

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

- Global stock markets were weaker in December following a more hawkish-than-expected US Federal Reserve update during the month.
- The ASX300 Accumulation Index closed December down 3.1% but gained 11.4% in 2024 with strong contributions from banks and tech companies.
- The Fund returned 11.8% including franking for CY2024.

	Total Return*	Growth Return*	Distribution Return*	Total Return including Franking Credits**	S&P/ASX 300 Accumulation Index
Since inception (p.a.)	9.8%	4.8%	5.0%	11.9%	8.3%
20 Years (p.a.)	5.8%	4.8%	1.0%	7.9%	7.9%
10 Years (p.a.)	6.9%	2.5%	4.4%	9.0%	8.5%
5 Years (p.a.)	8.0%	3.5%	4.5%	10.2%	8.0%
3 Years (p.a.)	7.1%	2.2%	4.9%	9.4%	7.1%
1 Year	10.3%	7.0%	3.3%	11.8%	11.4%
3 Months	-2.7%	-3.3%	0.6%	-2.1%	-0.8%
1 Month	-2.9%	-3.5%	0.6%	-2.4%	-3.1%

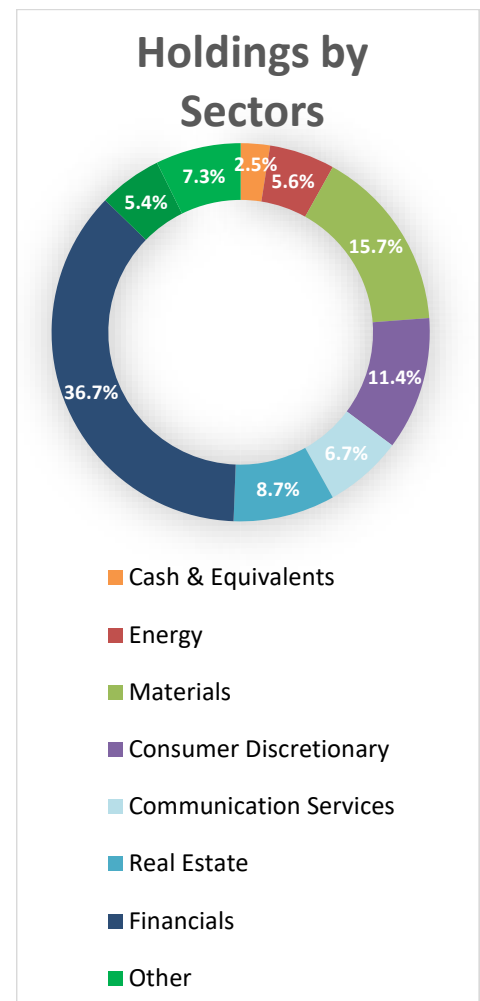
* Fund returns are calculated net of management fees, assuming all distributions are re-invested. Performance figures have been calculated in accordance with the Financial Services Council (FSC) standards. The returns are calculated before performance fees which are charged against individual accounts. 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 Limited	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
Benchmark	S&P / ASX 300 Accumulation Index
Inception Date	20 December 2001
Cash	0 - 30%
Distributions	Quarterly
Suggested Investment Period	3+ years

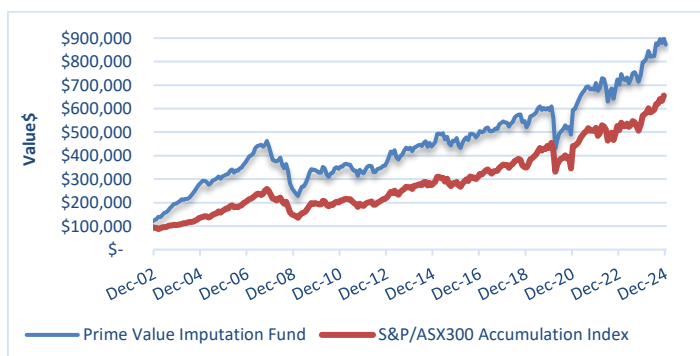


Market review

Global stock markets softened through December, as hawkish US interest rate data prompted somewhat of a 'reassessment' on stock valuations that had already priced in much optimism. The MSCI Developed Markets Index fell 1.9% through the month. In the US, the S&P500 and Dow Jones indices fell -2.5% and -5.3% respectively driven by a shift in US FOMC projections which saw inflation forecasts revised higher and a move in the US Federal Reserve dot plots, implying fewer interest rate cuts ahead. However, the Nasdaq Index rose 0.5% on continued enthusiasm for technology stocks. All of the major currencies appreciated against the Australian Dollar in December, with the US Dollar appreciating 5.2%.

Australian equities reversed the gains posted in November, with the S&P/ASX300 Accumulation Index closing the month 3.1% lower. The ASX reached a new all-time high early in the month but faced significant selling pressure following the more hawkish tone from the US Federal Reserve. The REITs sector was impacted the hardest, ending the year at 4-month lows. Materials, banks and technology sectors also performed poorly for the month with the consumer staples, utilities, industrial and energy sectors posting minor gains. The S&P/ASX300 Index underperformed the Small Ordinaries by 0.1% in December, with the underperformance driven by a weaker ASX300 Resources sector.

All size biased indices closed higher in 2024, with midcaps outperforming large and small cap counterparts, returning +12.4% including dividends. Industrials were preferred over Resources for the duration of 2024, with the performance spread widest across large and midcap sectors. Technology, Financials and Discretionary sectors performed best, on the other hand, Energy and Materials were the notable laggards.



This graph shows how \$100,000 invested at the Fund's inception has increased to \$871,800 (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 \$635,300 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)	\$2.9666	\$2.9702
Withdrawal price (Ex)	\$2.9442	\$2.9477
Distribution (31/12/2024)	\$ 0.0200	\$ 0.0212
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 distributed 2 cents cash plus franking per unit for the Dec Qtr, or a distribution return of 1.2% for the Quarter including franking. For 2024 calendar year, Fund total return was 11.8% including franking. The market was strong mainly driven by the IT (earnings growth) and Financials (valuation expansion) sectors whereas Resources (poor commodity prices, valuation contraction) went backwards. Absolute contributors for the month of Dec were Insignia (IFL +13% an indicative, non-binding proposal received and rejected by Board), Monash IVF (MVF +5.8%) and Dalrymple Bay Infrastructure (DBI +4.6%). Detractors were mainly the banks: ANZ (-8.4%, CEO succession planning with an external appointee not well-known to Australia market), NAB (-5.1%) and Data3 (-18.0% key supplier changed incentive terms).

RM \$11.90 SGD \$3.90 HKD \$25.00 AUD \$7.95	We observed the recent AUD depreciation's impact on retail pricing (sample of one) – note the price tag! Are retailers making a killing from increased prices for “legit” reasons? Will be interesting to check the margin if the price tag doesn't affect sales
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We came into 2024 with an array of uncertainties around key election ramifications, geopolitical situations and central banks' rate movements. We exited 2024 with similar issues but perhaps with increased intensity. For Australia, RBA is again expected to reduce official rates in 2025. We will have our federal election – perhaps laden with some election goodies to boost consumer confidence. Australia market is not “cheap”, with estimate PE/earnings growth (PEG ratio) of 3.7X, vs MSCI World of 1.5X and US 1.5X. We remain selective in our portfolio holdings.

Top Contributors (Absolute)	Sector
Insignia	Financials
Monash IVF	Healthcare
Dalrymple Infrastructure	Industrials

Top Detractors (Absolute)	Sector
ANZ	Financials
NAB	Financials
Data#3	Information

Top Detractors (Absolute)	Sector
Ausmaq, Beacon, BT Wrap, First Wrap, Netwealth, Symetry, Wealthrac	

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