Prime Value Opportunities Fund
Fund Update – November 2022

- Expectations of a slower pace of US interest rate increases and China COVID re-opening were supportive of markets in November.
- The Australian share market rose 6.5%, with the resources sector contributing half of the market's increase.
- Fund rose 4.2%. Large cap companies such BHP and CSL contributed the most to performance. The Fund is up by 10.6% for the first 5 months of FY23.

	Total Return*	Benchmark (8% pa)	Value Add
Since inception (p.a.)	**9.8%**	8.0%	1.8%
7 Years (p.a.)	**7.2%**	8.0%	-0.8%
5 Years (p.a.)	**6.5%**	8.0%	-1.5%
3 Years (p.a.)	**5.8%**	8.0%	-2.2%
2 Years (p.a.)	**6.5%**	8.0%	-1.5%
1 Year	**-5.9%**	8.0%	-13.9%
3 Months	**1.9%**	1.9%	0.0%
1 Month	**4.1%**	0.6%	3.5%

* 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.

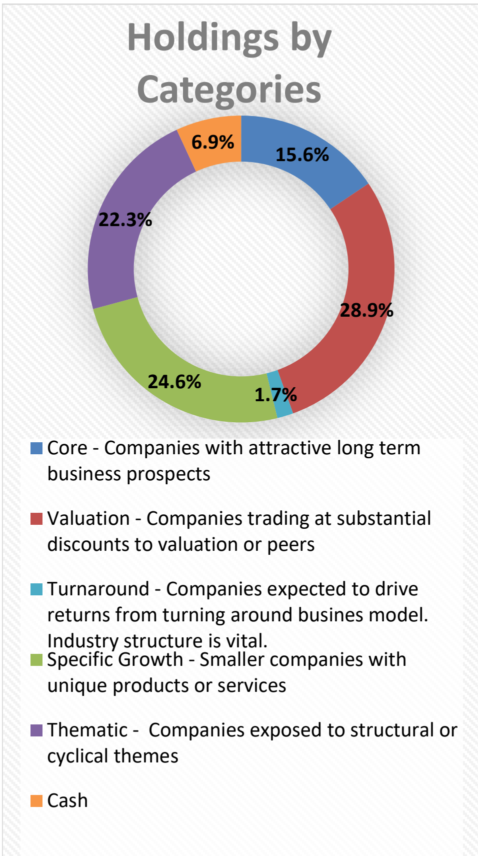
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	FYTD	ITD
FY 2013					1.8%	1.7%	4.3%	6.2%	(0.6%)	4.0%	(2.2%)	(1.6%)	**14.1%**	**14.1%**
FY 2014	4.4%	2.6%	4.3%	5.0%	(1.1%)	1.5%	(1.9%)	5.9%	0.2%	0.3%	0.3%	(1.4%)	**21.4%**	**38.5%**
FY 2015	2.5%	1.0%	(4.1%)	3.1%	(1.9%)	0.7%	1.5%	5.7%	1.4%	(1.0%)	0.5%	(4.3%)	**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%**
FY 2023	6.5%	1.8%	-6.5%	4.8%	4.1%								**10.6%**	**157.1%**

Top five holdings	Sector
CSL Limited	Health Care
National Australia Bank	Financials
Commonwealth Bank	Financials
Macquarie Bank	Financials
AUB Group	Financials

The top five holdings make up approximately 30.8% 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

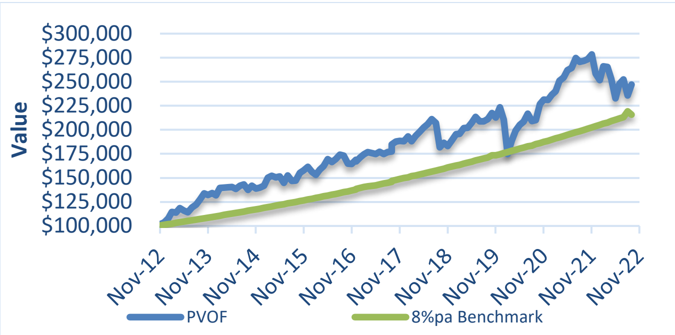


Market review

Equities had a strong month in November, as US Federal Reserve Chair Powell's comments on potentially slowing rate hikes "as soon as December" provided relief to markets. Investors were paying close attention to the Fed, looking for any signs of a potential moderation in the pace of rate hikes. News of China's move towards re-opening also boosted investor sentiment. The MSCI Developed Markets Index rose (+5.7%), and the S&P 500 Index gained (+5.6%). The Stoxx600 Index finished the month up +6.8% whilst the Hang Seng index had its largest monthly gain since 1998, rising +26.6%.

Gold had its biggest monthly gain since May 2021, rising +8.3%, despite a volatile month which saw investors speculate heavily on central bank monetary policy. Oil rallied in the beginning of the month, hitting monthly highs on the back of hopes China was looking to ease its Covid-Zero policy. The rally was short lived as China reaffirmed its commitment to Covid-Zero, dampening hopes of a demand rebound. The Aussie dollar rallied, climbing +6.2% over the month of November. The RBA's November meeting drove an initial decline in the currency following the Reserve Bank's decision to hike the cash rate by 25bps.

The Australian market rally continued through to November, with the ASX300 Accumulation Index up +6.5%. Sector contribution was broad-based, with all sectors adding value except Midcaps. Resources were preferred over Industrials. Broad market performance was driven largely by large caps, which outperformed their mid and small cap counterparts. Materials (+362bps) contributed over half of the total market return in November, driven largely by the large cap miners (BHP, FMG, RIO). Financials (+73bps) and Health Care (+59bps) were next best, largely driven by CBA (+26bps) and CSL (+46bps). Whilst all sectors added to the market performance, Technology and Communication Services, +8bps each, contributed the least.



This graph shows how $100,000 invested at the Fund's Inception has increased to $257,100 (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 $247,400 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 performance.

	Direct Investment (Class A)	Platform Investment (Class B)
APIR code	PVA0005AU	PVA0006AU
Minimum Investment	$20,000	N/A
Issue price	$ 1.7448	$ 1.7172
Withdrawal price	$ 1.73160	$ 1.7042
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 rose 4.1% in November, compared to the ASX300 Accumulation Index's 6.5% rise. For the first five months of FY23 (July to November 2022), the Fund posted a return of 10.6% compared to the ASX300 Accumulation Index's 13.3% increase. The Fund's top performance contributors in November included: BHP (+21.8%) and AUB Group (+11.6%) and CSL (+7.0%). The top detractors from performance in November were: James Hardie (-14.1%), IPH Limited (-8.4%) and National Aust Bank (-2.7%).

The Fund's resources holdings were strong contributors to performance in November. BHP, and other iron ore exposed miners, appreciated substantially over the month due to developments in China. The Chinese government has announced further incremental stimulus measures to support the property market which coincided with indications that Chinese COVID lockdown measures may begin to be eased earlier than expected. Copper miner, Oz Minerals was up 13.5% following a revised takeover offer (and most likely final offer) from BHP. We believe Oz Minerals assets will be a positive addition to BHP as it's best placed to extract efficiencies from a combined operation, whilst in the longer term, the demand for copper should increase as electrification increases.

Building materials supplier James Hardie downgraded its outlook for next year as weakness in the US housing market started to bite harder. US housing loan interest rates have been rising sharply as the Federal Reserve seek to slow demand in the US economy. We weighed the balance of owning a high-quality company, trading at historical low valuation levels against the expectation of a slowing US market. We concluded positively that the business is on a path that should lead to further market share gains due to its strong product suite and expansion into its direct-to-consumer strategy.

Outlook: There are several turning points in 2023 including a potential peak in interest rates in Australia and US, China re-opening, political resolutions to several conflicts and a bottoming out of Western economic growth. In the meantime, the economic indicators are mixed, making pinpoint forecasting a difficult exercise. We are, however, confident that the Australian economy is performing strongly and will continue to be a key beneficiary of the strength in commodity markets.

Markets are typically forwards looking, and equities should bottom three to six months before the economy does—which suggest 2023 could a better year for equities as the market discount the next economic cycle. It is difficult to assess if the current market has fully adjusted to lower earnings expectations as economies slow—our broad sense is probably not fully—but we will be prepared to employ our playbook from the depths of the pandemic to take advantage of the opportunities to emerge for the next cycle.

Top contributors (absolute)	Sector
BHP	Materials
CSL	Health Care
AUB	Financials

Top detractors (absolute)	Sector
NAB	Financials
IPH Limited	Industrials
James Hardie Industries	Materials

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