

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



- Australian markets were positive in April despite volatility related to President Trump's "Liberation Day" tariff increases.
- The fund's return of +2.0% for April outperformed both the Small Ordinaries Accumulation Index (+1.8%) and the Small Industrials Accumulation Index (1.9%).
- April marked the 7th anniversary of the fund's management by the current investment team. Over that time, it has delivered strong performance (outperformed the indices by c. 7% p.a.), consistency (outperformed every year) and measured risk (c. 20% below the indices).

	Total Return*	Benchmark (8% pa)	Value Add
Since Inception (p.a.)	11.0%	8.0%	3.0%
7 Years (p.a.)	11.0%	8.0%	3.0%
5 Years (p.a.)	12.8%	8.0%	4.8%
3 Years (p.a.)	5.0%	8.0%	(3.0%)
1 Year	9.9%	8.0%	1.9%
3 Months	(2.3%)	1.9%	(4.2%)
1 Month	2.0%	0.6%	1.4%

* 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.

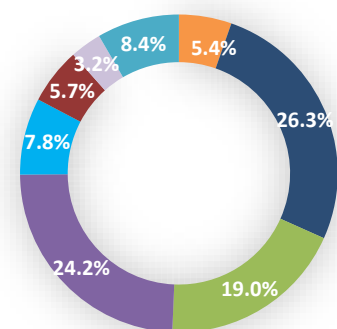
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	FYTD	ITD
FY 2016				2.5%	6.3%	0.7%	(0.2%)	(3.9%)	2.4%	3.3%	2.4%	(0.2%)	13.8%	13.8%
FY 2017	7.4%	2.5%	1.6%	(0.3%)	(6.0%)	(2.0%)	1.1%	(1.6%)	1.8%	(1.8%)	(1.2%)	2.5%	3.4%	17.6%
FY 2018	1.3%	1.8%	2.3%	2.7%	1.5%	3.9%	(0.8%)	0.6%	(2.2%)	(0.5%)	3.9%	3.4%	19.0%	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%)	2.0%	-	-	7.7%	170.4%

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

* The top five holdings make up approximately 21.5% 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

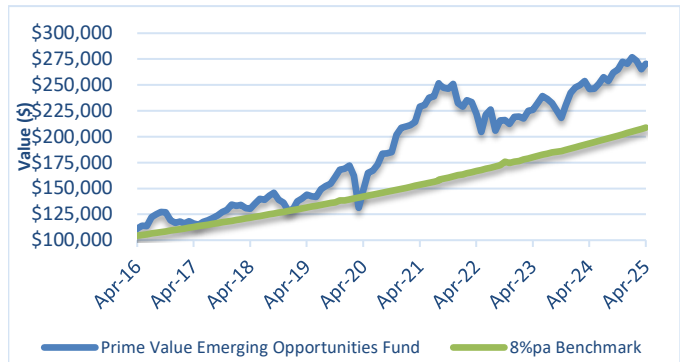
Market review

In April global equity markets experienced volatility primarily driven by concerns over US President Trump’s “Liberation Day” tariffs. Whilst equity markets traded lower in early April, conciliatory words from the US administration on trade tariffs helped financial markets recover through the month. The MSCI Developed Markets Index fell -0.3% through the month. The Dow Jones Industrial Average Index fell 3.9% whilst S&P500 Index finished down 0.8%. In contrast, the Nasdaq Index rose 0.8%. European markets performed marginally weaker, on a relative basis. The Euro Stoxx50 Index fell 1.1%, with Germany’s Dax +1.5% and the UK’s FTSE100 Index -1.0%. China’s market (MSCI China Index US\$) posted a 4.2% decline for the month although the Index is 10% higher year to date 2025.

Through April we saw the Australian 10-year government bond yield shift meaningfully lower, finishing the month at 4.12%. Brent Oil (-19.4%) and Iron Ore prices also fell noticeably over the month, whilst gold prices rose sharply.

Australian equity returns were resilient in April within a heightened level of market volatility, with the ASX 300 Accumulation Index returning +3.6%. Earlier in the month when tariffs were first announced, the ASX300 Index was -6.4% and the US S&P500 Index -11.4%. As tariff commentary evolved, with an announced 90 day pause on tariffs (excluding China), markets recovered.

The ASX300 Index rose sharply from its low (+10.7%), closing +3.6% higher over the month. Sector outperformance from the bounce was led by Technology, Discretionary, Financials, Materials and Energy, all outpacing the broader market. Indeed, with the exception of Energy, all sectors recovered from the intra-month lows seen on April 7. All size-biased indices closed higher in April, with large favoured over small caps.



This graph shows how \$100,000 invested at the Fund’s inception has increased to \$270,400 (net of fees). This compares with the return of the benchmark, where a \$100,000 investment would have increased to \$208,800 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)	\$2.1234
Withdrawal price (Cum)	\$2.1064
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 +2.0% in April, outperforming both the Small Ordinaries (+1.8%) and the Small Industrials (+1.9%) Accumulation Indices.

April was an eventful month. President Trump announced large import tariffs on “Liberation Day” then a reduction and 90 day pause, the Australian election campaign was in full swing, Easter & Anzac Day holidays and the death of Pope Francis. In early May, the world’s greatest investor, Warren Buffet, announced his retirement at 94 years old.

With all of this underway, markets were highly volatile through April but ended up positive for the month. The fund’s performance during the month felt like a washing machine, with big down and up days, and individual stock performance highly variable. To end with a return of +2.0% was pleasing. May has also started strongly (at the time of writing). This highlights the difficulty of predicting short term performance of equity markets. If you knew the US and China, the world’s 2 largest economies, would effectively create a trading embargo with each other, most would expect Australian markets to fall. Not the case!

When meeting investors, the most common question we get asked is “Is now a good time to invest?”. April illustrates why answering this question is so difficult. Over the long term we are confident that equities provide strong investment returns and a powerful tool for wealth creation. Strong returns can be observed over millennia. There are big structural tailwinds supporting Australian corporate profit growth including population growth, economic growth and economic stabilisers including interest rates & government spending. But the short term is anyone’s guess! Buffett once said “*Forecasts may tell you a great deal about the forecaster but they tell you nothing about the future*”.

Trump’s tariffs are having a negative impact on the US economy. Visible impacts to date include slowing Chinese manufacturing orders, rising US inflation expectations and a high degree of corporate uncertainty evident in the removal of 2025 earnings guidance by many US listed companies. The earnings outlook for Australian small cap industrial stocks hasn’t been greatly impacted yet outside of certain pockets including US exposed travel (Flight Centre, Corporate Travel) and US consumer exposure (Breville Group, Cettire). Australia is fortunate to be subject to relatively low tariffs (10%), have a good political relationship with the US and little direct reliance on exports to the US.

We haven’t made large changes to the portfolio in this volatility. The difficulty with tariffs is uncertainty of their size and duration. At any moment, they could be changed or removed, particularly as their impact becomes more evident to Americans through stock shortages in retail outlets over coming months.

In the initial market fall in April we added some high quality stocks with little direct tariff exposure and increased some existing positions. The portfolio remains weighted to higher quality, less cyclical businesses with strong management and balance sheets. It also has a very strong track record of capital preservation through consistent outperformance in down markets. We remain confident and focused on the long term.

Top Contributors (Absolute)	Sector
Superloop	Communication Services
Australian Finance Group	Financials
Austal	Industrials
Top Detractors (Absolute)	Sector
City Chic	Consumer Discretionary
Ryman Healthcare	Health Care
Auckland Airport	Industrials
Platforms	
Netwealth, uXchange, Mason Stevens, Hub24, BT Panorama, AMP North, Praemium	

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