Prime Value Equity Income (Imputation) Fund Update – November 2024

- Conclusion of the US election saw most stock markets post gains through November.
- The ASX300 Accumulation Index gained 3.7%, led higher by the Financial and IT companies. Materials and healthcare companies lagged.
- The Fund returned 2.1%, underperformed its benchmark.

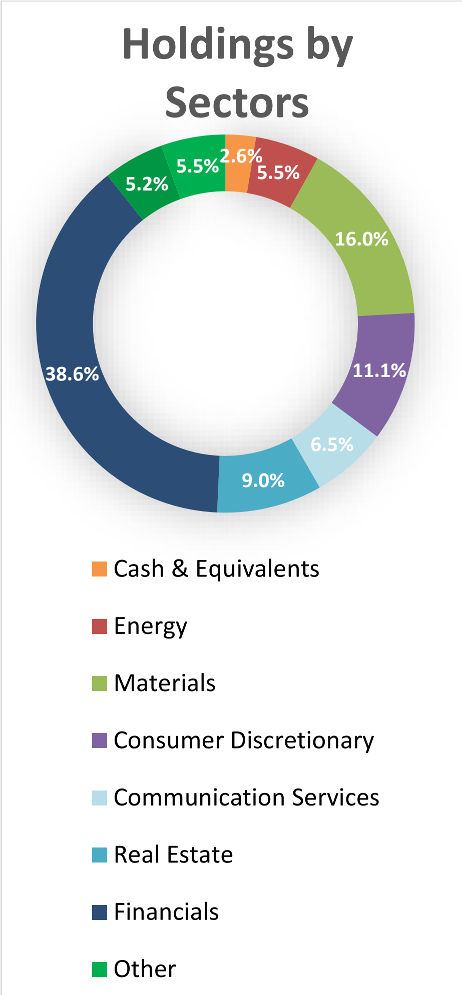
	Total Return*	Growth Return*	Distribution Return*	Total Return including Franking Credits**	S&P/ASX 300 Accumulation Index
Since inception (p.a.)	10.0%	5.0%	5.0%	12.1%	8.5%
20 Years (p.a.)	6.0%	5.0%	1.0%	8.1%	8.3%
10 Years (p.a.)	7.4%	3.0%	4.4%	9.6%	9.1%
5 Years (p.a.)	8.3%	3.7%	4.6%	10.5%	8.2%
3 Years (p.a.)	9.7%	4.4%	5.3%	12.3%	9.1%
1 Year	20.7%	17.0%	3.7%	22.3%	23.2%
3 Months	3.1%	2.4%	0.7%	3.4%	5.5%
1 Month	2.1%	2.1%	0.0%	2.1%	3.7%

* 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**) 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 Limited	Consumer Discretionary
National Australia Bank	Financials

The top five holdings make up approximately 38.2% 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
Benchmark	S&P / ASX 300 Accumulation Index
Inception Date	20 December 2001
Cash	0 - 30%
Distributions	Quarterly
Suggested Investment Period	3+ years

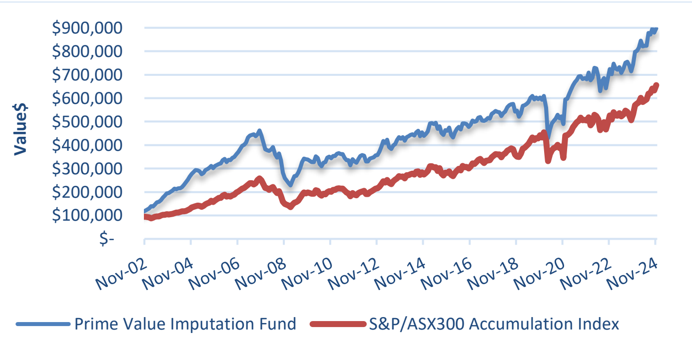


Market review

Global stock markets posted good gains through November. Notable macro news flow this month was of course Donald Trump winning the US presidential election with markets starting to react to potential policy changes across immigration, tariffs, healthcare and climate change. The MSCI Developed Markets Index increased by 4.9% through the month, with the US S&P 500 Index gaining 5.9% for its largest monthly rise this year and the Nasdaq Index up 6.1%. In contrast, emerging markets posted mixed performance. Both the Chinese and Japanese (albeit a major market) stock markets struggled through the month due to a combination of concerns of potential negative impacts from US policy changes and domestic growth prospects.

The Australian 10-year government bond yield rallied 16 basis points over the month down to 4.34%. Brent Oil and Iron Ore prices were largely flat over the month, whilst gold prices fell from the October's all-time highs. Trump trades continued to support US Dollar strength, up ~2% for the month. The Australian Dollar depreciated by 1.2% against the US Dollar but was unchanged against its major trading partners as measured by the Trade Weighted Index.

Returns were positive across all size biased indices on the ASX in November, with the MidCaps sector performing the best (+5.7%). Broadly the ASX300 Accumulation Index rose 3.7% but lagged its developed market peers. Technology was the best performing ASX sector in November, replicating enthusiasm in the US technology sector, with Utilities and Discretionary also performing well. However, Financials accounted for over 60% of the index gains, through the Banks (+169bps), supported by Insurance (+41bps), Discretionary (+51bps), Industrials (+40bps) and Technology (+32bps). On the flip side performance was lost largely through the Materials sector (-55bps).



This graph shows how $100,000 invested at the Fund's inception has increased to $897,600 (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 $655,500 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)	$3.0750	$3.0794
Withdrawal price (Cum)	$3.0518	$3.0560
Distribution (30/09/2024)	$ 0.0200	$ 0.0217
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

Fund review & strategy

The Fund returned 2.1% for the month of November, underperformed its benchmark. IT and Financials sectors outperformed whilst Resources went backwards. Contributors for the month were CBA (+11%), Wesfarmers (WES +6.7%) and Westpac (WBC +3.9%). Detractors were BHP (-4.8%), Newmont (NEM -8.2%) and Mineral Resources (-14.6%), governance issue surrounding Founder & CEO Chris Ellison continued. Market has always looked favourably on founder-led businesses as they typically are run by passionate founders with skin in the game and have a very hands-on approach to the running of their businesses. As the company grows, succession planning, work place culture reform and management transitioning can be challenging as we have seen in a number of listed companies.

Banks reported their half-yearly and trading updates during the month. It was a case of no major bad news is good news. Valuation of the banks had been elevated for some time, however their largely fully franked dividend remained attractive to investors. RBA has warned the rising number of homes put up for sale due to owners' financial stress despite the rising house prices reduce the impact. All banks recognise that mortgage returns are structurally lower and unlikely to improve in FY25. It is therefore a case of premium valuation with lacklustre earnings growth outlook. We continue to prefer the "relatively cheaper" ANZ and Westpac for now.

Share market kept reaching new all-time highs, meaning the dividend yield is now lower, all else being equal. We continue to hold a balance portfolio targeting both dividend yield and medium-term growth.

Top Contributors (Absolute)	Sector
CBA	Financials
Wesfarmers	Consumer Discretionary
Westpac	Financials

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

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

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