

Prime Value Emerging Opportunities Fund

An equity fund that invests in quality listed companies in Australia and New Zealand, offering high growth at a reasonable price. The focus is on companies outside the largest 100 listed on the Australian Stock Exchange (ASX100).



Fund Facts

Fund	Invests in listed companies in Australia and New Zealand outside the ASX100.
Objectives	Achieve superior total returns by providing medium to long term capital growth by investing in smaller capitalisation companies. A long only concentrated fund that leverages Prime Value's fundamental research capabilities while minimising the risk of permanent capital loss.
Investment Features	Diversified portfolio of 25 - 50 high quality companies. Average market capitalisation of stocks held is \$1 billion (November 2019). Benchmark of 8% p.a. ensures a focus on absolute returns not just beating an index. The manager is personally invested in the fund ensuring alignment of interests.
Target Net Returns (after fees)	10% - 15% p.a. Returns from inception to November 2019 are 13% p.a.
Distributions	Half yearly, typically 2-3% p.a. (dependent on realised investment returns) plus franking credits.
Management Fee	1.25% p.a.
Performance Fee	20% of net performance above 8% p.a. with a unit price high watermark.
Investment Period	3+ years
Applications / withdrawals	Daily Minimum Investment \$20,000
Custodian	JP Morgan Chase Bank

We do not believe that investing in the fund is equivalent to “buying the market”. Each investment within the fund represents part-ownership of a company that is selected by the manager after significant research and face to face meetings with management. Together these holdings provide an attractive investment portfolio for our investors.

What is an Emerging Company ?

We define emerging companies as being those outside the largest 100 listed on the Australian stock exchange (ASX100). They have a market capitalisation up to approximately \$4 billion, although some can be significantly larger.

The average size of the company in the fund is typically around \$1 billion.

Why invest in Emerging Companies?

Companies outside the ASX100 are less researched and provide opportunities for experienced, active investors to uncover very attractive investments.

These companies can also be exceptionally high quality and offer exposure to high growth parts of the economy.

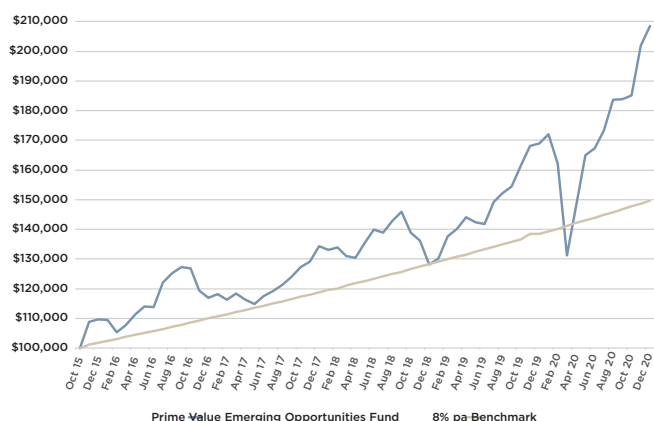
Our highly experienced investment team undertakes a highly active company visitation program to meet the management, competitors, suppliers and customers of the businesses in which we invest.

This provides a greater understanding of the business and outlook.

We only invest in the best opportunities to maximise returns for investors.

In summary, equities is a high returning asset class, emerging companies can offer high returns within equities and the Emerging Opportunities Fund is a high performing fund.

Fund Performance



This graph shows how \$100,000 invested at the Fund's Inception has increased to \$208,500 (net of fees). This compares with the return of the benchmark, where a \$100,000 investment would have increased to \$149,600 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.

What is our Approach to Investing ?

We focus on buying quality companies at an attractive price. A large proportion of the portfolio contains companies we consider "best of breed"

in their sector. We believe the highest quality businesses perform best over the long term as they typically excel in good times and are more resilient in tough times.

A smaller portion of the portfolio contains companies of significantly improving quality at very attractive prices. These companies are typically growing strongly and may be the next "best of breed" in their sector. Returns can be very large, benefitting from both high growth and a higher valuation multiple.

Underlying everything is our focus on capital preservation. We don't invest in the more speculative areas such as mining or pre-commercial biotech's. Our benchmark is 8% so we are incentivised to deliver absolute returns, not just beat an index. We invest our capital alongside investors and understand the responsibility of managing capital for others.

Fund Facts

Universe	ex-ASX100
Number of stocks	25 - 50
Cash	0% - 100%
Global exposure	0% - 20%
Benchmark	8% p.a.
Liquidity	Daily

Who the fund suits

- Investors seeking long term capital growth.
- Wanting an active approach to investing with a focus on capital preservation.
- Looking for absolute returns rather than stock index returns.
- Wanting diversification away from the large cap index (ASX100).
- Seeking a quality manager with a track record of strong performance.

Portfolio Manager - Emerging Opportunities Fund



Richard Ivers has 6 years' experience working in finance and strategy roles in large corporations and over 17 years experience covering emerging companies in Australia. This includes 10 years as a stockbroking analyst and 7 years portfolio management experience in fund management. The fund's he has managed have consistently outperformed.

How to Invest

The Emerging 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 Emerging Opportunities Fund please contact your Relationship Manager or our Client Services Team on 03 9098 8088.



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