



**Growth With Value**  
Your investment can make  
the difference

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## Growth With Value Investment Fund – 30 June 2019 Full Year Report

The Growth With Value Investment Fund focuses mainly on investing in Australian listed businesses. Our concentrated portfolio will consist primarily of businesses which are able to generate strong Returns on Capital, provide solid Profit Margins, carry little or no Debt and present long-term growth prospects. We also apply an ethical perspective when investing in a business. We look for a business which respects our environment, including both flora and fauna, and cares for its people and customers. We also avoid businesses which produce or provide a service that is considered an addictive substance. Our investment decisions are based on fundamental analysis with a long-term mind set, paying little regard to short term fluctuations in the market. We choose to invest only when the business presents us with an opportunity to buy below its Intrinsic Value. You can expect, over the long term, this portfolio to outperform our benchmark, the ASX 200 Accumulation Index (XJOA).

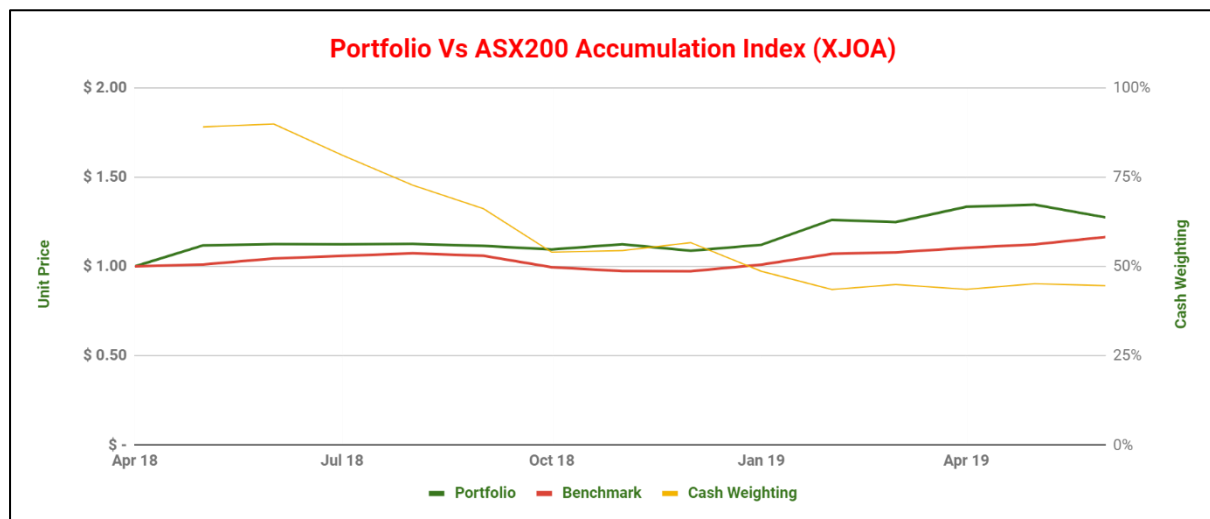
### Fund Performance Since Inception (May 2018):

GWV Investment Fund versus ASX 200 Accumulation Index – Total and Annualised Returns			
Annualised Return		Total Return	
GWV Fund Annualised Return	23.1%	GWV Fund Annualised Return	27.4%
Benchmark Annualised Return (XJOA)	13.9%	Benchmark Annualised Return (XJOA)	16.5%
Outperformance / (Underperformance)	9.2%	Outperformance / (Underperformance)	10.9%

### Fund Month by Month Performance Since Inception (May 2018):

	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	FYTD
GWV FY18	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	11.8%	0.6%	12.5%
XJOA FY18	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	1.1%	3.3%	3.3%
GWV FY19	(0.1%)	0.2%	(1.0%)	(1.8%)	2.7%	(3.2%)	3.0%	12.5%	(1.0%)	6.9%	0.9%	(5.3%)	13.3%
XJOA FY19	1.4%	1.4%	(1.3%)	(6.1%)	(2.2%)	(0.1%)	3.9%	6.0%	0.7%	2.4%	1.7%	3.7%	11.6%

### Fund versus Benchmark:





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### **Portfolio:**

Company	Initial Purchase Date	Ave. Purchase Price	Annualised Return*	Portfolio Weighting
Nick Scali	05/07/2018	\$ 5.78	12.2%	17.5%
Cash			3.6%	44.6%
InvoCare	02/05/2018	\$ 11.86	31.6%	14.6%
Vita Group	31/08/2018	\$ 1.08	31.5%	13.6%
Pendal Group	28/09/2018	\$ 7.94	(13.4%)	9.7%

Note: For companies held for less than 12 months, the Annualised Return has been substituted with Total Return.

### **Performance:**

For the Financial Year ended June 2019, the Growth With Value Investment Fund returned 13.3% versus 11.6% for our Benchmark, the ASX 200 Accumulation Index (XJOA). This is an outperformance of 1.7%. At the end of this period we held 45% in cash and had four open positions. We did not make any sales during the period.

Since its inception, the Fund has provided an annualised return of 23.1%, resulting in a total return of 27.4%. Our Benchmark has an annualised returned of 13.9%, resulting in a total return of 16.5% over the same period.

### **Portfolio Activity:**

Over the last 12 months we added another three companies to our portfolio; Nick Scali Furniture (NCK), Vita Group (VTG) and Pendal Group (PDL). We also increased our holding in InvoCare over this period.

Nick Scali is a national furniture retailer, providing high end furniture to its customers. It is a well-run business which carries very little debt and due to its reputable brand is able to achieve premium prices for its products, resulting in strong Profit Margins. Many of Nick Scali's competitors struggle to return a profit, indicating it is a very competitive market and highlighting the underlying strength of the Nick Scali business and how they are able to generate such high margins.

Vita Group primarily operates on the retail side of the telecommunications industry. It operates around 100 licenced Telstra stores where it receives commissions from selling Telstra contracts. The group also has a national mobile phone accessories brand in Sprout, which supplies many of its retail stores and also has its own online store. Vita Group has also recently moved into Skin Health and Wellness, acquiring the Artisan Aesthetic Clinics business as well as some other skin-health clinics. They also have an online store providing athletic clothing for men. These new business segments are only a very small percentage of the business in terms of revenue generation, but Management believes there are strong areas of growth available to capitalise on.

Our investment into Pendal Group was on the basis that it is operating well below its Intrinsic Value. It is an actively managed global investment management business, operating many funds across a diverse range of markets and industries.