Prime Value Equity Income (Imputation) Fund – July 2024

- Global equity markets were broadly positive in July, although the US market was volatile on account of US election risks.
- The ASX300 Accumulation Index rose 4.1% in July as softer than expected CPI data significantly reduced the risk of a near term interest rate increase.
- The Fund gained 5.4% for the month, outperformed its benchmark.

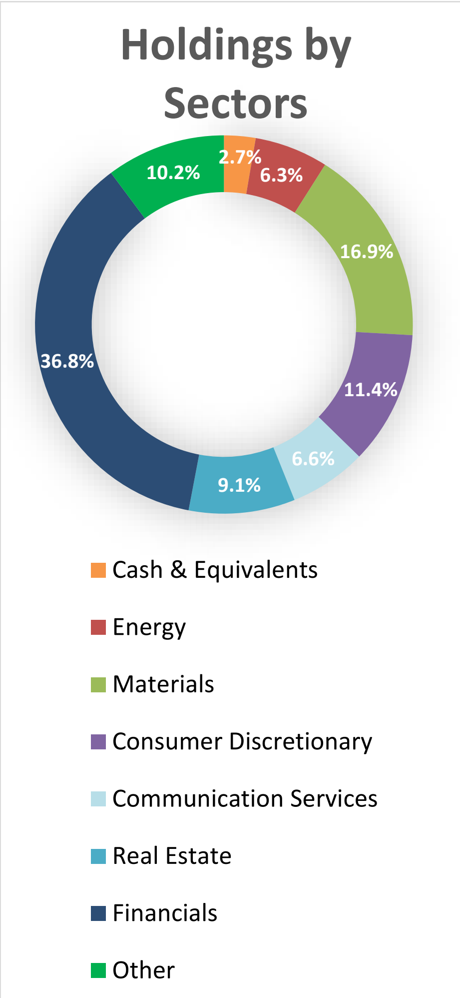
	Total Return*	Growth Return*	Distribution Return*	Total Return including Franking Credits**	S&P/ASX 300 Accumulation Index
Since inception (p.a.)	10.1%	5.0%	5.1%	12.2%	8.4%
20 Years (p.a.)	6.9%	4.7%	2.2%	9.0%	8.7%
10 Years (p.a.)	6.8%	2.3%	4.5%	9.0%	8.0%
5 Years (p.a.)	7.6%	3.0%	4.6%	9.8%	7.5%
3 Years (p.a.)	8.2%	3.0%	5.2%	10.8%	7.1%
1 Year	16.8%	13.1%	3.7%	18.6%	13.3%
3 Months	6.9%	5.8%	1.1%	7.2%	6.0%
1 Month	5.4%	5.4%	0.0%	5.4%	4.1%

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

The top five holdings make up approximately 37.2% 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

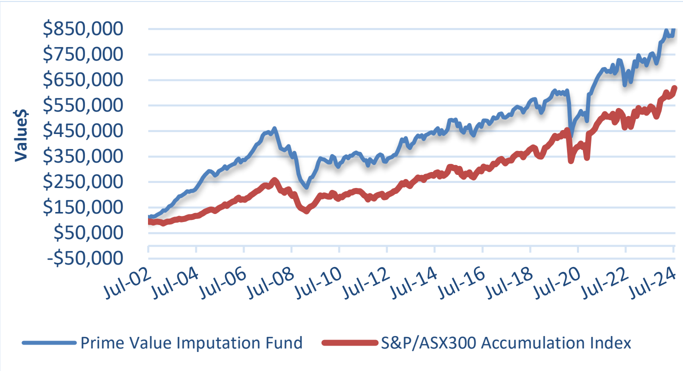


Market review

July saw equity market gains continue, with the US S&P500 Index increasing by (+1.2%) in local currency terms. However, underneath the headlines, US equities were volatile. Mega-cap technology stocks underperformed, while financials and small caps outperformed. Investors were sensitive to US election risks, with the rising chances of a Trump election victory causing them to position for de-regulation, and China-protectionist measures, as well as potential anti-monopoly policies. The MSCI World Developed markets index rose (+1.8%) in US Dollar terms, outperforming relative to the Emerging markets Index, which fell by (-0.9%) in US Dollar terms.

During the month the Australian 10-year bond yield declined by 19bps, whilst the Australian Dollar depreciated by 2.2% against the US Dollar. Towards the end of the month, a materially weaker underlying inflation print at 0.8% quarter-on-quarter significantly reduced the risk of an RBA rate hike in August. Commodity prices were mixed in July. Brent Oil fell by US$5.69 to US$80.72/bbl, whilst Iron Ore prices fell by US$4.50 to US$102.00/Mt. By contrast, Gold prices rose by US$95.40 over the month to US$2,426.30 per ounce after softer than expected US inflation data was released.

The market reaction to the June quarter inflation data was strong, trading sharply higher into month-end and breaching 8000 for the third time to set a new high at 8092. All sectors reacted positively post the inflation data however Financials, Consumer Discretionary and Real Estate sectors set the pace for the month. Utilities, Energy and Materials fell behind. Performance contribution for the month was quite narrow, with around three-quarters of the gains coming from Financials (+197bps), Discretionary (+65bps) and Health Care (+43bps) whilst losses were limited. Following strong July gains, the ASX300 Index has now climbed +18.6% from October 2023 lows, with Banks accounting for 40% (or +862bps) to broader market returns.



This graph shows how $100,000 invested at the Fund's inception has increased to $877,400 (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 $618,700 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 (Cum)	$ 3.0257	$ 3.0295
Withdrawal price (Cum)	$ 3.0027	$ 3.0065
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

Market put on a strong gain in the first month of the new financial year, returning 4.1%. What happened? We had the dramas of the US election campaign, geopolitical events in the Middle East, social unrest in Europe etc. – market just shrugged off and seemed to have a laser focus on a CPI read and interest rate directions. As the risk of rate hike eased, market moved ahead and now trading at 17X PE without any improvement in earnings outlook. The disconnect between "wall street" and "main street" widens as anecdotes of job cuts, weakness in pockets of housing market, subdued consumer confidence rose. This heightened valuation means there is very little room for earnings disappointment in the upcoming reporting season or any change of investment sentiment. Volatility would be the "norm".

Fund returned a strong 5.4% for the month, mainly driven by the bank holdings. Resources names continued to struggle as China outlook and commodity prices (except gold) remained lackluster. Contributors were Wesfarmers (WES +13.0%), CBA (+7.9%) and Newmont (NEM +16.0%). Detractors were Navigator Global (NGI -7.1% lower than expected fund flow), S32 (-16.1% asset impairment and softer forward guidance) and BHP (-0.9%).

Despite its strong share performance, Australia remains as one of the highest dividend yield countries in the world (MSCI World). The forecast yield now approximates 3.9% (excluding franking), lower than historical average. We continue to hold a balanced portfolio, underpinned by holdings with dividends and medium-term growth prospects.

Top Contributors (Absolute)	Sector
Wesfarmers	Consumer Discretionary
CBA	Financials
Newmont	Materials

Top Detractors (Absolute)	Sector
Navigator Global	Financials
S32	Materials
BHP	Materials

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

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