

Prime Value Diversified High Income Monthly Fund Update – August 2022



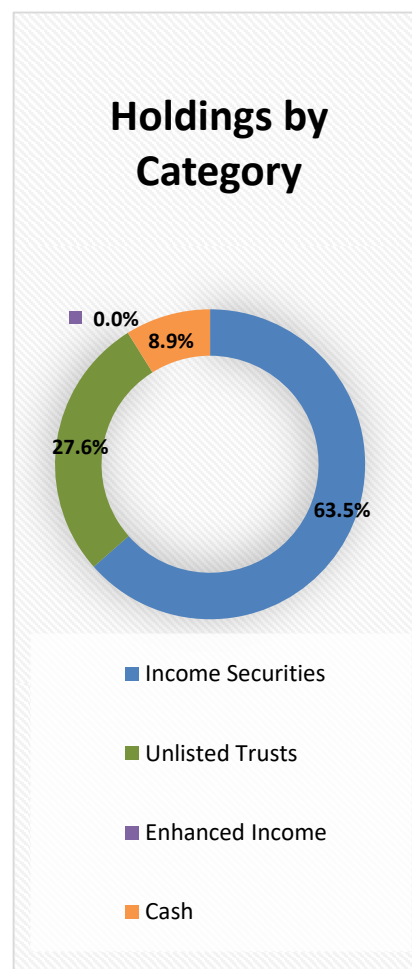
By Matthew Lemke, Fund Manager

- The Fund performed very well in August, earning 0.65% after fees which exceeds its target benchmark return.
- We expect the Fund to continue to perform well in coming months due to the diversity and quality of the assets in the Fund’s investment portfolio. All assets in the Fund’s portfolio are performing to expectation
- The Fund will pay 0.45 cents/unit in early September for the month of August. The Fund is now exactly 3 years old (it began operation in August 2019) and the September distribution will be the 36th consecutive monthly distribution.

	Net Return*	Benchmark (RBA +4% p.a.)
Since inception (p.a.)	5.87%	4.38%
3 years (p.a.)	5.88%	4.36%
2 Years (p.a.)	6.75%	4.26%
1 Year	7.30%	4.40%
6 Months	3.97%	2.34%
3 Months	2.81%	1.29%
1 Month	0.65%	0.51%

* 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 15% but not exceeding 25% of the portfolio if this 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	\$1.0207
Withdrawal Price	\$1.0197
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 had a very good performance in August, earning 0.65% after-fees which is well above its target benchmark return. The Fund will pay 0.45 cents/unit (equivalent to an annual return of 5.4%) in early September for the month of August.

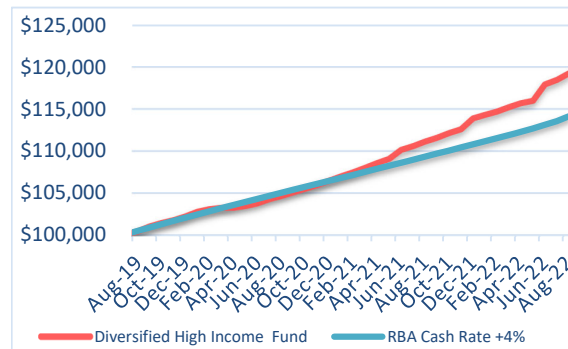
The Fund now has 45 assets in its portfolio, split across a wide range of asset types and sectors including units in unlisted property trusts and debt securities including corporate loans and mortgage assets. All assets are performing well and to our expectations. The emphasis in managing the portfolio is to ensure stability of capital and income. The Fund participates in rises in market interest rates but with leads and lags depending on the particular asset. This has allowed us to increase the distributions of the Fund in July from 0.42 cents/unit (equivalent to an annual yield of 5%) to 0.45 cents/unit (equivalent to an annual yield of 5.4%). The distribution in early September will be the 36th consecutive monthly distribution since the Fund's inception in August 2019.

We continue to invest in assets that only meet our strict criteria, and therefore we occasionally will run up our cash balance until a suitable asset emerges. This may mean from time to time that the cash balance rises temporarily. In general, the cash balance of the Fund will move between 5-15%. We see the cash balance as an important means to manage the Fund's general liquidity and ensure redemption requests can be readily met.

Feedback from investors is that the Fund is addressing their needs and, importantly, having the ability to withdraw their money at the end of every month is seen by many investors as very useful to their particular circumstances should they need their funds back quickly for any reason.

We welcome any questions or observations that you may have, and we would be more than happy to organise a meeting or conference call with the Fund Manager, Matthew Lemke or Prime Value CEO Yak Yong Quek, to discuss the Fund or the overall economic and financial environment.

Fund Performance



This graph shows how \$100,000 invested at the Fund's inception has increased to \$119,210 (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 \$114,121 over the same period.

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