Prime Value
Equity Income (Imputation) Fund – June 2022

- Higher interest rates and concerns of slowing economic growth drove most equity markets lower.
- Total return for the Fund was -7.1% for FY22, broadly in-line with its benchmark. Return is -3.8% when including franking.
- Income distribution was 20.3 cents per unit plus imputation credits. This is 10.3% distribution return including franking for FY22.

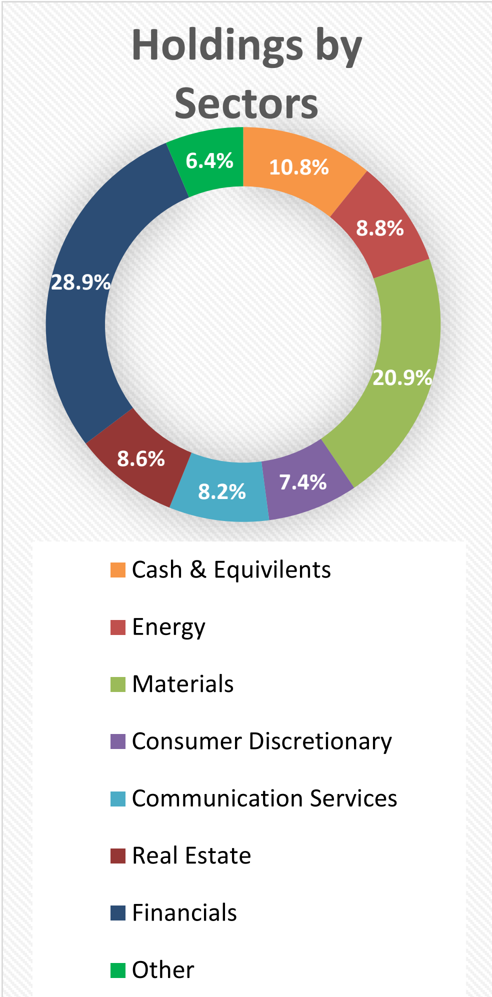
	Total Return*	Growth Return*	Distribution Return*	Total Return including Franking Credits**	S&P/ASX 300 Accumulation Index
Since inception (p.a.)	9.4%	4.2%	5.2%	11.5%	7.7%
10 Years (p.a.)	6.7%	2.1%	4.6%	8.9%	9.2%
5 Years (p.a.)	4.6%	-0.5%	5.1%	7.0%	6.9%
3 Years (p.a.)	1.5%	-3.3%	4.9%	3.8%	3.4%
2 Years (p.a.)	11.9%	6.1%	5.8%	14.7%	9.4%
1 Year	-7.1%	-14.0%	7.0%	-3.8%	-6.8%
3 Months	-13.6%	-16.5%	3.0%	-12.9%	-12.2%
1 Month	-9.2%	-12.3%	3.1%	-8.5%	-9.0%

* 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 Group	Materials
Macquarie Group	Financials
Commonwealth Bank	Financial
National Bank	Financials
Woodside Energy	Energy

The top five holdings make up approximately 32% 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

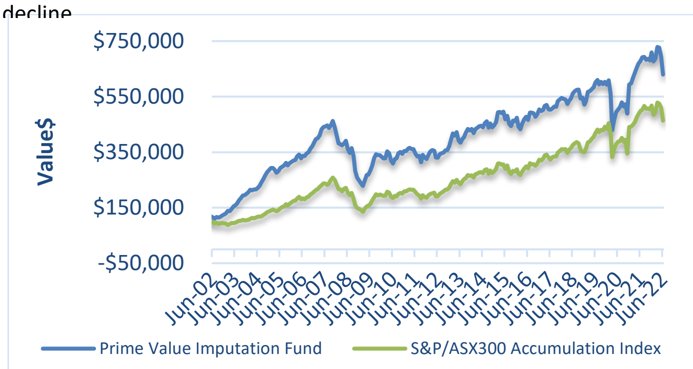


Market review

June was a weak month for global equities, as investors continue to price in concerns of rising inflation levels and the chance of a sharp economic slow down. The MSCI Developed Markets Index fell (-7.7%), driven by the US S&P500 Index declining (-8.3%) in local currency terms.

Australian 10-year yields sold off 32bps across June to 3.66%, as investors priced in tightening monetary policy following rate hikes. In June, the Reserve Bank of Australia (RBA) followed their 25bps hike in May by further raising the cash rate by 50bps to 0.85%.
Commodity prices saw a broad fall. High US inventories saw Brent Oil prices pull back US$8 to US$114/bbl. While Iron Ore prices dropped US$16 to US$123/Mt as China's economic downturn continues to impact demand and profit margins in domestic steel mills. Gold dropped by US$22 to US$1,817 as rising global rates remain a headwind.

The ASX300 Accumulation Index fell 9.0% in June. The decline was driven by the rate hikes by central banks that have pushed up real yields and increasing concern among investors that the US will experience a sharp economic slow down in late 2022 or 2023. In June, all sectors bar consumer staples (0.2%) fell in the month with the barbell of Materials (-12.4%) and Financials (-11.9%) falling the most. Size favoured large, over mid and small cap indices, with the Small Ordinaries Accumulation Index observing a -13.1% fall during the month. Industrial stocks outperformed Resources companies, with the spread greatest within the Small cap cohort. Stock returns were also negative for the year to June 2022, falling 6.8%. The technology sector fell the most in FY22, falling 38.3% compared to the Energy sector's 29.7% rise. Consumer Staples were broadly flat over the year whilst the materials sector held up well with only a marginal decline.



This graph shows how $100,000 invested at the Fund's inception has increased to $629,900 (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 $464,000 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	PVA0002AU	PVA0022AU
Minimum Investment	$20,000	N/A
Issue price	$ 2.3318	$ 2.3328
Withdrawal price	$ 2.3142	$ 2.3152
Distribution (30/06/2022)	$ 0.0823	$ 0.0838
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 was doing well for three quarters of the year but gave up the gains in the last quarter amid global sell-off of all major asset classes. Central banks tightening became a reality, in a rather aggressive manner. Inflation fear creeped in. For the year, the Fund returned -7.1%, broadly in-line with its benchmark. However when franking is added, total return of the Fund was -3.8%. Distribution including franking was 10.3%. This much higher distribution return is due to the Fund's participation in a number of company off-market buybacks (including CBA, Westpac, Woolworths, Metcash). In addition the merger between BHP Petroleum and Woodside involved distribution of special dividends to BHP shareholders. We caution our investors that FY22 was an exceptional year for income distribution. We expect distribution to return to a more "normal" level in the coming years.

For this negative-return year, key absolute performance contributors were Woodside (+43.4%), Sidney Airport (+50.6%, takeover) and Macquarie Group (MQG +5.2%). Detractors were some household names such as Wesfarmers (WES -26.6%), Harvey Norman (HVN -32.3%) and Nine Entertainment (NEC -37.3%). From a relative basis, Fund benefitted from not holding the high valuation technology names. The big miners were the key dividend payers and are likely to be the case in the upcoming August reporting period.

Going into FY23, uncertainty is given. Geopolitical tension, central bank tightening, wealth imbalance, inflation, climate change, pestilence – just to name a few. Bonds and equities have both been under intense pressure recently as higher-than-expected inflation has led to increasingly hawkish central bank interest rate guidance. This has pressured both bond and equity valuations. We know that investment market "anticipates" - so the question is how much of the expectation is in the price? Equity and credit market will continue to assess the balance between inflation/interest rate/economic growth.....Be prepared for market volatility.

Top Contributors (Absolute)	Sector
Woodside	Energy
Woolworths	Consumer Staples
Ampol	Energy

Top Detractors (Absolute)	Sector
Macquarie Group	Financials
Commonwealth Bank	Financials
NAB	Financials

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

Contact details:
Andrew Russell - Director, Investor Relations
arussell@primevalue.com.au
Daniel Leong – Director, Investor Relations
daniel.leong@primevalue.com.au
Phone: 03 9098 8088
Email: info@primevalue.com.au

Mail:
Prime Value Asset Management Ltd
Level 9, 34 Queen Street
Melbourne VIC 3000
Web: www.primevalue.com.au