

PRIME VALUE IMPUTATION FUND

MONTHLY UPDATE FEBRUARY 2013



PrimeValue[®]
Building Wealth Together

Fund Performance

Table 1 shows the PVIF performance relative to the S&P/ASX 300 Accumulation Index for the period to 28 February 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	6.3%	17.0%	18.4%	8.0%	2.0%	3.8%	11.7%	13.6%
S&P/ASX300 Accumulation Index	5.3%	14.2%	23.4%	7.8%	2.7%	4.9%	10.9%	8.3%
Relative Performance To Benchmark	1.0%	2.8%	-5.0%	0.2%	-0.7%	-1.1%	0.8%	5.3%
Approximate Annual Return (after Performance Fees)#			18.4%	8.0%	2.0%	3.8%	11.5%	12.5%

Table 2: Distribution (Class A units)*	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13 (Dec Half)
Income Distribution	5.3%	5.2%	3.0%	4.2%	5.1%	2.3%
Grossed-up Distribution (for Imputation credits)	6.8%	7.6%	4.7%	6.4%	7.6%	3.8%

* 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 June 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

The Australian equity market continued its strong start, with the benchmark S&P/ASX 300 Accumulation index rising a further 5.3% during February. Global equity markets also rose, but stumbled mid-month due to an inconclusive result in Italian elections (and increasing support of anti-austerity parties) as well as fears the US "easy" monetary policy would be scaled back. US budget issues (avoiding automatic spending cuts which would reduce growth) also weighed on investor sentiment. Economic data in the US and China was neutral to positive; however Eurozone GDP fell 0.6% in the December quarter and the ECB stated the area would not return to growth until 2014.

Commodity prices were generally weaker, particularly base metals (nickel down 9%), gold and oil. The Australian dollar was slightly weaker on broad US dollar strength.

Domestically, the focus was on the reporting season. In general, the results season was viewed as positive as the number of positive surprises outnumbered negative. However price action was subdued. Cost reduction and margin expansion were some of the key themes of the season. The RBA left interest rates unchanged, pointing to the benefits of previous cuts yet to be felt. Domestic economic data was mixed, as retail sales and building approvals disappointed. Consumer confidence was a positive highlight.

Consumer Staples was the best performing sector, with Banks and Consumer Discretionary stocks also performing well. Materials, Telcos and Utilities lagged.

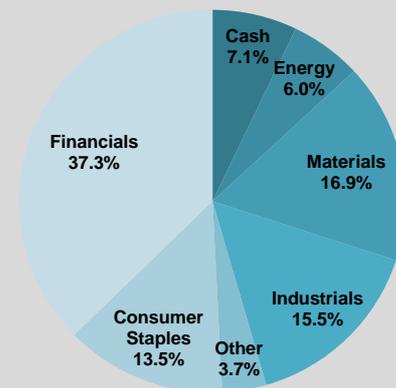
The Fund achieved a return of 6.3% during February, strongly outperforming the benchmark. Sector allocation contributed positively to performance, as the Fund was overweight in Consumer Staples and underweight in Materials. The cash holding, while small, detracted in a strong market.

Stock selection also contributed positively to performance. The key positive contributors included the banks, particularly Westpac (up 9.7%) and National Australia Bank (up 10.4%), Bluescope Steel (up 34.2% on a good earnings result) and Wesfarmers (up 9.1%). The companies which detracted from performance were Monadelphous (down 6.6%), BHP Billiton (down 1.1%) and Telstra (down 0.2%).

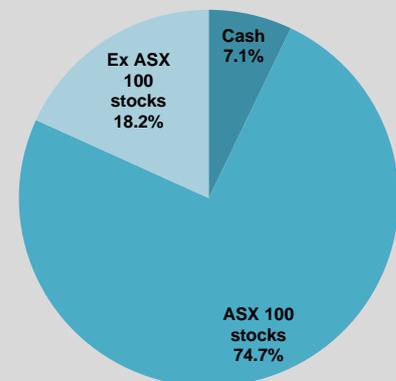
Market volatility has eased somewhat and the earnings season has given some comfort to recent share price strength. However a period of consolidation or a pause in strength can be expected. Encouraging economic data in China and the US, high levels of liquidity and the global search for yield form our longer term confidence in Australian equities. We prefer Consumer Staples and selected mining services companies, and remain underweight in non-bank Financials.

At a stock level, we prefer to combine companies with attractive growth characteristics and witnessing positive revisions, particularly dividend revisions. We also favour stocks with strong balance sheets with the capacity and opportunity to put them to work. The global search for yield will also benefit the Fund with its focus on companies paying high, sustainable and tax-effective dividends.

Holdings by Sectors



Holdings by Market Cap



Top Five Holdings

Monadelphous	Industrials
National Australia Bank	Financials
Orica	Materials
Wesfarmers	Consumer Staples
Westpac	Financials

The portfolio is generally comprised of 30 - 50 stocks.

Key Fund Details

Investment Objectives

The Imputation Fund aims to provide 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.

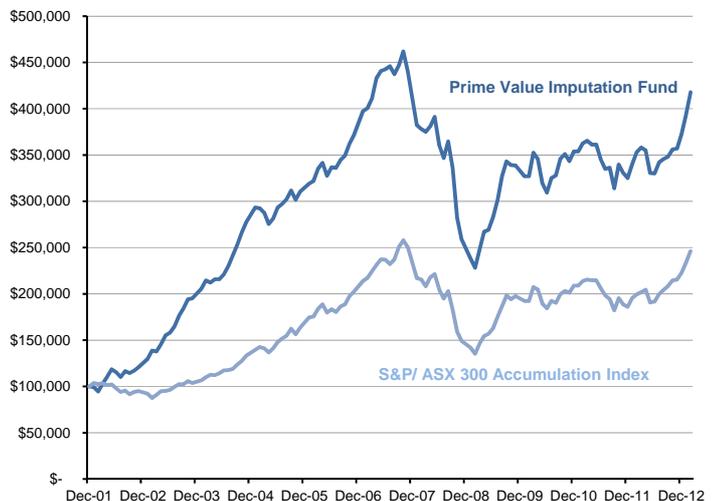
Due to the tax benefits under the current dividend imputation regime, the PVIF will typically have a core position of Australian equities with an attractive level of franked dividends.

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 – 28 Feb 2013)



This graph shows how a notional \$100,000 invested at the Fund's Inception (20 December 2001) has increased to \$417,800 (net of fees excluding performance fees) as at 28 February 2013. After performance fees, the amount would be approximately \$382,600. This compares very favourably with the return of the market, where a \$100,000 investment would have increased to \$246,100 over the same period. The returns exclude the benefits of imputation credits.

Launch Date: 20 December 2001 ¹ Size of Fund: \$46.5m	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 Morningstar	Investment Grade ★★ ★	Lonsec Morningstar	Investment Grade ★★ ★ ★
Unit Prices @ 28 February 2013	Issue Price:	\$2.3404	Issue Price:	\$2.3384
	Withdrawal Price:	\$2.3226	Withdrawal Price:	\$2.3206

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.

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