

## Additional information to the Product Disclosure Statement

Prime Value Growth Fund  
(ARSN 102 420 388)

Prime Value Equity Income Fund  
(ARSN 102 420 539)

Prime Value Opportunities Fund  
(ARSN 162 172 732)

Prime Value Emerging Opportunities Fund  
(ARSN 608 666 324)

Prime Value Enhanced Income Fund  
(ARSN 605 114 323)

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## Important Information

Prime Value Asset Management Ltd (ABN 23 080 376 110) (AFSL 222 055) (Prime Value) has prepared and issued this document dated 31 July 2024

The information in this document forms part of the Product Disclosure Statements (PDS) for the Prime Value Equity Income Fund, Prime Value Growth Fund, Prime Value Opportunities Fund, Prime Value Emerging Opportunities Fund and the Prime Value Enhanced Income Fund. You should read this document and the applicable PDS carefully before making a decision to invest in a Fund.

The information provided in this document 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.

None of Prime Value, its associates or directors guarantees the success of a Fund, the repayment of capital or any particular rate of capital or income return. Past performance is not a guarantee of future performance.

All amounts in this document 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.

This PDS does not constitute a direct or indirect offer of securities in the US or to any US Person as defined in Regulation S under the US Securities Act of 1933 as amended.



## 1. About Prime Value Asset Management Limited

No additional information has been incorporated by reference.

## 2. How the Funds work

### Withdrawals

Withdrawals will generally be accepted and processed daily. Withdrawal requests received before 3.00pm (Melbourne time) on a Business Day will be processed at the withdrawal price at the close of business on that day (subject to the below). Withdrawal requests received after 3.00pm will be processed using the withdrawal price for the following Business Day (subject to the below).

Although the constitution of the Prime Value Enhanced Income Fund allows for up to 21 days to process a withdrawal request (30 days for the other funds), Prime Value will usually process a withdrawal request within 10 Business Days for the Prime Value Enhanced Income Fund and Prime Value Emerging Opportunities Fund and 5 Business Days for the other funds.

### How to withdraw

An investor can withdraw a direct investment by providing a written request. It is recommended that withdrawal

requests are completed on a withdrawal form, which is available at [www.primevalue.com.au/forms](http://www.primevalue.com.au/forms) or on request. Withdrawal requests can also be made by simply writing to us. Withdrawal requests must be signed by the authorised signatory(ies).

An investor can withdraw all or part of his/her investment from a Fund, however, the minimum amount that can be withdrawn is \$5,000 unless a lesser amount remains invested.

To withdraw an Indirect Investment, a withdrawal request must be provided directly to the IDPS operator.

### Withdraw price

Units will be redeemed at the relevant withdrawal price. A withdrawal price is the net asset value of the Fund, or attributed to a class as the case may be, less an allowance for transaction costs (see 'Buy-Sell Spread' in Section 6), divided by the number of units on issue.

## 2. How the Funds work *(continued)*

### Switches

An investor may switch all or part of his/her investment between the Funds. No switching fees apply, however the transaction is subject to the normal buy-sell spread, in respect of the redemption from one fund and application in the other fund. Switching may give rise to a capital gains tax liability. An investor should seek independent advice concerning their taxation position. Please note that Prime Value may, in certain circumstances, refuse to allow an investor to switch between Funds.

Switching forms are available at [www.primevalue.com.au/forms](http://www.primevalue.com.au/forms) or on request.

### Transfers

An investor may also transfer all or part of his/her investment to a different entity by completing a transfer form available at [www.primevalue.com.au/forms](http://www.primevalue.com.au/forms) or on request. Both the seller and buyer must provide their executed instruction on the same transfer form. If the buyer is a new investor, they are also required to complete an application form.

### Constitution

The constitution of each Fund, in addition to the PDS and the Corporations Act 2001, govern the operation of the Funds and the rights and obligations of the responsible entity and members. A copy of constitutions can be inspected at Prime Value's registered office and will be sent to members free of charge.

Prime Value may amend the constitutions, provided such amendments are not reasonably considered to be adverse to members.

### Classes of units

Units may be offered in a 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 interests and rights and units of different classes are treated fairly.

For the Prime Value Enhanced Income Fund, there are no different classes of units.

There are two classes of units offered under this PDS for all other Funds:

Class A which is available to all investors investing directly; and either

Class B (Prime Value Emerging Opportunities Fund) which is also available to all investors but the main purpose of this class is for the use of IDPS operators and financial intermediaries; or

Class B (for funds that issue Class B units other than the Prime Value Emerging Opportunities Fund) which is available to investors investing indirectly via an IDPS or IDPS – Like Scheme.

### Indirect Investors

Indirect Investors investing in a Fund through an IDPS or IDPS-like scheme such as a master trust or platform, do not complete the application form and do not themselves become investors in a Fund. As such, they do not acquire the rights of an investor in a Fund. The IDPS operator is generally the investor.

Indirect Investors do not receive income or reports directly from Prime Value nor are they entitled to attend meetings or participate in the winding up of a Fund. The amount and timing of distributions received by an Indirect Investor may also be different from those received by Direct Investors and from those referred to in this PDS.

You should refer to the documentation relating to your IDPS or IDPS-like scheme for further information, including details of any additional fees and charges that may apply.

Indirect Investors can still rely on the information contained in the relevant PDS.

### Custodian

Prime Value has engaged JP Morgan as custodian to perform certain custodial services associated with the holding of and dealing with the property of a Fund. In particular, the custodian is authorised to do the following:

- Purchase or dispose of all or part of the property of a Fund in accordance with the instructions of Prime Value;
- Receive and hold the property of a Fund and all documents of title relating to the property of a Fund in safe custody, provided the property is clearly identified as property of a Fund and is held separately from the custodian's own assets;
- Register any of the property of a Fund if required, in the custodian's name;
- Establish bank accounts for a Fund;
- Receive money from applicants for the purchase of investments; and
- Distribute income distributions in accordance with Prime Value's directions.

### Privacy

Prime Value collects information about investors and privacy laws apply to the collection and handling of this personal information. Generally, the information collected and stored include an investor's name, address, telephone number, tax file number, date of birth and details of any correspondence received. Prime Value may disclose personal information to related or external parties who provide services to a Fund (such as custodial and registry service providers) or as required by law. If an investor provides details about his/her financial adviser, Prime Value will disclose personal information to the adviser or staff of the adviser unless instructed otherwise. In all cases, the personal information is collected and provided to maintain the investor's account and provide quality service. Investors are able to access the personal information held about them and are requested to ensure that the information held by Prime Value is accurate and up-to-date. See Prime Value's privacy statement at [www.primevalue.com.au](http://www.primevalue.com.au).

### 3. Benefits of investing in the Funds

#### Statements

To help you keep track of your investment you will receive the following information:

- confirmation of your investments and withdrawals (except investments using the Regular Savings Plan)
- a statement following each distribution
- a tax statement and tax guide following the end of each financial year. These will assist you in preparing your annual income tax return
- access to up-to-date information about a Fund, including a Fund's financial statements, at [www.primevalue.com.au](http://www.primevalue.com.au)

As the Funds are disclosing entities, such reporting is provided in accordance with the Corporations Act.

Indirect investors receive reporting directly from the relevant IDPS operator, not Prime Value. Indirect investors should refer to their IDPS PDS or other similar disclosure document for information as to the reports they will receive regarding their investment in a Fund.

#### Documents available for inspection

Copies of the following documents are available for inspection during normal office hours at the registered office of Prime Value Asset Management Limited, Level 9, 34 Queen Street, Melbourne:

- The constitutions
- The custody agreement
- The most recent audited annual financial reports
- Prime Value's proxy voting policy

### 4. Risks of managed investment schemes

No additional information has been incorporated by reference

### 5. How we invest your money

No additional information has been incorporated by reference

### 6. Fees and costs

#### Buy-Sell Spread

An application or withdrawal may require the purchase or sale of a Fund's assets, incurring transaction costs such as brokerage, government duties and taxes. Issue and withdrawal prices of units are different, reflecting an allowance for such transaction costs.

The buy-sell spread is intended to equitably balance the interests of existing, incoming and outgoing investors. The current buy-sell spreads are listed below and are included in the unit price. This is an additional cost to the investor that is paid into a Fund. It is not a fee paid to Prime Value.

Prime Value Growth Fund	+/- 0.38%
Prime Value Equity Income Fund	+/- 0.38%
Prime Value Opportunities Fund	+/- 0.38%
Prime Value Emerging Opportunities Fund	+/- 0.40%
Prime Value Enhanced Income Fund	+/- 0.01%

Reinvested distributions do not attract the buy-sell spread.

#### Variation of Fees

All fees and expenses in this PDS can change without investor consent. Prime Value will provide investors with notice in writing 90 days prior to any fee increases (with the exception of the buy-sell spread) taking effect and provide the reasons for such a change. There is currently no intention to change the fees.

A Fund's Constitution defines the maximum that can be charged for fees described in this PDS.

#### Differential Fees

Different fees may be negotiated with wholesale clients (as defined in the Corporations Act). Prime Value may also rebate performance fees on investments made by employees, directors, related parties and non-profit and

philanthropic organisations subject to compliance with legal requirements.

#### Expenses

The constitution of the Prime Value Opportunities Fund, Prime Value Emerging Opportunities Fund and Prime Value Enhanced Income Fund allows all properly incurred expenses to be recovered directly from the Funds and does not place any limit on the amount of such expenses that we can recover from the Funds. Normal expenses include custody fees, registry costs, audit, accounting fees, tax consulting fees and compliance costs. However, we currently choose to pay normal expenses out of the management fee and do not seek a reimbursement from the Funds.

We are entitled to be reimbursed from all Funds for abnormal expenses, such as the cost of unitholder meetings, defending legal proceedings, special valuation of assets and the costs of terminating the Funds. These abnormal expenses are not generally incurred during the day-to-day operation of the Funds and are not necessarily incurred in any year. However, we do not pay these abnormal expenses out of the management fee, and if they arise, we reserve our right to deduct these expenses from the Funds.

#### Transaction costs

Transaction costs are the costs associated with buying and selling a Fund's assets and include costs such as brokerage, clearing costs, settlement costs and stamp duty being applied when assets are bought and sold. These costs are not included in the management fees and costs and are deducted from a Fund or Interposed Entity when incurred, and therefore an additional cost to you when they have not already been recovered by the buy-sell spread.

The transaction costs shown in the Fees and costs summary in PDSs are net of any amount recovered by the buy-sell

## 6. Fees and costs *(continued)*

spread (described above). The total gross transaction costs for the relevant funds were below for the year ended 30 June 2023:

Prime Value Growth Fund	0.14%
Prime Value Opportunities Fund	0.17%
Prime Value Emerging Opportunities Fund	0.15%
Prime Value Enhanced Income Fund	0.03%
Prime Value Equity Income Fund	0.03%

- Gross transaction costs: The gross transaction costs for managing the assets of the Funds, including costs generated by investor applications and redemptions.
- Buy/sell spread cost recovery: The amount recovered by the Fund from transacting investors through a buy/sell spread that compensates the Fund for the costs generated by applications and redemptions. This amount is deducted from the gross transaction costs.
- Net transaction costs: The net amount arrived at by deducting the buy/sell spread from the gross transaction costs. It reflects the net transaction costs that may be incurred. In circumstances where the net transaction cost is negative the value will be rounded to zero.

### Performance Fees

#### *Prime Value Growth Fund Class A Unitholders (Direct Investments)*

#### *Prime Value Equity Income Fund Class A Unitholders (Direct Investments)*

Prime Value is entitled to a performance fee, equal to 20.5% (inclusive of GST and RITC) of the amount by which the increase in an investor's investment in a Fund exceeds an increase in the value of an equivalent investment in the S&P/ASX300 Accumulation Index (benchmark), subject to certain provisions. The performance fee is calculated on 30 June each year, and if payable, is generally deducted from the income distribution for the relevant period.

Prime Value believes that performance fees further align the interest of investment managers with those of investors. If an investor withdraws units during the year, the fee will be calculated at the time of withdrawal and deducted from the proceeds.

The performance fee is calculated by reference to the performance of each investor's investment in a Fund and is calculated separately on each individual investment in units (where, for example, units were purchased or sold during the financial year).

Performance fees are only payable where:

- The performance of an investment (net of management fees and administration costs, and after performance fees are deducted) is positive;
- The performance of an investment (net of management fees and administration costs, and before performance fees are deducted) exceeds the performance of the benchmark.

Where the performance of a Fund is lower than the performance benchmark or hurdle, no performance fee is payable and the underperformance must be recovered before a future performance fee can be charged (a so-called 'high water mark'). For example, if a Fund underperformed

by 2% in year 1 and outperformed by 5% in year 2, performance fees in year 1 would be zero.

In year 2, the performance fee would be calculated as 20.5% of approximately 3% outperformance (5% outperformance in year 2 less 2% underperformance in year 1).

If a performance fee is not achieved for the period to 30 June, the time over which the performance fee is assessed will be extended for another year, and so on until a performance fee is achieved.

#### *Performance Fee example*

As an example of the calculation of performance fees, if an investor invested \$100,000 on 30 June 2022 and the value of units increased (after management fees) to \$115,000 as at 30 June 2023, and if the S&P/ASX 300 Accumulation Index had risen by 10% over the same period (giving a theoretical investment of \$110,000), then the performance fee would be calculated as follows:

$$\begin{aligned} \text{Performance Fee} &= 20.5\% \text{ of performance in excess of the benchmark} \\ &= 20.5\% \times (\$115,000 - \$110,000) \\ &= \$1,025 \end{aligned}$$

In other words, the net value of the investment (after management fees and performance fees) will be \$113,975.

#### *Prime Value Growth Fund and Prime Value Equity Income Fund - Class B Unitholders (Indirect Investments)*

Where investments are made through a master trust or platform, individual unit holdings cannot be monitored. For this class of unit, performance fees are calculated separately and incorporated into the unit price.

A daily performance fee is calculated at 20.0% of the difference between the daily performance of a Fund and the daily performance of the S&P/ASX 300 Accumulation Index (benchmark). Daily performance fees can be positive or negative, depending on whether a Fund's performance is higher or lower than the benchmark.

The daily performance fees are added together and where the cumulative amount is positive, the amount will be accrued in the unit price for the class of investment. Where the cumulative daily performance fees are negative, no performance fee is accrued in the unit price.

The cumulative daily performance fees balance is payable to Prime Value at the end of each month, provided:

- The balance is positive; and
- The performance of a Fund (net of management fees and administration costs, and after performance fees are deducted) is also positive.

Where the cumulative daily performance fee balance is positive but the performance of a Fund is negative, no performance fee is payable and the positive balance is carried forward as the starting balance for the next month.

#### *High water mark*

Where the performance of a Fund referable to Class B Units is less than the benchmark, the negative performance fee balance is carried forward as the starting balance for the next month and must be offset before future performance fees become payable.

## 6. Fees and costs (continued)

### **Prime Value Opportunities Fund - Class A Unitholders (Direct Investments)**

Prime Value is entitled to a performance fee, equal to 15% (inclusive of GST and RITC) of the amount by which the increase in an investor's investment in the Fund exceeds an increase in the value of an equivalent investment at a rate of 8% pa (performance hurdle), subject to certain provisions.

The performance fee is calculated every six months (30 June and 31 December), and if payable, is generally deducted from the income distribution for the relevant period, and then by withdrawal of units.

Prime Value believes that performance fees further align the interest of investment managers with those of investors. If an investor withdraws units during the year, the fee will be calculated at the time of withdrawal and deducted from the proceeds.

The performance fee is calculated by reference to the performance of each investor's investment in the Fund and is calculated separately on each individual investment in units (where, for example, units were purchased or sold during the financial year).

An important feature of the performance fee is that where the performance of an investment (net of management fees and before performance fees are deducted) is lower than the performance hurdle, no performance fee is payable and the underperformance must be recovered before a future performance fee can be charged (a so-called '**high water mark**'). For example, if the Fund underperformed by 2% in a six month period and outperformed by 5% in the next six month period, performance fees in the first period would be zero, and in the following period would be calculated as 15% of approximately 3% outperformance (5% outperformance in period 2 less 2% underperformance in period 1).

If a performance fee is not achieved for a six-month period, the time over which the performance fee is assessed will be extended for another six month period, and so on until a performance fee is achieved.

#### **Performance Fee example**

As an example of the calculation of performance fees, if an investor invested \$100,000 on 31 December 2022 and the value of units increased (after management fees) to \$110,000 as at 30 June 2023, and an equivalent investment of \$100,000 invested at the performance hurdle of 8% pa (resulting in a theoretical value of approximately \$104,000 at the end of the half year), then the performance fee would be calculated as follows:

Performance Fee = 15% of performance in excess of the performance hurdle

$$\begin{aligned} &= 15\% \times (\$110,000 - \$104,000) \\ &= \$900 \end{aligned}$$

In other words, the net value of the investment (after management fees and performance fees) will be \$109,100.

Where the investment period is less than six months, (for example, where units have been purchased or sold), the performance fee is calculated based on the out performance over the hurdle over the period of investment.

### **Prime Value Opportunities Fund - Class B Unitholders (Indirect Investments)**

Where investments are made through a master trust or platform, individual unit holdings cannot be monitored. For this class of unit, performance fees are calculated separately and incorporated into the unit price.

A daily performance fee is calculated at 15% of the difference between the daily performance of the Fund and the rate of 8% pa (performance hurdle). Daily performance fees can be positive or negative, depending on whether the Fund's performance is higher or lower than the performance hurdle.

The daily performance fees are added together and where the cumulative amount is positive, the amount will be accrued in the unit price for the class of investment. Where the cumulative daily performance fees are negative, no performance fee is accrued in the unit price.

Where the cumulative daily performance fees balance is positive at the end of each half year, it is payable to Prime Value.

#### **High water mark**

Where the performance of the Fund referable to Class B Units is less than the performance hurdle, the negative performance fee balance is carried forward as the starting balance for the next month and must be offset before future performance fees become payable.

### **Prime Value Emerging Opportunities Fund - Class A Unitholders**

Performance fees are calculated and incorporated into the unit price.

A daily performance fee is calculated at 20.0% of the difference between the daily performance of the Fund and the rate of 8% pa (performance hurdle). Daily performance fees can be positive or negative, depending on whether the Fund's performance is higher or lower than the performance hurdle.

The daily performance fees are added together and where the cumulative amount is positive, the amount will be accrued in the unit price of the Fund.

Where the cumulative daily performance fee balance is negative, no performance fee is accrued in the unit price. Where the cumulative daily performance fee balance is positive at the end of each half year, it is payable to Prime Value.

#### **Underperformance Carried Forward**

Where the cumulative daily performance fee balance is negative at the end of a half year, this negative balance is carried forward as the starting balance for the next half year and must be offset before future performance fees become payable subject to the "reset" below.

Where the S&P/ASX Small Industrials Accumulation Index at the end of a half year is below the index at any half year end, the negative performance fee balance is not carried forward as the starting balance for the next half year.

However a performance fee will not accrue again until the

## 6. Fees and costs (continued)

unit price is above the unit price at the end of the half year in which the last performance fee was collected, adjusted for any distributions paid since that date (**Unit Price High Water Mark**).

In addition, during a period where the unit price reaches a Unit Price High Water Mark, performance fees accrued and payable will be based on the excess return above the Unit Price High Water Mark or the performance hurdle, whichever gives the lower performance fee.

### Performance Fee example

As an example of the calculation of performance fees, assuming there is no change of investors, if an investor invested \$100,000 on 30 June 2022 and the value of units increased (after management fees) to \$115,000 as at 31 December 2022, and if the performance hurdle of 8% pa over the same period (giving a theoretical investment of approximately \$104,000), then the performance fee would be calculated as follows:

$$\begin{aligned} \text{Performance Fee} &= 20.0\% \text{ of performance in excess of the benchmark} \\ &= 20.0\% \times (\$115,000 - \$104,000) \\ &= \$2,200 \end{aligned}$$

In other words, the net value of the investment (after management fees and performance fees) will be \$112,800.

### Prime Value Emerging Opportunities Fund - Class B Unitholders

A daily performance fee is calculated on the difference between the daily performance of the Fund and the daily performance of the S&P/ASX Small Industrials Accumulation Index (XSIAI) (**benchmark**). Daily performance fees can be positive or negative, depending on whether the Class performance is higher or lower than the benchmark.

The daily performance fees are added together and where the cumulative amount is positive, the amount will be accrued in the unit price for the class of investment. Where the cumulative daily performance fees are negative, no performance fee is accrued in the unit price.

Where the cumulative amount is positive at the end of each half year, the balance is payable to Prime Value.

Where the performance of a Fund referable to Class B Units is less than the benchmark, the negative performance fee balance is carried forward as the starting balance for the next month and must be offset before future performance fees become payable.

### Performance Fee example

As an example of the calculation of performance fees, if an investor invested \$100,000 on 30 June 2022 and the value of units increased (after management fees) to \$115,000 as at 31 December 2022, and if the S&P/ASX Small Industrials Accumulation Index had risen by 10% over the same period (giving a theoretical investment of \$110,000), then the performance fee would be calculated as follows:

$$\begin{aligned} \text{Performance Fee} &= 20.0\% \text{ of performance in excess of the benchmark} \\ &= 20.0\% \times (\$115,000 - \$110,000) \\ &= \$1,000 \end{aligned}$$

In other words, the net value of the investment (after management fees and performance fees) will be \$114,000.

### Adviser Remuneration

Up-front adviser commissions (establishment fees): Prime Value may deduct up to 3% of the amount invested and pay it to your adviser or other intermediaries. This is mutually agreed between you and your adviser. Please indicate on the application form if an up-front adviser commission applies.

On-going adviser commissions: Prime Value may pay ongoing adviser commissions to financial advisers and other intermediaries, up to 0.44% pa (inclusive of GST) of the net asset value of your investment. Prime Value will pay all such commissions and other nonmonetary benefits from its own resources and not from the Fund.

### Adviser Service Fee

You can also instruct a Fund to have an ongoing adviser service fee paid from your investment to your financial adviser by filling out the relevant section of the Application Form. The Advisor Service Fee is an optional ongoing half yearly fee payment to your adviser for personal financial advice. Funds do not control or influence these fees nor receive any portion of it. Your financial adviser receives no fees directly or indirectly from a Fund or the Responsible Entity.

The Adviser Service Fee can be negotiated with your adviser and can be a percentage of the value of your investment or can be a fixed dollar amount p.a..

The Fee, is applicable if you direct us to make payment to your financial adviser from your investment (in accordance with your Application Form), and is calculated half yearly in arrears (based on the value of your investment at the end of the month) and is deducted (by way of a withdrawal of units, which may have tax consequences) directly from your investment and paid directly to your financial adviser.

Please complete the relevant section of the Application Form if an Adviser Service Fee is applicable and you wish us to pay this amount to your adviser from your investment. GST remittances and reporting requirements with respect to the Advisor Service Fee payments will be made by your adviser.

Please note that your adviser may have other fee arrangements with you which include other fees payable to them. Funds do not offer the option to have those additional fees (if any) paid from your investment.

If your average balance is \$50,000 and you nominate an ongoing Adviser Service Fee of 1.0% pa, this equates to approximately \$250 per half year. The dollar amount will vary depending on the average value of your investment each half year.

### Incidental fees

Where Prime Value is charged fees by an investor's financial institution (e.g. cheque dishonour fee), or where costs are incurred in the transfer or disposal of units (e.g. electronic transfer fees, bank tracing fees, etc.), these costs will be deducted from an investor's application amount or disposal proceeds. Such fees are likely to be minimal.

## 7. How managed investment schemes are taxed

The following summary of Australian taxation matters is a general guide that outlines the Australian taxation implications applicable to a Fund and investors who are not considered to be trading in investments for tax purposes. The summary is based on the Australian tax laws as at the date of this PDS.

The Australian tax laws are subject to continual change. Accordingly, it is recommended that investors seek their own professional advice, specific to their own circumstances, of the taxation implications of investing in a Fund.

### Taxation of a Fund

It is the intention that the Funds will distribute all net taxable income (including net capital gains) that they derive each financial year. Therefore, under current Australian tax legislation, the Funds should not be liable to pay any Australian income tax.

### Taxation of Australian Resident Investors

#### Distributions

Investors will be subject to Australian income tax on their proportion of the net taxable income of a Fund for each financial year, whether income distributions are paid out in cash or reinvested into additional units in a Fund. This will be the case even when payment of income does not occur until the following financial year.

A Fund can derive income in the form of dividends, interest, capital gains, revenue gains and other types of income. To assist you with your taxation requirements, you will receive a tax statement summarising the amount of net taxable income (including capital gains) and franking credits that you have received for each year ending 30 June.

A Fund's unit prices reflect income it has received or accrued. Immediately after the distribution, the value of each unit will be reduced by the distribution amount.

Investors purchasing units on or shortly before 30 June and 31 December (and also 30 September and 31 March for the Prime Value Equity Income Fund and Prime Value Enhanced Income Fund) will receive the full distribution entitlement for the number of units they hold on those dates. Such distributions, depending on the investor's tax circumstances, will be likely to create a tax liability for the investor.

#### Franking credits

Where a Fund's net income includes franked dividend income, imputation credits attached to these dividends would generally pass to investors in accordance with their pro-rata share of the franked dividend income of the Fund. Investors will be required to include their share of dividend income and franking credits (imputation credits) in their assessable income.

A tax offset equal to the franking credits may then be applied against tax payable. Certain taxpayers are entitled to a tax refund if the franking credits received are greater than their tax payable. An investor may be denied franking credits and franking rebates in respect of distributions on units which the investor has not owned and held at risk for a continuous period of 45 days.

#### Foreign income and tax credits

A Fund may derive foreign source income that is subject to taxation in the country where the income is sourced. The tax statement provided will include details of an investor's pro-rata share of any foreign tax withheld from foreign sourced income.

Similar to the Australian dividend imputation credit system, investors will be required to include their share of the gross foreign income in their assessable income, but may be entitled to claim a foreign income tax offset ("FITO") against their Australian tax liability, in respect to certain foreign tax withheld. Unlike franking credits, FITOs are not refundable to any taxpayer.

#### Capital Gains

Generally, gains arising from the disposal of units in a Fund will be assessable as capital gains where the units were acquired for investment purposes. A taxable gain may result from a switching of units between the Funds. A net capital loss may be carried forward and be used to offset capital gains in subsequent years but may not be offset against ordinary income. Please note that capital gains or losses realised on disposal by an investor of their units are not calculated by us on behalf of the investor.

Upon withdrawal however, we will provide you with your transaction history to enable you or your accountant to calculate this gain.

An investor's share of the net income of a Fund may include an amount that consists of net capital gains derived by the Fund. The Funds, where applicable, have elected to apply capital gains tax treatment to the disposal of all eligible investments.

A capital gains tax discount of 50% for individuals (and certain eligible trusts), or one third for complying superannuation entities, is generally available where the asset has been held continuously for 12 months or more. This relates to capital gains on certain investments held by a Fund and distributed to investors, and also investors' unit holdings in a Fund. Companies are not eligible for the discount and are therefore taxable on the full amount of the net capital gain.

#### Tax File Numbers (TFN) and Australian Business Numbers (ABN)

It is not compulsory for an investor to quote their TFN or ABN. However, if you don't, we are required to withhold tax (at the highest marginal tax rate plus Medicare levy) from any distributions paid to you by a Fund. An ABN may be used as an alternative to a TFN if the investments are undertaken in the course of carrying out an enterprise.

#### Australian Taxation of Non-Resident Investors

The Funds are required to withhold Australian tax from distributions to non-resident investors for certain types of income. The rate of tax deducted will depend on the type of income distributed and the country of residence of the investor.

Fully franked dividends distributed to non-resident investors are not subject to dividend withholding tax or Australian income tax.



## 7. How managed investment schemes are taxed *(continued)*

Australian tax law requires Prime Value to deduct Australian tax from unfranked dividends derived and distributed to non-resident unitholders. The rate of tax deducted is generally 30%. However, where the non-resident resides in a country that has a tax treaty with Australia, unfranked dividends are generally subject to 15% withholding tax. Interest income is generally subject to 10% Australian withholding tax.

Withholding tax is a final tax which means investors are

generally not required to lodge Australian tax returns unless they have derived Australian income other than interest or dividends.

As the Funds will not invest in Australian real property, non-resident investors will not generally be subject to Australian tax on capital gains realised by a Fund and distributed to investors, or capital gains realised on the disposal of units in a Fund.

## 8. How to apply

### Verifying your identity - Anti-Money Laundering and Customer Identification Requirements

Anti-Money Laundering and Counter Terrorism Financing legislation requires us to collect identification information and documentation from our investors. If you are investing with us for the first time you must provide us with certain information included in the application form and suitable identification documents to enable us to establish your identity. If you have a financial adviser, he or she may be able to assist you with this process.

We will be unable to process your application without this information and adequate identification documentation.

### Appointment of Authorised Nominee

Investors may elect to appoint an authorised nominee to act on their behalf in respect of their investment in a Fund by completing the relevant section of the application form. An authorised nominee has the same power as the investor who appointed them, except they cannot appoint another authorised nominee.

### Joint Accounts

Joint accounts are normally accessible to any of the named individuals. For joint accounts, all signatories must sign the declaration on the application form.

## 9. Direct Debit Request (DDR) service agreement

### Direct Debit Request facility

A Regular Savings Plan is available to investors in all funds except the Prime Value Enhanced Income Fund. To implement a Regular Savings Plan, a DDR facility must be established. To establish a DDR facility, please enter the amount(s) to be directly debited to your bank account monthly in Section 8 of the application form and complete the Direct Debit Request in Section 9 of the application form. The application form is available at [www.primevalue.com.au/forms](http://www.primevalue.com.au/forms) or call us on 03 9098 8088.

By signing the Direct Debit Request, you authorise Prime Value to arrange to make monthly deductions from your nominated account with a financial institution such as a bank, building society or credit union, according to this agreement we have with you, and invest it in the relevant Fund.

The DDR facility is not available on the full range of accounts provided by financial institutions. Investors are advised to check with their financial institution as to its availability before nominating an account.

### Prime Value's service commitment

This agreement outlines Prime Value's service commitment to an investor in respect of the DDR arrangements made between Prime Value (User ID 437298, 437299, 437300 and 387756) and an investor. It also sets out an investor's rights and responsibilities.

### Initial Terms of the Arrangement

In terms of the DDR arrangement entered into with an investor, Prime Value undertakes to periodically debit, from

their nominated financial institution account, a specified amount or amounts for deposit into the relevant Fund. The minimum monthly amount investors may nominate through the regular savings plan is \$200 for the Prime Value Growth Fund and Prime Value Equity Income Fund and \$500 for the Prime Value Opportunities Fund and Prime Value Emerging Opportunities Fund.

### Drawing Arrangements

Amounts will be deducted from your financial institution account on the 20th day of each month, or if the 20th is not a business day, the next business day after the 20th day of the month. If an investor is uncertain when the direct debit will be processed, please contact your financial institution.

Prime Value may, in its absolute discretion at any time by notice in writing to the investor, suspend or terminate the drawing arrangement. Prime Value may, by giving 14 days notice in writing to the investor, vary any of the terms of this agreement.

### Investor rights

#### Changes to the Arrangement

- Investors may stop an individual debit, cancel or suspend their DDR facility, by giving written instructions to Prime Value. Investors who suspend their DDR facility may restart it by completing a new DDR.
- Investors may alter the monthly payments by completing the same and forwarding to Prime Value.
- Prime Value will endeavour to act upon an investor's request within 10 working days of receipt of the request.

## 9. Direct Debit Request (DDR) service agreement *(continued)*

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### Enquiries

All enquiries about an investor's DDR facility should be directed to Prime Value, rather than the financial institution operating the investor's account, at the below address:

Prime Value Asset Management Limited  
Level 9  
Prime Value House  
34 Queen Street  
Melbourne VIC 3000

### Disputes

If an investor believes that a debit has been incorrectly made or processed, or has any query or dispute in relation to their DDR facility, they should contact Prime Value on 03 9098 8088. If a dispute cannot be satisfactorily resolved, then please take the matter up with your financial institution.

### Confidentiality

All investor information held by Prime Value in relation to an investor's DDR facility will be kept confidential by Prime Value, except where:

- JP Morgan Chase Bank, N.A. (Sydney Branch), requires such information in connection with a claim made on it relating to an alleged incorrect or wrongful debit;
- disclosure is required or authorised by law; or
- the investor authorises or otherwise gives their consent to the release of the information either directly or through a duly appointed agent or attorney.

### Investor obligations

It is an investor's responsibility to ensure that:

- their nominated account can accept direct debits;
- the authorisation on the direct debit request is identical to the account signing instruction held by the financial institution of the nominated account;
- there are sufficient cleared funds in the nominated account on the drawing date; and
- they advise Prime Value if the nominated account is transferred or closed.

When completing the direct debit request, investors are advised to check their bank account details are correct against a recent bank statement.

If you have any concerns, you should consult your financial institution.

Should an investor's debit be dishonoured or rejected, Prime Value will send a letter to the investor about this. Prime Value may, without notice, cancel an investor's DDR facility if there are insufficient funds in the investor's account to honour a direct debit.

Should Prime Value be charged any dishonour fees as a result of insufficient funds in an investor's nominated financial institution account, then Prime Value will deduct these charges from the investor's investment holding or charge these fees directly to the investor. To avoid dishonour fees, investors should always ensure that there are enough cleared funds in their account before their direct debit falls due.

## 10. Glossary of Terms

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**AFSL** means Australian Financial Services Licence;

**APIR® Code** means a unique identifier issued by APIR® to participants and products within the Financial Securities Industry;

**Business Day** means a day which is not a Saturday, Sunday or public or bank holiday in Melbourne;

**Class** means a class of units in a Fund.

**Direct Investment** means an investment made directly with Prime Value, using the application form attached to this PDS. It includes investments made through a financial adviser, where that investment is made on the application form;

**Direct Investor** means an investor, who invests directly into a Fund;

**Fund** means the Prime Value Growth Fund, Prime Value Equity Income Fund, Prime Value Opportunities Fund, Prime Value Emerging Opportunities Fund and/or Prime Value Enhanced Income Fund;

**GST** means goods and services tax payable under A New Tax System (Goods and Services Tax) Act 1999;

**IDPS** means an Investor Directed Portfolio Service, such as a master trust or platform;

**Indirect Investment** means an investment made through an IDPS or IDPS-like scheme;

**Indirect Investor** means a holder of Class B units who invests through an IDPS or IDPS-like scheme such as a master trust or platform;

**Prime Value** means Prime Value Asset Management Limited (ABN 23 080 376 110);

**Responsible Entity** means Prime Value; and

**RITC** means Reduced Input Tax Credits as it applies to a reduction in GST.

**Retail Client** means persons or entities as defined under section 761G of the Corporations Act.

**US Person** means a person so classified under securities or tax law in the United States of America ("US") including, in broad terms, the following persons: a) any citizen of, or natural person resident in, the US, its territories or possessions; or b) any corporation or partnership organised or incorporated under any laws of or in the US or of any other jurisdiction if formed by a US Person (other than by accredited investors who are not natural persons, estates or trusts) principally for the purpose of investing in securities not registered under the US Securities Act of 1933; or c) any agency or branch of a foreign entity located in the US; or d) a pension plan primarily for US employees of a US Person; or e) US collective investment vehicle unless not offered to US Persons; or f) any estate of which an executor or administrator is a US Person (unless an executor or administrator of the estate who is not a US Person has sole or substantial investment discretion over the assets of the estate and such estate is governed by non-US law) and all the estate income is non-US income not liable to US income tax; or g) any trust of which any trustee is a US Person (unless a trustee who is a professional fiduciary is a US Person and a trustee who is not a US Person has sole or substantial investment discretion over the assets of the trust and no beneficiary (or settlor, if the trust is revocable) of the trust is a US Person); or h) any discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary for the benefit or account of a US Person; or i) any non-discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary organised, incorporated or (if an individual) resident in the US for the benefit or account of a US Person.

**Wholesale Client** means persons or entities as defined under section 761G of the Corporations Act.



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