

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%
2025	34.2%	17.9%	35.4%
Compounded annual gain	11.4%	15%	8.8%
Overall Gain	355%	612%	226%

“The less the prudence with which others conduct their affairs, the greater the prudence with which we must conduct our own”

Warren Buffett

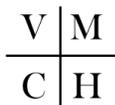
Dear shareholders,

In 2025, NAV increased by 34.2% compared with an increase of 17.9% in the S&P 500, including dividends. MSCI Europe increased 35.4% including dividends during the same period.

I would like to share two investment stories illustrating how we do things and the thinking behind it.

Last year we invested in the common stock of Intrum, by far the largest unsecured debt collector in Europe. The company ironically got into trouble with its own debt obligations and they concluded that the best course of action was a prepackaged bankruptcy. We were invested throughout this process.

In 2024 things got worse before they got better. We lost about half our investment on paper while the bankruptcy was ongoing, which ended up costing us around 7% of the portfolio. In other words, this alone turned a 6% positive return in 2024 into a negative 1.1%. We ended up buying more at these depressed prices.



In 2025 however the bankruptcy concluded successfully. The stock rose around 150% as a result, which contributed around 14% to our 2025 return as we sold the shares.

Another investment is Chrome Holdings, a bankrupt genetic data company. It used to own 23andMe until the middle of 2025 when all assets were sold for 305M\$ in cash. The remaining liabilities were around 100M\$, which apparently leaves 200M\$ in cash for the shareholders.

I was pleasantly surprised to find that the company was trading for around 90M\$ in late 2025. It seemed that the company would be dissolved with shareholders receiving roughly 150M\$ even considering further expenses and payments.

We bought shares for 2% of the portfolio (it wasn't very liquid). However, as the company entered bankruptcy in early December 2025, the value of those 2% became officially 0, meaning we "lost" the entire investment on paper.

Since we can reasonably expect to get the money back in early 2026 with a very healthy return, I didn't mind much that it artificially reduced the 2025 return by 2%. The most important thing here is the bottom line.

Lastly, we note that due to certain stock markets trading at nosebleed valuations (the S&P500 is trading for 30 times earnings as an example) we should be more cautious and opportunistic in case the market nosedives. This happened in 2020, 2022, and 2025 - some of our best years.

We currently hold around 25% of the portfolio in investments that have bond-like characteristics and can be readily redeployed if opportunities present themselves. These investments have a current yield to expected maturity of over 20%, so nothing is being left on the table to achieve this.



Eduard Gurban