CV Capital Pty Ltd

2 September 2024

Announcement of FY24 dividend

To my fellow shareholders & partners,

Our accountant has finalised our 30 June 2024 financial statements which I have sent out. As foreshadowed in our June 24 report, we will be issuing a FY24 fully franked dividend of 12.8 cents per share.

The key reason why we issue a dividend is to pay out the accumulated franking credits, which has no value in CV Capital. Given our goal is to harness the effects of compounding capital over a long period of time, my default position is to reinvest the dividends and I urge all shareholders to do the same. I will be reinvesting my dividends. However, should you wish to receive the dividend in cash, please advise me in by Friday 6 Sept (sooner the better).

The reinvest price per share (as verified by our accountant) is $1.31 (rounded), as follows:

As per FY22 financial statements	Per share	Comments
Net asset value	$1.49	Portfolio value (shares + cash)
Add: Franking credits	$0.06	
Add: Current tax liabilities	$0.16	Tax assessed for FY24 not paid
Net assets per share	**$1.71**	Used to assess fund performance
Less: Tax on unrealised gains	($0.01)	
Less: Performance bonus for FY24	($0.05)	
Less:FY24 dividend declared (incl franking credits)	($0.18)	
Less: Current tax liabilities	($0.16)	Tax assessed for FY24 not paid
Dividend reinvestment price (subscription/ redemption)	**$1.31**	

The above figures are somewhat complex so just a quick recap. I quote two share prices, one which is used to assess fund performance (net assets per share) and the other for subscriptions/ redemptions. The difference between the two share prices is taxation. The easiest way to think about it is that the net asset per share (to assess fund performance) is a pre-tax figure whereas the subscription/ redemption prices are post tax.

As our benchmark's return is quoted on a pre-tax basis using pre-tax returns make the comparison like for like. Subscription and redemption prices are quoted on a post tax basis because (1) the government needs to get paid so we can't pay out pre-tax values and (2) fairness for incoming and outgoing shareholders (e.g. if we redeemed on a pre-tax basis, the remaining shareholders in the fund may have to pay tax on behalf of the leaving shareholder).

Feel free to contact me if you have any questions. Thank you for entrusting us with your capital.

Yours Sincerely,
Darrell Cheah