

Prime Value Cash Plus Fund

Fund Update - January 2016



- "Risk aversion" theme dominates with traded credit markets remaining under pressure
- Recent statements by central banks around the world calming markets

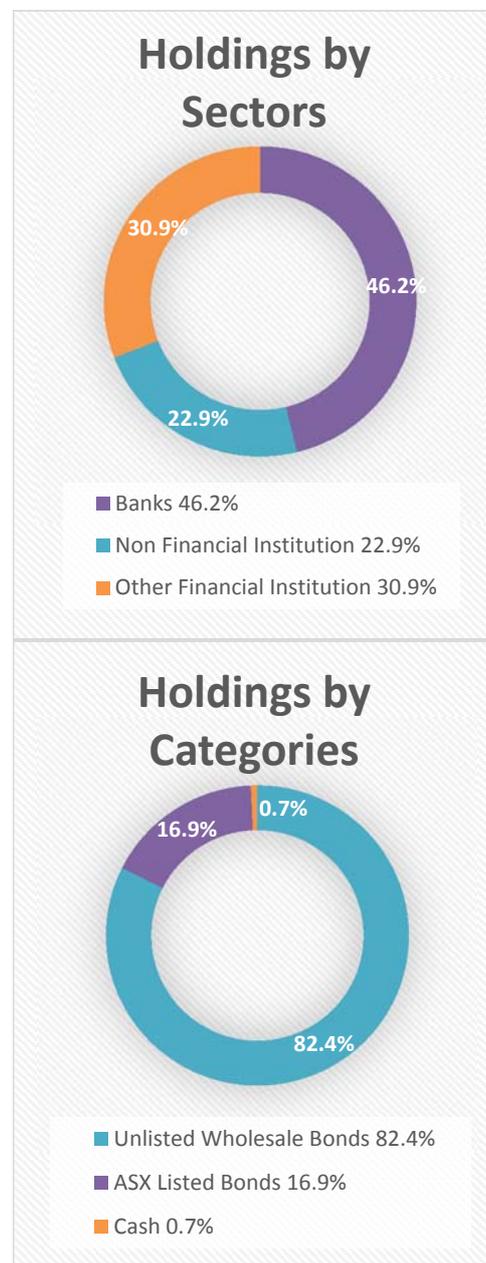
	Gross Return*	Net Return*	RBA Cash Rate
Since inception (pa)	3.16%	2.54%	2.23%
1 Year (pa)	2.66%	2.05%	2.07%
6 Months	0.65%	0.34%	1.00%
3 Months	0.50%	0.35%	0.50%
1 Month	0.14%	0.09%	0.17%

* 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	\$0.9952
Withdrawal price	\$0.9932
Distribution (31/12/2015)	\$0.0050

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



Fund review & strategy

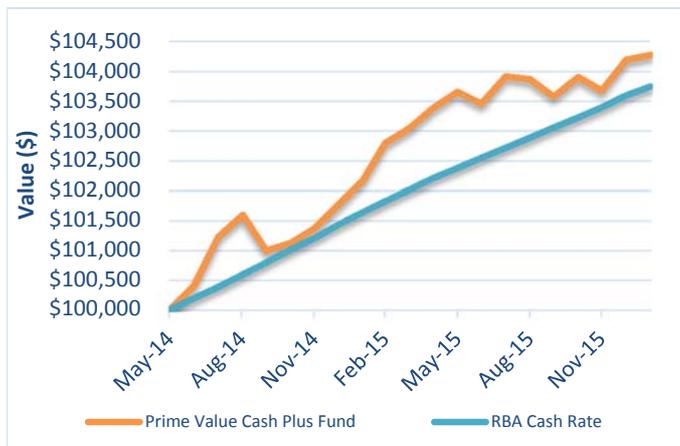
Markets started the New Year in a very "fickle" mood, with significant losses across global equity markets as the oil price fell sharply, and associated economic reports and media hype about a return to the Global Financial Crisis period of 2008. Several geo-political events particularly in the Middle East and North Korea fanned the soft tone of markets.

Towards the end of January, several central banks around the world issued statements specifically to calm markets which had an immediate beneficial effect, although the losses in equity, commodity and credit markets recorded earlier in the month were not fully recovered.

"Risk aversion" is now the dominant market theme, seen in the spike in the VIX index (a measure of US equity volatility and overall market risk), particularly after weak Chinese economic data, several geo-political events, and the US Federal Reserve Board hiking rates in December with more likely.

We remain defensive about market prospects, particularly credit market conditions and to declare the increasing our "cash" balance, reducing the percentage of listed securities, and ensuring credit quality of the portfolio is sound.

We continue to remain extremely vigilant to market events, announcements and actions by major central banks, geo-political events, and the economic data in Australia.



This graph shows how \$100,000 invested at the Fund's Inception has increased to \$104,280 (net of fees). This compares favourably with the return of the RBA cash rate, where a \$100,000 investment would have increased to \$103,750 over the same period.

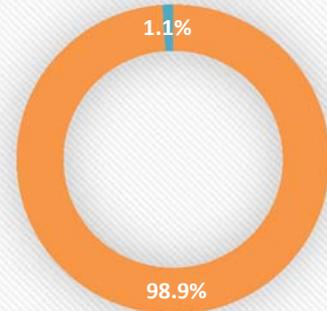
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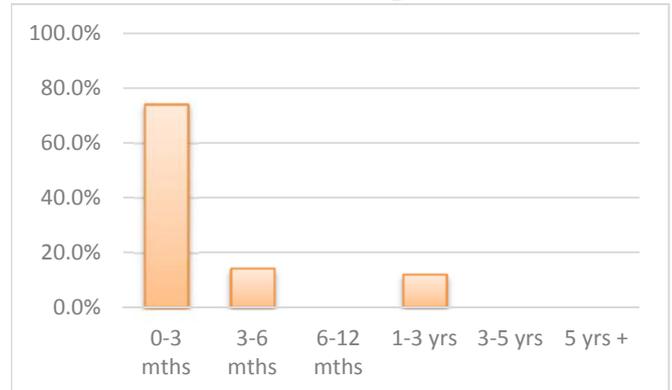
Prime Value Asset Management Ltd
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Ratings & Credit Risk Management



Investment Grade & Above 98.9%
 Unrated 1.1%
 Below Investment Grade 0.0%

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.