Prime Value Growth Fund
Fund Update – March 2025

- Weakness in equities continued into March, following a softer February.
- The fund's return of -3.5% for March was -0.2% below the ASX 300 Accumulation index return of -3.3%.
- Resource stocks (+0.5%) materially outperformed Industrials (-4.3%), driven by a 10.6% increase in the Gold price as markets reacted to Trump tariffs and increased geopolitical risks.

	Total Return*	S&P/ASX 300 Accumulation Index	Value Add
Since Inception (p.a.)	10.2%	8.2%	2.0%
20 Years (p.a.)	6.6%	7.7%	-1.1%
10 Years (p.a.)	4.7%	7.1%	-2.4%
5 Years (p.a.)	13.4%	13.2%	0.2%
3 Years (p.a.)	5.3%	5.3%	0.0%
1 Year	5.6%	2.6%	3.0%
3 Months	-2.9%	-2.9%	0.0%
1 Month	-3.5%	-3.3%	-0.2%

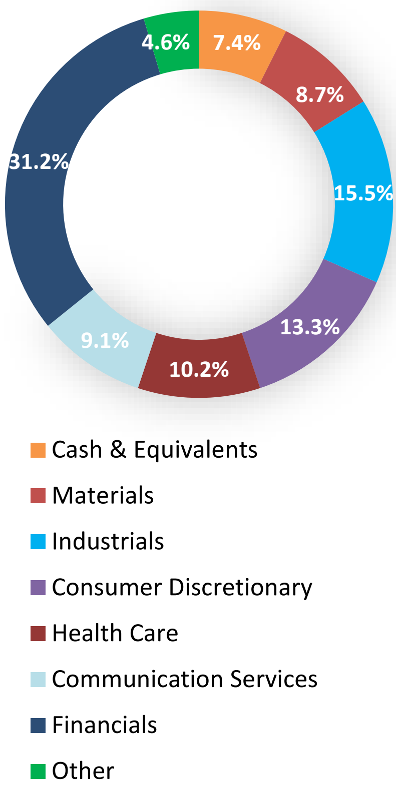
*Fund returns are calculated net of management fees, assuming all distributions are re-invested. Performance figures have been calculated in accordance with the Financial Services Council (**FSC**) standards. The returns are calculated before performance fees which are charged against individual accounts. 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
CSL Limited	Health Care
Macquarie Group	Financials
Propel Funerals Partners Limited	Consumer Discretionary

The top five holdings make up approximately 32.7% 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

Holdings by Sectors

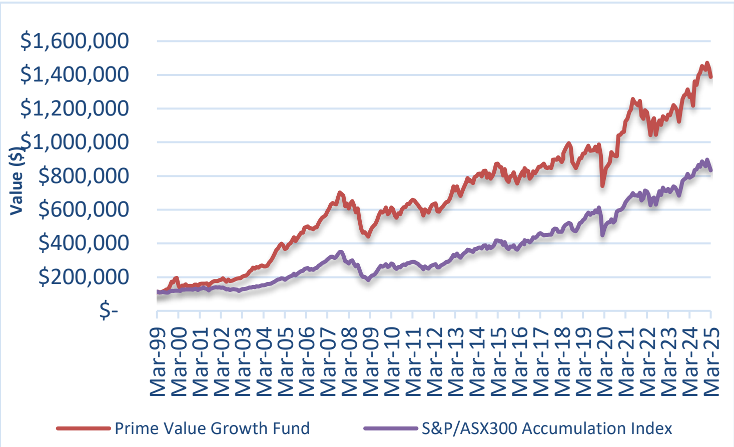


Market review

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 load 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 $1,388,100 (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 $834,400 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)	$1.9160	$1.9176
Withdrawal price (Cum)	$1.9014	$1.9030
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 -3.5% in March, which was -0.2% below the ASX 300 Accumulation index (-3.3%).

Resources stocks were a standout, with the ASX300 Resources Accumulation Index +0.5% (versus Industrials -4.3%), 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 14 of the Top 15 ASX300 Index performers for the month.

Key contributors to performance for March were **Integral Diagnostics** (IDX +8.7%), **Regis Healthcare** (REG +3.7%) and **EQT Holdings** (EQT +4.7%). Key detractors were **Macquarie Group** (MQG -13.2%), **Pinnacle** (PNI -21.6%) and **Qualitas** (QAL -17.4%).

Integral Diagnostics (IDX) enjoyed a relief rally following its -32% fall in February. While its profit result missed the mark, we view the share price reaction as overly severe, with the company well positioned to grow earnings over the medium-term via synergies from the acquisition of Capitol Health, as well as from increased Government funding.

Regis Healthcare (REG) and **EQT Holdings** (EQT) rose on no news, benefiting from the outperformance of defensive companies in a down market.

On the flip-side, while there was also no news at **Macquarie Group** (MQG), it suffered from the underperformance of companies with equity market leverage in a down market.

Pinnacle (PNI) was similarly impacted by its leverage to equity markets, as well as from enhanced media and ASIC scrutiny on the private credit sector (as per the Qualitas comments below). Interestingly, however, the company's private credit affiliate, Metrics, was the recipient of an investment from two strategic partners, valuing the affiliate at c$1.2bn, and PNI's share of Metrics at c$400m versus the $46m originally paid for its investment in 2018.

Qualitas (QAL) shares struggled due to not only the impact of weaker equity markets on fund managers, but also due to the enhanced media scrutiny on the private credit sector. While ASIC is currently reviewing the industry, we expect higher quality participants like Qualitas to potentially benefit from a competitive standpoint compared to those that operate with less stringent and ethical processes.

Top Contributors (Absolute)	Sector
Integral Diagnostics	Health Care
Regis Healthcare	Health Care
EQT Holdings	Financials
Top Detractors (Absolute)	**Sector**
Macquarie Group	Financials
Pinnacle Investment Mgt	Financials
Qualitas	Financials

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

Contact details:
Prime Value Asset Management Limited
Level 9, 34 Queen Street, Melbourne VIC 3000
T: 03 9098 8088
E: info@primevalue.com.au
W: primevalue.com.au