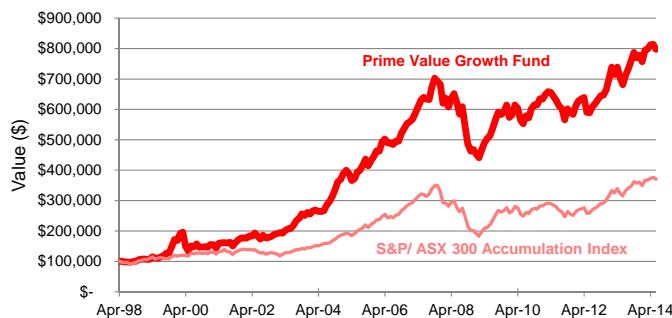


## Fund Performance

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)
<b>Prime Value Growth Fund</b>	<b>-1.9%</b>	<b>-0.1%</b>	<b>17.2%</b>	<b>8.3%</b>	<b>9.2%</b>	<b>3.2%</b>	<b>11.6%</b>	<b>13.6%</b>
S&P/ASX300 Accumulation Index	-1.4%	0.9%	17.3%	9.9%	11.0%	2.1%	8.9%	8.4%
Relative Performance To Benchmark	-0.5%	-1.0%	-0.1%	-1.6%	-1.8%	1.1%	2.7%	5.2%
Approximate Annual Return (after Performance Fees)**			17.2%	8.3%	9.2%	3.0%	11.0%	12.6%

## Value of \$100,000 invested since inception (10 Apr 1998 – 30 Jun 2014)



This graph shows how \$100,000 invested at the Fund's Inception has increased to \$798,300 (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 \$370,500 over the same period. The returns exclude the benefits of imputation credits.

## Manager's Commentary

The Australian equity market underperformed global equity markets in June, finishing the financial year on a negative note, with the benchmark index falling 1.4%. In contrast, the S&P 500 reached new record highs and closed up 1.9%. Overall, the Australian equity market posted another year of double digit returns, rising 17.3% in FY14 (measured by the ASX/S&P300 Accumulation Index).

Towards the end of the financial year, consumer related sectors performed poorly as the consumer confidence fell sharply as a consequence of the Federal Budget. Coupled with unseasonably warm weather, a number of retailers downgraded their profits expectations for FY14. The market also had to contend with the oil price rising 3.5% in June as geopolitical tensions rose again. Corporate activity was high with Shell selling 19% of their 24% holding in Woodside while the Australian dollar's resilience continued to surprise market observers. The Australian dollar rose to 0.94 US cents/A\$, 1.2c higher for the month.

Offshore, China posted better than expected preliminary manufacturing data indicating expanding activity in the manufacturing sector for the first time in six months. Widely expected, the US Fed cut its QE programme by a further US\$10bn to US\$35bn per month while comments from Fed chair Janet Yellen were generally supportive for equity markets.

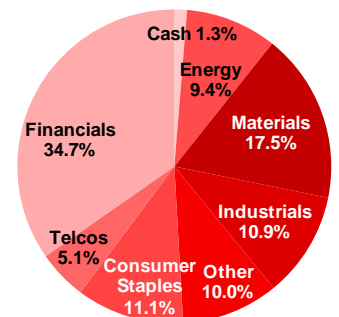
The Fund fell by 1.9% during the month, underperforming the market by 0.5%. For the full financial year, the Fund posted a return of 17.2%, broadly in line with the market. Sectoral

allocation detracted from the monthly performance as the Fund was underweight REITs and Utilities. REITs (up 3.3%) were the standout sector alongside the defensive Utilities sector (up 0.9%) against the backdrop of a weak market. Holding an overweight position in Consumer Staples (down 4.5%) also detracted from performance.

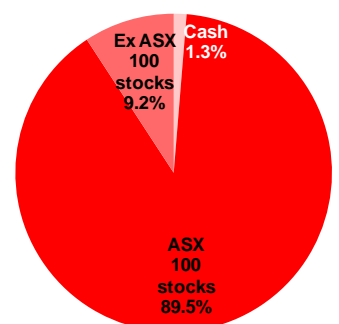
At a stock level, Oil Search (up 2.6%) was again a major contributor to performance. Following its first LNG shipment in May the company upgraded its production guidance for 2014 by more than 15% due to the ahead-of-schedule start-up of trains 1 and 2. Newcrest rose 8.0% in line with a recovering gold price and the new CEO Sandeep Biswas will commence his new role in July. Ingenia Communities rose 11.1% recovering losses from the prior month. BHP (down 3.0%) and Monadelphous (down 11.4%) were key detractors. In line with the weaker performance of Consumer Staples, holdings in Wesfarmers (down 3.5%) and Bega Cheese (down 8.3%) also detracted from performance.

After a series of consumer-linked profit downgrades in the past two months, our attention will turn to the forthcoming reporting season. It's widely acknowledged that revenue growth will be hard to come by for a number of industries facing weaker product prices or end-customer demand. However, we expect profit margins to post a better performance through cost reductions and other efficiency programs. We further anticipate potential capital management programs and will be assessing growth prospects into FY15.

## Holdings by Sectors



## Holdings by Market Cap



## Top Five Holdings

ANZ	Financials
BHP	Materials
CBA	Financials
Oil Search	Energy
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 outperformed 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. <sup>1</sup>		1.23% p.a. <sup>1,2</sup>	
Performance Fee	20.5% p.a. <sup>1</sup> of performance (net of management fees and administration costs) above the agreed benchmark, subject to positive performance		20.5% p.a. <sup>1</sup> of performance (net of management fees and administration costs) above the agreed benchmark, subject to positive performance	
Contribution Fee	Nil <sup>3</sup>		N/A	
Withdrawal Fee	Nil		N/A	
Research Rating	Lonsec Zenith	Investment Grade Approved	Lonsec Zenith	Investment Grade Approved
Unit Prices @ 30 Jun 2014	Issue Price:	\$3.2370	Issue Price:	\$3.2179
	Withdrawal Price:	\$3.2124	Withdrawal Price:	\$3.1935
	Distribution:	\$0.0577	Distribution:	\$0.0596

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

<sup>2</sup> 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.

<sup>3</sup> 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.

The information contained in this Fact Sheet is general in nature and has no regard to the specific investment objectives, financial or particular needs of any specific recipient. It is not intended to constitute investment advice or a personal securities recommendation. This document is not a Product Disclosure Statement (PDS) or an offer of units, and contains a brief overview of the investment only. Any prospective investor wishing to make an investment in the Prime Value Growth Fund must obtain and read the PDS dated 28 March 2013 (particularly the risk factors discussed) and complete an application form. Neither Prime Value Asset Management Limited nor its associates or directors, nor any other person, guarantees the success of the Prime Value Growth Fund, the repayment of capital or any particular rate of capital or income return, or makes any representation in relation to the personal taxation consequences of any investor's investment.

**For more information**



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