Prime Value Emerging Opportunities Fund Update – November 2021

- Markets were weaker in November as a new covid variant emerged and the US Federal Reserve indicated a faster tapering of asset purchases.
- The fund returned -0.4% in November, in-line with the Small Ordinaries Accumulation Index of -0.3%.
- There has been increased volatility at the stock level recently which is providing some excellent buying opportunities. We remain positive on the outlook for the portfolio due to the many high quality businesses at attractive prices.

	Total Return*	Benchmark (8% pa)	Value Add
Since Inception (p.a.)	**15.8%**	8.0%	7.8%
5 Years (p.a.)	**15.6%**	8.0%	7.6%
3 Years (p.a.)	**21.9%**	8.0%	13.9%
2 Years (p.a.)	**21.1%**	8.0%	13.1%
1 Year	**22.0%**	8.0%	14.0%
3 Months	**-2.1%**	1.9%	-4.1%
1 Month	**-0.4%**	0.6%	-1.0%

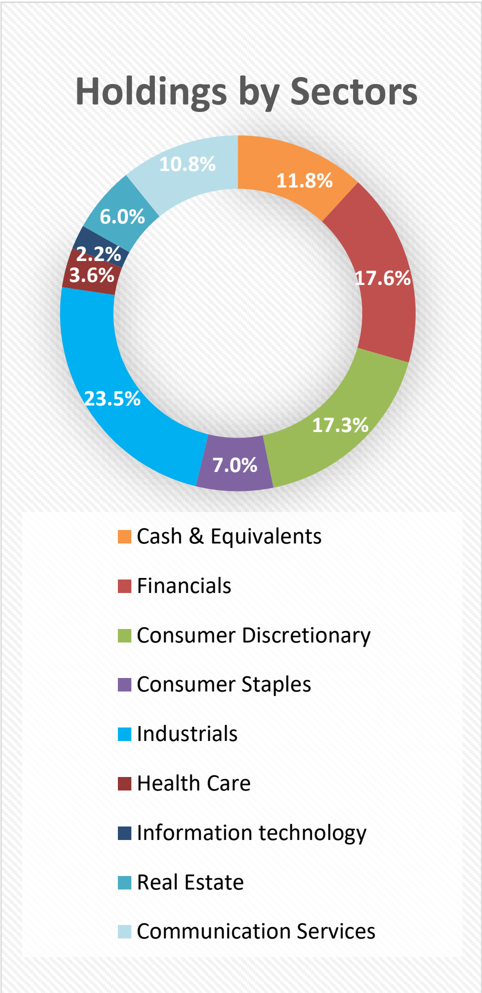
* Fund returns are calculated net of management fees and performance fees assuming all distributions are re-invested. Performance figures have been calculated in accordance with the Financial Services Council (FSC) standards. The returns exclude the benefits of imputation credits. Past performance is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

	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	FYTD	ITD
FY 2016				2.5%	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%	(1.0%)	(0.6%)	**1.2%**	**41.7%**
FY 2020	5.3%	2.0%	1.5%	4.5%	4.2%	0.5%	1.9%	(5.8%)	(19.1%)	12.7%	11.6%	1.4%	**18.1%**	**67.3%**
FY 2021	3.6%	6.0%	0.2%	0.7%	9.0%	3.2%	0.7%	0.6%	1.4%	7.0%	0.6%	3.1%	**42.0%**	**137.6%**
FY 2022	0.6%	5.3%	(0.3%)	(1.4%)	(0.4%)								**3.7%**	**146.3%**

Top five holdings (alphabetical order)	Sector
EQT Holdings	Financials
Mainfreight	Industrials
NIB Holdings	Financials
United Malt	Consumer Staples
Uniti Group	Communication Services

* The top five holdings make up approximately 18.8% of the portfolio

Feature	Fund facts
Portfolio Manager	Richard Ivers
Investment objective	Achieve superior total returns by providing medium to long term capital growth by investing in smaller capitalisation 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
Suggested Investment Period	3 + years
Research Rating	Zenith – Rated Lonsec - Rated

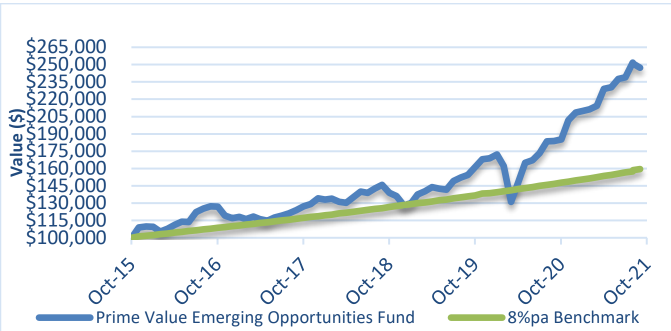


Market review

The Developed Market World Index was -1.4% in November driven by the emergence of Omicron variant which saw global investors transition into safe-haven currencies and bonds. The volatility in global markets occurred in the final days of the month after discovery of the more transmissible COVID variant. This added to fears of more lockdowns as COVID cases started to rise in the Northern Hemisphere and added to investors' growth concerns when the cycle was already slowing while monetary stimulus was being reduced. To top it off, on the last day of the month, US Federal Reserve chair Powell signalled tapering may be accelerated as inflation is less transitory than first thought. The US S&P500 Index was -0.83% in November. The Tech sector held gains (+4.2%), while the largest decliners were the Energy (-5.8%) and Financial (-5.8%) sectors.

Brent Oil prices fell US$14 to US$71/bbl in November. Oil prices reacted materially to the news of the Omicron variant, falling 11.6% to $72.77 on 26 November. Iron Ore dropped US$8 to US$100/Mt on the back of weak China demand signals. Gold traded mixed in the first week of November amid an array of central bank meetings, falling following a hawkish Fed meeting but gained after a dovish Bank of England meeting. The precious metal ended the month 0.50% lower, trading at US$1774.52.

The ASX300 Accumulation Index fell 0.5% and slightly outperformed the S&P500 Index. On a sector basis, Materials (+6.3%) was the strongest performer while Communication Services (+5.2%) and REITs (+4.5%) also outperformed in Australia. The Energy sector declined most (-8.3%), while Financials (-6.9%) and IT (-2.9%) also lost ground. Mid cap stocks performed better than small and large caps, while Resources outperformed Industrials across all size bias indices



This graph shows how $100,000 invested at the Fund's Inception has increased to $246,300 (net of fees). This compares with the return of the benchmark, where a $100,000 investment would have increased to $159,500 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
APIR Code	PVA0013AU
Minimum Investment	$20,000
Issue price	$2.1932
Withdrawal price	$2.1758
Distribution (30/06/2021)	$0.0450
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

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Fund review & strategy

The fund's return was -0.4% in November, in-line with the Small Ordinaries Accumulation Index of -0.3%). A strong mining sector provided a headwind to relative performance again this month as we don't invest in this space. The Small Resources was +3.6% while the Small Industrials was -1.5%. Over the long term, industrials have performed better than resources however this has not been the case in the last 2 months.

Key positive contributors for the month were **Uniti Group** (UWL +8.9%), **Alliance Aviation** (AQZ +12.8%) and **NIB Health** (NHF +5.7%). Key detractors were **EQT Holdings** (EQT -8.9%), **Bapcor** (BAP -9.8%) and **Pushpay** (PPH -27.8%).

While index moves have been relatively modest in recent months there has been heightened volatility at a stock level. This reflects the changing economic environment (lockdowns ending/new covid variant emerging), the prospect of tighter monetary conditions and reportedly some large mandate transitions going through the market.

In November **Uniti Wireless** updated the market on the activation of a share buyback along with a positive trading update. The outlooks appear solid for value accretion as a strong pipeline of work drives higher earnings combined with a reduced share count.

NIB Health provided a positive trading update at its AGM that highlighted first quarter group revenue growth of 9% combined with lower claims in its core Australian health insurance business. Clearly this is positive for margins. NIB has travel and international student insurance businesses that will benefit from international border re-opening in coming months.

EQT Holdings fell on little news. We understand the business is performing strongly, as highlighted at its recent AGM and the substantial number of unfilled employment roles advertised which highlights; 1) business expansion, and 2) slower cost growth. Possibly some investors are concerned about the equity market outlook as much of EQT's revenues are linked to the amount of funds managed by its clients. This may prove right but there is an ongoing and arguably increasing structural tailwind to the business given trustee independence is gaining more focus. We understand the sales pipeline remains strong. This will help to offset any market weakness. Macro calls like future market returns are particularly challenging to call accurately. EQT remains one of our larger holdings, combining a strong earnings outlook and attractive valuation.

Bapcor fell after announcing its well-regarded CEO would be retiring early. We understand disagreement at the board level was a key driver. This is disappointing as the fundamentals of the business are strong and it is benefiting from a strong sales rebound post NSW/Vic re-opening. This serves to highlight the importance of a well-diversified portfolio of quality businesses. Surprises happen to even the best businesses and risk management should never be taken for granted.

Top Contributors (Absolute)	Sector
Uniti Group	Communication Services
Alliance Aviation	Industrials
NIB Holdings	Financials
Top Detractors (Absolute)	**Sector**
EQT Holdings	Financials
Bapcor	Consumer Discretionary
Pushpay Holdings	Information Technology
Platforms	
Netwealth, uXchange, Mason Stevens, Hub24, BT Panorama	

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