

Prime Value Diversified High Income Monthly Fund Update – July 2022



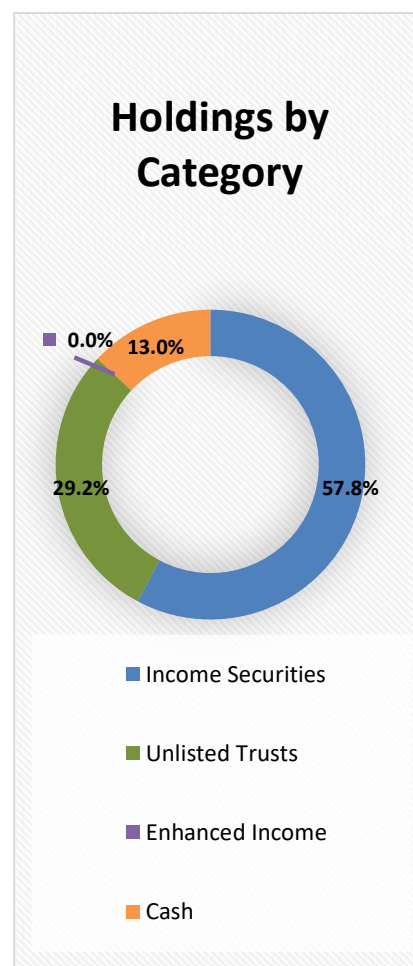
By Matthew Lemke, Fund Manager

- The Fund performed well in July up 0.47% continuing the good performance of prior months.
- The Fund has made 35 consecutive monthly distributions of 0.42 cents/ unit since its inception in August 2019. Due to the good performance of the Fund and our outlook, a decision has been made to raise the Fund’s monthly distribution to 0.45 cents/ unit. This distribution will be paid to investors in early August.
- The Fund now has approximately 45 assets in its portfolio as it continues to diversify its portfolio. The assets in the Fund’s portfolio are performing well and meeting our expectations.
- The rise in inflation in Australia and the RBA rate hikes are not having any untoward effects on the Fund’s portfolio or performance.

	Net Return*	Benchmark (RBA +4% p.a.)
Since inception (p.a.)	5.80%	4.33%
2 Years (p.a.)	6.59%	4.18%
1 Year	7.14%	4.24%
6 Months	3.65%	2.14%
3 Months	2.41%	1.16%
1 Month	0.47%	0.41%

* 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	Individual security holdings will generally be limited to 15% of the portfolio, however, the Fund Manager is permitted to invest above this 15% but not exceeding 25% of the portfolio if the investment is considered to be in the best interests of investors.
Minimum Investment	\$50,000
Management Fee	0.85% ¹ p.a.
Performance Fee	15% of net performance above the RBA Cash Rate + 4% p.a
Issue price	\$1.0186
Withdrawal Price	\$1.0181
Distribution (31/07/22)	\$0.0045
¹ 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.	



Fund review and strategy

The Fund performed well in July up 0.47% continuing the good performance of prior months.

The Fund has made 35 consecutive monthly distributions of 0.42 cents/unit since its inception in August 2019. Due to the good performance of the Fund and our outlook, a decision has been made to raise the Fund's monthly distribution to 0.45 cents/unit, effective immediately. The July distribution will be paid to investors in early August.

The Fund now has approximately 45 assets in its portfolio as it continues to diversify. This is a major objective of the Fund and the way we manage risk to provide a consistent income with capital stability to investors. The main investments in the Fund's portfolio are mortgage loan assets and units in unlisted property/commercial trusts, with corporate loan assets the third major investment category. The Fund also has assets in wholesale fixed income securities, "alternatives", and cash holdings. "Alternatives" refers to assets that are income-producing but do not fit into the other major traditional assets, including fixed interest and property.

The assets in the Fund's portfolio are performing well and meeting our expectations.

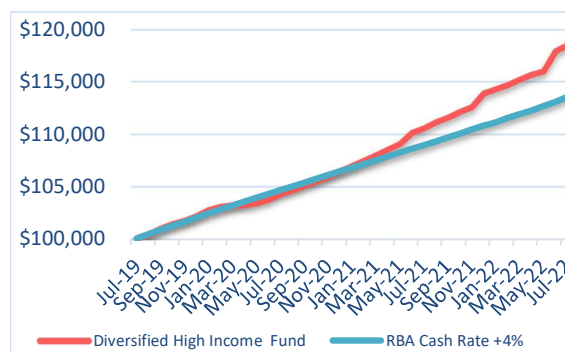
The rise in inflation in Australia and the RBA rate hikes are not having any untoward effects on the Fund's portfolio or performance. The Fund benefits over time with leads and lags from rising interest rates as seen in the decision to raise the Fund's distribution. We are monitoring the market and economic situation carefully to ensure that the Fund's performance and capital stability continue, being our key objectives. We are very pleased that the Fund's unit price has increased over recent months, at the same time being able to increase the Fund's distribution to investors.

We are continuing to see good fund inflows into the Fund as this corroborates our objective to provide an investment that meets investor needs and requirements. We have been able to successfully invest new funds into assets that meet our strict investment criteria.

There are no major plans at this stage to change any of the sector or asset allocations within the Fund's portfolio. We are monitoring markets and staying alert to developments in markets in Australia and globally. New influences and developments are constantly affecting global financial markets and it is important for us not to make specific assumptions about the way markets will behave or perform in the future. This very much underscores the diversification scaffolding upon which the Fund is based.

As always, we welcome your feedback and comments and we would be delighted to organise a meeting or a call with Matthew Lemke, the Fund Manager, or Prime Value's CEO Yak Yong Quek, at your convenience.

Fund Performance



This graph shows how \$100,000 invested at the Fund's inception has increased to \$118,440 (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 \$113,550 over the same period.

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.

Contact details:

Andrew Russell - Director, Investor Relations
arussell@primevalue.com.au

Daniel Leong – Director, Investor Relations
daniel.leong@primevalue.com.au

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

Mail:

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

The information contained in this Fund Update is general in nature and has no regard to the specific investment objectives, financial or particular needs of any specific recipient. It is not intended to constitute investment advice or a personal securities recommendation. This document is not a Product Disclosure Statement (PDS) or an offer of units, and contains a brief overview of the investment only. Any prospective investor wishing to make an investment in the Prime Value Diversified High Income Fund must obtain and read the PDS dated 6 August 2021 (particularly the risk factors discussed) and complete an application form. Neither Prime Value Asset Management Limited nor its associates or directors, nor any other person, guarantees the success of the Prime Value Diversified High Income Fund, the repayment of capital or any particular rate of capital or income return, or makes any representation in relation to the personal taxation consequences of any investor's investment.