

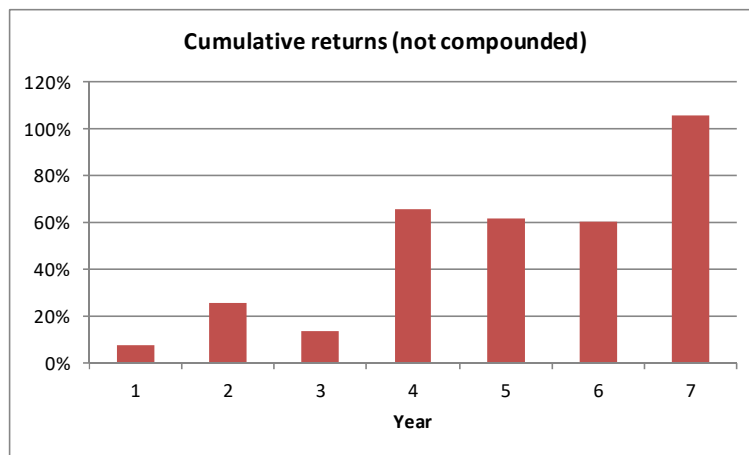
# CV Capital Pty Ltd

30 April 2024

## SHAREHOLDER REPORT AS AT 31 March 2024

To my fellow shareholders & partners,

I'm pleased to report that the fund hit a nice milestone in March. Since inception just over 6 years ago, on a pre-tax basis we have doubled our capital through investment returns. Due to the corporate structure that we operate under, some of these gains have been paid out to shareholders in the form of franking credits. I have taken these franking credits (which are generated from paying tax on dividends received or realised investment gains) into account when calculating the above return. Cumulatively, over the past 6 years, on a per share basis CV Capital has distributed fully franked dividends of 49 cents per share which consist of a cash component of 34 cents (which has been reinvested) and a franking credit component of 14.6 cents. Shareholders from inception have experienced the following cumulative returns:



On an annual compounded basis, the return (net of fees) since inception is 12.3%. Given our long term focus, some of these returns are unrealised but a material amount of these gains have also been realised from our arbitrage activities.

Moving onto the economy, whilst not in recession the Australian economy has been slowing throughout 2023. The table below shows the slowing quarterly GDP trend:

Quarter ending	Mar 23	Jun 23	Sep 23	Dec 23
GDP	0.6%	0.5%	0.3%	0.2%

The latest economic figures for March 24 also paint a gloomy outlook. Annual retail sales growth from March 23 was 0.8% which is the weakest annual growth on record. This pace of growth is lower than the increase in inflation and population growth. Corporate bankruptcies also hit a 25 year high in March 24 with 1,113 businesses going under which was the largest number since ASIC started collecting this data in 1999. The chart below shows Australian household interest payment on mortgages more than doubling since the RBA started hiking rates.

Quarterly household interest repayments on dwellings

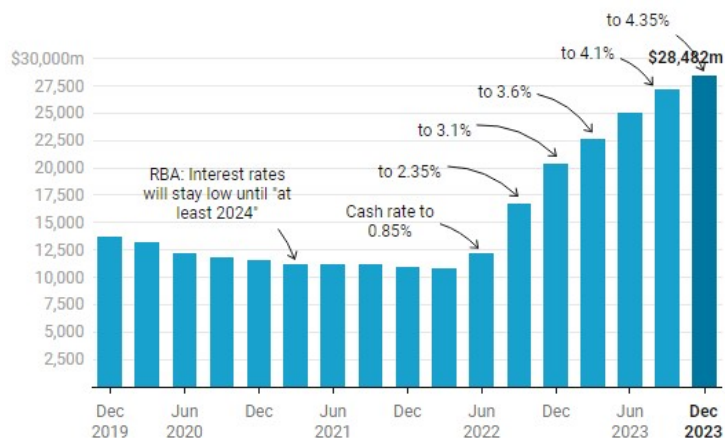


Chart: The Australia Institute · Source: ABS 5206.0, Table 20 · Get the data · Created with Datawrapper

The average household is being battered by cost of living pressures and higher mortgage repayments leading to a slowdown in discretionary spending. While economic dark clouds gather, the ASX 200 is up 10% over 12 months to 31 March 2024.

## Fund Performance

CV Capital's return for FY2024 (1 July 23 to 31 Mar 24) is 36.9% (including FY23 dividends). Over the same period, our benchmark (STW) return was 14% resulting in a 22.8% year-to-date outperformance. Since inception our returns are 12.9% (before performance fees) and 12.3% (after performance fees) on an annual compounded basis.

The share price as at 31 December 2023 is \$1.56. Details as follows:

	Per share
Securities portfolio value	\$1.08
Cash	\$0.48
Franking credits	\$0.01
<b>Share price</b>	<b>\$1.57</b>
Less: Estimated tax liabilities on realised gains	(\$0.01)
<b>Subscription price</b>	<b>\$1.56</b>

YOURS SINCERELY,  
DARRELL CHEAH

