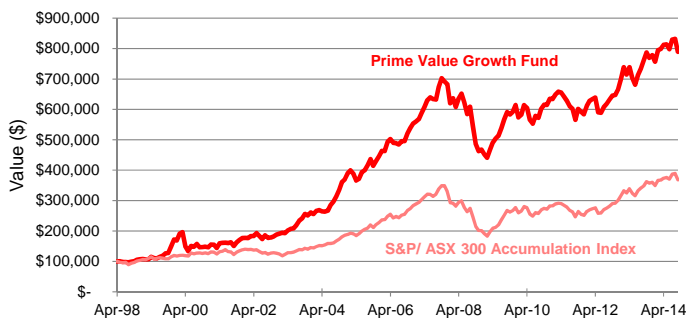


## Fund Performance

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)
<b>Prime Value Growth Fund</b>	<b>-5.1%</b>	<b>-1.1%</b>	<b>3.8%</b>	<b>11.8%</b>	<b>6.0%</b>	<b>2.3%</b>	<b>9.7%</b>	<b>13.3%</b>	<b>689.6%</b>
S&P/ASX300 Accumulation Index	-5.4%	-0.6%	5.7%	14.4%	6.6%	1.2%	8.2%	8.2%	268.4%
Relative Performance To Benchmark	0.3%	-0.5%	-1.9%	-2.6%	-0.6%	1.1%	1.5%	5.1%	421.2%
Approximate Annual Return (after Performance Fees)**			3.8%	11.8%	6.0%	2.1%	9.4%	12.3%	603.2%

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



This graph shows how \$100,000 invested at the Fund's Inception has increased to \$789,600 (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 \$368,400 over the same period. The returns exclude the benefits of imputation credits.

## Manager's Commentary

The Australian equity market fell 5.4% (S&P/ASX300 Accumulation Index) in September. A significant amount of offshore selling related to the Australian Dollar weakness (the Australian Dollar fell 6.6% against the US Dollar in September) proved to be a key reason for the weakness in the Australian market.

The weakness in the Australian Dollar is a consequence of the U.S. Federal Reserve's quantitative easing program winding down. As markets are generally uncertain of the full impact of the quantitative easing program winding down, a scenario whereby liquidity is drained is a fair possibility. For the real economy, however, a weaker Australian Dollar is a positive especially for a number of Australia's export industries.

Domestically, the RBA left interest rates unchanged, which was not a surprise. However, the central bank's Financial System Review and the forthcoming Financial System Inquiry placed bank share prices under pressure. Comments from the Financial System Review raised the prospect of macro prudential rules for property sector lending while investors speculated on the prospect of higher capital requirements imposed on the banks.

During periods of Australian Dollar weakness, companies with a substantial exposure to offshore earnings becomes a popular investment theme. Prime Value does not typically make investment decisions based on macro currency calls. We are however

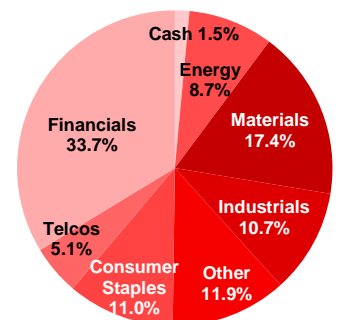
cognizant of the potential impact of global macro factors impacting equities. On a stock specific basis, our investments in Amcor, Brambles and Resmed, companies with large offshore earnings, reflect our thesis that these companies have strong market positions in their operating jurisdictions and are led by good management teams.

It was not surprising that the defensive Healthcare, Consumer staples and Utilities sectors were the best performing sectors during the month while the commercial banks and material sectors were the weakest sectors. Within that context, the fund's overweight consumer staples and underweight banks contributed positively to Funds performance. This was partly offset by overweight weaker performing Consumer Staples and Materials.

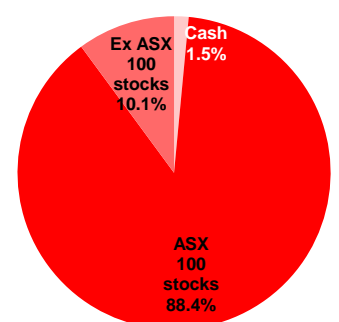
At the stock level, Capitol Health (up 3.1%), Healthscope (up 7.0%) and Qube (up 3.3%) contributed to Fund performance. The positions which detracted from performance were BHP Billiton (down 7.6%), ANZ Bank (down 7.5%) and Commonwealth Bank (down 7.4%).

Over the next month, we will be examining the annual financial results of three of the four major banks. Earnings will be robust but growth will be firmly below 10%. We are not anticipating a improvements in dividend payouts. A number of companies will also be holding their AGMs and may yield new information on year-to-date progress.

## 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 @ 30 Sep 2014	Issue Price:	\$3.1444	Issue Price:	\$3.1253
	Withdrawal Price:	\$3.1206	Withdrawal Price:	\$3.1017

<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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