



## VMCH Corporation - Annual Report

### VMCH Corporation performance (in USD)

Year	Annual percentage change		
	in Per-Share Book Value (NAV) of VMCH	in S&P500 with Dividends Included	in MSCI Europe with Dividends Included
2012	24.8%	16%	19.9%
2013	27.7%	32.4%	25.9%
2014	(2.7%)	13.6%	(5.6%)
2015	(1.4%)	1.3%	(2.3%)
2016	6.1%	11.9%	(0.4%)
2017	5.5%	21.8%	25.5%
2018	(8.9%)	(4.3%)	(14.8%)
2019	(12.4%)	33%	24.2%
2020	55.8%	18.4%	5.9%
2021	16.6%	28.7%	16.9%
2022	17.1%	(18.1%)	(14.5%)
2023	18.1%	26.3%	20.6%
2024	(1.1%)	25%	2.4%
Compounded annual gain	9.8%	14.8%	6.8%
Overall Gain	238%	502%	135%

*“There’s no way that you can live an adequate life without making many mistakes.”*

*Charlie Munger*

Dear shareholders,

In 2023, NAV decreased by 1.1% compared with an increase of 25% in the S&P 500, including dividends. MSCI Europe increased 2.4% including dividends during the same period.

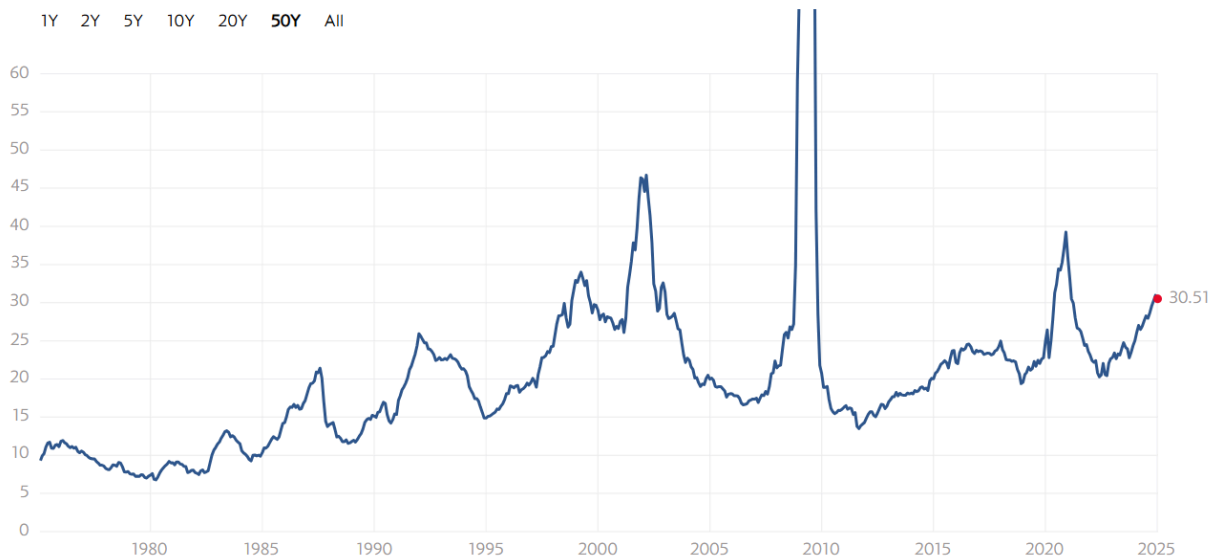
Following the strong market recovery in 2023, we entered 2024 conservatively positioned and mostly stuck to that throughout the year. After several years of higher returns, the last year was largely uneventful.

Most of the companies in the portfolio made profits as expected. However, a few of our larger positions have a significant event based component. In at least two occasions the trigger events that should lead to major outcomes were delayed into 2025 (more on that in part 2).

Put options activity was minimal due to low risk premiums that did not provide adequate compensation for assuming risk. We will update if we resume activity, probably after a major market correction.

With regard to market corrections, presented below is the price to earnings ratio of the S&P500:

## S&P 500 PE Ratio



Last year I wrote that “The “Nifty Fifty” era is back”, and this year the market doubled down on that. Historically, a Price to Earnings ratio of over 30 is a clear indication of overpricing and may eventually lead to some bad times.

When comparing our portfolio against major indices, we have the problem that we generally hold only around 20%-30% of the portfolio in investments that constitute 1-2% of a major index. So if there is any correlation, it is largely based on sentiment more than anything else. Use these comparisons as a rough long term yardstick only.

We do not engage in market timing. However, since last year we were biased towards investments that should fare well in this environment - mostly low debt, reasonably valued, profitable, and event driven.



*Edward Gurban*