

Prime Value Growth Fund

Fund Update – November 2024



- Conclusion of the US election saw most stock markets post gains through November.
- The fund's return of +2.9% for November which was below the ASX 300 Accumulation index return of +3.7%.
- We highlight the fund's investment in SG Fleet just over 4 years ago, which has become the subject of a takeover offer. While exhibiting a volatile share price, the company's profit growth has been consistent, ultimately delivering the fund an IRR of 18%pa.

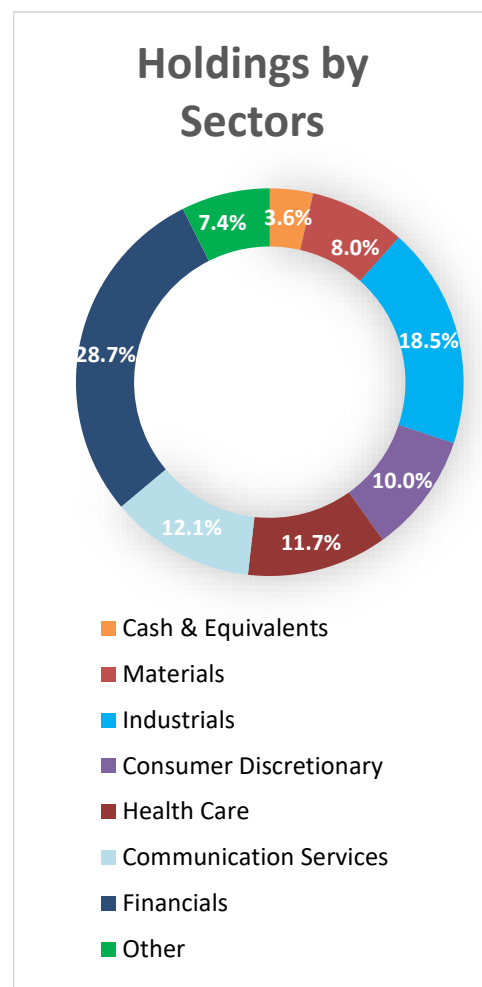
	Total Return*	S&P/ASX 300 Accumulation Index	Value Add
Since Inception (p.a.)	10.6%	8.5%	2.1%
20 Years (p.a.)	7.2%	8.3%	-1.1%
10 Years (p.a.)	6.4%	9.1%	-2.7%
5 Years (p.a.)	8.3%	8.2%	0.1%
3 Years (p.a.)	6.0%	9.1%	-3.1%
1 Year	22.3%	23.2%	-0.9%
3 Months	8.3%	5.5%	2.8%
1 Month	2.9%	3.7%	-0.8%

*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.

Top five holdings	Sector
Commonwealth Bank	Financials
BHP Group	Materials
Macquarie Group	Financials
CSL Limited	Health Care
Regis Healthcare Limited	Health Care

The top five holdings make up approximately 32.0% of the portfolio.

Feature	Fund facts
Investment Objective	The Fund aims to provide medium to long-term capital growth, with some income, by managing a portfolio of predominantly Australian equities listed on any recognised Australian stock exchange.
Benchmark	S&P/ ASX 300 Accumulation Index
Inception Date	10 April 1998
Cash	0 - 30%
Distributions	Half-yearly
Suggested Investment Period	3+ years

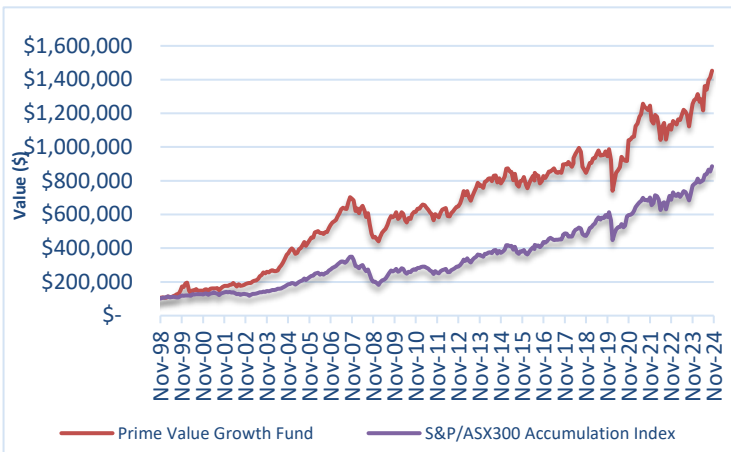


Market review

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 Mid Cap 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 \$1,452,900 (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 \$886,200 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	PVA0001AU	PVA0011AU
Minimum Investment	\$20,000	N/A
Issue price (Cum)	\$2.0461	\$2.0468
Withdrawal price (Cum)	\$2.0307	\$2.0314
Distribution (30/06/2024)	\$ 0.0741	\$ 0.0770
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 less 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

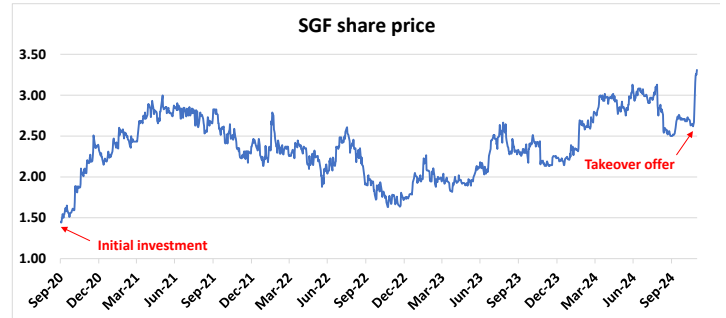
Fund review and strategy

The fund returned +2.9% in November, below the ASX 300 Accumulation index (+3.7%).

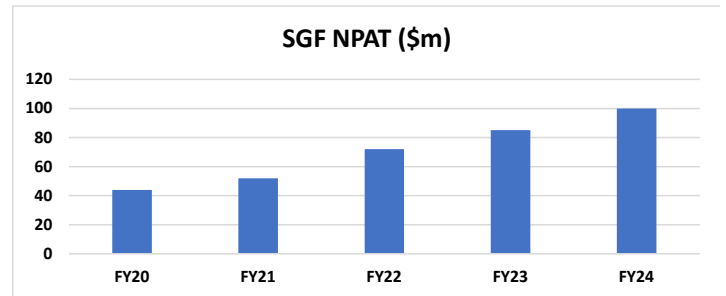
Key fund contributors for the month were **CBA** (CBA +11.1%), **SG Fleet** (SGF +22.1%) and **Hansen** (HSN +16.9%). Key detractors were **BHP** (BHP -4.9%), **Restaurant Brands NZ** (RBD -10.0%) and **City Chic** (CCX -31.1%).

SG Fleet (SGF) was the recipient of a non-binding, indicative takeover offer from a private equity firm, priced at \$3.50ps. Should the takeover proceed, the investment will have delivered a return of 18%pa.

The fund first invested in SGF just over 4 years ago and it has been a bumpy ride in share price terms with the stock trading between \$1.42-3.23ps over the journey.



The same cannot be said for SGF's profit profile, however, which has shown consistent growth over this time, save for the transformational acquisition of LeasePlan which saw a step-change in profits from FY22.



The lesson being that share prices often trade well below or well above a company's true value, but underlying profits ultimately determine what that value is, and share prices eventually reflect this.

Top Contributors (Absolute)	Sector
Commonwealth Bank	Financials
SG Fleet	Industrials
Hansen Technologies	Information Technology
Top Detractors (Absolute)	Sector
BHP Group	Materials
Restaurant Brands NZ	Consumer Discretionary
City Chic Limited	Consumer Discretionary

Platforms
Asgard, Ausmaq, Beacon, BT Wrap, First Wrap, Hub24, IOOF, Global One, Macquarie Wrap, Netwealth, Powerwrap, Symetry, Wealthtrac

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