Prime Value Opportunities Fund
Fund Update (Class A and B) – Oct 2024

- Equities were softer into the end of the month as the US election neared its conclusion.
- The ASX300 Accumulation Index fell 1.3%, led by the resources sector as enthusiasm on China's economic stimulus petered out.
- Fund performance was flat for the month (up 4.8% for FYTD25 and 26.4% 1-year), continuing to demonstrate good downside protection

	Total Return*	Benchmark (8% pa)	Value Add
Since inception (p.a.)	9.9%	8.0%	1.9%
10 Years (p.a.)	8.1%	8.0%	0.1%
7 Years (p.a.)	7.6%	8.0%	-0.4%
5 Years (p.a.)	7.9%	8.0%	-0.1%
3 Years (p.a.)	4.3%	8.0%	-3.7%
1 Year	26.4%	8.0%	18.4%
3 Months	1.2%	2.0%	-0.8%
1 Month	0.0%	0.7%	-0.7%

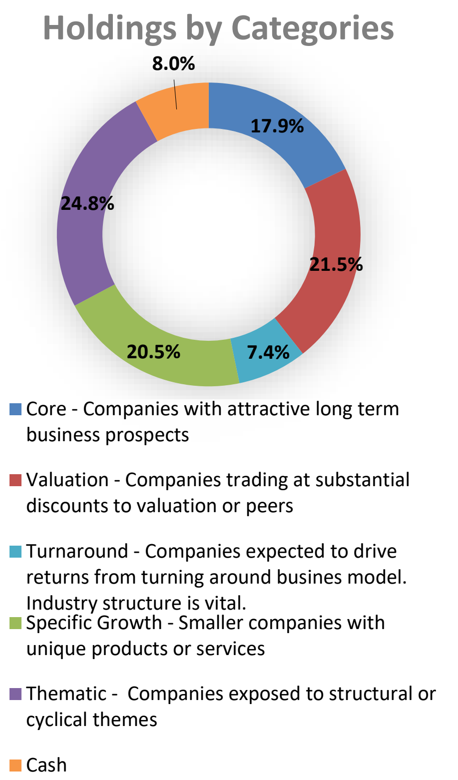
* Fund returns are calculated net of management fees, assuming all distributions are re-invested. Performance figures have been calculated in accordance with the Financial Services Council (**FSC**). The returns are calculated before performance fees which are charged against individual accounts. The 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%
FY 2024	2.5%	0.4%	(2.8%)	(4.7%)	6.3%	6.7%	2.5%	0.5%	3.5%	(3.5%)	1.4%	1.9%	15.2%	194.6%
FY 2025	3.5%	(1.4%)	2.7%	0.0%									4.8%	208.6%

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

The top five holdings make up approximately 36.4% 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

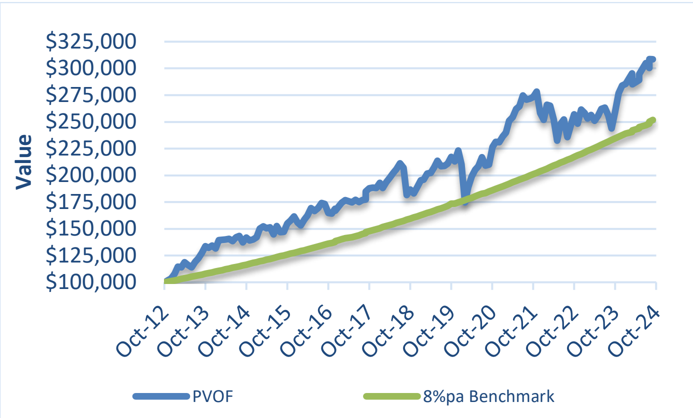


Market review

Investor anxiety rose, not unexpectedly, toward the end of the month as the US election drew closer. The MSCI Developed Markets Index fell (-0.9%) over October, while the S&P500 Index also fell (-0.9%) in local currency terms. The Emerging markets underperformed the Developed markets, decreasing (-2.1%) across the month. Notably the MSCI Asia ex Japan Index fell 2.6% during the month as investor sentiment on China's economic stimulus announcements fell. In contrast, Japan was the only major stock market that rose in October with the Nikkei 225 gaining 3.1%.

The Australian 10-year government bond yield rose by 53 bps over the month to 4.51%, similar to the 50 bps step up in US bond yields to 4.28%. Commodity prices were mixed through the month. Brent Oil rose by US$0.78 to US$72.55/bbl, whilst Iron Ore prices fell by US$8.00 to US$105.00/Mt. Gold rose 5%, which is still in an uptrend driven by geopolitical tensions and central bank demand. The gains in gold stocks are even more surprising given the historical inverse correlation to the US 10-year bond yield.

The ASX300 Accumulation Index declined 1.3%. Resources were a key drag on the market with a decline of 5.1%. The market continued to focus on China stimulus measures that had initially triggered a rotation out of Banks and into Resources. However, the rotation trade faded, with Banks recovering from month lows and Resources faded into month end. Financials, Health Care and Communication Services were the best performing sectors for October whilst the Utilities, Staples and Materials sectors the worst. Financials (+104bps) added the most value in October, however losses across Materials (-110bps), Discretionary (-28bps) and Staples (-27bps) were too large to offset. Except for Small Ordinaries Index, we observed a reversal of September performance with all size-biased indices closing lower in October. MidCaps were the worst performing, with Small Ords the best.



This graph shows how $100,000 invested at the Fund's inception has increased to $308,600 (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 $251,800 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	PVA0005AU	PVA0006AU
Minimum Investment	$20,000	N/A
Issue price (Cum)	$1.7211	$1.6926
Withdrawal price (Cum)	$1.7081	$1.6798
Distribution (30/06/2024)	$ 0.1994	$ 0.1975
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 was flat over October against the ASX300 Index's -1.3% decline for the month. The October fund performance adds to the strong record of outperforming the ASX during down months where 68% of the time the ASX posts a negative month, the Fund has outperformed. The Fund is up by 4.8% for the FYTD25 and 26.4% on a 1-year basis. The largest contributors to performance in October included Commonwealth Bank (+5.4%), News Corp. (+10.0%) and REA Group (+12.9%). BHP (-7.2%) was a large detractor to performance as excitement over China's planned economic stimulus petered out. Other detractors during the month included building materials supplier James Hardie (-14.4%) and resources company Mineral Resources (-24.3%).

We have owned Mineral Resources for approximately four years, although more recently our holding in the company has declined substantially. We have been monitoring the company's debt position, which had risen to quite a high level compared to its equity position and against its earnings before interest and depreciation. Mitigating factors were the potential sale of assets and the improvement in cash flows as Mineral Resources' Onslow iron ore project coming on stream. Nevertheless, we view the recent governance issue surrounding CEO Chris Ellison negatively, possibly creating an overhang on the stock particularly with Chris Ellison's estimated 12 – 18 months exit period from his CEO position.

Outlook: Recent events around the world—such as the US election and China's economic stimulus program—remind us of the challenges of trying to utilize a top-down investment macroeconomic framework in a zig-zagging market. With the US election over, and Donald Trump set to take office in early 2025, investors are firmly focussed on picking winners and losers that could emerge from Mr Trump's policies (or pledges made). We are very cognisant that investors can often overstate the impact that the federal governments have on broad financial markets—our experience suggests markets do not always react in the most obvious ways. In fact, monetary policy is likely to have a greater influence on markets than any forthcoming legislation or executive action. We typically don't derive our investment decisions based on the direction of factors such as interest rates, inflation data, or energy prices. We do, however, assess how macro factors might affect the growth opportunities for our investment holdings. We will develop views and knowledge in an industry which then dictates the emphasis we place on the sector. This has worked well for the Fund. For example, our concerns around the inflexibility and costs burdens in the hospital sector meant that we avoided making investments in companies such as Ramsay Healthcare. Similarly, the sale of our investment in heath insurer NIB Holdings were based on concerns around deteriorating industry structure.

Top contributors (absolute)	Sector
Commonwealth Bank	Financials
News Corp. Limited	Communication Services
REA Group	Communication Services

Top detractors (absolute)	Sector
BHP Limited	Materials
James Hardie	Materials
Mineral Resources	Materials

Platforms
BT Wrap, Macquarie Wrap, Netwealth, Hub24, Power Wrap