Prime Value Growth Fund
Fund Update – September 2026

- Global equity markets were mixed in September as Middle East tensions continued and bond yields rose.
- The fund returned -4.4% in September, 2.0% below the ASX300 Accumulation Index (-2.4%).
- Share prices reflect company earnings and the valuation multiple ascribed. Currently, fund earnings are growing and the valuation multiple on those earnings Is falling. With valuations already relatively low, this relationship tends to prove unsustainable over the long-term.

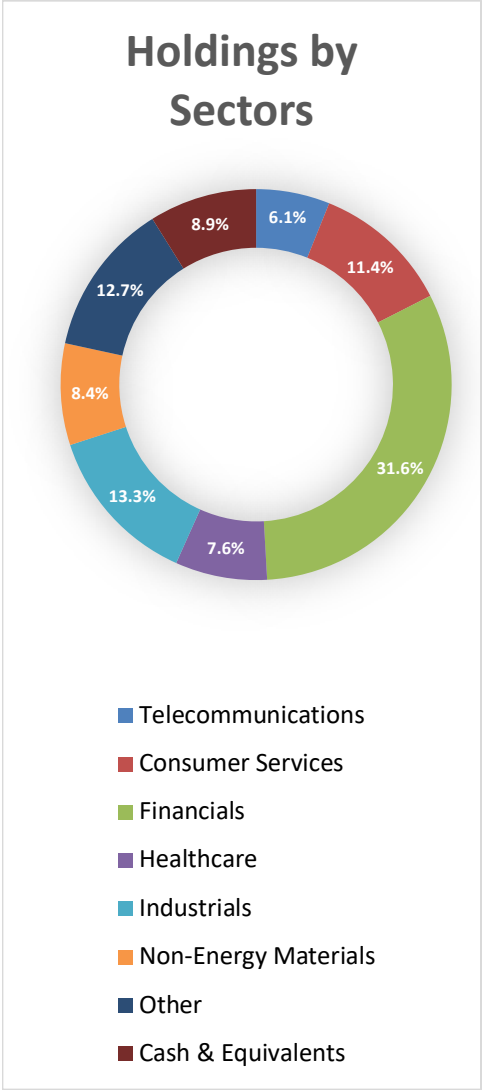
	Total Return*	S&P/ASX 300 Accumulation Index	Value Add
Since Inception (p.a.)	9.8%	8.4%	1.4%
20 Years (p.a.)	5.5%	7.0%	-1.5%
10 Years (p.a.)	5.7%	9.0%	-3.3%
5 Years (p.a.)	3.2%	7.5%	-4.3%
3 Years (p.a.)	6.8%	11.3%	-4.5%
1 Year	-8.7%	2.4%	-11.1%
3 Months	-3.3%	1.3%	-4.6%
1 Month	-4.4%	-2.4%	-2.0%

*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
BHP Group	Non-Energy Materials
Macquarie Group	Finance
Commonwealth Bank	Finance
CSL	Healthcare
Vista Group	Consumer Service

The top five holdings make up approximately 30.3% 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



Market review

Global equity markets were mixed in September amid a backdrop of continuing Middle East tensions and rising global bond yields.

Technology stocks were in favour, particularly Semiconductor stocks, as confidence on AI spending was spurred by the launch of Meta's Muse AI agent. Much of the rest of the market fell.

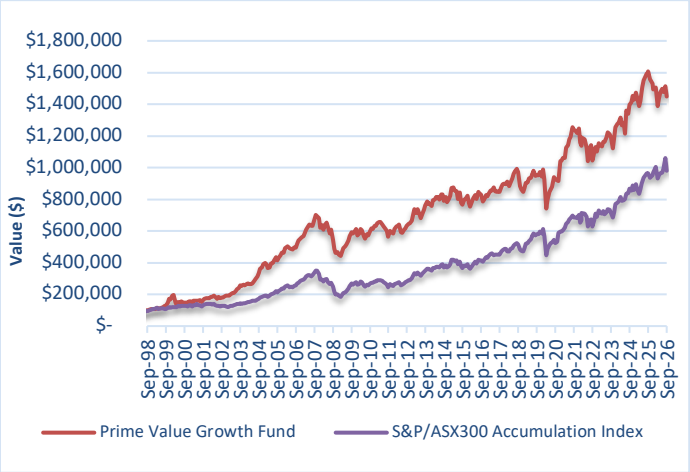
US indices were heavily driven by their level of Technology stock exposure with the Dow Jones Industrial Index -4.1%, the S&P 500 Index -0.3% and the Nasdaq 100 Index +1.9%. Japan's Nikkei 225 Index rose +1.3% while the MSCI AC World Index fell -0.7% and London's FTSE 100 Index fell -2.0%.

Oil prices were up strongly (Brent crude +8%) on renewed attacks between the US and Iran, stalling progress on peace negotiations. Most commodities were down in September with iron ore -7%, gold -6%, nickel -6% and copper flat. Lithium was particularly weak, falling -28%, as China's stockpiles were revised upwards by c100%. All commodity price changes are based in US dollars.

Bond yields rose globally with US 10-year yields rising 48bps to 5.28% (a 5-yr high), with increases also seen in Canada (+25bps), Germany (+24bps), Australia (+21bps), the UK (+20bps) and Japan (+16bps).

In Australia, solid GDP data saw the RBA increase interest rates by 25bps for the 4th time this cycle, albeit August CPI released the next day was slightly below expectations, potentially giving pause to future decisions.

The ASX300 Accumulation Index was -2.4% in September. Healthcare (+3.9%) and Energy (+0.5%) were the only two sectors in positive territory, while the weakest were Information Technology (-9.8%) and Materials (-5.9%).



This graph shows how $100,000 invested at the Fund's inception has increased to $1,447,800 (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 $982,000 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)	$1.4551	$1.4558
Withdrawal price (Cum)	$1.4441	$1.4448
Distribution (30/06/2026)	$ 0.2001	$ 0.2014
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 -4.4% in September, below the ASX300 Accumulation Index return of -2.4%.

Stocks that performed well for the month included a mix of service providers to the Data Centre and Mining sectors, while the M&A theme of recent months continued, with takeover bids received by Ingenia, IDP Education and Reliance Worldwide.

Key contributors for the month included **CSL** (CSL +8.7%). **Cuscal** (CCL +11.4%) and **Dalrymple Bay Infrastructure** (DBI +7.7%). Key detractors were **Regis Healthcare** (-29.2%), **Pinnacle Investment Management** (PNI -21.3% and **BHP Group** (BHP -6.1%).

Cuscal (CCL) continued its strong share price run, aided in September by the announcement that it had gained entry into the S&P/ASX 300 index.

Regis Healthcare (REG) shares fell due to a second successive disappointing funding outcome from the Government which was below cost inflation and will result in falling industry profit margins. While long-term demographic trends remain favourable for the sector, it appears that Government budgetary constraints will not incentivise operators to solve the aged care bed supply shortage problem and, as a result, we have exited our holding.

Pinnacle Investment Management (PNI) suffered from further negative news relating to the private credit sector with its 35% owned affiliate, Metrics, awaiting the finalisation of audited accounts for several of its funds due to differences of opinion over asset valuations between its independent valuers and its auditor. We note that there has not been any loss of investor capital at this point, and that Metrics represented c11% of PNI's group profit in FY26.

While not obvious from the Growth Fund's recent performance (-3.3% for the September quarter), its constituents enjoyed a strong reporting season with earnings growth across the portfolio averaging 17%, and only 4 companies reporting an earnings decline.

For this reason, we see the fund as well positioned. Share prices reflect a combination of a company's earnings and the valuation multiple that investors ascribe to those earnings. While the earnings are growing, the valuation multiple has been declining to low levels by historical standards (as we have discussed previously). Over the long-term this tends to be an unsustainable relationship.

Top Contributors (Absolute)	Sector
CSL	Healthcare
Cuscal	Finance
Dalrymple Bay Infrastructure	Industrials
Top Detractors (Absolute)	**Sector**
Regis Healthcare	Healthcare
Pinnacle Investment Mgt	Finance
BHP Group	Non-Energy Materials

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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