Growth With Value
Your investment can make the difference

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Growth With Value Investment Fund – 31 December 2020 Quarterly 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	24.8%	**GWV Fund Total Return**	80.6%
Benchmark Annualised Return (XJOA)	7.6%	**Benchmark Total Return (XJOA)**	21.7%
Outperformance / (Underperformance)	17.2%	**Outperformance / (Underperformance)**	58.9%

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%**
GWV FY20	(0.2%)	(1.5%)	1.8%	(2.6%)	4.0%	3.6%	(0.9%)	(0.0%)	(20.6%)	19.8%	11.7%	3.5%	**6.9%**
XJOA FY20	2.9%	(2.4%)	1.8%	(0.4%)	3.3%	(2.2%)	5.0%	(7.7%)	(20.7%)	8.8%	4.4%	2.6%	**(7.7%)**
GWV FY20	2.6%	12.2%	0.5%	(0.7%)	13.3%	2.0%							**32.6%**
XJOA FY20	0.5%	2.8%	(3.7%)	1.9%	10.2%	1.2%							**13.2%**

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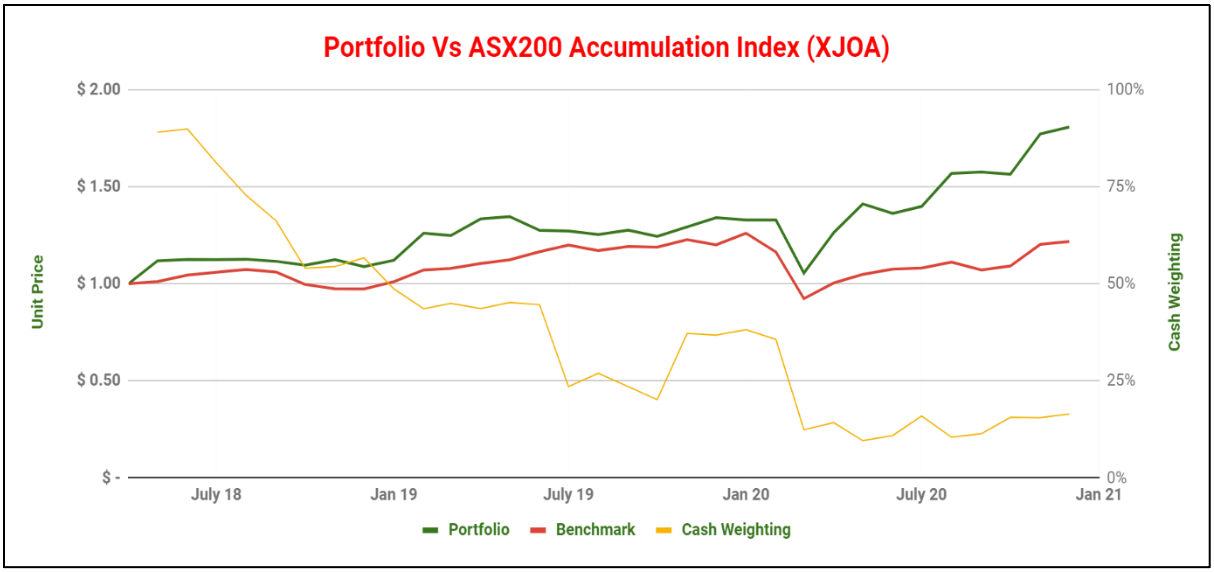
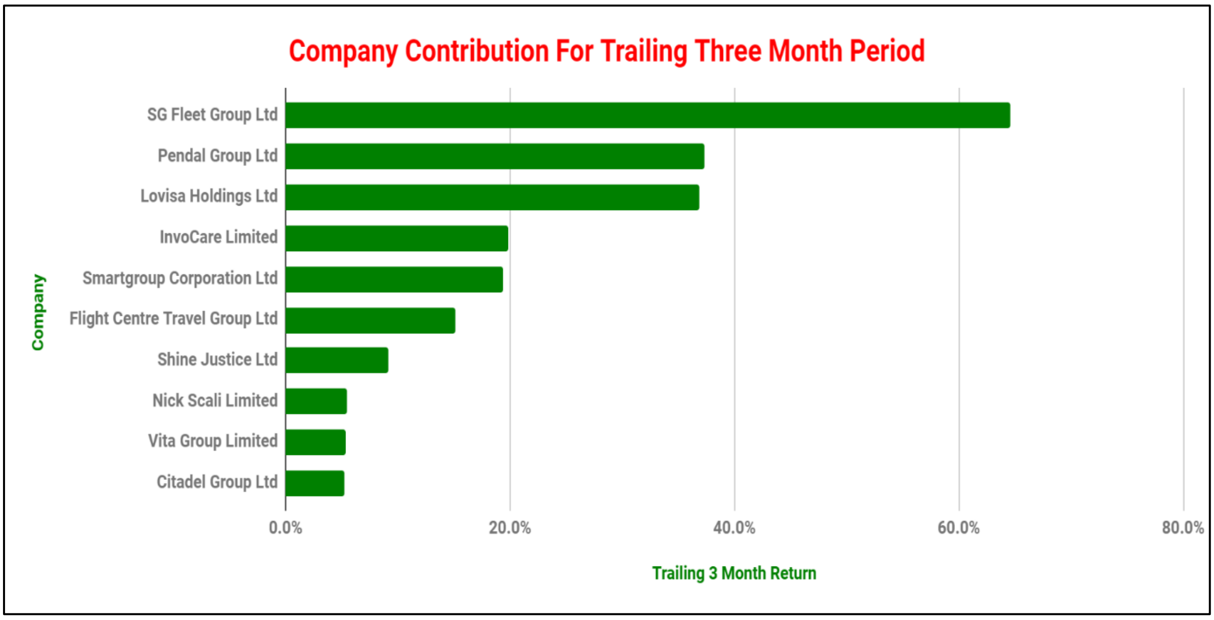
Fund versus Benchmark:



Portfolio:

Company	Initial Purchase Date	Ave. Purchase Price	Annualised Return*	Portfolio Weighting
Cash			3.5%	27.2%
Nick Scali	05/07/2018	$ 4.48	42.3%	23.2%
Flight Centre	16/03/2020	$ 13.48	4.6%	9.9%
InvoCare	02/05/2018	$ 10.88	7.0%	9.4%
Lovisa	25/03/2020	$ 2.86	296.4%	8.5%
Smart Group	20/02/2020	$ 5.90	12.1%	7.5%
SG Fleet	27/07/2019	$ 2.43	(4.4%)	6.6%
Vita Group	31/08/2018	$ 1.09	6.8%	4.7%
Shine Corporate	25/07/2019	$ 0.73	21.8%	2.7%
Collection House	04/07/2019	$ 1.24	(64.5%)	0.5%

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



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Performance:

For the Second Quarter ended December 2020, the Growth With Value Investment Fund returned 14.7% versus 13.7% for our Benchmark, the ASX 200 Accumulation Index (XJOA). This is an outperformance of 1.0%. At the end of this period we held 27.2% in cash and had nine open positions. We made two sales during the period.

Since its inception, the Fund has provided an annualised return of 24.8%, resulting in a total return of 80.6%. Our Benchmark has an annualised returned of 7.6%, resulting in a total return of 21.7% over the same period.

Portfolio Activity:

Over the last 3 months we did not make any additions to our portfolio. We did, however, exit two positions, the first being Pendal Group (PDL) and the second being Citadel Group (CGL).

In the beginning of December, Pendal Group briefly reached what I deemed to be fair value, at which point we sold down our entire position, resulting in our Fund recouping its original investment. When we compare this result to our benchmark, the investment underperformed, with the benchmark providing an annualised return of 5.5% versus 0% for Pendal Group from September 2018 to December 2020. In the Fund's FY21 Full Year Report, I spoke about the ethical issues faced with owning Pendal group in relation to their management fees. Also, through owning Pendal Group, we are indirectly investing in businesses which do not meet our Fund's own ethical and investment standards. My ethical views have evolved over time, hence when I originally invested in Pendal Group, I did not have the current ethical measures in place which now would prevent me from investing in Pendal Group.

Citadel Group was acquired by Australian private equity investment firm, Pacific Equity Partners. Citadel investors received $5.70 per Citadel share, including a 20 cent fully franked dividend. Ideally, our Fund would have preferred to still hold its investment in Citadel Group, believing it had the potential to provide even greater returns over the long run. Citadel Group expanded earlier in the year, acquiring UK healthcare technology provider Wellbeing Software for about $200m. This investment paved the way for continued international growth for Citadel, in particular healthcare software services. With many businesses now increasingly moving to online platforms, there is a large and growing market in which Citadel operates.

Our investment in Citadel Group provided an annualised 26.2% return for the Fund which outperformed our benchmark by an annualised 23.2%. Considering this same investment was down 43.3% in March, we can see how the market can sometimes be quite irrational when it comes to pricing companies.