Prime Value Enhanced Income Fund Monthly Update – July 2026

- The Fund's return for July 2026 was 0.35%, slightly below the Fund's benchmark return. The 1-year return after-fees was 4.41%, which is above the benchmark return. All other returns after-fees, except the 5-year return, through to inception of the Fund in 2014, are above the Fund's benchmark returns. The 5-year return was only very marginally below the benchmark return.
- The Fund's next distribution will be for the September quarter 2026 to be paid to investors in early October.
- The major factors in July were the outbreak of hostilities in the Middle East and market expectation for the US Fed to hike rates, which would represent a "sea-change" for the Fed from the cuts in 2025. We will continue to manage the Fund conservatively to ensure it meets 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.)	**2.99%**	**3.35%**	2.24%
5 Years (p.a.)	**3.05%**	**3.20%**	3.25%
3 Years (p.a.)	**4.65%**	**4.82%**	4.15%
1 year	**4.41%**	**4.41%**	3.97%
6 Months	**2.17%**	**2.17%**	2.13%
3 Months	**1.28%**	**1.28%**	1.11%
1 month	**0.35%**	**0.35%**	0.37%

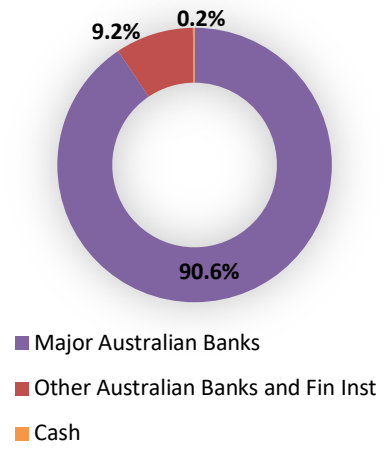
* Performance figures have been calculated in accordance with Financial Services Council (**FSC**) standards. No allowance has been made for taxation. Performance assumes the reinvestment of income distributions. Past performance is not necessarily an indicator of future performance. Net returns are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

Major Holdings	Sector	Category
ANZ	Banks	Unlisted Wholesale Securities
Suncorp	Banks	Unlisted Wholesale Securities
Westpac	Banks	Unlisted Wholesale Securities
Macquarie	Banks	Unlisted Wholesale Securities
BOQ	Banks	Unlisted Wholesale Securities

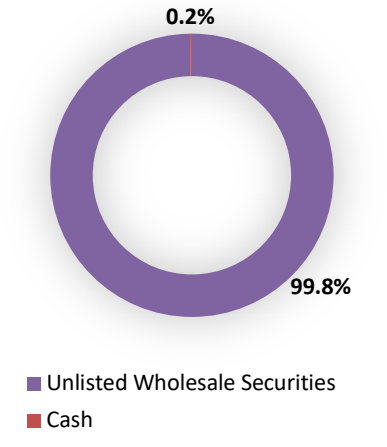
Feature	Fund Facts
Responsible Entity	Prime Value Asset Management Ltd (ABN 23 080 376 110; AFSL 222 055)
Investment Objective	The Fund aims to provide a regular income with capital stability (i.e. low variability in the Fund's unit price). Variations in the unit price can occur from time to time due 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. 3 months
Distributions	Quarterly
Suggested Investment Period	1 + year
Minimum Investment	$50,000
Indirect Cost Ratio (ICR)	0.60% p.a.[1]
Issue price (Cum)	$1.0075
Withdrawal Price (Cum)	$1.0071
Distribution (30/06/2026)	$0.0121

[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's return after-fees for July 2026 was 0.35%, slightly below the Fund's benchmark return. The 1-year return after-fees was 4.41%, which is above the benchmark return. All other returns after-fees, except the 5-year return, through to inception of the Fund in 2014, are above the Fund's benchmark returns. The 5-year return was only very marginally below the benchmark return. Past performance is not a reliable indicator of future performance.

The Fund's next distribution will be for the September quarter 2026 to be paid to investors in early October.

In July, volatility in global markets increased materially with the outbreak of renewed hostilities in the Middle East and the market anticipating the US Fed to hike rates later this year (even though it did not hike rates at its late July meeting). A rate hike by the Fed would be a "sea change" after its rate cuts last year. In early August, market volatility ebbed when President Trump revised his plans to launch a large attack on Iran, stating that negotiations were re-opening with Iran.

In Australia, the RBA has expressed concerns about the Australian economy and the housing market especially after the tax changes (now legislated) in relation to capital gains and negative gearing. Nonetheless, the RBA is expected to keep its "tightening bias" for the time being due to several factors: the Middle East situation producing higher fuel prices and trade dislocations, continuing strength in employment and CPI data, the imposition by the US with immediate effect of a 12.5% tariff on a number of Australian goods exported to the US (these tariffs are essentially the revamped "Liberation Day" tariffs that the US Supreme Court subsequently disallowed), the high level of government spending, poor productivity and the large number of union wage claims.

The market expects the RBA to hike rates once more which would bring the cash rate to 4.6%, the highest for the past 11 years. Beyond one more rate hike, the market is reluctant at this stage to price in additional hikes. The four major Australian banks (CBA, NAB, ANZ and Westpac) all believe the RBA's tightening programme is over. We therefore appear to be close to the end of the tightening cycle although we cannot be definitive about this, and RBA intentions regarding monetary policy will depend on the economic data. The RBA next meets 11 August - we will be watching carefully to see if the RBA is still forecasting the inflation rate to come down to 2.5% (being the midpoint of its target 2-3% inflation band) by mid-2028 which is considered an acceptable timeframe. If this timeframe in pushed out, then there is a very strong likelihood of another rate hike, and possibly more than one. We will also be watching for RBA comments concerning the Australian economy and how these concerns might temper their inclination to hike the official cash rate.

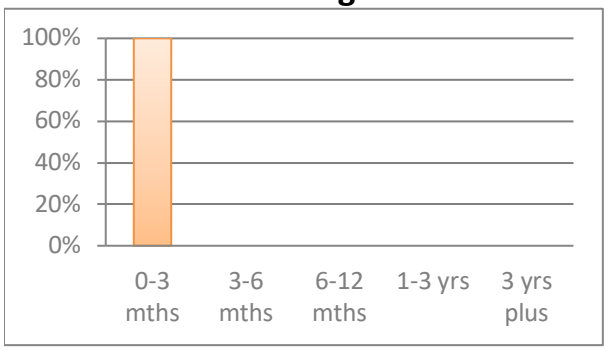
Securities in the Fund's portfolio are all "floating rate" with their interest rates resetting every 3 months according to the prevailing 3-month BBSW rate. This rate is the major short-term interest rate in the professional wholesale market. The Fund has therefore directly benefitted from the RBA rate hike in February and stands to benefit from further rate hikes as changes to the RBA's official cash rate flow through to the 3-month BBSW rate.

Clearly the Middle East situation is important to the way global markets fare in coming weeks. It is unknown whether or when a peace agreement can be concluded. There are a whole range of scenarios that could play out. We are therefore monitoring the situation carefully.

We will continue with our conservative risk management to invest the Fund's portfolio in floating (variable) rate debt securities. These securities have benefitted from the RBA rate hikes, and any further RBA rate hikes, as the interest rates on the securities reset every 3 months according to the prevailing 3-month BBSW rate (which moves in line with the RBA official cash rate). These securities are predominately "AA-" rated debt securities issued by the four major Australian banks, and "AAA" rated debt securities, so have very low credit risk, very strong liquidity and pay a stable, regular (quarterly) income. We believe this strategy will ensure the Fund will meet its key objectives of capital preservation over the medium term and ongoing quarterly distributions to investors.

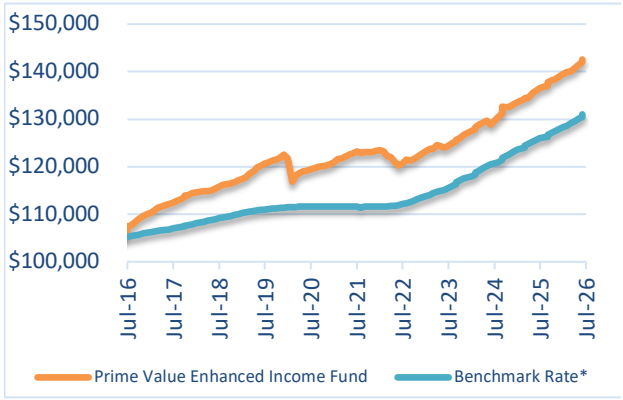
If you have any questions, please do not hesitate to arrange a call through your Investor Relations contact.

Interest Rate Reset Management



The Fund's portfolio weighted average interest rate reset duration is very close 3 months. All securities in the Fund's portfolio have interest rates that reset quarterly and therefore benefit from the higher interest rates in the current market.

Fund Performance



This graph shows how $100,000 invested at the Fund's inception has increased to $142,550 (net of fees). This compares with the Fund's benchmark return, where a $100,000 investment would have increased to $131,000 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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