Growth With Value
Your investment can make the difference

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Growth With Value Investment Fund – 31 March 2021 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	26.16 %	**GWV Fund Total Return**	108.74 %
Benchmark Annualised Return (XJOA)	10.55 %	**Benchmark Total Return (XJOA)**	37.39 %
Outperformance / (Underperformance)	15.61 %	**Outperformance / (Underperformance)**	71.35 %

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 FY21	2.6%	12.2%	0.5%	(0.7%)	13.3%	2.0%	(0.0%)	4.5%	0.8%	5.4%	(1.5%)	3.1%	**53.3%**
XJOA FY21	0.5%	2.8%	(3.7%)	1.9%	10.2%	1.2%	0.3%	1.5%	2.4%	3.5%	2.3%	2.3%	**27.8%**

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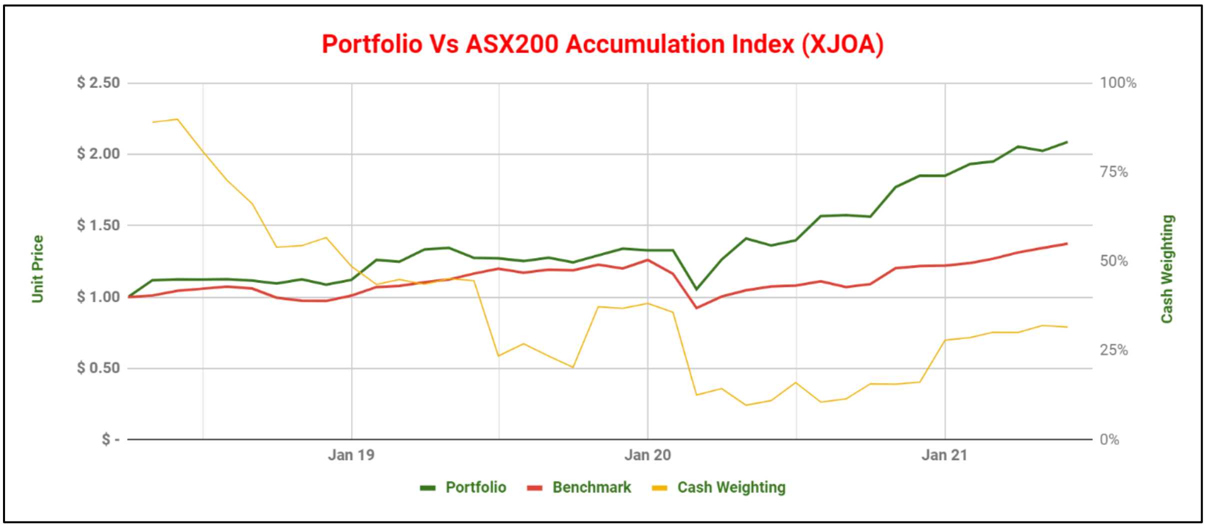
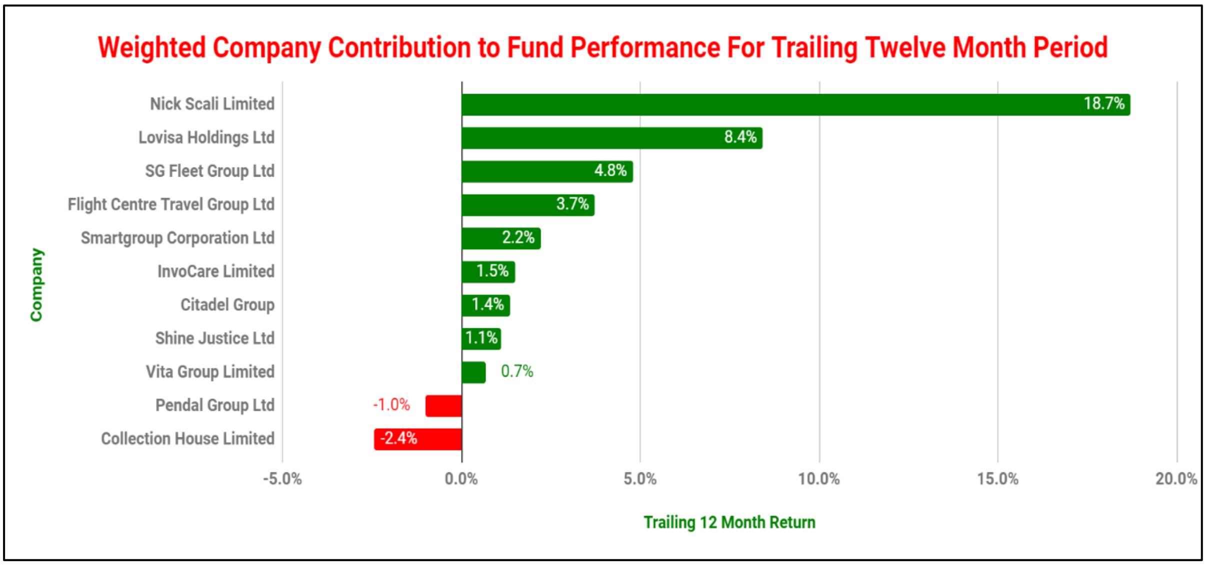
Fund versus Benchmark:



Portfolio:

Company	Initial Purchase Date	Ave. Purchase Price	Annualised Return*	Portfolio Weighting
Cash			3.5%	32.1%
Nick Scali	05/07/2018	$ 4.48	51.3%	22.7%
Lovisa	25/03/2020	$ 2.86	255.4%	9.7%
InvoCare	02/05/2018	$ 10.47	6.5%	7.8%
Flight Centre	16/03/2020	$ 12.32	(1.5%)	7.6%
SG Fleet	27/07/2019	$ 2.43	8.4%	7.5%
Smart Group	20/02/2020	$ 5.90	20.3%	6.6%
Vita Group	31/08/2018	$ 1.09	4.5%	3.5%
Shine Corporate	25/07/2019	$ 0.73	29.0%	2.6%

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



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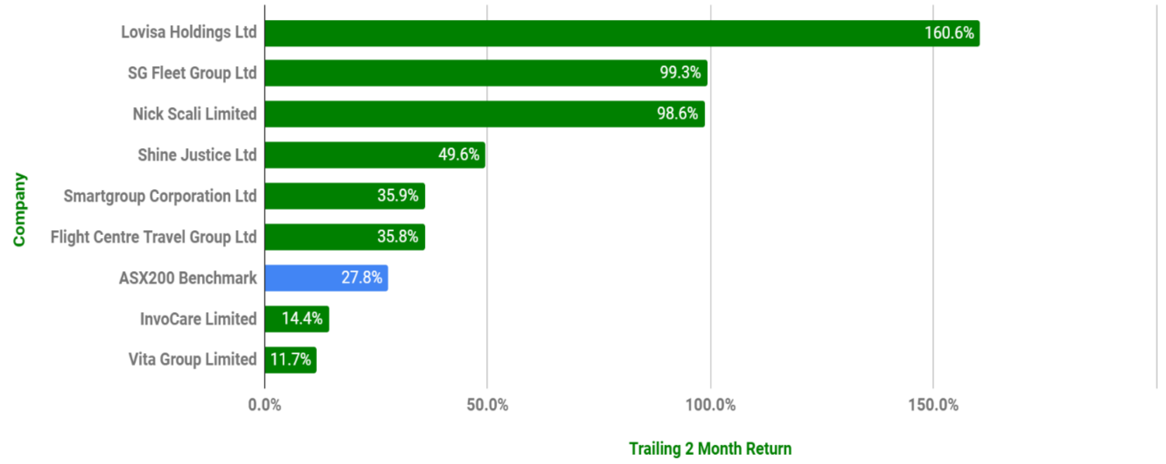
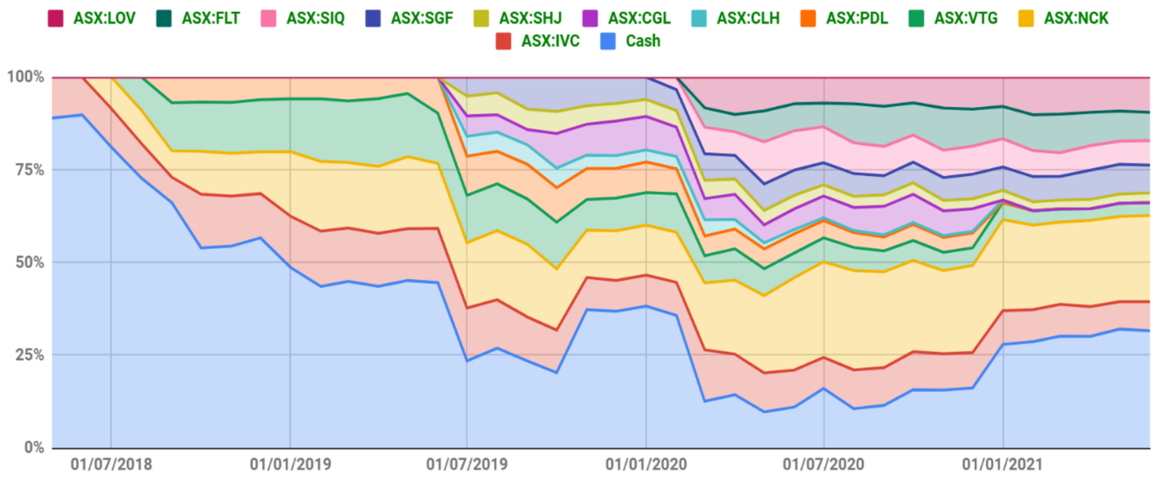
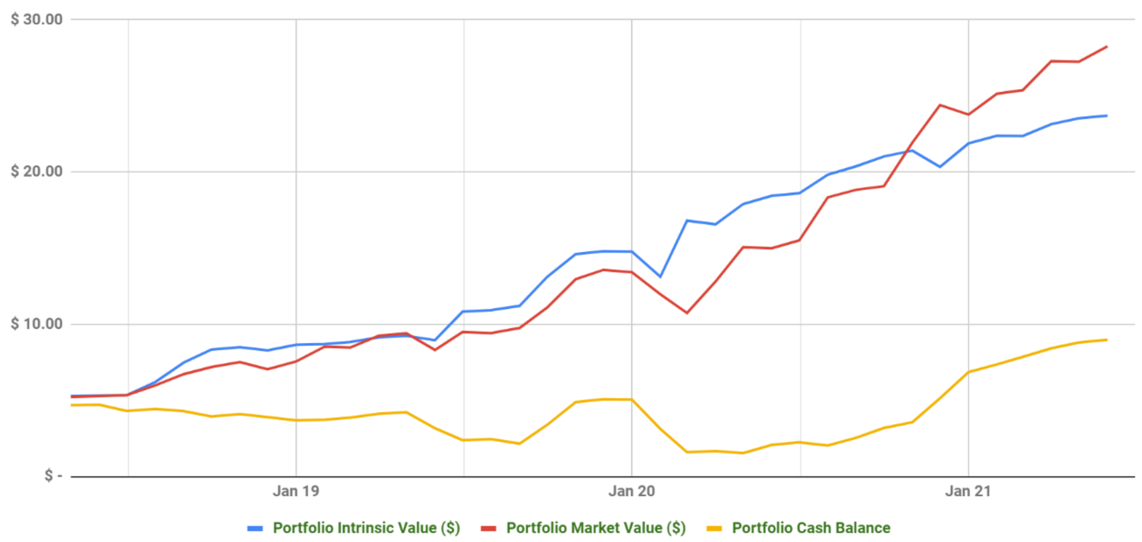
Company Return vs. Benchmark For Trailing 12 Month Period



GWV Investment Fund Asset Weightings



Portfolio Intrinsic Value Vs. Portfolio Market Value



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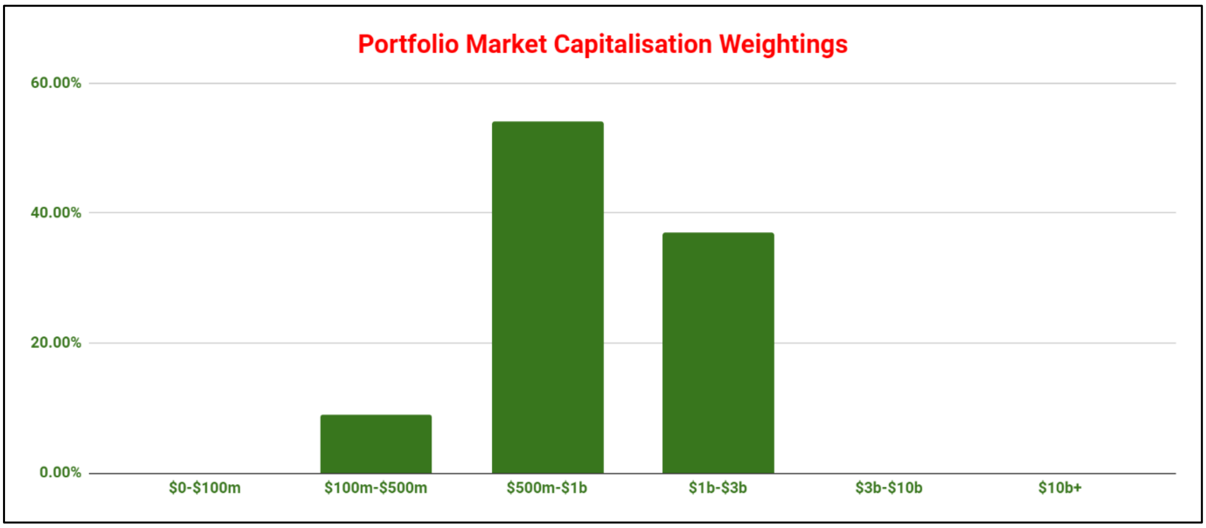

Median Market Capitalisation: 949 M
Weighted Average Market Capitalisation: 1,276 M

Performance:

For the Financial Year ended June 2021, the Growth With Value Investment Fund returned 53.3% versus 27.8% for our Benchmark, the ASX 200 Accumulation Index (XJOA). This is an outperformance of 25.5%. At the end of this period, we held 32.1% in cash and had eight open positions. We did not make any sales during the period.

Since its inception, the Fund has provided an annualised return of 26.2%, resulting in a total return of 108.7%. Our Benchmark has an annualised return of 10.6%, resulting in a total return of 37.4% over the same period.

Portfolio Activity:

Over the last 12 months we did not add any additional companies to our portfolio. We did, however, increase our holdings in Flight Centre and InvoCare during August 2020 and also in SG Fleet in April 2021, which was via a Share Purchase Plan.

In December 2020 one of our holdings, Citadel Group, was bought out by private equity firm, Pacific Equity Partners. This investment provided an annualised return of 26.2% versus just 3% for our Benchmark over the one and half years we held the company.

We also closed out another two positions, this time on our own accord. In December 2020 we sold our holdings in Pendal Group, which recouped our initial investment, including dividends. Over the holding period for this position (September 2018 – December 2020), we saw a 0% annualised return versus 5.5% for our benchmark. In January 2021 we also sold out of our holding in Collection House, once it resumed trading after an 11-month self-imposed suspension from the market. We sold our holding at a price of $0.39 a share (about 70% below our purchase price), resulting in an annualised loss of 50% versus a gain of 3% a year for our benchmark, obviously a very disappointing result. In terms of portfolio weighting, Collection House made up 5% of our portfolio at the time of investment.

I have previously provided more details of these three transactions in earlier reports. You can find them here Q2 FY21 Quarterly Report and here Q3 FY21 Quarterly Report.

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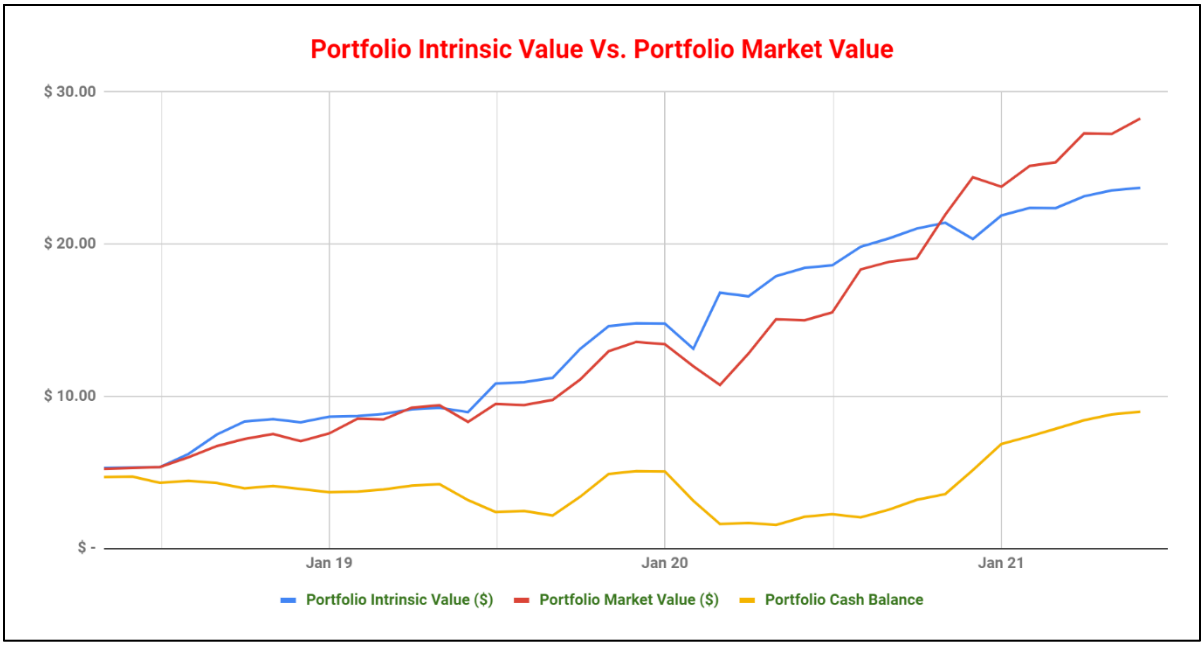
Market Timing:

I make a point of trying not to time the market, or allow short-term market performance, whether it be up or down, to impact our investment decisions. I have found, however, the strategy we follow within this fund, of making long-term investments in quality companies at fair prices, naturally results in us making relatively "well timed" purchases. By enforcing strict guidelines on both price (through calculating intrinsic value) and quality (by conducting in depth company analysis of past and expected future performance), we find that when a company which meets our criteria and is trading at attractive levels, it tends to result in a well-timed investment (one which goes up!).

It is also important to note that by only investing in quality businesses, we reduce the risk of investing in a business which may, from the outset, appear to be trading at relatively cheap levels, when compared to historic performance, but as a matter of fact is accurately priced due to the company experiencing financial difficulties or similar. This is commonly known as a value trap.

So far, this thesis has played out. From our small pool of investments (which I admit is hardly enough data to come to any real conclusion), the quality businesses which we bought at attractive prices look to have been positive investments thus far. On the other hand, our investment in Collection House appears to have been a value trap, with the company's share price falling further and further as more information on the business's operations and financials came to light. This highlights the importance of quality, more so than price, as quality businesses are far less likely to see their share prices fall as dramatically when compared to a business which may have dubious financials.

Following on from my above statement, that I make a point of not trying to time the market, I have included a new chart, pictured below, which compares when the fund's assets are held at their respective intrinsic values (you could say Net Asset Intrinsic Value or NAIV), versus when they are priced using current market prices (your more traditional Net Asset Value or NAV). Both the portfolio's intrinsic value (the blue line) and market value (the red line) are also inclusive of the fund's cash balance, with the amount being represented by the gold line within the chart. This chart indicates when the portfolio is trading above or below what I have deemed fair values for the companies held within our fund. You can see in the last six to eight months, the fund's market value has overtaken its



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intrinsic value and is currently sitting about 19% above intrinsic value. If I may be so bold as to make a prediction, which goes against my earlier statement, that, over time, we will see the red 'Portfolio Market Value' line fluctuate above and below the more steady blue 'Portfolio Intrinsic Value' line, indicating times of euphoria (perhaps like we are currently experiencing) and pessimism (like what we saw during the early months of COVID), but over time, will revert back to the red 'Portfolio Intrinsic Value' line. As the Dean of Value Investing, Benjamin Graham stated, "In the short run, the market is a voting machine but in the long run, it is a weighing machine."

It is when the market value is below intrinsic value (a pessimistic market) that we will likely find more bargains and are able to add to, or increase, our existing holdings, allowing us to make timely investments, or in other words to "time the market". Then in periods much like the one we are currently experiencing (a euphoric market), we will see our cash balance increase and we should be prepared for the fund to perform poorly for some period of time until it is more fairly priced.