

MONTHLY UPDATE JULY 2013



Fund Performance

Tables 1 and 2 show the PVGF performance relative to the S&P/ASX 300 Accumulation Index for the period to 31 July 2013.

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	4.6%	-3.5%	17.2%	7.2%	4.0%	5.7%	12.5%	13.7%
S&P/ASX300 Accumulation Index	5.3%	-1.9%	23.2%	8.5%	4.8%	4.5%	9.5%	8.2%
Relative Performance To Benchmark	-0.7%	-1.6%	-6.0%	-1.3%	-0.8%	1.2%	3.0%	5.5%
Approximate Annual Return (after Performance Fees)#			17.2%	7.2%	4.0%	5.4%	11.9%	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	17.2%	23.1%	22.0%	47.1%	225.6%	612.5%
S&P/ASX300 Accumulation Index	23.2%	27.8%	26.2%	36.5%	147.2%	232.7%
Relative Performance To Benchmark	-6.0%	-4.7%	-4.2%	10.6%	78.4%	379.8%
Approximate Cumulative Return (after Performance Fees) #	17.2%	23.1%	22.0%	44.9%	209.5%	534.6%

* 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

It was a strong start to the financial year for the Australian equity market, with the benchmark S&P/ASX 300 Accumulation index rising by 5.3%. Once again, global factors dominated sentiment and market moves. In the US, the Federal Reserve Governor reassured markets that “tapering” of asset purchases would not occur if economic data (namely employment) did not meet expectations. Positive economic data (particularly housing and employment) and an encouraging reporting season were also supportive. European news was positive, with both the Bank of England and the European Central Bank (ECB) suggesting continued easing monetary policy, while the key PMI rose above 50. Emerging markets disappointed however, with Chinese data continuing to slow. Despite this, iron ore rose strongly, as did gold and oil. Base metals were marginally higher. The \$A was weaker, falling below \$US 0.90 for the first time since August 2010.

Domestically, economic data was slightly weaker and although the RBA left rates on hold, remarks by the Governor suggested further possible easing. Earnings “confession season” continued with mixed effects – positive statements from Flight Centre, QBE and Hendersons but disappointment from Woolies, Orica and Treasury Wine Estates.

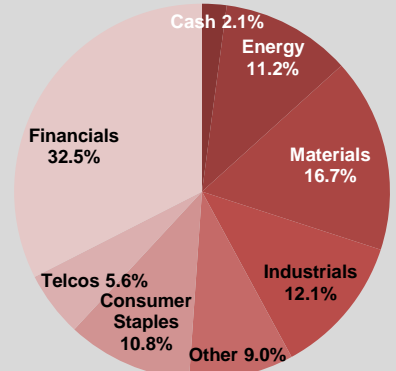
Resources and Materials were the best performing sectors, and Banks and non-bank Financials (ex-REITS) also performed well. Defensive sectors were the laggards, including Consumer Staples and REITs, which were the worst performers.

The Fund rose by 4.6% during July. Sectoral allocation detracted from performance as the Fund was overweight Consumer Staples and Industrials. The cash holding, while modest, also detracted from performance in a generally weak market.

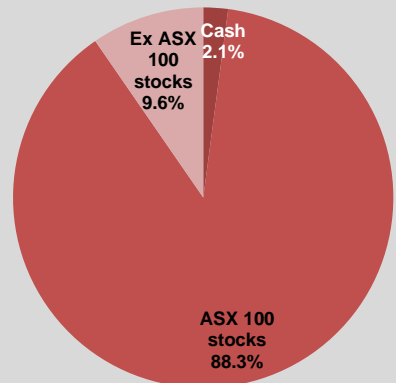
At a stock level, the positions which contributed the most to performance were in the mining and banking sectors, namely BHP Billiton (up 10.4%), REA Group (up 19.1%) and Newcrest Mining (up 23.9% on higher gold prices and a good production report). The companies which detracted from performance were Orica (down 12.5% following an earnings downgrade), ALS (formerly Campbell Brothers, down 11.4% following a UK acquisition and capital raising) and Computershare (down 4.8%).

Current market valuations are being impacted by monetary distortions and lower global growth prospects. The composition and drivers of growth are changing and the transition within the Australian corporate sector is sluggish. Against this backdrop, we believe key top-down themes that will include improvements in mining sector productivity, structural shifts in soft commodity demand and media, as well as aged and health care. From a bottom-up perspective, we are accumulating companies with adaptable business models, underpinned by a competitive position, who can grow dividends and improve returns on cash to offset weakness in the domestic economy.

Holdings by Sectors



Holdings by Market Cap



Top Five Holdings

BHP Billiton	Materials
CBA	Financials
NAB	Financials
Telstra	Telcos
Wesfarmers	Consumer Staples

The portfolio is generally comprised of 20 - 40 stocks.

Key Fund Details

Investment Objectives

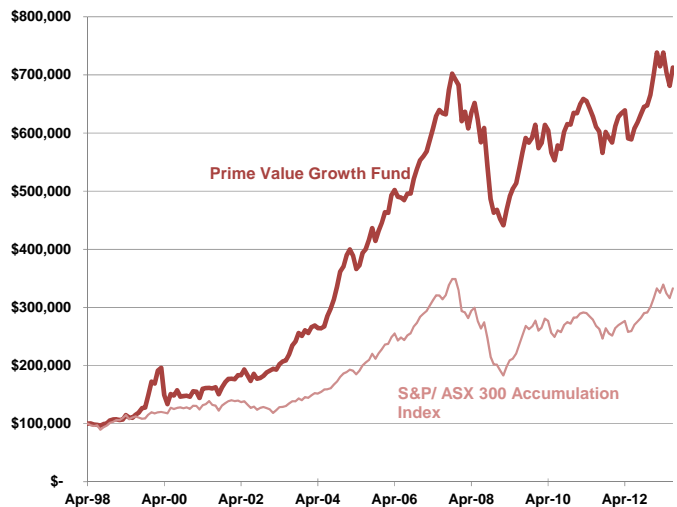
The Growth Fund aims to provide superior medium to long-term capital growth, with some income, by managing a portfolio of predominantly Australian equities listed on any recognised Australian stock exchange.

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.

Historical Performance (Class A Units)

Value of \$100,000 Invested Since Inception (10 Apr 1998 – 31 Jul 2013)



This graph shows how a notional \$100,000 invested at the Fund's Inception (10 April 1998) has increased to \$712,500 (net of fees excluding performance fees) as at 31 July 2013. After performance fees, the amount would be approximately \$634,600. This compares very favourably with the return of the market, where a \$100,000 investment would have increased to \$332,700 over the same period. The returns exclude the benefits of imputation credits.

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)	
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	\$2,000		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 July 2013	Issue Price:	\$2.9639	Issue Price:	\$2.9414
	Withdrawal Price:	\$2.9415	Withdrawal Price:	\$2.9192

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, 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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