

Prime Value Cash Plus Fund

Fund Update - June 2015



- Global events, particularly in Greece and China, dictated market performance.
- Strategically, we are continuing to identify securities and manage the Fund's investment portfolio to maintain/improve the Fund's return to investors

	Gross Return*	Net Return*	RBA Cash Rate
Since inception (pa)	3.81%	3.19%	2.35%
1 Year (pa)	3.66%	3.04%	2.36%
6 Months	1.96%	1.66%	1.09%
3 Months	0.55%	0.40%	0.52%
1 Month	-0.14%	-0.19%	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
AMP Limited	Other Fin Inst.	Unlisted Wholesale Bonds
ANZ Bank	Banks	Term Deposits
Bendigo Bank	Banks	Unlisted Wholesale Bonds
ME Bank	Banks	Unlisted Wholesale Bonds
Reds Trust Series 2015	Non 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
Cash limit	0 - 100%
Distribution	Quarterly
Recommended investment period	2 years +
Minimum Investment	\$50,000
Indirect Cost Ratio (ICR)	0.60% p.a. ¹
Annualised Return	3.19%
Issue price	\$1.0128
Withdrawal price	\$1.0108
Distribution (30/06/2015)	\$0.0127

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



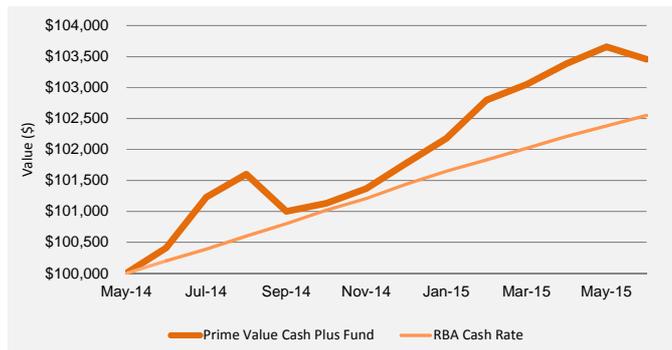
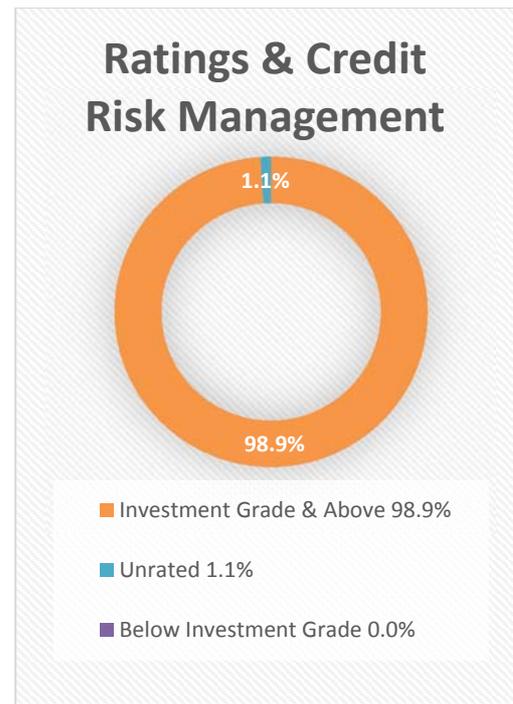
Fund review & strategy

The Fund paid income distributions during its first full financial of 3.5%, which equates to the Fund's return since inception (in June 2014), resulting in a unit price of approximately \$1.00.

The Fund recorded a small loss in June 15 due to the significant market volatility arising from the debt instalment due from Greece to the IMF due on 30 June (with Greece ultimately defaulting on this payment). The Greek news was exacerbated by large end-of-financial-year tax loss selling and the significant sell-down of China's Shanghai Composite Index following its massive 3 year rally. Significant pressure was exerted on credit spreads globally, with benchmark credit spreads indices up significantly across the investment spectrum from sub-investment grade to high-investment grade securities.

We continue to remain vigilant to developments in the Greece situation, new debt raisings by banks globally in the subordinated/hybrid market, the still-low global oil price benchmarks such as WTI and Brent, statements by the Reserve Bank of Australia, and any move by the Federal Reserve in the United States to begin hiking rates for the first time since 2006.

Strategically, we are continuing to identify securities and manage the Fund's investment portfolio to maintain/improve the Fund's return to investors - with a current "run rate" of 4.6% pa before management fees - in a way that protects investor capital. We have also introduced on a very selective basis additional securities that earn a franked distribution, allowing the Fund to increase the franking credits in future distributions to investors.

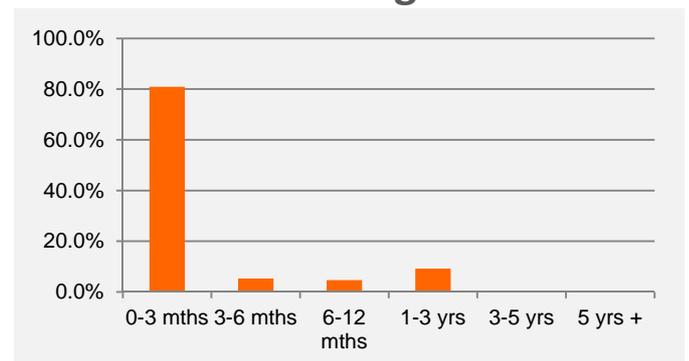


This graph shows how \$100,000 invested at the Fund's Inception has increased to \$103,460 (net of fees). This compares favourably with the return of the RBA cash rate, where a \$100,000 investment would have increased to \$102,550 over the same period.

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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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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 an investor's investment.