Prime Value Opportunities Fund
Fund Update – June 2022

- Higher interest rates and concerns of slowing economic growth drove most equity markets lower.
- The Australian share market fell 9.0%, with the RBA raising interest rates by a higher than expected 50 basis points. Banks and resources companies fell the most, consumer staples posted a small positive.
- The Fund fell 7.9% in June and was resilient compared to the ASX300 Accumulation Index's 9.0% decline.
- The Opportunities Fund paid 5.4c per unit (yield of 3% per unit, total for the financial year of 10c per unit or 6% yield).

	Total Return*	Benchmark (8% pa)	Value Add
Since inception (p.a.)	**9.1%**	8.0%	1.1%
7 Years (p.a.)	**7.0%**	8.0%	-1.0%
5 Years (p.a.)	**6.9%**	8.0%	-1.1%
3 Years (p.a.)	**3.9%**	8.0%	-4.1%
2 Years (p.a.)	**6.5%**	8.0%	-1.5%
1 Year	**-11.2%**	8.0%	-19.2%
3 Months	**-12.6%**	2.0%	-14.6%
1 Month	**-7.9%**	0.6%	-8.5%

* 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). 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.

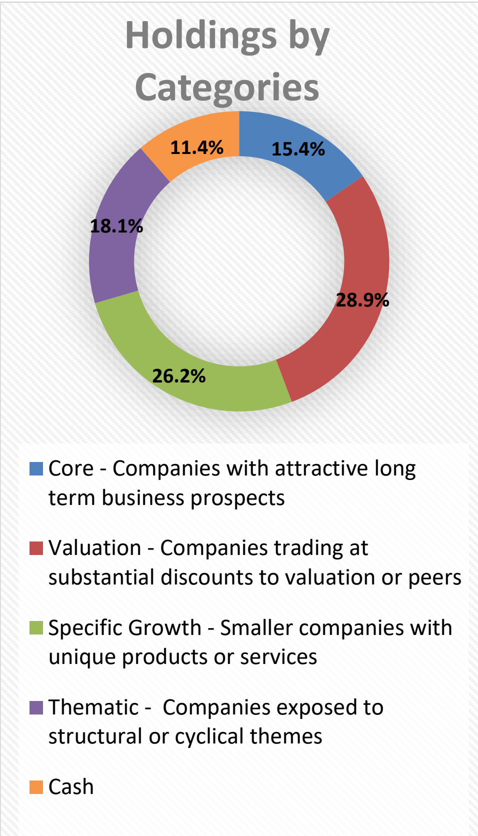
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	FYTD	ITD
FY 2013					1.8%	1.7%	4.3%	6.2%	(0.6%)	4.0%	(2.2%)	(1.6%)	**14.1%**	**14.1%**
FY 2014	4.4%	2.6%	4.3%	5.0%	(1.1%)	1.5%	(1.9%)	5.9%	0.2%	0.3%	0.3%	(1.4%)	**21.4%**	**38.5%**
FY 2015	2.5%	1.0%	(4.1%)	3.1%	(1.9%)	0.7%	1.5%	5.7%	1.4%	(1.0%)	0.5%	(4.3%)	**4.6%**	**44.9%**
FY 2016	5.3%	(3.7%)	0.1%	5.5%	1.7%	2.4%	(3.4%)	(1.9%)	3.6%	2.3%	4.4%	(1.8%)	**14.9%**	**66.5%**
FY 2017	6.5%	(1.7%)	(0.5%)	(4.9%)	(0.2%)	2.7%	(1.1%)	2.4%	2.1%	1.3%	(1.2%)	1.2%	**6.3%**	**77.0%**
FY 2018	(1.2%)	1.0%	0.4%	4.2%	1.6%	0.4%	(0.2%)	2.5%	(2.5%)	3.0%	2.1%	2.4%	**14.3%**	**102.4%**
FY 2019	1.7%	2.6%	(1.9%)	(8.2%)	(1.9%)	(1.8%)	3.2%	3.4%	0.2%	2.9%	0.3%	2.6%	**2.5%**	**107.5%**
FY 2020	2.9%	(2.3%)	0.2%	1.0%	3.0%	(2.0%)	4.9%	(5.8%)	(16.8%)	8.0%	5.4%	3.0%	**(1.1%)**	**105.2%**
FY 2021	1.6%	4.1%	(3.6%)	0.5%	7.9%	2.1%	(0.1%)	2.3%	1.5%	4.6%	1.3%	3.0%	**27.7%**	**162.0%**
FY 2022	0.9%	3.9%	-1.4%	0.3%	0.6%	1.9%	(7.3%)	(2.5%)	5.7%	-0.3%	-4.8%	-7.9%	**-11.2%**	**132.6%**

Top five holdings	Sector
CSL Limited	Health Care
NAB	Financials
Commonwealth Bank	Financials
Macquarie Bank	Financials
Uniti Group	Communication Services

The top five holdings make up approximately 26.9% of the portfolio

Feature	Fund facts
Portfolio Manager	ST Wong
Investment Objective	To achieve superior absolute total returns by providing medium to long term capital growth without the constraints of a share market benchmark.
Benchmark	8.0% pa
Inception Date	5 November 2012
Cash	0 - 100%
International Exposure#	0 - 20%
Distributions	Half-yearly
Suggested Investment Period	3 + years
Research Rating	Zenith – Recommended Lonsec - Recommended

The Prime Value SIV Opportunities Fund will have no exposure to international securities in accordance with SIV regulations



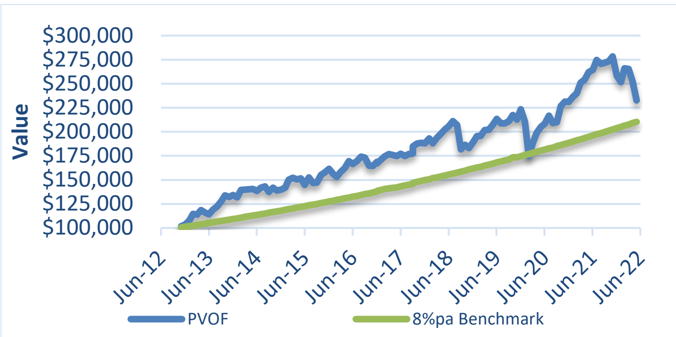
Market review

June was a weak month for global equities, as investors continue to price in concerns of rising inflation levels and the chance of a sharp economic slowdown. The MSCI Developed Markets Index fell (-7.7%), driven by the US S&P500 Index declining (-8.3%) in local currency terms.

Australian 10-year yields sold off 32bps across June to 3.66%, as investors priced in tightening monetary policy following rate hikes. In June, the Reserve Bank of Australia (RBA) followed their 25bps hike in May by further raising the cash rate by 50bps to 0.85%.

Commodity prices saw a broad fall. High US inventories saw Brent Oil prices pull back US$8 to US$114/bbl. While Iron Ore prices dropped US$16 to US$123/Mt as China's economic downturn continues to impact demand and profit margins in domestic steel mills. Gold dropped by US$22 to US$1,817 as rising global rates remain a headwind.

The ASX300 Accumulation Index fell 9.0% in June. The decline was driven by the rate hikes by central banks that have pushed up real yields and increasing concern among investors that the US will experience a sharp economic slowdown in late 2022 or 2023. In June, all sectors bar consumer staples (0.2%) fell in the month with the barbell of Materials (-12.4%) and Financials (-11.9%) falling the most. Size favoured large, over mid and small cap indices, with the Small Ordinaries Accumulation Index observing a -13.1% fall during the month. Industrial stocks outperformed Resources companies, with the spread greatest within the Small cap cohort. Stock returns were also negative for the year to June 2022, falling 6.8%. The technology sector fell the most in FY22, falling 38.3% compared to the Energy sector's 29.7% rise. Consumer Staples were broadly flat over the year whilst the materials sector held up well with only a marginal decline.



This graph shows how $100,000 invested at the Fund's Inception has increased to $232,600 (net of fees excluding performance fees). This compares very favourably with the return of the benchmark, where a $100,000 investment would have increased to $210,300 over the same period. The returns exclude the benefits of imputation credits.

Performance figures have been calculated in accordance with the Financial Services Council (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

	Direct Investment (Class A)	Platform Investment (Class B)
APIR code	PVA0005AU	PVA0006AU
Minimum Investment	$20,000	N/A
Issue price	$ 1.5782	$ 1.5534
Withdrawal price	$ 1.5662	$ 1.5416
Distribution (30/06/2022)	$ 0.0537	$ 0.0440
Indirect Cost Ratio (ICR)*	0.95% p.a.	0.95% p.a.
Performance fee**	15%	15%

* Unless otherwise stated, all fees quoted are inclusive of GST and less the relevant RITC
** Of performance (net of management fees) above the agreed benchmark, subject to a high water mark

Fund review and strategy

The Fund was not immune to the challenging trading conditions in June, falling 7.9%. However, the Fund demonstrated underlying resilience through the month as the broader ASX300 Accumulation Index fell 9.0% and Small Ordinaries Accumulation Index by a heavier 13.1%. Our decision to reposition the portfolio towards the end of 2021 by reducing exposures to smaller retail and technology companies helped protect fund downside, which saw our high-quality Core Companies such as Amcor, CSL and EBOS perform relatively better than the market over the past 6 months.

For the 12 months to June 2022 (FY22) the Fund fell 11.2%. This compared to the ASX300 Accumulation Index's fall of 6.8% and the Small Ords Accumulation Index's 19.5% decline. It was a case of two halves: The Fund performed well over the first half of FY22, rising 6.3% compared to the ASX300 Accumulation's 4.0% increase. The Fund fell 16.5% in the second half of FY22, against the ASX300 Accumulation Index's 10.4% decline: the strong performance of the resources sector, particularly energy stocks, was a key differentiator between the Fund and market performance. Investors will note that the Prime Value Opportunities Fund is a much more diversified portfolio compared to the ASX300 Accumulation Index investing across a number of high-quality companies and has a much lower exposure to resources companies. Another significant factor was the Fund's larger weighting in small and mid-cap companies. The withdrawal of liquidity from the market affected the short-term share prices the Fund's smaller companies. A recovery is expected as our investments are typically well managed strong businesses with excellent balance sheet strength.

The Fund's top June performance contributors included: Woodside Energy (+7.0%), ResMed (+5.2%) and Collins Foods (+7.5%). The top detractors from performance in June were: National Aust. Bank (-12.4%), Commonwealth Bank of Aust. (-13.4%) and BHP (-7.5%).

Outlook: Margins and profits drive stock prices—the key reason why we are focussed on future returns, and not on the weak share market performance over the past six months. Ultimately, however, we are bottom-up investors, i.e. we are more focused on stock specifics rather than the macro view. Our focus on quality businesses led by strong management teams will position the Fund well through the current market uncertainties. Until there are clear signs that inflation is slowing and returning to more normal levels, we will be keeping a close watch on market excesses as more normal conditions can take longer to materialize. At the same time, we are positioned to take advantage of some of the short-term erratic pricing behaviour. The Fund's cash position is high, in excess of 10%, which as an extremely valuable optionality as we are constantly seeking to invest the cash of the portfolio in quality companies that we consider to be attractively priced.

Top contributors (absolute)	Sector
Woodside Energy	Energy
ResMed	Healthcare
Collins Foods	Consumer Discretionary

Top detractors (absolute)	Sector
National Australia Bank	Financials
Commonwealth Bank of Aust.	Financials
BHP	Materials

Platforms
BT Wrap, Macquarie Wrap, Netwealth, Hub24, Powerwrap

Andrew Russell - Director, Investor Relations
arussell@primevalue.com.au

Daniel Leong – Director, Investor Relations
daniel.leong@primevalue.com.au

Phone: 03 9098 8088
Email: info@primevalue.com.au

Prime Value Asset Management Ltd
Level 9, 34 Queen Street
Melbourne VIC 3000
www.primevalue.com.au

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