

MONTHLY UPDATE JULY 2013



Fund Performance

Table 1 shows the PVIF performance relative to the S&P/ASX 300 Accumulation Index for the period to 31 July 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	3.7%	-5.7%	16.4%	7.0%	2.8%	2.4%	9.2%	12.6%
S&P/ASX300 Accumulation Index	5.3%	-1.9%	23.2%	8.5%	4.8%	4.5%	9.5%	8.0%
Relative Performance To Benchmark	-1.6%	-3.8%	-6.8%	-1.5%	-2.0%	-2.1%	-0.3%	4.6%
Approximate Annual Return (after Performance Fees)#			16.4%	7.0%	2.8%	2.4%	9.2%	11.6%

Table 2: Distribution (Class A units)*	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
Income Distribution	5.3%	5.2%	3.0%	4.2%	5.1%	4.1%
Grossed-up Distribution (for Imputation credits)	6.8%	7.6%	4.7%	6.4%	7.6%	6.2%

* 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

It was a strong start to the financial year for the Australian equity market, with the benchmark S&P/ASX 300 Accumulation index rising by 5.3%. Once again, global factors dominated sentiment and market moves. In the US, the Federal Reserve Governor reassured markets that "tapering" of asset purchases would not occur if economic data (namely employment) did not meet expectations. Positive economic data (particularly housing and employment) and an encouraging reporting season were also supportive. European news was positive, with both the Bank of England and the European Central Bank (ECB) suggesting continued easing monetary policy, while the key PMI rose above 50. Emerging markets disappointed however, with Chinese data continuing to slow. Despite this, iron ore rose strongly, as did gold and oil. Base metals were marginally higher. The \$A was weaker, falling below \$US 0.90 for the first time since August 2010.

Domestically, economic data was slightly weaker and although the RBA left rates on hold, remarks by the Governor suggested further possible easing. Earnings "confession season" continued with mixed effects – positive statements from Flight Centre, QBE and Hendersons but disappointment from Woolies, Orica and Treasury Wine Estates.

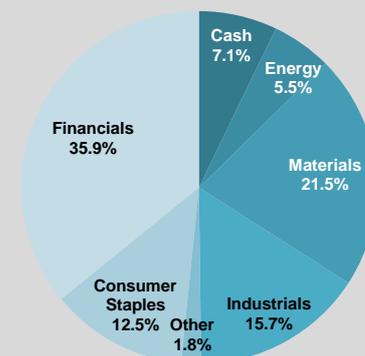
Resources and Materials were the best performing sectors, and Banks and non-bank Financials (ex-REITS) also performed well. Defensive sectors were the laggards, including Consumer Staples and REITs, which were the worst performers.

The Fund rose by 3.7% during July. Sectoral allocation detracted from performance as the Fund was overweight in the Industrials and Consumer Staples sectors, which both underperformed. This was partially offset by an overweight position in Materials. The cash holding detracted from performance in a strong market.

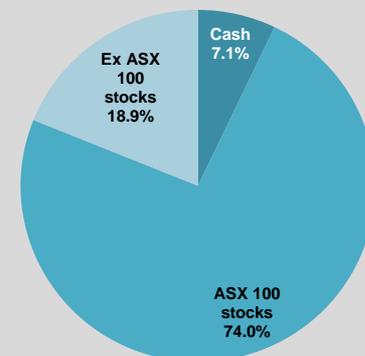
At a stock level, the positions which contributed the most to performance were IOOF (up 12.2%), Bluescope Steel (up 15.0%) and National Australia Bank (up 5.2%). The positions in the Materials sector (BHP Billiton up 10.4%, Newcrest Mining up 23.9%) were also strong contributors. The companies which detracted from performance were Orica (down 12.5% following an earnings downgrade), Incitec Pivot (down 8.0% following a profit warning due to a production outage at Phosphate Hill) and Goodman Group (down 3.3%).

During the month we reduced our mining services holdings and increased holdings in the big miners as we believed the balance of power has shifted in a lower commodity price environment. In the coming months, the market will still be hostage to any "tapering" talks or action by the US Federal Reserve. Result reporting season and policy debates from the Australia federal election will dominate news headlines and high market volatility is to be expected. We continue to focus on individual stock investment merits with an emphasis on the sustainability of dividends. The portfolio continues to include companies underpinned by a competitive position, those with global growth opportunities and those with stable domestic income.

Holdings by Sectors



Holdings by Market Cap



Top Five Holdings

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

The portfolio is generally comprised of 20 - 40 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.

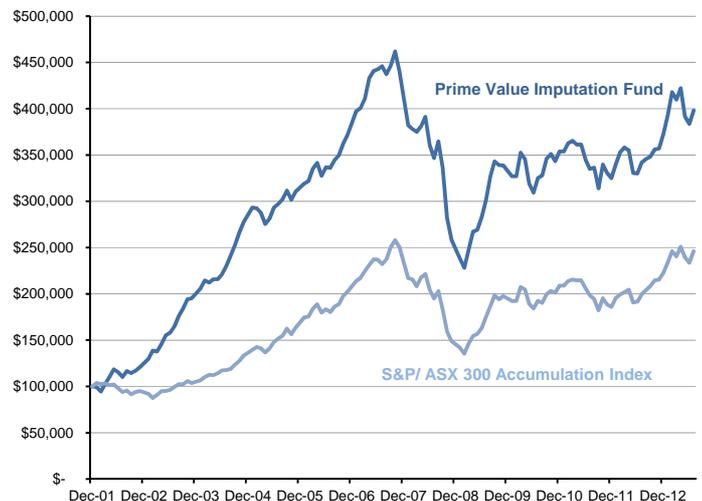
Due to the tax benefits under the current dividend imputation regime, the PVIF will typically have a core position of Australian equities with an attractive level of franked dividends.

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 – 30 Jul 2013)



This graph shows how a notional \$100,000 invested at the Fund's Inception (20 December 2001) has increased to \$398,100 (net of fees excluding performance fees) as at 31 July 2013. After performance fees, the amount would be approximately \$366,900. 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	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 @ 31 July 2013	Issue Price:	\$2.1908	Issue Price:	\$2.1894
	Withdrawal Price:	\$2.1742	Withdrawal Price:	\$2.1728

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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