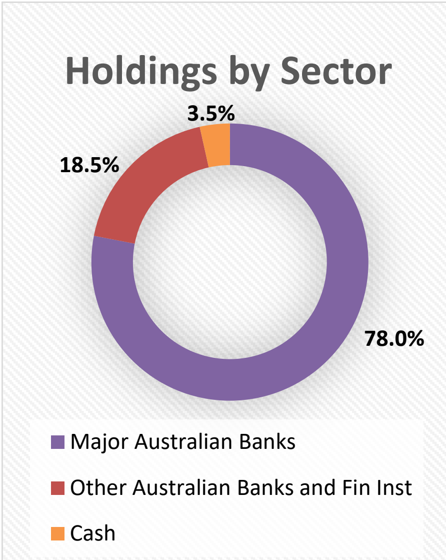
Prime Value Enhanced Income Fund
Monthly Update – September 2023

- The Fund performed well in September with a 0.24% return after-fees. For the past 12 months, the return was 3.51% after-fees excluding franking credits and 3.68% after-fees including franking credits.
- In early October, the Fund paid to investors a distribution of $0.25 cents/unit for the September quarter.
- Markets believe the tightening cycle in Australia and in many western developed countries is over, or close to that. This is positive for the Australian economy and supporting the markets in Australia. Nonetheless, we are staying very alert to market and economic developments. We expect the Fund to continue to perform well and meet its key objectives of preserving investor capital and ongoing quarterly distributions.

	Net Return*	Net Return including Franking Credits**	Benchmark Return - 90 Day Bank Bill Rate (BBSW)
Since inception (p.a.)	**2.48%**	**2.89%**	1.67%
5 Years (p.a.)	**1.58%**	**1.84%**	1.32%
3 Years (p.a.)	**1.63%**	**1.76%**	1.51%
1 year	**3.51%**	**3.68%**	3.66%
6 Months	**1.52%**	**1.69%**	2.00%
3 Months	**0.99%**	**0.99%**	1.03%
1 month	**0.24%**	**0.24%**	0.32%

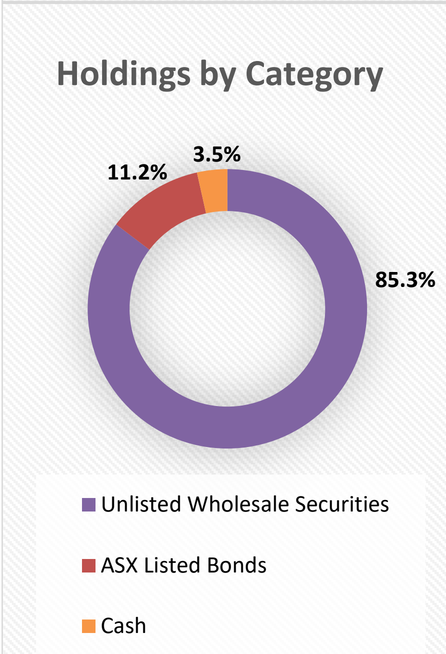
* Performance figures have been calculated in accordance with Financial Services Council standards. No allowance has been made for taxation. Performance assumes the reinvestment of income distributions. Past performance is not necessarily an indicator of future performance. Net returns are calculated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



Feature	Fund Facts
Portfolio Manager	Matthew Lemke
Responsible Entity	Prime Value Asset Management Ltd (ABN 23 080 376 110; AFSL 222 055)
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 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	Approx. 0.3 years
Distributions	Quarterly
Suggested Investment Period	1 + year
Minimum Investment	$50,000
Indirect Cost Ratio (ICR)	0.60% p.a.[1]
Issue price	$0.9971
Withdrawal Price	$0.9967
Distribution (30/09/2023)	$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 September with a 0.24% return after-fees. For the past 12 months, the return was 3.51% after-fees excluding franking credits and 3.68% after-fees including franking credits. Of course, past performance is not a reliable indicator of future performance.

In early October, the Fund paid to investors a distribution of $0.25 cents/unit for the September quarter.

The Fund is invested in a diverse range of debt securities. The primary risk affecting the Fund's performance would be a material deterioration in the Australian economy and a consequent rise in credit risk which could potentially impact the prices of the debt securities.

When the hikes started last year, the official cash rates in Australia and many other countries were reduced in many countries to their lowest-ever as a direct policy response to COVID-19. With the spike in inflation, central banks in major western developed countries then proceeded, from around the beginning of last year, to hike their official cash rates aggressively, delivering between 10-14 rate hikes in increments of between 0.25%-0.50%, with the rate hikes in each country amounting in aggregate to between 4.0%-5.5%. Australia has been in step with other central banks, although in hiking the cash rate by only 4% the RBA was at the lower-end of the rate hikes delivered.

In the last 3 months or so, the noticeable downtrend in inflation has allowed many central banks, including those in the US, Canada, the UK, Switzerland, and New Zealand to pause their rate hikes. The market now believes that the major western developed countries are at, or close to, the end of their tightening cycles. In Australia, the RBA has not hiked the cash rate since June, with the market view now that the RBA's tightening cycle is over. The rate pause in Australia and globally is positive for the Australian economy and supporting a range of markets in Australia including the equity, property, fixed income and credit markets.

As expected, the RBA has left the door open to further rate hikes should inflation stay high and so the market is closely watching ongoing economic data releases, particularly the inflation, employment, trade and GDP data. The weakening of the A$ to around US$0.6350 (raising imported goods prices) and the continuing strength of crude oil prices (raising petrol and fuel prices) are factors to be taken into consideration. In the last few days bond yields have risen with the market now giving some degree of probability to further rates hikes, or at the least, rates to stay 'higher for longer'.

Unless the September quarter CPI to be released late-October is unexpectedly high causing the RBA to revise its current forecast for underlying inflation to move back to its 2-3% policy band by end-2024, it is very likely the RBA will not hike rates at least for the remainder of 2023. Contributing to this view are several factors: the economic slowdown in China, the new RBA Governor only having started in mid-September, the rate-setting committee to operate alongside the RBA in monetary policy still being set up, and the changes occurring at the Productivity Commission to raise Australia's productivity to hopefully reduce inflation.

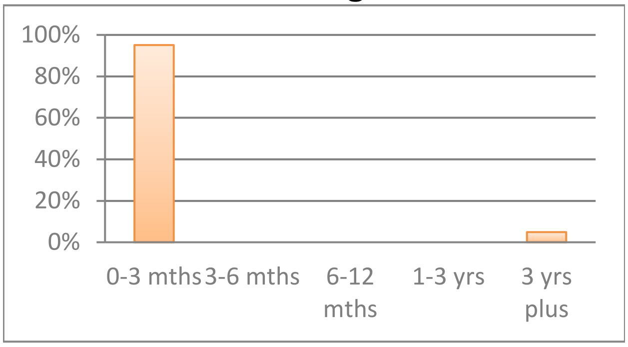
Aside from the pause in rate hikes globally and by the RBA, markets in Australia are also being supported by Australia's continuing strong Terms of Trade, and the unexpectedly strong Federal Budget surplus of $22.1 billion (0.9% of GDP) in 2022 -2023.

These factors are all positive for the Fund. However, as part of our risk management, and ensuring we are prepared for any unexpected deterioration in credit markets, we continue to invest the Fund's portfolio predominantly in "AA-" rated debt securities issued by the major Australian banks and "AAA" rated debt securities. Furthermore, the vast majority of the securities in the Fund's portfolio are "floating rate" (the interest rate is reset to market rates every 3 months) so the Fund benefits directly from the higher interest rates.

We continue to manage the Fund conservatively and staying very alert to market and economic developments. We expect the Fund to continue to perform well and meet its key objectives of preserving investor capital and ongoing quarterly distributions.

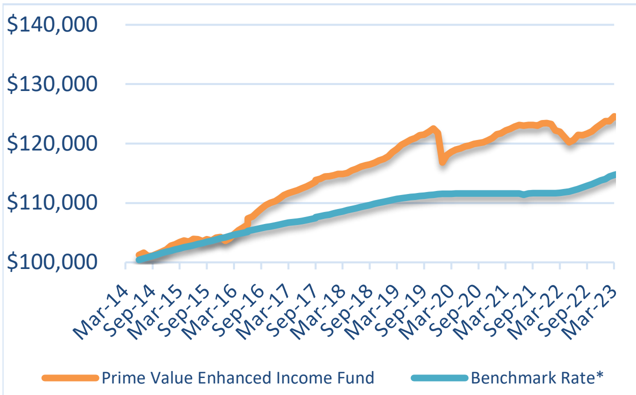
Please do not hesitate to contact us if you have any questions or would like to set up a conference call with the portfolio manager, Matthew Lemke, or the CEO of Prime Value, Yak Yong Quek.

Interest Rate Reset Management



The Fund's portfolio weighted average interest rate reset duration is approximately 0.3 years. The vast majority of securities in the Fund's portfolio have interest rates that reset every quarter, and therefore benefit from the higher interest rates in the market.

Fund Performance



This graph shows how $100,000 invested at the Fund's inception has increased to $125,640 (net of fees). This compares with the return of the benchmark rate, where a $100,000 investment would have increased to $116,720 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

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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