

Prime Value Cash Plus Fund

Quarterly Update – September 2020



By Matthew Lemke, Fund Manager

- The Fund performed reasonably in September consistent with its Benchmark return
- With the cuts to the RBA official cash rate, the Target return of the Fund is being adjusted to 0.62% per quarter, being equivalent to an annual return of 2.48%, and likewise the quarterly distribution rate adjusted to 0.62 cents/unit each quarter with effect from the September distribution to be paid to investors in early October
- We are moving this update to a quarterly basis with the next update early January 2021 for the December quarter. Interim reports will be sent to you if important events occur
- We are managing the Fund very prudently to protect investor capital, maintain a consistent quarterly distribution, and allow investors to redeem their capital within 1-2 days

	Net Return*	Net Return including Franking Credits**	RBA Cash Rate
Since inception (p.a.)	2.88%	3.44%	1.54%
5 Years (p.a.)	2.94%	3.60%	1.34%
3 Years (p.a.)	1.90%	2.41%	1.11%
1 year	(1.01%)	(0.62%)	0.48%
3 Months	0.59%	0.64%	0.06%
1 Month	0.17%	0.22%	0.02%

* 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. **Returns grossed up for Franking Credits are estimates.

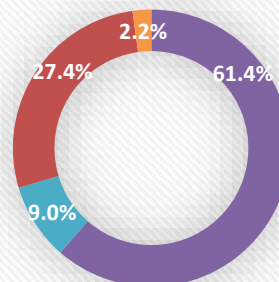
Major Holdings	Sector	Category
NAB	Banks	Wholesale Notes
Westpac	Banks	Wholesale Notes
CBA	Banks	Wholesale Notes
ANZ	Banks	Wholesale Notes
Bank of Queensland	Banks	Wholesale Notes

The top five holdings make up approximately 61.4% of the portfolio.

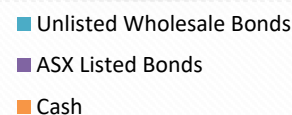
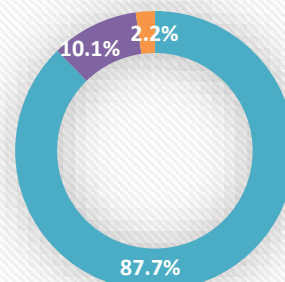
Feature	Fund Facts
APIR Code	PVA0009AU
Portfolio Manager	Matthew Lemke
Investment Objective	To provide regular income with low risk exposure. The Fund targets a return to investors in excess of the Reserve Bank of Australia's (RBA) cash rate with minimal risk of capital loss in the medium term.
Benchmark	RBA Cash Rate
Inception Date	3 June 2014
Interest Rate Reset Duration	Approx. 0.25 years
Distributions	Quarterly
Suggested Investment Period	1 + year
Minimum Investment	\$50,000
Indirect Cost Ratio (ICR)	0.60% ¹ p.a.
Issue price	\$0.992
Withdrawal Price	\$0.9916
Distribution (30/09/20)	\$0.0062

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

Holdings by Sector



Holdings by Category



Fund review and strategy

The Fund had a reasonable month producing a net return 0.17%. The Fund's net return for the July-Sept quarter is 0.59%; which is below its previous Target return of 0.75% per quarter. This is mainly due to the series of cuts by the RBA over the past few months in the official cash rate to 0.25%, an all-time low. This rate is not within our control.

The Fund's Target return is about 2.0 - 2.5% over the RBA official cash rate. As a result of the fall in the RBA cash rate, we have decided to lower the Target return of the Fund to 0.62% per quarter which is equivalent to 2.48% per annum. We will therefore also lower the quarterly distribution rate from 0.75 cents/unit to 0.62 cents/unit. This rate will be reflected in your Fund distribution for the September quarter to be paid in early October

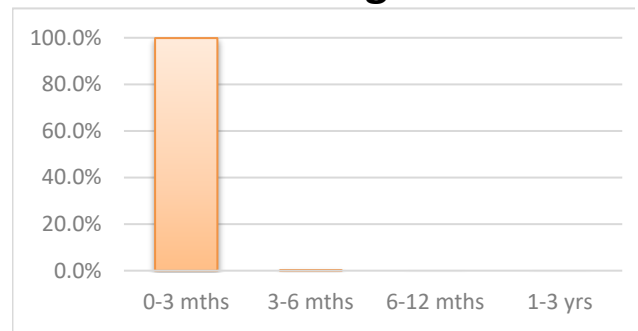
Markets were reasonably settled in September, although there was a noticeable tendency for negative news to have a greater influence on the market. As a result, equity, commodity, the A\$ and credit markets did not perform quite as well as in July and August. The main reason for this softness is a combination of some give up of the very strong market since March, the upcoming US elections (November), the inability of the US government to agree with the US President on details of a further stimulus bill to deal with the pandemic, and setbacks in progress on a vaccine for coronavirus. There was also evidence of a coronavirus second-wave in some countries such as the UK. In Australia, the market is waiting for the Federal Budget on 6 October (delayed from May) and importantly how deep and how long the Government anticipates the recession to be.

In this environment, we continue to manage the Fund very prudently. The lowering of the Target return and Distribution rate is consistent with this low-risk approach, given our main focus is on protecting investor capital, maintaining a consistent quarterly distribution, and allowing investors to redeem all of their capital within 1-2 days of request. We do not want to add risk to the Fund's portfolio simply to produce a possibly higher return when we have these objectives in the front of our mind. This means it will take longer to rebuild the Fund's unit price back to \$1.00/unit.

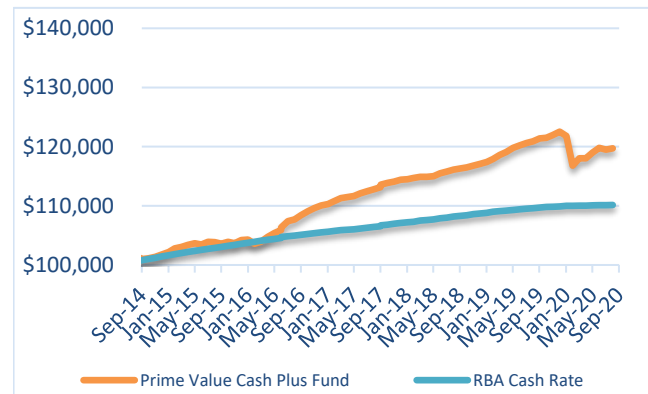
We plan to move this Update to a quarterly basis. The next Update will be sent out in early January 2021 for the December quarter. However, if events occur in the market or there are particularly important matters relating to the Fund, we will send you relevant information in a timely manner.

We sincerely thank everyone for your continued support. Please call us if we can help in any way or if you need more information.

Interest Rate Reset Management



The Fund's portfolio weighted average interest rate reset duration is approximately 0.25 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 \$119,700 (net of fees). This compares with the return of the RBA cash rate, where a \$100,000 investment would have increased to \$110,140 over the same period.

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