Prime Value Enhanced Income Fund Monthly Update – December 2023

- The Fund performed well in December with a 0.63% return after-fees, above the Fund's benchmark return. For the past 12 months, the return was 3.95% after-fees (excluding franking credits) and 4.28% after-fees (including franking credits).
- As flagged in our November update, with the Fund continuing to perform well we have significantly increased the distribution effective the December quarter to $0.01 per unit. This distribution was paid to investors in early January 2024. The distribution is equivalent to 4.06% after-fees on an annual basis assuming all distributions are re-invested.
- Global markets and investor sentiment ended 2023 on a positive tone, and we expect this to continue into 2024. We expect the Fund to continue to perform well and meet its key objectives of capital preservation and quarterly distributions.
- We thank our investors for their support over 2023 and wish them a safe holiday period, and healthy and prosperous 2024.

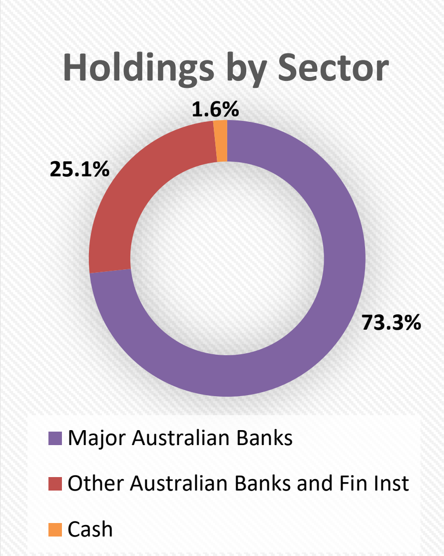
	Net Return*	Net Return including Franking Credits**	Benchmark Return - 90 Day Bank Bill Rate (BBSW)
Since inception (p.a.)	**2.57%**	**2.99%**	1.74%
5 Years (p.a.)	**1.78%**	**2.03%**	1.43%
3 Years (p.a.)	**1.89%**	**2.05%**	1.86%
1 year	**3.95%**	**4.28%**	3.97%
6 Months	**2.51%**	**2.66%**	2.10%
3 Months	**1.50%**	**1.66%**	1.06%
1 month	**0.63%**	**0.78%**	0.34%

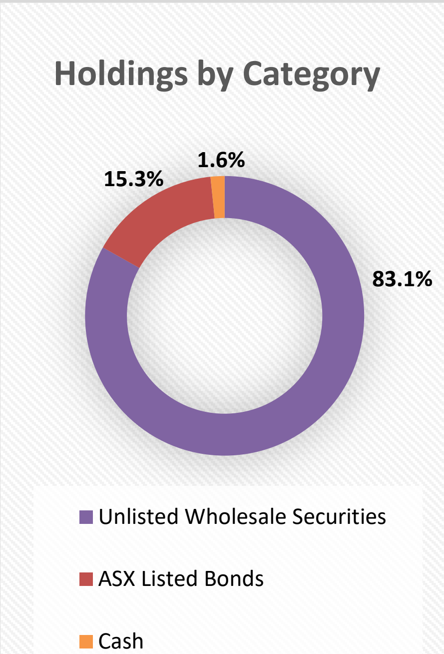
* Performance figures have been calculated in accordance with Financial Services Council (**FSC**) standards. No allowance has been made for taxation. Performance assumes the reinvestment of income distributions. Past performance is not necessarily an indicator of future performance. Net returns are 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
Bendigo and Adelaide Bank	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	$1.0021
Withdrawal Price	$1.0017
Distribution (31/12/2023)	$0.0100

[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 December with a 0.63% return after-fees, above the Fund's benchmark return. For the past 12 months, the return was 3.95% after-fees (excluding franking credits) and 4.28% after-fees (including franking credits). Past performance is not a reliable indicator of future performance.

As flagged in our November update, with the Fund continuing to perform well, we have increased the quarterly distribution effective from the December quarter, to $0.01 per unit. This distribution was paid in early January 2024. The increased distribution is a four-fold increase on the previous quarterly distributions of $0.25 cents per unit. The $0.01 distribution is equivalent to 4.06% after-fees on an annual basis assuming all distributions are re-invested.

In looking back on the year 2023, global markets, particularly equity, bond and property markets were volatile in the 1st half of the year with bouts of difficult trading and market conditions as many central banks continued to hike interest rates. The rate hikes, which began in early-2022, were a direct response to the rise in inflation that began in late 2020, largely due to the fiscal and monetary stimulus introduced by many countries following the spread of COVID-19 in early 2020. The RBA tightening cycle was typical of other central banks, with the RBA hiking the cash rate by 4.20% from May 2022 to November 2023. By mid-2023, with inflation plateauing in many countries including Australia and beginning to fall, the market began to gain more confidence that the tightening cycle was nearing completion. By late-2023, that confidence had reached the point where the market was actively pricing in the end of the tightening cycle. Global equity, bond and property markets responded very positively, and so by the end of 2023, markets were enjoying reasonable gains for the year, low volatility levels, and positive investor sentiment.

The year ahead looks positive for global markets and the Fund given the market expectation that the tightening cycle is over. Indeed, the market view in the US is that the Fed could begin an easing cycle as early as the 2nd quarter of 2024, and this is adding to the solid base of support for global equity, bond and property markets as 2024 begins. This in turn is positive for the Fund as it reduces the risk of any material fallout in the Australian economy, which is the principal risk faced by the Fund.

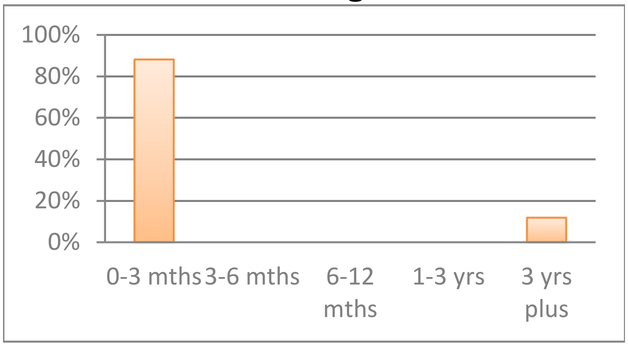
Whilst 2024 has begun with a very positive for global markets, we are watching market, economic and geopolitical developments closely. Our strategy through 2023 of investing the Fund's portfolio predominately in floating (variable) rate securities which benefit directly from higher interest rates, and 'AA-' rated major bank securities and 'AAA' rated securities, have been the main reasons for the Fund performing well in 2023. We will continue to manage the Fund's investment portfolio conservatively.

In terms of our focus in 2024, inflation will be the dominant economic variable, and whether it falls enough to avoid further rate hikes. The ongoing CPI data will continue to be a key focus, along with the statements and actions by the RBA and the major central banks around the world. In China, the early signs are that the economic stimulus measures introduced by Chinese authorities are preventing further deterioration in the Chinese property market, but we will be following events on this carefully. The Hamas-Israel conflict is unlikely to be resolved for some time and is quite likely to flare up from time to time causing potential volatility in crude oil prices and global markets. The Australian Federal election to be held between early August 2024 (subject to a double dissolution being called) and May 2025 (full-term) will no doubt begin to dominate headlines, as will the US presidential election to be held in November 2024. There may be possible market ramifications from these political events. We expect the Fund to continue to perform well and meet its key objectives of capital preservation and quarterly distributions.

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.

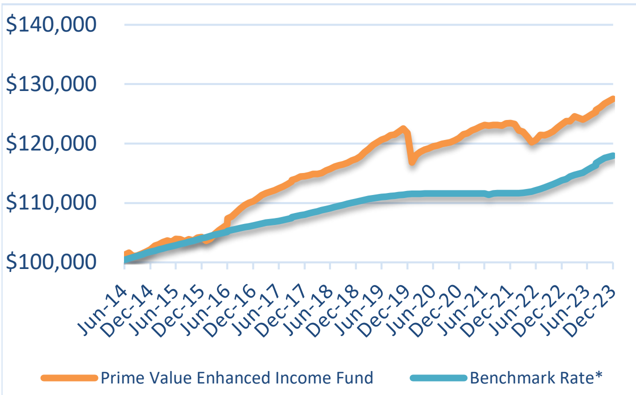
We thank our investors for their support over 2023 and take this opportunity to wish them and their families a restful holiday period, and a healthy and prosperous 2024.

Interest Rate Reset Management



The Fund's portfolio weighted average interest rate reset duration is approximately 3 months. 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 $127,530 (net of fees). This compares with the Fund's benchmark return, where a $100,000 investment would have increased to $117,960 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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