Prime Value Equity Income (Imputation) Fund
Fund Update – July 2026

- Global markets were mixed in July as AI stocks fell out of favour and US-Iran hostilities resumed
- The ASX300 Accumulation Index posted a gain of 2.1%, with big caps outperforming small caps
- The Fund returned 2.1% in line with its benchmark

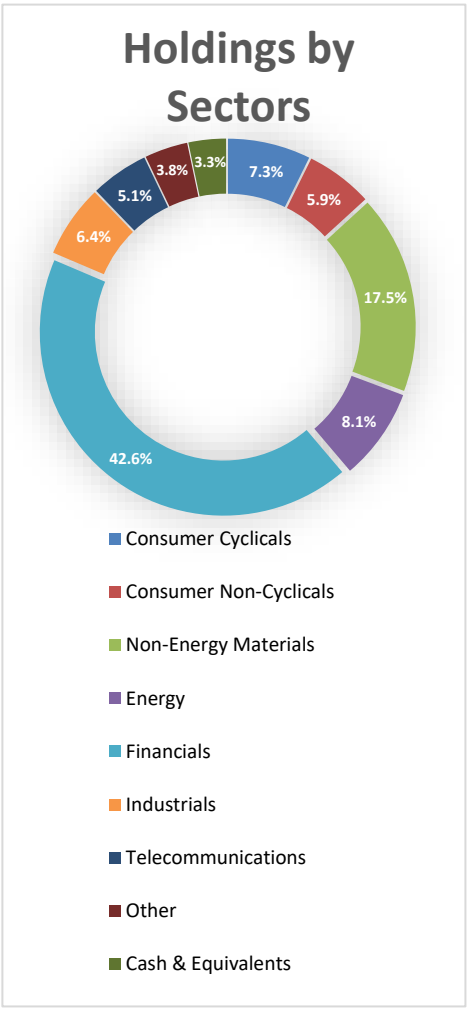
	Total Return*	Growth Return*	Distribution Return*	Total Return including Franking Credits**	S&P/ASX 300 Accumulation Index
Since inception (p.a.)	10.3%	5.4%	4.9%	12.4%	8.4%
10 Years (p.a.)	8.6%	4.3%	4.3%	10.7%	9.0%
5 Years (p.a.)	10.1%	5.7%	4.4%	12.3%	7.8%
3 Years (p.a.)	14.3%	11.1%	3.2%	15.9%	10.3%
1 Year	15.7%	13.0%	2.7%	17.1%	5.8%
3 Months	5.1%	4.3%	0.8%	5.4%	4.0%
1 Month	2.1%	2.1%	0.0%	2.1%	2.1%

* 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.
** Returns grossed up for franking credits are estimates.

Top five holdings	Sector
BHP Group	Non-Energy Materials
Commonwealth Bank	Finance
Wesfarmers	Consumer Cyclicals
Macquarie Group	Finance
National Australia Bank	Finance

The top five holdings make up approximately 35.6% of the portfolio.

Feature	Fund facts
Portfolio Manager	Leanne Pan
Investment objective	To provide regular tax-effective income, combined with competitive capital growth over the medium to long term
Benchmark	S&P / ASX 300 Accumulation Index
Inception Date	20 December 2001
Cash	0 - 30%
Distributions	Quarterly
Suggested Investment Period	3+ years



Market review

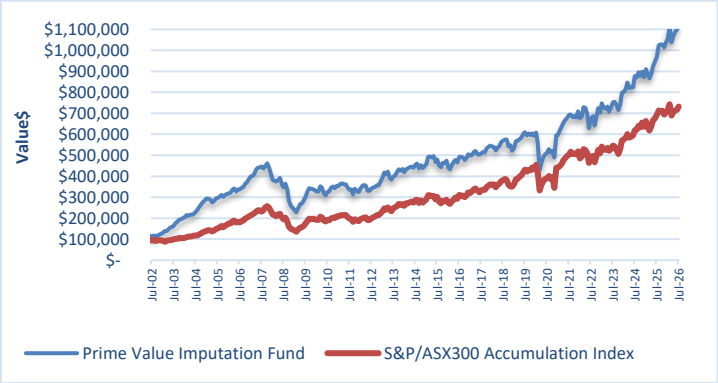
Global equity markets were mixed over the month, with relative performance seemingly dependent on the level of exposure to AI stocks, which continue to wax and wane in terms of investor sentiment.

The S&P500 Index (-0.1%), Dow Jones Index (+0.4%) and MSCI ACWI Index (+0.1%) were relatively flat, while the FTSE100 Index gained 3.6%.

Conversely, those indices more exposed to AI stocks suffered most, with Korea's KOSPI -22.2%, Japan's Nikkei 225 -8.1% and Taiwan's TAIEX -6.5%. This was driven by concerns over the ROI that will be delivered by the enormous AI capex budgets of major technology companies, as well as increasing competition from cheaper, Chinese developed AI models.

Oil prices rebounded strongly as the US and Iran resumed hostilities, sending Brent crude +21% to US$91.04/bbl. Most commodities were up in July, with the exception of iron ore which fell -4% in July to US$95.3/t. Base metals were largely higher, with copper +4% to US$6.28/lb and nickel +6% to US$7.74/lb. The gold price rose 2% to US$4,046/oz.

Economic data in Australia saw inflation slowing and the labour market remaining resilient, with the RBA seen as likely to hold interest rates at the upcoming August meeting. Australian 10yr bond yields rose 21bps to 4.94%. US 10yr bond yields also rose, +27bps to 4.71% with consensus expectations for an interest rate hike at the next US Federal Reserve meeting in September.



This graph shows how $100,000 invested at the Fund's inception has increased to $1,120,700 (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 $732,600 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	PVA0002AU	PVA0022AU
Minimum Investment	$20,000	N/A
Issue price (Cum)	$3.6633	$3.6666
Withdrawal price (Cum)	$3.6355	$3.6388
Distribution (30/06/2026)	$ 0.0259	$ 0.0282
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 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 & strategy

The peace deal that was and that was not. In the first month of the new financial year, big cap outperformed the Smalls. The Fund returned 2.1% for the month, in line with the market which is quite pleasing. We saw some of the high growth names outperformed from a low base. Many of these names do not pay or pay very low dividends and we do not typically hold them. Contributors for the month included oil names such as Woodside (oil prices +20% amid Middle East uncertainties) and banks (despite the high valuation and the headwinds around housing / credit demand). Detractors were NRW Holdings (NWH -5.9%), Goodman Group (GMG -4.4%) and Dalrymple Bay (DBI -2.6%).

Coming into the August reporting season. Small caps staged a very strong come-back in the first week of August (time of wring). Issues investors would be keen to grapple on include the impact of inflation on cost hence margin, consumer sentiment change, financial difficulties / bad debt provisions; whereas the positives might be growth capex trend, AI assisted cost savings and so forth. As the market structure has changed over the years, passive investing, day traders, quant funds all can contribute to the highly volatile daily share price movements.

Much has been in the press about the government tax changes favoring income rather than growth names. We are mindful that companies need to grow, generate earnings and then pay dividends. As always, management needs to be prudent in their capital allocation decision, balancing the interest of various stakeholders.

Top contributors (absolute)	Sector
Commonwealth Bank	Finance
Woodside Energy	Energy
National Australia Bank	Finance

Top detractors (absolute)	Sector
NRW Holdings	Industrials
Goodman Group	Finance
Dalrymple Bay Infrastructure	Industrials

Platforms
IOOF, FNZ Custodians, Bond Street, Netwealth

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