Prime Value Emerging Opportunities Fund Update – April 2019

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Building Wealth Together

- Share markets rose for a fourth consecutive month this year, recovering a substantial portion of declines posted during the December 2018 quarter
- The Emerging Opportunities Fund return was +2.7% in April, 1.4% below the Small Ordinaries Index return of 4.1% and 2.1% above its benchmark of 0.6% (8% p.a.).
- Over the last 12 months the fund's return has been 10.5%, outperforming the Small Ordinaries Accumulation Index by 3.3% and the Emerging Companies Accumulation Index by 15.3% in what has been a choppy and volatile market.

	Total Return*	Benchmark (8% pa)	Value Add
Since Inception (p.a.)	**10.8%**	8.0%	2.8%
3 Years (p.a.)	**9.0%**	8.0%	1.0%
2 Years (p.a.)	**11.3%**	8.0%	3.3%
1 Year	**10.5%**	8.0%	2.5%
3 Months	**10.7%**	1.9%	8.8%
1 Month	**2.7%**	0.6%	2.1%

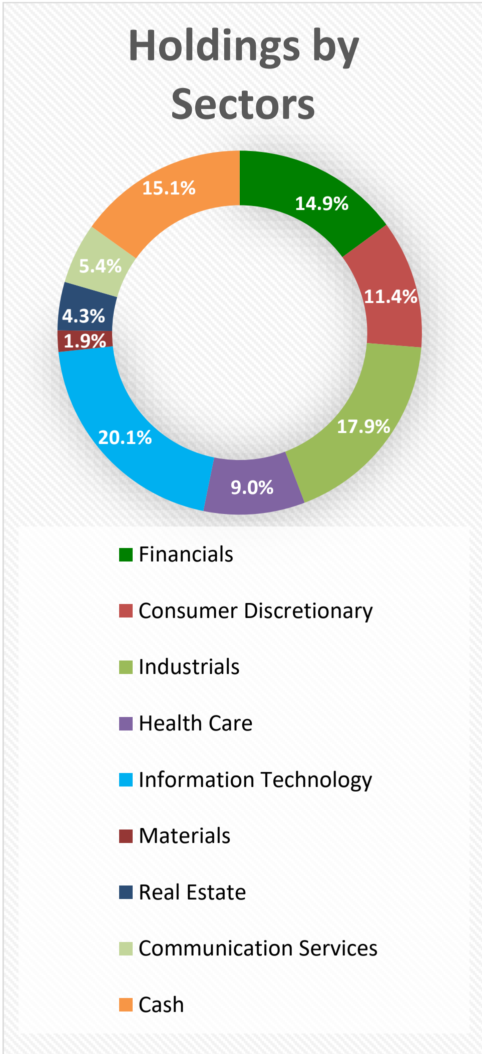
* Fund returns are calculated net of management fees and performance fees assuming all distributions are re-invested. Performance figures have been calculated in accordance with the Financial Services Council (FSC) standards. The returns exclude the benefits of imputation credits. Past performance is not necessarily an indicator of future performance.

	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	FYTD	ITD
FY 2016					6.3%	0.7%	(0.2%)	(3.9%)	2.4%	3.3%	2.4%	(0.2%)	**13.8%**	**13.8%**
FY 2017	7.4%	2.5%	1.6%	(0.3%)	(6.0%)	(2.0%)	1.1%	(1.6%)	1.8%	(1.8%)	(1.2%)	2.5%	**3.4%**	**17.6%**
FY 2018	1.3%	1.8%	2.3%	2.7%	1.5%	3.9%	(0.8%)	0.6%	(2.2%)	(0.5%)	3.9%	3.4%	**19.0%**	**40.0%**
FY 2019	(0.8%)	2.9%	2.1%	(4.8%)	(2.0%)	(5.8%)	1.5%	5.8%	1.9%	2.7%			**2.9%**	**44.0%**

Top five holdings	Sector
Fisher & Paykel Healthcare	Health Care
Infomedia	Information Technology
Centuria Capital	Financials
EQT Holdings	Financials
PSC Insurance Group	Financials

* The top five holdings make up approximately 19.0 % of the portfolio

Feature	Fund facts
Portfolio Manager	Richard Ivers
Investment objective	To achieve superior absolute returns by providing medium to long term capital growth investing in smaller, high growth companies.
Benchmark	8% p.a.
Inception date	8 October 2015
Typical number of stocks	25-50
Cash	0 - 100%
Unlisted Exposure	0 – 20%
International Exposure	0 – 20%
Distributions	Half-yearly
Recommended investment period	3 + years



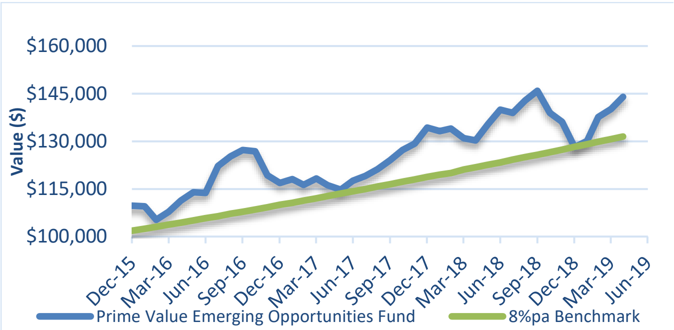
Market review

Global equity markets rose for a fourth consecutive month in April with the MSCI World Index gaining +3.2%. Markets continued to post an impressive recovery from the sell-off of late 2018 due to a significant policy shift amongst major central banks. Across the major equity markets, the US S&P 500 Index gained a further +3.9% and hit new record highs in April, while Europe's Stoxx50 and Japan's Nikkei gained +4.2% and +4.5% respectively.

April's gains were supported by a solid set of US corporate earnings, while the release of benign US inflation continued to support the Federal Reserve's accommodative stance following its U turn on interest rates earlier in the year. However, late in the month Fed Chairman Jerome Powell's comments that the current low inflationary environment is "transitory" rather than "permanent" ruffled equity markets, as the comments seemed to remove the potential for a rate cut later in the year.

The ASX 300 Accumulation Index gained 2.5%, led by the IT (+7.4%), Consumer Staples (+7.3%) and Consumer Discretionary (+5.5%) sectors while the Resources (-2.5%) and REIT (-2.3%) sectors lagged.

The Australian Federal budget was announced earlier than usual due to the pending federal election. The budget announcement together with the announcement of election commitments provided a boost for companies exposed to the domestic economy.



This graph shows how $100,000 invested at the Fund's Inception has increased to $144,000 (net of fees). This compares with the return of the benchmark, where a $100,000 investment would have increased to $131,500 over the same period. The returns exclude the benefits of imputation credits.

	Direct Investment
APIR Code	PVA0013AU
Minimum Investment	$20,000
Issue price	$ 1.3719
Withdrawal price	$ 1.3609
Distribution (30/06/2018)	$0.0423
Indirect Cost Ratio (ICR)	1.25%*
Performance fee	20%** p.a.

* Unless otherwise stated, all fees quoted are inclusive of GST and less the relevant RITC **Of performance (net of management fees) above the agreed benchmark, subject to positive performance

Fund review & strategy

The fund's return was +2.7% in April, 1.4% below the Small Ordinaries Accumulation Index return of 4.1%. Key positive contributors were **Infomedia** (IFM +17.4%), **NRW** (NWH +22.5%) and **Capitol Health** (CAJ +20.5%). Key detractors were **Citadel** (CGL -7.0%), **Lifestyle Communities** (LIC -5.5%) and **GTN** (GTN -2.7%).

Technology names were particularly strong in April with the so called WAAAX stocks (Wisetech, Afterpay, Altium, Appen and Xero) up an average 11% in the month. These stocks have strong share price momentum but most appear very expensive to us. We remain disciplined on valuation with a key focus on capital preservation. When sentiment changes, it typically happens very quickly. Our aim is to do well in strong markets and outperform significantly in down markets.

Infomedia continued to rally after a strong earnings result in February and investor day in March but little new news in April. The stock is up c. 70% since we purchased 6 months ago and now trades on similar multiples to peer's. A global technology provider to the automotive market it delivers significant efficiencies to its customers while benefitting from a weaker $A. **NWH** was strong on 3 pieces of news; continued contract wins to further grow the order book, inclusion in the ASX200 which broadens the investor base and speculation of its acquisition of BGC Contracting. NWH offers exposure to government infrastructure spending and miner capacity expansion after many years of under-investment. It has run hard and we lightened our holding end of April. **Capitol Health** rallied after Federal Budget announcements by both parties to increase diagnostic imaging expenditure.

Citadel has bounced around the last few months after a weak result in February and director resignation. We've been using times of weakness to establish a position for the fund recently. It is exposed to non-cyclical sectors, earnings quality is improving significantly has a net cash balance sheet and is priced around market multiples. We expect the stock to be significantly higher in coming years. **Lifestyle Communities** fell in April after a spike late March and has been rising moderately the last few months.

No new positions were established or existing positions exited in April. However we significantly increased our exposure to **PSC Insurance, Webjet, Citadel** and **GTN**. And significantly decreased our exposure to **A2B** while trimming **NWH** and **Infomedia**.

Top Contributors (Absolute)	Sector
Infomedia	Information Technology
NWH	Industrials
Capitol Health	Health Care
Top Detractors (Absolute)	**Sector**
Citadel Group	Information Technology
Lifestyle Communities	Real Estate
GTN	Communication Services

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