Prime Value Opportunities Fund
Fund Update – November 2023

- Equity markets rallied globally on lower inflation expectations with growing optimism that central banks may have seen peak interest rates.
- The ASX300 Accumulation Index rose 5.1% in November, with broad-based gains across most sectors except for the energy sector.
- The Fund rose 6.3% in November, driven by stock specific contributors.

	Total Return*	Benchmark (8% pa)	Value Add
Since inception (p.a.)	9.0%	8.0%	1.0%
10 Years (p.a.)	7.0%	8.0%	-1.0%
7 Years (p.a.)	6.7%	8.0%	-1.3%
5 Years (p.a.)	6.8%	8.0%	-1.2%
3 Years (p.a.)	4.6%	8.0%	-3.4%
1 Year	0.9%	8.0%	-7.1%
3 Months	-1.4%	2.0%	-3.4%
1 Month	6.3%	0.6%	5.7%

* 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). 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.

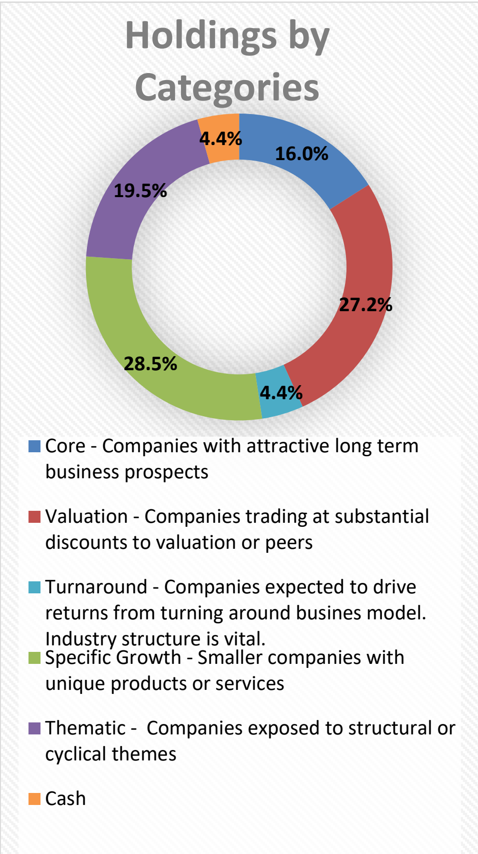
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	FYTD	ITD
FY 2013					1.8%	1.7%	4.3%	6.2%	(0.6%)	4.0%	(2.2%)	(1.6%)	**14.1%**	**14.1%**
FY 2014	4.4%	2.6%	4.3%	5.0%	(1.1%)	1.5%	(1.9%)	5.9%	0.2%	0.3%	0.3%	(1.4%)	**21.4%**	**38.5%**
FY 2015	2.5%	1.0%	(4.1%)	3.1%	(1.9%)	0.7%	1.5%	5.7%	1.4%	(1.0%)	0.5%	(4.3%)	**4.6%**	**44.9%**
FY 2016	5.3%	(3.7%)	0.1%	5.5%	1.7%	2.4%	(3.4%)	(1.9%)	3.6%	2.3%	4.4%	(1.8%)	**14.9%**	**66.5%**
FY 2017	6.5%	(1.7%)	(0.5%)	(4.9%)	(0.2%)	2.7%	(1.1%)	2.4%	2.1%	1.3%	(1.2%)	1.2%	**6.3%**	**77.0%**
FY 2018	(1.2%)	1.0%	0.4%	4.2%	1.6%	0.4%	(0.2%)	2.5%	(2.5%)	3.0%	2.1%	2.4%	**14.3%**	**102.4%**
FY 2019	1.7%	2.6%	(1.9%)	(8.2%)	(1.9%)	(1.8%)	3.2%	3.4%	0.2%	2.9%	0.3%	2.6%	**2.5%**	**107.5%**
FY 2020	2.9%	(2.3%)	0.2%	1.0%	3.0%	(2.0%)	4.9%	(5.8%)	(16.8%)	8.0%	5.4%	3.0%	**(1.1%)**	**105.2%**
FY 2021	1.6%	4.1%	(3.6%)	0.5%	7.9%	2.1%	(0.1%)	2.3%	1.5%	4.6%	1.3%	3.0%	**27.7%**	**162.0%**
FY 2022	0.9%	3.9%	-1.4%	0.3%	0.6%	1.9%	(7.3%)	(2.5%)	5.7%	-0.3%	-4.8%	-7.9%	**(11.2)%**	**132.6%**
FY 2023	6.5%	1.8%	-6.5%	4.8%	4.1%	-3.4%	5.5%	(1.3%)	(1.9%)	1.3%	(2.0%)	1.9%	**10.0%**	**155.8%**
FY2024	2.5%	0.4%	(2.8%)	(4.7%)	6.3%								**1.4%**	**159.4%**

Top five holdings	Sector
BHP Group	Materials
Commonwealth Bank	Financials
CSL Limited	Health Care
National Australia Bank	Financials
AUB Group	Financials

The top five holdings make up approximately 37.5% of the portfolio

Feature	Fund facts
Portfolio Manager	ST Wong
Investment Objective	To achieve superior absolute total returns by providing medium to long term capital growth without the constraints of a share market benchmark.
Benchmark	8.0% pa
Inception Date	5 November 2012
Cash	0 - 100%
International Exposure#	0 - 20%
Distributions	Half-yearly
Suggested Investment Period	3 + years
Research Rating	Zenith – Recommended Lonsec - Recommended

The Prime Value SIV Opportunities Fund will have no exposure to international securities in accordance with SIV regulations



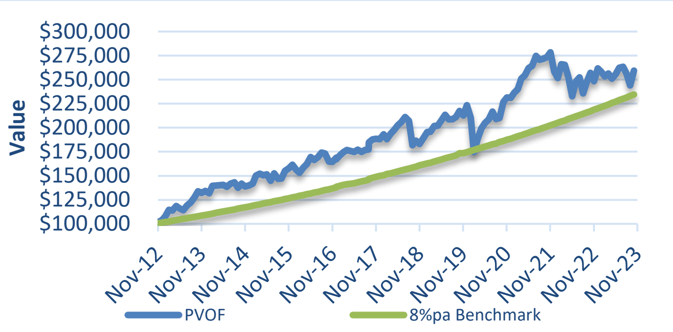
Market review

Global equity markets rallied in November, led by the U.S. (in local currency terms), with Australia participating well in the bounce. Lower inflation expectations with growing optimism that central banks may have seen peak interest rates. All three major U.S. stock indices ended November at least 8% higher, recovering from a three-month losing streak. The tech-heavy Nasdaq Composite Index led the way, ending the month up 10.7%. The S&P 500 Index gained 8.9% in November.

After peaking around 5% in mid-October, the US 10-year bond yield declined 54 bps in November. The rapid decline appears to be driven by softer economic data, renewed signs of slowing inflation, and some signs the US Federal Reserve may not just be on pause, but may cut interest rates in 2024. Australia's bond yields fell 52bps in November, similar to the drop in the US as the hawkish shift in rate expectations over recent months was partly reversed. Unlike developed world peers that are on hold, the RBA raised interest rates again in November.

Commodity prices were mixed in November. The iron ore price rose 7.2% in November to US$132.05/t, driven by rumours of property stimulus in China and a restocking of iron ore. In contrast to other base metals, copper rose 4.5% to US$3.80/lb amid protests in Panama. The decrease in yields and a lower US Dollar saw gold rise 2.6% to US$2,036/oz; the first-time gold has ended a month above US$2,000/oz.

The ASX300 Accumulation Index gained 5.1% in November. The breadth of sector and stock outperformance was broad-based, with sectors that had lagged in 2023 posting the largest uplift in returns. Health Care and Real Estate were the best-performing sectors for the month, up +11.7% and 10.8%, respectively; on the other hand, further oil price retracement saw the Energy sector underperform. Materials added the most value to the ASX300 Index, adding +147bps, followed by Real Estate (+118bps), Health Care (+114bps) and Discretionary (+105bps). Small Caps also rebounded strongly in November, up +7.0%, outperforming Large and- Mid Caps stocks.



This graph shows how $100,000 invested at the Fund's Inception has increased to $259,400 (net of fees excluding performance fees). This compares very favourably with the return of the benchmark, where a $100,000 investment would have increased to $250,200 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	PVA0005AU	PVA0006AU
Minimum Investment	$20,000	N/A
Issue price	$ 1.6658	$ 1.6401
Withdrawal price	$ 1.6532	$ 1.6277
Distribution (30/06/2023)	$ 0.0453	$ 0.0449
Indirect Cost Ratio (ICR)*	0.95% p.a.	0.95% p.a.
Performance fee**	15%	15%

* Unless otherwise stated, all fees quoted are inclusive of GST and less the relevant RITC
** Of performance (net of management fees) above the agreed benchmark, subject to a high water mark

Fund review and strategy

The Fund rose 6.3% in November, compared to the ASX300 Accumulation index's 5.1% increase. The Fund is up by 1.4% for financial year to date 2024. The early November recovery in stocks we highlighted last month continued deep into the month. The best contributors to fund performance in November were CSL (+12.9%), Commonwealth Bank (+8.4%) and Seven Group (+15.8%). The largest detractors in November were Santos (-9.9%), Woodside (-9.5%) and insurer QBE Insurance Group (-1.5%)

Seven Group performed well in November, following management's upgraded FY24 guidance at the AGM on the back of a strong first quarter and a buoyant outlook for industrial services businesses WesTrac, Coates and Boral. Our ownership of Seven Group now exceeds 5 years, with the share price doubling over that period. The company falls into our Growth category due to its strong industrial franchises. Seven Group has made a recent entry into the top 200 ASX companies which has resulted in small cap funds sell down their holdings as the company exit the Small Ordinaries Index. Whilst WesTrac is benefitting from miners' demand for heavy equipment, including parts and services, the Coates business is benefitting from favourable tailwinds in the equipment rental sector. The industry structure is attractive, with a more consolidated sector favouring the larger companies. Scale is a key success factor for the sector, where we have observed Coates leverage its scale for procurement benefits on equipment, improve equipment utilisation and availability. Combined with better pricing, we expect Coates to generate better returns on profitability and growth in the period ahead.

Outlook: The macro environment does not lead our investment process, but we are experienced enough to know that we can't ignore macro and inflection points. As we look out, it's clear that we are getting close to the end of the Fed tightening cycle. But is also worth considering the market volatility in the past year – these sorts of moments give us the opportunity to invest in great companies that are the proverbial babies that get thrown out of the bath water as investors focus on the short-term—we always maintain a watchlist of companies we are interested in, which include companies that are economically sensitive and companies such as Regis Healthcare that can give us multi-year investment legs.

Top contributors (absolute)	Sector
Kelsian Group	Industrials
Propel Funeral Partners	Consumer Discretionary
News Corporation	Communication Services

Top detractors (absolute)	Sector
CSL	Healthcare
Bapcor	Consumer Discretionary
AUB Group	Financials

Platforms
BT Wrap, Macquarie Wrap, Netwealth, Hub24, Powerwrap

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