Prime Value
Equity Income (Imputation) Fund – April 2023

- Global share markets moved higher in April as concerns of a US banking crisis eased and on expectations of a mild US economic slowdown.
- The ASX300 Accumulation Index continued to trade higher, by 1.8% in April, well off its early March lows.
- The Fund returned 1.5% for the month, underperformed its benchmark

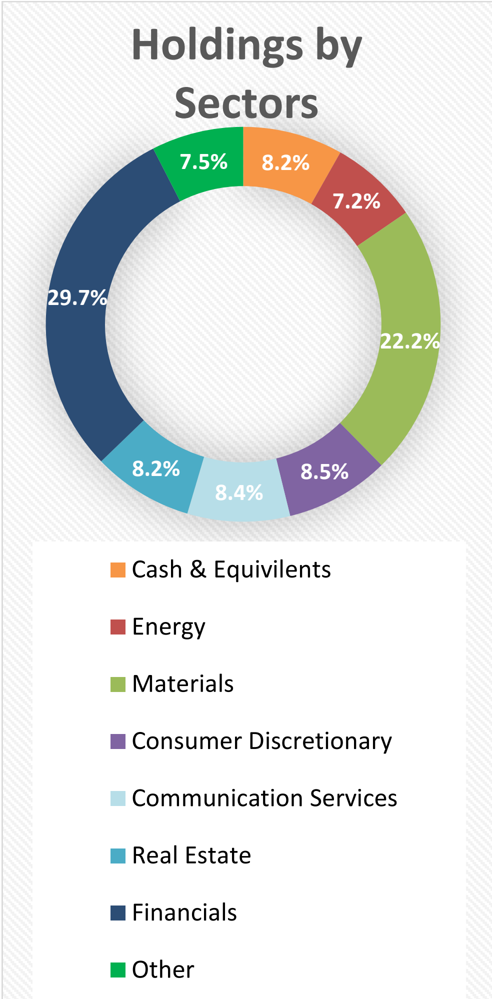
	Total Return*	Growth Return*	Distribution Return*	Total Return including Franking Credits**	S&P/ASX 300 Accumulation Index
Since inception (p.a.)	9.7%	4.6%	5.1%	11.9%	8.1%
20 Years (p.a.)	8.4%	4.1%	4.3%	10.5%	9.0%
10 Years (p.a.)	5.7%	1.2%	4.5%	7.8%	7.9%
5 Years (p.a.)	6.4%	1.3%	5.1%	8.9%	8.2%
3 Years (p.a.)	16.2%	10.8%	5.4%	18.9%	14.0%
1 Year	0.8%	-4.9%	5.7%	3.2%	2.1%
3 Months	-2.0%	-2.7%	0.7%	-1.6%	-1.0%
1 Month	1.5%	1.5%	-	1.5%	1.8%

* 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 Australia Bank	Financials
Wesfamers	Consumer Discretionary

The top five holdings make up approximately 34.1% 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

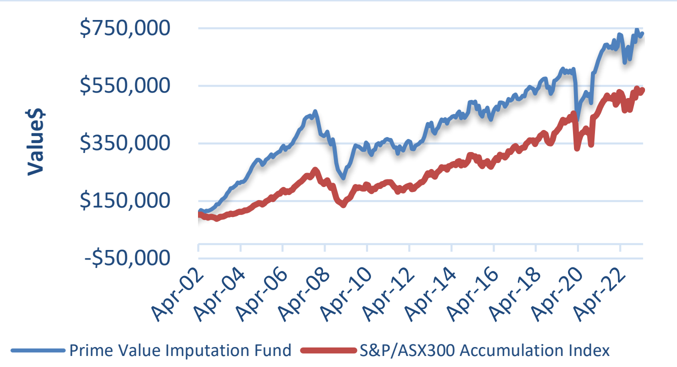


Market review

The MSCI Developed Markets Index rose (+1.7%) over April, whilst the S&P500 Index also gained momentum (+1.6%) in local currency terms in a recovery-based month for markets. However, Emerging markets underperformed the Developed markets, falling (-1.3%) across the month.

Australian 10-year bond yields were flat over the month as the cash rate remained unchanged, rallying 4bps to 3.34%. As has been the case for past 12 months, much of the month was spent thinking about the RBA following their decision to pause at the start of the month and the Treasurer's release of the RBA review. US yields fell 5bps to 3.45%, on expectations of a pause to the US Federal Reserve's aggressive rate hike path. Commodity prices saw mixed trends over the month. Brent Oil fell by US$0.23 to US$79.54/bbl, closing the gap opened by the OPEC+ announcement in early April as fears of global recession continue to drive prices lower. Iron Ore prices fell by $22.00 to US$105.00/Mt on lagging steel demand from China. Gold prices remained relatively flat over the month, up by just US$2.85 to US$1,983.

A pause in Monetary tightening triggered broader sentiment relief around domestic facing growth risks seeing the ASX300 Accumulation Index 1.9% higher over the month. With the exception of Mid-cap Resources, Industrials stocks performed better compared to Resources stocks. The ASX200 A-REIT was the best performing speciality index, followed by Mid-cap 50 Resources. On a sector basis, REITs (+5.3%) was the strongest performer, while IT (+4.8%), and Industrials (+4.4%) also outperformed in Australia. The Energy (+1.7%), Utilities (+1.4%) and Materials (-2.6%) sectors were the relative worst performers.



This graph shows how $100,000 invested at the Fund's inception has increased to $732,100 (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 $535,300 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	PVA0002AU	PVA0022AU
Minimum Investment	$20,000	N/A
Issue price	$ 2.6457	$ 2.6471
Withdrawal price	$ 2.6257	$ 2.6271
Distribution (31/03/2023)	$ 0.0200	$ 0.0212
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% compared with benchmark of 1.8%. Resource names reversed their previous gains (soft iron ore price) and were the main detractors – BHP (-5.9%), Mineral Resources (MIN -8.5%, disappointing production numbers plus weak lithium price) and RIO (-6.5%). Contributors were Macquarie group (MQG +3.9%), Newcrest (NCM +7.7%) and CSR (+10.5%). During the month NCM received a revised non-binding indicative proposal from Newmont. This new indicative proposal is the second attempt from Newmont at about 16% higher than one proposed in February. It also permits NCM to pay a franked special dividend of up to US$1.10 per share should they proceed. Newcrest has agreed to grant Newmont the opportunity to conduct confirmatory due diligence. NCM is rich in assets and long dated growth options. This is particularly attractive to foreign big gold operators with a long term approach to investment. It could be our second holding in the M&A space this year as Oz Minerals (OZL) bid sayonara to ASX in April. Assuming the bid for NCM is successful, the dividend distribution will most likely occur in FY24.

As we write this report, the major banks are reporting their half-yearly results (or trade update). Whilst the half yearly results appeared reasonable, all eyes are on the current state of the play. Net interest margin (NIM) are under pressure (even lower than some bearish expectation) as banks face heightened competition in the mortgage space and have to pay higher interest rates for deposits. It would seem the peak NIM has passed and the outlook for the sector would be tougher going forward. Asset quality doesn't seem to be too much of a concern at the moment. Banks are cum-div, most yielding in excess of 3% for the Half. We will hold them for now to capture the dividends.

The market remains volatile as it tries to position for Central Banks' move. We continue to hold a balanced portfolio aiming for good income plus growth overtime.

Top Contributors (Absolute)	Sector
Macquarie Group	Financials
Newcrest	Materials
CSR	Materials

Top Detractors (Absolute)	Sector
BHP	Materials
Mineral Resources	Materials
RIO	Materials

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

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