# Prime Value Opportunities Fund
# Fund Update (Class A and B) – January 2025

PrimeValue
Building Wealth Together

- Global equities were positive in January, continuing the strength from last year into 2025.
- The ASX300 Accumulation Index gained 4.5%, more than making up for the decline at the end of 2024.
- The Fund gained 4.7% over the month and outperformed the ASX300 Accumulation Index in a strong performing market. The Fund is up by 10.1% for the FYTD25 and 14.3% on a 1-year basis.

| | Total Return* | Benchmark (8% pa) | Value Add |
|---|---|---|---|
| Since inception (p.a.) | 10.1% | 8.0% | 2.1% |
| 10 Years (p.a.) | 8.6% | 8.0% | 0.6% |
| 7 Years (p.a.) | 8.1% | 8.0% | 0.1% |
| 5 Years (p.a.) | 7.8% | 8.0% | -0.2% |
| 3 Years (p.a.) | 7.9% | 8.0% | -0.1% |
| 1 Year | 14.3% | 8.0% | 6.3% |
| 3 Months | 5.2% | 2.0% | 3.2% |
| 1 Month | 4.7% | 0.7% | 4.0% |

* 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.

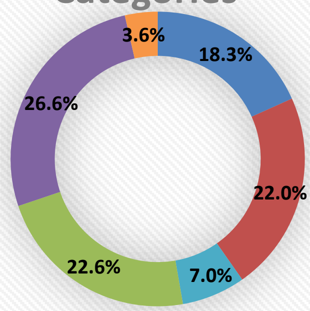
| | Jul | Aug | Sep | Oct | Nov | Dec | Jan | Feb | Mar | Apr | May | Jun | FYTD | ITD |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| FY 2013 | | | | | 1.8% | 1.7% | 4.3% | 6.2% | (0.6%) | 4.0% | (2.2%) | (1.6%) | 14.1% | 14.1% |
| FY 2014 | 4.4% | 2.6% | 4.3% | 5.0% | (1.1%) | 1.5% | (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% | 3.7% | (3.1%) | 4.7% | | | | | | 10.1% | 224.5% |

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

The top five holdings make up approximately 37.3% of the portfolio

| Feature | Fund facts% |
|---|---|
| Portfolio Manager | ST Wong |
| Investment Objective | The Fund seeks to achieve absolute total returns by providing medium to long term capital growth without the constraints of a share market benchmark. The composition of the Fund will differ from the typical Australian equity fund. |
| 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<br>Lonsec - Recommended |

## Holdings by Categories




- Core - Companies with attractive long term business prospects
- Valuation - Companies trading at substantial discounts to valuation or peers
- Turnaround - Companies expected to drive returns from turning around busines model. Industry structure is vital.
- Specific Growth - Smaller companies with unique products or services
- Thematic - Companies exposed to structural or cyclical themes
- Cash

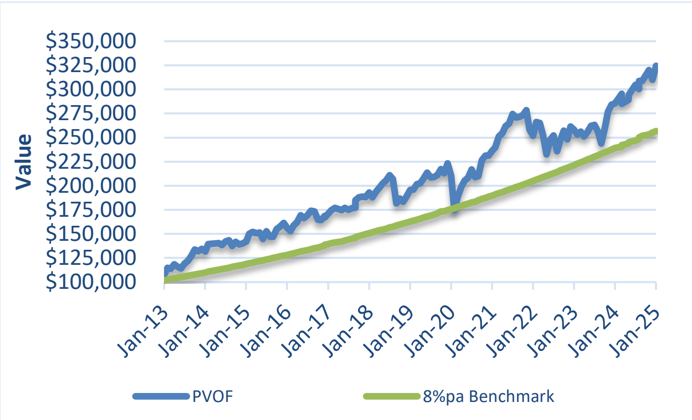
# The Prime Value SIV Opportunities Fund will have no exposure to international securities in accordance with SIV

## 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 Net TR USD Index: +6.9%) while US equities also ended the month positive, reaching new record highs (S&P500 Index: +2.8%). Emerging Market (EM) equities ended the month higher, despite China equities declining (MSCI Emerging Market Net TR USD Index: +1.8%; MSCI China Net TR USD Index: 0.6%). Japanese equities also continued the positive trajectory of the last few months (TOPIX Net TR Index: January: +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.

Australian equities had a strong month in January, 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 $324,500 (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 $256,700 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 | $1.7690 | $1.7395 |
| Withdrawal price | $1.7556 | $1.7263 |
| Distribution (31/12/2024) | $ 0.0390 | $ 0.0385 |
| 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 gained 4.7% over the month and outperformed the ASX300 Accumulation Index in a strong performing market. The Fund is up by 10.1% for the FYTD25 and 14.3% on a 1-year basis. The largest contributors to performance in January were ship builder Austal (+23.6%), National Aust. Bank (+8.2%) and Commonwealth Bank (+4.8%). Key detractors to January performance were Infomedia (-10.1%), CSL (-0.4%) and Acusensus (-4.0%).

Austal's share price appears to have been pushed higher aggressively in recent months as a proxy to Trump's push for on shoring and US industrial self-sufficiency. This thematic was probably supported by the numerous US Navy-related contracts Austal has won over 2024. Whilst we acknowledge Austal's burgeoning ship building order book, which will be supportive of the company's longer term earning profile, we have reduced our holdings given the significant share price appreciation. We have invested in Austal for five years with our rationale for investing in Austal supported by the company's low valuation relative to its US earnings potential.

A meaningful piece of market information in January: Lower inflation data has opened the door for the RBA to cut interest rates in Australia — markets are priced for a done-deal, but it may yet be a close call for this February as the RBA may well err on the side of caution and wait a little longer before easing rates. In any case, it does look like an easing cycle should commence in 2025.

As we embark on a new year, we are optimistic about the long-term prospects of the companies in which we are invested. We own a portfolio of great businesses that we expect will create and realize a lot of value by competing well in their respective industries, taking business risks and managing challenges while taking advantage of opportunities. We continue to uncover new ideas and investment opportunities while remaining patient and investing only when we believe target companies are trading at attractive prices.

| Top contributors (absolute) | Sector |
|---|---|
| Austal Limited | Industrials |
| National Aust. Bank | Financials |
| Commonwealth Bank | Financials |

| Top detractors (absolute) | Sector |
|---|---|
| Infomedia Limited | Information Technology |
| CSL Limited | Health Care |
| Acusensus | Information Technology |

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