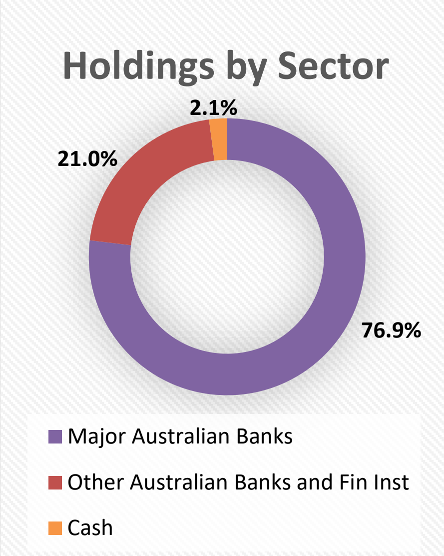
Prime Value Enhanced Income Fund
Monthly Update – October 2023

- The Fund performed well in October with a 0.35% return after-fees. For the past 12 months, the return was 3.65% after-fees excluding franking credits and 3.82% after-fees including franking credits.
- After the strong September quarter CPI data, on 7 November the RBA hiked the cash rate by 0.25% to 4.35%. The Fund benefits from higher rates as the interest rate on securities in the Fund's portfolio resets every 3 months. The Hamas/Israel conflict led to volatility in global markets, but the Fund was not impacted. However, we are staying alert to market, economic and geo-political developments.
- We expect the Fund to continue to perform well and meet its key objectives of preserving investor capital and ongoing quarterly distributions. We expect the Fund to generate a return after-fees in excess of 4% p.a. in coming months, and our expectation is to increase the quarterly distribution to investors commensurate with this return.

	Net Return*	Net Return including Franking Credits**	Benchmark Return - 90 Day Bank Bill Rate (BBSW)
Since inception (p.a.)	**2.49%**	**2.91%**	1.69%
5 Years (p.a.)	**1.63%**	**1.88%**	1.36%
3 Years (p.a.)	**1.67%**	**1.80%**	1.63%
1 year	**3.65%**	**3.82%**	3.77%
6 Months	**1.19%**	**1.36%**	2.10%
3 Months	**0.96%**	**0.96%**	1.03%
1 month	**0.35%**	**0.35%**	0.36%

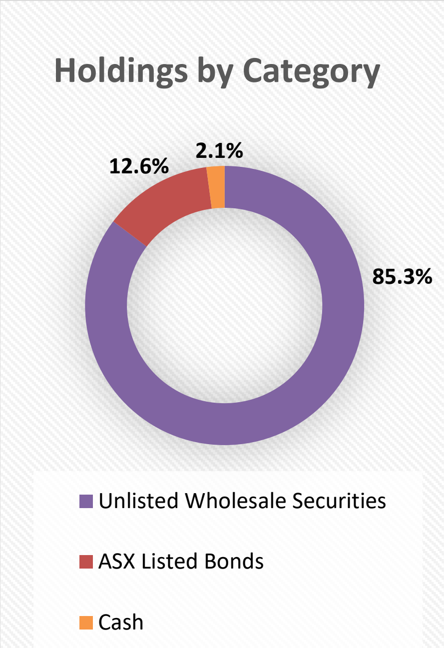
* Performance figures have been calculated in accordance with Financial Services Council (**FSC**) standards. No allowance has been made for taxation. Performance assumes the reinvestment of income distributions. Past performance is not necessarily an indicator of future performance. Net returns are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



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 the benchmark. 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 Return	90-day BBSW rate
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	$1.0006
Withdrawal Price	$1.0002
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 October with a 0.35% return after-fees. For the past 12 months, the return was 3.65% after-fees excluding franking credits and 3.82% after-fees including franking credits. Of course, past performance is not a reliable indicator of future performance.

The major economic event in October in Australia was the release of the September quarter CPI on 25 October. The data showed a continuation of the decline in annual inflation from 7% in the March quarter, to 6% in the June quarter, to 5.4% in the September quarter. However, the CPI for the September quarter was 1.2%, higher than the 0.8% for the June quarter. Furthermore, there was quite a large across-the-board rise in prices of Services. In addition, in the last two weeks or so of October, Michele Bullock the new RBA Governor, was quite vocal about the need for further rate hikes if inflation did not look like coming down to the RBA's inflation target of 2-3% in a 'reasonable timeframe'.

As a result of the CPI data, and with unemployment still low at 3.7%, on Tuesday 7 November the RBA hiked the cash rate by 0.25% to 4.35%. In its post-meeting statement, the RBA 'left the door open' to further rate hikes dependent in particular on future CPI data.

The RBA last hiked the cash rate in May 2023, before which it had delivered 4% of rate hikes since May 2022. The bond market, in particular, was volatile following Michele Bullock's comments and the release of the September quarter CPI data as the expectation to then was that the rate pause to continue. However, by the time the RBA met on 7 November, the market was fully expecting the rate hike.

The other factor that had some degree of influence on markets in October was the Hamas/Israel conflict, which began on 7 October. This caused some volatility in global markets, particularly crude oil prices – with economists expecting some potential flow-on effects to petrol/fuel prices and inflation in Australia, particularly with the A$ continuing to be weak against the US$. The conflict, with signs it will be drawn out and the potential for it to escalate, led some investors to re-weight their portfolios away from more risky assets. This created a higher level of overall volatility in markets globally and in Australia. However, markets are operating efficiently and there are no signs that markets are entering any sort of 'crisis' mode.

We expect some degree of heightened volatility in markets to continue as the inflation and interest rate picture, the Hamas/Israel conflict, and China's economic situation move through various phases and developments. The US is also going through a 're-think' of the likelihood of further rate hikes by the Federal Reserve after the economic data has shown the US economy to be more resilient than expected, and inflation is still above the Fed's inflation target of 2% though having fallen considerably in the last few months. Nonetheless, the Fed met on 1 November and decided to continue the rate pause in effect since July, leaving the Fed Funds target rate in the range of 5.25%-5.50%.

We are very alert to all the above factors, especially if they were to cause a deterioration in the Australian economy as this may lead to higher credit risk and a potential fall in the prices of debt securities within the Fund's portfolio. This is not expected – the market and the RBA do not forecast the Australian economy to be materially impacted by the factors mentioned above, even though there is a general view that inflation and interest rates will stay 'higher for longer'.

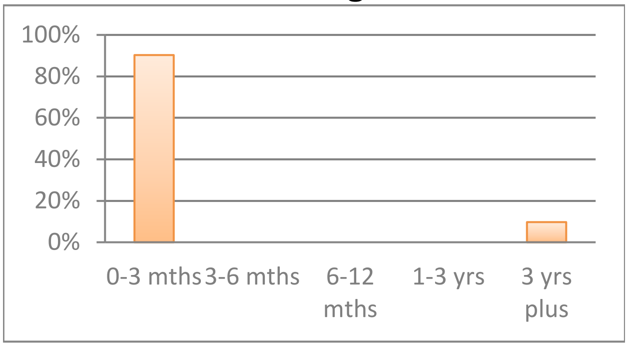
The Fund is relatively immune to any higher move in credit risk as it continues to invest in a diverse range of very high-grade debt securities, predominantly 'AA-' rated debt securities issued by the major Australian banks and 'AAA' rated debt securities. Furthermore, as the vast majority of securities in the Fund's portfolio are 'floating rate' (the interest rate is reset to market rates every 3 months), the Fund benefits directly from the higher interest rates.

We continue to manage the Fund conservatively and staying very alert to market, economic and geo-political developments.

We expect the Fund to continue to perform well and meet its key objectives of preserving investor capital and meeting its ongoing quarterly distributions. We expect the Fund to generate a return after-fees in excess of 4% p.a. in coming months, and our expectation is to increase the quarterly distribution to investors commensurate with this return.

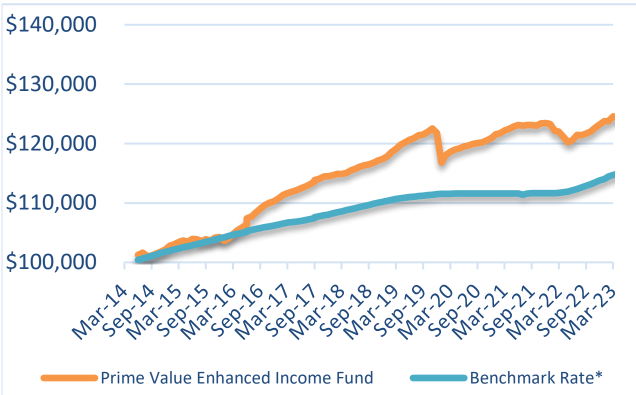
If you have any questions, please do not hesitate to arrange a call through your Investor Relations contact with the Fund Manager, Matthew Lemke, or Prime Value's CEO, Yak Yong Quek.

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 $126,080 (net of fees). This compares with the Fund's benchmark return, where a $100,000 investment would have increased to $117,150 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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