

Prime Value Growth Fund

Fund Update – April 2025



- Australian markets were positive in April despite volatility related to President Trump's "Liberation Day" tariff increases.
- The fund's return of +2.4% for April was 1.3% below the ASX 300 Accumulation index return of +3.6%.
- We haven't made big changes to the portfolio in recent market volatility. The difficulty with tariffs is uncertainty of their size and duration. In the initial market fall in April we added some high quality stocks with little direct tariff exposure and increased some existing positions.

	Total Return*	S&P/ASX 300 Accumulation Index	Value Add
Since Inception (p.a.)	10.3%	8.3%	2.0%
20 Years (p.a.)	7.0%	8.0%	-1.0%
10 Years (p.a.)	5.2%	7.7%	-2.5%
5 Years (p.a.)	12.2%	12.1%	0.1%
3 Years (p.a.)	6.4%	6.8%	-0.4%
1 Year	12.0%	9.5%	2.5%
3 Months	-3.5%	-3.7%	0.2%
1 Month	2.4%	3.6%	-1.2%

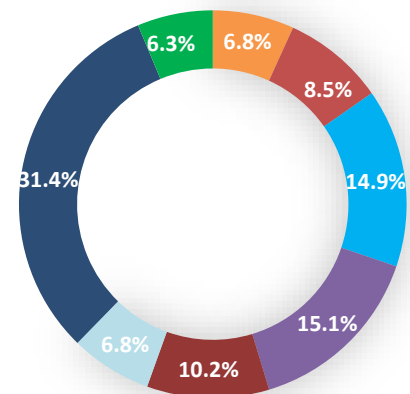
*Fund returns are calculated net of management fees, assuming all distributions are re-invested. Performance figures have been calculated in accordance with the Financial Services Council (FSC) standards. The returns are calculated before performance fees which are charged against individual accounts. 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 31.3% 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



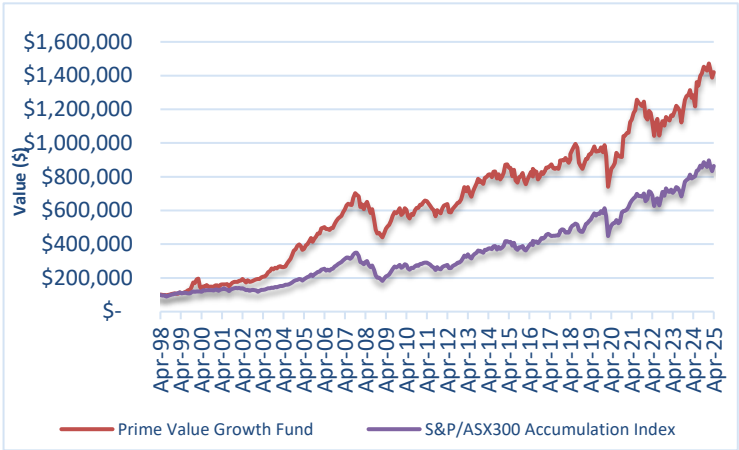
- Cash & Equivalents
- Materials
- Industrials
- Consumer Discretionary
- Health Care
- Communication Services
- Financials
- Other

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 \$1,420,700 (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 \$864,400 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)	\$1.9609	\$1.9628
Withdrawal price (Cum)	\$1.9461	\$1.9480
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 +2.4% in April, below the ASX300 accumulation return of +3.6%. April was an eventful month. President Trump announced large import tariffs on “Liberation Day” then a reduction and 90 day pause. 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. 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. Australia is fortunate to be subject to relatively low tariffs (10%), have a good political relationship with the US and little direct reliance on US exports.

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
Commonwealth Bank	Financials
Superloop	Communication Services
Australian Finance Group	Financials
Top Detractors (Absolute)	Sector
Restaurant Brands	Consumer Discretionary
City Chic	Consumer Discretionary
Auckland Airport	Industrials

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

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