Prime Value
Equity Income (Imputation) Fund – June 2023

- The ASX300 Accumulation Index gained 1.7% in June, largely driven by resources companies. Expectations are building that the Chinese government would stimulate the soft domestic economy through monetary and fiscal measures.
- Total Fund returned was 15.4% for FY2023 or 17.7% including franking credits
- Income distribution was 9.99 cents per unit, yielding 4.5% or approximately 6.8% including franking credits

	Total Return*	Growth Return*	Distribution Return*	Total Return including Franking Credits**	S&P/ASX 300 Accumulation Index
Since inception (p.a.)	9.6%	4.5%	5.1%	11.8%	8.0%
20 Years (p.a.)	7.9%	4.5%	3.4%	10.0%	8.9%
10 Years (p.a.)	6.5%	2.0%	4.5%	8.8%	8.5%
5 Years (p.a.)	5.3%	0.1%	5.2%	7.7%	7.1%
3 Years (p.a.)	13.0%	7.7%	5.3%	15.7%	11.1%
1 Year	15.4%	10.9%	4.5%	17.7%	14.4%
3 Months	0.8%	-0.7%	1.5%	1.2%	1.0%
1 Month	2.7%	1.2%	1.5%	3.2%	1.7%

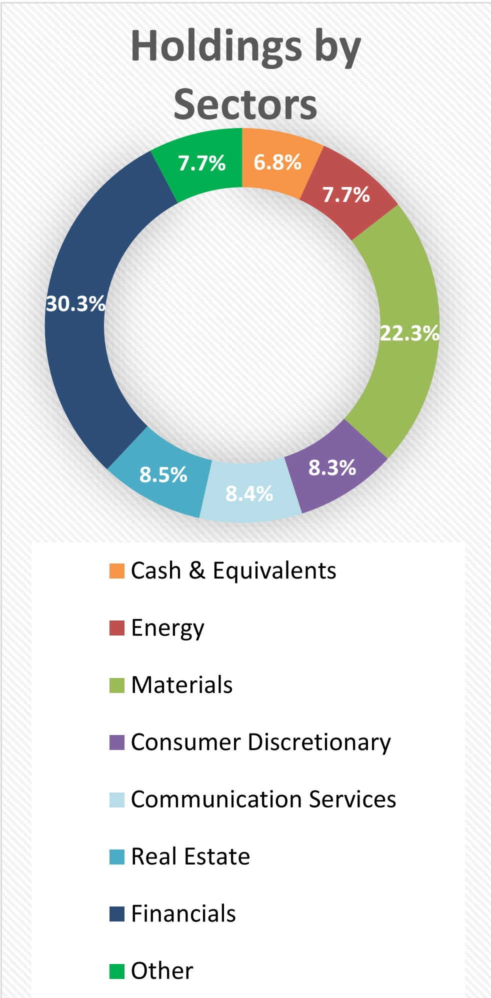
* Fund returns are calculated net of management fees, assuming all distributions are re-invested. Performance figures have been calculated in accordance with the Financial Services Council (FSC) standards. The returns are calculated before performance fees which are charged against individual accounts. 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 34.3% 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

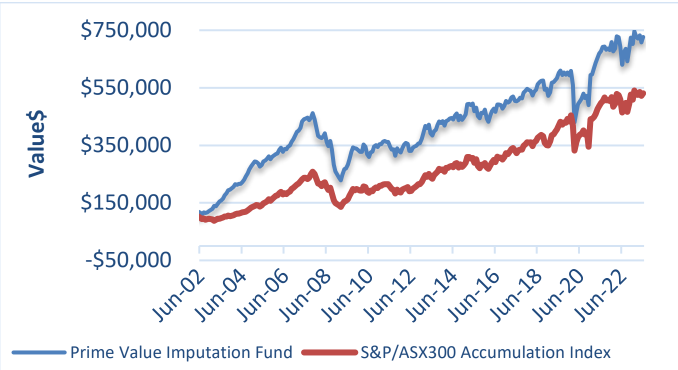


Market review

The MSCI Developed Markets Index rose over the month (+5.7%), while the S&P500 Index gained (+6.6%). US equities continued to defy pessimism in June, returning 6.6% to investors over the month. European share markets also recovered a substantial part of declines posted in May, with the FTSE100 Index up 1.4% and Euro Stoxx 50 Index up 4.4% in June. Japanese equities continued to make extraordinary gains and was again a standout, with the Nikkei 225 Index gaining 7.6% in June.

Commodity prices saw mixed trends over the month. Brent Oil rose by US$2.24 to US$74.90/bbl, trading on tighter market fundamentals over the driving season, coupled with political uncertainty in Russia. Iron Ore prices rose by US $13.50 to US$113.50/Mt on demand growing slightly more than supply and inventories falling. Gold prices fell by US$52.15 to US$1,912 as the US Federal Reserve and ECB focus their commentary on the inflation outlook. Australian 10-year yields sold off by 42bps across June to 4.02%, after the RBA continued rate hikes to 4.10% in the Jun-23 meeting.

The ASX300 Accumulation Index increased 1.7% in June, partially reversing the prior month's decline. For FY23, the ASX300 Accumulation Index posted a 14.8% gain. Index performance in June was driven by Materials (contributing 115bps) and Financials (contributing 86bps) but the Technology sector was also a strong performer in the month (3.5%). Healthcare (-6.6%) and Communication Services (-1.0%) were the only sectors to record a decline. Across the size indices, the Large cap index outperformed the Mid cap index while the small cap index declined in June and underperformed the 2 larger indices. Across macro indices, large cap Resources was the best performer. Resources broadly outperformed Industrials across size/macro indices with the largest spread observed in the large cap universe of +4.5% points.



This graph shows how $100,000 invested at the Fund's inception has increased to $726,900 (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 $530,800 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	$ 2.5870	$ 2.5892
Withdrawal price	$ 2.5674	$ 2.5696
Distribution (30/06/2023)	$ 0.0399	$ 0.0399
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 15.4% for FY2023, outperformed its benchmark. Total return including franking was 17.7% for our investors. Cash distribution was 9.99 cents per unit plus franking credits, hence an income yield of 4.5% or approximately 6.8% including franking. The year could be broadly divided into 2 halves in term of returns – first 6 months dominated by Resources & Financial sectors whereas Information Technology sector surged in the second half. Mid-caps did particularly well, assisted partly by a raft of M&A activities. Key absolute return contributors for the year were Oz Minerals (OZL +58.7%), BHP (+9.1%) and Macquarie Group (MQG +7.9%). Detractors were Amcor (AMC -17.6%), Ampol (ALD -12.5%) and S32 (-4.5%).

Interest rate rise, inflation, economic growth (possible recession) were some of the main concerns for FY23. Company results reported thus far seemed to indicate consumer resilience, however many retailers started to witness the apprehension of consumers as they face cost of living increases, higher mortgage repayments etc. Market earnings estimates continued to be revised downwards. Whilst we might potentially move towards the tail end of the interest rate tightening cycle, the outlook still remains uncertain. This coupled with questions over China growth stimulus (read commodity price impacts) lead us to remain cautious but constructive in equity market outlook. We will remain selective.

We expect the ordinary dividends to be rather stable in the near term. The big dividend payers (big miners for example) in the last few reporting rounds are unlikely to repeat the big payouts due to lower commodity prices (lower earnings) and also to preserve the corporate balance sheet for future growth projects. We continue to hold a balanced portfolio, seeking sustainable dividends plus medium-term growth opportunities.

Top Contributors (Absolute)	Sector
BHP	Materials
Navigator	Financials
Macquarie Group	Financials

Top Detractors (Absolute)	Sector
Ampol	Energy
Telstra	Communication
Waypoint	REIT

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

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