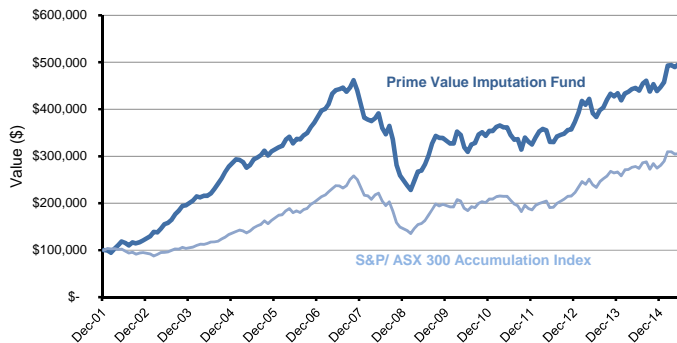


Fund Performance

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	1.1%	-0.3%	7.2%	9.9%	4.7%	0.8%	7.1%
Distribution Return		0.9%	4.0%	4.5%	4.5%	5.1%	5.5%
Total Return	1.1%	0.6%	11.2%	14.4%	9.2%	5.9%	12.6%
Distribution Return including franking credits**		1.2%	6.3%	7.0%	7.0%	7.1%	7.5%
Total Return including franking credits**	1.1%	0.9%	13.5%	16.9%	11.7%	7.9%	14.6%
S&P/ASX300 Accumulation Index	0.4%	-1.3%	9.9%	17.0%	10.1%	8.0%	8.6%

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



This graph shows how \$100,000 invested at the Fund's Inception has increased to \$495,600 (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 \$305,700 over the same period. The returns exclude the benefits of imputation credits.

Manager's Commentary

The Australian share market rose 0.4% in May and with one month of the financial year remaining is up 11.5% for the year (including dividends). Australian equities outperformed emerging markets in May but underperformed most developed markets, especially in US\$ terms with the Australian dollar down approximately 3% to close at 0.765 US cents. Global markets retained a familiar focus on US interest rates and Greece, with the Fed confirming it was on a path to normalisation of rates this year.

On the local economic front, the key events were the RBA's decision to cut the official cash rate to a record low 2% and release of the Federal Budget. Despite heightened property market risks, the RBA elected to cut rates by a further 25 basis points in its efforts to further stimulate the stalling economy while also keeping downward pressure on the currency.

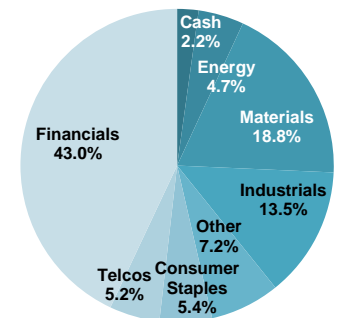
Small business was a major winner of the Federal Budget, with tax cuts and accelerated write-offs prompting a rally in a number of retail stocks during the month on the expectation of stronger growth in computer and office furniture related sales. It was another poor month for the banks (the worst performing sub-sector), an outcome of equity raisings; weaker than expected results/trading updates; and ongoing regulatory pressure to curb the rate of investor property lending growth in particular. In the absence of further rate cuts, the popular yield trade is beginning to look shaky.

The Fund posted a positive return of 1.1% (after fees) for the month, outperforming the S&P/ASX 300 Accumulation Index for a fourth straight month. In absolute terms, the Fund's major contributors to performance were Amcor (up 7.2%, partly due to weak AUD), IOOF (up 7.3%) and Sydney Airport (up 5.5% on solid international and domestic passenger numbers).

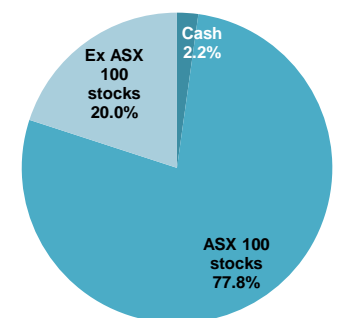
The detractors were the major banks. As stated before, banks are facing some headwinds despite still offering 5%+ fully franked dividend yield. Obviously the dividend yield can change as capital requirement or payout ratio is changed. This 'capital' focus during the May reporting season also saw the three reporting major banks taking a different approach to this issue (NAB & WBC raising equity, ANZ with no raising). Banks might still be able to maintain their return on equity due to their pricing power but we cannot underestimate short-term volatility.

As the financial year draws to a close, we once again think of the 'elephant in the room'. The much anticipated Fed rate move hasn't eventuated yet – Is the Fed so concerned about its impact on financial market hence the hesitation? Or the fragile economic green shoot hasn't been fertilised properly for growth? The longer it continues to create liquidity, the harder it would be for it to unwind (if at all) smoothly.

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. 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 May 2015	Issue Price:	\$2.5503	Issue Price:	\$2.5500
	Withdrawal Price:	\$2.5309	Withdrawal Price:	\$2.5306

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