

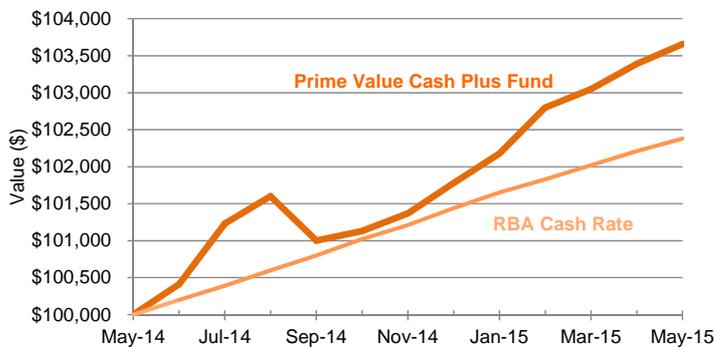
**Fund Performance\***

	1 mth	3 mths	6 mths	Since Inception (3 Jun 14)
Distribution Return		0.74%	1.50%	2.29%
Growth Return	0.26%	0.09%	0.68%	1.37%
<b>Total Net<sup>#</sup> Return</b>	<b>0.26%</b>	<b>0.83%</b>	<b>2.18%</b>	<b>3.66%</b>
Total Gross <sup>#</sup> Return	0.31%	0.98%	2.49%	4.28%
RBA Cash Rate	0.17%	0.54%	1.14%	2.38%

\* Performance figures have been calculated in accordance with the Financial Services Council (FSC). No allowance has been made for taxation. Performance assumes the reinvestment of income distributions. Past performance is not necessarily an indicator of future performance.

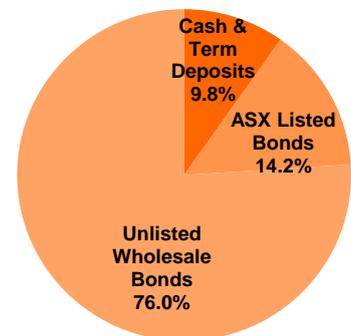
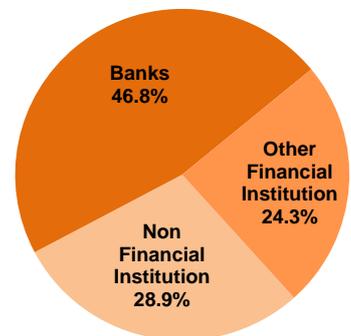
# Net returns are calculated after management fees. Gross returns are calculated before management fees.

**Value of \$100,000 invested since inception (3 Jun 14 – 31 May 15)**



This graph shows how \$100,000 invested at the Fund's Inception has increased to \$103,660 (net of fees). This compares favourably with the return of the RBA cash rate, where a \$100,000 investment would have increased to \$102,380 over the same period.

**Sector Diversification**



**Manager's Commentary**

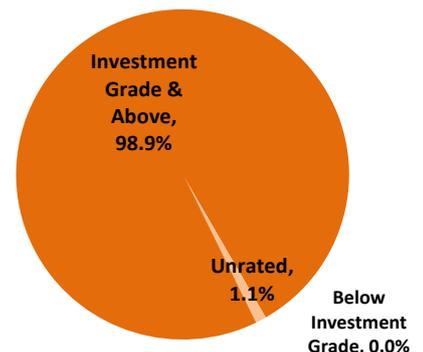
The Fund again showed very low volatility in its Unit Price through May despite uncertainty in a number of global markets. Equity markets in the US and Europe performed reasonably in May, but Australian equity market was down as the market reassessed the chances for another RBA rate cut. The RBA cut the rate by 25bp to a record-low 2.0% on 5 May but its rhetoric and the subsequent Statement on Monetary Policy (SoMP) released on 8 May supported a changed market view that the RBA is now on hold, causing a sudden, major move higher in interest rates and bond yields with wholesale rates rising 45bp from their 2015 (all-time) lows. This coincided with US yields rising with the Federal Reserve now positioning the market for a rate hike. Bond yields in Europe also rose, interestingly despite the ECB resuming its Quantitative Easing program. Later in May bonds staged a minor rally as base metals and oil fell, together with the late-month selloff in the Chinese stock market (Shanghai Composite index down 6.5% in one day). These moves caused the A\$ to fall US 5 cents, from US81.53 cents just after the SoMP release, to around US76.50 cents by month-end.

with the senior/subordinated debt markets and Residential Mortgage Backed Securities (RMBS) performing better than the long-dated bank hybrid market (which we have strategically decided to minimise in our portfolio).

We continue to selectively position assets held within the Fund to support returns to investors (the Fund is currently delivering month-on-month returns of 3.6% - 4.0% annualised after all fees). We continue to fine-tune asset selections to optimise portfolio credit risk, place our emphasis on managing risk through careful diversification, and only investing in securities and markets that we understand and believe will weather market gyrations as the year proceeds. We are particularly vigilant to developments in the US and Europe as they may affect the Australian market (noting that the Fund has no direct exposure to offshore markets). We are also vigilant toward the Federal Government's decision in the Budget for AOFM to sell down its \$5 billion RMBS book (acquired during GFC) over coming months, and the standoff in the Greece aid/budget target situation.

The asset classes in which the Fund is invested performed satisfactorily in May,

**Ratings and Credit Risk Management**



## Investment Objectives

The Cash Plus Fund aims to provide a regular income with low risk exposure.

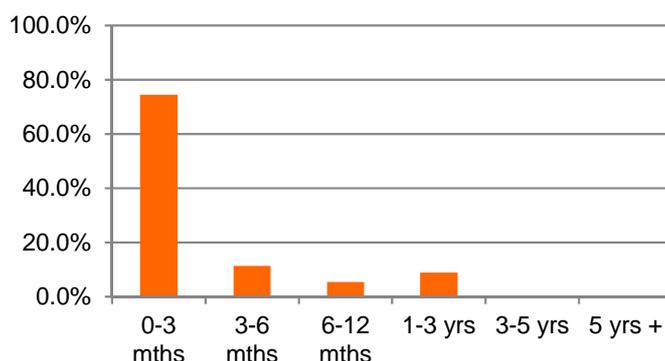
The Fund targets a return to investors in excess of the Reserve Bank of Australia's (RBA) cash rate with minimal risk of capital loss in the medium term.

## Investor Profile

The Prime Value Cash Plus Fund is appropriate for an investor seeking a return above the RBA cash rate from a diverse portfolio of securities with an emphasis on capital preservation. The Fund can serve as an adjunct to the way investors manage their cash holdings.

The Fund may be appropriate for the following investors: individuals, family trusts, self-managed superannuation funds (SMSF), companies or business with excess cash, foundations, charities or Not-For-Profit organisations.

## Interest Rate Reset Management



The Fund's portfolio modified duration is approximately 0.3 years. The majority of interest rates are reset every quarter. Securities with interest rates reset every quarter are not exposed to the risk of interest rate increases, unlike fixed rate investments.

**Launch Date: 3 June 2014**

**Direct Investment**

APIR Code	PVA0088AU
Income Distributions	Quarterly
Benchmark	RBA Cash Rate
Minimum Initial Investment	\$50,000
Minimum Additional Investment	\$10,000
Indirect Cost Ratio (ICR)	0.60% p.a. <sup>1</sup>
Contribution Fee	Nil <sup>2</sup>
Withdrawal Fee	Nil
Unit Prices @ 31 May 2015	Issue Price: \$1.0145 Withdrawal Price: \$1.0125

<sup>1</sup> Unless otherwise stated, all fees quoted are inclusive of GST and the relevant RITC.

<sup>2</sup> Up to 1% may be charged where a Direct Investor is introduced by an adviser to the Fund, as mutually agreed between the investor & adviser.

The information contained in this Fact Sheet is general in nature and has no regard to the specific investment objectives, financial or particular needs of any specific recipient. It is not intended to constitute investment advice or a personal securities recommendation. This document is not a Product Disclosure Statement (PDS) or an offer of units, and contains a brief overview of the investment only. Any prospective investor wishing to make an investment in the Prime Value Cash Plus Fund must obtain and read the Information Memorandum dated 2 June 2014 (particularly the risk factors discussed) and complete an application form. Neither Prime Value Asset Management Limited nor its associates or directors, nor any other person, guarantees the success of the Prime Value Cash Plus Fund, the repayment of capital or any particular rate of capital or income return, or makes any representation in relation to the personal taxation consequences of any investor's investment.

**For more information**



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