be convertible into gold. While sterling was tied to the value of gold, its purchasing power was maintained over two centuries. It was a crude policy, when we did not trust policymakers with protecting the value of our money. Sterling has not been convertible into gold since the 1930s. Now that the value of our money is based on faith in policymakers, the purchasing power of sterling has fallen by 99% in one century. As a store of purchasing power, I prefer gold.

- *Progress will be irregular*

MPIC cannot avoid the inevitable surprises in life, commerce and share prices. However, it is designed to survive nasty surprises, bad luck and my mistakes, without undue distress.

## The golden rule

I created MPIC based on the golden rule. I treat all shareholders as I would wish to be treated myself. Thus, it is a low-cost, long-term, tax-efficient investment vehicle. Most of my own savings are, and will remain, invested in MPIC.

Thank you for your trust and continued patience.

Peter Hollis  
30 September 2024

# GUIDING PRINCIPLES

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All enduring human endeavours and relationships appear to have a commitment to common goals and shared values. To help potential co-investors assess whether they share my goals and values, in my first letter to shareholders in 2012 I outlined the objectives and guiding principles by which I manage MPIC. They are restated below, as they have been in every annual report. They are principles, so are unlikely to change significantly. However, they may evolve as I continue to learn from new insights as well as from my mistakes.

## **Investment objective and appropriate gauges of progress**

One key to attracting and keeping like-minded co-investors is that we gauge progress by the same yardstick. Moreover, that yardstick needs to be stated at the start of the relationship.

The essence of investment is to defer consumption today so that one may consume more in future. Hence, MPIC's objective is to preserve and then grow the purchasing power of its investors' capital. In deferring consumption today one might wish, for instance, to buy more groceries, property or education in future. All would represent valid standards by which to assess progress. However, for ease, I will compare MPIC's results against three benchmarks.

1. *The UK Consumer Price Index*

Spending power is most commonly evaluated with respect to consumer goods. One basic hurdle for MPIC is thus to grow faster than UK consumer goods inflation.

2. *The yield on UK long-dated gilts*

Consumer goods are only a part of personal expenditure. Perhaps the most comprehensive gauge of the expected erosion of purchasing power is the yield on UK long-dated gilts. This yield can be interpreted as the market's best guess of the nominal return required at least to sustain the purchasing power of pound sterling in the future.

3. *The UK FTSE All-Share Index*

MPIC is not an equity fund, but it does expect primarily to use quoted equities as the means of achieving its objective. An equity index is thus an informative comparator, as well as a test of whether MPIC is preserving its investors' purchasing power in one specific form of assets: publicly quoted companies.

Note, first, that the comparators are UK-oriented. This seems appropriate as most of MPIC's owners are British with predominantly pound sterling commitments and liabilities. Second, I do not believe that a single year is an informative time frame over which to assess progress. I believe that the most appropriate period is an economic cycle, not the time it takes the earth to orbit the sun. Thus, I will compare MPIC's returns against its three comparators over a full economic cycle. The economic cycle varies in length, but for simplicity I will define it as a minimum of five years and a maximum of ten, and report on both periods.

## **My guiding principles**

Another way of assessing whether there is a community of interest with my investment values is to compare your investing beliefs, or principles, with mine. These are mine:

- *I will treat your investment in MPIC as I would treat my own*  
I have, and will maintain, most of my savings invested in MPIC.
- *Costs matter*  
While the investment results of MPIC will be volatile and inherently uncertain, I am certain of one thing: costs erode long-term returns. Therefore, MPIC aspires to be one of the lowest cost investment companies available to individual investors.



## GUIDING PRINCIPLES

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- *Purposeful inactivity*  
I will invest so to be untroubled were financial markets to close for five years. Expect turnover of investments within MPIC to average less than 10% each year.
- *Independent thinking*  
My investment philosophy is to be conservative, but not conventional. I will shun excessively popular, fashionable investments. I believe that an important paradox in investment is that the more popular an idea becomes, the less profitable it is likely to be.
- *Long-term optimism about man's instincts to trade, barter and exchange goods and ideas*  
I believe that this is the true source of durable prosperity and wealth. Rising living standards are largely derived from accumulated knowledge and new ideas, which is only constrained by human ingenuity and imagination.
- *Long-term pessimism on the value of government promises*  
Politicians promise too much. In exchange for obvious short-term benefits they willingly incur less obvious long-term costs. This undermines the value of government-backed promises, such as paper money and sovereign bonds. One consequence is inflation, which I believe to be at source a political phenomenon. It has been one of the tragedies of modern financial academic work to label government bonds "risk-free".
- *The role of quoted equity investments*  
I believe that the long-term ownership of superior businesses run by honest people is the best way to participate in the tendency for global living standards to rise, while simultaneously protecting investors from inflation. Quoted equity securities allow investors to part-own a variety of such businesses around the world, at remarkably low cost. Consequently, investments in quoted equities are likely to dominate the portfolio.
- *Risk and uncertainty cannot be avoided*  
Business and investing are complex, unpredictable and fraught with uncertainty. I do not believe that government bonds are risk-free. I do not believe that investment risk can be quantified. And I do not believe in smooth progress. MPIC is designed to cope with investment risk and uncertainty, not to eliminate it.
- *Progress will be lumpy*  
Quoted equities represent claims on corporate cash flows, yet their market prices have proved far more volatile than their underlying business values. Historically, publicly listed businesses have suffered widespread, general falls in market prices in approximately one calendar year in three. Indeed, dramatic declines of over 30% have occurred at some point in most decades. I do not believe that MPIC can avoid such characteristic downturns in business and stockmarket cycles, but it will seek to survive them without undue distress.
- *I will discourage investors who cannot commit funds for at least five years*  
MPIC is an open-ended investment company. If funds flow in *and out*, the company's returns may be compromised, to the detriment of the remaining shareholders. Thus, there is an exit charge for all redemptions within five years, which is paid into MPIC to compensate the remaining shareholders. (The charge is not paid to the ACD or the investment manager.)

Peter Hollis

## PORTFOLIO AT 30 SEPTEMBER 2024

Security	Country	Holding	Value £'000	%	30 Sept 2023
Markel	US	11,500	13,343	7.3%	
Fairfax	Canada	11,000	10,251	5.6%	
Next	UK	100,000	9,760	5.4%	
Progressive Corp	US	44,000	8,290	4.6%	
Exor	Netherlands	90,000	7,178	4.0%	
Heineken Holding	Netherlands	125,000	7,024	3.9%	
Ackermans & van Haaren	Belgium	38,000	6,218	3.4%	
J D Wetherspoon	UK	750,000	5,526	3.0%	
BAT	UK	200,000	5,451	3.0%	
Moody's	US	15,000	5,319	2.9%	
Svenska Handelsbanken A	Sweden	650,000	4,981	2.7%	
Jardine Matheson Holdings	Singapore	160,000	4,664	2.6%	
U-Haul Holding Company Non-Vtg	US	76,500	4,115	2.5%	
U-Haul Holding Company	US	8,500	493		
LG Corp	South Korea	100,000	4,502	2.5%	
VP	UK	621,141	4,068	2.2%	
Franco-Nevada	Canada	42,000	3,886	2.1%	
Investor B	Sweden	160,000	3,674	2.0%	
Remgro	South Africa	500,000	3,401	1.9%	
Ringkjoebing Landbobank	Denmark	27,000	3,188	1.8%	
Bunzl	UK	90,000	3,176	1.8%	
Cosmos Pharmaceutical	Japan	80,000	3,115	1.7%	
Admiral Group	UK	110,000	3,070	1.7%	
Winmark	US	10,000	2,861	1.6%	
Philip Morris International	US	30,000	2,699	1.5%	
Yaoko	Japan	50,000	2,537	1.4%	
Jet2	UK	180,000	2,533	1.4%	
Texas Pacific Land Trust	US	3,600	2,395	1.3%	
Hansa Investment Company A	UK	825,000	1,832		
Hansa Investment Company Ord	UK	125,000	286	1.2%	
RLI	US	18,000	2,066	1.1%	
Ryanair <sup>†</sup>	Ireland	140,000	1,926	1.1%	
Daiei Kankyo	Japan	100,000	1,618	0.9%	
Atlas Copco B	Sweden	120,000	1,533	0.8%	
Trancom	Japan	25,000	1,383	0.8%	
Rights & Issues Investment Trust	UK	54,128	1,342	0.7%	
Charles Schwab	US	25,000	1,201	0.7%	
Belc	Japan	30,000	1,005	0.6%	
Create SD Holdings	Japan	60,000	999	0.6%	
Meitec	Japan	60,000	989	0.5%	
Greggs	UK	30,000	932	0.5%	
CF-Alba	Spain	17,544	750	0.4%	
LG H&H Preferred Non-Voting	South Korea	5,000	455	0.3%	
Ocean Wilsons Holdings	UK	30,000	444	0.2%	
<b>Total equities</b>			<b>156,479</b>	<b>86.2%</b>	86.3%

## PORTFOLIO AT 30 SEPTEMBER 2024

Security	Country	Holding	Value £'000	%	30 Sept 2023
Royal Canadian Mint Gold ETR	Canada	375,000	7,578	4.2%	
Perth Mint Gold ETP	Australia	282,836	5,589	3.1%	
Sprott Physical Gold Trust	US	340,000	5,176	2.9%	
Sprott Physical Gold and Silver Trust	Canada	200,000	3,657	2.0%	
Zurich Cantonal Bank Gold ETF	Switzerland	3,000	1,756	1.0%	
Cash and equivalents <sup>†</sup>	Various		1,513	0.8%	
<b>Total effective liquidity</b>			<b>25,269</b>	<b>14.0%</b>	14.0%
<i>Adjustment to revalue assets from mid to bid</i>			-374	-0.2%	
<b>Total portfolio</b>			<b>181,374</b>	<b>100.0%</b>	

**† Note: custody error**

MPIC's custodian is CACEIS Investor Services. An error by CACEIS allowed Ryanair wrongly to trigger a compulsory repurchase of MPIC's 140,000 Ryanair ordinary shares on 4 September 2024. The custodial error incorrectly implied that MPIC purchased its shares after 1 January 2021. CACEIS has accepted full responsibility for the error and is working with Ryanair to reverse the transaction. We expect this to occur but it had not by 24 October 2024.

Under EU law, Ryanair does not allow non-EU nationals and investment funds to own over 49.9% of its ordinary shares. The UK is no longer part of the EU. Thus, MPIC has not been able to buy more Ryanair ordinary shares since 1 January 2021, although it is permitted to retain the ordinary shares it owned on that date. MPIC can buy Ryanair American Depositary Receipts (ADRs), a security that trades on US stock exchanges. Hollis Capital views ADRs as a less attractive investment as they trade at a price premium to the ordinary shares and incur a 15% dividend withholding tax.

NatWest Bank is MPIC's Depository. It appoints and oversees the custodian, CACEIS. If assets are lost while in custody, NatWest is liable to replace them on a like-for-like basis or with the equivalent in cash compensation.

The portfolio valuation, liquidity and turnover figures in this annual review are shown as if this custodial error had not occurred. Hollis Capital believes that it is showing the economic substance of MPIC's position, although not its legal form, at 30 September 2024.

## COMPARATIVE TABLES

For the year ended 30 September	Income shares		
	2024	2023	2022
<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>	48.5p	33.6p	(0.2p)
Operating charges	(1.3p)	(1.3p)	(1.2p)
Return after operating charges	47.2p	32.3p	(1.4p)
Dividend on income shares	(4.8p)	(3.9p)	(3.7p)
Closing net asset value per share	321.2p	278.8p	250.4p
† after direct transaction costs of	0.01p	0.06p	0.08p
<b>Returns</b>			
Total return after charges	16.9%	12.9%	(0.6%)
<b>Other information</b>			
Closing net asset value	£52.2m	£40.2m	£31.3m
Closing number of shares	16.2m	14.4m	12.5m
Operating charges	0.44%	0.49%	0.49%
Direct transaction costs	0.00%	0.02%	0.03%
<b>Share prices</b>			
Highest offer price	329.3p	284.9p	271.1p
Lowest bid price	273.7p	247.2p	250.4p
For the year ended 30 September	Accumulation shares		
	2024	2023	2022
<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>	55.0p	37.7p	(0.3p)
Operating charges	(1.5p)	(1.5p)	(1.4p)
Return after operating charges	53.5p	36.2p	(1.7p)
Dividend on accumulation shares	(5.4p)	(4.3p)	(4.1p)
Reinvested dividend on accumulation shares	5.4p	4.3p	4.1p
Closing net asset value per share	369.6p	316.1p	279.9p
† after direct transaction costs of	0.01p	0.06p	0.08p
<b>Returns</b>			
Total return after charges	16.9%	12.9%	(0.6%)
<b>Other information</b>			
Closing net asset value	£129.6m	£109.3m	£97.5m
Closing number of shares	35.1m	34.6m	34.8m
Operating charges	0.44%	0.49%	0.49%
Direct transaction costs	0.00%	0.02%	0.03%
<b>Share prices</b>			
Highest offer price	373.4p	318.7p	298.8p
Lowest bid price	310.4p	276.5p	278.1p

# INFORMATION FOR SHAREHOLDERS

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## Annual report and financial statements

This document is an annual review issued by the investment manager, Hollis Capital. The annual report and financial statements will be available on the ACD's website from January 2025. The annual report contains audited financial statements and is approved by the ACD, the Depositary and the Independent Auditor.

## Portfolio purchases and sales

From 1 October 2023 to 30 September 2024 there were portfolio purchases of £15,467,594 and sales of £5,098,873. The sales exclude the erroneous compulsory repurchase of Ryanair ordinary shares, described in the note on page 9.

## Dividend

All the net revenue of the Company will be paid as a dividend to shareholders on or before 30 November each year.

## Management charges

The current ACD annual management charge is £26,717, indexed each year on 1 October to the Consumer Price Index. 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.

## Issue and redemption of shares

Valu-Trac Investment Management Limited is the ACD and Registrar. Valu-Trac Investment Management Limited will receive requests for the purchase or sale of shares at any time during normal business hours, 8:30am to 5:30pm. Instructions may be given by email to [mpic@valu-trac.com](mailto:mpic@valu-trac.com) and by posting an application form to the Registrar. Application forms are available from the Registrar.

Dealing is possible on the 1<sup>st</sup> and 15<sup>th</sup> (or the next business day) of each month. The price of shares will be determined by a valuation of the Company's net assets at 4.30pm on the dealing day.

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. The minimum value of shares that a shareholder may hold is £200,000 at cost. The ACD may at its discretion accept subscriptions lower than the minimum amount.

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 bought and the price paid will be issued by the Registrar by the end of the third business day following the valuation point.

Ownership of shares will be recorded by an entry on the Company's Register of Shareholders. Certificates will not be issued. Annual statements will show the number of shares held by the recipient on which the dividend is paid. Individual statements of a shareholder's (or, when shares are jointly held, the first named holder'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 trade date.

A redemption charge is payable on any shares sold within five years of purchase. The redemption charge is paid to the Company to compensate continuing shareholders; it is not paid to the ACD or the investment manager.

The most recent issue and redemption prices are available from the ACD.

## Value assessment

The ACD conducts an Assessment of Value for the Company each year. The latest Assessment of Value report is available on the ACD's website.

# INFORMATION FOR SHAREHOLDERS

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## **Alternative Investment Fund Manager**

Under the Alternative Investment Fund Managers (Amendment etc.) (EU Exit) Regulations 2019, the Company has been designated an Alternative Investment Fund. The ACD, Valu-Trac Investment Management Limited, has been appointed as the Alternative Investment Fund Manager (AIFM). To comply with these regulations, information about the AIFM's remuneration policies and disclosures is available from Valu-Trac Investment Management Limited on its website: [www.valu-trac.com](http://www.valu-trac.com).

## **Taxation**

The Company will pay no corporation tax for the year ended 30 September 2024 and capital gains within the Company will not be taxed.

The information below on taxation is a general summary. Shareholders should consult their tax advisers about their own circumstances. Shareholders should also note that the position as outlined may change to reflect future changes in tax legislation.

### ***Individual shareholders***

#### *Tax on dividends*

Individual shareholders resident in the UK for tax purposes may be liable to income tax on their dividend income. Presently there is a tax-free annual dividend income allowance for individuals. Dividend income in excess of that amount is charged at the rate of tax applicable to the individual taxpayer.

#### *Capital gains tax*

Individual shareholders resident in the UK for tax purposes may be liable to capital gains tax on realisation of their shares as with other chargeable assets. Presently each year there is a tax-free allowance for individuals. Gains in excess of that amount are charged at the rate of tax applicable to the individual taxpayer.

#### *ISAs*

Individuals resident in the UK for tax purposes may invest each year in Individual Savings Accounts (ISAs), free of income and capital gains tax. The ISA allowance for the 2024/25 tax year is £20,000. The ACD offers a simple, zero-charge ISA which is invested solely in MPIC accumulation shares. For each investor the overall minimum initial and subsequent investment in MPIC still applies. Further details may be obtained from the ACD.

### ***Corporate shareholders***

Companies resident in the UK for tax purposes which hold shares should note that OEIC dividends are streamed into both franked and unfranked income. The unfranked income element is subject to corporation tax but is treated as a payment which has already incurred income tax at a rate of 20%. On realisation of their shares, UK resident companies may be liable to pay corporation tax on any capital gains.

### **Advantages of investing through an open-ended investment company**

Moray Place Investment Company is an open-ended investment company (OEIC). Investing through an OEIC offers considerable advantages for individual investors compared to managing their own portfolio directly or through a financial adviser. These advantages include:

- The full-time attention of an experienced professional investor
- Participation in a diversified portfolio of assets
- An OEIC does not incur capital gains tax on transactions within its portfolio. Investors thus defer any capital gains tax liability until they sell their shares in the OEIC
- An OEIC can offset management and administration costs against taxable income. This is not possible with the costs of directly managed portfolios or fees for financial advice
- Less paperwork and record-keeping

## HISTORICAL INFORMATION

	Value of company	NAV per acc. share (1)	Dividend per inc. share	Consumer Price Index (2)	Real NAV per acc. share (1)/(2)*100
<b>At and for the period ended</b>					
15 May 2012		100.0p		100	<b>100</b>
30 Sept 2012	£15.6m	104.1p	nil	101	<b>103</b>
30 Sept 2013	£22.8m	121.9p	1.04p	103	<b>118</b>
30 Sept 2014	£28.3m	128.4p	1.45p	105	<b>123</b>
30 Sept 2015	£34.2m	141.0p	1.80p	104	<b>135</b>
30 Sept 2016	£51.4m	186.9p	2.22p	105	<b>177</b>
30 Sept 2017	£68.7m	210.4p	2.56p	109	<b>194</b>
30 Sept 2018	£81.0m	228.2p	2.95p	111	<b>205</b>
30 Sept 2019	£92.2m	246.5p	3.27p	113	<b>218</b>
30 Sept 2020	£93.0m	230.4p	1.69p	114	<b>202</b>
30 Sept 2021	£121.3m	281.6p	3.34p	117	<b>240</b>
30 Sept 2022	£128.6m	279.9p	3.69p	129	<b>217</b>
30 Sept 2023	£149.1m	316.1p	3.85p	138	<b>230</b>
30 Sept 2024	£181.4m	369.6p	4.78p	140	<b>264</b>
<b>Gain since inception</b>					
Cumulative		270%		40%	<b>164%</b>
Annualised		11.1%		2.8%	<b>8.2%</b>

### *Notes*

*The company started trading on 15 May 2012 when shares were issued at 100p each. The UK CPI in May 2012 was 95.9. It has been rebased to 100 to aid comparability. Real NAV is the net asset value per accumulation share deflated by the UK CPI.*

# CORPORATE DIRECTORY

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**ACD, AIFM and Registrar**

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Authorised and regulated by the Financial Conduct Authority  
Registered in England No. 2428648

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Authorised and regulated by the Financial Conduct Authority

**Depository**

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175 Glasgow Road  
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EH12 1HQ

Authorised and regulated by the Financial Conduct Authority

**Auditor**

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Elgin  
IV30 8DE