

Prime Value Cash Plus Fund

Fund Update - March 2016



- Global credit market sentiment improved in March despite lingering scepticism that market volatility seen earlier this year will return
- 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)	2.76%	2.15%	2.21%
1 Year (pa)	1.50%	0.89%	2.03%
6 Months	0.68%	0.38%	1.00%
3 Months	-0.05%	-0.20%	0.50%
1 Month	0.41%	0.36%	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
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	\$0.9925
Withdrawal price	\$0.9905
Distribution (31/03/2016)	\$0.0050

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



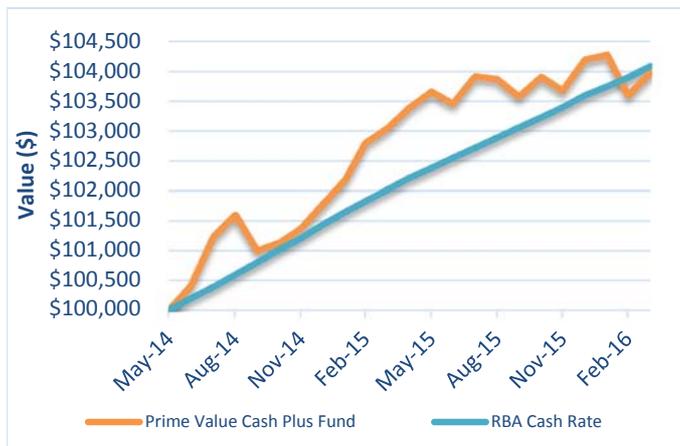
Fund review & strategy

Global and local credit markets fared slightly better in March as the crude oil price rallied over to over US\$40 per barrel, the Australian dollar posted a significant gain, and US and Chinese equity markets crept higher. Comments from the US Federal Reserve indicating it would be slow to hike rates further helped global markets.

Credit markets are still sceptical that the factors that caused the volatility in markets earlier this year - pressure on global economic growth, US Federal Reserve rate hikes, geo-political factors at work in the oil markets, and the factors behind the refugee crisis in Europe – have disappeared. These factors explain the poor performance of European equity markets in March.

Australian credit markets improved marginally especially trading levels for senior debt, and hybrid/debt with near-term maturities. The recent CBA hybrid issue listed at a small premium indicating better conditions. We are cautiously optimistic that the local credit markets can continue to improve through the next 3-6 months.

Our Fund portfolio strategy continues to concentrate on shortening the credit duration/maturity profile of securities in the portfolio and to ensure that securities in the portfolio have a high credit quality. We continue to add franked securities to increase the imputation credits available to investors.



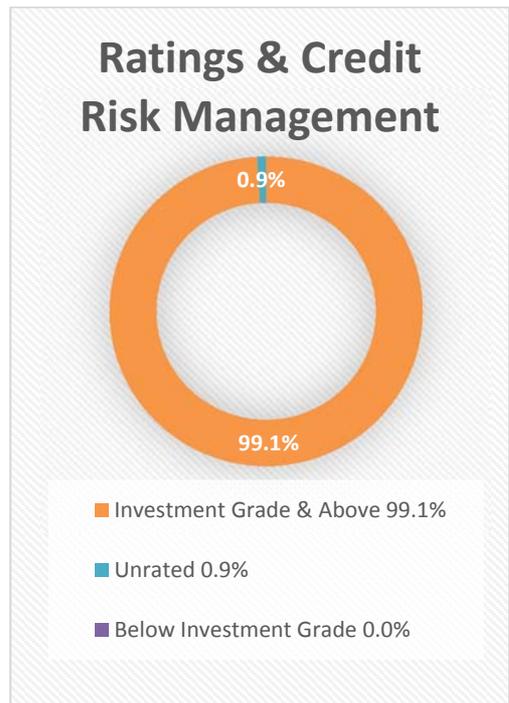
This graph shows how \$100,000 invested at the Fund's Inception has increased to \$103,970 (net of fees). This compares with the return of the RBA cash rate, where a \$100,000 investment would have increased to \$104,090 over the same period.

Contact details:

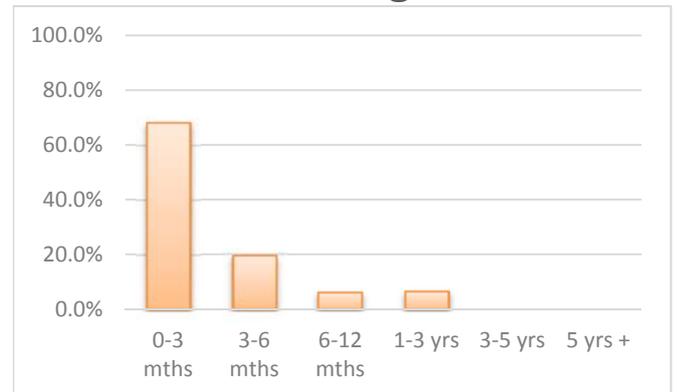
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Interest Rate Reset Management



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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