

PRIME VALUE DIVERSIFIED HIGH INCOME PLUS FUND

Product Disclosure Statement

Contents

1. About Prime Value Asset Management Limited
2. How the Prime Value Diversified High Income Plus Fund works
3. Benefits of investing in the Prime Value Diversified High Income Plus Fund
4. Risks of managed investment schemes
5. How we invest your money
6. Fees and costs
7. Taxation information
8. How to apply and withdraw
9. Glossary of Terms

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 Diversified High Income Plus Fund (ARSN 648 435 223) (APIR PVA8061AU). Prime Value Asset Management Ltd (ABN 23 080 376 110) (AFSL 222 055) (Prime Value) has prepared and issued this PDS as at 31 July 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 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 Diversified High Income Plus 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 Diversified High Income Plus Fund works

The Prime Value Diversified High Income Plus 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. There is currently only one class of units in the Fund.

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. For further information, please see Section 8 'How to apply and withdraw'.

The following minimum investment amounts apply:

- Minimum initial investment: \$50,000
- Minimum additional investment: \$5,000

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. The minimum amount that can be withdrawn is \$5,000 unless a lesser amount remains invested. Withdrawal requests must be signed by the authorised signatory(ies). Subject to the Fund being liquid, withdrawals are generally processed semi-annually at the last business day of March and September. Such request must be received by the client service team at least one calendar month in advance, which is the last business day of February and August. 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.

Refer to Section 8 for more information about how to apply and withdraw.

Monthly Income Distributions

The net income of the Fund is distributed to investors throughout the year. The Fund generally pays distributions monthly within 10 Business Days after the end of the calendar month. Distributions are paid to investors based on the number of units held as at the end of each distribution period and are calculated in accordance with the Fund's constitution.

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.

2. How the Prime Value Diversified High Income Plus Fund works *(continued)*

Constitution

The constitution of the Fund, in addition to the PDS and the Corporations Act 2001, governs the operation of the Fund and the rights and obligations of the Responsible Entity and members. A copy of the constitution can be inspected at Prime Value's registered office and will be sent to members free of charge. Prime Value may amend the constitution, provided such amendments are not reasonably considered to be adverse to members.

Custodian

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

- Purchase or dispose of all or part of the property of the Fund in accordance with the instructions of Prime Value;
- Receive and hold the property of the Fund and all documents of title relating to the property of the
- Register any of the property of the Fund if required, in the custodian's name;
- Establish bank accounts for the Fund; and
- Distribute income distributions in accordance with Prime Value's directions.

J.P. Morgan has not been involved in the preparation of this document or caused or otherwise authorised the issue of this document. J.P. Morgan has not independently verified the information contained in this document and, accordingly, accepts no responsibility for the accuracy or completeness of the information. J.P. Morgan does not guarantee the success or the performance of the Fund nor the repayment of capital or any particular rate of capital or income return.

Privacy

When you provide instructions to Prime Value or its related bodies corporate, Prime Value will be collecting personal information about you. You must ensure that all personal information which you provide to Prime Value is true and correct in every detail, and should your personal details change it is your responsibility to ensure that you promptly advise Prime Value of the changes in writing. This information is needed to facilitate, administer and manage your investment, and to comply with Australian taxation laws and other laws and regulations. Otherwise, your application may not be processed or Prime Value and its delegates will not be able to administer or manage your investment.

The information that you provide may be disclosed to certain organisations, including but not limited to:

- the ATO, AUSTRAC and other government or regulatory bodies;
- your broker, financial adviser or adviser dealer group, their service providers and/or any joint holder of an investment;
- organisations involved in providing, administering and managing the Fund, the administrator, custodian, auditors, or those that provide mailing or printing services; and
- those where you have consented to the disclosure and as required by law.

Currently Prime Value does not disclose any privacy information to parties outside Australia but this is subject to change. Subject to some exceptions allowed by law, you can ask for access to your personal information to ensure that the information held by Prime Value is accurate and up-to-date. Prime Value's Privacy Policy is available at www.primevalue.com.au.

3. Benefits of investing in the Prime Value Diversified High Income Plus Fund

1 Attractive Income Payable Monthly

2 Plus Potential Capital Growth Over Medium Term

3 Provision For Withdrawal - Half Yearly in March and September

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 assess an investment's fundamentals while also taking into account macro

economic data, corporate financial reports, industry data and comments from corporate officers.

Prime Value believes all economic and financial tests require flexibility, depending on the phase in the economic cycle or the type of investment. Experience and common sense dictate how the formula must be adapted to determine the appropriate investment decision for each investment.

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

3. Benefits of investing in the Prime Value Diversified High Income Plus Fund

Minimising mistakes: Minimising mistakes is our number one imperative so as to meet the Fund's benchmark return and protect investor capital. 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. In practice the Investment Manager who makes the fewest mistakes usually produces superior results.

Our research efforts are focused as much on investments that may in the future detract from the overriding objective for the Fund to meet its benchmark return and protect investor capital. Market based indices are inefficient: Indices 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 building a portfolio of securities. At Prime Value our main focus for this Fund is to strategically invest in a range of securities that will deliver a level of return commensurate to the risk. The Fund's benchmark is 5% pa.

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

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 - The Fund may be invested in a range of instruments including cash held in interest-bearing bank accounts, cash-equivalent securities, bank term deposits, bank-accepted bills of exchange, both listed and unlisted senior bonds/ floating rate notes, subordinated debt, preference shares/hybrid securities, equities, properties, other alternative assets and managed funds. Risks associated with these investment formats involve risks associated with the market concerned, whether a listed market such as the ASX, or an unlisted market such as the wholesale fixed income market.

Over time, markets rise but may also sometimes produce falls in the value of investments in the Fund. Prime Value cannot assure investors of returns at or above the Fund's benchmark in any financial year because markets can take unexpected turns and the value of individual investments may fluctuate accordingly.

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 there being no existing active market for the investment, inadequate market depth or disruptions to the market place.

Market risk - The market price of listed and unlisted investments in which the Fund will invest will be affected by numerous factors including changes in interest rates, credit ratings and market attitude to credit risk, 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 equity, fixed income and credit markets. It is not possible to eliminate market risk, and many of the components of market risk cannot be controlled by Prime Value.

Interest rate risk - The risk that arises with changes in market yields that change the value of interest rate investments. An increase in interest rates leads to a reduction in the value of a fixed interest investment and vice versa. This risk is usually greater for fixed interest investments that have longer maturities.

Credit risk - The risk of suffering loss owing to another party defaulting in its financial obligations. To mitigate this risk, the Fund will only hold investments in creditworthy entities with credit risk of all investments held being continually monitored.

Risk associated with mortgages - The Fund may invest in direct loans to unlisted trusts managed by Prime Value and/ or its associates and in trusts that invest in direct loans and mortgages. There is a risk of a loss in capital of the loan caused when a Borrower defaults, which may result in capital losses on the investment.

Property risk - Certain risk associated in investing in property funds, such as potential fall in property value, unforeseen capital expenditure, liquidity risk due to the nature of property assets.

Risks associated with any investment in Listed Equities -

An investment in the Fund will have some component of indirect investment in listed 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.

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.

Portfolio risk - Investing in a portfolio with a smaller number of investments may lead to more volatile returns than investing in a fund with a more diversified portfolio. The Fund will be managed in a way that produces diversification benefits and constrains risk to a specific investment, entity or market

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

segment in keeping with the key objectives of the Fund.

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

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 investments in which the Fund invests and the manner in which income and capital profits (or losses) are treated.

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 and/or, the entities into which the Fund invests or counter-parties utilised by Prime Value.

You should consider the likely investment return, risk and your investment time frame when choosing to invest into the Fund.

5. How we invest your money

| | |
|------------------------------|--|
| Investment Objective | The Fund aims to provide regular income plus medium to long term capital growth. The Fund targets an income to investors of the RBA Cash Rate plus 4% p.a. This return may vary from month to month depending on the market and as funds are invested. |
| Minimum Suggested Time Frame | 2 years + |
| Authorised Investments | The Fund may be comprised of the following investment categories: <ul style="list-style-type: none"> • Cash being cash held in interest-bearing bank accounts or Approved Deposit-Taking Institution (ADI) accounts; • Bank accepted bills of exchange, negotiable certificate of deposits, corporate promissory notes; • Corporate/bank/financial institution/government/government agency issued fixed and floating rate secured, unsecured or subordinated bonds or notes issued by an Australian exchange listed entity (or wholly owned subsidiary of the Australian listed entity) and listed on an Australian securities exchange or available for purchase or sale on the Wholesale/OTC Market; • Asset-Backed Securities (ABS) including Residential Mortgage Backed Securities (RMBS); • Unlisted and listed trusts, companies, managed funds and other investment vehicles and entities (together "the Investment Entities"): <ul style="list-style-type: none"> - where the investment in the Investment Entities may be by way of an equity, debt or hybrid capital interest; - the Investment Entities may be managed by Prime Value or its associates; and - where the assets of the Investment Entities may be, but are not restricted to, direct property and/or mortgages • Australian ASX listed and other exchange listed Australian securities • Australian direct property The Fund: <ul style="list-style-type: none"> • is not constrained by index weightings, issuer or sector limits; • is not permitted to borrow however it may invest in asset based trusts that are already geared; • can use derivatives for risk management purposes; and • may invest outside Australia in investments denominated in A\$, or non-A\$ currencies (but if the latter on a fully-hedged basis to A\$) (up to 20% for non-A\$ investments) |
| Investor Profile | The Fund is designed for investors seeking a stable income from a diverse portfolio of securities with medium to long term capital growth and an emphasis on capital preservation. The Fund may be appropriate for the following investors: individuals, family trusts, self-managed superannuation funds (SMSF), companies, councils, schools universities, clubs, associations or businesses with excess cash, foundations, charities or Not-For-Profit organisations. |
| Diversification | The portfolio is diversified across different asset classes and industries |
| Credit Risk | The maximum exposure to any individual investment will generally be 25% of the portfolio. |
| Risk Level | Medium to High The likelihood of the value of your investment going down over the medium term is medium to high. |
| Fund Performance | For up to date information on the performance of the Fund, please call us on 03 9098 8088. Past performance is not necessarily an indicator of future performance. |

5. How we invest your money (continued)

Labour standards and environmental, social and ethical considerations

Labour standards 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 formally 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.

The information in the following box is a standard consumer advisory warning and does not provide specific information on the fees and charges that you may be charged.

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 account balance 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 other costs

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. You can also use the information in this summary to compare the costs with the costs of different managed investment schemes.

Fees and cost summary

| Prime Value Diversified High Income Plus Fund | | |
|--|--|---|
| 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 | 1. Management fees of 0.85% p.a. of the net asset value (NAV) of the Fund; and | 1. 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. |
| | 2. Indirect costs (excluding performance fees) of 1.41% p.a. of the NAV of the Fund. | 2 Indirect costs are paid out of the assets of funds in which the Fund invests (Interposed Vehicles) as and when incurred. |
| Performance fees Amounts deducted from your investment in relation to the performance of the product | 1. Direct performance fees of 0.70% p.a. of the NAV of the Fund; and | 1. This represents the average performance fees charged since the Fund's inception to 30 June 2023 and may not be an indication of future performance fees. |
| | 2. Indirect performance fees of 1.57% p.a. of the NAV of the Fund. | The performance fee equates to 15.0% of net performance above 5% pa, subject to a high water mark. A daily performance fee is calculated on the increase in the value of the Fund relative to 5% pa performance hurdle. 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, the fee will be charged. |
| | | 2 This represents the average indirect performance fees charged since the Fund's inception to 30 June 2023 and may not be an indication of future performance fees. Indirect performance fees are paid out of the assets of Interposed Vehicles as and when incurred. |

6. Fees and costs

| Prime Value Diversified High Income Plus Fund | | |
|--|---|---|
| Type of fee or cost ¹ | Amount | How and when paid |
| Transaction costs The costs incurred by the scheme when buying or selling assets | 0.71% of the NAV of the Fund. | This represents transaction costs, including stamp duty on the purchase of real assets by Interposed Entities, for the year ended 30 June 2023 and may not be an indication of future transaction costs. 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 or Interposed Vehicles 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 0.10% of the application amount on application and 0.10% of the withdrawal amount on withdrawal | Buy/sell spreads apply to the Fund. As at the date of this PDS, a buy-spread of 0.10% is charged on each application and a sell spread of 0.10% 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 | Nil | 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.

3 Please refer to the "Additional explanation of fees and costs" section below for more information on fees and costs that may be payable.

4 In estimating the buy/sell spread, we have assumed that the applications or withdrawals are made during normal market conditions, as in times of stressed or dislocated market conditions (which are not possible for Prime Value to predict) the buy/ sell spread may increase significantly and it is not possible to reasonably estimate the buy/sell spread that may be applied in such situations. We may vary the buy/sell spreads from time to time, including increasing these costs without notice when it is necessary to protect the interests of existing investors and if permitted by law. Please refer to the "Additional explanation of fees and costs" section below for further details.

6. Fees and costs *(continued)*

Additional Explanation of Fees and Costs

Management fees and costs

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

Management fees

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 (excluding performance fees)

Indirect costs (excluding performance fees) 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 (excluding performance fees) shown in the above table of 1.41% represent the cost for the year ended 30 June 2023. These costs are deducted directly from Interposed Vehicles as and when incurred. Indirect costs may vary each year.

Performance fees

Performance fees are comprised of the Fund's performance fee and any indirect performance fees.

Direct performance fees

Direct performance fees are performance fees charged by the Responsible Entity to the Fund. The fee, if applicable, is 15.0% of net performance above 5% pa, subject to a high water mark. Performance fees shown in the above table of 0.70% represent the average performance fees charged since the Fund's inception to 30 June 2023 and will vary each year. These costs are deducted directly from the Fund as and when incurred. Performance fees are only payable where the Fund outperforms its benchmark and will vary each year.

Please see below for further details.

Indirect performance fees

Indirect performance fees in respect to Interposed Vehicles are reflected in the value of the Fund's investments that we know or estimate have reduced or will reduce the Fund's return. Indirect performance fees shown in the above table of 1.57% represent the average performance fees charged or accrued since the Fund's inception to 30 June 2023 and will vary each year. These costs are deducted directly from Interposed Vehicles as and when incurred. Performance fees are only payable where an Interposed Vehicle outperforms its benchmark.

Transaction costs

Transaction costs are the costs incurred when buying and selling the 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 the Fund or Interposed Vehicles 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 above are net of any amount recovered by the buy/sell spread (described below). The total gross transaction costs for the Fund were 0.75% for the year ended 30 June 2023. Transaction costs may vary each year.

- 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. 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.

6. Fees and costs *(continued)*

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. 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 |
| PLUS Management fees and costs | 2.26% | And, for every \$50,000 you have in the Fund, you will be charged or have deducted from your investment \$1,130 each year |
| PLUS Performance fees | 2.27%* | And, you will be charged or have deducted from your investment \$1,135 in performance fees each year. |
| PLUS transaction costs | 0.71% | And, you will be charged or have deducted from your investment \$36 in transaction costs. |
| EQUALS Cost of Fund | | If you had 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 and costs of \$2,301 [^] . What it costs will also depend on the fees you negotiate with your financial adviser, if applicable. |

+ The management fees example is based on a constant NAV of the Fund to give an indication of the amount that could be paid. In practice, fees charged will differ from the above due to fluctuations in the value of your investment, and the timing of contributions.

* It is not possible to estimate the performance fee payable in any given year, as the performance of the Fund cannot be forecasted. As an indication, it is estimated that performance fee payable may be 2.27%, which represents the average performance fees charged since the Fund's inception to 30 June 2023 and may not be an indication of future performance fees. 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 year, therefore management costs are calculated using the \$50,000 balance only. The example does not capture all fees and costs which may apply such as the buy/sell spread.

ASIC provides a fees calculator on its website www.moneySMART.gov.au, which you could use to calculate the effects of fees and costs on your investment in the Fund

Warning: Additional fees may be paid to a financial adviser if you consulted a financial adviser. Where you receive financial advice, you should refer to your Statement of Advice for full details of these fees.

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 \$105,000 as at 31 December 2022, and if the performance hurdle over the same period was 5.00% p.a. (giving a theoretical investment of \$102,500), then the performance fee would be calculated as follows:

Performance Fee = 15.0% of performance in excess of the benchmark

= 15.0% x (\$105,000 – \$102,500)

= \$375

In other words, the net value of the investment (after management fees and performance fees) will be \$104,625.

Buy-Sell Spread

An application or withdrawal may require the purchase or sale of the 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 spread is +/- 0.10% and is included in the unit price. This is an additional cost to the investor that is paid into the Fund. It is not a fee paid to Prime Value. 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. The 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.

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.

6. Fees and costs *(continued)*

Adviser Remuneration

Up-front adviser commissions (establishment fees):

Prime Value may deduct up to 3% (exclusive of GST) 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 upfront adviser commission applies.

On-going adviser commissions:

Prime Value may pay ongoing adviser commissions to financial advisers and other intermediaries, up to 0.30% pa (exclusive of GST) of the net asset value of your investment. Prime Value will pay all such commissions and other non-monetary benefits from its own resources and not from the Fund.

Adviser Service Fee

You can also instruct the 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 Adviser Service Fee is an optional ongoing half yearly fee payment to your adviser for personal financial advice. The Fund does not control or influence these fees nor receive any portion of it. Your financial adviser receives no fees directly or indirectly from the 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 Adviser Service 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 Adviser 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. The Fund does 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.

7. Taxation information

We warn investors that 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, we do not

provide financial or tax advice, nor have we obtained taxation advice specific to the Fund. As such, this PDS does not address taxation issues which may be relevant to you. You are warned and 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 <https://primevalue.com.au/resources>. The material relating to this matter may change between the time you read this PDS and the day you acquire the product.

8. How to apply and withdraw

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 below for further information.

2. Arrange payment. Refer to the application form for payment options. The minimum initial application is \$50,000.

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 upon request. The minimum additional investment is \$5,000.

Issue price and cut offs

Units will be issued at the relevant issue price. An issue

price is the net asset value of the Fund, plus an allowance for transaction costs (see "Buy-Sell Spread" in Section 6), divided by the number of units on issue in the Fund. Issue prices are calculated daily on the basis of the most recent valuation of the Assets of the Fund.

The unit price is available by contacting us on 03 9098 8088

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

Withdrawal price and cut offs

When we receive your withdrawal form or instruction before 3.00pm (Melbourne time) on the last business day of February and August, the unit price applied is the price at the last business day of March and September respectively. Withdrawal

8. How to apply and withdraw *(continued)*

requests received after this cut-off time will be processed at the unit price on the next semi-annual withdrawal.

Withdrawals are generally paid within 10 Business Days after last business day of March or September. 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.

Valuation Policy

Assets listed on the ASX will be valued at the last close price. Assets which are unlisted and illiquid in nature will be valued based on our valuation policy. For a copy of the valuation policy, please contact us.

Switches

An investor may switch all or part of their investment between the Fund and another fund managed by Prime Value. 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.

Transfers

An investor may also transfer all or part of their investment to a different entity by completing a transfer form available at 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.

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 the 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.

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 Prime Value 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: 1800 931 678

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.

9. Glossary of Terms

AFSL means Australian Financial Services Licence.

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

Fund means the Prime Value Diversified High Income Plus Fund.

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

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

RBA means the Reserve Bank of Australia.

RBA Cash Rate means the Cash Rate as determined by the Reserve Bank of Australia.

Responsible Entity means Prime Value.

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.