

PRIME VALUE GROWTH FUND

MONTHLY UPDATE DECEMBER 2012



PrimeValue[®]
Building Wealth Together

Fund Performance

Tables 1 and 2 show the PVGF performance relative to the S&P/ASX 300 Accumulation Index for the period to 31 December 2012.

Table 1 shows the performance on an annual basis and Table 2 shows the cumulative return.

Table 1: Annual Return (Class A Units)*	1 mth	3 mths	1 Yr	3 Yrs (pa)	5 Yrs (pa)	7 Yrs (pa)	10 Yrs (pa)	Since Apr 98 (pa)
Prime Value Growth Fund	2.8%	5.3%	14.1%	2.7%	-0.5%	5.9%	13.5%	13.7%
S&P/ASX300 Accumulation Index	3.3%	6.8%	19.7%	2.8%	-1.8%	4.1%	9.1%	7.8%
Relative Performance To Benchmark	-0.5%	-1.5%	-5.6%	-0.1%	1.3%	1.8%	4.4%	5.9%
Approximate Annual Return (after Performance Fees)#			14.1%	2.7%	-0.5%	5.5%	12.6%	12.5%

Table 2: Cumulative Return (Class A units)*	1 Yr	3 Yrs	5 Yrs	7 Yrs	10 Yrs	Since April 98
Prime Value Growth Fund	14.1%	8.4%	-2.5%	49.5%	253.8%	565.7%
S&P/ASX300 Accumulation Index	19.7%	8.6%	-8.7%	32.1%	137.9%	201.0%
Relative Performance To Benchmark	-5.6%	-0.2%	6.2%	17.4%	115.9%	364.7%
Approximate Cumulative Return (after Performance Fees) #	14.1%	8.4%	-2.5%	45.9%	230.0%	490.9%

* Performance figures have been calculated in accordance with FSC Standard No 6.0, Product Performance – “Calculation of Returns” and FSC Standard No 10 – “Presentation of Past Performance Information”. The returns are calculated after management fees but before performance fees which are charged against individual accounts. The returns exclude the benefits of imputation credits. No allowance has been made for taxation. Performance assumes the reinvestment of income distributions. Past performance is not necessarily an indicator of future performance.

Post-performance fee returns are an APPROXIMATION only, as performance fees are charged each year on June 30 (or on withdrawal), based on the performance of each investment. Performance fees are only payable where the return of the Fund exceeds the performance of the benchmark and the net return is positive.

Manager's Commentary

The Australian equity market finished the year on a positive note, with the benchmark S&P/ASX 300 Accumulation index rising 3.3% during December, giving a financial year to date return of 16.1% and a calendar year return of 19.7%. Global influences were dominated by “fiscal cliff” negotiations (the simultaneous expiration of tax breaks with cuts in government expenditure) in the US while Italy's Prime Minister resigned. More positively, China's annual Economic Work Conference confirmed sustainable growth and urbanisation to boost domestic demand, while ECB president Mario Draghi stated a Eurozone recovery is likely in the second half of 2013. US employment data was very strong but sentiment suffered (fiscal cliff related), Chinese data confirmed economic growth was picking up and the European PMI suggested the recession was easing. Japan was the best performing market, up 10%. Iron ore rose strongly (over 25%) while base metals, oil and gold were all generally weaker. The \$A was also marginally weaker.

Domestically, the RBA cut interest rates for the fourth time in 2012 to 3.0% and the government scrapped budget surplus plans for 2012/13 due to lower revenues. Economic data was mixed. Employment numbers and trade data were positive but GDP was lower than expected and both consumer and business sentiment numbers disappointed.

In a month of low volumes the cyclical sectors performed well, particularly Materials, Industrials and Financials, while the more defensive sectors, including Consumer Staples, Telcos and REITs, took a breather following recent strength.

The Fund achieved a return of 2.8% during December. Sector allocation detracted from performance as the Fund was overweight Energy and Consumer Staples, which underperformed.

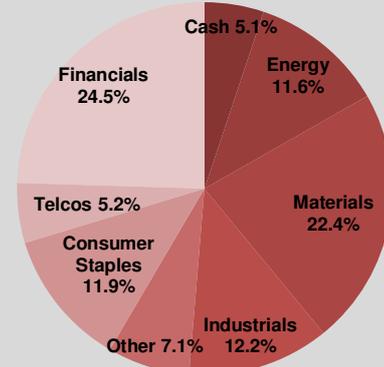
At a stock level, the positions which contributed positively to performance included BHP Billiton (up 7.9%), Monadelphous (up 12.2%) and ALS Ltd (up 13.7%). The stocks which detracted from performance included Newcrest Mining (down 13.5%) and WorleyParsons (down 4.9%).

The financial year half year return was 13.0% and we were pleased to pay a distribution of 1.7% for the half (2.8% including imputation credits). Sector allocation was the key detractor from performance, due mainly to our overweight position in mining services and energy companies. We expect China and emerging markets will recover which should lead to strength in the materials and mining services sectors. Our core strength, stock selection, was a positive contributor to performance during the half.

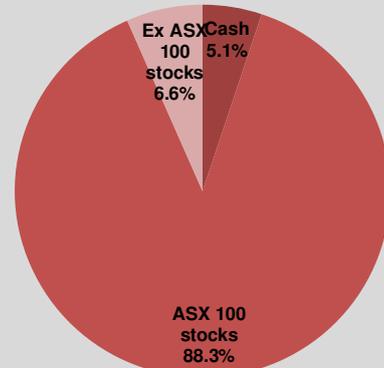
Overall, the Australian equity market remains attractive relative to other asset classes due to low government debt, solid economic growth, and an expected recovery in earnings. Valuations are reasonable; however significant global risks remain which will continue to affect domestic markets. We are confident to continue our high conviction and low error approach.

As noted in our external research note the Fund has out-performed the market by 5.9% since inception.

Holdings by Sectors



Holdings by Market Cap



Top Five Holdings

ANZ	Financials
BHP Billiton	Materials
Telstra	Telecommunications
Wesfarmers	Consumer Staples
Westpac	Financials

The portfolio is generally comprised of 30 - 50 stocks.

Key Fund Details

Investment Objectives

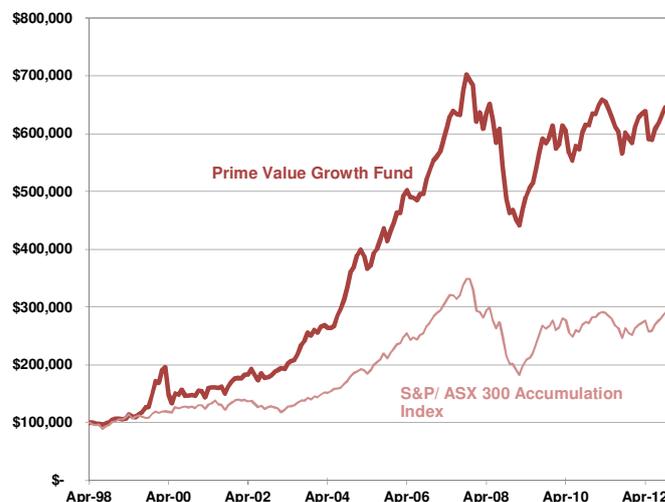
The PVGF aims to provide superior medium to long-term capital growth, with some income, by managing a portfolio of predominantly Australian equities listed on any recognised Australian stock exchange.

Investor Profile

The PVGF is appropriate for an investor seeking medium to long-term capital growth, who is prepared to accept some fluctuations in short-term returns. This type of investment is appropriate as a significant part of a properly diversified investment portfolio for individuals, companies, trusts and superannuation funds.

Historical Performance (Class A Units)

Value of \$100,000 Invested Since Inception (10 Apr 1998 – 31 Dec 2012)



This graph shows how a notional \$100,000 invested at the Fund's Inception (10 April 1998) has increased to \$665,700 (net of fees excluding performance fees) as at 31 December 2012. After performance fees, the amount would be approximately \$590,900. This compares very favourably with the return of the market, where a \$100,000 investment would have increased to \$301,000 over the same period. The returns exclude the benefits of imputation credits.

Launch Date: 10 April 1998 Size of Fund: \$204.3m	Direct Investment (Class A)		Indirect Investment via IDPS or IDPS-Like Schemes (Class B)	
APIR Code	PVA0001AU (PVGF)		PVA0011AU (PVGF)	
Indirect Cost Ratio (ICR)	1.435% p.a. ¹		1.23% p.a. ^{1,2}	
Performance Fee	20.5% p.a. ¹ of performance (net of management fees and administration costs) above the agreed benchmark, subject to positive performance		20.5% p.a. ¹ of performance (net of management fees and administration costs) above the agreed benchmark, subject to positive performance	
Benchmark	S&P / ASX 300 Accumulation Index		S&P / ASX 300 Accumulation Index	
Minimum Initial Investment	\$20,000		N/A	
Minimum Additional Investment	\$5,000		N/A	
Contribution Fee	Nil ³		N/A	
Withdrawal Fee	Nil		N/A	
Income Distributions	Half-yearly		Half-yearly	
Research Rating	Lonsec Zenith Morningstar	Investment Grade Approved ★★★★★	Lonsec Zenith Morningstar	Investment Grade Approved ★★★★★
Unit Prices @ 31 December 2012	Issue Price:	\$2.8618	Issue Price:	\$2.8403
	Withdrawal Price:	\$2.8402	Withdrawal Price:	\$2.8187
	Distribution:	\$0.0475	Distribution:	\$0.0494

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

² Fees for indirect investments do not include the fees charged by the IDPS operator. The fund is available in the following platforms: Asgard, Ausmaq, Beacon, BT Wrap, First Wrap, IOOF Global One, Macquarie Wrap, netwealth, Portfolio Advantage, Premium Choice, Symetry, Wealthrac.

³ Up to 3% may be charged where a Direct Investor is introduced by an adviser to the Fund, as mutually agreed between the investor & adviser.

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