Prime Value Enhanced Income Fund Monthly Update – October 2024

- The Fund performed well in October 2024 with a return of 0.32% after-fees. For the past 12 months, the return was 5.53% after-fees (excluding franking credits) and 5.85% after-fees (including franking credits). These returns are well above the Fund's benchmark return.
- Markets in October 2024 were stable, supported by rate cuts by the US Fed and other central banks, together with further stimulatory measures in China. Market volatility has increased and there are several economic and geopolitical factors that may increase volatility further. It is too early to assess the significance for the economy or markets of Donald Trump's election as President of the US. The picture will become clearer only after he is sworn in on 20 January 2025. We continue to manage the Fund conservatively within a risk management framework 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.)	**2.78%**	**3.18%**	1.95%
5 Years (p.a.)	**1.86%**	**2.07%**	1.93%
3 Years (p.a.)	**2.62%**	**2.80%**	3.09%
1 year	**5.53%**	**5.85%**	4.39%
6 Months	**2.96%**	**3.11%**	2.20%
3 Months	**1.93%**	**1.93%**	1.09%
1 month	**0.32%**	**0.32%**	0.37%

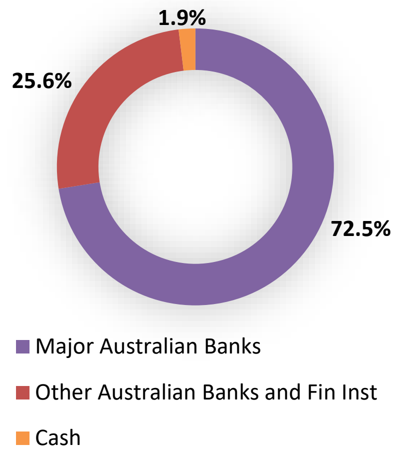
* Performance figures have been calculated in accordance with Financial Services Council (**FSC**) standards. No allowance has been made for taxation. Performance assumes the reinvestment of income distributions. Past performance is not necessarily an indicator of future performance. Net returns are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

Major Holdings	Sector	Category
NAB	Banks	Unlisted Wholesale Securities
Westpac	Banks	Unlisted Wholesale Securities
CBA	Banks	Unlisted Wholesale Securities
ANZ	Banks	Unlisted Wholesale Securities
Australian Unity	Financial Institution	ASX Listed Notes

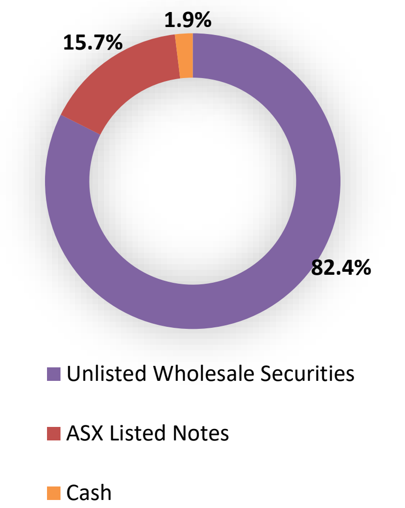
Feature	Fund Facts
Responsible Entity	Prime Value Asset Management Ltd (ABN 23 080 376 110; AFSL 222 055)
Investment Objective	To provide regular income with low risk of capital loss in the medium term (the Fund's unit price will vary with market factors and other factors affecting the prices of securities in the investment portfolio). The Fund targets a return to investors of the Benchmark Return. 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	$1.0034
Withdrawal Price	$1.0030
Distribution (30/09/2024)	$0.01

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

Holdings by Sector



Holdings by Category



Fund review and strategy

The Fund performed well in October 2024 with a return of 0.32% after-fees. For the past 12 months, the return was 5.53% after-fees (excluding franking credits) and 5.85% after-fees (including franking credits). These returns are well above the Fund's benchmark return. Past performance is not a reliable indicator of future performance. The next distribution of the Fund will be for the December quarter 2024, to be paid to investors in early January 2025.

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.

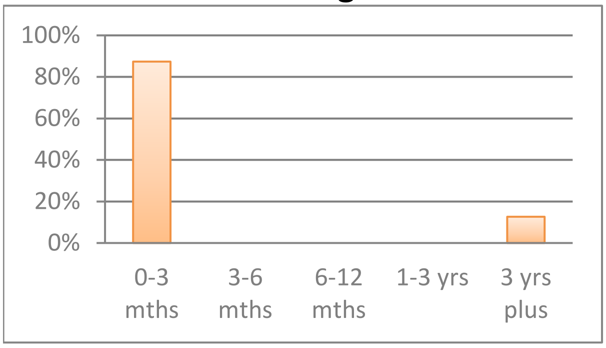
The market does not see the RBA's monetary policy as being a major impediment to the Australian economy, given the overall trend to lower inflation and that the RBA has not hiked the cash rate for a full 12 months. Importantly, ABS data released in October showed CPI for the September quarter 2024 slowed 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 as acknowledged by the RBA, 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 various uncertainties, we will continue to invest the Fund’s portfolio within a risk management framework predominately 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 meet its objectives of capital preservation and quarterly distributions.

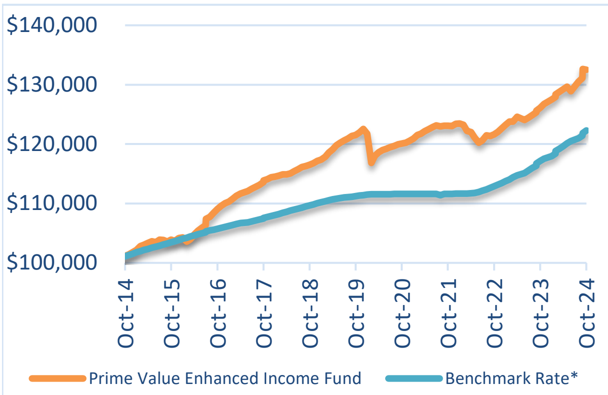
If you have any questions, please do not hesitate to arrange a call through your Investor Relations contact.

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 $132,520 (net of fees). This compares with the Fund’s benchmark return, where a $100,000 investment would have increased to $122,290 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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Contact details:

Prime Value Asset Management Ltd

Level 9, 34 Queen Street, Melbourne VIC 3000

T: + 61 3 9098 8088

E: info@primevalue.com.au

W: primevalue.com.au