

Fund Performance

Table 1 shows the PVIF performance relative to the S&P/ASX 300 Accumulation Index for the period to 31 December 2013.

Table 2 shows the distribution by financial year.

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 Dec 01 (pa)
Prime Value Imputation Fund	1.6%	3.2%	16.4%	7.0%	11.3%	1.7%	7.9%	12.9%
S&P/ASX300 Accumulation Index	0.8%	3.4%	19.7%	8.5%	12.3%	3.5%	9.5%	8.4%
Relative Performance To Benchmark	0.8%	-0.2%	-3.3%	-1.5%	-1.0%	-1.8%	-1.6%	4.5%
Approximate Annual Return (after Performance Fees)#			16.4%	7.0%	11.3%	1.7%	7.8%	12.0%

Table 2: Distribution (Class A units)*	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14 (Half Yr)
Income Distribution	5.2%	3.0%	4.2%	5.1%	4.1%	2.0%
Grossed-up Distribution (for Imputation credits)	7.6%	4.7%	6.4%	7.6%	6.2%	3.4%

* 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 Jun 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

Global equity markets continued to rise in December with the MSCI World index reaching a six-year high. Equity markets reacted positively to the US Federal Reserve’s announcement that it will begin tapering its QE3 bond buying program following improved economic data and “the Fed’s” strong commitment to keep interest rates near zero for a longer period.

Domestic economic data showed a strong increase in housing activity and better than expected retail sales. However, the unemployment rate ticked up to 5.8% whilst business confidence slipped.

Commodities were mixed. WTI oil gained 6% while iron ore fell 1.6%. Gold had its first annual decline since 2000. The Aussie dollar fell a further 2% hitting a 3 year low at \$0.89 USD.

The Australian equity market rose 0.8% offsetting earlier losses in December. Company specific earnings downgrades and heavy new stock issuance weighed on the market during the first half of the month. The Energy sector recovered whilst Telecoms also performed strongly. Banks lagged, post dividends, and REITs underperformed.

The Fund rose 1.6% during the month outperforming the benchmark by 0.8%. From a sectoral view, strong performing Industrials more than offset deduction from an overweight position in REITs and Telecom underweight.

Overall stock selection contributed positively to the performance. Amcor, post demerger, rose 4%, Monadelphous 13% and Programmed Maintenance 16%.

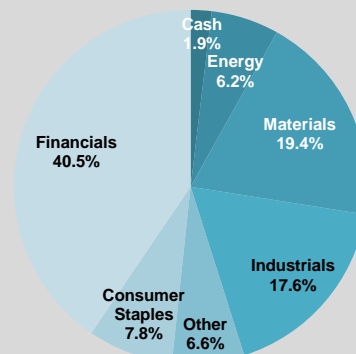
However, a major disappointment was the performance of Crowe Horwath, which was impacted by a weaker economy and lowered its earnings guidance during the month.

As one farewells the year and welcomes the next – we inevitably “wish” the new will be better than the last. Last year most markets had positive double-digit returns except China and some emerging markets. The US long-awaited “tapering” eventuated in December, coupled with a heavily qualified note. It almost felt like a “tapering we had to have” but really.....

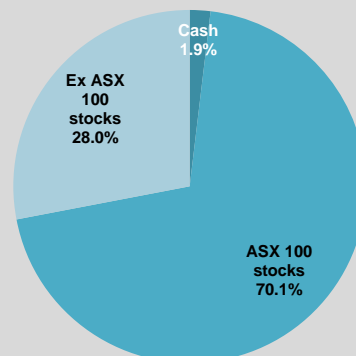
Investors had been used to “everything is good news”. In the US, corporates have not been investing despite the low interest rates. The record level of corporate cash had been deployed for share buybacks. This does not seem to be a vote of confidence on the economy and has ramifications on the longer term employment, income growth and consumptions. The Australian economy is still in a transition stage where other sectors need to pick up the slack as resources investments diminish. Companies are to continue their cost focus and perhaps more industry consolidation is in the making.

The Fund rose by a robust 13.1% for the first half of FY2014. The income distribution was approximately 3.4% (gross of imputation credits). The Imputation Fund paid 4.7 cents per unit, tax effective for the half year over 2 quarterly distributions. We continue to seek out companies with growth prospect and sustainable dividend.

Holdings by Sectors



Holdings by Market Cap



Top Five Holdings

Amcor	Materials
ANZ	Financials
BHP	Materials
National Australia Bank	Financials
Wesfarmers	Consumer Staples

The portfolio is generally comprised of 25 - 45 stocks.

Key Fund Details

Investment Objectives

The Imputation Fund aims to provide regular tax-effective income, combined with competitive capital growth over the medium to long-term, by managing a portfolio of assets comprised mainly of Australian equities listed on any recognised Australian stock exchange.

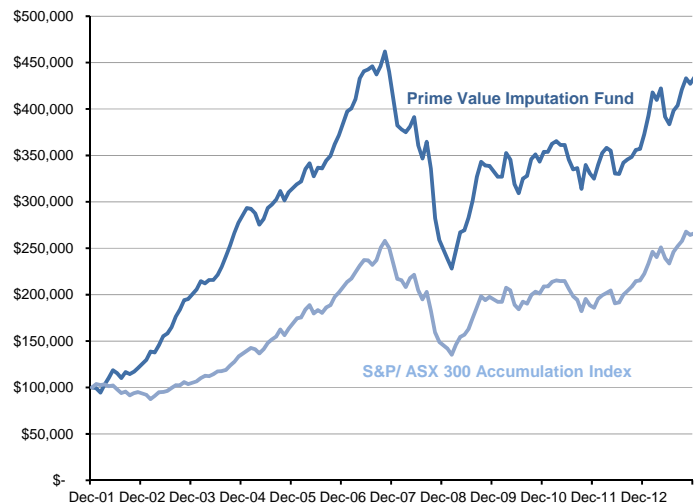
Due to the tax benefits under the current dividend imputation regime, the PVIF will typically have a core position of Australian equities with an attractive level of franked dividends.

Investor Profile

The PVIF is appropriate for an investor seeking regular tax effective income that includes imputation credits, combined with competitive capital growth over the medium to long term. Investors should be 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 (20 Dec 2001 – 31 Dec 2013)



This graph shows how a notional \$100,000 invested at the Fund's Inception (20 December 2001) has increased to \$434,100 (net of fees excluding performance fees) as at 31 December 2013. After performance fees, the amount would be approximately \$399,700. This compares very favourably with the return of the market, where a \$100,000 investment would have increased to \$266,400 over the same period. The returns exclude the benefits of imputation credits.

Launch Date: 20 December 2001 ¹	Direct Investment (Class A)		Indirect Investment via IDPS or IDPS-Like Schemes (Class B)	
APIR Code	PVA0002AU (PVIF)		PVA0022AU (PVIF)	
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	
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 ³		N/A	
Withdrawal Fee	Nil		N/A	
Income Distributions	Quarterly		Quarterly	
Research Rating	Lonsec	Investment Grade	Lonsec	Investment Grade
Unit Prices @ 31 December 2013	Issue Price:	\$2.3663	Issue Price:	\$2.3661
	Withdrawal Price:	\$2.3483	Withdrawal Price:	\$2.3481
	Distribution:	\$0.0240	Distribution:	\$0.0248

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, Portfolio Advantage, 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.

Prime Value Asset Management Ltd

Level 9, 34 Queen St,
Melbourne VIC 3000

Tel: +61 3 9098 8088

Fax: +61 3 9098 8099

Website: www.primevalue.com.au

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 Imputation 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 Imputation 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.