

Prime Value Opportunities Fund

Fund Update – March 2024

- Global share markets were broadly higher in March on strong US economic data and supportive interest comments from the US Fed.
- The ASX300 Accumulation Index rose a fifth consecutive month, up 3.3% in March and kept pace with its offshore peers.
- The Fund rose 3.5% in March, gaining 15.6% for FYTD 2024. We are pleased that the Fund is keeping pace with a strong market.

	Total Return*	Benchmark (8% pa)	Value Add
Since inception (p.a.)	10.0%	8.0%	2.0%
10 Years (p.a.)	7.8%	8.0%	-0.2%
7 Years (p.a.)	7.8%	8.0%	-0.2%
5 Years (p.a.)	8.6%	8.0%	0.6%
3 Years (p.a.)	7.2%	8.0%	-0.8%
1 Year	16.7%	8.0%	8.7%
3 Months	6.7%	2.0%	4.7%
1 Month	3.5%	0.6%	2.9%

* 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.

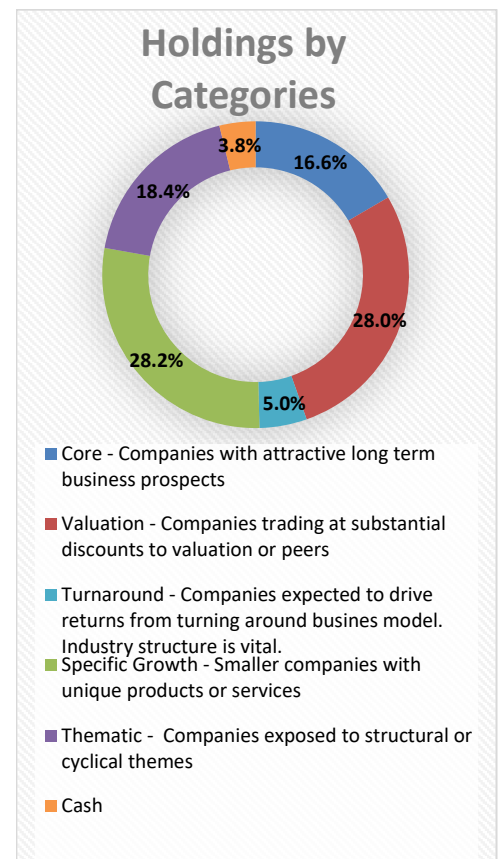
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	FYTD	ITD
FY 2013					1.8%	1.7%	4.3%	6.2%	(0.6%)	4.0%	(2.2%)	(1.6%)	14.1%	14.1%
FY 2014	4.4%	2.6%	4.3%	5.0%	(1.1%)	1.5%	(1.9%)	5.9%	0.2%	0.3%	0.3%	(1.4%)	21.4%	38.5%
FY 2015	2.5%	1.0%	(4.1%)	3.1%	(1.9%)	0.7%	1.5%	5.7%	1.4%	(1.0%)	0.5%	(4.3%)	4.6%	44.9%
FY 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%	6.7%	2.5%	0.5%	3.5%				15.6%	195.4%

Top five holdings	Sector
BHP Group	Materials
Commonwealth Bank	Financials
CSL Limited	Health Care
National Australia Bank	Financials
News Corporation	Communication Services

The top five holdings make up approximately 37.8% 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



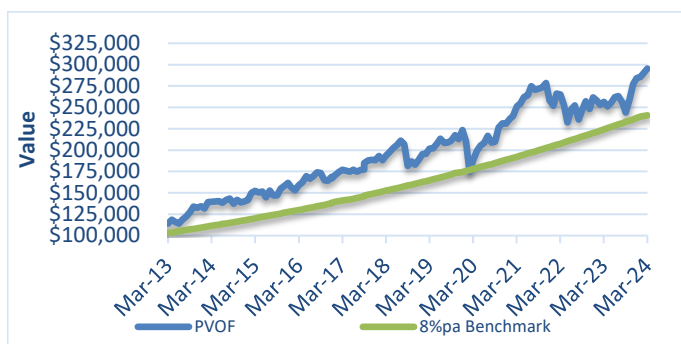
Market review

March saw the equity markets' strong run continue, as hopes firmed that both the US and Australian economies will be largely immune to the cyclical risks many foresaw. The MSCI Developed Markets Index rose (+3.4%), while the S&P500 Index also strengthened (+3.2%). Emerging Markets underperformed Developed Markets, with the MSCI Emerging Market Index rising 2.5% in USD currency terms across the month.

The Australian 10-year government bond yield fell 17 basis points over the month to 3.97%. US yields also declined, stepping down 4 basis points to 4.20%. Commodity prices were mixed in March. Brent Oil rose by US\$3.86 to US\$87.48/bbl, whilst China macro concerns saw Iron Ore prices fall by US\$15.50 to US\$102.00/Mt. Over the month, Gold prices hit another record high, increasing by US\$166.30 to US\$2,214.35 per ounce.

The ASX300 Accumulation Index rose for a fifth consecutive month in March, bouncing from mid-month lows and the ASX300 Index setting another high of 7848 points along the way. For the month, the ASX300 Accumulation Index was up 3.3%. The materials sector recovered from the recent run of losses, despite a decline in Iron Ore prices—the copper and gold complexes has led the sector up globally thus far this year.

With the exception of the Communication Services sector, all ASX sectors closed higher. However, the breadth of relative outperformance was more constrained to the Real Estate, Energy, Utilities and Materials sectors. Small caps continue to close the relative performance gap to large caps, with a +1.8% point relative gain in March, driven by a bounce in the Resources sector performance, which outperformed Industrials across all size biased indices.



This graph shows how \$100,000 invested at the Fund's Inception has increased to \$295,400 (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 \$240,700 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	\$ 1.8486	\$ 1.8199
Withdrawal price	\$ 1.8346	\$ 1.8061
Distribution (31/12/2023)	\$ 0.0450	\$ 0.0443
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

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Fund review and strategy

The Fund rose 3.5% in March and was marginally higher compared to the ASX300 Accumulation Index's 3.3% increase. The Fund has gained 15.6% for financial year to date 2024 and has continued to perform strongly, particularly in the past three months. Best monthly contributors in March included global industrial property owner Goodman Group (+13.1%), global respiratory product innovator Resmed (+13.1%) and energy company Santos (+9.5%). The largest detractors in March were companies that provides essential goods and services but had lagged the more cyclical parts of the market. They included KFC franchisor Collins Food (-7.8%), Propel Funeral Partners (-3.8%) and REA Group (-4.4%).

We are pleased that Fund performance has kept pace, and outperforming the ASX300 Accumulation Index, with the strong market sentiment particularly over the past 12 months. Fund turnover has been very low, at 11% in 2023. It's been the case where a number of our holdings' businesses has continued to perform well, leading to good earnings growth and share price appreciation—Goodman Group is an example of one of our investments, held over a long period of time, that has generated substantial value for the Fund. We reiterate our comments on Goodman Group from our previous month's update below:

Goodman Group continued to contribute good returns to the Fund. We have held a high conviction position in Goodman Group over a long period of time and through the REITs sector's volatile period caused by sharply rising interest rates. We seek to invest in well managed companies that are well capitalised. Our experience indicates that companies with such characteristics are typically well positioned to take advantage of changing trends or strengthen their positions at the expense of the competition. Goodman Group exhibits those characteristics we seek and is evident in the company's rising exposure to high value data centre developments.

Outlook: We observe that we operate in an environment there's overwhelming focus on the minute-by-minute news cycle and for the next big idea or theme. The reality is that this incremental change is rarely of any consequence or materiality, yet stock prices react to the change and pick up momentum in both directions. We work hard on trying to cut through the noise and focus on seeing the forest for the trees.

The portfolio is constructed on a bottom-up basis with the quality of ideas and conviction level (rather than Benchmark composition and weights) determining the size of each individual investment. Sector weights tend to be an outcome of the stock selection process and are not meant to indicate a positive or a negative "view." It is our belief that investing in good businesses at attractive valuations will enable us to earn excess risk-adjusted returns for our investors over the medium to long term.

Top contributors (absolute)	Sector
Goodman Group	Real Estate
Resmed	Healthcare
Santos	Energy

Top detractors (absolute)	Sector
Collins Food	Consumer Discretionary
REA Group	Communication Services
Propel Funeral Partners	Consumer Discretionary

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

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