

MONTHLY UPDATE NOVEMBER 2013



Fund Performance

Table 1 shows the PVIF performance relative to the S&P/ASX 300 Accumulation Index for the period to 30 November 2013.

Table 2 shows the distribution by financial year.

	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	-1.3%	5.8%	19.7%	7.6%	10.5%	2.0%	8.1%	12.9%
S&P/ASX300 Accumulation Index	-1.4%	4.7%	22.7%	9.5%	12.1%	3.9%	9.8%	8.4%
Relative Performance To Benchmark	0.1%	1.1%	-3.0%	-1.9%	-1.6%	-1.9%	-1.7%	4.5%
Approximate Annual Return (after Performance Fees)#			19.7%	7.6%	10.5%	2.0%	8.1%	12.0%

	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14 (Sep Qtr)
Income Distribution	5.2%	3.0%	4.2%	5.1%	4.1%	1.0%
Grossed-up Distribution (for Imputation credits)	7.6%	4.7%	6.4%	7.6%	6.2%	1.7%

* 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

The Australian equity market deteriorated toward the end of the month as the rally started to lose momentum. The S&P/ASX 300 Accumulation index fell 1.4% for the month. However, major global equity markets continued to rise during the month aided by dovish comments from US Fed Chair nominee Janet Yellen who emphasised that the current monetary stimulus will continue under her Chairmanship until the evidence shows that the economy can withstand its withdrawal.

Commodity prices generally fell with the exception of iron ore which rose above US\$136 a tonne. Oil and gold also fell, possibly in reaction to the provisional Iran nuclear deal. The Aussie dollar fell 3.7% over the month after the RBA emphasised their concerns about the effect of a high A\$ on Australia's competitive position. However, interest rates were left unchanged.

Domestic economic data was generally stronger with better than expected retail sales, a rise in business conditions and strong housing data. Housing finance and private sector credit increased. Corporate commentary from AGMs and other updates were mixed.

The financial sector was the best performer on the domestic equity market (up 0.2% ex REITs) while all other sectors fell in November. The energy sector was once again the clear laggard and the Industrials sectors also underperformed.

The Fund fell 1.3% during the month. Sectoral allocation detracted from the performance as the Fund was overweight Industrials. This was partially offset by an underweight position in Telecom and the Fund's cash position.

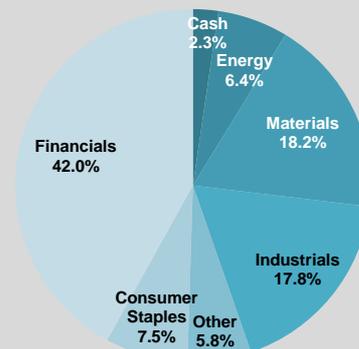
Stock selection contributed positively to the performance, in particular the Fund's holding in Ingenia Communities (up 6%), Orica (up 10%) and Programmed Maintenance (up 9%), which reported good visibility and demand from offshore oil & gas projects. Orica's FY13 result exceeded earlier guidance driven by better performance in Explosives. Following strong performance in prior months ANZ retreated (down 6%). The Fund's holdings in Monadelphous (down 9%) and Newcrest (down 25%) also detracted from the performance.

As the year draws to a close, we reflect on Australia equity market returning 19% CYTD. We are reminded once-again that much of the return came from PE expansion (low interest rate environment) even though the company earnings have been rather flat.

One observation is the poor performance of the REIT sector. The sector underperformed the general market by some 10 percentage points CYTD or 13 FYTD. The normalisation of the yield curve, the lower AUD and abundant supply of new scripts all played a part. There is no shortage of M&A activities. The sector yields around 5.5% and trades at 3% premium to NTA when excluding the developers. We consider the sector as "fair value"; however, select names can provide both income and earnings growth.

We continue to focus on individual stock investment merits with an emphasis on 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

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

The portfolio is generally comprised of 25 - 45 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.

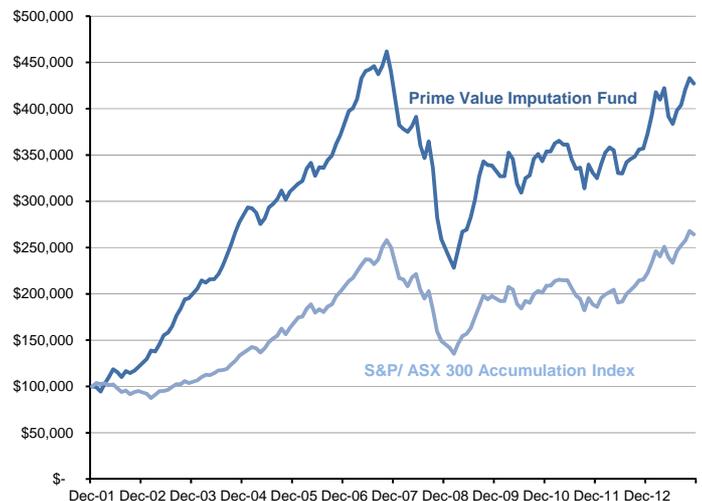
Due to the tax benefits under the current dividend imputation regime, the PVIF will typically have a core position of Australian equities with an attractive level of franked dividends.

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 Nov 2013)



This graph shows how a notional \$100,000 invested at the Fund's inception (20 December 2001) has increased to \$427,300 (net of fees excluding performance fees) as at 30 November 2013. After performance fees, the amount would be approximately \$393,900. This compares very favourably with the return of the market, where a \$100,000 investment would have increased to \$264,300 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	Investment Grade	Lonsec	Investment Grade
Unit Prices @ 30 November 2013	Issue Price:	\$2.3292	Issue Price:	\$2.3286
	Withdrawal Price:	\$2.3116	Withdrawal Price:	\$2.3110

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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