Prime Value Enhanced Income Fund
Monthly Fund Update – April 2023

- The Fund performed well in April, achieving a return of 0.68% after-fees, well above its Benchmark return. The Fund has achieved a return in the last 6 months of 2.43% after-fees, which is also well above its Benchmark return.
- The Fund is well-positioned to benefit from the current market environment. We do not see any significant market or economic issues affecting the Fund's performance, but we remain highly vigilant. We remain very vigilant to economic data that may affect inflation and monetary policy, and we will be looking carefully at the detail in the Federal Budget to be delivered Tuesday 9 May.

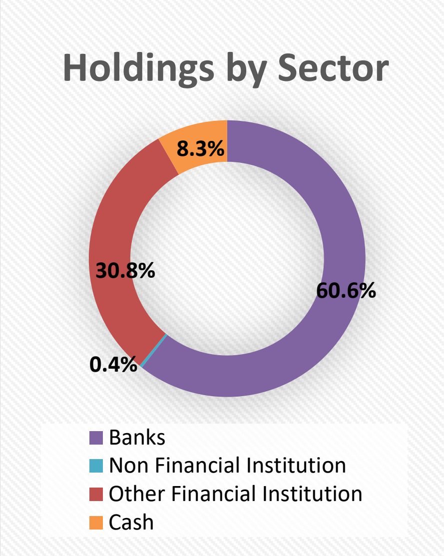
	Net Return*	Net Return including Franking Credits**	90 Day Bank Bill Rate (BBSW)
Since inception (p.a.)	**2.50%**	2.92%	1.55%
7 years (p.a.)	**2.51%**	2.96%	1.33%
5 Years (p.a.)	**1.64%**	1.90%	1.14%
3 Years (p.a.)	**1.82%**	1.95%	0.95%
1 year	**2.10%**	2.17%	2.72%
6 Months	**2.43%**	2.43%	1.64%
3 Months	**1.11%**	1.11%	0.84%
1 Month	**0.68%**	0.68%	0.27%

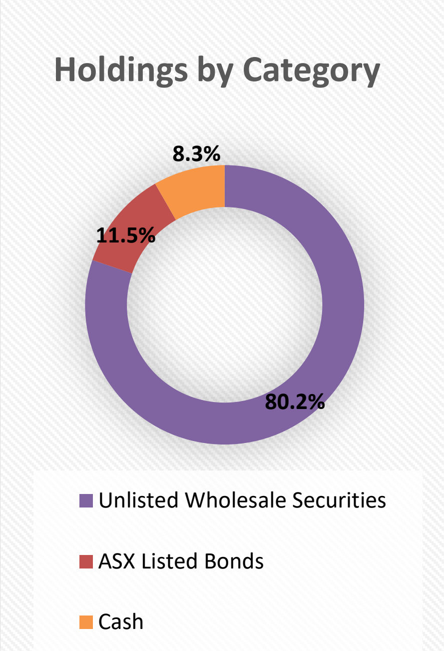
* Performance figures have been calculated in accordance with the Financial Services Council (FSC) standards. No allowance has been made for taxation. Performance assumes the reinvestment of income distributions. Past performance is not necessarily an indicator of future performance. Net returns are 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
Australian Unity	Financial Institution	ASX Listed Notes

Feature	Fund Facts
Portfolio Manager	Matthew Lemke
Investment Objective	To provide regular income with low risk of capital loss in the medium term (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 a reasonable margin over the 90 day BBSW rate. The return will vary over time depending on the market and economic outlook.
Target Market	The Fund is designed for investors seeking a regular return above the 90 day BBSW rate from a diverse portfolio of investments with an emphasis on capital preservation.
Benchmark	90 day BBSW rate (this benchmark rate was previously the Reserve Bank of Australia's cash rate. The benchmark rate was changed in December 2020 to better reflect the Fund's objectives).
Inception Date	3 June 2014
Interest Rate Reset Duration	Approximately 0.5 years
Distributions	Quarterly
Suggested Investment Period	1 + year
Minimum Investment	$50,000
Indirect Cost Ratio (ICR)	0.60% p.a. [1]
Issue price	$0.9938
Withdrawal Price	$0.9934
Distribution (31/03/23)	$0.0025

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





Fund review and strategy

The Fund performed well in April, achieving a return of 0.68% after-fees, well above its Benchmark return. The Fund achieved a return in the last 6 months of 2.43% after-fees, which is also above its Benchmark return. Of course, past performance is not a reliable indicator of future performance.

The RBA met on Tuesday 2 May and decided to hike the cash rate to 3.85% in a move that was not expected by the market. There could well be more rate hikes in Australia given the RBA's stated intention in recent days to contain inflation. The 3.75% of rate hikes already delivered since May last year are a lot for the economy to absorb and represent the largest and quickest tightening cycle ever in Australia. The March quarter CPI released late-April recorded 7.0% growth for the 12 months to 31 March, down from 7.8% for the 12 months to 31 December 2022. Whilst pleasing that inflation seems to be falling, one set of data cannot be taken as a 'trend'. The CPI may well persist for some time at levels above the RBA's medium-term target band of 2-3%, especially with the A$ still on the weak side (currently around $0.6780 against the US$), and with the number of wage claims moving through the Fair Work Commission shortly. It remains to be seen how the Government's proposed changes to the RBA will impact monetary policy in Australia.

The vast majority of the Fund's portfolio is invested in securities where the interest rate is reset every 3 months, and hence the Fund directly benefits from a rise in market interest rates.

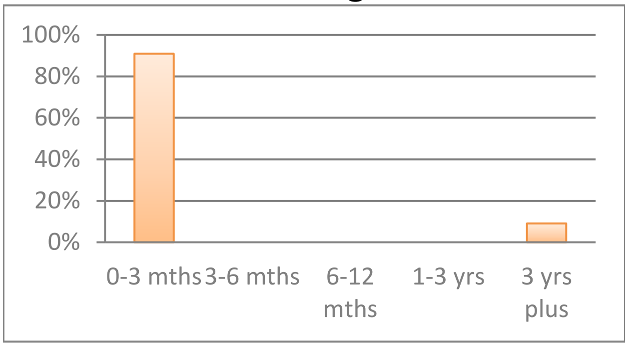
The Federal Budget is due Tuesday 9 May. This will be closely watched given the changes mooted so far by the Government, and its desire to selectively raise taxes. Higher taxes occurring at the same time as higher interest rates will pressure the economy. Fortunately for Australia's economic performance, the Terms of Trade remains strong providing 'buoyancy' to the Australian economy, especially with China emerging from its national lockdown. Australia is a major beneficiary of this economic performance in China through its commodity exports flowing into very favourable net export trade balances. Additional support to the economy is coming through the continued low unemployment level in Australia (ca. 3.5%) and the pickup in net migration to Australia.

The situation with US banks still seems to be evolving with another medium-sized bank, First Republic Bank, being closed by the regulator in late-April, following the closure of Silicon Valley Bank and Signature Bank in March. We do not see any problems for the bigger banks in the US, nor contagion or other effects flowing to the Australian banks or financial system from the problems in the US. Despite the media 'hype', the lack of contagion effect to Australia was evidenced in March and April following the collapse of Silicon Valley Bank and Signature Bank, and the difficulties experienced by Credit Suisse prior to its merger with UBS. The banks in Australia are well-regulated and supervised by the Australian Prudential Regulatory Authority (APRA) which is constantly reviewing the capital ratios of the banks, their funding, and their balance sheets. Furthermore, the banks in Australia typically have a very high proportion of mortgage assets in their overall asset base, have high deposit ratios, and do not have the concentration of risky assets which was the case for the US banks that have closed. We also take comfort in the high level of governance standards and practices of the Australian banks.

We continue to invest the majority of the Fund's investment portfolio in major bank securities (which are rated "AA-", one notch below "AAA"), and have recently increased the holdings of "AAA" rated assets. These highly-rated securities will perform well even if the Australian financial market or the economy encounter difficulties.

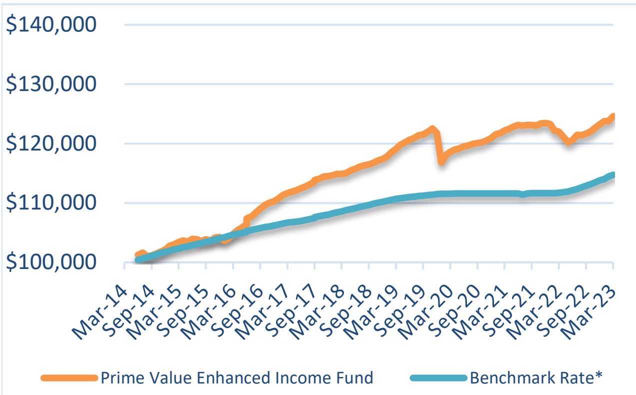
We welcome any questions or comments you may have on the market or the Fund and encourage you in this regard to organise a call with the Portfolio Manager, Matthew Lemke, or Prime Value CEO, Yak Yong Quek.

Interest Rate Reset Management



The Fund's current weighted average interest rate reset duration of securities in the portfolio is approximately 0.5 years. Currently, 90% of the securities in the Fund's portfolio have interest rates that reset every quarter, and therefore benefit from interest rate increases, unlike fixed rate investments.

Fund Performance



This graph shows how $100,000 invested at the Fund's inception has increased to $124,600 (net of fees). This compares with the return of the benchmark rate, where a $100,000 investment would have increased to $114,740 over the same period.

*The Benchmark Return was calculated by reference to the RBA Official Cash Rate until December 2020 and thereafter by reference to the 90 day BBSW rate

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