Prime Value Enhanced Income Fund Monthly Update – February 2025

- The Fund's return for February 2025 was 0.42% after-fees. For the past 12 months, the return was 4.97% after-fees (*excluding* franking credits) and 5.13% after-fees (*including* franking credits). These 1-month and 12-month returns are well above the Fund's benchmark returns. The Fund's next distribution will be paid to investors in early April 2025 for the March quarter 2025.
- Markets in February 2025 were broadly stable. However, there are several market, economic and geopolitical factors which may create higher volatility in markets in coming months. We will therefore continue to manage the Fund's investment portfolio conservatively with the aim to risk manage the portfolio against uncertain markets and economic developments so that the Fund continues to meet its key objectives of capital preservation over the medium term and ongoing quarterly distributions to investors.

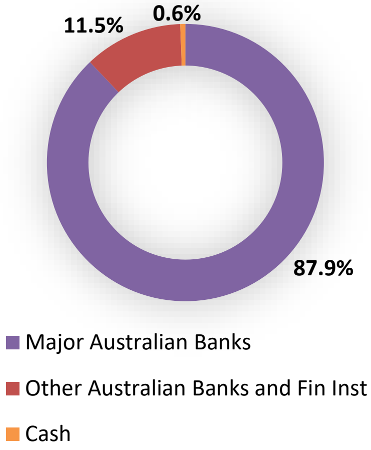
	Net Return	Net Return *including* Franking Credits**	Benchmark Return - 90 Day Bank Bill Rate (BBSW)
Since inception (p.a.)	**2.81%**	**3.20%**	2.02%
5 Years (p.a.)	**2.05%**	**2.23%**	2.15%
3 Years (p.a.)	**3.01%**	**3.19%**	3.56%
1 year	**4.97%**	**5.13%**	4.38%
6 Months	**2.76%**	**2.76%**	2.15%
3 Months	**1.12%**	**1.12%**	1.06%
1 month	**0.42%**	**0.42%**	0.31%

* 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.

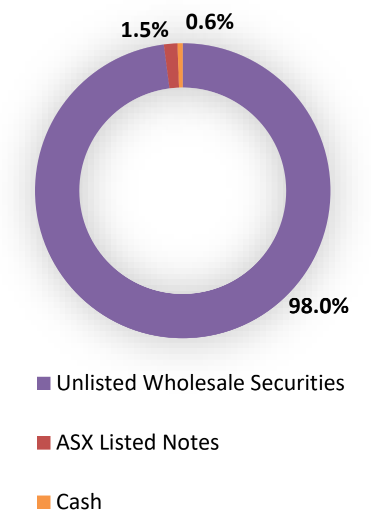
Major Holdings	Sector	Category
NAB	Banks	Unlisted Wholesale Securities
Westpac	Banks	Unlisted Wholesale Securities
CBA	Banks	Unlisted Wholesale Securities
ANZ	Banks	Unlisted Wholesale Securities
Bank of Queensland	Banks	Unlisted Wholesale Securities

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 a regular income with capital stability (i.e. low variability in the Fund's unit price). Variations in the unit price can occur from time to time due to market factors and other factors influencing the prices of securities in the portfolio. The Fund targets a return to investors in excess of the 90-day Bank Bill Swap Rate (BBSW) as published by the ASX on its website (until 15 December 2020 the Benchmark rate was the Reserve Bank of Australia's cash rate). Our aim is for minimal risk of capital loss in the medium term.
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. 0.25 years
Distributions	Quarterly
Suggested Investment Period	1 + year
Minimum Investment	$50,000
Indirect Cost Ratio (ICR)	0.60% p.a.[1]
Issue price	$1.0060
Withdrawal Price	$1.0056
Distribution (31/12/2024)	$0.01

Holdings by Sector



Holdings by Category



Fund review and strategy

The Fund’s return for February 2025 was 0.42% after-fees. For the past 12 months, the return was 4.97% after-fees (excluding franking credits) and 5.13% after-fees (including franking credits). These 1-month and 12-month returns are well above the Fund's benchmark returns. Past performance is not a reliable indicator of future performance.

The two main risks faced by the Fund are a major setback in the Australian economy, or a large selloff in the major asset markets. Neither event occurred in 2024 nor so far in 2025. The RBA rate cut of 0.25% on 18 February is supportive to the Australian economy and asset markets. The rate cut broke a cycle of 13 rate hikes in the 2022:2023 period and then holding the cash rate at 4.35% throughout 2024. The RBA commented in its post-meeting statement that the "upside risks to inflation appear to have eased” but did temper this view saying that if monetary policy is eased "too much too soon, disinflation could stall". The RBA was comfortable with the rate cut on the basis that its monetary policy is still "restrictive", which it felt was justified by the continuing tight labour market conditions. The RBA’s tone suggests a very mild easing cycle – with the market now only pricing in 0.25%-0.50% of further rate cuts.

Important to monetary policy will be the balance the RBA strikes between inflation and Australia’s economic growth. Australia’s annual GDP growth rate in the 12 months to December 2024 was 1.3%, up from the 0.8% in the prior quarter, however the data highlights the continuing poor performance of the Australian economy. The RBA’s current focus is on inflation; however, this balance may shift to economic growth in coming months, giving scope for more rate cuts than currently expected. The recent replacements to the RBA Board may also sway the RBA to deliver more rate cuts. Nonetheless, the RBA's hesitancy in cutting the official cash rate is being echoed by the US Federal Reserve, the ECB, and the Bank of England after the recent uptick in inflation in those countries. US Fed Chair Jerome Powell recently stated his preference for a restrictive monetary policy after the move in inflation back to a 3% annual rate. Reduced expectations of rate cuts - with the US bond market now only expecting one more rate cut - may eventually impact investor sentiment and lead to higher market volatility.

Market volatility has increased recently following US President Trump's various statements and executive orders relating to a plethora of international situations and US domestic issues. As much of this has only just occurred and is still being digested, markets have shown only a modest increase in volatility. However, markets may begin to trade with more volatility if outcomes appear less certain or less desirable. Trade issues in particular have come to the fore as Trump selectively imposes higher tariffs. We have seen “retaliatory” actions by China, the EU and other countries. Trade issues may cause heightened market volatility if the issues escalate and broaden given the importance of international trade to the economies of all major countries and many emerging countries.

The economic slowdown in China appears to have stabilised. We remain alert to developments especially given the trade issues mentioned above. China’s economy is important for Australia given the close trading and investment ties between the two countries, and the influence globally of China and its economy.

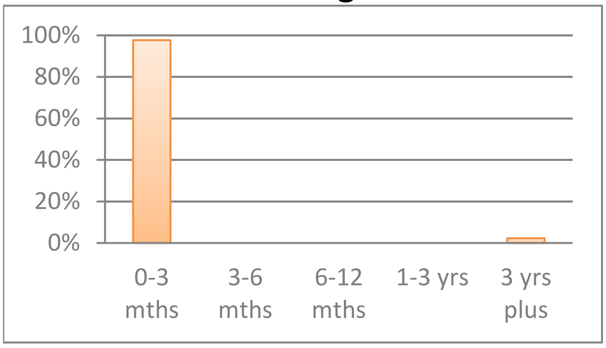
To date, we have not seen any material impact on global markets from the hostilities in the Middle East, nor the Russia/Ukraine conflict and the “peace deal” proposed by President Trump. These conflicts remain fluid and prone to surprises. We will continue to watch for developments that could cause these conflicts to broaden or escalate as this may potentially increase market volatility.

The date for the Australian federal election has not been announced. So far, the various policy announcements and economic commitments by the major political parties have not had a material market impact. We remain alert to developments.

In risk managing the Fund’s investment portfolio, we do not make asset selections based on specific market outcomes or predicting economic data. Our aim is to risk manage the Fund’s portfolio against uncertain markets so that the Fund continues to meet its key objectives of capital preservation over the medium term and ongoing quarterly distributions to investors.

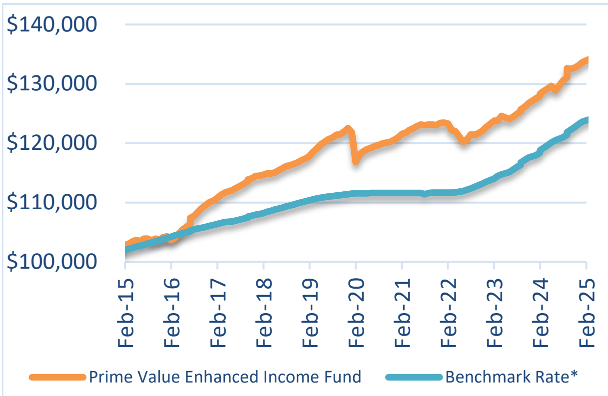
If you have any questions, please do not hesitate to arrange a call through your Investor Relations contact.

Interest Rate Reset Management



The Fund’s portfolio weighted average interest rate reset duration is approximately 3 months. Nearly all the 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 $134,190 (net of fees). This compares with the Fund’s benchmark return, where a $100,000 investment would have increased to $124,010 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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