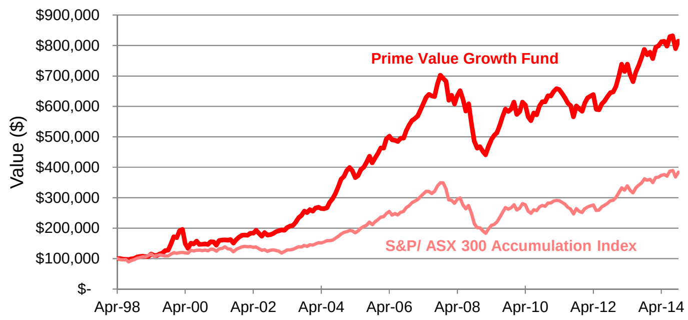
MONTHLY UPDATE
OCTOBER 2014

Prime Value Growth Fund

Fund Performance

Annual Return (Class A Units)*	1 mth	3 mths	1 Yr	3 Yrs	5 Yrs	10 Yrs	Since Apr 98	
				(pa)	(pa)	(pa)	(pa)	(cumulative)
Prime Value Growth Fund	**3.1%**	**-1.9%**	**3.4%**	**10.6%**	**6.9%**	**9.3%**	**13.5%**	**714.3%**
S&P/ASX300 Accumulation Index	4.3%	-0.7%	6.1%	13.3%	7.9%	8.3%	8.5%	284.2%
Relative Performance To Benchmark	-1.2%	-1.2%	-2.7%	-2.7%	-1.0%	1.0%	5.0%	430.1%
Approximate Annual Return (after Performance Fees)**			3.4%	10.6%	6.9%	9.1%	12.5%	626.1%

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



This graph shows how $100,000 invested at the Fund's Inception has increased to $814,300 (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 $384,200 over the same period. The returns exclude the benefits of imputation credits.

Manager's Commentary

The Australian equity market rebounded strongly in October (up 4.4%), outperforming global equity markets (up 0.7%) despite weak performance from the resource sectors, in particular energy and gold stocks. Yield stocks were back in favour with the banks, REITs and telcos driving the local market higher, while the healthcare sector continued to perform strongly. Iron ore prices stabilised; gold price reached its lowest level in four years coinciding with the end of the Fed's quantitative easing program. Other than energy (down 3.6%) and materials (flat), all other sectors recorded positive performance. Large caps stocks (up 4.7%) outperformed small caps (down 0.5%), largely driven by the selloff in small resource stocks which were down 8.6%.

Global equity markets ended October on a positive note having sold off earlier in the month on global growth fears stemming in part from a weakening German economy and weaker than expected retail sales figures in the US. As expected, the US Federal Reserve announced the official end to its quantitative easing program but reiterated that it would keep interest rates low for a "considerable time". The biggest surprise for the month came just one day later, with the decision by the Bank of Japan to expand its stimulus program. This development, alongside a tempering in geopolitical concerns, contributed to the end-of -month equities rally.

It's noteworthy to highlight that the spot Brent crude oil fell sharply, finishing the month 9% lower following an 8% fall in September. Oil is now 26.3% off its high for the year.

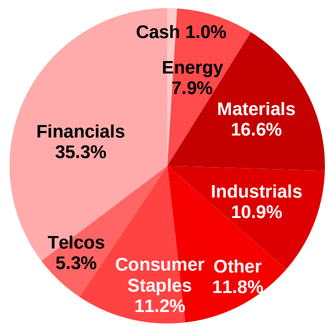
The Fund rose 3.1% in October. In relative terms, the Fund's asset allocation detracted during the month, a function of the underweight position to financials and small overweight exposure to the resource sectors.

The bank reporting season revealed that the bad debt environment is benign, which has been a boon to bank profits. Therefore, it was not a surprise that CBA (up 6.9%), ANZ (up 8.3%) and NAB (up 7.5%) were the Fund's best performers. Oil and gold related stocks accounted for the Fund's weakest performers: Oil Search (down 3.3%) and Newcrest (down 11.7%).

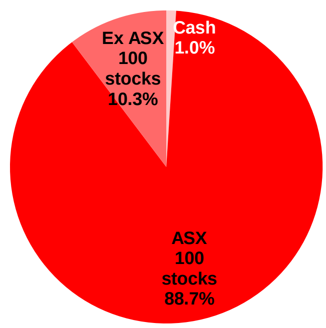
Orica will be reporting its FY14 result in mid October. We expect operating conditions to be downbeat both looking back for the previous 12 months and the forthcoming 12 months. Offsetting the downbeat conditions will be management's focus on cost reductions. We expect an update on the company's plan to demerge its General Chemicals business, possibly taking place in early 2015, that would potentially unlock value for shareholders.

Our research on the forthcoming Medibank IPO indicates that a major positive for the company is the favourable the industry structure, leading to high levels of profitability. We think the greatest potential for Medibank does not lie in cost cutting but in contributing to delivering a more efficient healthcare services. As always we watch for risks. In the case for Medibank, it will be for future regulatory changes.

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 Oct 2014	Issue Price: Withdrawal Price:	$3.2429 $3.2183	Issue Price: Withdrawal Price:	$3.2239 $3.1995

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