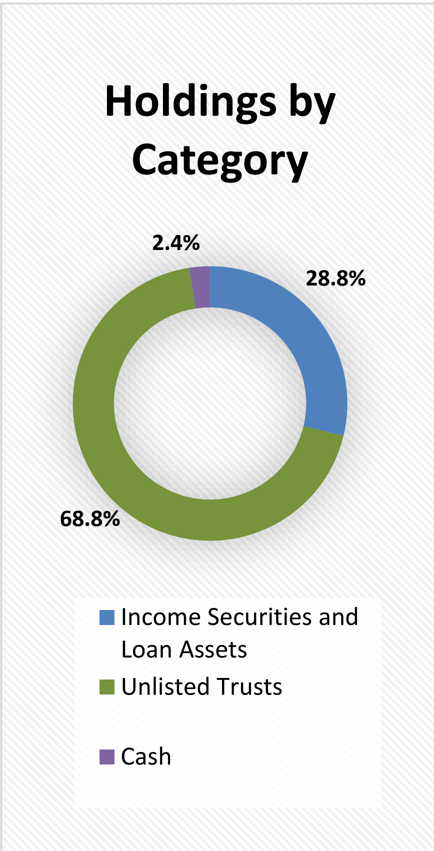
Prime Value Diversified High Income Fund
Monthly Update – November 2023

- The Fund's return after-fees in November was 0.18%. The return after-fees for the last 12 months has been 6.02%, and 6.50% over the past 2 years and 6.63% for the past 3 years.
- In early December, the Fund paid to investors a distribution of $0.53 cents per unit for the month of November, being equivalent to an annual rate of 6.55% (assuming all distributions are reinvested).
- The Fund faces several risks, however none of these risks is seen be the market as reaching the point where the Fund's performance will be 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 meeting ongoing monthly distributions.
- We wish all our investors and their families a safe and happy Christmas and holiday period.

	Net Return*	Benchmark Return (RBA Cash Rate + 4% p.a.)
Since inception (p.a.)	**5.80%**	5.26%
3 years (p.a.)	**6.43%**	5.59%
2 Years (p.a.)	**6.50%**	6.35%
1 Year	**6.02%**	7.77%
6 Months	**2.60%**	3.99%
3 Months	**1.10%**	1.98%
1 Month	**0.18%**	0.66%

* 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 a reliable indicator of future performance. Net returns are calculated after management fees.

Feature	Fund Facts
Portfolio Manager	Matthew Lemke
Responsible Entity	Prime Value Asset Management Ltd (ABN 23 080 376 110; AFSL 222 055)
Investment Objective	The Fund aims to provide regular income with medium risk exposure. The Fund targets a return to investors of the RBA Cash Rate plus a margin of 4.0% p.a. This return may vary from month to month depending on the market.
Target Market	The Fund is designed for investors seeking a return above the RBA cash rate and regular monthly distributions from a diverse portfolio of investments with an emphasis on capital preservation.
Benchmark	RBA Cash Rate + 4% p.a.
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 generally 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% per annum[1]
Performance Fee	15%[1] of net performance above the RBA Cash Rate + 4% p.a.
Issue price	$1.0154
Withdrawal Price	$1.0154
Distribution (30/11/2023)	$0.0053



[1]The Fund may hold one or more unlisted trusts (Interposed Vehicles). Indirect costs are the impact on the Fund from fees and costs such as management fees in connection with Interposed Vehicles. The fees in the above table exclude indirect costs. Indirect management fees and costs for the year ended 30 June 2022 were 0.77%. Indirect performance fees charged or accrued since the Fund's inception to 30 June 2022 were 0.29% pa. Indirect costs will vary every year. The indirect costs as at 30 June 2023 will be updated when the information is to hand.

Fund review and strategy

The Fund's return after-fees in November was 0.18%. The return after-fees for the last 12 months has been 6.02%, and 6.50% for the past 2 years and 6.63% for the past 3 years. Of course, past performance is not a reliable indicator of future performance.

In early December, the Fund paid to investors a distribution of $0.53 cents per unit for the month of November, being equivalent to an annual rate of 6.55% (assuming all distributions are reinvested).

The Fund has a diverse range of income-producing assets, including mortgages, unlisted property, 'alternative' assets, income securities and loan assets. The major risk faced by the Fund would be a material deterioration in the Australian economy. The four main risks to the Australian economy are set out below. None of these risk factors is seen be the market as reaching the point where the Fund's performance will be impacted, but we are watching developments closely. The risks are:

1. That the RBA hikes too far. The market believes the tightening cycle is over with the fall in inflation as seen in the CPI for October falling to 4.9% (annual) from 5.6% in September. However, spending by Federal and State governments may mean inflation persists higher and longer than expected – this spending includes defence, the NDIS, social housing, climate transition and infrastructure projects. Although the RBA did not hike the cash rate on 5 December, the RBA is still very focused on containing inflation. Hence, the December quarter CPI to be released late-January is a major focus for the market. If the CPI data is higher than forecast by the RBA, the RBA may well hike further. Given the 'trade offs' between economic growth, inflation, and interest rates, we expect interest rates in Australia to continue to be highly 'politicised' and the subject of intense media coverage.

2. That the growth slowdown in China worsens. It appears that the Chinese economy is stabilising after the stimulatory measures introduced by Chinese authorities. Nonetheless, we are closely watching developments in China.

3. That other major industrialised countries experience a substantial decline in their economies, impacting Australia. Other major economies appear to be satisfactorily coping with the rate hikes over the past 12-18 months, and the market is not expecting any significant economic fallout.

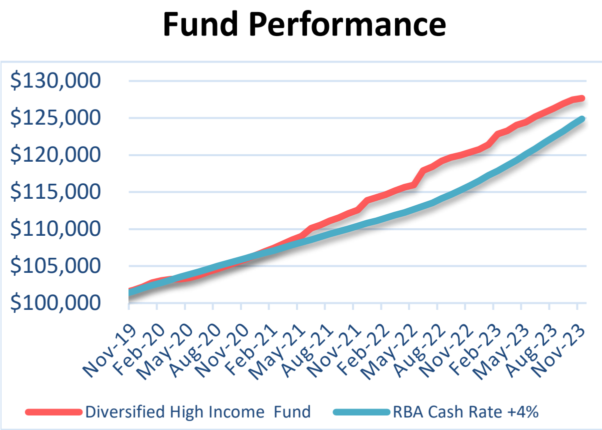
4. That the conflict in the Middle East escalates, potentially causing higher oil prices and an economic fallout particularly in Europe. The Hamas/Israel conflict appears likely to be prolonged, however so far it is relatively contained.

The Australian economy in general appears to be performing well as seen in low unemployment (3.7%), reasonable GDP growth (up 3.4% in FY2023), and the building approvals and retail sales data over the past two months has been reasonable. There are also two important factors, often overlooked, that are supporting Australia's continued good economic performance:

- Australia's strong Terms of Trade, due to strong demand and continuing high prices of Australia's major export commodities, e.g. the iron ore price has increased 25% since mid-June and is near a 1-year high. Iron ore is Australia's leading commodity export.
- Australia's "AAA" rating from Standard & Poor's with "Stable" outlook. This prime rating supports Australia in the global trade, investment, and capital markets.

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.

We wish all our investors and their families a safe and happy Christmas and holiday period. We sincerely thank you for your support over 2023.



This graph shows how $100,000 invested at the Fund's inception has increased to $127,670 (net of fees). This compares with the Fund's benchmark return of the RBA cash rate + 4% p.a., where a $100,000 investment would have increased to $124,880 over the same period.

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