

Prime Value Emerging Opportunities Fund Update (Class A) – March 2025



- Weakness in global equities continued into March, following a softer February.
- The fund's return of -3.0% for March outperformed both the Small Ordinaries Accumulation Index (-3.6%) and the Small Industrials Accumulation Index (-6.7%). This was despite the strength of the Small Resources Accumulation Index (+4.6%).
- While the fund does not invest in Resources, it has a history of outperforming in months that the Small Resources index rises. We believe this partially reflects the importance of Gold in the Resources index, which tends to outperform in times of turmoil, much like the fund.

	Total Return*	Benchmark (8% pa)	Value Add
Since Inception (p.a.)	10.8%	8.0%	2.8%
7 Years (p.a.)	10.6%	8.0%	2.6%
5 Years (p.a.)	15.1%	8.0%	7.1%
3 Years (p.a.)	4.1%	8.0%	(3.9%)
1 Year	4.5%	8.0%	(3.5%)
3 Months	(2.0%)	1.9%	(3.9%)
1 Month	(3.0%)	0.7%	(3.7%)

* Fund returns are calculated net of management fees and performance fees assuming all distributions are re-invested. Performance figures are calculated in accordance with the Financial Services Council (FSC) standards. Returns exclude the benefits of imputation credits. Past performance is not necessarily an indicator of future performance.

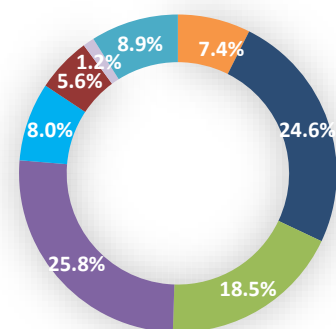
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	FYTD	ITD
FY 2016				2.5%	6.3%	0.7%	(0.2%)	(3.9%)	2.4%	3.3%	2.4%	(0.2%)	13.8%	13.8%
FY 2017	7.4%	2.5%	1.6%	(0.3%)	(6.0%)	(2.0%)	1.1%	(1.6%)	1.8%	(1.8%)	(1.2%)	2.5%	3.4%	17.6%
FY 2018	1.3%	1.8%	2.3%	2.7%	1.5%	3.9%	(0.8%)	0.6%	(2.2%)	(0.5%)	3.9%	3.4%	19.0%	40.0%
FY 2019	(0.8%)	2.9%	2.1%	(4.8%)	(2.0%)	(5.8%)	1.5%	5.8%	1.9%	2.7%	(1.0%)	(0.6%)	1.2%	41.7%
FY 2020	5.3%	2.0%	1.5%	4.5%	4.2%	0.5%	1.9%	(5.8%)	(19.1%)	12.7%	11.6%	1.4%	18.1%	67.3%
FY 2021	3.6%	6.0%	0.2%	0.7%	9.0%	3.2%	0.7%	0.6%	1.4%	7.0%	0.6%	3.1%	42.0%	137.6%
FY 2022	0.6%	5.3%	(0.3%)	(1.4%)	(0.4%)	1.8%	(7.3%)	(1.5%)	2.6%	(0.7%)	(5.0%)	(7.8%)	(13.9%)	104.6%
FY 2023	8.1%	2.2%	(8.9%)	4.7%	0.2%	(1.7%)	3.2%	0.2%	(0.8%)	3.4%	0.4%	2.9%	13.7%	132.6%
FY 2024	2.9%	(1.2%)	(1.6%)	(6.2%)	5.7%	5.1%	2.1%	0.9%	1.6%	(3.1%)	0.2%	1.9%	8.0%	151.1%
FY 2025	2.6%	(1.4%)	3.1%	1.2%	2.8%	(0.7%)	2.3%	(1.3%)	(3.0%)	-	-	-	5.6%	165.1%

Top five holdings (alphabetical order)	Sector
AUB Group Limited	Financials
Hansen Technologies Limited	Information Technology
Propel Funeral Partners Limited	Consumer Discretionary
Regis Healthcare Limited	Health Care
SG Fleet Group Limited	Industrials

* The top five holdings make up approximately 21.0% of the portfolio

Feature	Fund facts
Portfolio Manager	Richard Ivers & Mike Younger
Investment objective	The Fund seeks to achieve strong total investment returns by providing medium to long term capital growth through investing predominantly in companies listed on the Australian Stock Exchange with smaller capitalisations.
Benchmark	8% p.a.
Inception date	8 October 2015
Typical number of stocks	25 - 50
Cash	0 - 20%
Unlisted Exposure	0 - 20%
International Exposure	0 - 20%
Distributions	Half-yearly
Suggested Investment Period	3+ years
Research Ratings	Zenith – Highly Recommended Lonsec – Recommended

Holdings by Sectors



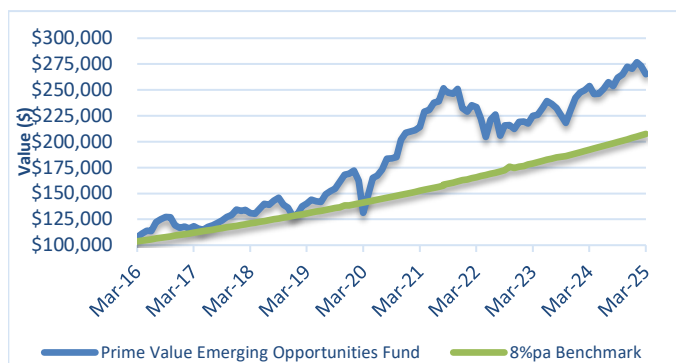
- Cash & Equivalents
- Financials
- Consumer Discretionary
- Industrials
- Health Care
- Information Technology
- Real Estate
- Communication Services

Market review

Global stocks fell through March, as markets began to reassess the potential impacts that Trump policies could have on global growth and corporate earnings. The MSCI Developed Markets Index fell -5.0% through the month. The Dow Jones Industrial Average Index fell 4.2%, the NASDAQ Index by 8.2% whilst S&P500 Index finished down 5.8%. European markets performed better, on a relative basis, for the fourth consecutive month. The Euro Stoxx50 Index fell 4.0%, Germany's Dax closed 1.7% lower and the FTSE100 Index fell by 2.6%. China's market (MSCI China Index) posted another positive gain, of 2.0%, as investors considered potential green shoots in the Chinese economy.

Stimulus in China and Europe combined with a 3.2% fall in the US Dollar Index had been a support for commodities during the month. Precious metals were the strongest performing commodity group, led by gold (+10.6%). Industrial metals such as copper (+5.0%) were also strong, while Crude oil price was up +2.7% higher in March.

Australian shares fell in March, with the ASX300 Accumulation Index closing 3.3% lower. The market declines were driven by investors anticipating the impact of Trump's tariffs, while some investors appeared to have re-allocated funds to markets such as China. With the exception of Utilities, sector losses on the ASX300 were broad based. Technology was the worst performing sector, Financials (-133bps) was a significant drag on broader market returns, with loan shared across banks (-69bps) and Financial Services (-68bps). Insurance, however, was outlier among this universe, posting small gains for the month. The Materials sector was a positive outlier in terms of performance in the Small Ords Index. But despite the positive monthly performance, it was insufficient to make up for the broader losses across the other sectors as the Small Ords Accumulation Index closed 3.6% lower for the month.



This graph shows how \$100,000 invested at the Fund's inception has increased to \$265,100 (net of fees). This compares with the return of the benchmark, where a \$100,000 investment would have increased to \$207,500 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 an indicator of future performance.

	Direct Investment (Class A)
APIR Code	PVA0013AU
Minimum Investment	\$20,000
Issue price (Cum)	\$2.0822
Withdrawal price (Cum)	\$2.0656
Distribution (31/12/2024)	\$0.0323
Indirect Cost Ratio (ICR)	1.25%*
Performance fee	20%**p.a.
* 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 positive performance	

Fund review & strategy

The fund returned -3.0% in March, outperforming both the Small Ordinaries (-3.6%) and the Small Industrials (-6.7%) Accumulation Indices.

Key contributors to performance for the month were **Integral Diagnostics** (IDX +8.7%), **Regis Healthcare** (REG +3.7%) and **Serko** (SKO.NZ +8.2%). Key detractors were **Pinnacle** (PNI -21.6%), **Qualitas** (QAL -17.4%) and **Kelsian** (KLS -11.0%).

The fund's relative outperformance was achieved despite very strong outperformance from Resource stocks (Small Resources Accumulation Index +4.6%), driven by a 10.6% increase in the Gold price due to market concerns over the pending impact of Trump tariffs and increased geopolitical risks. As a result, Resource stocks represented 9 of the Top 10 Small Ordinaries Index performers for the month.

We often highlight that the fund does not invest in resource companies (mining, oil & gas) due to their inherent earnings volatility from factors that are outside of management control.

With Resources making up c. 30% of the Small Ordinaries Index, this would suggest that the fund should underperform the Small Ordinaries Index when the Small Resources Index outperforms the Small Industrials Index.

However, in practice, this has not necessarily been the case as demonstrated in March, with the fund outperforming the Small Ordinaries Index despite the Small Resources Index rising +4.6% and the Small Industrials Index falling -6.7%.

In fact, looking back at the last 83 months, the Small Resources Index has outperformed the Small Industrials Index 41 times, with the fund actually outperforming the Small Ordinaries index in 23 of these 41 months (or 56% of the months in which the Small Resources has outperformed).

Relative Performance - months	Small Resources outperform		Small Industrials outperform		Total	
	Months	%	Months	%	Months	%
Fund outperformed	23	56%	28	67%	51	61%
Fund underperformed	18	44%	14	33%	32	39%
Total	41	100%	42	100%	83	100%

We believe there are 2 key reasons for this unusual outcome: (i) the fund's strong track record of outperformance has enabled it to offset headwinds from a relatively strong resources sector; and (ii) Gold represents c50% of the Small Resources sector which typically outperforms in times of turmoil that can drive markets lower.

As shown below, the fund shares this latter characteristic, outperforming the Small Ordinaries Index in 81% of months when the index falls, exhibiting "gold-like" qualities.

Relative Performance - months	Small Ordinaries positive		Small Ordinaries negative		Total	
	Months	%	Months	%	Months	%
Fund outperformed	21	46%	30	81%	51	61%
Fund underperformed	25	54%	7	19%	32	39%
Total	46	100%	37	100%	83	100%

Top Contributors (Absolute)	Sector
Integral Diagnostics	Health Care
Regis Healthcare	Health Care
Serko	Information Technology
Top Detractors (Absolute)	Sector
Pinnacle Investment Management	Financials
Qualitas	Financials
Kelsian	Industrials
Platforms	
Netwealth, uXchange, Mason Stevens, Hub24, BT Panorama, AMP North, Praemium	

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