Prime Value Equity Income (Imputation) Fund

Fund Update – August 2026

- The Australian market was stronger in August as profit results reported in the month were better than expected on strong cost control.
- A relatively strong company reporting period, but margin outlook more subdued
- The Fund returned -0.9& underperformed its benchmark

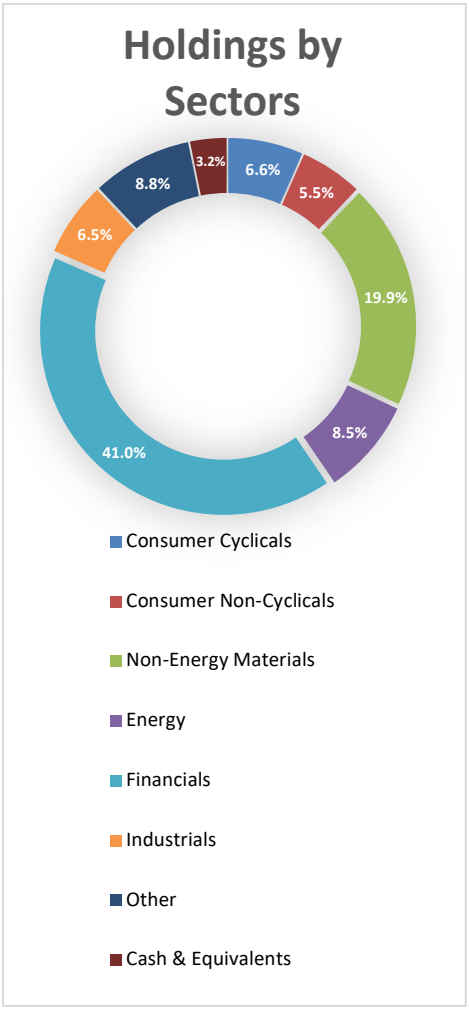
	Total Return*	Growth Return*	Distribution Return*	Total Return including Franking Credits**	S&P/ASX 300 Accumulation Index
Since inception (p.a.)	10.2%	5.3%	4.9%	12.3%	8.5%
10 Years (p.a.)	8.5%	4.2%	4.3%	10.6%	9.3%
5 Years (p.a.)	9.9%	5.5%	4.4%	12.0%	7.6%
3 Years (p.a.)	13.7%	10.5%	3.2%	15.4%	11.2%
1 Year	8.5%	6.0%	2.5%	9.9%	4.3%
3 Months	2.1%	1.4%	0.7%	2.3%	4.4%
1 Month	-0.9%	-0.9%	0.0%	-0.9%	1.6%

* 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 35.0% 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 positive in August across almost every major market.

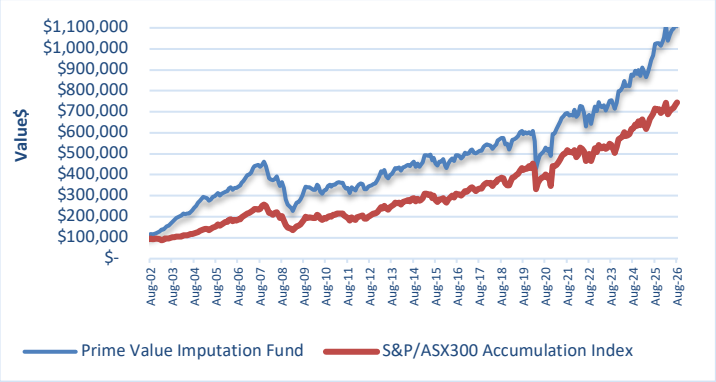
The MSCI World Index was +2.5% supported by the US (S&P500 Index +2.6%, Dow Jones Index +1.3%) and Japan (Nikkei +3.0%). Weaker markets included UK's FTSE 100 (-0.4%) and Hong Kong's Hang Seng (-1.2%).

AI bellwether Nvidia reported a strong quarterly result that supported the bullish thesis that GPU demand remains strong. This supports a range of associated industries including semiconductors, datacentres and electrification. This followed a bearish July when concerns regarding the economic return on AI investment became heightened. The upcoming IPO of Anthropic should help shed light on AI economics.

Oil prices were up moderately (Brent crude +3%) due to continued geopolitical concerns regarding the Straits of Hormuz. The main driver of oil prices remains supply side rather than demand side. Most industrial commodities were up in August including iron ore +4%, copper +5% and coking coal +3%. Precious metals were strong with gold +9%, silver +16% and platinum +8%. Agricultural commodities were more mixed with cattle -6%, wheat +21% and coffee -6%. All commodity price changes are based in US dollars.

In Australia, economic data and public statements by RBA officials led economists to forecast an interest rate increase in September 2026. July CPI showed inflation is proving more persistent than expected and consumer spending data was surprisingly buoyant in the face of weak consumer sentiment and falling house prices.

The ASX300 Accumulation Index was +1.6% in August. The strongest sectors were Healthcare (+18.8%) and Materials (+12.2%), while the weakest were Consumer Discretionary (-7.9%) and Real Estate (-6.7%).



This graph shows how $100,000 invested at the Fund's inception has increased to $1,110,400 (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 $744,400 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	PVA0002AU	PVA0022AU
Minimum Investment	$20,000	N/A
Issue price (Cum)	$3.6295	$3.6335
Withdrawal price (Cum)	$3.6021	$3.6059
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 Fund returned -0.9% for the month of August, underperformed its benchmark. It was the busy company reporting time. Overall the results were better than feared, data center investments are becoming the next "mining boom". Management commentaries typically were more cautious. "a slowing consumer"? "cost of living pressure"? the insatiable appetite to consume seemed to have slow in the latest round of company results. "Kmart" which epitomized "everyday low prices" stood still – outlook remained flat. Most consumers stocks underperformed the broader market. Housing exposed retailers were particularly weak given the cautionary outlook partly due to falling house prices and restrictive monetary policy. Our holdings in Wesfarmers (WES) and Harvey Norman (HVN) detracted performance. WES is a quality company with great management, excellent execution and good growth opportunities. Bunnings and Kmart are key contributors to Group profit. HVN has strong valuation support. We continue to hold both for the time being.

The stronger commodity prices supported strong cash generation. The higher payout ratios seemed to suggest a positive outlook vs the softer guidance implied. One wonders if the government tax policy is influencing investor demand, hence company decision making. We are mindful that companies need to invest, 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
Newmont	Non-Energy Materials
BHP	Non-Energy Materials
Data#3	Technology

Top detractors (absolute)	Sector
Commonwealth Bank	Finance
Wesfarmers	Consumer Cyclicals
Harvey Norman	Consumer Non-Cyclicals

Platforms
IOOF, FNZ Custodians, Bond Street, Netwealth

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