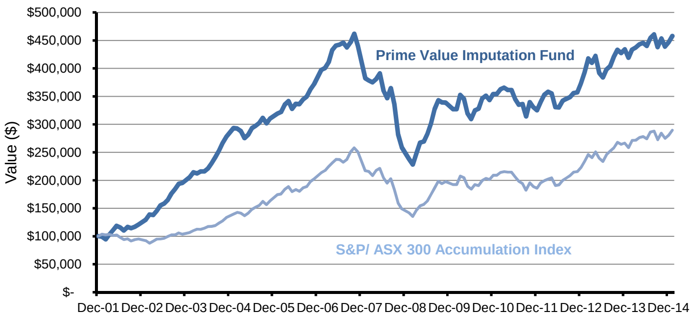
MONTHLY UPDATE
JANUARY 2015

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	2.5%	0.1%	5.2%	6.4%	2.7%	-0.3%	6.8%
Distribution Return		0.9%	4.1%	4.1%	4.3%	4.9%	5.5%
Total Return	2.5%	1.0%	9.3%	10.5%	7.0%	4.6%	12.2%
Distribution Return including franking credits**	**2.5%**	**1.6%**	**6.2%**	**6.3%**	**6.6%**	**6.9%**	**7.6%**
Total Return including franking credits**	**2.5%**	**1.7%**	**11.4%**	**12.7%**	**9.3%**	**6.6%**	**14.4%**
S&P/ASX300 Accumulation Index	3.2%	1.9%	12.1%	14.0%	8.5%	7.6%	8.4%

Value of $100,000 invested since inception (20 Dec 2001 – 31 Jan 2015)



This graph shows how $100,000 invested at the Fund's Inception has increased to $457,900 (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 $289,600 over the same period. The returns exclude the benefits of imputation credits.

Manager's Commentary

The Australian share market kicked off the year on a positive note (+ 3.2%) in spite of the ongoing rout in global commodity markets (oil -9%, iron ore -13% and copper -13%). This broadly reflected the trend in global equity markets with the notable exception of the US, which was down 2.8% in local currency terms. The continuing strong performance of the bond yield sensitive sectors drove the local market higher led by Telstra, the REITs, utilities and the banks.

The key driver of markets for the month was the unveiling of the ECB's long-anticipated QE programme (monthly purchases of EUR60 billion starting in March until at least September 2016), which saw global bond yields rally to fresh lows, along with ongoing support for the gold price (+ 8% for the month). The major surprise of the month was the decision of the Swiss National Bank to abandon its peg to the Euro, which sent major shockwaves through foreign currency markets as the Swiss Franc jumped 30% on the news. The AUD fell a further 4.9% to finish at US$0.78, weighed down by the broad declines in commodity markets.

Consumer companies such as The Reject Shop, Kathmandu and Oroton all provided trading updates during the month — in short, retail is tough, with further headwinds from lower AUD. The noted exception is Harvey Norman which saw a "big surge" in sales.

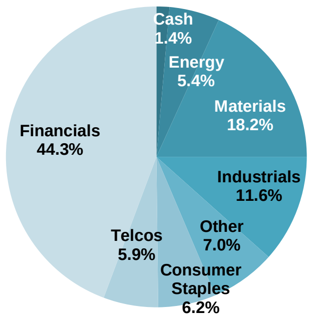
The Fund rose 2.5% (after fees) in January. In absolute terms, major contributors to performance were TLS (up 8.8%), NAB (up 6%) and Amalgamated Holdings (up 9.7%). The major detractors were Programmed Maintenance Services (down 13% after Skilled Group officially rejected the merger proposal), Woodside (down 9.8%) and Amcor (down 5.9%).

The RBA's Feb 4 rate cut (and forward expectations) has delivered a shot in the arm of equity bulls as the busy February reporting period kicks off. While our natural inclination is one of caution, we think there's a danger in being overly bullish or bearish at present. As such, we're even more bottom-up focused than usual heading into the reporting season, as we put our holdings under the microscope and seek out opportunities to enhance the return of the Fund.

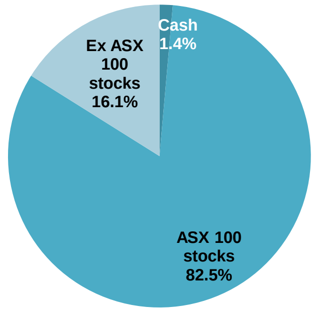
One of the issues we are grappling with is the relatively expensive valuation of the yield names (banks, Telstra and REITs) vs the Resources sector which based on forecast are trading at a much more attractive valuation with a reasonable dividend yield. Whilst we do not expect management commentaries from the resources sector to be bullish, we would endeavour to decipher any positive tone.

The Fund continues to seek out stocks with sustainable dividend yield (ideally fully franked) and 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:	$2.3768 $2.3588	Issue Price: Withdrawal Price:	$2.3761 $2.3581

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.

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