

Prime Value

Equity Income (Imputation) Fund

Fund Update – April 2021

- Broad based positive share market performance in the US led by an acceleration in US vaccination roll-out and good corporate earnings
- The ASX300 Accumulation Index gained 3.7% in April. A rebound in IT sector, strong domestic economic data and tailwinds from the materials sector helped the ASX keep pace with its global peers
- Fund returned 2.8% for the month of April, a touch under its benchmark

	Total Return*	Growth Return*	Distribution Return*	Total Return including Franking Credits**	S&P/ASX 300 Accumulation Index
Since inception (p.a.)	10.2%	5.1%	5.0%	12.2%	8.4%
10 Years (p.a.)	6.1%	1.7%	4.4%	8.3%	8.3%
5 Years (p.a.)	6.9%	2.6%	4.3%	9.0%	10.4%
3 Years (p.a.)	6.9%	2.1%	4.8%	9.0%	9.7%
2 Years (p.a.)	6.6%	2.4%	4.2%	8.4%	9.4%
1 Year	40.4%	35.9%	4.6%	42.5%	31.6%
3 Months	9.7%	8.8%	0.8%	10.2%	7.6%
1 Month	2.8%	2.8%	0%	2.8%	3.7%

* 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) standards. 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.

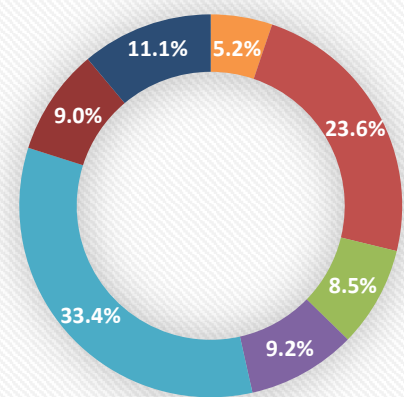
** Returns grossed up for franking credits are estimates.

Top five holdings	Sector
BHP	Materials
Macquarie Group	Financials
Commonwealth Bank	Financials
ANZ Bank	Financials
Wesfarmers	Consumer Discretionary

The top five holdings make up approximately 32.8% of the portfolio.

Feature	Fund facts
Portfolio Manager	Leanne Pan
Investment objective	To provide regular tax-effective income, combined with competitive capital growth over the medium to long-term, by managing a portfolio of assets comprised mainly of Australian equities listed on any recognised Australian stock exchange.
Benchmark	S&P / ASX 300 Accumulation Index
Inception Date	20 December 2001
Cash	0 - 30%
Distributions	Quarterly
Suggested Investment Period	3 + years

Holdings by Sector



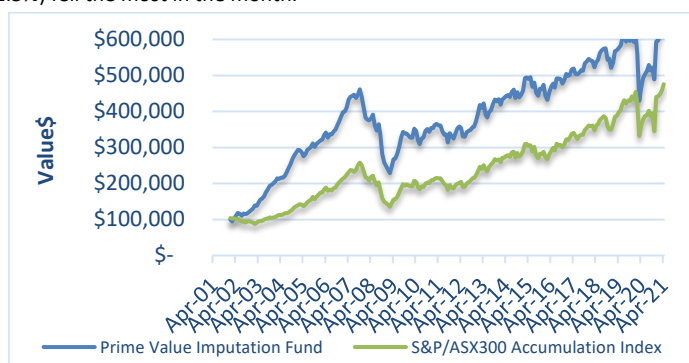
Market review

Global share markets continued to post gains in April. The US markets posted particularly impressive performances with the S&P500 and Nasdaq indices gaining 5.3% and 5.4% respectively on one of the broadest rallies on record. 95% of US stocks rose in April against a typical month averaging 60-65%. In Europe, gains were a little lower, following strong gains in February and March. The MSCI Europe ex UK Index gained 2.1% which lagged the MSCI UK Index's 4.0% rise. Asian markets did lag its global peers with MSCI Japan Index down 2.6% while the MSCI China Index gained 1.2%

Both soft and hard commodity prices also continued to rally over the month. Soy and corn prices have risen on the back of stronger demand and global restrictions to trade whilst hard commodities such as copper and iron are facing deficit issues. Notably, a number of soft and hard commodities have rallied past their pre-COVID levels. Without doubt rising commodity prices will add to inflation concerns. The Australian Dollar rose in April, supported by higher commodity prices and a weaker US Dollar Index.

Company results in April set the platform for a v-shaped recovery in corporate earnings. In the US and UK, the vaccine roll-out is opening up a pathway to a broader economic reopening although it's being tempered by new waves of infection elsewhere. Domestically, Australia's economic data has been stronger than expected. A number of sectors including housing and retail are underpinning an earnings recovery to pre-Covid levels with the market starting to consider the possibility of a full recovery in FY22.

The ASX300 Accumulation Index was up in April, closing 3.6% higher. Resources performed strongly, outperforming Industrials across all size indices. Mid (+5.3%) and Small (+5.0%) Caps performed strongly in April with Large Caps (+3.2%) not far behind. Within sectors, the IT sector rose the most (+9.7%), followed by Materials (+6.8%). Energy (-4.9%) and Consumer Staples (-2.5%) fell the most in the month.



This graph shows how \$100,000 invested at the Fund's inception has increased to \$654,700 (net of fees excluding performance fees). This compares very favourably with the return of the market, where a \$100,000 investment would have increased to \$475,800 over the same period. The returns exclude the benefits of imputation credits.

Performance figures have been calculated in accordance with the Financial Services Council (FSC) standards. No allowance has been made for taxation. Performance assumes the reinvestment of income distributions. Past performance is not necessarily an indicator of future performance.

	Direct Investment (Class A)	Platform Investment (Class B)
APIR code	PVA0002AU	PVA0022AU
Minimum Investment	\$20,000	N/A
Issue price	\$2.6438	\$2.6454
Withdrawal price	\$2.6238	\$2.6254
Distribution (31/03/2021)	\$0.0200	\$0.0213
Indirect Cost Ratio (ICR)*	1.435% p.a.	1.23% p.a.
Performance fee**	20.5%	20.5%

* Unless otherwise stated, all fees quoted are inclusive of GST and the relevant RITC
 ** of performance (net of management fees and administration costs) above the agreed benchmark, subject to positive performance and a high water mark

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Fund review & strategy

The Fund returned 2.8% for the month of April, a touch under its benchmark. Consumer staples sector (Woolworths, Coles) underperformed as their comparable sales could not match with the crazy times of last year when consumers stocked up everything they could buy. In absolute terms, contributors were BHP (+5.3%, iron ore price remained strong), Macquarie Group (MQG +5.0%) and Mineral Resources (MIN +25.6%). Detractors were Harvey Norman (HVN -8.0%), Woodside (WPL -4.7%) and Woolworths (WOW -3.8%).

Mineral Resources operates three core businesses: (1) the world's largest crushing contractor that's expected to grow 20% p.a. over the next few years; (2) the fifth largest Australian iron ore producer producing 20Mt p.a. with an aim to achieving 90Mt p.a. and (3) the fifth largest owner of lithium assets with focus on hard rock lithium. Its lithium business is well leveraged to EV driven battery demand as ESG topics and EV thematics are gaining traction. The company is backed by an extremely strong balance sheet which could underpin its diversification from its core mining services operations across commodities. Mineral Resources are led by strong management teams that have a record of successful capital allocation that has led to shareholder value creation. Notably management retains a high degree of ownership in the businesses which aligns to shareholder interest. We continue to be a holder.

The market appeared to look past COVID as vaccinations are being rolled out. In the current "goldilocks environment"- low interest rate, low inflation, plenty of liquidity – equity is priced for near perfection. In some recent company updates or investors tours, a number of companies commented on difficulty in recruiting labour, fright and raw material costs increasing. The word "inflation" is creeping up. This is something we need to keep an eye on as consensus views can change abruptly.

Top Contributors (Absolute)	Sector
BHP	Materials
Macquarie Group	Financials
Mineral Resources	Materials

Top Detractors (Absolute)	Sector
Harvey Norman	Consumer Discretionary
Woodside Petroleum	Energy
Woolworths	Consumer Staples

Platforms
Ausmaq, Beacon, BT Wrap, First Wrap, Hub24, Netwealth, Symetry, Wealthtrac

Contact details:

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

Mail:

Prime Value Asset Management Ltd
 Level 9, 34 Queen Street
 Melbourne VIC 3000