Prime Value
Equity Income (Imputation) Fund – May 2023

- US debt ceiling concerns played a key role in mixed market outcome in May.
- The ASX300 Accumulation Index fell 2.5% in May, with a sell-off towards the month end as economic data pointed toward further interest rate increases to come.
- The Fund fell 3.4% for the month as the big cap names underperformed.

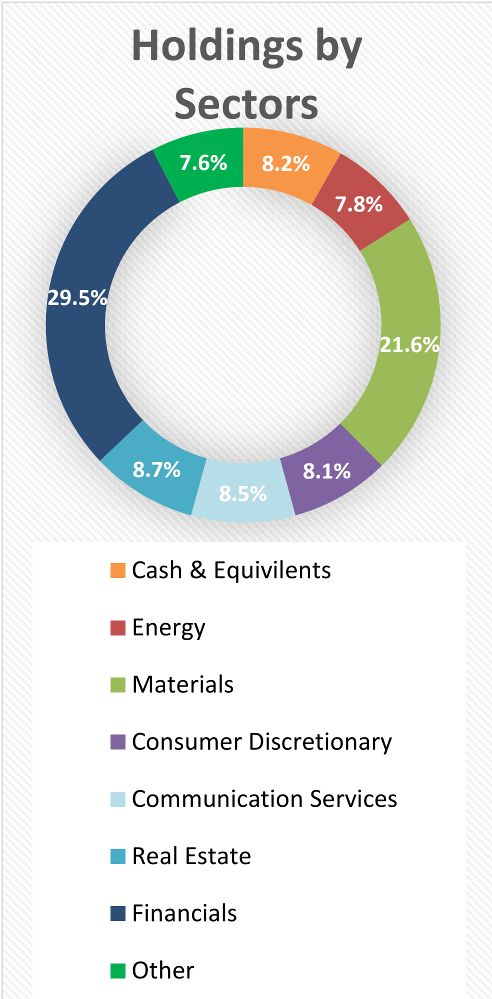
	Total Return*	Growth Return*	Distribution Return*	Total Return including Franking Credits**	S&P/ASX 300 Accumulation Index
Since inception (p.a.)	9.5%	4.4%	5.1%	11.6%	8.0%
20 Years (p.a.)	7.9%	4.3%	3.6%	10.0%	8.9%
10 Years (p.a.)	6.1%	1.6%	4.5%	8.3%	8.1%
5 Years (p.a.)	5.4%	0.3%	5.1%	7.8%	7.4%
3 Years (p.a.)	12.8%	7.5%	5.3%	15.4%	11.3%
1 Year	2.0%	-3.8%	5.8%	4.4%	2.4%
3 Months	-2.7%	-3.5%	0.8%	-2.3%	-1.0%
1 Month	-3.4%	-3.4%	-	-3.4%	-2.5%

* 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.
** Returns grossed up for franking credits are estimates.

Top five holdings	Sector
BHP Group	Materials
Macquarie Group	Financials
Commonwealth Bank	Financials
Wesfamers	Consumer Discretionary
National Australia Bank	Financials

The top five holdings make up approximately 33.4% 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

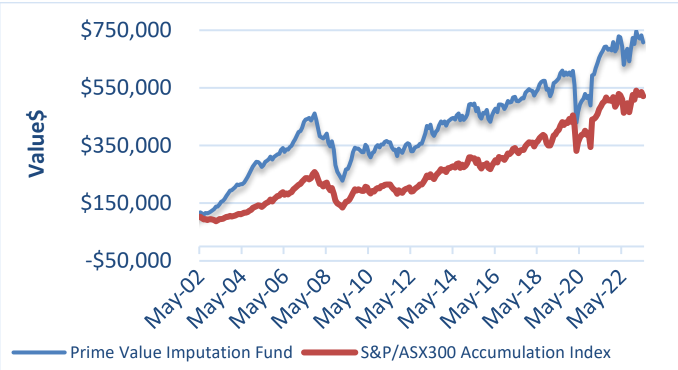


Market review

The MSCI Developed Markets Index fell (-0.1%) over May, while the S&P 500 Index posted a small gain (+0.4%) in local currency terms in a weak month for equities. Mostly, investors harboured concerns around US law makers intentions on extending the country's debt ceiling or risk a government debt default. Broadly, emerging markets outperformed developed markets, remaining unchanged (+0.0%) across the month. European share markets were mostly lower, with the FTSE100 Index down 4.9% and Euro Stoxx 50 Index down 4.9%. Japanese equities were a standout with the Nikkei 225 Index gaining 7.0% in May.

Australian 10-year yields sold off by 26bps across May to 3.60%, after the RBA resumed rate hikes to 3.85% in the May-23 meeting. The RBA's May-23 meeting raised the cash rate by 25bps with 22 out of 31 polled economists expecting no change. US 10-year bonds also sold off, moving 19bps from 3.45% to 3.64%, with continued aggressive rate hikes from the US Federal Reserve. Brent Oil fell by US$6.00 to US$73.54/bbl over May. Concerns around Chinese oil demand are still putting pressure on oil prices.

The S&P/ASX300 Accumulation Index underperformed the Developed World Index, falling (-2.5%) in May, on continued rate hike expectations. At a sector level, four of the 11 sectors rose (Energy, Health Care, Technology and Utilities), with a further three (Communication Services, Industrials and Real Estate) outperforming the broader benchmark. The Technology sector was the best performing (+11.6%) and the largest contributor (+24bps) to overall market returns. On the other hand, the Materials and Financials sectors weighed heavily on market returns, combined detracting 197bps. We observed similar trends to those of April, with Mid-Caps outperforming Large-and Small-Caps in May. Industrials more broadly outperformed Resources across size/macro indices, with the greatest returns spread observed within the Small Ordinaries, where Industrials closed +5.4% point above Resources.



This graph shows how $100,000 invested at the Fund's inception has increased to $707,500 (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 $521,800 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	$ 2.5571	$ 2.5589
Withdrawal price	$ 2.5377	$ 2.5395
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 -3.4% compared with benchmark of -2.5% in May. Macro volatility / commentary continued to be the significant driver of market return. Materials and Financial sectors retracted whilst the IT / growth names outperformed. Main detractors were BHP (-5.4%), Wesfarmers (WES -8.3%) and National Australia Bank (NAB -9.9%). Contributors were Suncorp (SUN +6.6%), Ampol (ALD +4.9%) and Woodside (WDS +1.8%).

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.

Ampol continues to be a high yielding stock, with significant amount of franking credits available to the directors to consider capital management options.

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
Suncorp Group	Financials
Ampol Limited	Energy
Woodside Energy Group	Energy

Top Detractors (Absolute)	Sector
BHP Limited	Materials
Wesfarmers Limited	Consumer Discretionary
National Australia Bank	Financials

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

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