Prime Value
Equity Income (Imputation) Fund – January 2024

- Equity markets had a buoyant start to 2024, with market leadership switching to cyclical stocks.
- The ASX300 Accumulation Index rose 1.1% in January led up by interest rate sensitive sectors, offset by a softer resources sector.
- The Fund rose 1.4% in January, ahead of its benchmark.

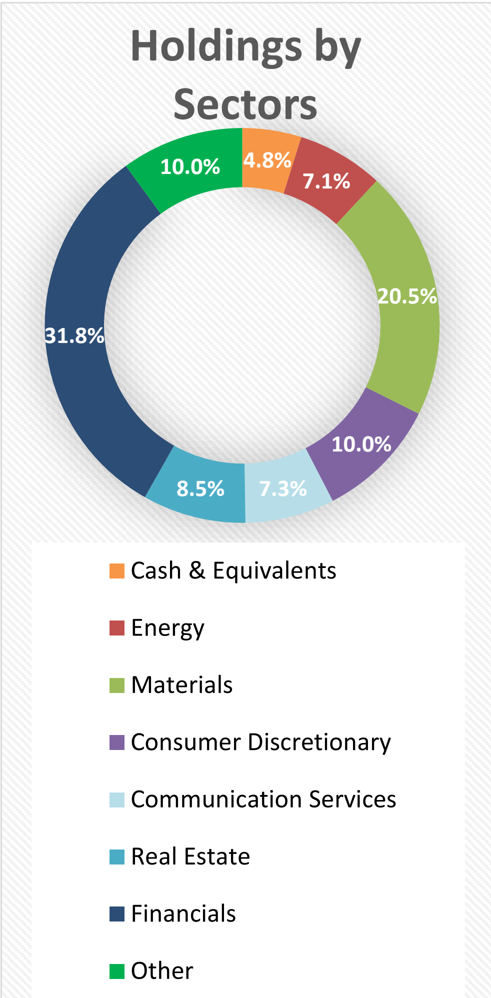
	Total Return*	Growth Return*	Distribution Return*	Total Return including Franking Credits**	S&P/ASX 300 Accumulation Index
Since inception (p.a.)	9.9%	4.8%	5.1%	12.0%	8.2%
20 Years (p.a.)	7.0%	4.6%	2.4%	9.2%	8.8%
10 Years (p.a.)	6.7%	2.2%	4.5%	8.9%	8.4%
5 Years (p.a.)	8.5%	3.5%	5.0%	10.8%	9.7%
3 Years (p.a.)	10.3%	5.0%	5.3%	13.0%	9.3%
1 Year	7.4%	3.4%	4.0%	9.3%	6.7%
3 Months	12.1%	11.3%	0.8%	12.6%	13.9%
1 Month	1.4%	1.4%	0.0%	1.4%	1.1%

* 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
Commonwealth Bank	Financials
Macquarie Group	Financials
National Australia Bank	Financials
Wesfarmers	Consumer Discretionary

The top five holdings make up approximately 34.8% 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

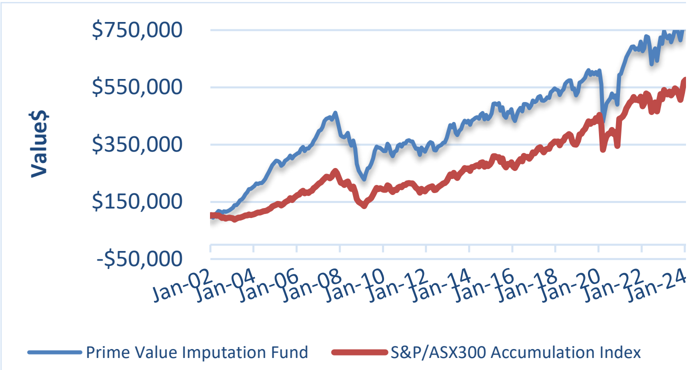


Market review

US stocks trended upwards in the first month of the year, with all three key equity indices closing the month higher. The S&P500 Index increased +1.59%, the Dow Jones Index rose +1.22% and the NASDAQ Index gained +1.02%. European stocks started the year mixed. The Stoxx600 Index increased +1.39%, the DAX Index increased +0.91% and the FTSE100 Index fell -1.33%. Asian equities generally traded lower over the first month of the year. The MSCI Asia Pacific index decreased -1.70%, the TWSE Index declined -0.23% and the CSI300 Index fell a large -6.28%. The Nikkei Index was the standout, increasing +8.43% over January.

Commodity prices were mixed in January. Brent Oil rose by US$4.67 to US$81.71/bbl, as prices continued to be buoyed by conflict in the Middle East, while Iron Ore prices fell by US$9.50 to US$133.00/Mt. Gold also slipped over the month, falling by US$25.15 to US$2,053. Gold followed a downward trend over the first half of the month reflecting the strong economic data out of the US. The Australian dollar fell -3.58% during January, reversing the gains over the second half of December. An upside beat to core US CPI data, some hawkish commentary out of the US Federal Reserve and weak Chinese data put selling pressure on the Australian Dollar in mid-month.

Australian shares rose modestly in January, with the ASX300 Accumulation Index up +1.1%. The gains were driven by non-Resource stocks (+3% last month), which have rallied 17% in the last 3 months as investor became more hopeful the US Federal Reserve can lower interest rates without triggering a US recession. A late recovery in the market over the last week of January within was led by Real Estate, Health Care, Energy and Financials sectors, with the latter two sectors the top performing sectors for the month. Metals & Mining (-5.7%) was the worst performing sector. Weak Chinese sentiment was a key driver, and we note MSCI China Index fell nearly 12% in January. Large caps performed better over small and mid-caps in January.



This graph shows how $100,000 invested at the Fund's inception has increased to $801,500 (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 $576,600 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 (Cum)	$ 2.8114	$ 2.8146
Withdrawal price (Cum)	$ 2.7902	$ 2.7932
Distribution (31/12/2023)	$ 0.0200	$ 0.0213
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

Fund returned 1.4% for the month of January, outperformed its benchmark. The positive return month added to the previous strong performing 2 months, making it one of the best returning quarter in recent history. Much of it is due to the expectation of "end of the tightening cycle" and the "potential beginning of the easing cycle". Resources sector was the standout underperformer, returning -3.7%. Contributors were CBA (+5.1%), Data#3 (DTL +15.8%, to report higher profit than previous guidance) and NAB (+6.2%). Detractors were BHP (-6.2%), Newmont (NEM -13.2%) and Mineral Resources (MIN -14.3%, weak lithium prices, iron ore & mining services divisions continued to perform well). We believe that the valuation of Mineral Resources' substantial mining service business, current and emerging iron ore assets and the optionality surrounding its large undeveloped gas asset in the Perth Basin is sufficiently attractive compared to its share price. Put another way, even if Mineral Resources' lithium assets are valued at zero, the stock is undervalued.

During January, a number of consumer related companies provided the Christmas & early January trading updates – traditionally a very important period for retail. There seemed to be some consensus reading that consumer spending was weakening. Many reported a very strong November (thanks to the relatively new Black Friday Sale event) but a lackluster Christmas trading. This is understandable – consumers still face cost of living pressure (think power bills, insurance, healthcare, rent, transport, interest expense, food etc). Main street is not Wall street. As we know - In the last 3 months, share markets have been rather complacent: pricing for lower rates (or at least no more hikes) and elevated earnings multiples. "Shorts" closed their positions and the "Long only" funds stayed fully invested. Any disappointment on earnings or pessimistic observation / cautious commentaries by management may negatively impact share prices. We would specially watch out for any comments regarding signs of cyclical upturn? Capex plans? change in dividend payouts? or M&A activities? AI will again be topical – conceptual or P&L impact.

Top Contributors (Absolute)	Sector
CBA	Financials
Data#3	Info Technology
National Bank	Financials

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

Platforms

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

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