Prime Value Growth Fund
Fund Update – June 2022

- In June, higher interest rates and concerns of slowing economic growth drove most equity markets lower.
- The Fund returned -7.5% in June, 1.5% better than the ASX300 Accumulation Index of -9.0%.
- Due to market volatility and a recent takeover offer for one of our investments, cash levels are relatively high at 16%. We are now deploying this capital opportunistically into attractively priced stocks that have fallen significantly.

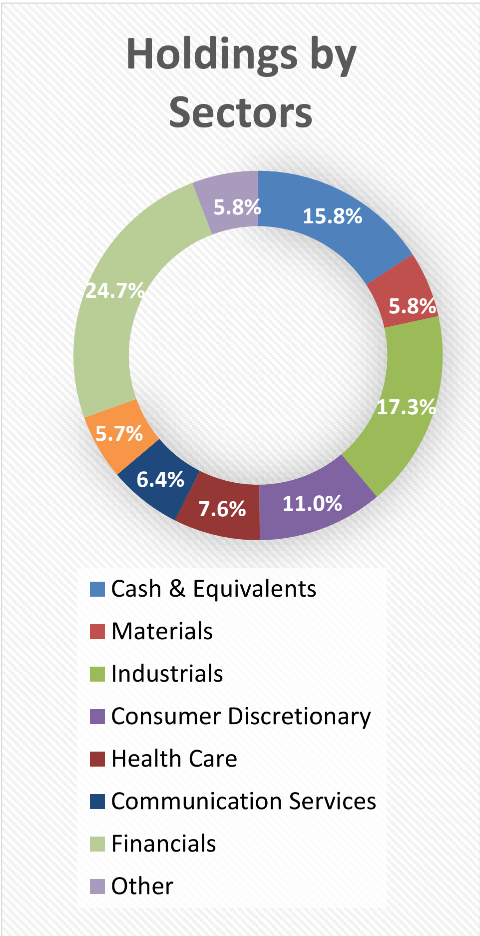
	Total Return*	S&P/ASX 300 Accumulation Index	Value Add
Since Inception (p.a.)	**10.1%**	7.9%	2.3%
5 Years (p.a.)	**4.2%**	6.9%	-2.7%
3 Years (p.a.)	**2.9%**	3.4%	-0.5%
2 Years (p.a.)	**10 %**	9.4%	0.6%
1 Year	**-11.6%**	-6.8%	-4.8%
3 Months	**-12.4%**	-12.2%	-0.2%
1 Month	**-7.5%**	-9.0%	1.5%

*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
BHP Group	Materials
CSL Limited	Healthcare
Commonwealth Bank	Financials
EQT Holdings	Financials
NIB Holdings	Financials

The top five holdings make up approximately 23.7% 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



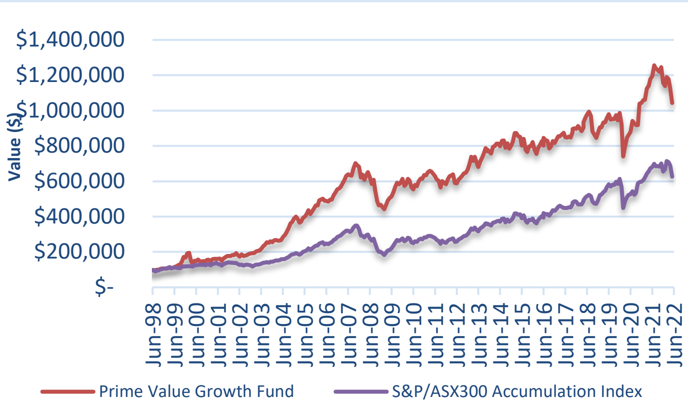
Market review

June was a weak month for global equities as investors continue to price-in concerns of rising inflation and a potentially 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 bond yields sold off 32bps in June to 3.66% as investors priced-in tightening monetary policy following rate hikes. In June, the Reserve Bank of Australia (RBA) followed their 25bp hike in May with another 50bp increase, taking the rate to 0.85%.

Commodity prices were broadly down. High US inventories saw Brent Oil prices decline US$8 to US$114/bbl. Iron Ore prices dropped US$16 to US$123/Mt as China's economic slow down continues to impact demand and profit margins at 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 central bank rate hikes that have pushed up bond yields along with increasing concern 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 experiencing a -13.1% fall. Industrial stocks outperformed Resources companies, with the spread greatest within the small cap cohort. Large cap returns were also negative for the year to June 2022, with the ASX100 Accumulation falling 5.0%. 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 $1,042,500 (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 $627,300 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	$ 1.6193	$ 1.6193
Withdrawal price	$ 1.6071	$ 1.6071
Distribution (30/06/2022)	$ 0.0359	$ 0.0366
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

Fund review and strategy

The fund returned -7.5% in June, 1.5% better than the ASX300 Accumulation Index of -9.0%.

Key positive contributors for the month of June were **Iress** (IRE +9.9%), **Omni Bridgeway** (OBL +5.3%) and **IPH** (IPH +3.3%). Key detractors were **Commonwealth Bank** (CBA, -13.4%), **BHP** (BHP -7.5%) and **Regis Healthcare** (REG -18.1%).

Equities have moved quickly to price-in higher interest rates and a weakening economy. The good news is that equities are forward looking and will lead the economy in rebounding. The timing is unclear but key indicators are likely moderating inflation and a stabilisation of expected interest rates.

The fund is defensively positioned with the largest weightings in high quality businesses with less exposure to the economic cycle and strong balance sheets. However we are conscious that a lot of bad news is priced-in to cyclical stocks with many down more than 50% in the last 6 months. Therefore we do have small positions in a number of high quality cyclicals with strong balance sheets. These stocks could double or triple if the downturn is not as severe as expected, or shorter in duration. The outlook is never certain, it is one of probabilities. Balancing these probabilities is our focus, so that the fund can perform strongly under most scenarios.

The cash weighting is higher than normal at c. 16%, after we sold a company nearing completion of its takeover offer (Uniti Group). We are deploying some of this cash into a number of stocks that have fallen with the recent market sell-off. This is largely into existing holdings that we know well and believe are well positioned to grow their earnings in the current environment.

Our level of contact with management of listed companies has increased in recent months as we broaden the net of potential opportunities. Being prepared in times of change is critical. The fund's team of 3 has over 40 years combined investing experience through multiple economic cycles. The best long-term opportunities typically come from these periods, and we are excited by what is on offer. Purchases made in tougher markets set the fund up to deliver stronger returns when conditions improve.

Top Contributors (Absolute)	Sector
Iress Ltd	Information Technology
Omni Bridgeway	Financials
IPH Ltd	Industrials
Top Detractors (Absolute)	**Sector**
Commonwealth Bank	Financials
BHP	Materials
Regis Healthcare	Health Care

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

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