Prime Value
Equity Income (Imputation) Fund – February 2022

- Global equity markets were broadly softer in February as investors assessed the outcome of rising geopolitical tensions
- Inflation continued to be a topic of discussion in the February reporting round
- The Fund returned 1.5% for the month of February, slightly underperformed its benchmark

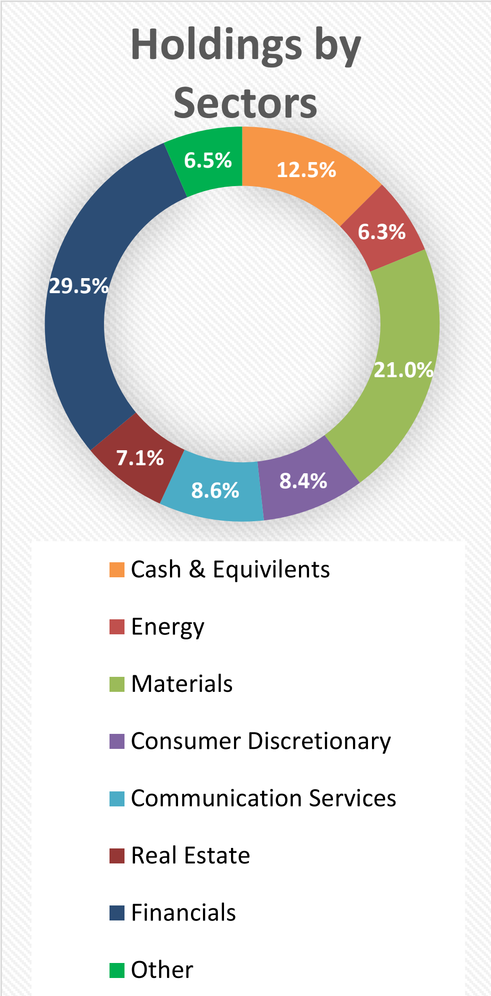
	Total Return*	Growth Return*	Distribution Return*	Total Return including Franking Credits**	S&P/ASX 300 Accumulation Index
Since inception (p.a.)	10.0%	5.0%	5.0%	12.0%	8.2%
10 Years (p.a.)	6.9%	2.8%	4.1%	9.0%	9.5%
5 Years (p.a.)	6.5%	2.1%	4.4%	8.6%	8.6%
3 Years (p.a.)	6.6%	2.3%	4.3%	8.6%	8.7%
2 Years (p.a.)	10.8%	6.7%	4.1%	12.8%	8.6%
1 Year	11.1%	6.9%	4.2%	13.5%	10.2%
3 Months	0.9%	-0.5%	1.4%	2.2%	-2.0%
1 Month	1.5%	1.5%	0.0%	1.5%	2.1%

* 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	Financial
National Bank	Financials
Wesfarmers Limited	Consumer Discretionary

The top five holdings make up approximately 31.5% 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



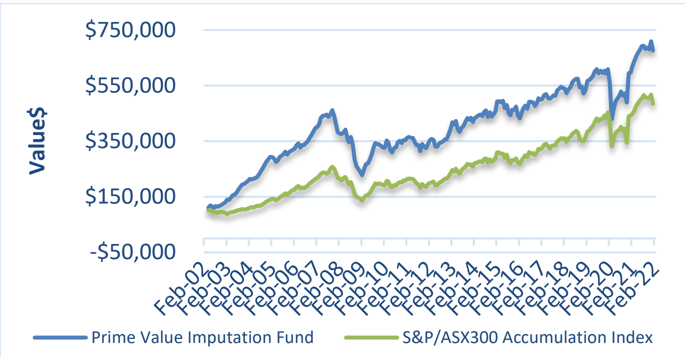
Market review

Global markets struggled in February, as geopolitical tensions saw investors reposition for an uncertain outlook. The DM World Index fell (-2.6%), largely driven by the S&P 500 Index (US) which dropped -3.0%.

The MSCI World Developed Markets Index returned -2.5% in US Dollar terms, outperforming the Emerging Markets Index return of -3.0%. Ongoing geopolitical tensions could prove a headwind for Emerging market equities as investors stay risk-off amid global uncertainty. Globally, stronger sectors in February were Energy (+5.2%), Materials (+2.0%), and Health Care (-0.4%) while weaker were Communication Services (-5.4%), IT (-4.7%) and Consumer Discretionary (-4.4%).

In bond markets, US 10-year yields increased 5bps to 1.84% in February, while Australian bonds rose 25bps to 2.13%, as the market brought forward expectations of RBA rate hikes. Commodity prices saw strong upward moves, particularly in Gold which lifted US$115 to US$1,910/oz as investors repositioned into safe-haven asset classes. Brent Oil also moved higher, up US$10 to US $110/bbl as markets reacted to supply uncertainty and sanctions on Russian oil and gas exports. Conversely, Iron Ore declined US$7 to US$137/Mt as geopolitical tensions drive higher costs and freight rates.

The ASX300 Accumulation Index was +2.1% in February. The index was strong earlier in the month but retraced some of these gains towards the end of February when geopolitical risks rose sharply. Large Caps stocks performed better than Mid and Small Cap stocks. Resources outperformed Industrials, with Energy and Materials sectors performing strongly along with Staples. Technology performed worst in the month. Materials (+125bps) and Banks (+77bps) were the largest positive contributors to index returns in February whilst Discretionary (-36bps) and Technology (-23bps) were the largest negative contributors.



This graph shows how $100,000 invested at the Fund's inception has increased to $686,700 (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 $494,500 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 (Class A)	Platform Investment (Class B)
APIR code	PVA0002AU	PVA0022AU
Minimum Investment	$20,000	N/A
Issue price	$ 2.6887	$ 2.6908
Withdrawal price	$ 2.6683	$ 2.6704
Distribution (31/12/2021)	$ 0.0400	$ 0.0412
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

Fund review & strategy

The Fund returned 1.5% for the month of February. It was a month started with "One World" in the Winter Olympics and ended with "Dividing World" between the East and the West. ASX index outperformed with a positive return month whilst most global markets returned negative. Contributors for the month were Newcrest (NCM +19.1% gold price surged on geopolitical conflicts), Woodside (WPL +13.8% strong oil prices) and NAB (+6.6%). Detractors were Wesfarmers (WES -8.6%), Mineral Resources (MIN -18.3%) and Goodman Group (GMG -4.1%). MIN's 1H result suffered from bigger iron ore price discount, higher cost and dividend cancellation but their pipeline of growth projects and lithium exposure remain attractive. A general more volatile market backdrop plus company reporting added to drastic share price movements in any one day.

One of the key messages coming out of the reporting season is inflationary pressure. Labor cost (labor supply shortage), supply chain logistical cost and raw material cost were all under pressure. Companies without pricing power suffered from margin contraction. Whilst this had been the key topic for investors during 2021, we are seeing the effect of it on company cashflow / working capital management as this continues into 2022. We are mindful that for a long time, inflation has not been front of mind, so is interest rate exposure (rate has been coming down for the last 10 years!). We need to continue keep watch on Central Banks' hawkish stand and consumer behavioral change (after paying higher prices for essential items such as petrol, food).

Markets remain on edge as political tensions flare. Businesses are concerned about economic sanction impacts on inflation and the normal flow of capital (currency). Conversely, the speed and the frequency of rate rises might be reduced due to economic uncertainty. Domestically we have to navigate through the Federal Election and some state elections in the coming months. Australia equity market remain one of the highest dividends paying markets, yielding in excess of 4%. We continue to consolidate our positions in the portfolio – sticking with companies with sustainable dividend yield and medium- term capital growth.

Top Contributors (Absolute)	Sector
Newcrest	Materials
Woodside	Energy
NAB	Financials

Top Detractors (Absolute)	Sector
Wesfarmers	Consumer Discretionary
Mineral Resources	Materials
Goodman Group	Real Estate

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

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