Prime Value Opportunities Fund
Fund Update – November 2020

- The 10.2% gain in the ASX300 Accumulation Index in November was one of the best monthly returns since 1980
- Gains on the ASX were led by “value” or beaten down stocks such as banks and energy companies, following an extremely challenging prior six months for these companies
- The Fund gained 7.9% in November. Large cap banks contributed the most to Fund performance. Key small and mid-cap investments such as REA Group and Australian Finance Group also made meaningful contributions

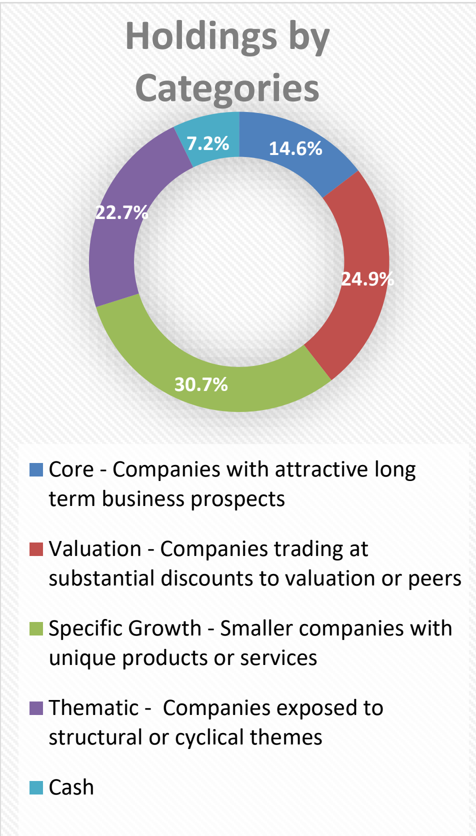
	Total Return*	Benchmark (8% pa)	Value Add
Since inception (p.a.)	**10.7%**	8.0%	2.7%
7 Years (p.a.)	**8.0%**	8.0%	(0.0%)
5 Years (p.a.)	**7.5%**	8.0%	(0.5%)
3 Years (p.a.)	**6.4%**	8.0%	(1.6%)
1 Year	**4.3%**	8.0%	(3.7%)
3 Months	**4.5%**	1.9%	2.6%
1 Month	**7.9%**	0.6%	7.3%

* Fund returns are calculated net of management fees, assuming all distributions are re-invested. Performance figures have been calculated in accordance with the Financial Services Council (FSC). The returns are calculated before performance fees which are charged against individual accounts. 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 2013					1.8%	1.7%	4.3%	6.2%	(0.6%)	4.0%	(2.2%)	(1.6%)	**14.1%**	**14.1%**
FY 2014	4.4%	2.6%	4.3%	5.0%	(1.1%)	1.5%	(1.9%)	5.9%	0.2%	0.3%	0.3%	(1.4%)	**21.4%**	**38.5%**
FY 2015	2.5%	1.0%	(4.1%)	3.1%	(1.9%)	0.7%	1.5%	5.7%	1.4%	(1.0%)	0.5%	(4.3%)	**4.6%**	**44.9%**
FY 2016	5.3%	(3.7%)	0.1%	5.5%	1.7%	2.4%	(3.4%)	(1.9%)	3.6%	2.3%	4.4%	(1.8%)	**14.9%**	**66.5%**
FY 2017	6.5%	(1.7%)	(0.5%)	(4.9%)	(0.2%)	2.7%	(1.1%)	2.4%	2.1%	1.3%	(1.2%)	1.2%	**6.3%**	**77.0%**
FY 2018	(1.2%)	1.0%	0.4%	4.2%	1.6%	0.4%	(0.2%)	2.5%	(2.5%)	3.0%	2.1%	2.4%	**14.3%**	**102.4%**
FY 2019	1.7%	2.6%	(1.9%)	(8.2%)	(1.9%)	(1.8%)	3.2%	3.4%	0.2%	2.9%	0.3%	2.6%	**2.5%**	**107.5%**
FY 2020	2.9%	(2.3%)	0.2%	1.0%	3.0%	(2.0%)	4.9%	(5.8%)	(16.8%)	8.0%	5.4%	3.0%	**(1.1%)**	**105.2%**
FY 2021	1.6%	4.1%	(3.6%)	0.5%	7.9%								**10.5%**	**126.6%**

Top five holdings	Sector
CSL	Health Care
BHP	Materials
Commonwealth Bank	Financials
Macquarie Group	Financials
NAB	Financials

The top five holdings make up approximately 29.1% of the portfolio

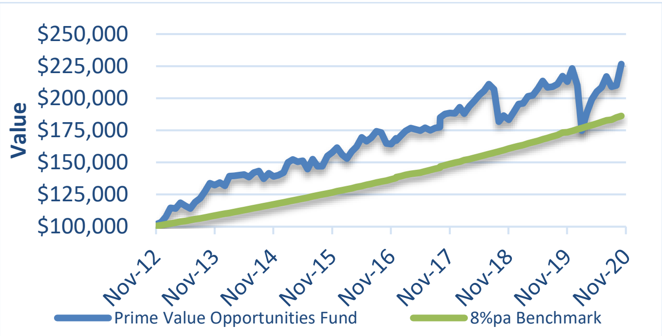


Feature	Fund facts
Portfolio Manager	ST Wong
Investment Objective	To achieve superior absolute total returns by providing medium to long term capital growth without the constraints of a share market benchmark.
Benchmark	8.0% pa
Inception Date	5 November 2012
Cash	0 - 100%
International Exposure#	0 - 20%
Distributions	Half-yearly
Suggested Investment Period	3 + years
Research Rating	Zenith – Recommended Lonsec - Recommended

The Prime Value SIV Opportunities Fund will have no exposure to international securities in accordance with SIV regulations

Market review

Global markets rose through November, driven by positive vaccine news and increased certainty regarding the US election result. The outcome of the US election – a constrained Biden Presidency – was taken positively by markets, but the real driver of the global rally in stocks was the vaccine news. With not just one, but two vaccines with over 90% effectiveness, investors have a clear line of sight on the end of the pandemic, and a normalisation of the economy. Globally, no sectors fell in November, with Energy and Financial sectors outperforming the most. The S&P 500 Index rose 10.9% in November, but still underperformed slightly against the DM World Return Index of 12.8%. The world developed markets outperformance was led by the Euro Stoxx Index, which rose sharply by 22.5% in US Dollar terms. In comparison World emerging markets underperformed slightly, rising by 9.3% in US Dollar terms. The Nikkei 225 Index also rose sharply, rising 15.1% in November.
Brent Oil prices rose US$10.13/bbl to US$47.59/bbl, partly driven by vaccine optimism. Iron ore prices rose by US$12.50/t to US$119.30/t. Gold prices decreased substantially from US$1,881.85/oz to US$1,762.55/oz due to increase in risk on sentiment and higher real yields.
The 10.2% total return in November for the ASX300 Accumulation Index ranks within the top 10 monthly returns since 1980. Value stocks took a leading role, outperforming growth stocks by 12%. The Energy sector led the market up with the Financials sector not far behind. The Staples, Utilities, Healthcare sectors were sold off to fund the rotation. While both had strong performances, Resources fared better than Industrials across most of the size indices with the exception of mid-caps. Large (11.0%) and Small Caps (10.3%) sectors were in line with the ASX300 Accumulation Index performance, with the Mid Cap 50 Index (6.6%) lagging. Within sectors, Energy rose the most (+28.5%) followed by Financials (16.1%). Staples (-0.7%) was the only negative in the month, while Utilities (1.5%) and Health Care (2.7%) were notable laggards.



This graph shows how $100,000 invested at the Fund's Inception has increased to $226,600 (net of fees excluding performance fees). This compares very favourably with the return of the benchmark, where a $100,000 investment would have increased to $186,200 over the same period. The returns exclude the benefits of imputation credits.

	Direct Investment (Class A)	Platform Investment (Class B)
APIR code	PVA0005AU	PVA0006AU
Minimum Investment	$20,000	N/A
Issue price	$ 1.7185	$ 1.6849
Withdrawal price	$ 1.7055	$ 1.6721
Distribution (30/06/2020)	$ 0.0514	$ 0.0495
Indirect Cost Ratio (ICR)*	0.95% p.a.	0.95% p.a.
Performance fee**	15%	15%

* 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 a high water mark

Fund review and strategy

The Fund gained 7.9% in an exceptionally strong November, bringing the total return for the first five month of this financial year to 10.5%.
Pfizer's announcement on 9th November of its COVID-19 vaccine candidate was > 90% effective in preventing the coronavirus sparked a significant move from higher quality growth companies to more cyclically orientated companies. In simple terms, investors sold or rotated from technology companies, retailers and other stocks which had held well up during the past six months to fund investments into beaten down banks, travel and hospitality and energy companies.
Fund performance lagged the broader market during the month as our investments are typically higher quality companies with strong growth opportunities. Many of our investments have come through the pandemic largely unaffected whilst some are in an even better position than before the pandemic—this feature is reflected in all of the Fund's top three detractors to performance this month: auto parts retailer Bapcor, data centre owner and operator NextDC and small appliances retailer Breville.
We largely manage the Fund and seek investment opportunities from a bottom up stock picking perspective. We add value by identifying opportunities through fundamental research on companies to find those we believe are mis-understood or mis-priced by the market. These companies are led by strong management teams pursuing growth opportunities utilising clean balance sheets without over leveraging itself. Whilst we consider macroeconomic factors and sentiment as part of our investment process they are not key drivers of our investment input. We have yet to identify any investor who has been able to reliably and consistently predict the macro environment. Instead of bending to a particular style, our focus on investing in high-quality companies with durable growth opportunities, sustainable competitive advantage, and appropriate valuations allows us to avoid common landmines and position us to generate compelling returns over time. REA Group has been one of these opportunities—we have invested in REA Group (+22.8%) for over 8 years and has seen its share price appreciate > 800% over that time. We remain confident of uncovering such longer term opportunities whilst keeping an eye for shorter term investment ideas as economies re-open in 2021 reflecting a much-improved outlook for COVID-19. Several recent acquisitions that reflect these opportunities include global oil and gas services company Worley, metro and regional radio operator Southern Cross and building materials supplier CSR.
The top contributors to performance in November were: National Australia Bank (23.0%), BHP (12.7%) and Commonwealth Bank (14.6%). The top detractors from performance in November were: Bapcor (-8.5%), Saracen Minerals (-7.6%) and NextDC (-11.7%).

Top contributors (absolute)	Sector
NAB	Financials
BHP	Materials
CBA	Financials

Top detractors (absolute)	Sector
Bapcor	Consumer Discretionary
Saracen Mineral	Materials
NEXTDC	Information Technology

Platforms
BT Wrap, Macquarie Wrap, Netwealth, Hub24, Powerwrap

Contact details:
Brittany Shazell, Riza Crisostomo, Julie Abbott, Dora Grieve & Angela Ly
Client Services Team
Phone: 03 9098 8088
Email: info@primevalue.com.au

Mail:
Prime Value Asset Management Ltd
Level 9, 34 Queen Street
Melbourne VIC 3000
Web: www.primevalue.com.au