

Prime Value Enhanced Income Fund

Monthly Update – November 2020



By Matthew Lemke, Fund Manager

- The Fund's return for November was slightly above the target return and continued the Fund's good performance of the last few months
- Stabilisation of markets helped the Fund's performance despite continuation of the coronavirus pandemic globally and the US elections
- We are managing the Fund very cautiously. Negative interest rates in Australia are not out of the question and we are managing the Fund to ensure the Fund continues to provide investors with the target 2.5% pa (net of fees) return should this risk eventuate
- Please note that on 15 December 2020 Prime Value Cash Plus Fund changed its name to Prime Value Enhanced Income Fund

	Net Return*	Net Return including Franking Credits**	RBA Cash Rate
Since inception (p.a.)	2.87%	3.42%	1.50%
5 Years (p.a.)	3.00%	3.67%	1.28%
3 Years (p.a.)	1.83%	2.34%	1.04%
1 year	(1.07%)	(0.67%)	0.38%
3 Months	0.60%	0.65%	0.05%
1 Month	0.22%	0.22%	0.01%

* 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.

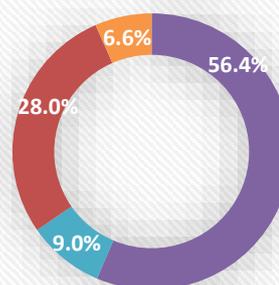
Major Holdings	Sector	Category
NAB	Banks	Wholesale Notes
Westpac	Banks	Wholesale Notes
CBA	Banks	Wholesale Notes
ANZ	Banks	Wholesale Notes
Bank of Queensland	Banks	Wholesale Notes

The top five holdings make up approximately 56.4% of the portfolio.

Feature	Fund Facts
APIR Code	PVA0009AU
Portfolio Manager	Matthew Lemke
Investment Objective	To provide regular income with low risk of capital loss in the medium term (appreciating that the Fund's unit price will vary with market factors and other factors affecting the prices of securities in the investment portfolio). The Fund targets a return to investors of around 2.25% - 2.50% over the 3 month BBSW rate (this benchmark rate was previously the Reserve Bank of Australia's cash rate).
Benchmark	3 month BBSW rate (this benchmark rate was previously the Reserve Bank of Australia's cash rate). The benchmark rate was changed to better reflect the Fund's objectives.
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	\$0.9963
Withdrawal Price	\$0.9959
Distribution (30/09/20)	\$0.0062

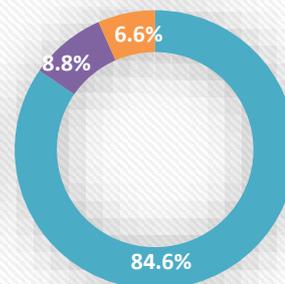
¹ Unless otherwise stated, all fees quoted are inclusive of GST and less the relevant RITC

Holdings by Sector



■ Banks
 ■ Non Financial Institution
 ■ Other Financial Institution
 ■ Cash

Holdings by Category



■ Unlisted Wholesale Bonds
 ■ ASX Listed Bonds
 ■ Cash

Fund review and strategy

The Fund's return for November was slightly above the target return of 0.21% and continued the Fund's good performance of the last few months.

The main influence on the Fund is the debt/credit markets. These have been stable over recent months, similar to equity markets.

Markets globally have weathered significant events in recent months with the continuation of the coronavirus pandemic globally (although a significant reduction in Australia) with no vaccine yet, and the US Presidential and Congress elections (with the Presidential election still not finalised).

We are managing the Fund very cautiously, mindful that although the "dark days" of March do not seem to be a real risk, some fallout may still be experienced. This may depend on how the US Presidential situation plays out, how the various geopolitical situations globally fare, and locally how the Federal and State Governments manage the eventual withdrawal of the fiscal and monetary stimulus that has been provided throughout 2020.

The spectre of negative interest rates in Australia is an event that we are carefully monitoring. At the moment interest rates are above zero. However, other countries are experiencing negative interest rates. It is always possible, if the economic situation in Australia deteriorates, that the RBA may take rates below zero. We are managing the Fund with this risk in mind, and in a way that will ensure the continuation of the target 2.5% pa return (net of fees).

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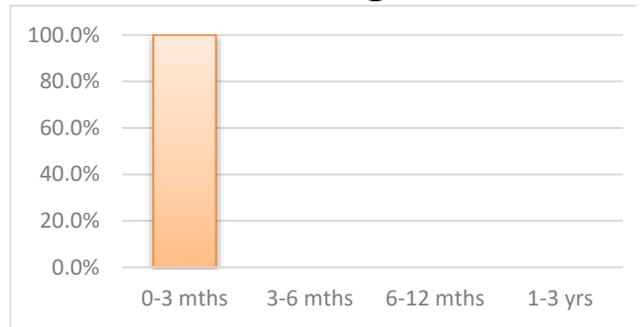
Contact details:

Brittany Shazell, Riza Crisostomo, Julie Abbott, Dora Grieve and Angela Ly

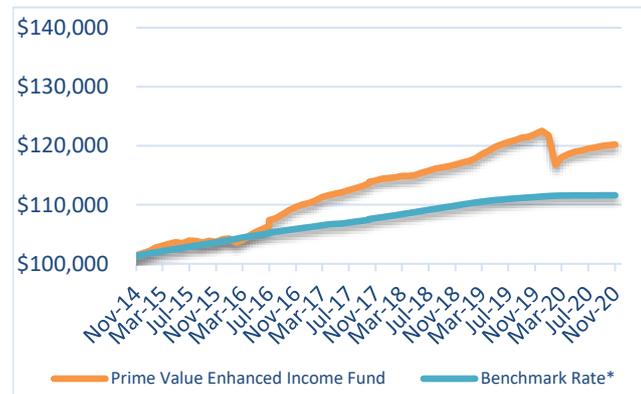
Client Services Team

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

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 \$120,220 (net of fees). This compares with the return of the benchmark rate, where a \$100,000 investment would have increased to \$111,600 over the same period.

*the Benchmark Return was calculated by reference to the RBA Official Cash Rate until December 2020 but thereafter by reference to the 3-month BBSW rate

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Mail:

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

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