Prime Value Diversified High Income Fund Monthly Update – April 2024

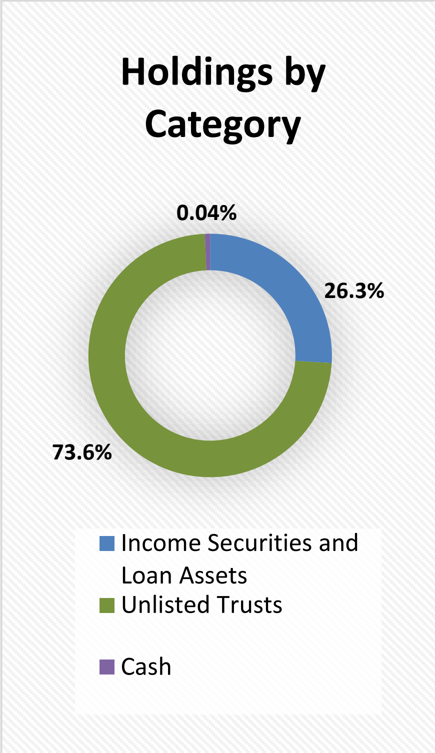
- The Fund's return after-fees for the month of April was 0.40%. For the past 2 years the return was 5.59% p.a. after-fees, and 5.91% p.a. after-fees for the past 3 years.
- In early May 2024, the Fund paid to investors a distribution of $0.53 cents per unit for the month of April 2024, equivalent to 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.)	**5.50%**	5.53%
3 years (p.a.)	**5.91%**	6.19%
2 Years (p.a.)	**5.59%**	7.25%
1 Year	**3.96%**	8.26%
6 Months	**1.17%**	4.08%
3 Months	**1.06%**	2.00%
1 Month	**0.40%**	0.73%

* 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	$0.9988
Withdrawal Price	$0.9988
Distribution (30/04/2024)	$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's return after-fees for April 2024 was 0.40%. For the past 2 years the return was 5.59% p.a. after-fees, and 5.91% p.a. after-fees for the past 3 years. Past performance is not a reliable indicator of future performance.

In early May 2024, the Fund distributed $0.53 cents per unit for the month of April, equivalent to 6.55% p.a. (assuming all distributions are re-invested). This is the 12th month in a row at this distribution rate. The Fund has not missed a single monthly distribution since inception in August 2019 (57 distributions).

The Fund's return has fallen below its Benchmark Return due to two factors: first, given the current economic and market environment we have decided not to pursue the higher returns available in the market as we believe this would add undue risk to the Fund's portfolio – we want to continue to ensure the Fund preserves capital for investors and does not 'chase' higher returns; and secondly, two assets in the Fund's portfolio have fallen behind in their target return and income to the Fund - we anticipate both assets will resume their target return and income to the Fund soon.

Global credit, equity and property markets continued to be stable during April. Some volatility was experienced in the crude oil market due to tensions in the Middle East escalating, and the bond market as the market pushed out the timing of expected rate cuts by the RBA, the US Fed and other central banks. However, global markets in general are stable, supported by four factors:

- The belief that central banks will not hike interest rates further;
- The market view that the economies of advanced western countries will experience only a 'soft landing';
- The better performance of China's economy as seen in the higher-than-expected growth rate of 5.3% in the 1st quarter of 2024; and
- The tensions in the Middle East and the ongoing Russia-Ukraine conflict, while escalating in recent weeks, are not considered of significant magnitude to create problems for the major economies.

The main economic data in Australia in April was the March quarter CPI, which rose 1% compared to a rise of 0.6% in the December 2023 quarter. CPI rose 3.6% over the preceding 12 months to the end of March 2024, down from the 4.1% annual rise to the end of December 2023 (mainly due to the high December quarter 2022 CPI rolling out of the annual number). The other important data released in April was Retail Sales, which fell 0.4% in the month of March 2024. Both the CPI and Retail Sales data do not support further rate hikes by the RBA. However, the market will continue to be cautious about the timing of rate cuts in line with the US market where the economic data has been stronger than expected in the last 2-3 months. Interest rate markets in both countries are no longer pricing in a rate cut this year.

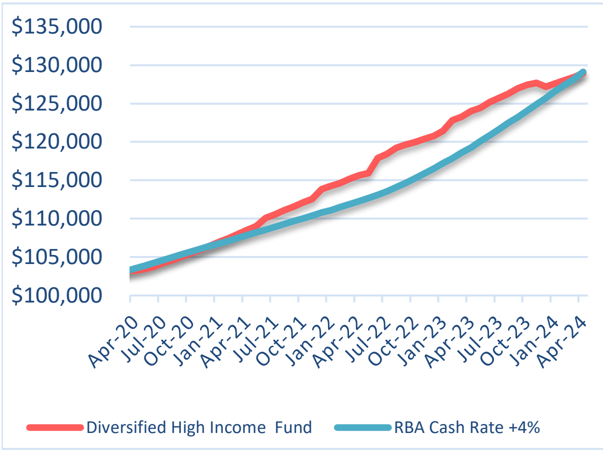
We are watching foreign exchange markets because the delay in expected rate cuts in the US has caused a strengthening of the US Dollar. At this stage, the general weakening of currencies against the US Dollar is not considered sufficiently material to unsettle markets.

Although global markets are generally stable, we are staying alert to economic, market and geopolitical developments, and statements by the RBA and the key central banks. Locally, we will also be paying close attention to the Federal Budget due to be delivered on 14 May.

Given the uncertainties, we will continue with our 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 in quality assets has allowed the Fund 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.

Fund Performance



This graph shows how $100,000 invested at the Fund's inception has increased to $128,940 (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 $129,120 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.

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