

Prime Value Cash Plus Fund

Fund Update - September 2015



- Markets continued to be volatile through the month, with credit markets under pressure from global macro-economic influences
- Fund strategy is to continue to protect investor capital and provide investors a reasonable margin over the RBA cash rate
- Distribution for the September quarter was 0.75%.

	Gross Return*	Net Return*	RBA Cash Rate
Since inception (pa)	3.29%	2.67%	2.29%
1 Year (pa)	3.14%	2.52%	2.23%
6 Months	0.81%	0.51%	1.02%
3 Months	0.26%	0.11%	0.50%
1 Month	-0.23%	-0.28%	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	\$1.0012
Withdrawal price	\$0.9992
Distribution (30/09/2015)	\$0.0075

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

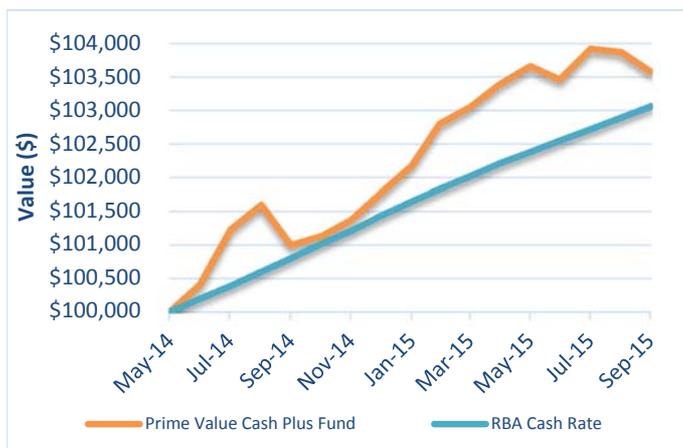


Fund review & strategy

Markets were again extremely volatile through September, with falls in the equity markets of advanced countries and emerging markets, further declines in industrial/base metals, coal/iron ore and oil prices, the Australian dollar falling through \$0.70 with large falls in the currencies of commodity/emerging countries, government bonds falling in yield terms, and investment and non-investment grade credit spreads moving higher. Volatility bellwethers such as the VIX (which measures volatility of the US S&P500 equity index) moved higher toward month-end.

The main issues for investors' concern several inter-related factors: the Federal Reserve citing worsening global economic growth, some evidence suggesting weaker Chinese economic growth, investor wariness of the month of October, concerns about emerging economies if the US hikes rates (expected by economists this year), and major issues surfacing late in September about VW and Glencore with strong share prices falls for both companies.

Strategically, the Fund is downsizing its holdings of more-volatile corporate hybrid/subordinated securities. The Fund is also taking steps to ensure all securities are robust through any protracted volatility in markets, especially if credit spreads continue to move higher with our main objective to protect investor capital through market cycles. We are actively selecting securities to increase franking credits available for investors.



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 \$102,900 over the same period.

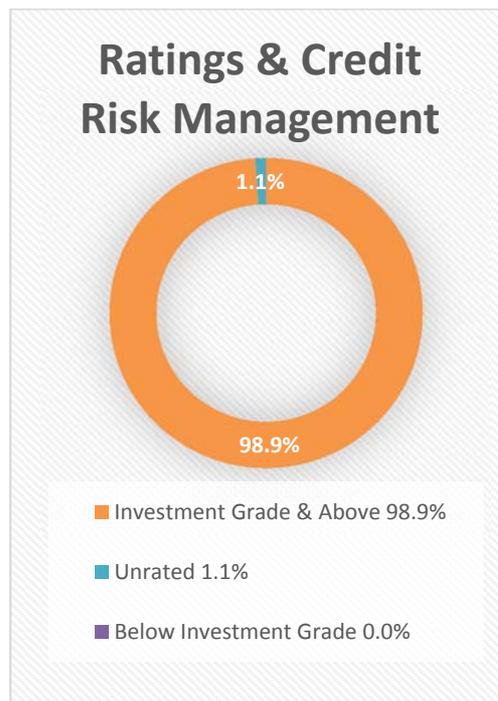
Contact details:

Phone: 03 9098 8088
 Fax: 03 9098 8099
 Email: info@primevalue.com.au
 Web: www.primevalue.com.au

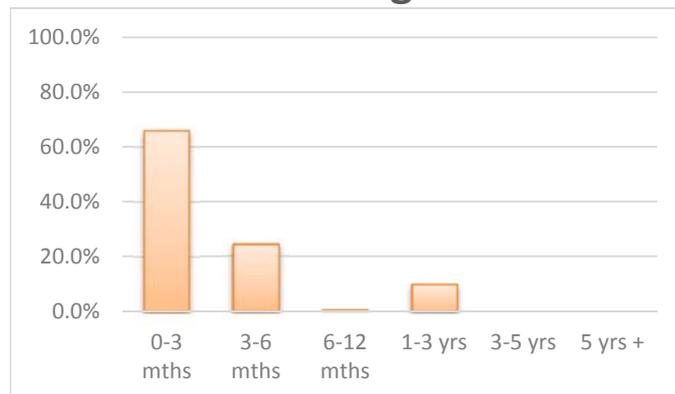
Mail:

Prime Value Asset Management Ltd
 Level 9, 34 Queen Street
 Melbourne VIC 3000

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.



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.