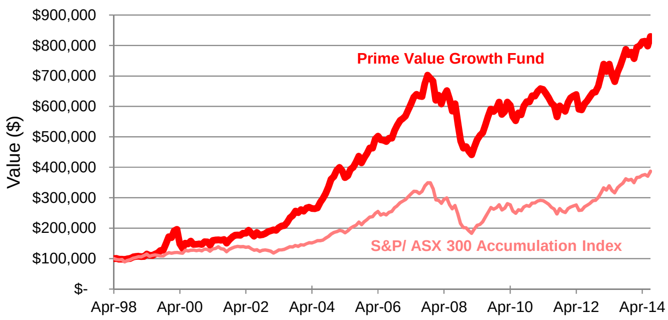
MONTHLY UPDATE
JULY 2014

Prime Value Growth Fund

Fund Performance

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)	Since Apr 98 (cumulative)
Prime Value Growth Fund	**4.0%**	**2.1%**	**16.5%**	**10.8%**	**9.0%**	**3.9%**	**11.3%**	**13.8%**	**729.8%**
S&P/ASX300 Accumulation Index	4.4%	3.6%	16.3%	13.0%	10.3%	3.0%	9.3%	8.6%	286.9%
Relative Performance To Benchmark	-0.4%	-1.5%	0.2%	-2.2%	-1.3%	0.9%	2.0%	5.2%	442.9%
Approximate Annual Return (after Performance Fees)**			16.5%	10.8%	9.0%	3.7%	10.9%	12.8%	639.0%

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



This graph shows how $100,000 invested at the Fund's Inception has increased to $829,800 (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 $386,900 over the same period. The returns exclude the benefits of imputation credits.

Manager's Commentary

The rally in US equities over previous months came to a halt at the end of July. The S&P500 fell 1.5% as earnings disappointed and Argentina defaulted on its bond payments. Additionally, tensions increased between US and Western Europe and Russia prompted further sanctions. This was in sharp contrast to strong returns in emerging equity markets, with Hong Kong and Shanghai markets rising 6.8% and 7.5% respectively. Chinese economic data indicated a more robust picture and some market participants viewed the stock market as attractive from a valuation perspective.

As expected, the US Federal Reserve continued tapering its quantitative easing (QE) by another US$10bn as a sign of confidence that the economy is gaining strength. GDP for 2Q rose at a better-than-expected 3.9% yoy and manufacturing and labour data continued to show positive trends.

Oil and gold fell despite rising geopolitical tensions, but base metals and iron ore rose.

Domestically, housing data continued to be strong and business conditions increased to its highest level since January. However, manufacturing was weaker and the unemployment rate rose to 6.0%. As widely expected, the RBA left interest rates unchanged.

The Australian equity market posted a strong 4.4% rise in July. Materials and REITs were the best performing sectors while Utilities and Healthcare sectors underperformed.

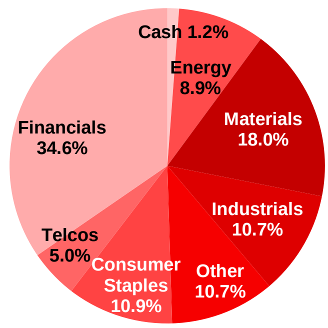
The Fund rose 4.0% during the month benefiting from strong performance of Materials sector. But weaker performance from Energy offset the sectoral contribution.

At a stock level, BHP (up 7.7%), Commonwealth Bank (up 3.5%) and REA Group (up 11.4%) contributed to the Fund's performance. BHP has underperformed the market over the past year, particularly through the first half of FY14. However, a number of factors are in its favour including: improvement in production output leading to better cash flows. Improving cost efficiencies and lower capital expenditure spending should also raise BHP's profitability. The improvement in BHP's share price also comes on the back of marginally better sentiment on China. There has been speculation that BHP's board may be considering some aspects of capital management, a development that we would welcome.

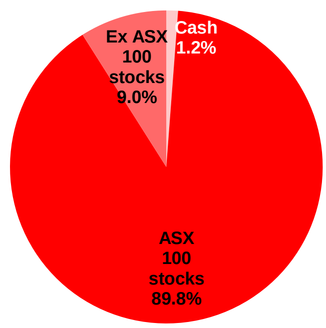
Detractors were Oilsearch (down 2.0%), Ingenia Communities (down 2.0%) and Macquarie Group (down 1.9%).

Looking forward to FY15, we expect revenue growth to be broadly subdued but earnings to grow at between mid to high single digit rates. Costs will still be a focus but a higher level of capital management and corporate activity is likely compared to FY14. The Australian corporate balance sheet is healthy and can be considered as reasonably conservative. Government related asset sell downs are also likely to be a feature in FY15, with the IPO of Medibank being anticipated by the market.

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 Jul 2014	Issue Price: Withdrawal Price:	$3.3048 $3.2798	Issue Price: Withdrawal Price:	$3.2835 $3.2587

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.

For more information

PrimeValue®
Building Wealth Together

Call: 03 9098 8088 Email: info@primevalue.com.au Visit: www.primevalue.com.au