Prime Value Equity Income (Imputation) Fund Update – February 2025

- Sentiment on equities fell in February, with the S&P500 Index declining 1.4%. However, European and Chinese markets performed well.
- The ASX300 Accumulation Index fell 3.8%. News flow around Trump policies drove markets and weaker bank share prices overshadowed the first Australian interest rate cut in four years.
- The Fund returned -2.4% for the month, outperformed its benchmark.

	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.)	5.7%	4.4%	1.3%	7.8%	7.8%
10 Years (p.a.)	6.1%	1.7%	4.4%	8.2%	7.5%
5 Years (p.a.)	9.7%	5.1%	4.6%	11.9%	8.8%
3 Years (p.a.)	9.0%	4.0%	5.0%	11.3%	8.9%
1 Year	9.0%	5.7%	3.3%	10.5%	9.7%
3 Months	-1.0%	-1.7%	0.7%	-0.5%	-2.6%
1 Month	-2.4%	-2.4%	0.0%	-2.4%	-3.8%

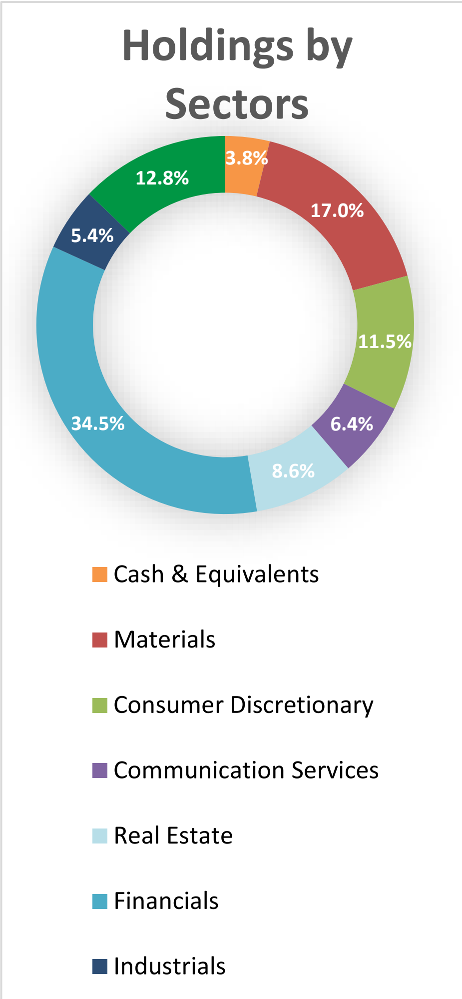
* Fund returns are calculated net of management fees, assuming all distributions are re-invested. Performance figures have been calculated in accordance with the Financial Services Council (**FSC**) standards. The returns are calculated before performance fees which are charged against individual accounts. The returns exclude the benefits of imputation credits. Past performance is not necessarily an indicator of future performance.

** 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 35.8% 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

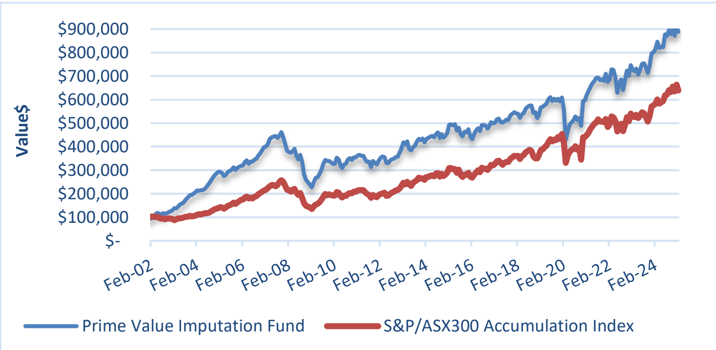


Market review

US monthly economic data pointed to slowing economic activity and compounded uncertainties created by US tariff imposts on its trading partners. Consequently, The Dow Jones Industrial Average Index fell 1.4%, the NASDAQ Index by 3.9% whilst S&P500 Index finished down 1.5%. European markets were higher for the third consecutive month. The Euro Stoxx50 Index rose 3.5%, Germany's Dax closed 3.8% higher and the FTSE100 Index up 2.0%. China's market (MSCI China Index) posted a double-digit gain of +11.8% last month, with the release of DeepSeek a key driver of a surge in Chinese technology stocks.

The Reserve Bank of Australia reduced interest rates by 25 basis points to 4.10% in February. While consensus expects further interest rates cuts in 2025, the timing and depth of rate cuts is difficult to pin down. The key considerations to the outlook for the rest of the year include fiscal policy commitments into the Federal Election, and the global policy backdrop.

The ASX300 Accumulation Index came under pressure in February, closing 3.8% lower on a total return basis, but not before setting a new high mid-month. Losses on the Index were broad based. However, the Banks (-5.2%) delivered its weakest monthly return in over two years to drag the broader market lower. Defensive sectors were favoured over Industrials despite the Health Care sector performing poorly. Small Caps outperformed large and mid-caps for the month, whilst large-cap Resources performed well over Industrials. Weakness was observed across size biased and macro indices. Across sectors, Utilities, Communication Services and Consumer Staples sectors closed February higher, whilst Technology and Health Care sectors were a drag on performance.



This graph shows how $100,000 invested at the Fund's inception has increased to $888,400 (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 $638,500 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	$3.0229	$3.0275
Withdrawal price	$3.0001	$3.0045
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

Fund review & strategy

The Fund returned -2.4% for the month of February, outperformed its benchmark. The market was on high valuation going into the reporting season, any unexpected "disappointment" of results generated brutal reactions. On the contrary, a slightly better than expected results generated disproportionate rewards. Contributors for the month were Telstra (TLS +4.8% delivered solid yield, with more free cash flow expected), Nine Entertainment (NEC +19.8%, on the back of takeover offer for Domain (DHG), of which NEC has a 60% holding) and Data3 (DTL +11.1%). Detractors were the banks NAB (-12.1%), Macquarie group (MQG -5.9%) and Goodman Group (GMG -14.1% equity raising for growth). NAB dropped 8% and Westpac 4% on result day – something we do not see often in big cap land! Their quarterly updates seemed to indicate a tougher competitive environment (deposit & lending) and signs of increased credit impairments emerged.

AI investments and the evolving nature of global politics and trade policies were among the key themes of the reporting season. The ever-changing US politics/tariff policies put countries and companies on a backfoot. From ESG perspective, there seemed to be signs of pullbacks in energy transition work. Due to some recent high-profile cases, corporate governance continued to be front of mind (CEO and Board changes). The use of AI technologies ranges from a "cost management" tool, to improving customer services to dynamic pricing. It is still early days to have actual dollar cost/benefit analysis.

We continue to hold a balance portfolio targeting both dividend yield and medium-term growth.

Top contributors (absolute)	Sector
Telstra	Communication services
Nine Entertainment	Consumer Discretionary
Data3	Info Tech

Top detractors (absolute)	Sector
NAB	Financials
Macquarie Group	Healthcare
Goodman Group	Real Estate

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

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