Prime Value Diversified High Income Fund
Monthly Update – March 2024

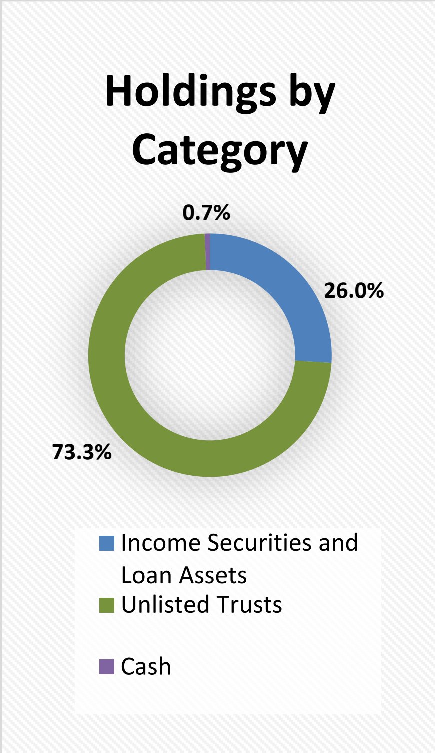
- The Fund performed well in March with a return of 0.32% after-fees. For the past 2 years the return was 5.59% p.a. after-fees, and 5.95% p.a. after-fees for the past 3 years.
- In early April 2024 the Fund paid to investors a distribution of $0.53 cents per unit for the month of March, equivalent to an annual rate of 6.55% (assuming all distributions are re-invested).
- Markets continue to remain stable. However, there are several market, economic and geopolitical risks that are unresolved and may potentially cause some market volatility. Hence, we will continue to manage the Fund conservatively to ensure it meets its key objectives of capital preservation and monthly distributions.

	Net Return*	Benchmark Return (RBA Cash Rate + 4% p.a.)
Since inception (p.a.)	**5.51%**	5.47%
3 years (p.a.)	**5.95%**	6.05%
2 Years (p.a.)	**5.59%**	7.03%
1 Year	**4.20%**	8.08%
6 Months	**1.15%**	4.03%
3 Months	**0.99%**	2.00%
1 Month	**0.32%**	0.62%

* 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	$1.0001
Withdrawal Price	$1.0001
Distribution (31/03/2024)	$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 2023 were 1.20%. Indirect performance fees charged or accrued since the Fund's inception to 30 June 2023 were 0.33% pa. Indirect costs will vary every year.



Fund review and strategy

The Fund performed well in March with a return of 0.32% after-fees. For the past 2 years the return was 5.59% p.a. after-fees, and 5.95% p.a. after-fees for the past 3 years. Past performance is not a reliable indicator of future performance. In early April 2024 the Fund paid to investors a distribution of $0.53 cents per unit for the month of March, equivalent to an annual rate of 6.55% (assuming all distributions are re-invested).

Global credit, equity, bond and property markets continued to be stable during March on the expectation that the global tightening cycle is over and that global growth will be resilient through 2024 and 2025. Market measures of volatility, such as the widely-used VIX index (which measures equity market volatility), have fallen to historically low levels.

The principal risk facing the Fund continues to be a significant slowdown in the Australian economy. This is not expected. Even though the RBA has retained its “tightening bias” – unlike the central banks of the US, Canada, Switzerland, the UK and the European Central Bank which have all moved to an "easing" bias - the market is not expecting the RBA to hike further. Hence, it would appear that the RBA’s monetary policy will not of itself cause a significant slowdown in the Australian economy. Only a modest slowdown, slightly below the long-term growth trend, is forecast by the RBA - the RBA’s official forecast is for Australia’s GDP to be growing at an annual rate of 1.8% in December 2024, rising to 2.1% by June 2025, 2.3% by December 2025 and 2.4% by June 2026. The RBA has retained its tightening bias, principally because the inflation rate (4.1% annual) is above the RBA's target band of 2-3% and the employment data has been strong as seen in the employment data for March.

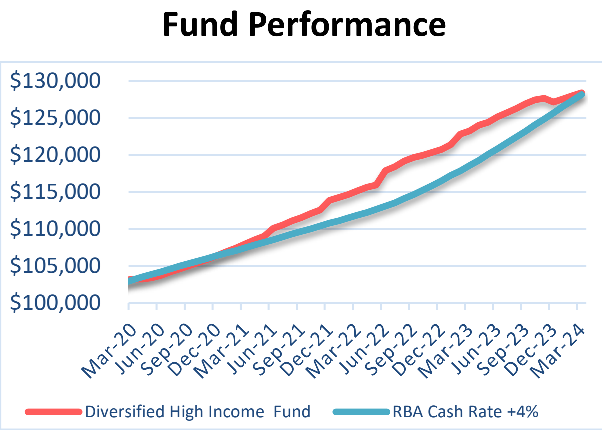
It is somewhat understandable that the RBA is slower to move to an easing bias compared to the countries mentioned above given Australia’s inflation rate is higher, whilst the RBA's official cash rate (4.35%) is lower than the respective rates in those countries. We are particularly watching the economic situation in China. From the increase in exports seen in recent data, it appears China is trying to export its way out of its economic downturn partly through lower export prices - this is a source of disinflation to the world. China's efforts to stimulate its economy are supportive to Australia given the considerable trade and investment flows between the two countries.

We are carefully watching the evolvement of interest rate policy in Australia and internationally. The move by the central banks of the countries mentioned above to an easing bias, particularly by the US Federal Reserve, has been supporting global economic growth and the credit, equity, bond and property markets around the world. In March 2024, some of the economic data released in the US was quite strong, which has led the US Fed to actively "water down" market expectations of a rate cut before September 2024.

The Hamas-Israel, Hezbollah-Israel and Ukraine-Russia conflicts are ongoing and each has the potential to escalate in ways that cannot be anticipated. These conflicts may cause periodic bouts of volatility in global markets and potentially large moves in commodity prices such as crude oil with potential flow-on effects to inflation and the global economy.

Given the geopolitical, economic and market uncertainties, we will continue our conservative strategy of investing the Fund’s portfolio in a diverse range of quality, income-producing assets, including mortgages, unlisted property, ‘alternative’ assets, income securities and loan assets. This diversity of investment in quality assets has been the main reason for the Fund performing well since inception and being able to meet its key objectives of capital preservation and monthly 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.



This graph shows how $100,000 invested at the Fund’s inception has increased to $128,430 (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 $128,190 over the same period.

Performance figures have been calculated in accordance with the 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 managements fees.

Contact details:

Prime Value Asset Management Ltd
Level 9, 34 Queen Street, Melbourne VIC 3000
T: 03 9098 8088
E: info@primevalue.com.au
W: primevalue.com.au