

# Prime Value Diversified High Income Monthly Fund Update – November 2021



By Matthew Lemke, Fund Manager

- The Fund performed well in November earning 0.41% after-fees despite volatility in global investment markets.
- We expect market volatility to continue, however, we are confident the unit price of the Fund will remain stable and the Fund will be able to continue to deliver its target return of 0.42 cents/unit per month. The distribution of 0.42 cents/unit for November will be paid in early December.

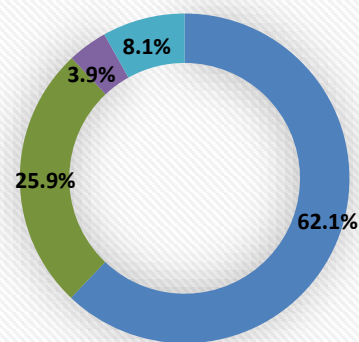
	Net Return*	Benchmark (RBA +4% p.a.)
Since inception (p.a.)	<b>5.20%</b>	4.34%
2 Years	<b>5.18%</b>	4.25%
1 Year	<b>6.27%</b>	4.10%
6 Months	<b>3.24%</b>	2.04%
3 Months	<b>1.32%</b>	1.01%
1 Month	<b>0.41%</b>	0.35%

\* 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.

Feature	Fund Facts
Portfolio Manager	Matthew Lemke
Investment Objective	The Fund targets a net return to investors of 4.0% p.a. over the RBA official cash rate. This return may vary from month to month depending on the market and as funds are invested.
Benchmark	RBA Cash Rate + 4%
Inception Date	1 August 2019
Distributions	Monthly
Suggested Investment Period	1-2 years
Individual Security Maximum Exposure	The maximum exposure to any individual security is generally 25% of the portfolio. We expect any individual security holding to be generally under 15% of the portfolio; however where the Fund's portfolio manager identifies a good investment, and believes it is in the best interest of investors to hold more than 15% of the portfolio in this security, a higher 25% threshold is available.
Minimum Investment	\$50,000
Management Fee	0.85% <sup>1</sup> p.a.
Performance Fee	15% of net performance above the RBA Cash Rate + 4% p.a
Issue price	\$1.0010
Withdrawal Price	\$1.0001
Distribution (30/10/21)	\$0.0042

<sup>1</sup>The Fund may hold one or more unlisted trusts. We estimate that the Fund's estimated proportion of management fees charged to such unlisted trust(s) is 0.60% pa (indirect cost). The above 0.85% pa management fee excludes this indirect cost.

## Holdings by Category



- Income Securities
- Unlisted Trusts
- Enhanced Income
- Cash

## Fund review and strategy

The Fund performed well in November earning 0.41% after-fees despite volatility in global investment markets.

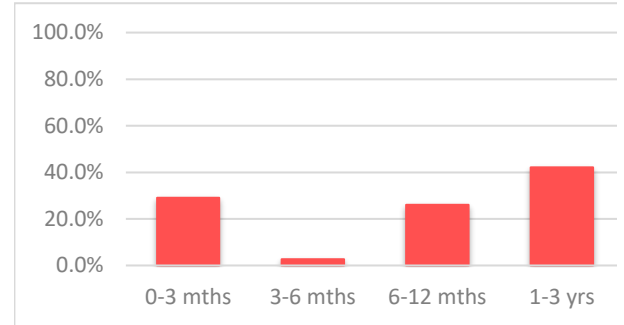
Market volatility did not impact the Fund due to the diversity of assets in its portfolio, the very good quality of those assets, and the fact that none of the assets in the portfolio are traded in markets which removes volatility from the prices of the assets.

Global investment markets are in a period of volatility due to ongoing concerns about inflation both globally and in Australia, and the potential effects of the new variant of coronavirus that has surfaced recently (Ormicron). The implications of the new variant are unknown at this stage – there could be negative economic consequences which might be disinflationary, or in fact the new variant may add to inflationary pressures as has occurred with the pandemic over the last 18 months.

Whilst we expect market volatility to continue for some time, we are confident that the unit price of the Fund will remain stable and the Fund will be able to continue to deliver its target return of 0.42 cents/unit per month. We are, however, watching markets very carefully and are constantly reviewing assets in the Fund's portfolio, and only very selectively adding assets to the portfolio if they pass stringent investment criteria.

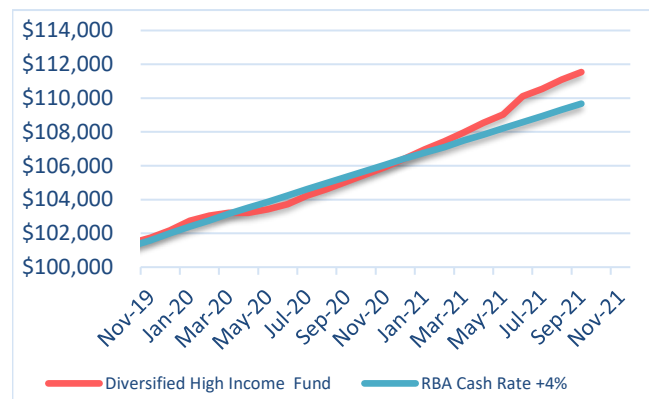
We thank all our investors for your continued loyalty to the Fund. As always, we would welcome your thoughts or comments, and we are more than happy to arrange for a face-to-face meeting or telephone call with the Fund Manager, Matthew Lemke.

## Interest Rate Reset Management



The Fund's portfolio weighted average interest rate reset duration is approximately 0.7 years.

## Fund Performance



This graph shows how \$100,000 invested at the Fund's inception has increased to \$112,560 (net of fees). This compares with the return of the RBA cash rate +4% p.a., where a \$100,000 investment would have increased to \$110,410 over the same period.

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