

Fund Performance

Table 1 shows the PVIF performance relative to the S&P/ASX 300 Accumulation Index for the period to 31 October 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	2.9%	8.8%	21.7%	7.3%	8.9%	2.6%	8.4%	13.1%
S&P/ASX300 Accumulation Index	3.9%	8.9%	24.8%	9.6%	11.0%	4.4%	9.7%	8.6%
Relative Performance To Benchmark	-1.0%	-0.1%	-3.1%	-2.3%	-2.1%	-1.8%	-1.3%	4.5%
Approximate Annual Return (after Performance Fees)#			21.7%	7.3%	8.9%	2.6%	8.4%	12.2%

Table 2: Distribution (Class A units)*	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

Most global markets rose despite some uncertainty and drama. The big event was the partial shut-down of the US government as the US Congress failed to agree on a budget by the start of the fiscal year on 1 October. Also big news was the nomination of relatively dovish Federal Reserve Vice Chair Janet Yellen to replace Ben Bernanke as the next Fed Chairperson.

Commodity prices were stable during the month although the WTI oil price fell to below US\$100 a barrel.

The Aussie dollar continued to rise on general US Dollar weakness, reaching a high of 97.5c before easing back on comments from RBA Governor Glenn Stevens highlighting the RBA's concerns about the effect of a high Australian dollar on Australia's competitive position and future economic performance.

Domestic economic data was mixed. Business conditions fell and consumer sentiment was weak but retail sales rose at double the expected rate. Housing data was also strong and suggest the market is buoyant. Inflation surprised on the upside which clouded the official interest rate outlook but another rate cut is still seen as a possibility.

The banks had a record reporting season and financial sector was the best performer, up 5.9% for the month (ex REITS). Healthcare and Telcos also outperformed. Energy was the key laggard and utilities and Industrials also underperformed.

The Fund rose 2.9% during October. Sectoral allocation detracted from performance as the Fund was overweight

Industrials and underweight Financials, which performed strongly during the month. In contrast, the underweight positions in Energy and Utilities sectors contributed to the performance.

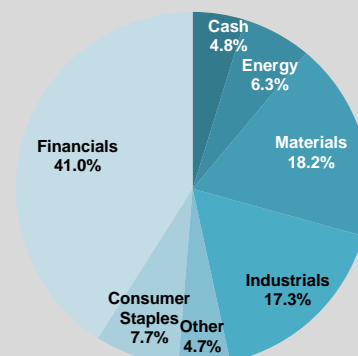
From a stock perspective, our holdings in ANZ Banking Group (up 10%), IOOF Holdings (up 8%) and Wesfarmers (up 4.5%) contributed to the performance. ANZ reported a full-year result that was better than market expectations, with higher dividends. IOOF reported an increase in platform flows and Wesfarmers reported its 1Q trading update. The fund's holdings in Leighton (down 7%), Monadelphous (down 5.2%) and Newcrest (down 12%) detracted from the performance.

In this environment when good news is good news, bad news is good news; we are in a bit of uncharted territory. Australia market is the only one in the world whereby IPO activities had been very strong with some 20+ offerings in the pipeline plus normal equity raisings. The resilient share market is conducive for such activities. We assess each IPO on its merits.

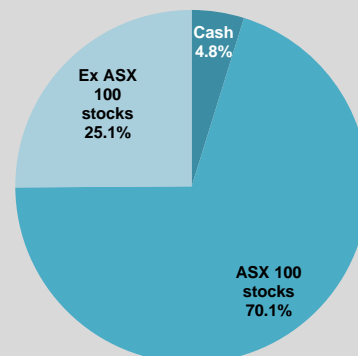
Another observation is at the margin equity asset is seen as providing “income” when income from traditional income assets is low. This is having an influence on corporate behaviour when it comes to resources allocation.

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.

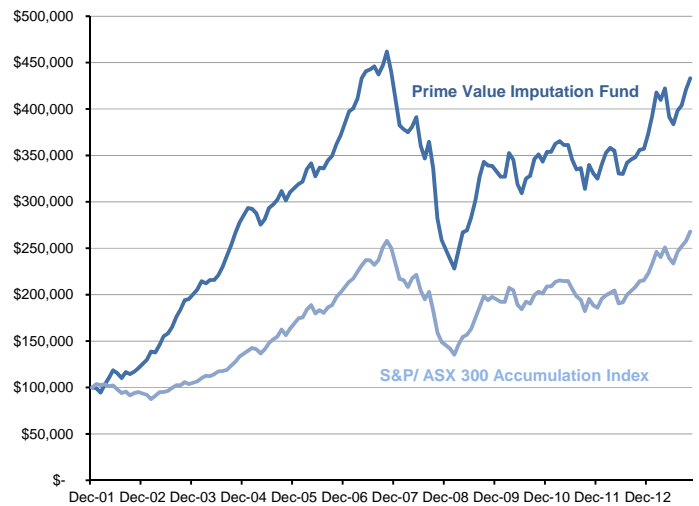
Due to the tax benefits under the current dividend imputation regime, the PVIF will typically have a core position of Australian equities with an attractive level of franked dividends.

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 – 31 Oct 2013)



This graph shows how a notional \$100,000 invested at the Fund's inception (20 December 2001) has increased to \$433,100 (net of fees excluding performance fees) as at 31 October 2013. After performance fees, the amount would be approximately \$399,200. This compares very favourably with the return of the market, where a \$100,000 investment would have increased to \$267,900 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 @ 31 October 2013	Issue Price:	\$2.3609	Issue Price:	\$2.3599
	Withdrawal Price:	\$2.3431	Withdrawal Price:	\$2.3421

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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