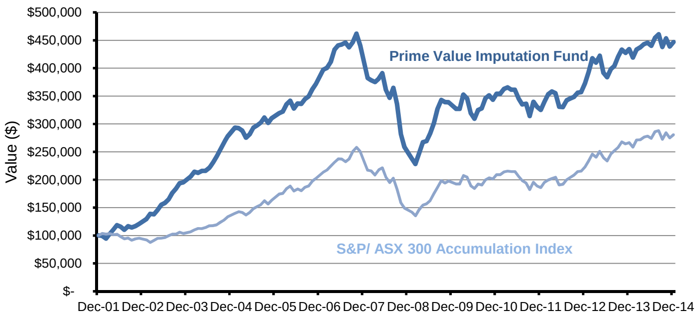
MONTHLY UPDATE DECEMBER 2014

Prime Value Imputation Fund

Fund Performance

Annual Return (Class A Units)*	1 mth	3 mths	1 Yr	3 Yrs (pa)	5 Yrs (pa)	10 Yrs (pa)	Since Dec 01 (pa)
Growth Return	0.9%	1.2%	-1.0%	7.1%	0.9%	-0.1%	6.6%
Distribution Return	0.9%	0.9%	3.9%	4.1%	4.2%	4.9%	5.5%
Total Return	1.8%	2.1%	2.9%	11.2%	5.1%	4.8%	12.1%
Distribution Return including franking credits**	**1.6%**	**1.6%**	**5.8%**	**6.4%**	**6.4%**	**6.9%**	**7.6%**
Total Return including franking credits**	**2.6%**	**2.8%**	**4.9%**	**13.5%**	**7.3%**	**6.8%**	**14.2%**
S&P/ASX300 Accumulation Index	2.0%	2.9%	5.3%	14.7%	6.5%	7.4%	8.2%

Value of $100,000 invested since inception (20 Dec 2001 – 31 Dec 2014)



This graph shows how $100,000 invested at the Fund's Inception has increased to $446,800 (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 $280,600 over the same period. The returns exclude the benefits of imputation credits.

Manager's Commentary

The Australian share market finished the year on a positive note (up 2.0% in December) to post a 12 month return of 5.3% inclusive of dividends. While disappointing in comparison to back-to-back years of double digit returns and stronger global equity markets; a positive return was welcome considering the rout in our key commodity markets and a softening domestic economy. The price of iron ore and oil have more than halved from their 2014 peaks, with the latter falling below US$50 a barrel at the time of writing.

Relative sector performance in December mirrored the trends of 2014 in many respects, with clear outperformance from defensive industrials such as healthcare (particularly US dollar earners) and beneficiaries of the yield trade, namely Telstra, REITs and to a lesser extent the banks, which have been weighed down by regulatory capital concerns. By contrast, the big miners and energy names continued to be hit by falling commodity prices.

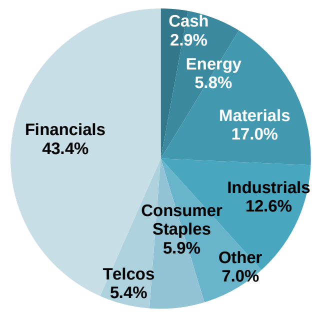
The Fund rose 1.8% in December. In absolute terms, the Fund's major contributors to performance were Amcor (up 11.7%), CBA (up 6.1%) and Qube Holdings (up 13.0%), which announced that it had reached an agreement to develop the Moorebank freight precinct. The major detractors were BHP (down 5.0%), Santos (down 18.3%) and Amalgamated Holdings (down 5.8%) after some strong performance in previous months. In relative terms, the Fund's sector allocations detracted, with the overweight exposure to Industrials (positive) offset by the underweight exposure to healthcare.

As the New Year kicks off, it's hard not to contrast the fortunes of the US economy, with those of China, Europe and of course our own. While the US dollar continues to rally in anticipation of a rate increase, expectations are that the ECB is poised to embark on its own large-scale quantitative easing. While the big macro themes around commodity prices, interest rate timing and currency movements show no signs of abating, we recognise that current areas of weakness may also represent some of the best long-term buying opportunities (and vice versa).

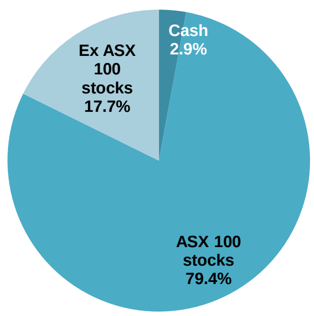
Australian economy looks ever more precarious. The unwinding of mining capex has long been anticipated, now the added woe is the collapse of oil prices. The LNG story is the growth engine post mining. Seven new LNG projects are under construction and are set to come on line by 2017. The project economics will be tested in the short term. Housing sector had been the saviour, fuelled by investor demand. One needs to watch banks' loan book to investor – ever increasing. RBA is in a difficult position - if the rate cut stimulates the economy or fuels the property speculation?

As always, the Fund continues to seek out stocks with sustainable dividend yield (ideally fully franked) and with potential capital growth.

Holdings by Sectors



Holdings by Market Cap



Top Five Holdings

Amcor	Materials
ANZ	Financials
BHP	Materials
NAB	Financials
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) standards. The returns are calculated after management fees but before performance fees which are charged against individual accounts. The returns exclude the benefits of franking 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.

** Returns grossed up for franking credits are estimates.

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 Prime Value Imputation Fund will typically have a core position of Australian equities with an attractive level of franked dividends.

With its focus being the payment of high and tax-effective income, the Fund has made an average distribution return including franking credits of 7.7% pa since inception.

Investor Profile

The Prime Value Imputation Fund 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, superannuation funds and not for profit organisations.

This Fund is particularly suitable for investors with zero and low marginal tax rates. These include investors in the superannuation system, both accumulation and pension phase, and charities. The portfolio's tax implications are considered when managing this Fund, however they are not the primary driver of investment returns.

Launch Date: 20 December 2001	Direct Investment (Class A)		Indirect Investment via IDPS or IDPS-Like Schemes (Class B)	
APIR Code	PVA0002AU (PVIF)		PVA0022AU (PVIF)	
Income Distributions	Quarterly		Quarterly	
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	Investment Grade	Lonsec	Investment Grade
Unit Prices @ 31 Dec 2014	Issue Price: Withdrawal Price: Distribution:	$2.3193 $2.3017 $0.0200	Issue Price: Withdrawal Price: Distribution:	$2.3182 $2.3006 $0.0214

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.

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.

For more information

Call: 03 9098 8088 Email: info@primevalue.com.au Visit: www.primevalue.com.au