

Prime Value Cash Plus Fund

Fund Update - April 2016



- Credit markets improved in April and the Fund achieved strong performance
- We are cautiously optimistic the local credit market can continue to improve through the next 3-6 months
- We continue to manage the Fund to a shorter credit duration/maturity profile to guard against market volatility in order to protect investor capital and provide a regular return

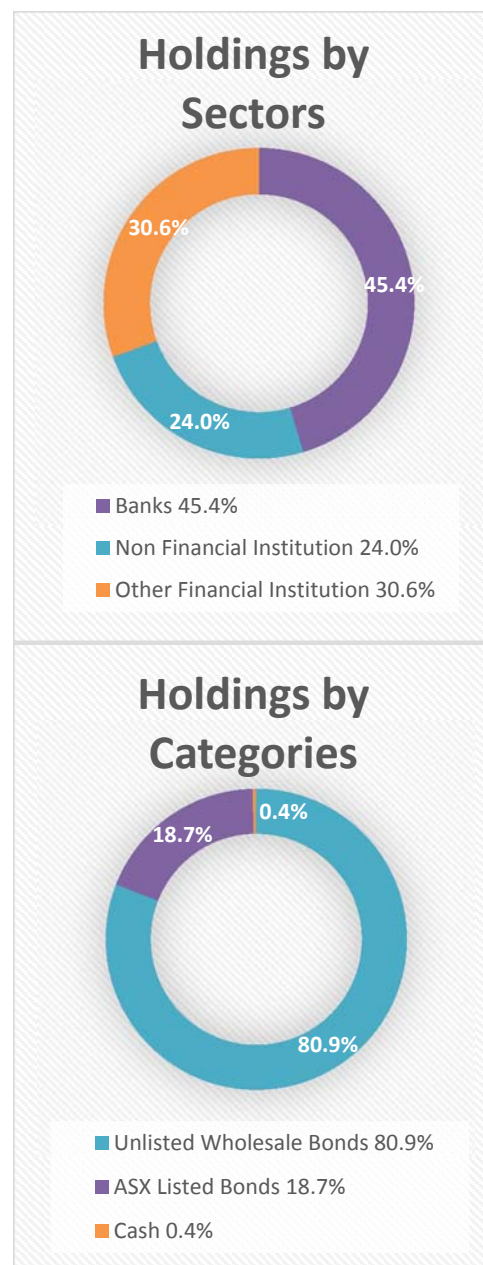
	Gross Return*	Net Return*	RBA Cash Rate
Since inception (pa)	3.06%	2.45%	2.20%
1 Year (pa)	1.91%	1.31%	2.01%
6 Months	1.10%	0.80%	0.99%
3 Months	0.60%	0.45%	0.49%
1 Month	0.79%	0.74%	0.16%

* 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. **The returns exclude the benefits of imputation credits.** Net returns are calculated after management fees. Gross returns are calculated before management fees.

Top five holdings	Sector	Category
ME Bank	Banks	Unlisted Wholesale Bonds
AMP Limited	Other Fin Inst.	Unlisted Wholesale Bonds
Bank of Queensland	Banks	Unlisted Wholesale Bonds
Praeco	Non Fin Inst.	Unlisted Wholesale Bonds
AXA	Other Fin Inst.	Unlisted Wholesale Bonds

Feature	Fund facts
APIR Code	PVA0088AU
Portfolio Manager	Matthew Lemke
Investment objective	To provide 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.
Benchmark	RBA Cash Rate
Inception Date	3 June 2014
Interest Rate Reset Duration	Approx. 3 months
Distribution	Quarterly
Recommended investment period	1 + year
Minimum Investment	\$50,000
Indirect Cost Ratio (ICR)	0.60% p.a. ¹
Issue price	\$0.9947
Withdrawal price	\$0.9927
Distribution (31/03/2016)	\$0.0050

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



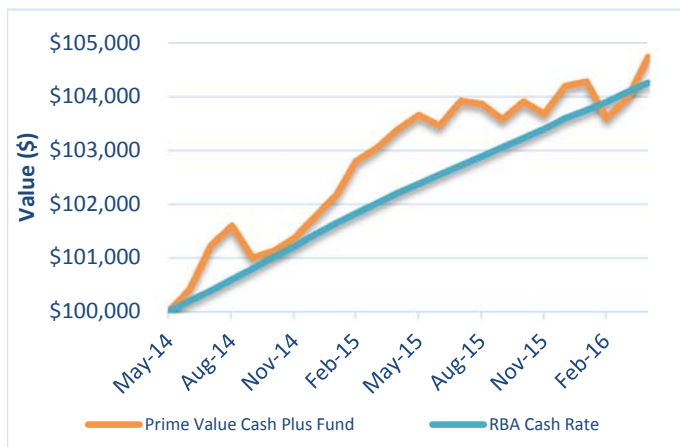
Fund review & strategy

The Fund performed well after credit markets rallied, helped by the better tone in equity markets, and as oil/energy and other commodity prices rallied. Risk indicators fell, indicating better overall investor sentiment. The market received a shock in late-April after Australia's Q1 2016 CPI unexpectedly dropped by 0.2%, the first decline since 2008. On a year-on-year basis, CPI only rose 1.3%. The CPI result has now put a sharp focus on the possibility of an RBA rate cut on 3 May. Bond markets rallied following the CPI result, and generally the 'hunt for yield' is back.

The CPI result does not alter our strategy to limit Fund investments to quality securities, retain the short interest rate duration (ca. 0.25 years), and lower the credit duration to ensure we are resilient to 'market shocks'. This strategy enables us to meet the Fund's core objectives to preserve investor capital and provide a regular (quarterly) and dependable return.

We are looking to further economic data releases in Australia, China, Europe and the US, corporate results of the major banks in Australia due early May, the Australian Federal Budget 2016/17 on 3 May, and the RBA rate decision also on 3 May.

The Federal Reserve Board next meets on 15 June with some hint from the 26 April meeting that another rate hike is on the table. Should the scenario unfold that the US hikes rates further, while Australia adds to the two rate cuts that occurred early last year, may have implications for investment markets and asset allocation.



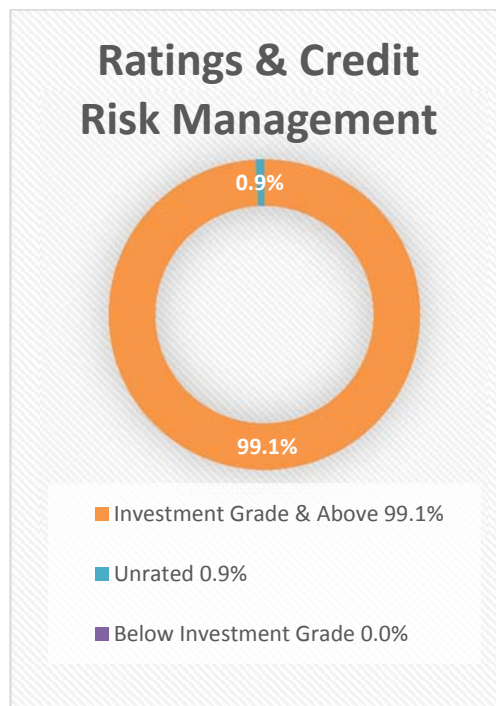
This graph shows how \$100,000 invested at the Fund's Inception has increased to \$104,740 (net of fees). This compares with the return of the RBA cash rate, where a \$100,000 investment would have increased to \$104,260 over the same period.

Contact details:

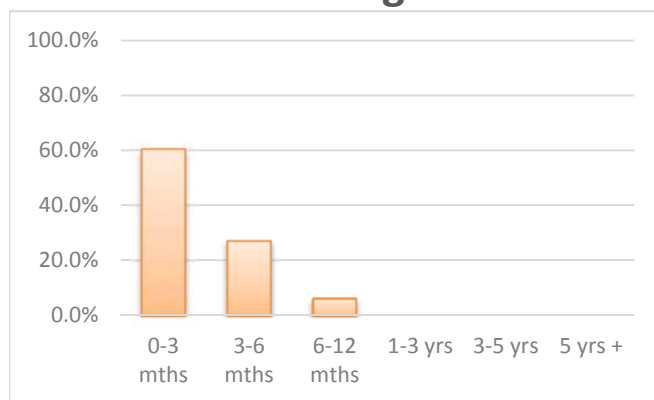
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Interest Rate Reset Management



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.

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