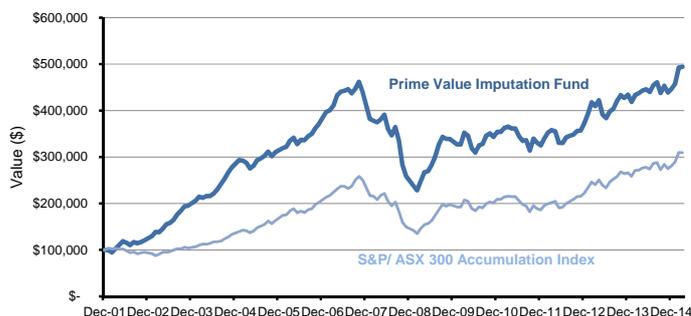


## Fund Performance

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	-0.6%	9.7%	8.9%	6.9%	2.7%	0.5%	7.2%
Distribution Return	0.9%	1.0%	4.1%	4.4%	4.5%	5.1%	5.5%
Total Return	0.3%	10.7%	13.0%	11.3%	7.2%	5.6%	12.7%
<b>Distribution Return including franking credits**</b>	<b>1.2%</b>	<b>1.3%</b>	<b>6.4%</b>	<b>6.4%</b>	<b>6.2%</b>	<b>6.4%</b>	<b>7.6%</b>
<b>Total Return including franking credits**</b>	<b>0.6%</b>	<b>11.0%</b>	<b>15.3%</b>	<b>13.3%</b>	<b>8.9%</b>	<b>6.9%</b>	<b>14.8%</b>
S&P/ASX300 Accumulation Index	-0.1%	10.3%	13.9%	15.3%	8.3%	8.2%	8.8%

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



This graph shows how \$100,000 invested at the Fund's Inception has increased to \$494,200 (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 \$309,500 over the same period. The returns exclude the benefits of imputation credits.

## Manager's Commentary

Following a strong start to the year, the Australian share market took a breather in March, down -0.1%. Health care (up 2.1%) and financials ex REITs (up 2%) were the only sectors to post meaningfully positive returns, while the resource sectors sold off (materials down 4.5% and energy down 5.7%) reflecting weakening Chinese economic data. The Australian dollar fell against most currencies dragged down by the fall in global commodity prices, most notably iron ore which tumbled 17.5% to US\$52. Global equity markets fell 1.5% in US dollar terms.

Global economic news was mixed, with an improvement in Eurozone indicators offset by weaker than expected Chinese and US data. During the month, the Chinese government cut its GDP growth target to 7%, the lowest rate of expansion for 25 years.

Global bond yields were lower on a seemingly dovish statement from the Fed. The if & when of US interest rate hikes remain uncertain and are dependent on new economic data, which for the most part disappointed versus expectations.

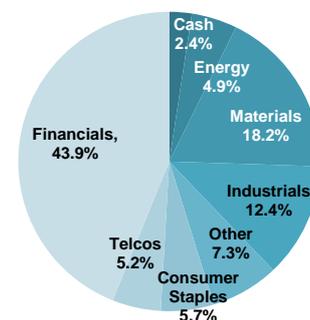
Despite flat performance in March, the Australian share market was up 12.9% financial year to date. The market is now trading above 16 times forward earnings and susceptible in our view at these levels (in spite of lower bond yields); particularly within the "defensive yield" segments of the markets but also more broadly should there be a further deterioration in the domestic economy.

The Fund rose 0.3% in March, or 10.7% for the first quarter. In absolute terms, the Fund's major contributors to performance were ANZ & Westpac (both up 3.6%); and Macquarie (up 5.2%). The major detractors were BHP (down 5.4%); Amalgamated Holdings (down 3.2%) and Newcrest (down 7.1%). There were no company specific news driving the price movements.

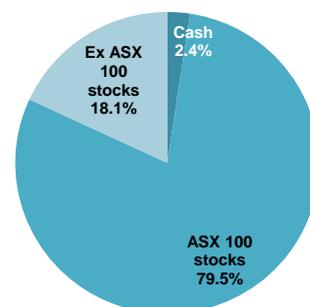
During the month, "Re:think: Better tax system, better Australia" tax discussion paper was released by the treasurer. Any new proposals are likely to be released before the next election. Of specific interest to this Fund is the discussion on "dividend imputation credit system". This system was introduced in 1987 as a way of eliminating double taxation on dividends.

Since 2000, the Australian Taxation Office will refund franking credits received by people who pay no tax (and partially to people on the lower income tax brackets). The Research paper shows that imputation credits can add some 1.5% pa to the return of an investment for those who fully benefit from the refund. This is in line with our Imputation Fund where you can see in the above table that the return including franking credits is 1.5% pa higher than the return of the Fund since inception. We believe the original intention of "no double taxation" remains valid. We continue to monitor the discussion.

## Holdings by Sectors



## Holdings by Market Cap



## Top Five Holdings

ANZ	Financials
BHP Billiton	Materials
CBA	Financials
NAB	Financials
Telstra	Telecommunications

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 7.6% 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. <sup>1</sup>	1.23% p.a. <sup>1,2</sup>				
Performance Fee	20.5% p.a. <sup>1</sup> of performance (net of management fees and administration costs) above the agreed benchmark, subject to positive performance	20.5% p.a. <sup>1</sup> of performance (net of management fees and administration costs) above the agreed benchmark, subject to positive performance				
Contribution Fee	Nil <sup>3</sup>	N/A				
Withdrawal Fee	Nil	N/A				
Research Rating	Lonsec	Investment Grade	Lonsec	Investment Grade		
Unit Prices @ 31 Mar 2015	Issue Price: \$2.5653	Withdrawal Price: \$2.5459	Distribution: \$0.0200	Issue Price: \$2.5653	Withdrawal Price: \$2.5459	Distribution: \$0.0214

<sup>1</sup> Unless otherwise stated, all fees quoted are inclusive of GST and the relevant RITC.

<sup>2</sup> 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.

<sup>3</sup> 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**



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