Prime Value
Equity Income (Imputation) Fund
Fund Update – November 2020

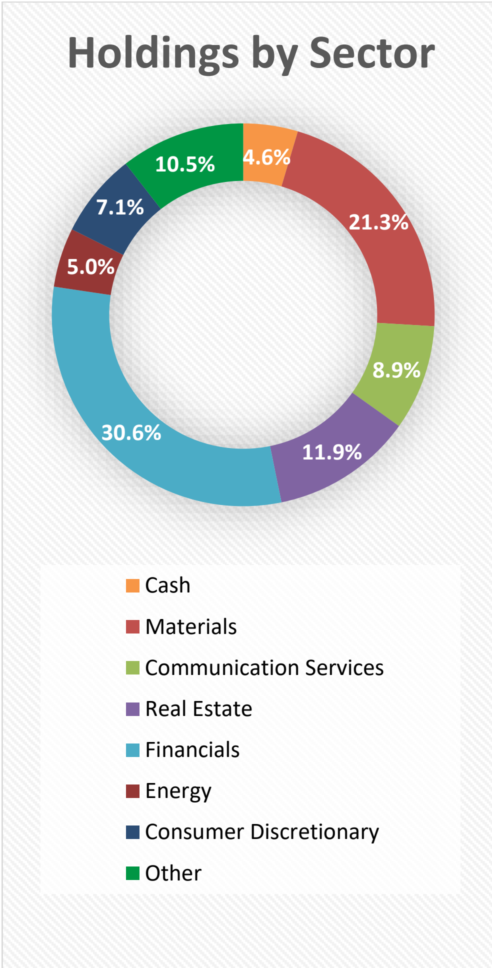
- The 10.2% gain in the ASX300 Accumulation Index in November was one of the best monthly returns since 1980
- Gains on the ASX were led by "value" or beaten down stocks such as banks and energy companies, following an extremely challenging prior six months for these companies
- Fund returned a strong 11% for the month, outperforming its benchmark

	Total Return*	Growth Return*	Distribution Return*	Total Return including Franking Credits**	S&P/ASX 300 Accumulation Index
Since inception (p.a.)	9.7%	4.6%	5.1%	11.7%	8.0%
10 Years (p.a.)	5.4%	0.9%	4.5%	7.6%	8.0%
5 Years (p.a.)	4.7%	0.4%	4.3 %	6.6%	9.1%
3 Years (p.a.)	2.4%	(2.2%)	4.7%	4.5%	7.1%
1 Year	(3.9%)	(7.6%)	3.7%	(2.5%)	(1.6%)
3 Months	9.5%	8.8%	0.7%	10.0%	8.3%
1 Month	11.0%	11.0%	0%	11.0%	10.2%

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

Top five holdings	Sector
BHP	Materials
Macquarie Group	Financials
Commonwealth Bank	Financials
Wesfarmers	Consumer Discretionary
ANZ Bank	Financials

The top five holdings make up approximately 31.5% of the portfolio.



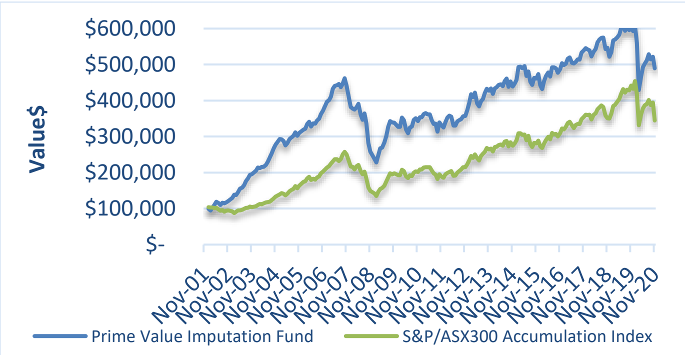
Feature	Fund facts
Portfolio Manager	Leanne Pan
Investment objective	To provide regular tax-effective income, combined with competitive capital growth over the medium to long-term, by managing a portfolio of assets comprised mainly of Australian equities listed on any recognised Australian stock exchange.
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 markets rose through November, driven by positive vaccine news and increased certainty regarding the US election result. The outcome of the US election – a constrained Biden Presidency – was taken positively by markets, but the real driver of the global rally in stocks was the vaccine news. With not just one, but two vaccines with over 90% effectiveness, investors have a clear line of sight on the end of the pandemic, and a normalisation of the economy. Globally, no sectors fell in November, with Energy and Financial sectors outperforming the most. The S&P 500 Index rose 10.9% in November, but still underperformed slightly against the DM World Return Index of 12.8%. The world developed markets outperformance was led by the Euro Stoxx Index, which rose sharply by 22.5% in US Dollar terms. In comparison World emerging markets underperformed slightly, rising by 9.3% in US Dollar terms. The Nikkei 225 Index also rose sharply, rising 15.1% in November.

Brent Oil prices rose US$10.13/bbl to US$47.59/bbl, partly driven by vaccine optimism. Iron ore prices rose by US$12.50/t to US$119.30/t. Gold prices decreased substantially from US$1,881.85/oz to US$1,762.55/oz due to increase in risk on sentiment and higher real yields.

The 10.2% total return in November for the ASX300 Accumulation Index ranks within the top 10 monthly returns since 1980. Value stocks took a leading role, outperforming growth stocks by 12%. The Energy sector led the market up with the Financials sector not far behind. The Staples, Utilities, Healthcare sectors were sold off to fund the rotation. While both had strong performances, Resources fared better than Industrials across most of the size indices with the exception of mid-caps. Large (11.0%) and Small Caps (10.3%) sectors were in line with the ASX300 Accumulation Index performance, with the Mid Cap 50 Index (6.6%) lagging. Within sectors, Energy rose the most (+28.5%) followed by Financials (16.1%). Staples (-0.7%) was the only negative in the month, while Utilities (1.5%) and Health Care (2.7%) were notable laggards.



This graph shows how $100,000 invested at the Fund's inception has increased to $489,500 (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 $344,800 over the same period. The returns exclude the benefits of imputation credits.

	Direct Investment (Class A)	Platform Investment (Class B)
APIR code	PVA0002AU	PVA0022AU
Minimum Investment	$20,000	N/A
Issue price	$2.3713	$2.3728
Withdrawal price	$2.3533	$2.3548
Distribution (30/06/2020)	$0.0283	$0.029
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 good news on vaccines and the low low interest rates propelled the indices upwards during the month despite the US election theatrics and the deterioration of Australia/ China relationships. The market had some rotation from paying up for the "growth story" to looking for bargains in the unloved "value" basket.

The Fund returned a strong 11% for the month. Key contributors were BHP (+12.7%) and the banks (NAB +23.1%, ANZ +20.3%). Detractors were Newcrest (NCM -7.9%, gold price decline) and Woolworths (WOW, -3.1%). Three major banks and Macquarie Group reported their half yearly results and went ex-dividend. Whilst the structural issues facing the banks were largely expected, the market were focusing on cyclical recovery in credit, plus other updates on cost out, efficiency drive etc. Since the outbreak of Covid in March, the banks have built provisions buffer consistent with a moderate downturn. However, with substantial policy support directly targeting both the housing market and SME employment, and now with positive news regarding vaccines, it appears credit charges could fall. If the economic recovery continues, the banks may be in a position of excess capital, underpinning dividends and capital returns. This partly explained the sharp rebound in bank names during the month.

In a recent industry conference, the chairman of UBS Group (former president of Germany's central bank), warned markets need to prepare for several difficult years of pandemic recovery, with economic uncertainty to be compounded with even greater political polarisation and more surprises likely in the coming months and years. Whilst we have enjoyed the strong Australia Equity return FYTD (Fund returned 15.1%), we do know markets do not move in straight lines – zig/zag is common. However, Equity as an asset class remains attractive when compared to alternatives. This Fund will continue to seek sustainable income, franking (added approx. 200 basis points per annum historically) and capital growth over the medium term for our investors.

Top Contributors (Absolute)	Sector
BHP	Materials
National Australia Bank	Financials
ANZ Bank	Financials

Top Detractors (Absolute)	Sector
Newcrest	Materials
Woolworths	Consumer Staples
-	-

Platforms
Ausmaq, Beacon, BT Wrap, First Wrap, Hub24, Netwealth, Symetry, Wealthtrac

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