Growth With Value
Your investment can make the difference

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Growth With Value Investment Fund – 31 March 2023 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	20.34 %	**GWV Fund Total Return**	148.52 %
Benchmark Annualised Return (XJOA)	8.00 %	**Benchmark Total Return (XJOA)**	46.02 %
Outperformance / (Underperformance)	12.34 %	**Outperformance / (Underperformance)**	101.92 %

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%	(1.9%)	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%**
GWV FY22	1.0%	5.3%	2.7%	4.6%	(0.7%)	0.4%	(4.5%)	(0.6%)	2.3%	3.4%	(5.9%)	(7.1%)	**0.0%**
XJOA FY22	1.1%	2.5%	(1.9%)	(0.1%)	(0.5%)	2.8%	(6.4%)	2.1%	6.9%	(0.9%)	(2.6%)	(8.8%)	**(6.5%)**
GWV FY23	11.1%	7.1%	(11.4%)	8.4%	2.0%	(2.9%)	7.9%	(6.2%)	3.9%				**19.1%**
XJOA FY23	5.8%	1.2%	(6.2%)	6.0%	6.6%	(3.2%)	6.2%	(2.5%)	(0.2%)				**13.6%**

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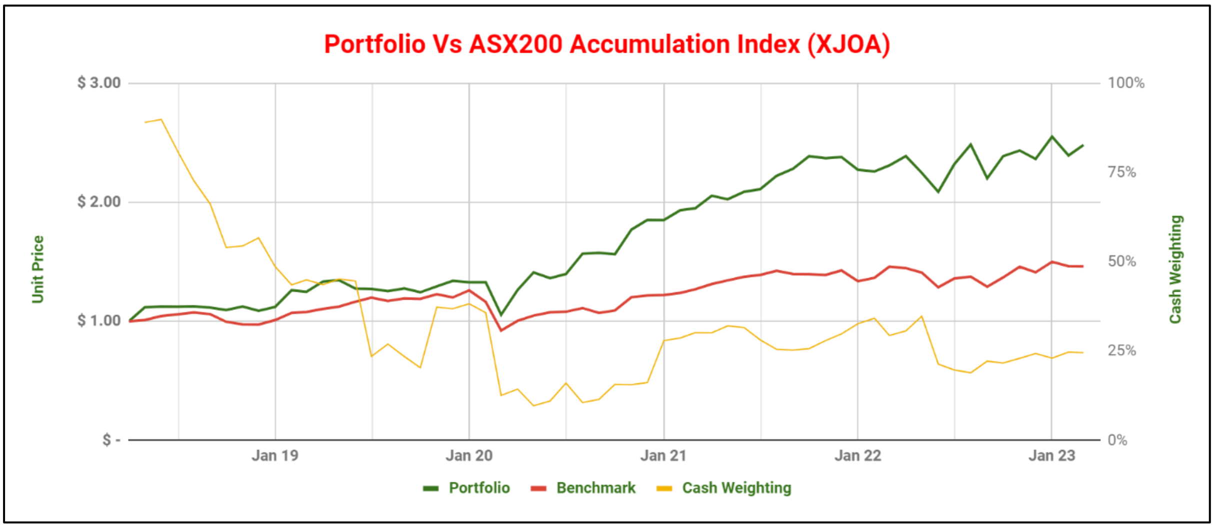
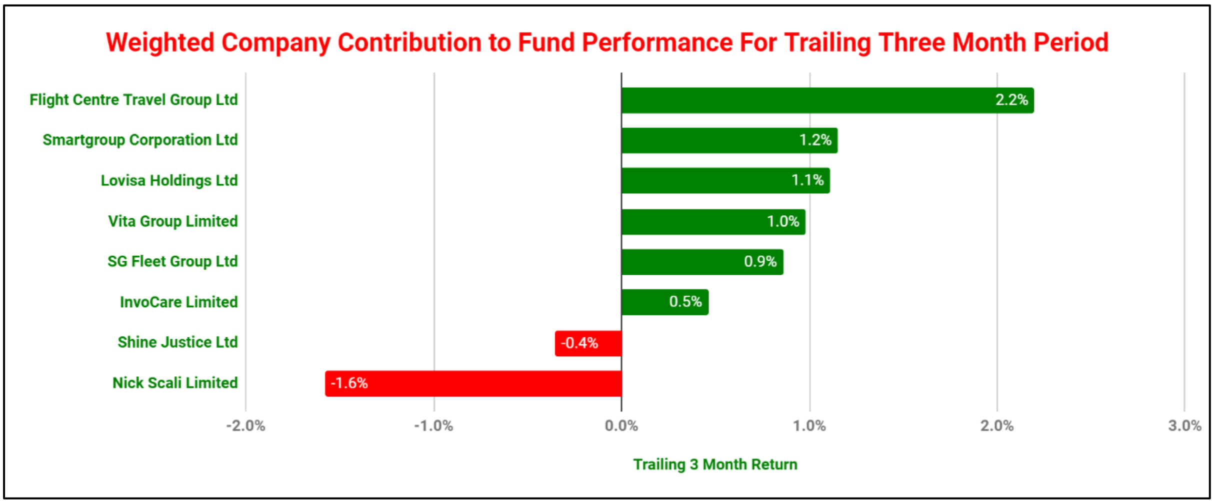
Fund versus Benchmark:



Portfolio:

Company	Initial Purchase Date	Ave. Purchase Price	Annualised Return*	Portfolio Weighting
Cash			3.5%	24.6%
Nick Scali	05/07/2018	$ 5.90	39.9%	22.5%
Lovisa	25/03/2020	$ 7.60	108.9%	20.5%
Flight Centre	16/03/2020	$ 13.04	7.8%	11.5%
InvoCare	02/05/2018	$ 10.47	5.5%	5.8%
Vita Group	31/08/2018	$ 0.31	(4.4%)	4.8%
SG Fleet	27/07/2019	$ 2.48	(0.4%)	4.7%
Smart Group	20/02/2020	$ 5.90	11.2%	4.2%
Shine Corporate	25/07/2019	$ 0.73	5.4%	1.3%

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



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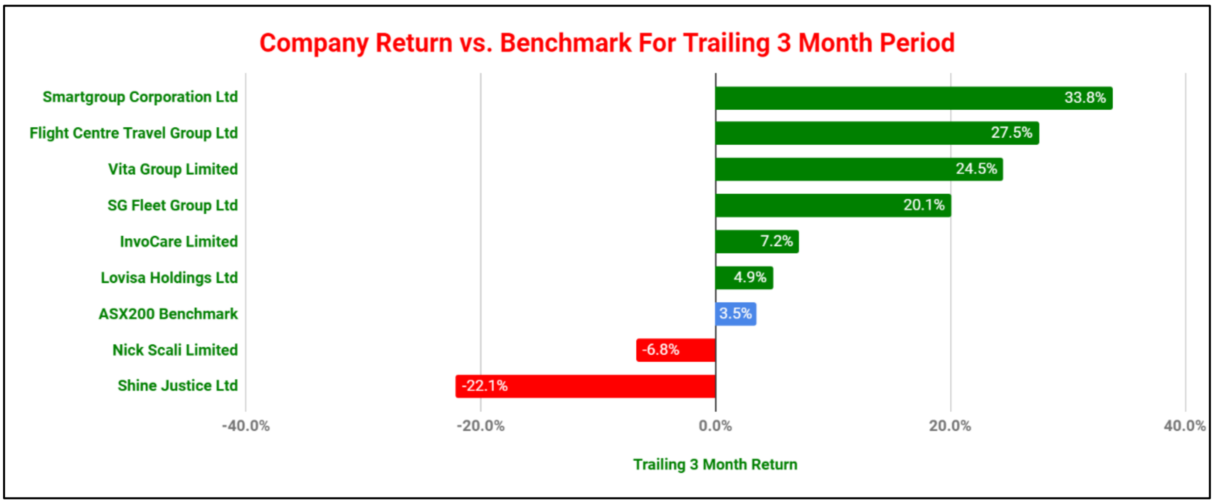

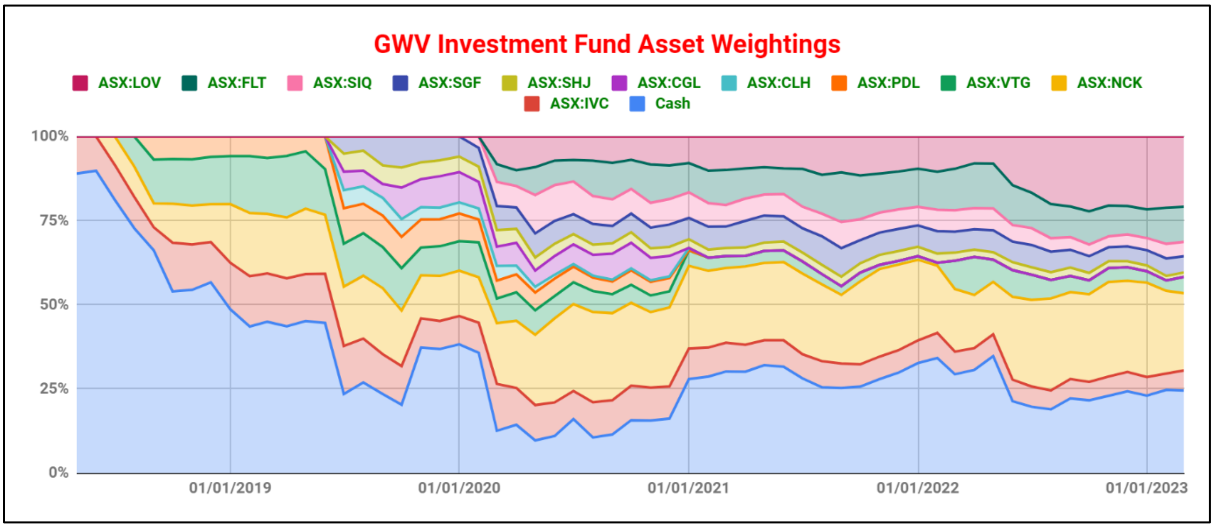

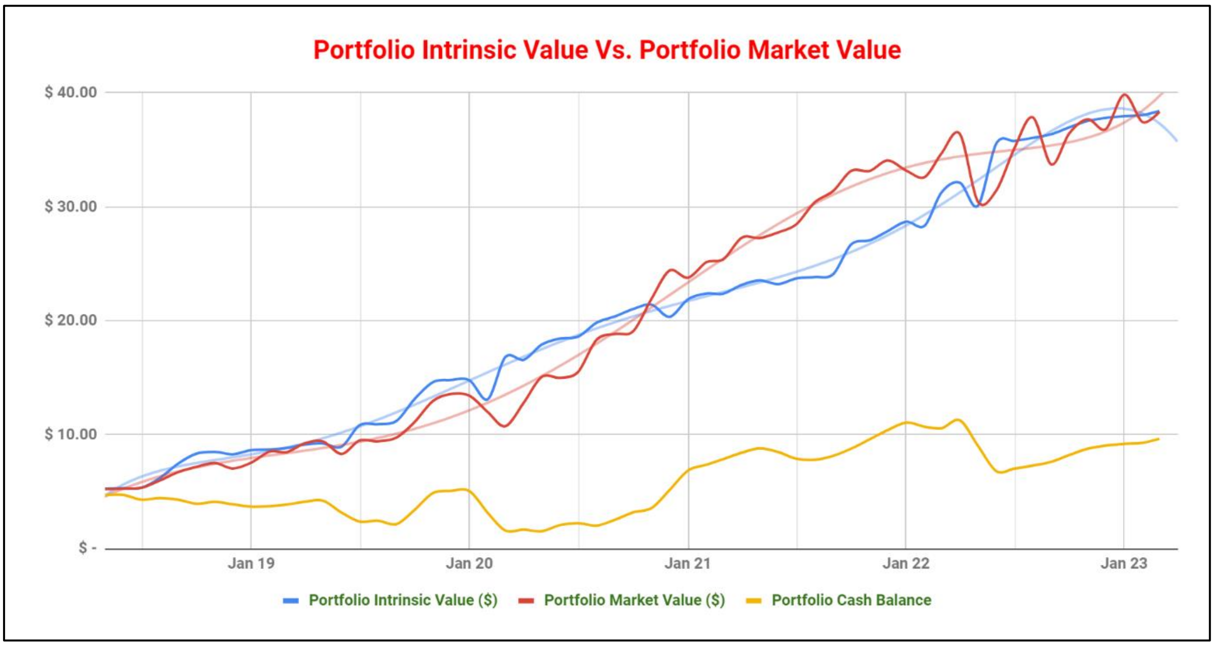

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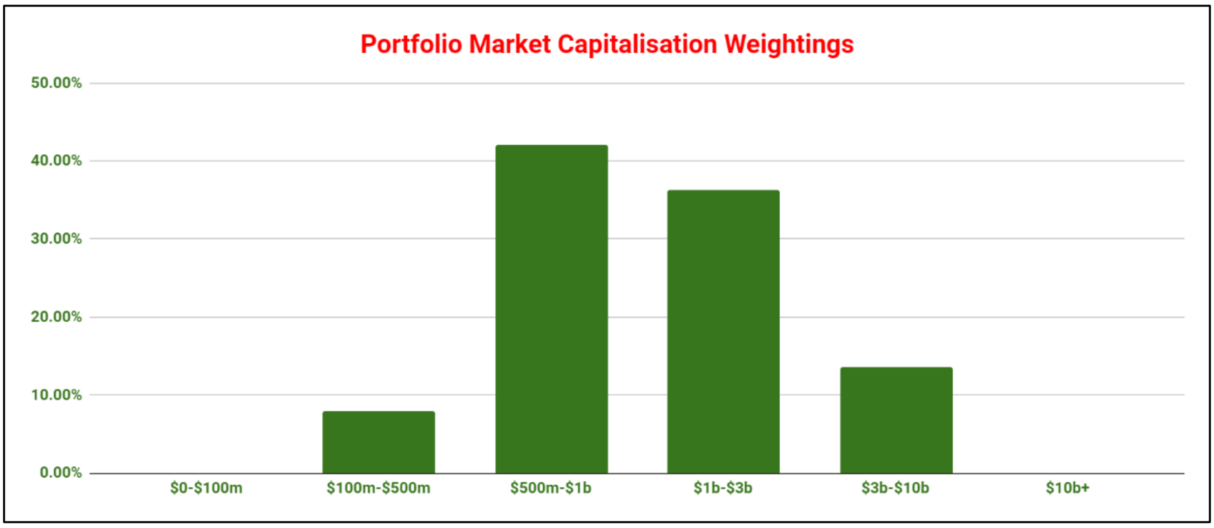

Median Market Capitalisation:	839 M
Weighted Average Market Capitalisation:	1,814 M

Performance:

For the Quarter ended March 2023, the Growth With Value Investment Fund returned 4.9% versus 3.5% for our Benchmark, the ASX 200 Accumulation Index (XJOA). This is an outperformance of 1.4%. At the end of this period, we held 24.1% 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 20.3%, resulting in a total return of 148.5%. Our Benchmark has an annualised returned of 8.0%, resulting in a total return of 46.0% over the same period.

Portfolio Activity:

Over the last 3 months we increased our holding in Flight Centre via its Share Purchase Plan.

Nick Scali: Nick Scali has seen margins improve since its recent Plush acquisition has now been fully integrated into the business. Management believes that annual savings of $20 million in Plush's cost of doing business will be achieved via the acquisition. A 12-month refurbishment program of 40 Plush stores will commence in the second half of FY23 to improve image, product, and store appeal to customers. We can expect to see continued strong growth over the coming years with management targeting a total store network (both Nick Scali and Plush) of between 176-186. The current total is at 107 stores across Australia and New Zealand.

Lovisa: Lovisa has seen same store sales up 12.5%, with total sales up 44.8% over HY22, with 86 new stores opened during the period, bringing the total number to 715. The Gross Profit Margin has remained high at 80.3%, thanks to price increases which were implemented in Q3 of FY22, with minimal impact on sales volumes. As you can see from the table below, the USA is close to overtaking Australia with its number of operating stores increasing significantly in HY23 from 118 to 155. Store growth continues to be very strong, with 31 new stores already opened by the end of February, bringing the total network to 746. Lovisa is also partnering with online marketplaces globally as an additional point of sale for its product line.

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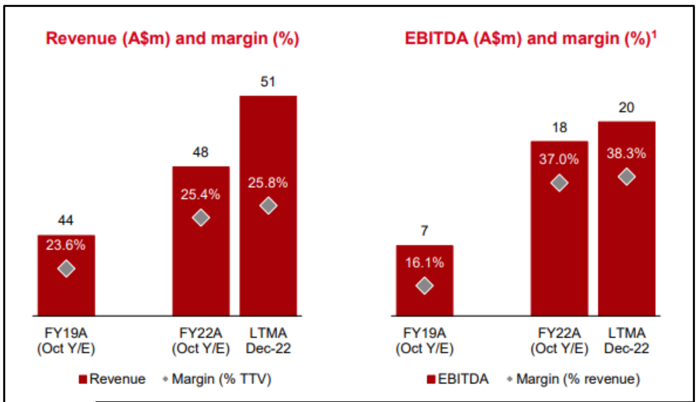
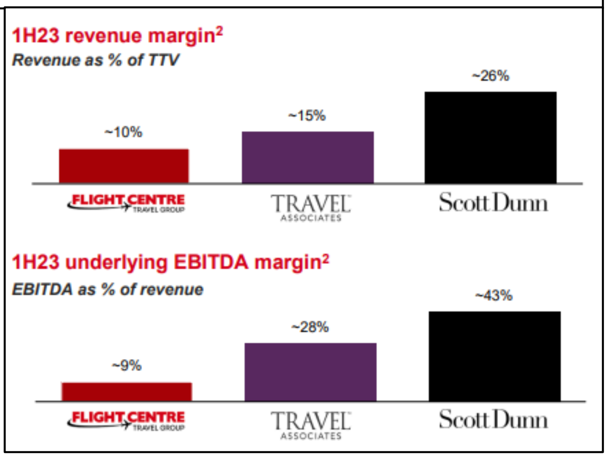
Store number growth							
Country	HY23	FY22	HY22	Var 6 mths	New Stores	Closures	Var YOY
Australia	163	154	158	9	11	(2)	5
New Zealand	26	25	24	1	1	0	2
Singapore	15	17	18	(2)	1	(3)	(3)
Malaysia	39	32	29	7	7	0	10
Hong Kong	3	0	0	3	3	0	3
South Africa	73	69	67	4	8	(4)	6
Namibia	2	0	0	2	2	0	2
United Kingdom	42	42	41	0	0	0	1
France	62	59	58	3	4	(1)	4
Germany	47	40	38	7	7	0	9
Belgium	10	11	10	(1)	0	(1)	0
Switzerland	8	6	7	2	2	0	1
Netherlands	5	5	6	0	0	0	(1)
Austria	4	3	3	1	1	0	1
Luxembourg	2	2	2	0	0	0	0
Italy	4	0	0	4	4	0	4
Poland	8	1	0	7	7	0	8
Hungary	1	0	0	1	1	0	1
Romania	1	0	0	1	1	0	1
USA	155	118	81	37	39	(2)	74
Canada	1	1	0	0	0	0	1
Mexico	2	0	0	2	2	0	2
South America*	1	0	0	1	1	0	1
Middle East*	41	44	44	(3)	1	(4)	(3)
Total	715	629	586	86	103	(17)	129

* Franchise markets

Flight Centre: In January, Flight Centre announced the $211m acquisition of Scott Dunn, a luxury travel brand operating in the UK (74% of Total Transaction Value or TTV), USA (21% of TTV) and Singapore (5% of TTV). The acquisition was funded by a $180m institutional placement and $40m from existing cash. A further $60m was raised through a Share Purchase Plan, in which we participated fully. Scott Dunn's Revenue for the year ended December 2022 was A$ 51 million, with EBITDA of A$20 million. Scott Dunn's financial performance is displayed to the right. Scott Dunn is also a high margin business, when compared to the existing operations of Flight Centre and its comparable luxury brand Travel Associates. The management team will remain, and the business will continue operating as an independent unit, with corporate support provided by flight centre.





Flight Centre's leisure segment has seen strong growth in 1H FY23, with leisure now making up 44% of TTV, an increase from just 25% in the prior year. Leisure was also EBITDA positive at $43 million, up from a loss of $140 million the prior year.

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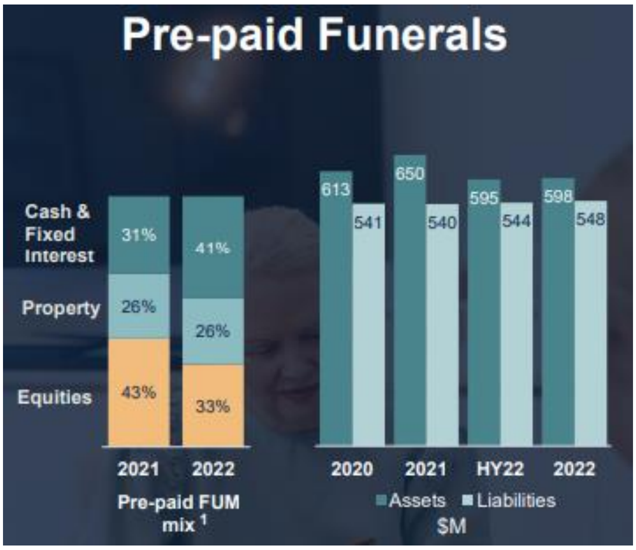
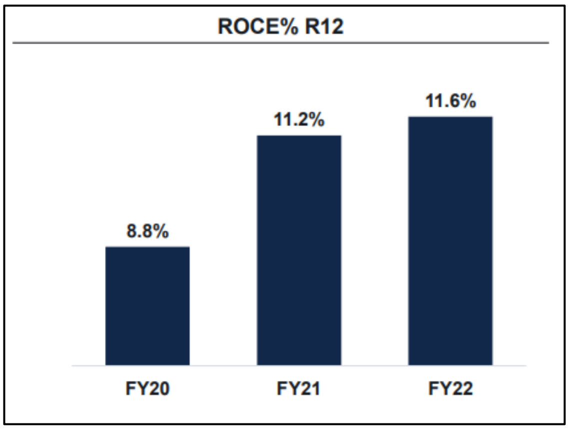
The corporate segment has also continued its strong recovery, with Revenue now at 88% of pre-COVID levels. EBITDA was also positive at $80 million, up from the prior year loss of $31 million.

Invocare: Revenue and Operating EBIT were both up about 10% for the year ended December 2022, but Net Profit showed a loss of $1.8 million due to mark-to-market losses on its pre-paid funds under management. The chart below provides further details of the asset mix and comparison of assets and liabilities. I anticipate a 10-12% annualised growth in the coming years, now the refurbishment of its service centres has come to an end. Continued investment in acquisitions will also continue, aiding the aforementioned growth rate. Returns on capital also continue to improve with Return on Capital Employed at 11.6% for the year ended December 2022. Funerals made up 61% of Invocare's $136.1 million in Operating EBITDA, with Cemeteries and Crematoria at 25% and Pet Cremations at 4%. Australia produced 82% of Operating EBITDA, with New Zealand and Singapore producing 11% and 7% respectively.





TPG Global, LLC made a proposal to acquire all Invocare's shares at a price of $12.65 which the board subsequently refused on the grounds that the offer failed to provide shareholders with compelling value. I must also agree, and much prefer to retain ownership over the long term, anticipating continued steady growth for the company, rather than any short-term gain that we would have received from the proposal.

Vita Group: Practice Management Pty Ltd have issued a takeover bid via a Scheme Implementation Agreement for $22 million, or $0.126 a share for the purchase of Vita Group. As of December 2022, Vita Group had about a $15 million net cash position, with another $25.5 million available in Franking Credits. Equity (excluding intangibles after management just wrote down $12m in $24m of intangibles) totalled about $17m, indicating that Practice Management will receive a rather generous deal, to the detriment of shareholders. If the deal is to go ahead, which appears to be likely, we will have suffered a loss from the investment overall.

SG Fleet: SG Fleet has continued to see strong growth in orders but struggles to meet demands due to continuing supply issues. Revenue and Profit, however, have both seen strong growth over the period.