

Prime Value Enhanced Income Fund

The Prime Value Enhanced Income Fund (formerly called the Prime Value Cash Plus Fund until 15 December 2020) is for conservative investors seeking capital stability* and a moderate investment return. The Fund targets a return of 2.0% above the 90 day BBSW rate. The Fund invests predominantly in the “fixed income” and debt markets and maintains a cash balance for liquidity purposes.



Fund Facts

Responsible Entity	Prime Value Asset Management Ltd
Objectives	The Fund aims to provide regular quarterly income with capital stability achieved through low volatility* in the unit price (*the unit price of the Fund can vary with market factors and other factors affecting the prices of securities in the investment portfolio).
Target Net Returns (after fees)	The Fund targets a return of the Benchmark rate being the 90 day BBSW rate** (as published by the ASX on the ASX website) plus 2%. Until 15 December 2020 the Benchmark rate was the RBA official cash rate. This Benchmark rate was altered to the 90 day BBSW rate as this rate is more inkeeping with the Objectives of the Fund. The Fund’s return may vary from month to month depending on the market and other factors affecting the prices of securities in the investment portfolio.
Interest Rate Reset	The interest rate on securities in the investment portfolio resets on average every 3-6 months
Custodian	JP Morgan Chase Bank
Distributions	Quarterly in cash or reinvestment option is available, generally paid within 5 business days after the end of the quarter.
Management Fee	0.60% p.a.
Performance Fee	Nil
No Other Fees	No Establishment, Contribution, Withdrawal or Termination fees
Minimum Investment	\$50,000
Investment Period	1+ year recommended
Applications	Daily

Why the Enhanced Income Fund?

The Fund’s major objectives are to preserve investor capital and deliver a quarterly cash distribution. Market movements may mean the unit price and distributions may vary from time to time.

Interest rates in Australia are at a historic all-time low, which means many Australians who rely on earning interest on their savings are now losing

the “real” value of their money. Many investors are looking for a low-risk approach to investing with satisfactory returns, especially compared to savings account and term deposits. Prime Value’s Enhanced Income Fund, established in April 2014, allows investors to achieve capital stability (appreciating that markets and other factors can cause the unit price of the Fund to vary) and for many a satisfactory return. The Fund consistently performs well in the independent Yield Report survey and

is currently ranked #1 in the 5 year category of the top-20 "Enhanced Cash" Funds in Australia. The Fund has delivered an after-fees return of 2.87% p.a. since inception (3.4% p.a. including franking credits) as at 30 November 2020. Past performance is not necessarily an indicator of future performance

The Fund offers investors an alternative way to invest in the 'fixed income' and debt security markets, which also achieves for many investors a valuable diversification next to equities and property.

The Fund is a 'floating rate' fund meaning that the return will vary with movements in short-term money market rates which is consistent with our benchmark of the 90 day BBSW rate (being the market's key benchmark index for short-term wholesale rates).

What assets does the Enhanced Income Fund invest in?

The Fund invests predominantly in the "fixed income" and debt markets and maintains a cash balance for liquidity purposes. The Fund does not invest in property or equities. All investments are constantly monitored for the creditworthiness of the investments in the portfolio. Securities are diversified across debt securities (senior secured, senior unsecured, subordinated and hybrids) issued by creditworthy companies, banks, insurance companies, and other financial institutions. All securities are subjected to strict investment criteria and monitored closely through a range of filters and market-based indicators. The securities in the portfolio or the parent company, are generally rated "Investment Grade" by Standard & Poor's rating agency, one of the world's leading rating agencies. Most of the issuers are listed on the ASX.

The securities themselves are either listed on the ASX or can be traded in the professional/ wholesale fixed income market, which means they can be readily sold. The Fund is prohibited from borrowing funds to buy securities, in other words the Fund's return is not 'leveraged' by debt as this adds significant risk. The Fund is only allowed to use derivatives to manage risk down, and not to 'leverage' or add risk. (i.e. returns can only be accessed by the Fund investing funds and not through derivative instruments).

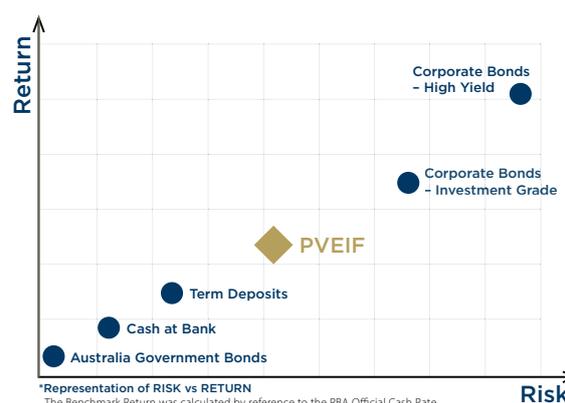
What are the risks?

The four main risks are market risk:

- **market factors** affecting prices of investments;
- **credit risk** (in the investments the Fund owns);
- **term/maturity risk** (when investments may be redeemed in cash by the Fund); and
- **liquidity risk** (how readily investments in the portfolio may be sold).

These risks are managed cautiously always with a mindset to protect investor capital and deliver a quarterly cash distribution to investors.

Our Enhanced Income Fund provides safety



Portfolio Manager - Enhanced Income Fund

Matthew Lemke has over 35 years' experience in global investment markets in London, New York, Singapore, Hong Kong and Australia, having worked previously for

JPMorgan and Deutsche Bank. Matthew was instrumental in setting up the Prime Value Enhanced Income Fund (formerly called the Cash Plus Fund) in 2014 and the Diversified High Income Fund in 2019.

*The Fund's unit price and performance is influenced by the general market and a range of factors that may from time to time affect prices of securities in the investment portfolio.

** <https://www2.asx.com.au/connectivity-and-data/information-services/benchmarks/benchmark-data/bbsw>

How to Invest

The Prime Value Enhanced Income Fund is open to all investors and has a minimum investment amount of \$50,000. To invest in the Enhanced Income Fund please contact your Relationship Manager or our Client Services Team on 03 9098 8088.



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