

# PRIME VALUE GROWTH FUND

## MONTHLY UPDATE MARCH 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 March 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	-3.2%	7.4%	12.7%	5.2%	3.3%	5.5%	14.0%	14.0%
S&P/ASX300 Accumulation Index	-2.3%	8.0%	19.2%	5.0%	2.9%	3.9%	10.2%	8.2%
<b>Relative Performance To Benchmark</b>	<b>-0.9%</b>	<b>-0.6%</b>	<b>-6.5%</b>	<b>0.2%</b>	<b>0.4%</b>	<b>1.6%</b>	<b>3.8%</b>	<b>5.8%</b>
Approximate Annual Return (after Performance Fees)#			12.7%	5.2%	3.2%	5.1%	13.2%	12.8%

Table 2: Cumulative Return (Class A units)*	1 Yr	3 Yrs	5 Yrs	7 Yrs	10 Yrs	Since April 98
Prime Value Growth Fund	12.7%	16.4%	17.6%	45.0%	270.2%	614.8%
S&P/ASX300 Accumulation Index	19.2%	15.9%	15.5%	30.8%	164.4%	225.2%
<b>Relative Performance To Benchmark</b>	<b>-6.5%</b>	<b>0.5%</b>	<b>2.1%</b>	<b>14.2%</b>	<b>105.8%</b>	<b>389.6%</b>
Approximate Cumulative Return (after Performance Fees) #	12.7%	16.3%	17.2%	42.1%	248.6%	534.9%

\* 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 ended its rise during March, with the benchmark S&P/ASX 300 Accumulation index falling 2.3% during March. Global influences were mixed. The US market hit a record high on surprisingly strong economic data and the Japanese equity market rallied on a weaker Yen and talk of further stimulatory measures. However the Eurozone credit crisis re-emerged with Cyprus seeking a bailout package. The initial package, involving a levy on bank deposits, was amended to involve levies on deposits above €100,000, the closure of the second largest bank and capital controls to prevent a run on deposits. Also weighing on markets was Chinese authorities' efforts to cool down property markets, involving a hefty level on secondary market sales, restrictions on multiple home ownership and increased down-payments.

Commodity prices were generally weaker as a result, particularly iron ore and base metals. Gold was stronger due to the Eurozone turmoil and the Australian dollar rose to US\$ 1.0419.

There were very few domestic influences. Economic data was generally stronger, with employment data the clear standout. Consumer confidence and retail sales were also strong. The RBA left rates unchanged.

The Consumer Discretionary sector was the best performer as David Jones and Myer reported better-than-expected results. The defensive Utilities, Financials (ex REITs) and Healthcare also held up. Materials and Energy were the worst performing sectors.

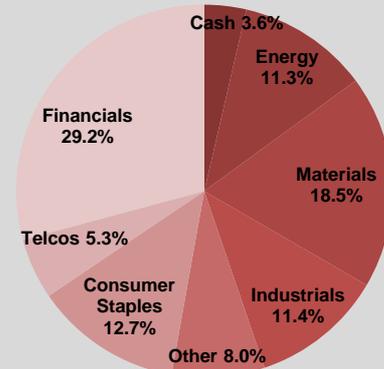
The Fund fell 3.2% during March. Performance was negatively impacted by the sectoral tilt of the portfolio, namely the underweight positions in the stronger Financials and Consumer Disc sectors. However the small cash position provided some protection during a weak market.

At a stock level, the companies which contributed positively to performance included National Australia Bank (up 2.1%), REA Group (up 3.8%) and Capitol Health (up 29.6%). The companies which detracted from performance were BHP Billiton (down 11.6%), Orica (down 10.5%) following a poorly received trading update) and Monadelphous (down 8.8%).

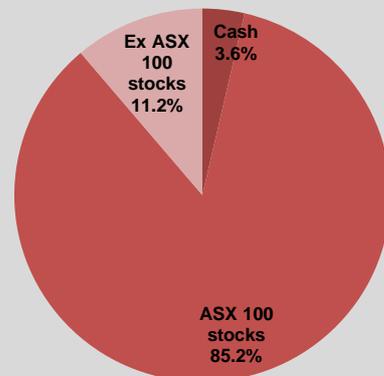
Despite the set-back in late March, the Australian equity market has risen 8.0% in the March quarter and is up 25.4% financial -year-to-date. A period of consolidation was expected and may continue in the near term. In absolute terms the share market is at historical average PEs with a subdued growth outlook; however support has been provided by an attractive relative valuation. The strong performance of the high yielding names has opened up a valuation gap with the poor performing resources sector. We continue to hold some solid names in the resource sector which are able to generate good earnings despite lower commodity prices over the medium-long term.

At a stock level, we prefer to combine companies with attractive growth characteristics and dividends. We also continue to favour stocks with strong balance sheets which have the capacity and opportunity to put these balance sheets to work.

### Holdings by Sectors



### Holdings by Market Cap



### Top Five Holdings

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

The portfolio is generally comprised of 20 - 40 stocks.

## Key Fund Details

### Investment Objectives

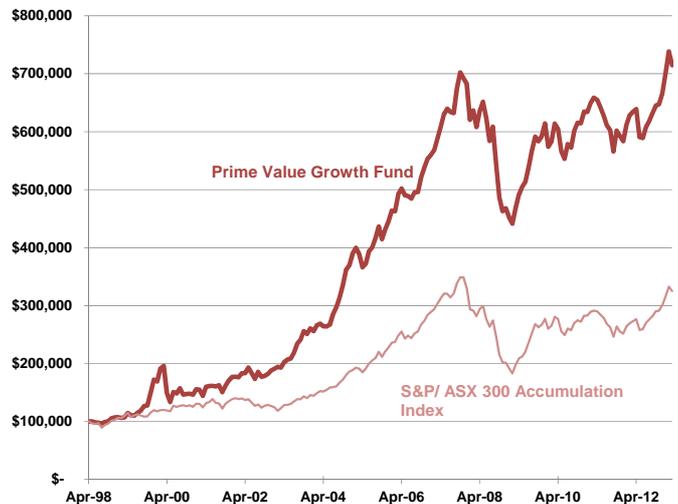
The Growth Fund aims to provide superior medium to long-term capital growth, with some income, by managing a portfolio of predominantly Australian equities listed on any recognised Australian stock exchange.

### 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 Mar 2013)



This graph shows how a notional \$100,000 invested at the Fund's Inception (10 April 1998) has increased to \$714,800 (net of fees excluding performance fees) as at 31 March 2013. After performance fees, the amount would be approximately \$634,900. This compares very favourably with the return of the market, where a \$100,000 investment would have increased to \$325,200 over the same period. The returns exclude the benefits of imputation credits.

Launch Date: 10 April 1998 Size of Fund: \$208.0m	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. <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	
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 <sup>3</sup>		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 March 2013	Issue Price:	\$3.0215	Issue Price:	\$2.9980
	Withdrawal Price:	\$2.9987	Withdrawal Price:	\$2.9754

<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, Portfolio Advantage, 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.

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