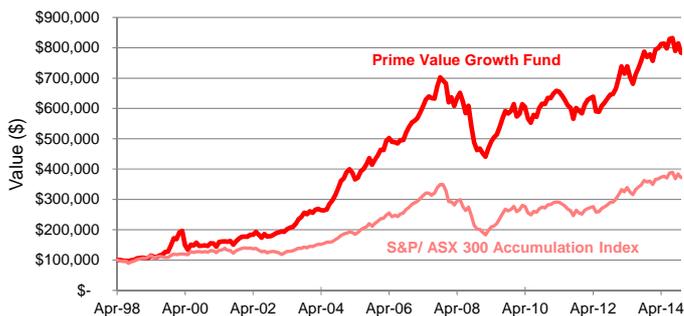


**Fund Performance**

| Annual Return (Class A Units)*                       | 1 mth        | 3 mths       | 1 Yr        | 3 Yrs<br>(pa) | 5 Yrs<br>(pa) | 10 Yrs<br>(pa) | Since Apr 98<br>(pa) | Since Apr 98<br>(cumulative) |
|--|--------------|--------------|-------------|---------------|---------------|----------------|----------------------|------------------------------|
| <b>Prime Value Growth Fund</b>                       | <b>-3.8%</b> | <b>-5.8%</b> | <b>1.8%</b> | <b>9.8%</b>   | <b>5.8%</b>   | <b>8.0%</b>    | <b>13.1%</b>         | <b>683.5%</b>                |
| S&P/ASX300 Accumulation Index                        | -3.2%        | -4.5%        | 4.0%        | 13.4%         | 6.8%          | 7.5%           | 8.2%                 | 271.7%                       |
| Relative Performance To Benchmark                    | -0.6%        | -1.3%        | -2.2%       | -3.6%         | -1.0%         | 0.5%           | 4.9%                 | 411.8%                       |
| Approximate Annual Return (after Performance Fees)** |              |              | 1.8%        | 9.8%          | 5.8%          | 7.9%           | 12.1%                | 599.1%                       |

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



This graph shows how \$100,000 invested at the Fund's Inception has increased to \$783,500 (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 \$371,700 over the same period. The returns exclude the benefits of imputation credits.

**Manager's Commentary**

The Australian share market fell 3.3% in November, weighed down by ongoing weakness in both iron ore and oil prices. Global equity markets fared better up 2.1% for the month; albeit ongoing strength in US economic data was a major contrast to Japan's slide into technical recession; weakening Eurozone indicators; and the decision of the Chinese central bank (the PBOC) to cut its benchmark one year lending rate for the first time in more than two years.

Locally, healthcare and telcos were the better performing sectors, posting positive returns, while the resource sectors was sold down heavily (energy down 13.2% and materials down 5.5%). Interestingly, the more defensive consumer staples sector also sold off appreciably (down 8.3%), largely reflecting Woolworth's disappointing like-for-like first quarter sales result.

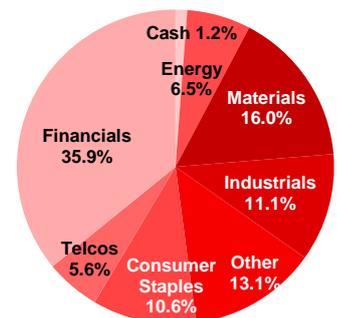
Suffice to say that equity and commodity markets remain highly volatile at present, most notably energy markets, which are occupying a lot of our thinking at present. OPEC's decision to maintain production despite excess supply drove a month-end plunge in the already depressed price of crude. While it's difficult to predict with any great confidence how long the current oil price environment is likely to hold, these are major structural developments taking place in energy markets with new supply dynamics likely to take some time to play out. At this point we're resisting the urge to add to our existing energy exposure or undertake any major de-risking of our positions (although this may change and we will keep you updated). There are

beneficial effects of lower commodity prices. The declines we have seen in oil prices should add to the growth prospects of energy dependent regions such as Europe and Japan. At the same time, positive second-round impacts on consumer confidence would help support economic activity.

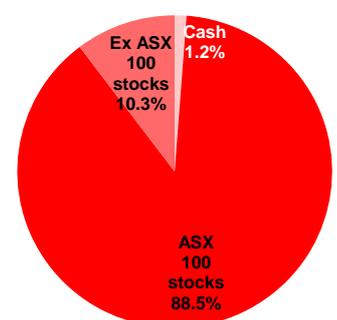
The Fund fell 3.8% in November, albeit returns remain positive on a 12 months basis and 9.8% pa up over a 3 year period. In absolute terms, the fund's major contributors to performance for the month were Resmed (up 5.6%), Newcrest (up 10.9%) and Amcor (up 3.8%). Newcrest benefitted from the relative stability of the gold price. Resmed reported encouraging first quarter sales following the recent launch of a next generation of sleep apnea products. The major detractors were BHP (down 8.9%), Monadelphous (down 27.3%) and Wesfarmers (down 6.2%).

Commodities, currencies and liquidity have been key influences on the Australian market this year. These factors have created both opportunities but also distortionary impacts in the market. An example of distortionary impact has been the low interest rate environment creating significant demand for securities carrying high yields. This is one major reason we attributable to the strong performance of REITs this year. As always, our portfolio strategy is to look for high quality companies while keeping a keen balance on valuation. We envisage undertaking a lot more bottom up research work going into next year where a major emphasis will be to avoid companies that are facing major structural headwinds.

**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 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 @ 28 Nov 2014     | Issue Price:   | \$3.1202                  | Issue Price:   | \$3.1024                  |
|                               | Withdrawal Price:  | \$3.0966                  | Withdrawal Price:  | \$3.0790                  |

<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**



Call: 03 9098 8088

Email: [info@primevalue.com.au](mailto:info@primevalue.com.au)

Visit: [www.primevalue.com.au](http://www.primevalue.com.au)