Prime Value Enhanced Income Fund Monthly Update – July 2024

- The Fund performed very well in July 2024 with a return of 1.28% after-fees. This return is well above the Fund's benchmark return. For the past 12 months, the return was 4.52% after-fees (excluding franking credits) and 4.83% after-fees (including franking credits). These returns are also above the Fund's benchmark returns.
- Markets in July remained stable, but in the first week on August there was volatility globally after the Bank of Japan raised rates and the market became concerned about the outlook for the US economy after some weak data. Given that there are several market, economic and geopolitical risks that remain unresolved, we will continue to manage the Fund conservatively to ensure it meets its key objectives of capital preservation and quarterly distributions.

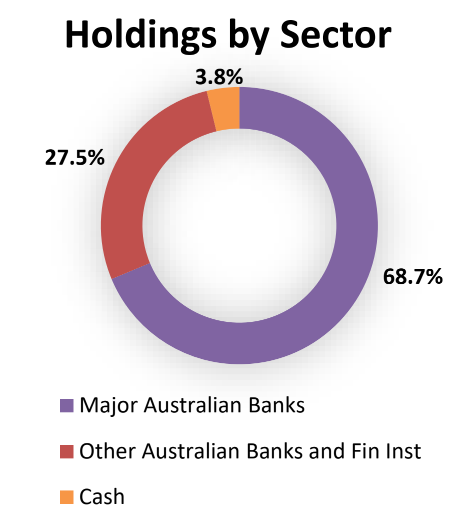
	Net Return*	Net Return including Franking Credits**	Benchmark Return - 90 Day Bank Bill Rate (BBSW)
Since inception (p.a.)	**2.66%**	**3.07%**	1.89%
5 Years (p.a.)	**1.66%**	**1.89%**	1.75%
3 Years (p.a.)	**1.96%**	**2.14%**	2.72%
1 year	**4.52%**	**4.83%**	4.33%
6 Months	**2.02%**	**2.17%**	2.16%
3 Months	**1.00%**	**1.15%**	1.09%
1 month	**1.28%**	**1.28%**	0.40%

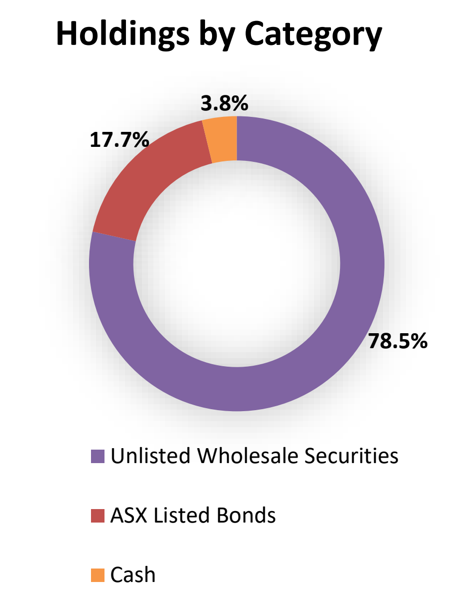
* Performance figures have been calculated in accordance with Financial Services Council (FSC) standards. No allowance has been made for taxation. Performance assumes the reinvestment of income distributions. Past performance is not necessarily an indicator of future performance. Net returns are calculated after management fees. **Returns grossed up for Franking Credits are estimates.

Major Holdings	Sector	Category
NAB	Banks	Wholesale Notes
Westpac	Banks	Wholesale Notes
CBA	Banks	Wholesale Notes
ANZ	Banks	Wholesale Notes
Bendigo and Adelaide Bank	Banks	Wholesale Notes

Feature	Fund Facts
Responsible Entity	Prime Value Asset Management Ltd (ABN 23 080 376 110; AFSL 222 055)
Investment Objective	To provide regular income with low risk of capital loss in the medium term (the Fund's unit price will vary with market factors and other factors affecting the prices of securities in the investment portfolio). The Fund targets a return to investors of the Benchmark. The return will vary over time depending on the market and economic outlook
Target Market	The Fund is for investors seeking a regular return above the 90-day BBSW rate from a diverse portfolio of investments with an emphasis on capital preservation.
Benchmark Return	90-day BBSW rate
Inception Date	3 June 2014
Interest Rate Reset Duration	Approx. 0.3 years
Distributions	Quarterly
Suggested Investment Period	1 + year
Minimum Investment	$50,000
Indirect Cost Ratio (ICR)	0.60% p.a.[1]
Issue price	$0.9942
Withdrawal Price	$0.9938
Distribution (30/06/2024)	$0.0211

[1]Unless otherwise stated, all fees quoted are inclusive of GST and less the relevant RITC





Fund review and strategy

The Fund performed very well in July 2024 with a return of 1.28% after-fees. This return is well above the Fund's benchmark return. For the past 12 months, the return was 4.52% after-fees (excluding franking credits) and 4.83% after-fees (including franking credits). These returns are also above the Fund's benchmark returns. Past performance is not a reliable indicator of future performance.

Markets were again relatively stable in July but in the first week on August there was volatility globally after the Bank of Japan raised rates and the market became concerned about the outlook for the US economy after some weak data. Markets in Australia are being buoyed by the view that the RBA will not hike further and will cut rates in coming months. Two of the major Australian banks - CBA and Westpac - believe there will be rate cuts this year, while the other two major Australian banks - ANZ and NAB - believe a rate cut will occur in early 2025.

There is increasing evidence that the central banks of the major Western countries are about to embark on monetary policy easing. The central banks of Canada, Switzerland, Sweden, the UK, and the European Central Bank, have all cut rates recently. After its meeting on 31 July, the US Fed indicated that it could cut rates as early as September this year. The RBA is typically not too far out of step with the major central banks around the world in its monetary policy.

In addition, China's economy is still struggling despite all the monetary stimulus and other measures introduced by the authorities. China has a very strong trade and investment relationship with Australia, and this has helped the Australian economy in recent years. Australia's GDP growth in the March quarter 2024 was only +1.1% (annual) and so any downturn in exports to China will be felt in Australia. The other aspect in relation to China is that to improve its economic performance, China has been increasing its own exports by lowering export prices – this is disinflationary to the world including Australia. In other words, to some extent, the RBA does not need to hike rates further to bring inflation down as China's export pricing is helping to achieve this.

The above factors mitigate the risk of a further rate hike by the RBA. The RBA has achieved its objective of dampening demand and is extremely alert to the prospect of further hikes tripping the economy into a further growth slowdown.

Nonetheless, these factors do not mean the RBA will cut rates soon. There are 3 issues that may delay a rate cut, and for the RBA to keep its "tightening bias":

• The RBA is forecasting inflation to only fall to the midpoint of its target 2-3% band by mid-2026. Given this forecast, there would not seem to be any imperative for the RBA to ease rates in the near term;

• Inflation in Australia has fallen significantly - from a cyclical high of 7.8% (annual) in the December quarter 2022 - but as seen in the March and June quarters 2024, the fall in CPI appears to have stalled in the "high 3%" range;

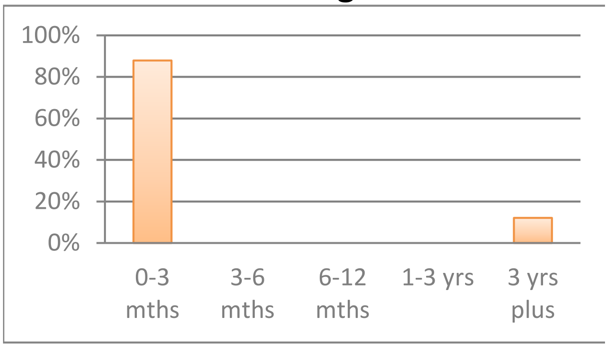
• The RBA is undoubtedly using its "tightening bias" to send a strong message to Federal and State governments, and unions and business, to slow spending (especially infrastructure) and to dampen increases in wages and rents.

Internationally, the conflict in the Middle East, the Russia/Ukraine conflict, and the US Presidential election and elections for the US House of Representatives and Senate (all on 5 November 2024) are not having much of an influence on markets globally. However, we remain alert to developments as these situations are very fluid. We are also very alert to further market volatility as seen in the first week of August, and its potential impact on investor "risk appetite".

Given the various uncertainties, we will continue with our conservative strategy of investing the Fund's portfolio mainly in floating (variable) rate securities which benefit from the high interest rates, and in 'AA-' rated securities issued by the major Australian banks and 'AAA' rated securities. These securities have very low credit risk, strong liquidity, and an attractive yield. This strategy is allowing the Fund to continue to perform well and meeting its objectives of capital preservation and quarterly distributions.

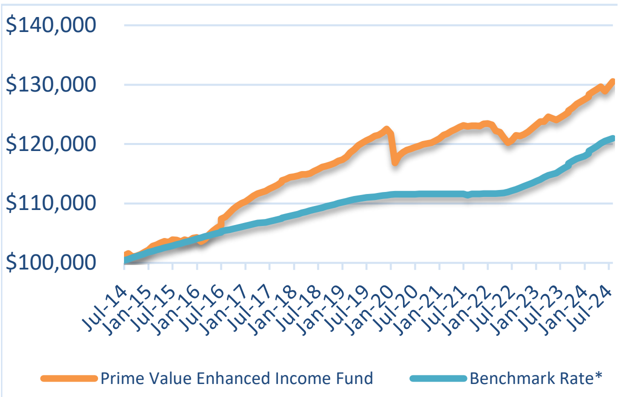
If you have any questions, please do not hesitate to arrange a call through your Investor Relations contact.

Interest Rate Reset Management



The Fund's portfolio weighted average interest rate reset duration is approximately 3 months. The vast majority of securities in the Fund's portfolio have interest rates that reset every quarter, and therefore benefit from the higher interest rates in the market.

Fund Performance



This graph shows how $100,000 invested at the Fund's inception has increased to $130,540 (net of fees). This compares with the Fund's benchmark return, where a $100,000 investment would have increased to $120,970 over the same period.

*The Benchmark Return was calculated by reference to the RBA Official Cash Rate until December 2020 and thereafter by reference to the 90-day BBSW rate

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