

Prime Value Enhanced Income Fund

Monthly Fund Update – November 2021



- The Fund faced difficult market conditions in November. Investment markets (equity, credit, bond and commodity markets) were extremely volatile in November.
- Fortunately, the unit price of the Fund has remained reasonably steady throughout this current period, and we expect it to continue to be relatively stable over coming months

	Net Return*	Net Return including Franking Credits**	90 Day Bank Bill Rate (BBSW)
Since inception (p.a.)	2.80%	3.29%	1.48%
5 Years (p.a.)	2.43%	2.96%	1.09%
3 Years (p.a.)	1.83%	2.18%	0.59%
1 year	2.33%	2.48%	0.04%
6 Months	0.45%	0.49%	0.01%
3 Months	0.02%	0.02%	0.01%
1 Month	-0.07%	-0.07%	0.00%

* 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.

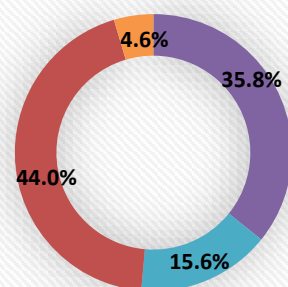
Major Holdings	Sector	Category
NAB	Banks	Wholesale Notes
Westpac	Banks	Wholesale Notes
CBA	Banks	Wholesale Notes
ANZ	Banks	Wholesale Notes
Bank of Queensland	Banks	Wholesale Notes

The top five holdings make up approximately 37.08% 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 2.0% over the 90 day BBSW rate (this benchmark rate was previously the Reserve Bank of Australia's cash rate).
Benchmark	90 day 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	\$0.9952
Withdrawal Price	\$0.9948
Distribution (30/09/21)	\$0.0040

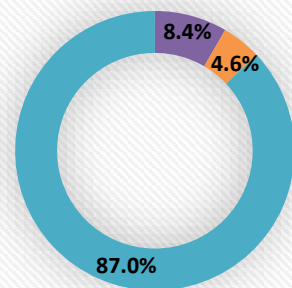
¹ Unless otherwise stated, all fees quoted are inclusive of GST and less the relevant RITC

Holdings by Sector



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

Holdings by Category



■ ASX Listed Bonds
■ Cash
■ Unlisted Wholesale Bonds

Fund review and strategy

The Fund faced difficult market conditions in November. Investment markets (equity, credit, bond and commodity markets) were extremely volatile in November. Whilst November was a difficult month, the Fund has performed well over the last 12 months, earning 2.33 % pa after-fees over this period.

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 (Ormicon). 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.

There is even the possibility that the economy will enter a period of “stagflation” which describes an economy that has inflationary pressures whilst at the same time economic growth is stagnant or falling. Economies with stagflation are extremely difficult for central banks and governments to manage. However, we have the highest confidence in the RBA and the Federal Government to manage through this period.

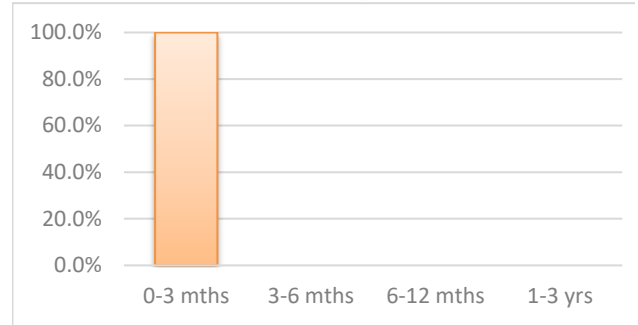
Apart from its cash holdings, the Fund is fully invested in tradable securities so their prices can be buffeted by market sentiment. However, all the securities in the portfolio are investment-grade or the issuers of the securities are investment-grade. This means that, despite market volatility in the security prices, there is an extremely high likelihood that the securities will redeem at their stated maturity or call date.

Since inception in 2014, the Fund has never had a security in its portfolio that defaulted. Our experience, internal management and controls, and investment criteria safeguard investors in the Fund against default of a security in the portfolio.

Fortunately, the unit price of the Fund has remained reasonably steady throughout this current period, and we expect it to continue to be relatively stable over coming months.

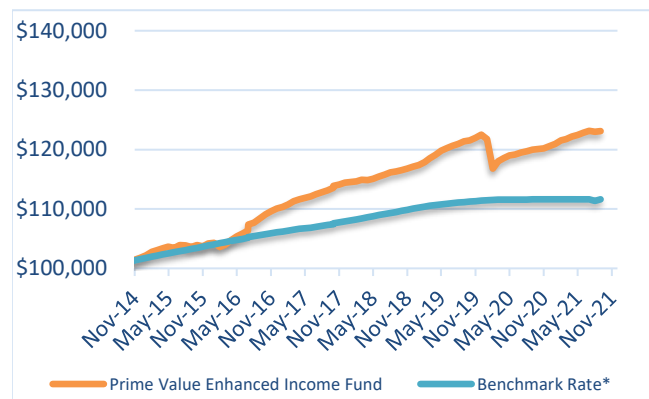
We thank all our investors for your continued loyalty to the Fund. As always, we would welcome your thoughts or comments, and we are more than happy to arrange for a face-to-face meeting or telephone call with the Fund Manager, Matthew Lemke.

Interest Rate Reset Management



The Fund’s portfolio weighted average interest rate reset duration is approximately 0.22 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.

Fund Performance



This graph shows how \$100,000 invested at the Fund’s inception has increased to \$123,020 (net of fees). This compares with the return of the benchmark rate, where a \$100,000 investment would have increased to \$111,630 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 90 day BBSW rate

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.

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