Prime Value Growth Fund
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 -0.8% in November, 0.3% below the ASX300 Accumulation Index of -0.5%.
- 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.

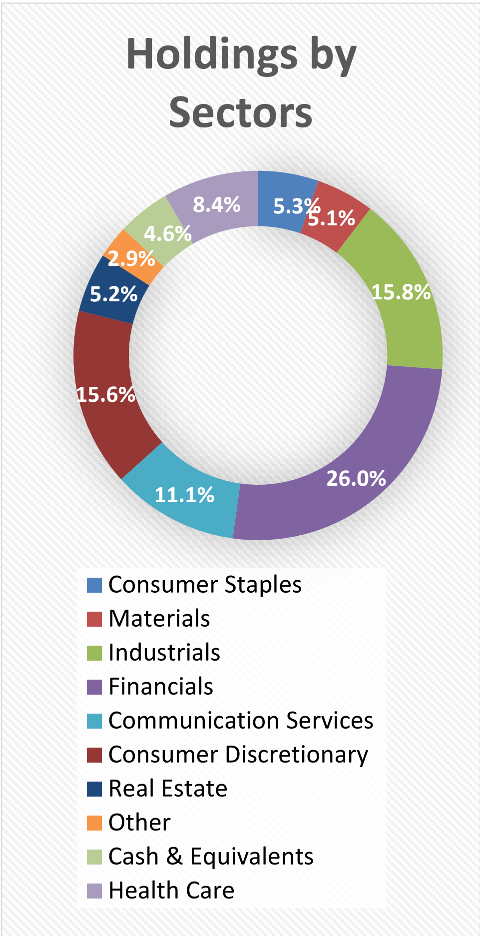
	Total Return*	S&P/ASX 300 Accumulation Index	Value Add
Since Inception (p.a.)	**11.2%**	8.5%	2.7%
5 Years (p.a.)	**8.9%**	10.3%	-1.4%
3 Years (p.a.)	**12.2%**	12.9%	-0.7%
2 Years (p.a.)	**11.9%**	6.8%	5.1%
1 Year	**21.0%**	16.0%	5.0%
3 Months	**-3.0%**	-2.3%	-0.7%
1 Month	**-0.8%**	-0.5%	-0.3%

*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) 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.

Top five holdings	Sector
CLS Limited	Healthcare
BHP	Materials
Commonwealth Bank	Financials
Uniti Group	Communications Service
Macquarie Group	Financials

The top five holdings make up approximately 28.5% of the portfolio

Feature	Fund facts
Investment Objective	To provide superior medium to long term capital growth, with some income, by managing a portfolio of predominantly Australian equities listed on any recognised Australian Stock Exchange.
Benchmark	S&P/ ASX 300 Accumulation Index
Inception Date	10 April 1998
Cash	0 - 30%
Distributions	Half-yearly
Suggested Investment Period	3 + years

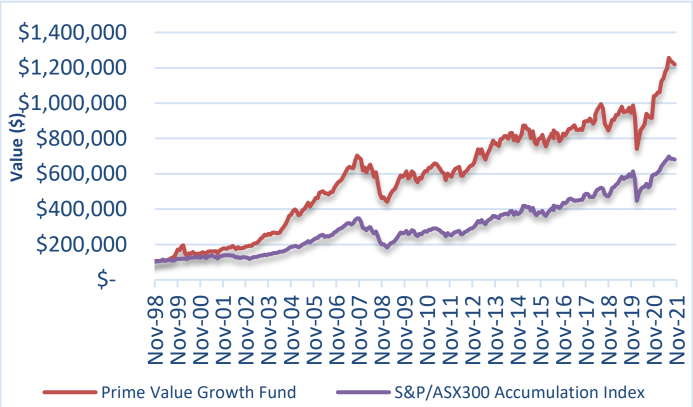


Market review

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 $1,219,200 (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 $682,000 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	PVA0001AU	PVA0011AU
Minimum Investment	$20,000	N/A
Issue price	$ 1.9828	$ 1.9812
Withdrawal price	$ 1.9678	$ 1.9662
Distribution (30/06/2021)	$ 0.0398	$ 0.0399
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 less 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

Fund review and strategy

The Fund returned -0.8% in November, 0.3% below the ASX300 Accumulation Index of +0.5%.
Key positive contributors for the month were **Uniti Group** (UWL +8.9%), **BHP** (BHP +7.6%) and **Alliance Aviation** (AQZ +12.8%). Key detractors were **CBA** (CBA -11.0%), **EQT Holdings** (EQT -8.9%) and **Bapcor** (BAP -9.8%).

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.

BHP announced the merger of its oil & gas assets with Woodside. In return BHP will receive Woodside shares equivalent to 48% of all Woodside shares on issue. The combined business will have greater scale, generate over US$400m of synergies p.a. and remove a fossil fuels from BHP's business.

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 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
BHP	Materials
Alliance Aviation Services	Industrials
Top Detractors (Absolute)	**Sector**
CBA	Financials
EQT Holdings	Financials
Bapcor	Consumer Discretionary

Platforms

Asgard, Ausmaq, Beacon, BT Wrap, First Wrap, Hub24, IOOF, Global One, Macquarie Wrap, Netwealth, Powerwrap, Symetry, Wealthtrac

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