

VMCH - A Value Investment Company

Questions and Answers

- What is the VMCH Corporation?

The VMCH Corporation is a BVI (British Virgin Islands) approved fund which began operations on January 1st 2012.

In addition, the company retains the services of Bolder Group as fund administrator to ensure it remains in compliance with all statutory and legal requirements.

- What is the investment philosophy of the company?

We adhere to the value investment philosophy, which is the acquisition of good businesses at attractive prices, and holding for the long term. Over the last 100 years, it has been applied successfully by Warren Buffett, Martin Whitman, Mario Gabelli and many other investors who have beaten the market over many decades.

The basic principle is - know what you buy, and refuse to overpay. This as opposed to what most investment funds do - buy what everyone else is buying, for whatever it may cost.

Another point that sets us apart from most managed funds is that we want to stay small so we can choose from the best investments.

- What does the company invest in?

We primarily invest in publicly traded companies in developed markets (US, EU, etc.). However, the investment manager has a broad mandate to invest in other assets (such as real estate for example). In comparison, most funds are usually attached to a certain market or asset class with no flexibility regardless of its attractiveness as an investment.

- How is risk managed?

We think risk is not knowing what you buy. We make sure we know as much as possible about all the investments we make, before we make them. And since even with the best research the future can be unpredictable, we prefer to hold around ten investments at any time.

- Is the investment manager invested in the company?

In order to ensure that the interests are aligned, the investment manager retains a substantial investment. As a result, your money is managed as our own.

Most investment managers do not invest their own money in the funds they manage.

- Is my investment safe from embezzlement?

Our banking is done by Bolder Group and every transfer of funds is reviewed.

- What is the fee structure?

A 25% performance fee over a 1.5% quarterly hurdle. If you didn't make money, you pay nothing.

- How does taxation work?

The company does not report/pay taxes on the behalf of investors. In the event your shares in VMCH are sold at a profit, you are obliged at that point to report to your local tax authority and pay the appropriate tax, if any.

- Can I withdraw my investment?

On the 1st day of every quarter, the company will redeem the shares of current investors for fair value (NAV). A written prior notice of at least two weeks is required.

- How does the company communicate with shareholders?

All shareholders receive periodic statements from Bolder Group. A detailed annual letter from the investment manager is available as well. Finally, shareholders can contact the investment manager directly at any time.