Prime Value Diversified High Income Fund Monthly Update – October 2024

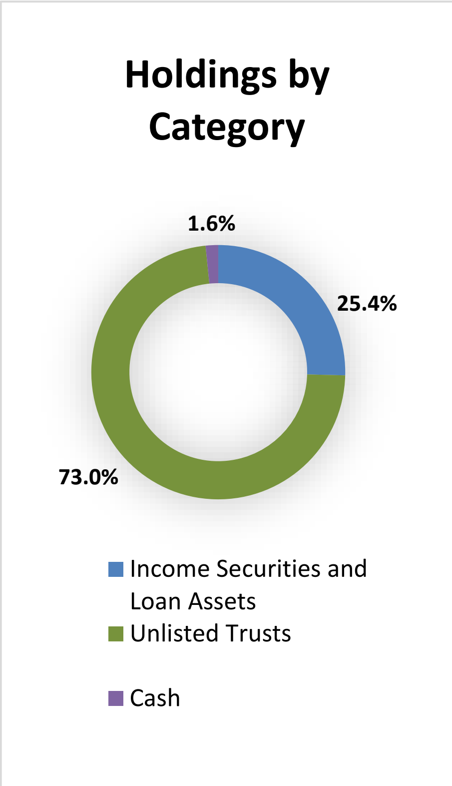
- The Fund's return for October 2024 was 0.42% after-fees. In November 2024, the Fund distributed $0.53 cents per unit to investors, equivalent to 6.55% p.a. (assuming all distributions are reinvested). This distribution is the 63rd consecutive distribution since the Fund was incepted in August 2019.
- Markets in October 2024 remained stable, supported by rate cuts by the US Fed, the ECB and other central banks, together with further stimulatory measures in China. There are several market, economic and geopolitical factors that may increase market volatility in coming months, and which may be exacerbated as year-end approaches. It is too early to assess the significance for the economy or markets of the election of Donald Trump as President of the US. He will be sworn in on 20 January 2025 after which time the picture may become clearer. We continue to manage the Fund conservatively within a risk management framework to ensure it meets its key objectives of capital preservation and monthly distributions.

	Net Return*	Benchmark Return (RBA Cash Rate + 4% p.a.)
Since inception (p.a.)	**4.76%**	5.80%
3 years (p.a.)	**4.42%**	6.46%
2 Years (p.a.)	**3.14%**	8.01%
1 Year	**0.15%**	8.37%
6 Months	**-1.01%**	4.13%
3 Months	**1.14%**	2.04%
1 Month	**0.42%**	0.68%

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

Feature	Fund Facts
Responsible Entity	Prime Value Asset Management Ltd (ABN 23 080 376 110; AFSL 222 055)
Investment Objective	The Fund aims to provide regular income with medium risk exposure. The Fund targets a return to investors of the RBA Cash Rate plus a margin of 4.0% p.a. This return may vary from month to month depending on the market.
Target Market	The Fund is designed for investors seeking a return above the RBA cash rate and regular monthly distributions from a diverse portfolio of investments with an emphasis on capital preservation.
Benchmark	RBA Cash Rate + 4% p.a.
Inception Date	1 August 2019
Distributions	Monthly
Suggested Investment Period	1-2 years
Individual Security Maximum Exposure	Individual security holdings will generally be limited to 15% of the portfolio, however, the Fund Manager is permitted to invest above 15% but generally not exceeding 25% of the portfolio if this is considered to be in the best interests of investors.
Minimum Investment	$50,000
Management Fee	0.85% per annum[1]
Performance Fee	15%[1] of net performance above the RBA Cash Rate + 4% p.a. benchmark
Issue price	$0.9568
Withdrawal Price	$0.9568
Distribution (31/10/2024)	$0.0053

[1]The Fund may hold one or more unlisted trusts (Interposed Vehicles). Indirect costs are the impact on the Fund from fees and costs such as management fees in connection with Interposed Vehicles. The fees in the above table exclude indirect costs. Indirect management fees and costs for the year ended 30 June 2024 were 1.20%. Indirect performance fees charged or accrued since the Fund's inception to 30 June 2024 were 0.4% pa. Indirect costs will vary every year.



Fund review and strategy

The Fund's return for October 2024 was 0.42% after-fees. In November 2024 the Fund distributed $0.53 cents per unit to investors, equivalent to 6.55% p.a. (assuming all distributions are reinvested). This distribution is the 63rd consecutive distribution since the Fund was incepted in August 2019. Past performance is not a reliable indicator of future performance.

The major risks faced by the Fund are a major deterioration in the performance of the Australian economy or a large market selloff. Neither is considered likely. Whilst Australia's GDP growth is below-trend, the Federal Treasury, the RBA and the IMF (in its October issue of the "World Economic Outlook"), all continue to forecast a pick up in the Australian economy in 2024/25 and 2025/26, supported by the rate cuts delivered by the central banks of many western-developed countries and the major stimulus program underway in China, Australia's major trading and investment relationship.

Global markets were again broadly stable in October 2024 against a backdrop of easing Inflation, and interest rate cuts by several central banks, in particular the Fed's 0.50% rate cut on 18 September followed by a further 0.25% rate cut on 7 November. However, with strong jobs growth in the US, unemployment near all-time lows (4.2%), and the US economy performing well (GDP up 2.8% in the September quarter 2024), the US bond market has been unwinding its expectation for further rate cuts by the Fed and is now only expecting another 1.0% of rate cuts by the end of 2025.

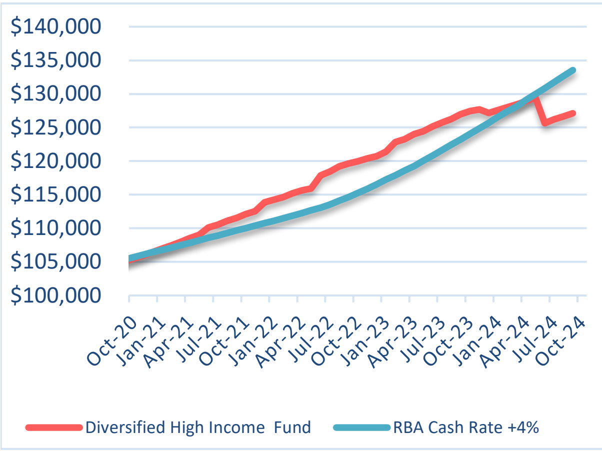
The market does not see the RBA's monetary policy as being a major impediment to the Australian economy, given the overall trend to lower inflation and that the RBA has not hiked the cash rate for a full 12 months. Importantly, ABS data released in October showed CPI for the September quarter 2024 slowed to a 3 ½ year low of 2.8% (annual), well down from 3.8% in the June quarter and now within the RBA's 2-3% target band. Nonetheless, the RBA's preferred inflation measure, the "Trimmed Mean" (which excludes irregular and temporary effects), was 3.5% (annual), and so the RBA at its meeting on 5 November, whilst not moving the rate, retained its "tightening bias". In particular, the RBA referred to ABS data showing the unemployment rate steady at 4.1%, strong jobs creation and a participation rate (labour force divided by total working-age population) of 67.2% which is the highest since this series began in February 1978. Hence, whilst there is a very low likelihood of another rate hike, a rate cut in the near future is also very unlikely. The market is expecting the easing cycle to commence in the first half of 2025. It is noteworthy that the 4.25% of rate hikes in the 18-month period between May 2022 and November 2023, being the largest and quickest rate cycle in RBA history, has now been followed by 12 months of the RBA not moving the cash rate. This makes sense given the trend down in inflation, the uncertainties in the global economy, and the need to see the overall effects of the rate hikes.

We are alert to the recent increase in market volatility as seen in various market-based indicators including the VIX (which measures equity market volatility). Further volatility in markets can be expected if the US Fed raises its forward-estimates for inflation and signals less rate cuts. The Middle East and Russia/Ukraine conflicts continue to remain very fluid and may also cause markets to become more volatile at some stage. It is unclear what the election of Donald Trump as the US President means for markets. It will only be after he is sworn in on 20 January 2025 that we will begin to have a clearer picture of the economic and market implications of his Presidency.

Given the above uncertainties, we will continue with our strategy of investing the Fund's portfolio within a risk management framework in a diverse range of quality, income-producing assets, including mortgages, unlisted property, 'alternative' assets, and loan assets. This strategy has allowed the Fund to meet its key objectives of capital preservation over the medium-term and ongoing monthly distributions.

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

Fund Performance



This graph shows how $100,000 invested at the Fund's inception has increased to $127,640 (net of fees). This compares with the Fund's benchmark return of the RBA cash rate + 4% p.a., where a $100,000 investment would have increased to $134,450 over the same period.

Performance figures have been calculated in accordance with the FSC standards. No allowance has been made for taxation. Performance assumes the reinvestment of income distributions. Past performance is not a reliable indicator of future performance. Net returns are calculated after managements fees.

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