Prime Value Opportunities Fund
Fund Update (Class A and B) – 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%. New flows around Trump policies drove markets and weaker bank share prices overshadowed the first Australian interest rate cut in four years.
- The Fund fell 4.2% during the month. 56% of the portfolio reports profits that were either in-line or better than expectations, underpinning attractive risk/reward inherent in the portfolio at current levels.

	Total Return*	Benchmark (8% pa)	Value Add
Since inception (p.a.)	9.6%	8.0%	1.6%
10 Years (p.a.)	7.6%	8.0%	-0.4%
7 Years (p.a.)	7.1%	8.0%	-0.9%
5 Years (p.a.)	8.1%	8.0%	0.1%
3 Years (p.a.)	7.3%	8.0%	-0.7%
1 Year	8.9%	8.0%	0.9%
3 Months	-2.8%	2.0%	-4.8%
1 Month	-4.2%	0.6%	-4.8%

* 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**). 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.

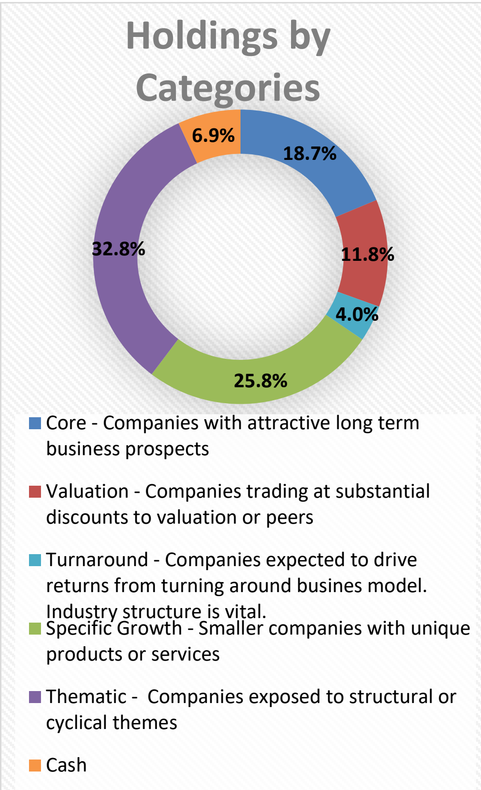
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	FYTD	ITD
FY 2013					1.8%	1.7%	4.3%	6.2%	(0.6%)	4.0%	(2.2%)	(1.6%)	14.1%	14.1%
FY 2014	4.4%	2.6%	4.3%	5.0%	(1.1%)	1.5%	(1.9%)	5.9%	0.2%	0.3%	0.3%	(1.4%)	21.4%	38.5%
FY 2015	2.5%	1.0%	(4.1%)	3.1%	(1.9%)	0.7%	1.5%	5.7%	1.4%	(1.0%)	0.5%	(4.3%)	4.6%	44.9%
FY 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%	(4.2%)					5.9%	211.0%

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

The top five holdings make up approximately 36.0% 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 Lonsec - Recommended

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

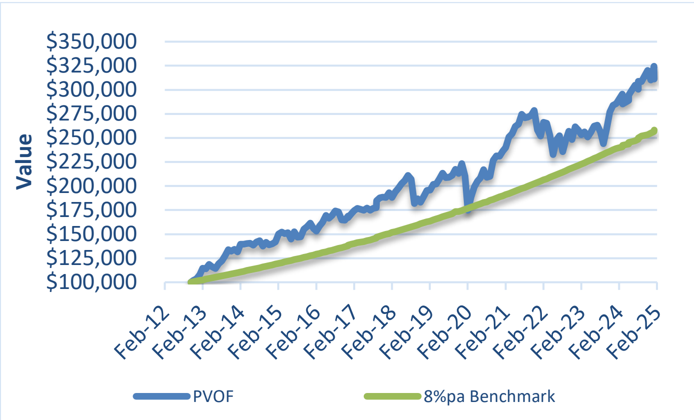


Market review

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 $311,000 (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 $258,200 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	PVA0005AU	PVA0006AU
Minimum Investment	$20,000	N/A
Issue price	$1.6952	$1.6669
Withdrawal price	$1.6824	$1.6543
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 fell by 4.2% over the month, underperforming the ASX300 Accumulation Index by 38 basis points. The Fund is up by 5.6% for the FYTD25 and 8.9% on a 1-year basis. Several one-off factors contributed to Fund underperformance in February: Orica fell -6.6%, affected by selling related to the stock being excluded from an MSCI index (which is not related to fundamental reasons), while Goodman Group fell -14.1% as the company raised new capital at a discount to fund new data centre developments. Cumulatively, these two companies detracted 58 basis points from fund performance. The largest contributors to performance in February were ship builder Austal (+11.0%), outdoor advertising company Ooh!Media (+28.8%) and industrial conglomerate Seven Group (+7.5%). Key detractors to February performance were larger cap companies National Australia Bank (-12.1%) and CSL (-7.1%) and Integral Diagnostics (-31.7%). In February, 56% of the portfolio reported earnings that were in-line or better than expectations, 28.9% reported profits that were worse than expectations, with the balance 15.1% making up of companies that had different financial year ends or cash. Overall, we believe the risk/reward inherent in the portfolio is attractive at current levels.

Ship builder Austal has been a strong performer for the Fund in recent months. Expectations are building that the company is poised to benefit from further ship building contract awards in the US. This comes as Austal continues to report an improving earnings outlook as the company upgraded its FY25 guidance to EBIT of not less than $80m (from about $80m). In the background, we observe rapidly rising sentiment for defence related companies in offshore share markets, from re-arming in the EU and shifting defence priorities in the US. In past few months, we have been managing our holding down to an appropriate risk weighting as Austal's share price appreciate.

Outlook: Typically, the February reporting season provides an opportunity for investors to focus on stock specifics, although this year attention was also on signs of the macro impact on the micro. Investors were weighing up the prospects of expected interest rate cuts and the potential for an improving economic outlook for CY2025. Weighing up their recent financial results, we believe our positions offer further appreciation potential individually, and that the Fund's diversification offers potentially better-than-market returns with less risk than the market. And, as always, the performance of our Fund will be primarily determined by the results of the companies in which we invest and their longer-term outlooks.

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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