

PRIME VALUE EMERGING OPPORTUNITIES FUND CLASS A UNITS

Product Disclosure Statement

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Contact details

Level 9
Prime Value House
34 Queen Street
Melbourne VIC 3000
Phone: 03 9098 8088
Fax: 03 9098 8099
Email: info@primevalue.com.au
Website: www.primevalue.com.au

Important Information

This Product Disclosure Statement (PDS) is a summary of significant information about the Prime Value Emerging Opportunities Fund (ARSN 608 666 324) Class A units (APIR PVA0013AU).

It contains references to important additional information contained in the Prime Value 'Additional Information to the PDS' (Additional Information). The Additional Information forms part of this PDS and you should consider the whole PDS including it before making a decision to invest. The Additional Information and the PDS are available at www.primevalue.com.au/pds or you can request a copy by calling us on 03 9098 8088.

Prime Value Asset Management Ltd (ABN 23 080 376 110) (AFSL 222 055) (Prime Value) has prepared and issued this PDS as at 19 January 2024.

The information provided in the PDS is general information only and does not take into account your personal investment objectives, financial situation or needs.

You should obtain professional financial advice tailored to your personal circumstances.

All amounts in this PDS are in Australian dollars unless stated otherwise. All fees are inclusive of goods and services tax (GST) and take into account reduced input tax credits (RITCs) if applicable.

PDS Availability

This PDS is available at www.primevalue.com.au or you can request a copy by calling us on 03 9098 8088. If you access the electronic version of this PDS, you should ensure that you download and read this PDS in full.

Updated Information

Information in this PDS may change from time to time. Information that has changed in relation to the Fund that is not materially adverse and which the Prime Value wishes to provide to investors will be made available on the Prime Value website. A printed copy of any updated information will be available from Prime Value free of charge upon request by calling us on 03 9098 8088. Prime Value may issue a supplementary PDS to supplement any relevant information not contained in this PDS, in accordance with its obligations under the Corporations Act. Any supplementary PDS and any updated information should be read together with this PDS. A copy of any supplementary PDS and any other information regarding the Fund will be made available on the website of Prime Value and a printed copy will be available from the Prime Value free of charge upon request.



Standard and Poor's Boutique Fund Manager of the Year Award - Winners

1. About Prime Value Asset Management Limited

Prime Value is a multi-award winning boutique Australian investment manager with an impressive history of building wealth with investors since 1998.

As Responsible Entity of the Prime Value Emerging Opportunities Fund, it holds an Australian Financial Services License that authorises it to operate managed investment schemes. Prime Value is responsible for the management and administration of the Fund and sets the investment policies and objectives.

A Manager for All Seasons

Prime Value has a long and successful history in funds management. It has gained a reputation for being a manager for all seasons. Prime Value began in 1998 with the launch of the Prime Value Growth Fund.

Prime Value's stable, talented investment team has navigated many market cycles and a wide variety of investment situations. The team has considerable experience in the corporate sector; an advantage which means Prime Value speaks the language and asks the right questions of companies when considering investment. This

experience has also taught us that investment is more than just science, mathematics and statistics. Art and intuition, which come from experience and skill, also play an important role.

Prime Value's unique style is not easy to pigeon-hole and not easily replicated. We believe that this willingness to follow our own path, combined with a strong culture and sense of stewardship, has driven our consistent record.

Alignment of interest

Prime Value and members of its investment team are cornerstone investors in Prime Value Funds and have a true alignment of interest with other investors. As fellow investors, we demand superior returns for accepting the investment risk – not just the average return of the market. In this way, "Building Wealth Together" is more than just a slogan. It is the heart and soul of Prime Value.

A strong belief in "stewardship" – that managing money for others is an important responsibility – underpins our culture. This means we have a focus on absolute, after-tax performance and a clear priority of minimising mistakes.

2. How the Prime Value Emerging Opportunities Fund works

The Prime Value Emerging Opportunities Fund is an Australian registered managed investment scheme and unit trust. The fund is governed by its constitution. In a unit trust structure, when you invest your money it is pooled with other investor funds. The total value of the assets in the Fund is divided into "units" and a "unit price" is calculated each Business Day. Investors receive units when they invest in the Fund. The unit price will generally change daily as the market value of assets in the Fund rises or falls.

Classes of units

Units may be offered in the Fund in one or more classes, and Prime Value has the discretion from time to time in the future to issue more classes. Classes do not constitute separate trust funds. Units of the same class confer equal interest and rights and units of different classes are treated fairly.

Investing in the Fund

To invest in the Fund you will need to complete an application form. You can also add to your investment at any time or make regular monthly investments using the Regular Savings Plan. For further information, please see Section 8 'How to apply'.

The following minimum investment amounts apply:

- Minimum initial investment: \$20,000
- Minimum additional investment: \$5,000
- Minimum monthly investment: \$500

We may accept lower amounts at our discretion and reserve the right not to accept an application to invest for any reason.

Withdrawing from the Fund

Investors can withdraw some or all of their investment by completing a withdrawal form. Subject to the Fund being liquid, withdrawals are generally processed daily within 10 Business Days. However in certain circumstances, such as when there is a suspension on redemptions or where the Fund becomes illiquid (as defined in the Corporations Act), you may not be able to withdraw your investment within the usual period and alternative withdrawal procedures may apply.

You should read the important information about withdrawals before making a decision. Go to section 2 of the Additional Information at www.primevalue.com.au.

The material relating to this matter may change between the time when you read this PDS and the day when you acquire the product.

Income Distributions

The net income of the Fund is distributed to investors throughout the year. The Fund generally pays distributions half-yearly as at 30 June and 31 December.

You can choose to have your distributions automatically reinvested into additional units in the Fund or paid directly into your nominated bank account. There is no buy-sell spread on distributions that are reinvested.

The timing and amount of distributions may be different for Indirect Investors. Please refer to the PDS or other disclosure document provided by the IDPS operator.

3. Benefits of investing in the Prime Value Emerging Opportunities Fund

- 1 STEWARDSHIP** – Prime Value has been co-investing with its investors since 1998. Managing our investors' money is our primary purpose, a role we treat with utmost responsibility and prudence.
- 2 INDEPENDENCE** – Prime Value's ownership is open and transparent. Freedom from institutional constraints lets us act in our investors' best interests with an eye to the long term, rather than short term performance measures.
- 3 RISK MANAGEMENT** – Prime Value has a strong history of protecting investors' capital in difficult markets. We believe the Investment professional who makes the least mistakes generally produces superior results over time – the goal is superior returns whilst minimising the risk of permanent capital loss.
- 4 CULTURE** – Prime Value has developed a culture which is inclusive and collaborative. Ideas are shared across the team and this approach is reflected in the longevity and stability of the investment team.

Investment philosophy

The following are the four pillars of our investment philosophy:

Stewardship: We take our role as stewards seriously and value our responsibility to investors – putting our clients first. Co-investing alongside our investors ensures a true alignment of interest.

Quality investing requires a balance between Art and Science:

When evaluating investment opportunities, we focus on good companies selling below intrinsic value. We judge stocks based on investment fundamentals while also taking into account macro economic data, corporate financial reports, industry data and comments from corporate officers to determine whether a stock is under or over-valued.

Prime Value believes all economic and financial tests require flexibility, depending on the phase in the economic cycle or the type of stock. There is no standard way of identifying winners or losers in the stock market. Experience and common sense dictate how the formula must be adapted to determine the appropriate investment decision for each security.

Analysis is the first step in investing; however interpretation and judgment are equally important.

Minimising mistakes: Minimising mistakes is our number one imperative. We must remember investment decisions are based on market views and intelligence that is often faulty, and on research that is never complete and error-free. Managers therefore live and die on their own judgments.

3. How the Prime Value Emerging Opportunities Fund works *(continued)*

This may seem to be lacking the heroics of picking big winners, but in practice the Investment Manager who makes the fewest mistakes usually produces superior results. Our research efforts are focused as much on avoiding losers as identifying winners.

Equity indicies are inefficient: Equity indicies are a good way to get a feel for how well the market in general has performed, but they are not necessarily a good model for how to build a portfolio of stocks. At Prime Value, our main focus is on good companies selling below their intrinsic value.

Investing in emerging companies allows us opportunities often overlooked by major fund managers and stockbrokers. There are good reasons to look beyond the obvious. Stocks

outside the ASX 100 are less researched and less influenced by trading and market factors and are more suited to detailed fundamental analysis as the basis for investment selections.

Our portfolios are constructed based on the expected return characteristics of the individual companies without reference to their size. We invest in a "market of stocks", free of benchmark constraints.

You should read the important information about significant benefits of the Fund before making a decision. Go to section 3 at the Additional Information at www.primevalue.com.au. The material relating to this matter may change between the time when you read this PDS and the day when you acquire the product.

4. Risks of managed investment schemes

Before investing, each potential investor should consider whether the Fund is a suitable investment given their personal investment objectives.

When considering any investment in a managed investment scheme, it is important that you understand:

- all investments carry risk;
- the value of investments will go up and down;
- the level of returns will vary, and future returns may differ from past returns;
- returns are not guaranteed, and investors may lose some of their money;
- laws affecting registered managed investment schemes may change in the future;
- assets with the highest long-term returns may also carry the highest level of short-term risk
- the level of risk for each investor will vary depending on a range of factors, including age, investment time frames, where other parts of the person's wealth are invested, and the investor's risk tolerance.

Every investment involves varying degrees of risk and different investment strategies may carry different levels of risk, depending on the assets that make up the strategy. While there are many factors which may impact on the performance of any investment, the summary below details the key risks that investors should be aware of when investing in the Fund:

Risks associated with an investment - An investment in the Fund is predominantly an indirect investment in equities listed on a recognised Australian stock exchange, mainly the ASX, and the risk profile of an investment in the Fund is expected to be similar to the risk profile of an investment in Australian equities. Over time, the performance of stock markets can rise and fall and, at times, substantial negative returns have been produced by investments in stock markets. Prime Value cannot assure investors of positive or superior returns in any financial year because the markets can take unexpected turns and the value of an investment may fluctuate accordingly.

Small company risk - Shares in small companies may trade less frequently and in smaller volume and may experience greater price volatility than larger companies.

Illiquidity risk - The risk that an investment may not be easily converted into cash with no loss of capital and minimum delay, because of either inadequate market depth or disruptions in the market place.

Market risk - The market price of securities in which the Fund will invest will be affected by numerous factors including changes in interest rates, exchange rates, inflation, market sentiment and the rate of growth of domestic and foreign economies. War between significant countries and acts of terrorism on a large scale can have a significant adverse direct and indirect effect on both the Australian and global stock markets.

It is not possible to eliminate market risk, and many of the components of market risk cannot be controlled by Prime Value. The value of such investments in which the Fund invests will also be affected by the risks that may adversely affect the units in the Fund.

Investing in a managed fund - There are some risks inherent in the operation of a managed fund. These include that the Fund could terminate, or fees and expenses could change. The ability of the Fund to pay distributions is dependent upon the Fund having sufficient cash resources and distributable income.

Changes in Government Policy and Taxation - An investment in the Fund may be affected by changes in government policy and legislation in relation to taxation. Changes to the tax system may impact both the performance of companies in which the Fund invests and the manner in which income and capital profits (or losses) are treated.

Investment and Stock selection risk - Performance may be lower than the return on the market due to poor investment decisions. This risk is reduced by the employment of a highly qualified, experienced and stable investment team, with a proven performance track record.

4. Risks of managed investment schemes *(continued)*

Portfolio risk - Investing in a portfolio with a smaller number of investments (typically 25 to 50 stocks) may lead to more volatile returns than investing in an equity fund with a more diversified portfolio.

Currency risk - This is the risk that currency movements can adversely affect the value, in Australian dollar terms, of international investments. Currency movements may also affect the Australian dollar earnings of companies the Fund invests in.

Derivative risk - Prime Value may use derivatives for risk management purposes only.

The derivative may not move in exactly the same way as the underlying physical security (basis risk) and so may not provide exactly the same exposure.

Force majeure events - Force majeure generally refers to an event beyond a party's control, including acts of God, fire, flood, earthquakes, war, acts of terrorism, and labour strikes. A force majeure event may adversely affect the normal operations of financial markets, the Fund, the companies into which the Fund invests and/or counter-parties utilised by Prime Value.

Before choosing to invest in the Fund, you should consider the likely investment return, the risks of investing and your personal investment time frame.

5. How we invest your money

Investment return objectives	The Fund seeks to achieve superior total returns by providing medium to long term capital growth by investing in smaller capitalisation companies. A long only concentrated fund that leverages Prime Value's fundamental research capabilities while minimizing the risk of permanent capital loss.
Minimum suggested time frame	3 years
Authorised Investments and asset allocation ranges	<p>The Fund:</p> <ul style="list-style-type: none"> is comprised of a concentrated portfolio of securities outside the ASX100 as follows: <ul style="list-style-type: none"> - ASX listed and other exchange listed Australian securities 0% - 100% - Unlisted Australian securities 0% - 20% - Global listed securities 0% - 20% - Cash 0% - 20% can use derivatives for risk management purposes. <p>Prime Value will endeavour to work within the above guidelines, however these should be viewed as objectives only and not absolute limits.</p>
Benchmark	8.0% pa
Description of the Fund	<p>The Fund will be comprised of securities, primarily companies listed on an Australian stock exchange outside ASX100, with an emphasis on capital preservation.</p> <p>The Fund is designed for investors seeking medium - long term capital growth who are prepared to accept fluctuations in short-term returns.</p>
Typical number of stocks	25 - 50
Risk level	<p>High</p> <p>The likelihood of the value of your investment going down over the short term is relatively high compared to investments in funds investing in other types of assets such as fixed interest or cash.</p>
Fund Performance	For up-to-date information on the performance of the Fund, including performance history, please visit www.primevalue.com.au and click on 'Our Funds' or call us on 03 9098 8088. Past performance is not necessarily an indicator of future performance.

Labour standards and environmental, social and ethical considerations

Labour standard and environmental, social and ethical considerations are highly complex and there are often contradictions and difficulties in what constitute a labour standard or social, ethical or environmental consideration. While the Fund does not take into account such matters, Prime Value is a socially conscious investor and examines each investment on a case by case basis. Prime Value is committed to the concept of "responsible investing" and applies a "negative screen" to avoid companies whose behaviour or activities are considered, in its opinion, to be highly unethical or not responsible. For instance, the Fund will not invest in companies which directly derive a significant proportion of their income from tobacco, gambling, armaments or pornographic activities.

6. Fees and costs

Did you know?

Small differences in both investment performance and fees and costs can have a substantial impact on your long term returns.

For example, total annual fees and costs of 2% of your fund account rather than 1% could reduce your final return by up to 20% over a 30-year period (for example, reduce it from \$100,000 to \$80,000).

You should consider whether features such as superior investment performance or the provision of better member services justify higher fees and costs. You may be able to negotiate to pay lower fees. Ask the fund or your financial adviser.

To find out more

If you would like to find out more, or see the impact of the fees based on your own circumstances, the Australian Securities and Investments Commission (ASIC) Moneysmart website (www.moneysmart.gov.au) has a managed funds fee calculator to help you check out different fee options.

Fees and Costs Summary

This section shows fees and other costs that you may be charged in respect of the Fund. These fees and charges may be deducted from your account, from the returns of your investment or from the Fund's assets as a whole.

Taxes are set out in another part of this document.

You should read all the information about fees and costs before making a decision because it is important to understand their impact on your investment.

Prime Value Emerging Opportunities Fund - Class A		
Type of fee or cost ¹	Amount	How and when paid
Ongoing annual fees and costs²		
Management fees and costs The fees and costs for managing your investment	Management fees of 1.25% p.a. of the net asset value (NAV) of the Fund.	The management fee is calculated and accrued daily on the NAV of the Fund at the end of each Business Day, and is payable in arrears from the Fund's assets within five (5) Business Days of the end of each calendar month.
Performance fees Amounts deducted from your investment in relation to the performance of the product	Direct performance fees of 1.68% p.a. of the NAV of the Fund (see explanation below).	This represents the five-year average performance fees based on historical data and may not be an indication of future performance fees. The performance fee equates to 20.0% of net performance above 8% pa, subject to Section 6 of the Additional Information. See below for further details. A daily performance fee is calculated on the increase in the value of the Fund relative to an 8% performance hurdle.
Transaction costs The costs incurred by the scheme when buying or selling assets	0.00% p.a. of the NAV of the Fund	Transaction costs generally arise when the value of the assets of the Fund are affected by the day-to-day trading of the Fund and are paid out of the assets of the Fund as and when incurred. This transaction cost amount is net of any amounts recovered by the buy-sell spread.
Member activity related fees and costs (fees for services or when your money moves in or out of the scheme)		
Establishment fee The fee to open your investment	Nil	The Fund does not charge an establishment fee
Contribution fee The fee on each amount contributed to your investment	Nil	The Fund does not charge contribution fees
Buy-sell spread An amount deducted from your investment representing costs incurred in transactions by the scheme	Estimated to be 0.40% of the application amount on application and 0.40% of the withdrawal amount on withdrawal	Buy/sell spreads apply to the Fund. As at the date of this PDS, a buy spread of 0.40% is charged on each application and a sell spread of 0.40% is charged on each withdrawal. This amount is reflected in the buy price and sell price respectively for units in the Fund and is not separately charged to you.
Withdrawal fee The fee on each amount you take out of your investment		The Fund does not charge withdrawal fees
Exit fee The fee to close your investment	Nil	The Fund does not charge an exit fee
Switching fee The fee for changing investment options	Nil	The Fund does not charge switching fees

¹ Unless otherwise stated, the fees and costs shown are inclusive of GST and net of any applicable input tax credits and reduced input tax credits.

² All estimates of fees and costs in this section are based on information available as at the date of this PDS. Normal operating expenses that would otherwise be recoverable from the Fund are paid out of the management fee at no additional charge to you. Please refer to the "Additional explanation of fees and costs" section below for more information on fees and costs that may be payable.

Additional Explanation of Fees and Costs

Management fees and costs

Management fees and costs are comprised of the Fund's management fee and any indirect costs.

The management fee component is a fixed rate that Prime Value deducts from the assets of the Fund and comprises Prime Value's remuneration for managing and overseeing the operations of the Fund. The management fee is calculated as a percentage of the Fund's net asset value. The fee is calculated and accrued daily in the unit price and paid monthly in arrears. The management fee for a month is paid within five (5) Business Days of the end of each calendar month. This fee is payable from the assets of the Fund.

Indirect costs are any amounts reflected in the value of the Fund's investments that we know or estimate have reduced or will reduce the Fund's return (such as management fees and trustee fees in connection with Interposed Vehicles). Indirect costs for the year ended 30 June 2022 were 0.00%. Indirect costs may vary each year.

Performance fees

Performance fees are charged by the Trustee to the Fund. The daily fee, if applicable, is 20.0% of net daily performance above 8% pa (performance hurdle), subject to Section 6 of the Additional Information. The daily amounts are added, and where the cumulative balance is positive, performance fees are accrued in the unit price. At the end of each half year (as at 30 June and 31 December), where the cumulative daily performance fee balance is positive, it will be paid from the Fund.

Performance fees shown in the above table of 1.68% represent the 5-year average performance fees charged to 30 June 2022 and will vary each year. The fee is deducted directly from the Fund as and when incurred. Performance fees are only payable where the Fund outperforms its performance hurdle. Please see below for further details.

Transaction costs

Please refer to Section 6 of the Additional Information for further details on transaction costs.

Example of Annual Fees and Costs

This table gives an example of how the ongoing annual fees and costs for the Fund can affect your investment over a one year period forecast. You should use this table to compare this product with other managed investment products.

BALANCE OF \$50,000 WITH A CONTRIBUTION OF \$5,000 DURING THE YEAR		
Contribution fees	Nil	For every additional \$5,000 you put in, you will be charged \$0
Management fees and costs	1.25%	And, for every \$50,000 you have in the Fund you will be charged approximately \$625 each year.
PLUS Performance fees	Nil*	
PLUS transaction costs	0.00%	And for every \$50,000 you have in the Fund, you will be charged approximately \$Nil each year.
EQUALS		Cost of Fund If you have an investment of \$50,000 at the beginning of the year and you put in an additional \$5,000 during that year, you would be charged fees of approximately \$625 [^] plus a performance fee* if applicable.

What it costs will also depend on the fees you negotiate with your financial adviser, if applicable

* Is it not possible to estimate the performance fee payable in any given year, as the performance of the Fund cannot be forecasted. As an indication, based on performance of the Fund over the last 5 financial years, it is estimated that the performance fee payable may be Nil. Actual performance fees for the current and future years may differ and may or may not be payable depending on how the Fund performs relative to its benchmark for any relevant period.

[^] This example assumes the \$5,000 contribution occurs at the end of the first year, therefore management costs are calculated using the \$50,000 balance only.

Warning: Additional fees may be paid to a financial adviser if you consulted a financial adviser.

7. How managed investment schemes are taxed

Investing in managed funds is likely to have tax consequences. Managed funds generally distribute all of their income each year so that they are not subject to tax. Managed funds do not pay the tax liability on behalf of Australian resident investors. Australian resident investors will be assessed for tax on their share of the income and capital gains generated by the Fund. In normal circumstances, you should expect that some income and/or capital gains will be generated each year.

Because the Australian taxation system is complex and different investors have different circumstances, you are strongly advised to seek professional tax advice before investing in the Fund.

You should read the important information about tax before making a decision. Go to section 7 of the Additional Information at www.primevalue.com.au/pds. The material relating to this matter may change between the time you read this PDS and the day you acquire the product.

Refer to section 6 of the Additional Information at www.primevalue.com.au/pds. The material relating to this matter may change between the time when you read this PDS and the day when you acquire the product.

8. How to apply

Initial Applications

1. Complete and return an application form accompanying this PDS.
As part of the application process we are required by law to verify your identity before accepting your application. Please refer to the Anti-Money Laundering and Counter Terrorism Financing Act information included in the Additional Information booklet for further information.
2. Arrange payment. Refer to the application form for payment options. The minimum initial application is \$20,000.

Additional Applications

You can add to your investment at any time by simply notifying us in writing and sending payment. An additional application form may be used. This form is available at www.primevalue.com.au/forms or upon request. The minimum additional investment is \$5,000.

Regular Savings Plan

The Regular Savings Plan allows you to add to your investment in the Fund on a regular monthly basis. The minimum investment is \$500 per month.

To start a Regular Savings Plan, please enter the amount to be directly debited to your bank account monthly in Section 9 of the application form and complete the Direct Debit Request in Section 10 of the application form. The application form is available at www.primevalue.com.au/forms or call us on 03 9098 8088.

Issue price and cut offs

Units will be allocated at the relevant issue price. An issue price of Class A Units is the net asset value attributable to the Class, plus an allowance for transaction costs divided by the number of units on issue in the Class. Unit prices will be calculated daily on the basis of the most recent valuation of the assets of the Fund.

You should read the important information about the buy-sell spread before making a decision. Go to section 6 of the Additional Information at www.primevalue.com.au/pds. The material relating to this matter may change between the time when you read this PDS and the day when you acquire the product.

This price is available by contacting us on 03 9098 8088 or visiting www.primevalue.com.au.

When we receive your forms and payment by 3.00pm (Melbourne time) on a Business Day, the issue price applied is the price at the close of business on that day. If they are received after 3.00pm, the issue price for the following Business Day is used.

Cooling Off Rights

Retail investors (as defined by the Corporations Act) have a 14 day cooling-off period to ensure that the investment meets your needs. If exercised, the investor is entitled to receive their application money back adjusted for any market movements and deductions for reasonable transactions costs.

To exercise this right, an investor must notify the Responsible Entity in writing or by email within 14 days from the earlier of:

- The time when the confirmation of the investment is made; or
- The end of the fifth day after the day on which the units were issued to the Investor.

Complaints Resolution

If you have any concerns or complaints, as a first step please contact us and we will do our best to resolve your concern quickly and fairly. Our contact details are on the front cover of this PDS. If you believe that your matter has not been dealt with satisfactorily, you can contact:

Australian Financial Complaints Authority (AFCA)
GPO Box 3 Melbourne Vic 3001

Phone: 1300 780 808

Website: www.afca.org.au

Further Enquiries

If you require further information about the Fund or have any questions about this PDS, please contact our Client Services Team on 03 9098 8088 or email (info@primevalue.com.au).