

Prime Value Opportunities Fund

The Fund invests in a selected number of companies across all market sizes to achieve capital growth, focusing on absolute returns. The portfolio is not constrained by benchmarks but is well diversified.



Investment Summary

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| Fund | Invests in the best stock ideas across the entire spectrum of market capitalizations. |
| Objectives | To achieve superior total returns by providing medium to long term capital growth through investing in a high conviction portfolio of about 20-30 securities without referencing a stock market index. Through stock selection and portfolio construction, the Fund's historically performance has demonstrated lower portfolio volatility compared to the broader Australian stock market whilst producing superior returns. |
| Investment Features | In pursuing an absolute return objective, the Fund has significant flexibility to pursue returns that is different from stock market indices. Central to this approach is our belief that investors will be rewarded for investing in well managed undervalued companies—and not for being part of an index. The Fund is a genuinely active and high conviction fund. The Fund is managed in accordance to a distinctive different but disciplined and proven investment philosophy and process. |
| Target Net Returns (after fees) | 10% - 15% p.a. Returns from inception to May 2020 are 10% p.a. |
| Distributions | Half yearly, typically 3-4% p.a. (dependent on realised investment returns) plus franking credits. |
| Management Fee | 0.95% p.a. |
| Performance Fee | 20% of net performance above 8% p.a. with a unit price high watermark. |
| Applications / withdrawals | Daily Minimum Investment \$20,000 |
| Custodian | JP Morgan Chase Bank |

Capturing the best opportunities

The Portfolio Manager seeks investment opportunities across the market, regardless of size or sector—owning companies from a small \$350m market capitalization to A\$100 billion market capitalization. The Portfolio Manager aims to exploit a range of market inefficiencies, depending on which opportunities the market provides at any given time.

Co-investing with fund investors, the Portfolio Manager uses a focused but differentiated approach to find investment ideas across the entire market.

Where others may see only risks and downside, the Fund sees opportunities. For example, opportunities emerge when investors are too short term focused on new information that is transitory rather than permanent. In other instances, investors may be fearful of investing in small companies due to the more volatile nature of their share prices. These windows offer the Fund opportunities to buy good businesses at attractive prices regardless of whether they are large or small.

Experience counts

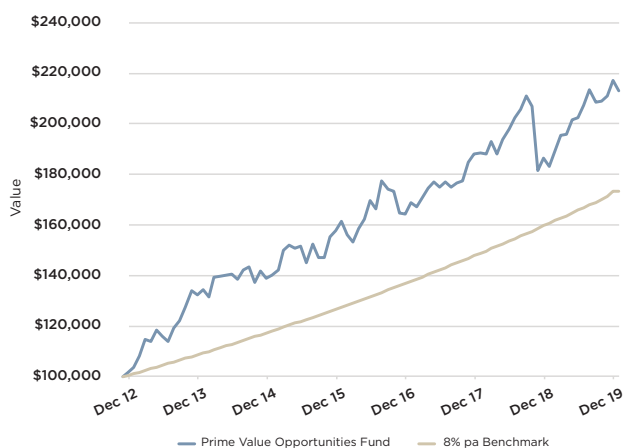
The Fund's philosophy and process has been effective across numerous market cycles and has yielded attractive long term returns. Since the Fund was established in 2012, the total return generated for investors has been in excess of 10% per annum. An investor investing from the commencement of the Fund would have more than doubled their investment over that time period.

Differentiated Investing

The Fund's differentiated process is based on discovering individual opportunities solely for their potential risk and reward. The result is a well diversified portfolio of 20 to 30 companies that reflects our view of good businesses opposed to a portfolio that is anchored to stock market indices.

The Fund's differentiated investment approach means that fund holdings can deviate significantly from the typical Australian share fund. As we don't focus on the stock market indices, we don't need to own banks, for example (banks account for approximately 23% of the Australian stock market index). Investments in companies are made for its capital growth potential - not the size of the company or whether it forms part of a stock market index.

Fund Performance



This graph shows how \$100,000 invested at the Fund's Inception has increased to \$212,900 (net of fees excluding performance fees) at December 2019. This compares very favourably with the return of the benchmark, where a \$100,000 investment would have increased to \$173,500 over the same period. Returns exclude the benefits of imputation credits.

Fund Facts

| | |
|------------------|----------|
| Universe | All Caps |
| Number of stocks | 20 - 30 |
| Cash | 0% -100% |
| Global exposure | 0% - 20% |
| Benchmark | 8% p.a |
| Liquidity | Daily |

What's the most important thing the Portfolio Manager looks at when evaluating an opportunity?

The returns a company generates relative to its cost of capital when judged against the plans management has for growing the company. We assess how a company's management is likely to allocate and direct resources to impact those growth plans into future. Finally, a perspective of value versus the price paid for the investment.

Who the fund suits:

- Seeking strong capital growth;
- Wanting to gain exposure to a unique portfolio of carefully selected investment opportunities regardless of size;
- Looking for a differentiated approach to investing that yields opportunities that are significantly different to those provided by stock market indices and traditional Australian equity funds; and
- Seeking to co invest with a well established investment manager with an outstanding long term track record.

CIO & Portfolio Manager - Opportunities Fund



Shih Thin Wong has over 25 years' experience gained with international investment firms such as AIG Investments/American International Group and Daiwa Securities, Shih Thin is responsible for overall investment policy and process development, portfolio strategy and construction, and fundamental research.

How to Invest

The Opportunities Fund is open to all investors and has a minimum investment amount of \$20,000.

Applications and withdrawals are accepted daily. To invest in the Opportunities Fund, please contact your Relationship Manager or our Client Services Team on 03 9098 8088.



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