Prime Value Growth Fund
Fund Update – January 2025

- Global equities were positive in January, continuing the strength from last year into 2025.
- The fund's return of +3.0% for January was below the ASX 300 Accumulation index return of +4.5%.
- We highlight the fund's recent investment in Cuscal following its IPO in November, offering a unique exposure to the structural growth of Australia's payments industry at an attractive valuation.

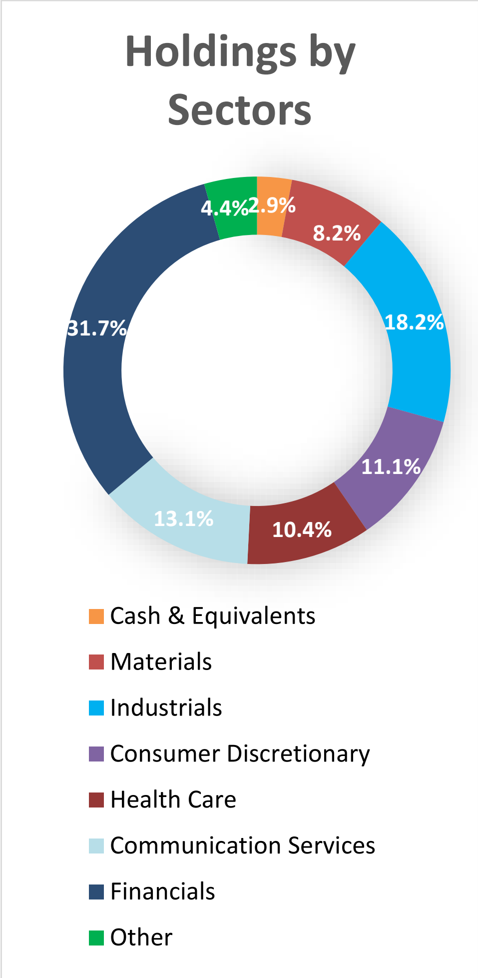
	Total Return*	S&P/ASX 300 Accumulation Index	Value Add
Since Inception (p.a.)	10.5%	8.5%	2.0%
20 Years (p.a.)	6.9%	8.1%	-1.2%
10 Years (p.a.)	6.0%	8.7%	-2.7%
5 Years (p.a.)	8.3%	7.9%	0.4%
3 Years (p.a.)	8.4%	11.1%	-2.7%
1 Year	15.3%	15.1%	0.2%
3 Months	4.2%	5.0%	-0.8%
1 Month	3.0%	4.5%	-1.5%

*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
News Corporation	Communication Services

The top five holdings make up approximately 33.4% 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

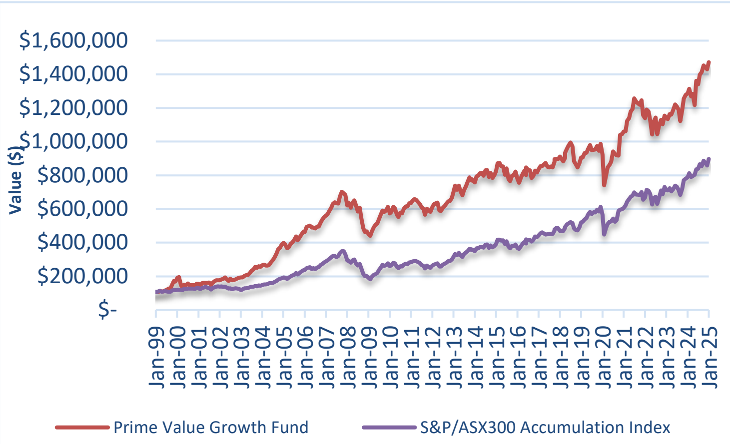


Market review

Global equities were positive in January, continuing the strength from last year into 2025. The European market led Developed Market (DM) equities higher in the month (MSCI Europe +6.9%) while US equities also ended the month positive, reaching new record highs (S&P500 +2.8%). Emerging Market (EM) equities ended the month higher, despite China equities declining (MSCI Emerging Markets +1.8%; MSCI China +0.6%). Japanese equities also continued the positive trajectory of the last few months (TOPIX +0.2%).

Softer Australian CPI data has opened the door for a RBA rate cut — markets are priced for a February 2025 interest rate cut, but it could be a close call. The CPI data was muddied by government subsidies and the labour market has tightened, providing upside risk for future inflation. In contrast, the US Federal Reserve presented a more hawkish December 2024 FOMC meeting which disrupted markets last month.

Australia followed the trend, with the ASX300 Accumulation Index rising 4.5%. This more than made up for the decline at the end of 2024 and lifted the Australian market to a new high. The gains were part of a global risk-on rally, with Australia outperforming the S&P500 Index. Compositionally, Consumer Discretionary and Financial sectors led the gains, while defensive Utilities and Staples sectors were noticeable laggards. The ASX300 and Small Ordinaries indices performed inline in January. The returns for the ASX300 were driven by the 300 Industrials, whilst the Small Ordinaries returns were driven by the Small Resources. Gold (+15.2%) was the best performing sector, supported by a stronger gold price (+7.3%) as investors prepared for volatility following Trump's inauguration.



This graph shows how $100,000 invested at the Fund's inception has increased to $1,471,900 (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 $897,300 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	PVA0001AU	PVA0011AU
Minimum Investment	$20,000	N/A
Issue price (Cum)	$2.0315	$2.0325
Withdrawal price (Cum)	$2.0161	$2.0171
Distribution (31/12/2024)	$ 0.0400	$ 0.0405
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

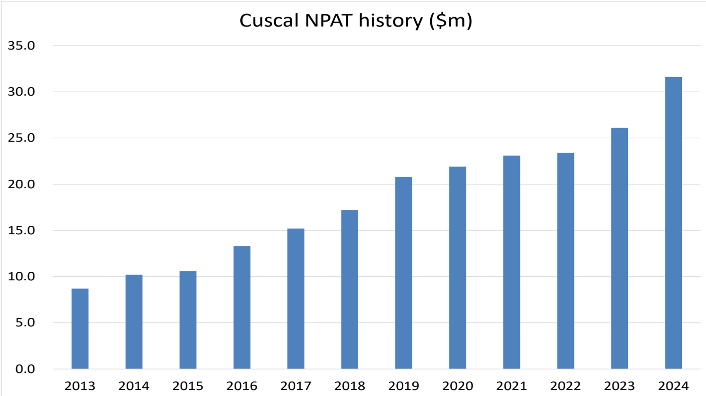
Fund review and strategy

The fund returned +3.0% in January, below the ASX 300 Accumulation index (+4.5%). January proved a "risk-on" month globally, with Australia outperforming following a lower than expected inflation print, increasing the chances of a local interest rate cut sooner rather than later.

Key contributors for the month were **Austal** (ASB +23.5%), **Macquarie** (MQG +8.6%) and **CBA** (CBA +4.8%). Key detractors were **NRW Holdings** (NWH -10.7%), **Qualitas** (QAL -5.1%) and **ARN Media** (A1N -8.8%).

A recent addition to the fund is **Cuscal** (CCL), which listed on the ASX in November. It offers a unique pure exposure to the payments industryas it is one of the few companies outside of the four major banks with direct access to Australia's payment rails, providing a high barrier to entry, and making Cuscal a popular service provider to non-major banks, financial institutions and fintech companies (who compete with the major banks).

Not only is the company exposed to a strongly growing industry (with payment volumes forecast to grow 11%pa to FY28), but it is more highly exposed to the stronger growing payment forms within the industry, namely NPP and debit cards.



As a company that has had a strong track record of profit growth and that we expect to generate relatively predictable high single digit revenue and profit growth over the medium-term, we view Cuscal's valuation as highly attractive, trading on a FY25 P/E of ~13.5x.

Further, the extent of the company's current investment into its nascent loss-making Regulated Data business is such that its underlying P/E is closer to 11x excluding this business.

Top Contributors (Absolute)	Sector
Austal	Industrials
Macquarie Group	Financials
Commonwealth Bank	Financials
Top Detractors (Absolute)	**Sector**
NRW Holdings	Industrials
Qualitas	Financials
ARN Media	Communication Services

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

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