

PRESENTATION FOR INVESTORS

VLTAVA FUND SICAV, Plc

January 2024

The Fund is licensed as an Alternative investment fund by the Malta Financial Services Authority (MFSA) and is dedicated to qualified investors.



INVESTMENT PHILOSOPHY

INVESTMENT OBJECTIVE

Our objective is to achieve long-term capital growth of the assets under management while investing primarily into stocks of publicly traded companies. In so doing, we endeavour to protect our shareholders' wealth from the greatest threat – inflation – while achieving above-average returns.

INVESTMENT PHILOSOPHY

It's simple.

We believe that equities make the best long-term investment.

The objective of investing into equities is to take advantage of regular cash flows from companies to their shareholders in the forms of dividends and share buybacks and of reinvesting retained earnings.

In good companies with high-quality management, these flows tend strongly to grow.

Over the long term, share prices track this growth.



INVESTMENT PHILOSOPHY

STOCK OWNERSHIP

We view stock ownership as an opportunity to participate in the business of a specific company and benefit from growth in shareholder value.

We take the same approach to purchasing a selected stock as we would if acquiring the company in its entirety and with the intention of keeping its management in place.

We regard ourselves as analysts of individual companies rather than as stock analysts.

The value of a company depends upon its expected future cash flows discounted back to the present at a reasonable rate of interest. We strive to buy the individual shares for prices substantially lower than their estimated values.

FLUCTUATING SHARE PRICES BRING US OPPORTUNITIES

The prices of individual stocks commonly fluctuate by tens of percentage points throughout the year.

We regard this share price variability as constituting not a risk but rather an advantageous source of opportunities.

Sometimes, price volatility creates even exceptional opportunities, and we endeavour to exploit these.

WE STAY WITHIN OUR CIRCLE OF COMPETENCE

We do not believe that we understand or can understand everything, but it should not be an investor's objective to know everything about everything. An investor's objective is to find a few good investments. Therefore, we aim to remain inside our own circle of competence and select among those companies whose businesses we find comprehensible. That means we avoid certain economic sectors. Although we realise that our understanding of things always has its borders, we do work to expand those over the long term.



WHAT MAKES US DIFFERENT

TIME ARBITRAGE

The ability to invest with a much longer investment horizon than that of most investors is our great competitive advantage.

Most professional and hobby investors have very short investment horizons. This causes them to seek investments where there is at least a little hope of immediate gains while entirely excluding investments with minimal likelihood of immediate gains but high probability of excellent returns over the long term. Investments of the latter type are precisely the opportunities we seek.

CONCENTRATION OF INVESTMENTS

Good investment opportunities are rare and they should be properly exploited. Our portfolio is therefore concentrated into approximately 20 investments. Such a portfolio is adequately diversified, has low risk (because we know the individual companies in detail), and is not unnecessarily diluted by other, less-attractive investments.

INVESTMENT FREEDOM

We are not bound by any benchmarks or prescribed allocations into countries or sectors, and we are not forced to be fully invested at all times. We continuously search for individual attractive investments throughout the world. When we have enough of these, we are fully invested. When we do not, we keep a large part of the portfolio in cash. Investing is not a race, and therefore we do not rush into anything.



INVESTMENT PROCESS

INVESTMENT UNIVERSE

All companies traded on public markets are potentially within our investment universe.

DO WE UNDERSTAND WHAT THE COMPANY DOES?

We focus on companies whose business models we can understand. Investors make the greatest errors when they get caught up in something they do not understand. This is something we try to avoid.

DOES THE COMPANY HAVE ANY SUSTAINABLE COMPETITIVE ADVANTAGE?

As long-term investors, we are interested not only in whether a given company will exist in ten years' time but also in whether it will continue to prosper.

IS THE COMPANY MANAGED IN THE INTEREST OF SHAREHOLDERS?

We must be convinced not only that the management runs the business itself well, but also that it efficiently allocates the earned capital.

IS THE STOCK ATTRACTIVELY PRICED?

Only when a company of interest passes through the entire filter described above do we estimate its value. That value is then compared to the share price. If the price is substantially lower than the value we put on it, we will consider including it into the portfolio.

SHAREHOLDERS

Our shareholders are our most valuable asset of all. We believe they invest with us on the basis of principles similar to those we adhere to in selecting investments into our fund. Ideal shareholders for our fund invest as our partners, and they provide long-term capital for mutual long-term investments.

In an age when almost everything is evaluated in terms of days, weeks or months, it is an immense advantage to have investors able to take a long view. That means there is no conflict between the Fund's long-term investment horizon and individual investors' potentially short-term investment horizons. This establishes an advantageous and stable environment for investing.



RISK MANAGEMENT

DEFINITION OF RISK

We define risk as permanent loss of invested capital.

We do not regard short-term market fluctuations or the fluctuations of individual share prices as constituting risk.

MAIN ELEMENTS OF RISK MANAGEMENT

Simplicity of investments. No complex strategies or derivatives.

We strive to keep to what we understand.

Adequate but not excessive diversification.

Presence of a margin of safety (difference between the price and value) for each investment.

Long-term investment horizon (typically 5 years and more).

We do not endeavour to predict short-term market movements.

Humility and determination to learn from our own mistakes.

PORTFOLIO PROFILE

Assets under the Fund's management:

CZK 2.5 billion

Fund's base currency:

CZK

Typical number of positions in the portfolio:

16 to 25

PORTFOLIO PARAMETERS

P/E ratio (using earnings per share from the trailing 12 months)

9.4

Net dividend yield

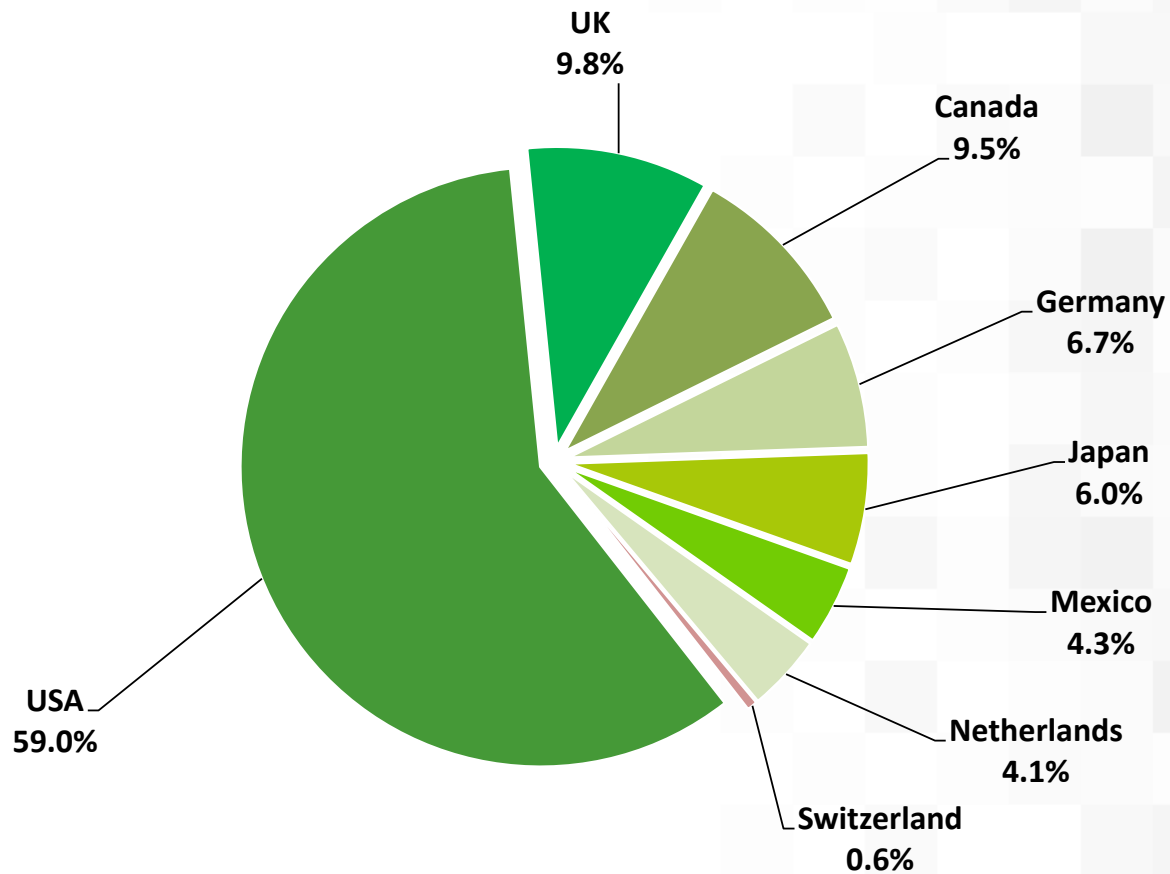
1.7 %

Adjusted net dividend yield

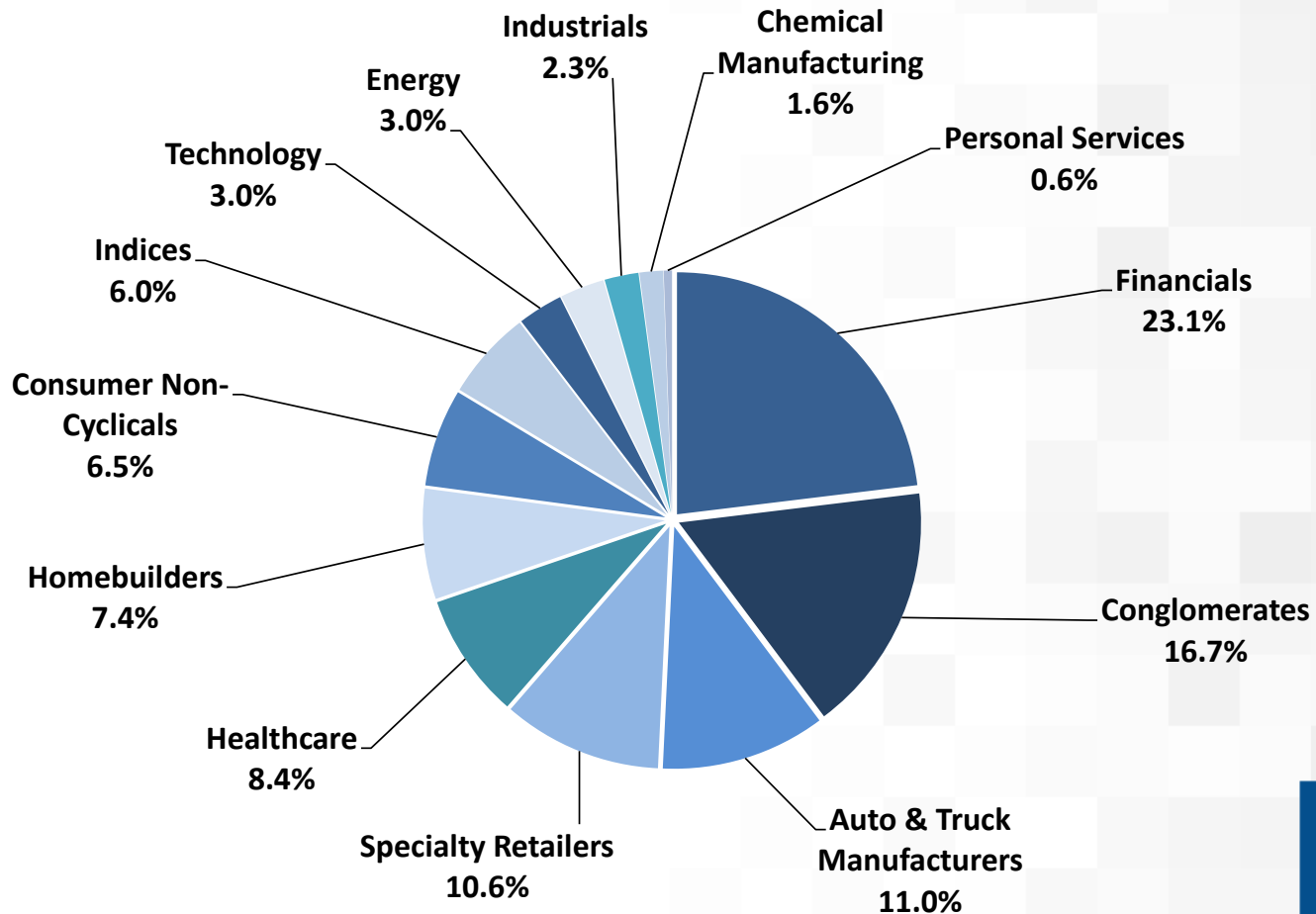
3.8 %



REGIONAL ALLOCATION



SECTOR ALLOCATION



FUND'S BOARD OF DIRECTORS

Frank Chetcuti Dimech

Carmel Farrugia

Daniel Gladiš

Simon Grima

Hana Komárková

Edward Rizzo

Jan Žák



FOUNDERS

Daniel Gladiš, Hana Komárková, Jan Žák



SHAREHOLDER SERVICE

WHAT OUR SHAREHOLDERS RECEIVE

- Annually: Audited annual report. Deloitte has been our financial auditor since the Fund's establishment in 2004.
- Quarterly: Letters to shareholders. We present our views to the shareholders and describe some of the Fund's transactions.
- Monthly: Account statements and Fact Sheets. The Fact Sheet presents to every shareholder a quick overview of the Fund's results, the five largest positions, and the Fund's regional and sector allocations.

SPRING AND AUTUMN MEETINGS

Regular annual shareholder meetings are held in Brno every spring. In autumn, we organise a seminar in Prague. Both events include a presentation by the portfolio manager and a time for Q&A. At the same time, shareholders have an opportunity to meet one another.



BASIC PARAMETERS OF THE FUND

BASIC PARAMETERS

Minimum investment:	EUR 125,000 or equivalent in CZK or USD
Fund's base currency:	CZK
Liquidity :	entry and exit permitted 1x monthly at the first day of the month
Management fee:	1% p.a.
Performance fee:	10% of return, using a high-water mark provision
Front-end load:	0%
Redemption fee:	0% as at 1 February of any year, otherwise 2.5%
Recommended investment horizon:	5 years and longer

SERVICES PROVIDERS AND REGULATOR

FUND'S SERVICES PROVIDERS

Auditors:	Deloitte Malta
Main bank:	Sparkasse Bank Malta
Administrator:	BOV Fund Services Limited (Bank of Valletta Group)
Depository:	Sparkasse Bank Malta
Prime broker:	Marex Prime Services Limited

REGULATOR OF THE FUND

MFSA (Malta Financial Services Authority)

The Fund is registered with the Czech National Bank as a foreign AIF authorised to offer shares only to qualified investors (without EuSEF and EuVECA) and managed by a manager authorised to exceed the decisive limit.



CONTACT

VLTAVA FUND SICAV, Plc

475, Triq il-Kbira San Guzepp

Santa Venera, SVR 1011

Malta

For more information:

- Visit www.vltavafund.com
- Write to investor@vltavafund.com
- Follow www.facebook.com/vltavafund
<https://twitter.com/danielgladis>



DISCLAIMER

- The Fund is licensed as an Alternative investment fund by the Malta Financial Services Authority (MFSA) and is dedicated to qualified investors.
- This document expresses the opinion of the author as at the time it was written and is intended exclusively for educational purposes.
- Our projections and estimates are based on a thorough analysis. Yet they may be and sometimes will be wrong. Do not rely on them and take your own views into consideration when making your investment choices. Estimating the intrinsic value of the share necessarily contains elements of subjectivity and may prove to be too optimistic or too pessimistic. Long-term convergence of the stock price and its intrinsic value is likely, but not guaranteed. Data used in this document are from trustworthy sources but we can not guarantee their 100% accuracy and faultlessness.
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- The information contained in this letter to shareholders may include statements that, to the extent they are not recitations of historical fact, constitute “forward-looking statements” within the meaning of applicable foreign securities legislation. Forward-looking statements may include financial and other projections, as well as statements regarding our future plans, objectives or financial performance, or the estimates underlying any of the foregoing. Any such forward-looking statements are based on assumptions and analyses made by the fund in light of its experience and perception of historical trends, current conditions and expected future developments, as well as other factors we believe are appropriate in the given circumstances. However, whether actual results and developments will conform to our expectations and predictions is subject to a number of risks, assumptions and uncertainties. In evaluating forward-looking statements, readers should specifically consider the various factors which could cause actual events or results to differ materially from those contained in such forward-looking statements. Unless otherwise required by applicable securities laws, we do not intend, nor do we undertake any obligation, to update or revise any forward-looking statements to reflect subsequent information, events, results or circumstances or otherwise.
- This letter to shareholders does not constitute or form part of, and should not be construed as, any offer for sale or subscription of, or any invitation to offer to buy or subscribe for, the securities of the fund as well as any offer to buy mentioned single stock.
- Before subscribing, prospective investors are urged to seek independent professional advice as regards both Maltese and any foreign legislation applicable to the acquisition, holding and repurchase of shares in the fund as well as payments to the shareholders.
- The shares of the fund have not been and will not be registered under the United States Securities Act of 1933, as amended (the “1933 Act”) or under any state securities law. The fund is not a registered investment company under the United States Investment Company Act of 1940 (the “1940 Act”).
- The shares in the fund shall not be offered to investors in the Czech Republic on the basis of a public offer (veřejná nabídka) as defined in Section 34 (1) of Act No. 256/2004 Coll., on Capital Market Undertakings.
- The Fund is registered in the Czech National Bank’s list in the category Foreign AIFs authorised to offer only to qualified investors (without EuSF and EuVECA) managed by AIFM.
- Historical performance over any particular period will not necessarily be indicative of the results that may be expected in future periods.
- Returns for the individual investments are not audited, are stated in approximate amounts, and may include dividends and options.

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