

Prime Value Cash Plus Fund

Fund Update - February 2016



- Credit markets were again under severe pressure through most of February as equity and crude oil price falls stressed investment markets, fanning a wave of negative investor sentiment around the world
- Markets settled down towards the end of February as central banks issued statements indicating that additional liquidity would be introduced into the financial system, and economic data in the US and China came in better than expected
- Our focus at all times is to provide investors with a regular quarterly distribution and to protect investor's capital

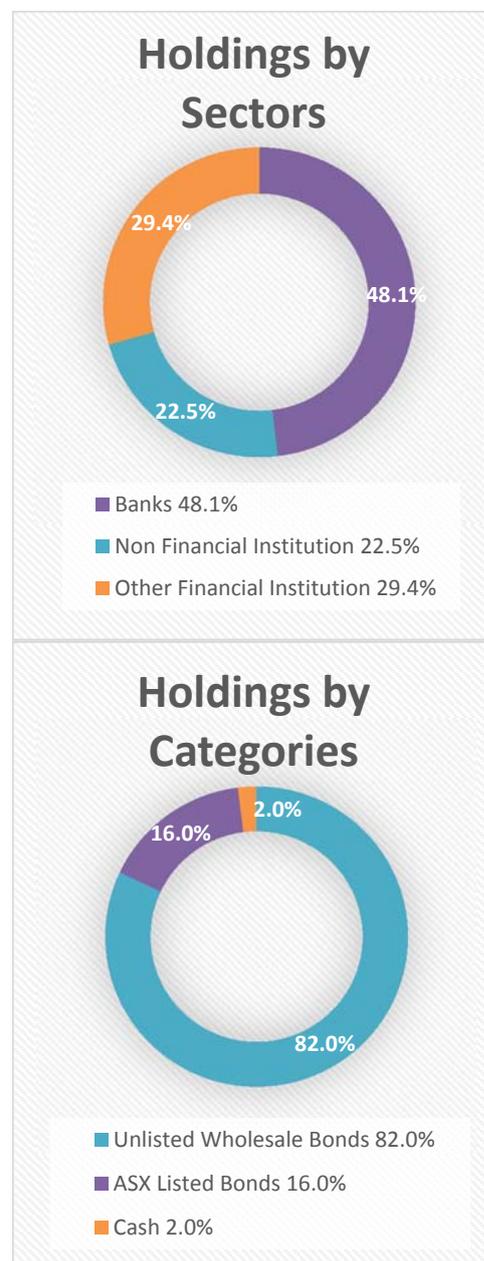
	Gross Return*	Net Return*	RBA Cash Rate
Since inception (pa)	2.65%	2.04%	2.22%
1 Year (pa)	1.38%	0.77%	2.05%
6 Months	0.04%	-0.26%	0.99%
3 Months	0.07%	-0.08%	0.49%
1 Month	-0.60%	-0.65%	0.16%

* 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
Bendigo Bank	Banks	Unlisted Wholesale Bonds
Bank of Queensland	Banks	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	\$0.9889
Withdrawal price	\$0.9869
Distribution (31/12/2015)	\$0.0050

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



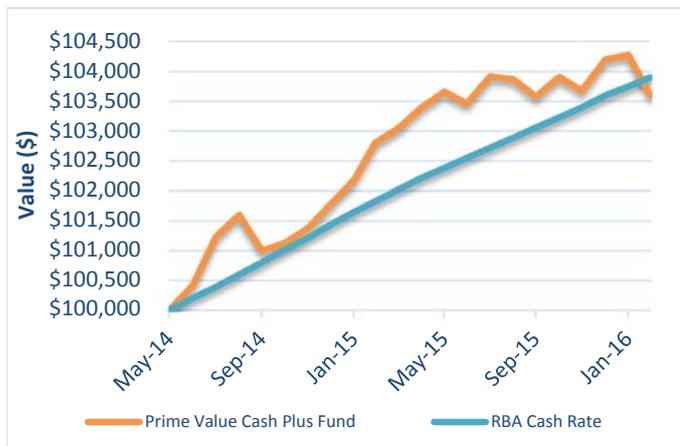
Fund review & strategy

Markets continued to remain unusually fickle through February with some stabilisation emerging in equity, oil/commodity and foreign exchange markets. However, pressure continued in global credit markets especially the subordinated/ hybrid markets. Much of the volatility in credit markets was on low volumes highlighting the "risk aversion" theme mentioned in our last update.

We expect recent stability in global equity markets and world crude oil prices, to eventually translate into improved credit spreads. Recent central bank statements have helped to calm markets.

We are very vigilant to primary market issuance levels, global market developments, and economic data in Australia, the G7 countries and China. A key date is the US Federal Reserve meeting on 15-16 March.

Our primary Fund management focus in these volatile conditions is to continue to reduce the overall credit risk of the portfolio by lowering the overall credit duration (the time to maturity/ redemption of securities in the portfolio), and to ensure we are only invested in prime securities. A secondary objective is to increase the franking/imputation credit content of investor distributions. Our efforts at all times are to provide a regular distribution to investors and to protect their capital.



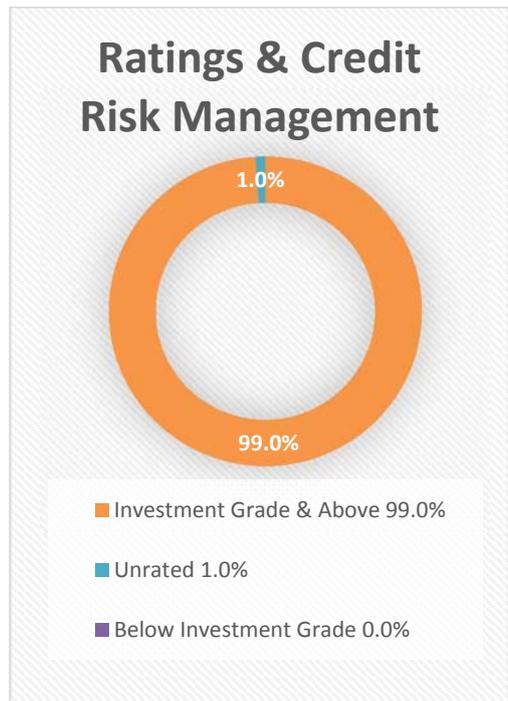
This graph shows how \$100,000 invested at the Fund's Inception has increased to \$103,600 (net of fees). This compares favourably with the return of the RBA cash rate, where a \$100,000 investment would have increased to \$103,900 over the same period.

Contact details:

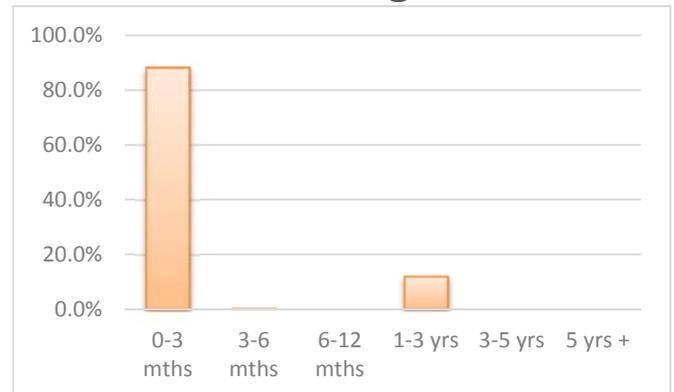
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Interest Rate Reset Management



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.

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.