Prime Value Growth Fund
Fund Update – November 2022

- Equities were strong again in November, as the Fed flagged slower rate hikes and a potential China re-opening boosted sentiment.
- The fund's return was +3.0% in November, 3.5% below the ASX 300 Accumulation Index of +6.5%. Index strength was largely due to the resources sector which rose 14% and represented 15 of the top 20 stock performers (and which the fund tends to be underweight in).
- Volatility has been a hallmark of 2022, with 7 of the past 12 months seeing the index move by more than +/- 5%. We expect this to moderate in 2023 as interest rates and inflation find their natural levels, and believe we are more than halfway through this phase.

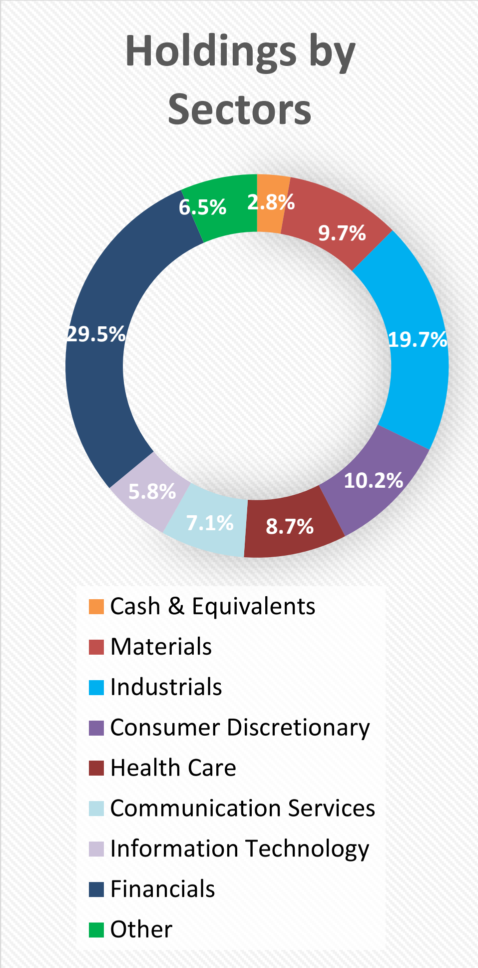
	Total Return*	S&P/ASX 300 Accumulation Index	Value Add
Since Inception (p.a.)	**10.3%**	8.3%	2.0%
5 Years (p.a.)	**4.7%**	8.2%	-3.5%
3 Years (p.a.)	**5.1%**	6.0%	-0.9%
2 Years (p.a.)	**5.9%**	10.0%	-4.1%
1 Year	**-7.4%**	4.3%	-11.7%
3 Months	**-1.1%**	5.7%	-6.8%
1 Month	**3.0%**	6.5%	-3.5%

*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
Commonwealth Bank	Financials
CSL Limited	Health Care
EQT Holdings	Financials
AUB Holdings	Industrials

The top five holdings make up approximately 32.1% 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

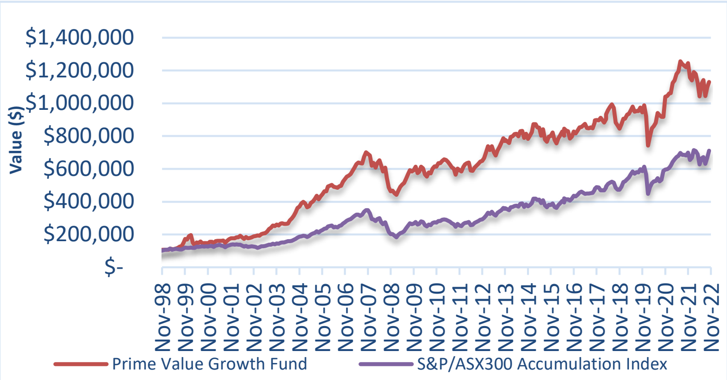


Market review

Equities had a strong month in November, as US Federal Reserve Chair Powell's comments on potentially slowing rate hikes "as soon as December" provided relief to markets. Investors were paying close attention to the Fed, looking for any signs of a potential moderation in the pace of rate hikes. News of China's move towards re-opening also boosted investor sentiment. The MSCI Developed Markets Index rose (+5.7%), and the S&P 500 Index gained (+5.6%). The Stoxx600 Index finished the month up +6.8% whilst the Hang Seng index had its largest monthly gain since 1998, rising +26.6%.

Gold had its biggest monthly gain since May 2021, rising +8.3%, despite a volatile month which saw investors speculate heavily on central bank monetary policy. Oil rallied in the beginning of the month, hitting monthly highs on the back of hopes China was looking to ease its Covid-Zero policy. The rally was short lived as China reaffirmed its commitment to Covid-Zero, dampening hopes of a demand rebound. The Aussie dollar rallied, climbing +6.2% over the month of November. The RBA's November meeting drove an initial decline in the currency following the Reserve Bank's decision to hike the cash rate by 25bps.

The Australian market rally continued through to November, with the ASX300 Accumulation Index up +6.5%. Sector contribution was broad-based, with all sectors adding value except Midcaps. Resources were preferred over Industrials. Broad market performance was driven largely by large caps, which outperformed their mid and small cap counterparts. Materials (+362bps) contributed over half of the total market return in November, driven by the large cap miners (BHP, FMG, RIO). Financials (+73bps) and Health Care (+59bps) were next best, driven by CBA (+26bps) and CSL (+46bps). Whilst all sectors contributed positively, Technology and Communication Services, +8bps each, contributed least.



This graph shows how $100,000 invested at the Fund's inception has increased to $1,129,400 (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 $711,100 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	$ 1.7544	$ 1.7561
Withdrawal price	$ 1.7412	$ 1.7429
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 benchmark, subject to positive performance and a high water mark

Fund review and strategy

The fund's return was +3.0% in November, 3.5% below the ASX300 Accumulation Index of +6.5%.

It was a strong risk-on month for equities, and particularly for resources, which made up 15 of the top 20 performing stocks in the index in November (and which the fund tends to be underweight in).

Key positive contributors in November were **BHP** (BHP +21.8%), **Kelsian** (KLS +17.3%) and **AUB Group** (AUB +11.6%). Key detractors were **IPH** (IPH -8.4%), **SG Fleet** (SGF -12.2%) and **Collins Foods** (CKF -18.6%).

BHP (BHP) was a key beneficiary of the outperformance in resource companies, as investors increasingly anticipate adjustments to China's COVID-zero policy that could trigger a re-opening of its economy in 2023.

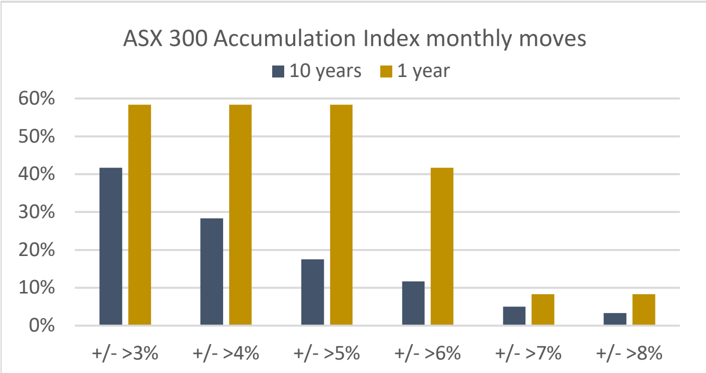
Kelsian (KLS) shares benefited from a contract renewal, reversing recent performance which has seen the stock -23% over the previous 3 months.

AUB Group (AUB) rose on upgraded FY23 earnings guidance, while investors gained more comfort with the recent Tysers acquisition.

IPH (IPH) was weak on a stronger AUD/USD as investors became more cautious on the US economy and interest rate expectations lowered.

SG Fleet (SGF) fell on limited news, with some concerns emerging that used car prices could be headed lower given US market trends.

Collins Foods (CKF) produced an in-line 1H23 result, but disappointed with its outlook commentary, noting inflationary pressures will continue to impact profit margins through 2H23 and into FY24.The chart below neatly highlights the extent of volatility this year, showing the % of months over the past 10 years and over the past 1 year in which the market has moved strongly (one way or the other). It is quite staggering that 7 of the last 12 months has seen the index move +/- >5%:



We are mindful that with each month, we edge closer to the end of this volatile period as interest rates and inflation find their settling points. It is fair to say that we are likely more than halfway through this phase, with Australian interest rates having risen from 0.1% to 3.1% in 2022 thus far.

Top Contributors (Absolute)	Sector
BHP	Materials
Kelsian	Industrials
AUB Group	Financials
Top Detractors (Absolute)	**Sector**
IPH Limited	Industrials
SG Fleet	Industrials
Collins Foods	Consumer Discretionary

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

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