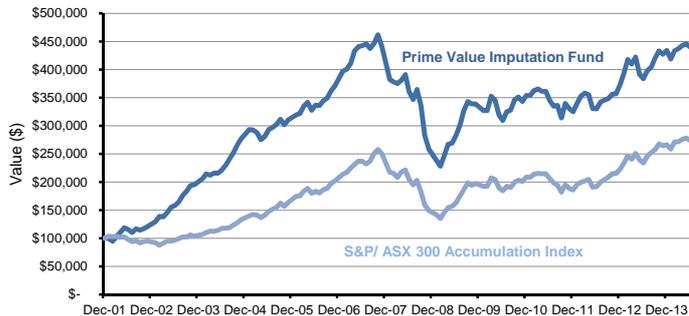


Fund Performance

| 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 | -2.4% | -0.5% | 10.0% | 3.7% | 4.8% | 2.2% | 6.9% |
| Distribution Return | 1.1% | 1.1% | 4.6% | 4.7% | 4.4% | 5.0% | 5.6% |
| Total Return | -1.3% | 0.6% | 14.6% | 8.4% | 9.2% | 7.2% | 12.5% |
| Distribution Return including franking credits** | 1.4% | 1.4% | 6.8% | 7.1% | 6.7% | 7.0% | 7.7% |
| Total Return including franking credits** | -1.0% | 0.9% | 16.8% | 10.8% | 11.5% | 9.2% | 14.6% |
| S&P/ASX300 Accumulation Index | -1.4% | 0.9% | 17.3% | 9.9% | 11.0% | 8.9% | 8.3% |

Value of \$100,000 invested since inception (20 Dec 2001 – 30 Jun 2014)



This graph shows how \$100,000 invested at the Fund's Inception has increased to \$439,900 (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 \$274,100 over the same period. The returns exclude the benefits of imputation credits.

Manager's Commentary

The Australian equity market underperformed global equity markets in June and finished the financial year on a negative note, with the benchmark index falling 1.4%. In contrast, the S&P 500 reached new record highs and closed up 1.9%. Key observations were a falling iron ore price, which weighed on local mining stocks, and further downgrades among retail stocks. Oil price rose to a several months high on increasing geopolitical tensions in Iraq that could disrupt oil exports.

As widely expected, the US Fed cut its QE programme by a further US\$10 billion to now US\$35m per month and comments from Fed chair Janet Yellen were generally supportive for equity markets.

Defensive Utilities and REITs were the best performing sectors. As was the case with other global markets, Consumer Staples was the worst performing sector in June.

The Fund fell by 1.3% during the month. Sectoral allocation contributed to performance as the fund was overweight REITs and underweight Consumer Staples.

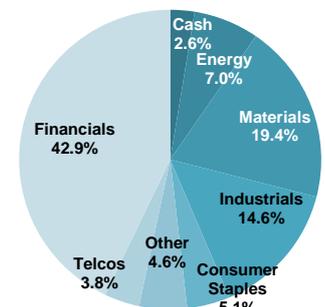
At a stock level, Ingénia Communities rose 11.1% recovering losses from the prior month. We maintain our view that the ageing population's demand for affordable housing is an attractive value proposition. Incitec Pivot was up 5.5% and Newcrest rose 8.0% in line with a recovering gold price. Detractors were BHP (down 3.0%), Monadelphous (down 11.4%) and Wesfarmers (down 3.5%).

Last month we commented about Woodside following its investor day. During the month the company proposed a selective buy-back of some of the shares held by its major shareholder Shell. Woodside is confident that the buy-back has neither a negative impact on its growth plans nor maintaining a high dividend payout policy. We view this as positive and would like to be given the opportunity to consider any tax-effective buy-back.

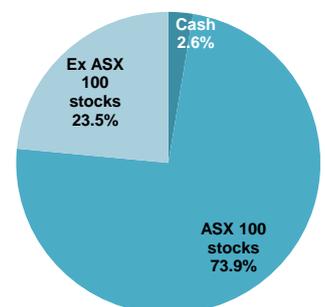
Despite the anaemic economic growth numbers, the ASX again performed strongly, returning 17.3% for the year. The fund returned 16.8% including franking credit and distribution return was 6.8% gross-up. Much has been said about this liquidity driven market, how long will it continue? We share the sentiment expressed by Bank of International Settlement : "disconnect between the markets' buoyancy and underlying economic development globally".

The extreme accommodative monetary policy did not seem to benefit the real economy. For the savers, term deposit rates continued to fall with banks reducing reliance on deposit funding. Dividend yield still presents an attractive alternative, though not without risk. The 2014 government budget proposal of reducing company tax rate from the current 30% to 28.5% effective July 1, 2015 might lead companies with large franking account balances to pay some of them out before tax changes come into effect. We will watch the space.

Holdings by Sectors



Holdings by Market Cap



Top Five Holdings

| | |
|------------|------------------|
| Amcors | Materials |
| ANZ | Financials |
| BHP | Materials |
| CBA | 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 @ 30 Jun 2014 | Issue Price: \$2.3493 Withdrawal Price: \$2.3315 Distribution: \$0.0258 | Issue Price: \$2.3498 Withdrawal Price: \$2.3320 Distribution: \$0.0274 |

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