Prime Value Cash Plus Fund
Fund Update – February 2019

- The Fund performed well in February with further equity and credit market rallies
- The Fund participated in a small number of new issues to reinvest cash from redeeming securities in the portfolio
- We expect the Fund to continue to perform well throughout 2019

	Gross Return*	Net Return*	Net Return including Franking Credits**	RBA Cash Rate
Since inception (p.a.)	**4.1%**	**3.4%**	4.0%	1.8%
3 Years (p.a.)	**4.9%**	**4.3%**	5.1%	1.5%
2 Years (p.a.)	**3.8%**	**3.2%**	3.9%	1.5%
1 year	**3.1%**	**2.5%**	3.1%	1.5%
3 Months	**0.9%**	**0.8%**	0.9%	0.4%
1 Month	**0.3%**	**0.2%**	0.2%	0.1%

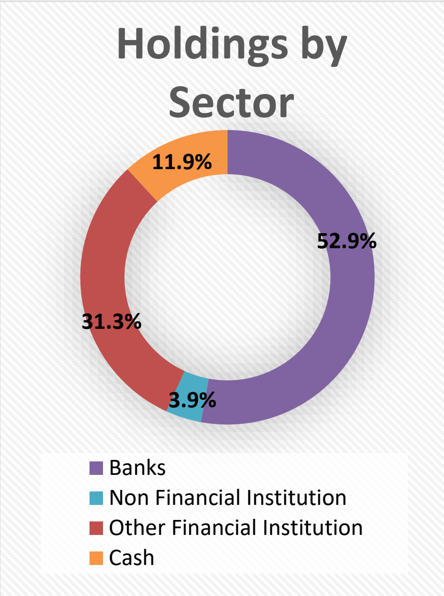
* Performance figures have been calculated in accordance with the Financial Services Council (FSC) standards. No allowance has been made for taxation. Performance assumes the reinvestment of income distributions. Past performance is not necessarily an indicator of future performance. Net returns are calculated after management fees. Gross returns are calculated before management fees.
**Returns grossed up for Franking Credits are estimates.

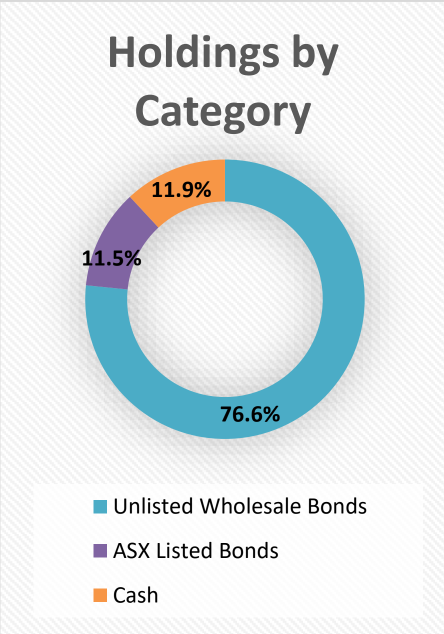
Major Holdings	Sector	Category
NAB	Banks	Wholesale Notes
Westpac	Banks	Wholesale Notes
CBA	Banks	Wholesale Notes
ANZ	Banks	Wholesale Notes
Bank of Queensland	Banks	Wholesale Notes

The top five holdings make up approximately 31.9% of the portfolio.

Feature	Fund Facts
APIR Code	PVA0009AU
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. 0.40 years
Distributions	Quarterly
Recommended Investment Period	1 + year
Minimum Investment	$50,000
Indirect Cost Ratio (ICR)	0.60%[1] p.a.
Issue price	$1.0251
Withdrawal Price	$1.0231
Distribution (31/12/18)	$0.0075

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





Fund review and strategy

The Fund had a good performance in February. Securities in the portfolio performed well as markets continued their recovery in February, particularly across the credit and equity markets.

Global equity and credit markets continue to recover on expectation that the US and China will resolve their trade difficulties. Both countries need to resolve the trade issues, however delays may be longer than expected. Such an outcome would cause equity markets to unravel some of the rally seen in January and February.

The Fund's portfolio is mainly invested in securities issued by major banks. The Hayne Royal Commission Report released in February did not detrimentally impact banks' equity or debt securities, and in fact many securities rallied.

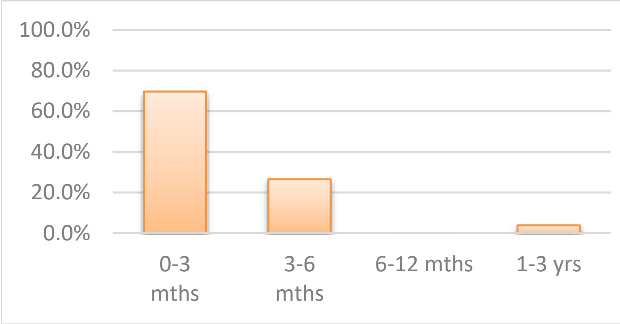
As the Fund holds some 'hybrids', of particular interest were the results of the IMF stress test on the capital of Australian banks – it showed that for a cumulative 10% fall in GDP and a 30% fall in real estate prices (as happened in the US during GFC), bank capital would still be above the threshold at which hybrids would be converted to equity to help absorb losses. The IMF report corroborated the earlier APRA stress test. Whilst we take comfort from the stress tests, we will continue to actively monitor the hybrids in our portfolio.

In February, there were several new issues of debt and hybrid (e.g. NAB and Macquarie Group) securities, both in the listed market and unlisted/ institutional, showing that the credit markets are very strong. It also shows the re-emergence of the "hunt for yield" as Australian interest rates have fallen in recent weeks. The Fund selectively participated in a few of these new issues, ensuring our strict criteria were met.

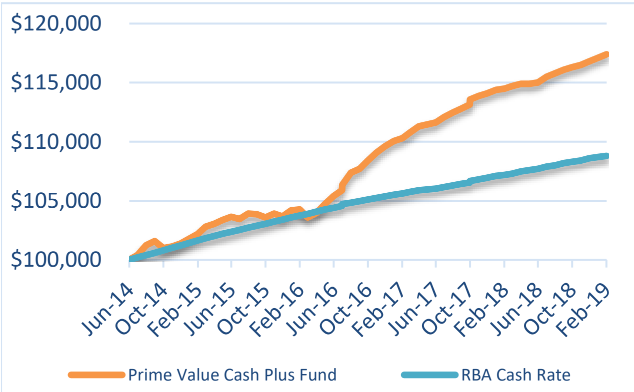
We continue to manage the Fund defensively. Our cash balance has grown with redemptions In February of some securities in the portfolio, with further redemptions in March. We are selectively reinvesting this cash but will maintain a reasonably strong cash balance.

We expect the Fund to continue to perform well throughout 2019.

Interest Rate Reset Management



The Fund's portfolio weighted average interest rate reset duration is approximately 0.40 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.



This graph shows how $100,000 invested at the Fund's inception has increased to $117,400 (net of fees). This compares with the return of the RBA cash rate, where a $100,000 investment would have increased to $108,800 over the same period.

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