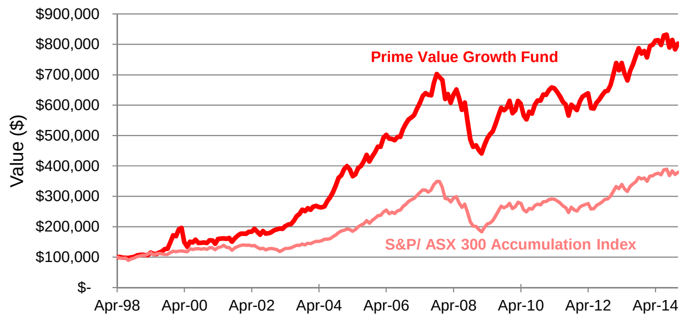
MONTHLY UPDATE
DECEMBER 2014

Prime Value Growth Fund

Fund Performance

Annual Return (Class A Units)*	1 mth	3 mths	1 Yr	3 Yrs (pa)	5 Yrs (pa)	10 Yrs (pa)	Since Apr 98 (pa)	Since Apr 98 (cumulative)
Prime Value Growth Fund	**2.4%**	**1.6%**	**3.1%**	**11.2%**	**5.5%**	**8.0%**	**13.2%**	**702.2%**
S&P/ASX300 Accumulation Index	2.0%	2.9%	5.3%	14.7%	6.5%	7.4%	8.3%	279.3%
Relative Performance To Benchmark	0.4%	-1.3%	-2.2%	-3.5%	-1.0%	0.6%	4.9%	422.9%
Approximate Annual Return (after Performance Fees)**			3.1%	11.2%	5.5%	7.9%	12.2%	615.5%

Value of $100,000 invested since inception (10 Apr 1998 – 31 Dec 2014)



This graph shows how $100,000 invested at the Fund's Inception has increased to $802,200 (net of fees excluding performance fees). This compares very favourably with the return of the market, where a $100,000 investment would have increased to $379,300 over the same period. The returns exclude the benefits of imputation credits.

Manager's Commentary

The Australian share market finished the year on a positive note (up 2.0% in December) to post a 12 month return of 5.3% inclusive of dividends. Whilst somewhat lower in comparison to back-to-back years of double digit returns and stronger global equity markets; a positive return was welcome considering the rout in our key commodity markets and a softening domestic economy. The price of iron ore and oil have more than halved from their 2014 peaks, with the latter falling below US$50 a barrel at the time of writing. The Australian dollar fell another 4.0% against the US Dollar after a 3.3% decline the previous month.

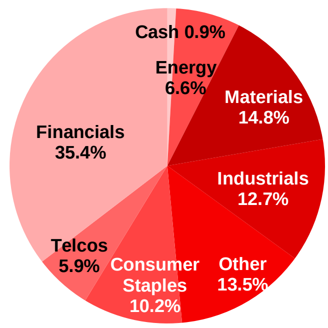
Sector performance in December mirrored the trends of 2014 in many respects, with clear outperformance from defensive industrials such as healthcare (particularly US dollar earners) and beneficiaries of the yield trade, namely Telstra, REITs and to a lesser extent the banks, which have been weighed down by regulatory capital concerns. By contrast, the big miners and energy stocks continued to be buffeted by falling commodity prices.

The Fund rose 2.4% in December, outperforming the S&P/ASX 300 Accumulation Index by 0.4% (after fees). In absolute terms, the fund's major contributors to performance were CBA (up 6.1%), Capitol Health (up 34.9%) and Amcor (up 11.7%). Capitol Health, which the Fund first acquired in March 2013, announced the acquisition of NSW-based Southern Radiology Group as it seeks to replicate its Victorian market success. Eight radiologists will join the Group, while the acquisition also adds an additional five MRI licences to the Group's existing portfolio. The major detractors were BHP (down 5.0%), Suncorp (down 1.9%) and Flight Centre (down 19.3%), which lowered its full year profit guidance. The Fund's sectoral allocation detracted from performance with the overweight exposure to consumer staples and underweight position to REITs detracting, while the overweight exposure to industrials was a positive.

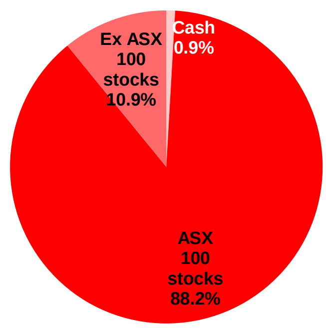
As the New Year kicks off, it's hard not to contrast the fortunes of the US economy, with those of China, Europe and of course our own. While the US dollar continues to rally in anticipation of a rate increase, expectations are that the ECB is poised to embark on its own large-scale quantitative easing. The Australian economy continues to make a slow transition. Resources and mining will still make up a large component of the economy. Looking forward, however, new drivers will emerge that will highlight Australia's strengths in services, education, agriculture and potentially tourism. We expect to uncover new investment opportunities in these sectors.

As always, our portfolio strategy is to look for high quality companies at reasonable valuations (ideally with structural tailwinds); however, we are also considering a number of more value orientated turnaround opportunities (both stock specific and sectoral). The earnings outlook for the next 12 months is looking better compared to the previous 12: lower petrol prices and low interest rates should benefit households. In time, this will translate to greater consumer and business confidence.

Holdings by Sectors



Holdings by Market Cap



Top Five Holdings

ANZ	Financials
BHP	Materials
CBA	Financials
Telstra	Telcos
Wesfarmers	Consumer Staples

The portfolio is generally comprised of 25 - 45 stocks.

* Performance figures have been calculated in accordance with the Financial Services Council (FSC). 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. Performance fees are only payable where the return of the Fund exceeds the performance of the benchmark and the net return is positive.

Investment Objectives

The Growth Fund 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.

The Fund has achieved a positive return in 13 of the last 16 financial years and has out-performed its benchmark in 11 of the last 16 years. Most importantly, the Prime Value Growth Fund has preserved capital and outperformed strongly in negative years.

Investor Profile

The Prime Value Growth Fund 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.

Launch Date: 10 April 1998	Direct Investment (Class A)		Indirect Investment via IDPS or IDPS-Like Schemes (Class B)	
APIR Code	PVA0001AU (PVGF)		PVA0011AU (PVGF)	
Income Distributions	Half-yearly		Half-yearly	
Benchmark	S&P / ASX 300 Accumulation Index		S&P / ASX 300 Accumulation Index	
Minimum Initial Investment	$20,000		N/A	
Minimum Additional Investment	$2,000		N/A	
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	
Contribution Fee	Nil[3]		N/A	
Withdrawal Fee	Nil		N/A	
Research Rating	Lonsec Zenith	Investment Grade Approved	Lonsec Zenith	Investment Grade Approved
Unit Prices @ 31 Dec 2014	Issue Price: Withdrawal Price: Distribution:	$3.1022 $3.0788 $0.0920	Issue Price: Withdrawal Price: Distribution:	$3.0834 $3.0600 $0.0933

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, Premium Choice, Symetry, Wealthtrac.
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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