



Growth With Value
Your investment can make
the difference

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Growth With Value Investment Fund – 30 June 2023 Annual 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	19.03 %	GWV Fund Total Return	145.97 %
Benchmark Annualised Return (XJOA)	7.81 %	Benchmark Total Return (XJOA)	47.50 %
Outperformance / (Underperformance)	11.22 %	Outperformance / (Underperformance)	98.48 %

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

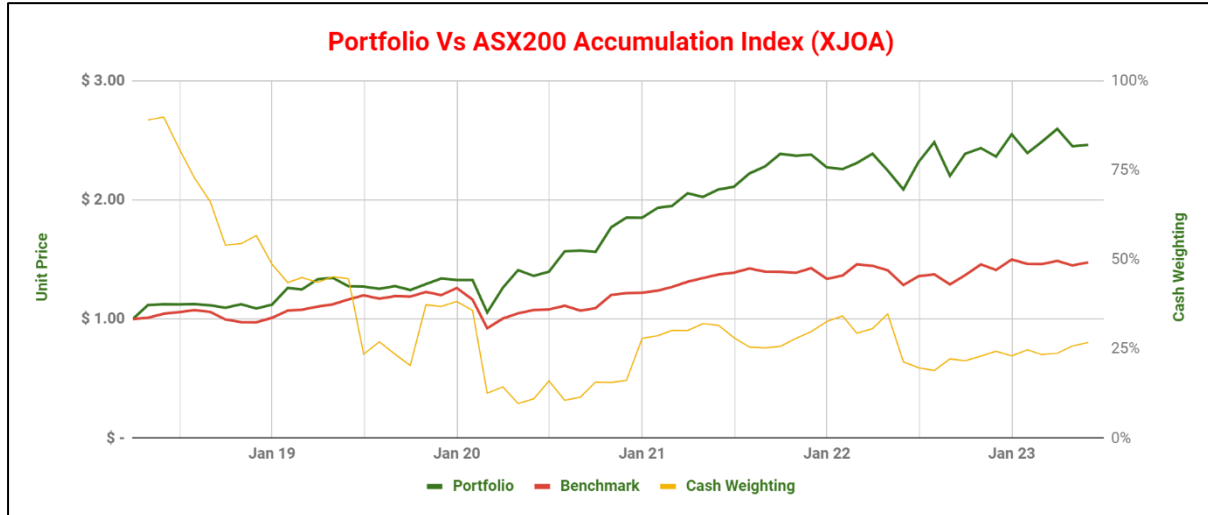
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	FYTD
GWV FY18	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	11.8%	0.6%	12.5%
XJOA FY18	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	1.1%	3.3%	3.3%
GWV FY19	(0.1%)	0.2%	(1.0%)	(1.8%)	2.7%	(3.2%)	3.0%	12.5%	(1.0%)	6.9%	0.9%	(5.3%)	13.3%
XJOA FY19	1.4%	1.4%	(1.3%)	(6.1%)	(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%)	3.6%	4.4%	(5.6%)	0.4%	17.9%
XJOA FY23	5.8%	1.2%	(6.2%)	6.0%	6.6%	(3.2%)	6.2%	(2.5%)	(0.2%)	1.9%	(2.5%)	1.8%	14.8%



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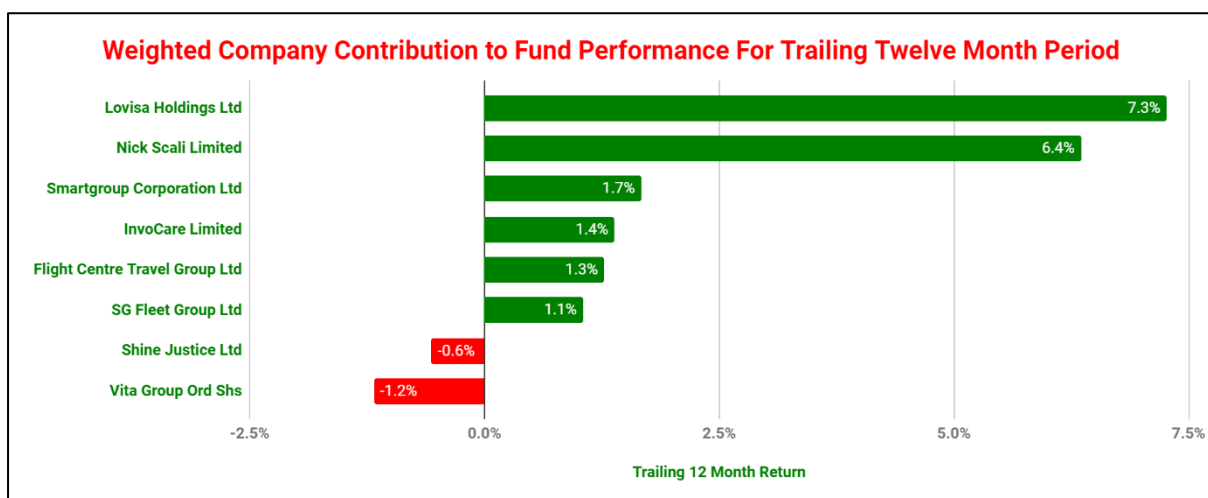
Fund versus Benchmark:



Portfolio:

Company	Initial Purchase Date	Ave. Purchase Price	Annualised Return*	Portfolio Weighting
Cash			3.6%	30.3%
Nick Scali	05/07/2018	\$ 5.90	27.5%	22.66%
Lovisa	25/03/2020	\$ 7.60	84.6%	16.9%
Flight Centre	16/03/2020	\$ 13.04	8.2%	12.0%
InvoCare	02/05/2018	\$ 10.47	6.6%	6.3%
Smart Group	20/02/2020	\$ 5.90	17.4%	5.2%
SG Fleet	27/07/2019	\$ 2.48	2.3%	5.2%
Shine Corporate	25/07/2019	\$ 0.73	3.8%	1.3%
Vita Group	31/08/2018	\$ 0.31	(1.8%)	0.0%

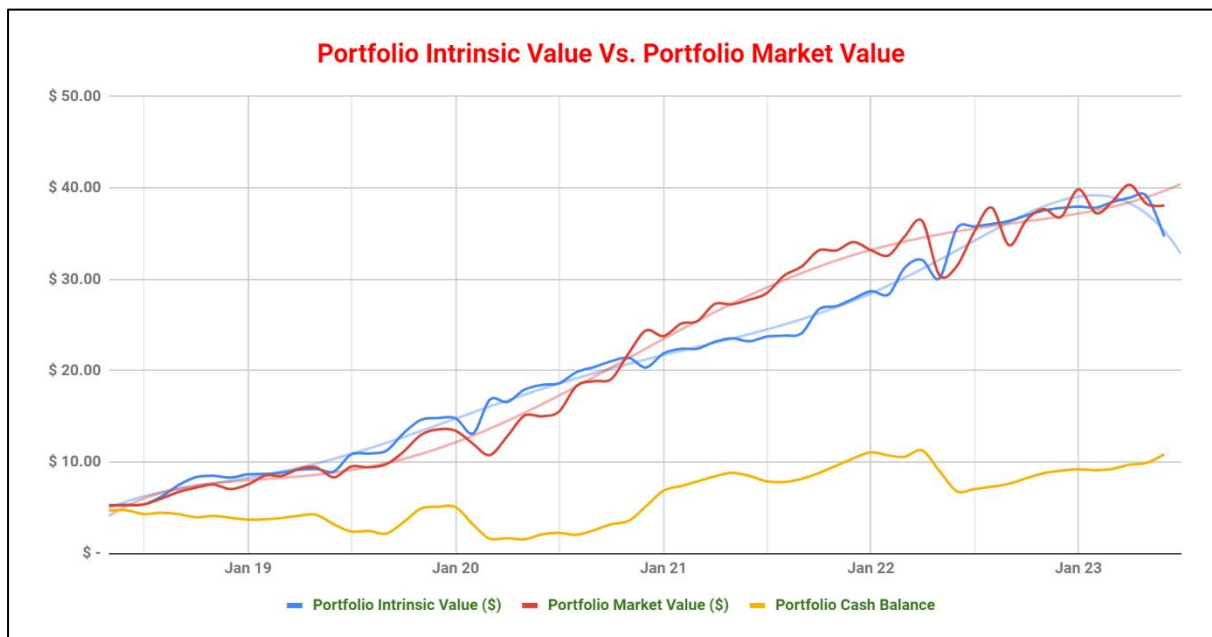
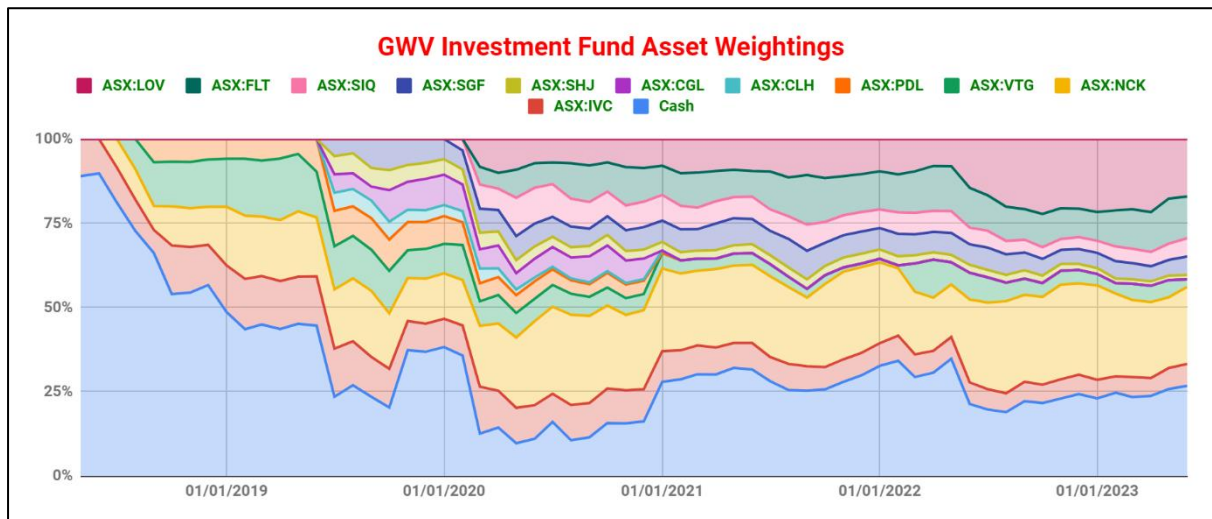
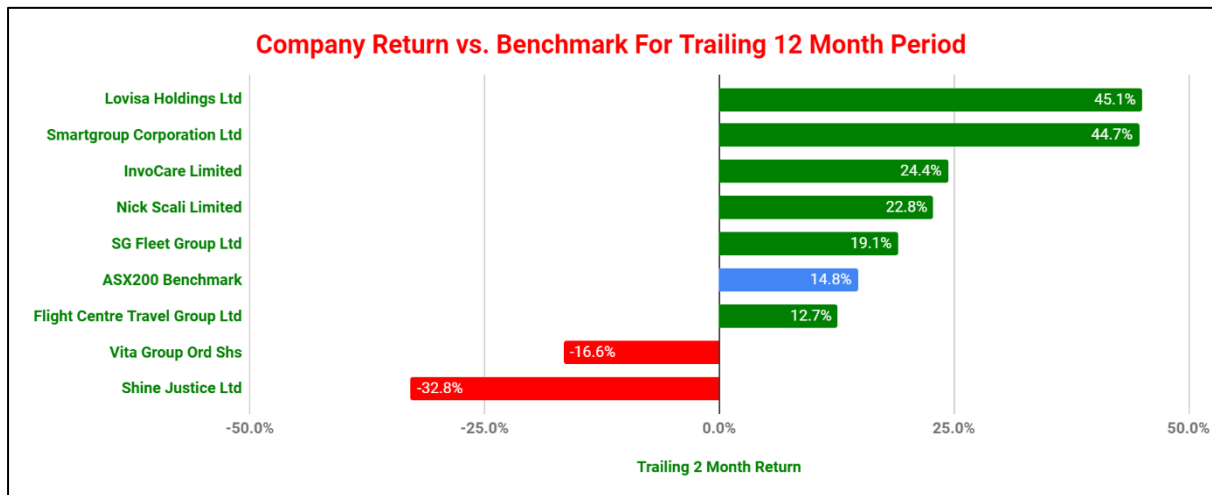
Note: For companies held for less than 12 months, the Annualised Return has been substituted with Total Return.





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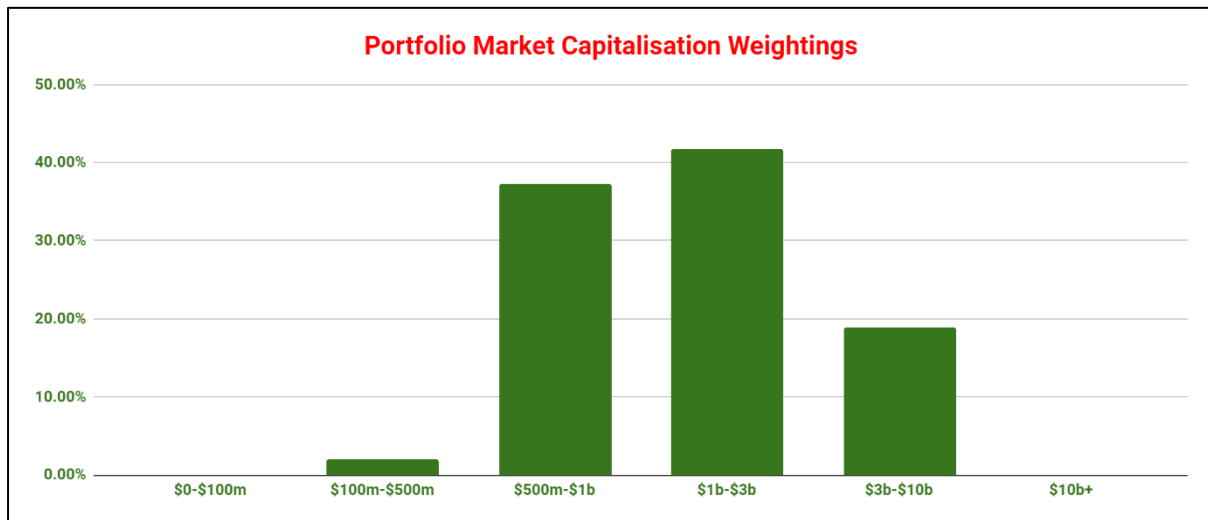
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Median Market Capitalisation: 780 M
Weighted Average Market Capitalisation: 1,812 M

Performance:

For the Financial Year ended June 2023, the Growth With Value Investment Fund returned 17.9% versus 14.8% for our Benchmark, the ASX 200 Accumulation Index (XJOA). This is an outperformance of 3.1%. At the end of this period, we held 30.3% in cash and had seven open positions. We made one sale during the period, Vita Group, whereby the company was purchased by Practice Management Pty Ltd via Scheme of Arrangement.

Since its inception, the Fund has provided an annualised return of 19.0%, resulting in a total return of 146.0%. Our Benchmark has an annualised returned of 11.2%, resulting in a total return of 47.5% over the same period.

Portfolio Activity:

Over the last 12 months we did not make any additions to our portfolio.

InvoCare:

InvoCare received a conditional, non-binding and indicative proposal from TPG Capital Group to acquire all the shares of InvoCare for \$13.00 per share (this is an increase from its original offer of \$12.65 per share), which has since been endorsed by the board. TPG is currently undertaking due diligence, which is expected to be completed by the 10th of July. I believe this to be a very fair price for the company, however, as is my normal stance with the companies we own, I would much rather continue to own InvoCare, compounding our returns long into the future. InvoCare has just undergone an expansive investment across its service centres, rolling out its \$200 m “Protect and Grow” strategy in 2018, whereby it undertook major renovations and upgrades of its centres to better serve its customers. This large CAPEX spend saw the company’s earnings and free cash flow reduce significantly over the subsequent years, and which is now only beginning to reap the rewards. I anticipated a 10-12% annualised growth rate for the company over the coming years.



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Vita Group:

On the 15th of March, Vita Group announced that Practice Management Pty Ltd would acquire 100% of the shares of the company for \$0.06255 per share plus the payment of a \$0.06425 per share fully franked dividend. This was effective from the 22nd of June. Our return from the Vita Group investment has been somewhat disappointing, failing to outperform our benchmark with a -1.8% annualised return versus 7.0% from our benchmark over the same period. The investment was only a minor holding within our total portfolio, thus the poor performance has had only minimal effect on our overall result.

Smartgroup:

On the 3rd of April, Smartgroup announced the appointment of its new CEO, Scott Wharton, commencing the 17th of July. Mr Wharton replaces long time employee of 14 years Tim Looi as CEO. Mr Looi will be retiring once the transition period is complete.

Lookback on Company Performance:

The table below displays the performance of all our investments, past and present, and how they compared to our benchmark over the same period. Looking back over all our investments, we can see that only 45% have outperformed our benchmark, the ASX 200 Accumulation Index. Notwithstanding this, I am confident the stocks comprising our portfolio continue to satisfy our long-term performance expectations.

Company	Current Position	Holding Period (Years)	Annualised Return (Company)	Annualised Return (Benchmark)	Outperformed / Underperformed
InvoCare	Open	5.2	6.85%	7.81%	Underperformed
Pendal	Closed	2.2	-1.70%	5.53%	Underperformed
Vita Group	Closed	4.8	-1.83%	6.98%	Underperformed
Nick Scali	Open	5.0	27.54%	7.16%	Outperformed
Collection House	Closed	1.5	-50.32%	3.03%	Underperformed
Citadel	Closed	1.4	26.20%	2.98%	Outperformed
SG Fleet	Open	3.9	2.29%	6.09%	Underperformed
Flight Centre	Open	3.3	8.17%	7.38%	Outperformed
Smartgroup	Open	3.4	17.37%	4.72%	Outperformed
Shine Justice	Open	3.9	3.76%	6.09%	Underperformed
Lovisa	Open	3.3	85.75%	7.38%	Outperformed
Portfolio		3.4	19.03%	7.81%	45.45%