Prime Value Equity Income (Imputation) Fund – June 2024

- Global equity markets momentum carried over into June in a stronger month for equities, partly due to softer US inflation data.
- The ASX300 Accumulation Index rose 11.9% for FY24 as expectations of lower interest rates drove returns with dividends contributing a solid 4.3% during the year.
- The Fund returned 14.5% or 16.3% including franking for FY2024, outperformed its benchmark.

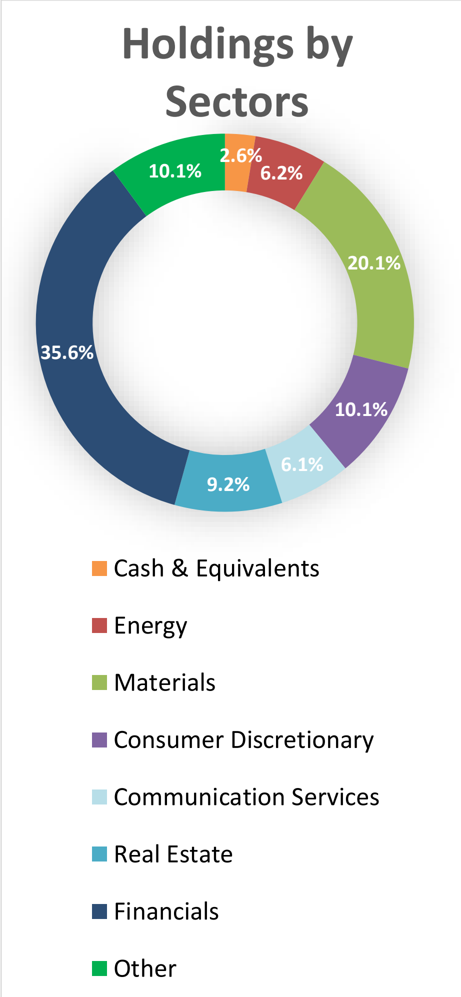
	Total Return*	Growth Return*	Distribution Return*	Total Return including Franking Credits**	S&P/ASX 300 Accumulation Index
Since inception (p.a.)	9.9%	4.8%	5.1%	12.0%	8.2%
20 Years (p.a.)	6.9%	4.6%	2.3%	8.9%	8.4%
10 Years (p.a.)	6.6%	2.2%	4.4%	8.7%	8.0%
5 Years (p.a.)	6.7%	2.2%	4.5%	8.9%	7.2%
3 Years (p.a.)	7.1%	1.9%	5.2%	9.6%	6.1%
1 Year	14.5%	10.9%	3.6%	16.3%	11.9%
3 Months	-1.6%	-2.6%	1.0%	-1.3%	-1.2%
1 Month	1.0%	0.0%	1.0%	1.3%	0.9%

* 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) 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 35.4% 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

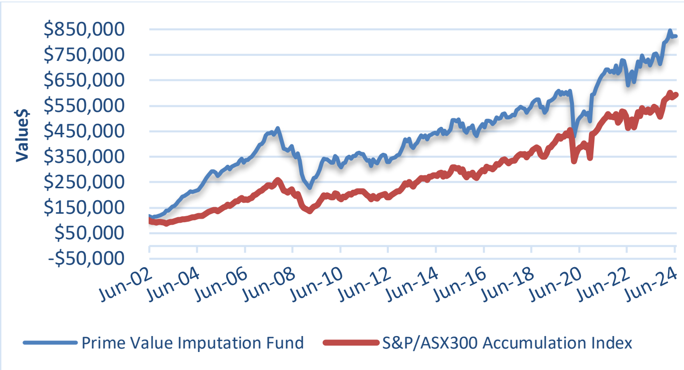


Market review

The upward momentum in equity markets continued in June, with Australian stocks also coming to the end of their financial year. The MSCI Developed Markets Index rose (+2.4%) over June, while the S&P500 Index also increased (+3.6%) in local currency terms in a stronger month for equities. Emerging Markets outperformed the Developed Markets, with the MSCI Emerging Markets Index rising (+4.3%) across the month. Over the course of FY24, Developed Market equities, led by US equities, outperformed its Emerging Market peers, up 19.5% and 12.7% respectively in local currency terms.

The Australian 10-year government bond yield fell 10 basis points over the month to 4.31%, as US yields also decreased, stepping down 12 basis points to 4.37%. Against the US Dollar, the Swiss Franc (+0.39%), Australian Dollar (+0.26%), and Canadian Dollar (-0.37%) were the best performing currencies. Commodity prices were mixed in June. Brent Oil rose by US$4.79 to US$86.41/bbl, whilst Iron Ore prices fell by US$10.50 to US$106.50/Mt.

The ASX300 Accumulation Index closed FY24 up 11.9% (June +0.9%). The skew in performance across size cohorts was stark – the top 20 stocks gained +14.9%, MidCaps +6.6% and All Ordinaries Index +12.5%. Macro volatility around rate and policy paths appear to work against stock picking through the year. Financials (+5.1%) were the best sector in June, with Insurance, Banks and Financial Services all posting returns over 5%. Financials were also the best performer in FY24, with a gain of +17% but there was great dispersion in returns, with Banks (+22.8%) the clear sector winner. Metals & Mining (-7.2%) was the worst sector in June, as concerns about China's growth led to declines across most Industrial Metals. However, it was the defensive Telecom (-10.4%) and Staples Retail sectors (-9.3%) that were the worst performers over the last year with both negatively impacted by earnings downgrades and a de-rating.



This graph shows how $100,000 invested at the Fund's inception has increased to $832,300 (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 $594,100 over the same period. The returns exclude the benefits of imputation credits.
Performance figures have been calculated in accordance with the 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 (Ex)	$ 2.8699	$ 2.8731
Withdrawal price (Ex)	$ 2.8482	$ 2.8514
Distribution (30/06/2024)	$ 0.0297	$ 0.0307
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 14.5% or 16.3% including franking for FY2024, outperformed its benchmark. Distribution return was 8.86 cents per unit plus imputation credit, or 5.4% including franking. It is interesting to note the two key relative stock contributors for FY2024 – CSR & Goodman Group. CSR is one of the oldest listings on ASX, founded back in 1855 as a sugar refining company, then evolved into a building products company. It operates in the "old economy" with strong dividend yield and solid asset backings. A foreign corporate took it over and it is now delisted from ASX. Goodman Group also evolved from a basic industrial REIT to logistic warehousing to data centers. It is riding on the back of the AI thematic. Two very different businesses, trading on vastly different multiples – each returned some 70+% for the year. The traditional defensives such as Telstra, supermarkets went backwards. Financials outperformed Resources. Banks were the top dividend payers as the fall in commodity prices reduced the Resources companies' ability to pay high dividends.

For FY24, expectation change in interest rate direction could be considered as one of the X factors as the RBA battled to keep inflation within the acceptable band. Despite this, much of the equity gain could be attributed to PE expansion as investors gained confidence in growth and positioned for rate cuts.

As we move to the new financial year, investment markets continue to assess the policy path of interest rates globally. Geopolitical/economic growth uncertainty continues – known wars, US election (tariff implications), France & UK elections, climate mandates, China property market and growth etc. We continue to hold a balanced portfolio, underpinned by dividends and medium-term growth prospects.

Top Contributors (Absolute)	Sector
Macquarie Group	Financials
CBA	Financials
NAB	Financials

Top Detractors (Absolute)	Sector
Mineral Resources	Materials
BHP	Materials
Monash IVF	Health Care

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

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