

## Fund Performance

The following table shows the performance of the PVOF for the period to 30 June 2013.

Return (Class A Units)*	3 mths	6 mths	Since 5 Nov 12
Prime Value Opportunities Fund	0.0%	10.2%	14.1%
Benchmark (8% pa)	1.9%	3.9%	5.2%
<b>Relative Performance To Benchmark</b>	<b>-1.9%</b>	<b>6.3%</b>	<b>8.9%</b>
Approximate Return (after Performance Fees)#	0.0%	9.3%	12.7%

\* 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 half yearly on 30 June and 31 December (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 is subject to a high water mark.

## June Quarter Commentary

Equity market volatility disrupted the strong market performance from the previous two quarters. Unsurprising in the sense that the “QE-inspired” equity market performance would always face adjustment when the withdrawal (or in this case the threat of withdrawal), of liquidity takes place. The Fund’s performance held steady, literally flat, through the June quarter. The S&P/ASX300 Accumulation Index fell by 2.8% over the same period. As at the end of June 2013, the Fund had returned 14.1% since its inception on 5 November 2012.

The Australian dollar had previously defied expectations by staying strong over a long period of time, even when commodity prices had faltered. Perhaps this was a consequence of the distortionary impact of world monetary policies. As the US Federal Reserve raised the possibility of making adjustments to their quantitative easing program, the Australian dollar’s resilience began to wear down in May.

The weaker Australian dollar has been a positive influence for the share price of our holdings with international operations. The currency factor is never a key driver in our underlying investment thesis when evaluating any company. We first seek to understand the company’s corporate strategy and the quality of its assets and business model. The currency factor is something we monitor and seek to understand but is secondary when forming an investment view. In our view, companies such as Amcor and Breville have taken measures to focus on business growth initiatives to improve their competitiveness. This will help position them to grow over the longer term. We do not have a crystal ball that allows us to anticipate the future value of the Australian dollar--instead we are focussed on well capitalised companies that will endure tough times but are well positioned for future growth.

Key contributors to performance during the June quarter included Ardent Leisure,

Breville and iiNet. Holdings that detracted from performance included MACA Ltd., Monadelphous and Transpacific Industries.

## Portfolio Strategy

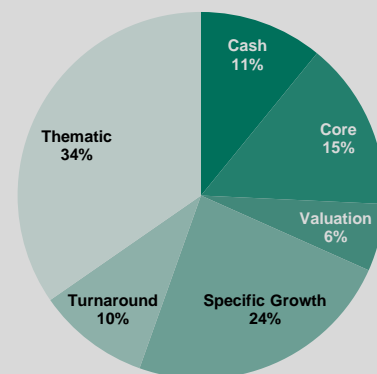
Through the June quarter we maintained a cash position of 12% in the Fund. The number of stocks increased to 24 and the concentration in selected stocks was reduced. Opportunities arose to invest a portion of our cash holding into selected stocks towards the end of the quarter. Collectively, these active measures helped to absorb some the market volatility in the quarter.

We will be assessing the appropriateness of our holdings, weightings and cash position as we head into the corporate reporting period through August. In the near term, macro events are likely to dominate sentiment and possibly the direction of the market.

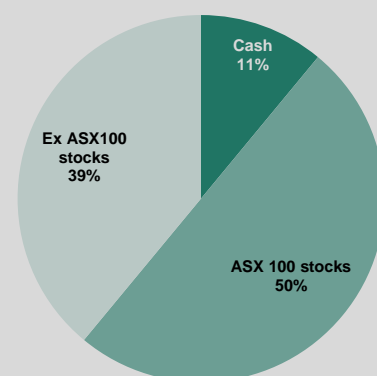
Such an environment implies two potential outcomes. First, volatility in the share market is likely to be high as investors react to and make judgments on short term news flow and events. Second, the potential for securities mispricing will increase. For example, investors may gravitate towards ‘safe sectors’. This in itself has the potential to push prices to excessive or expensive levels. On the other hand, such an environment will introduce buying opportunities. Companies with strong long term prospects may be sold down as investors focus on short term news flow.

In recent months, the Opportunities Fund has been focussing on companies that we believe are less correlated to the economy or market. The underlying businesses of these companies will remain robust regardless of the broad direction of the economy. This is reflected in our investments into Austbrokers (insurance broking services), Ingenia Communities Group (provision of seniors’ housing communities) and Virtus Health (provider of Assisted Reproductive Services).

## Holdings by Categories



## Holdings by Market Cap



## Top Five Holdings

Amcor	Materials
ANZ	Financials
BHP Billiton	Materials
Suncorp	Financials
Westpac	Financials

The portfolio is generally comprised of 10 – 30 stocks.

## Key Fund Details

### Investment Background

The Fund was established on 5 November 2012 and had returned 14.1% as at 30 June 2013.

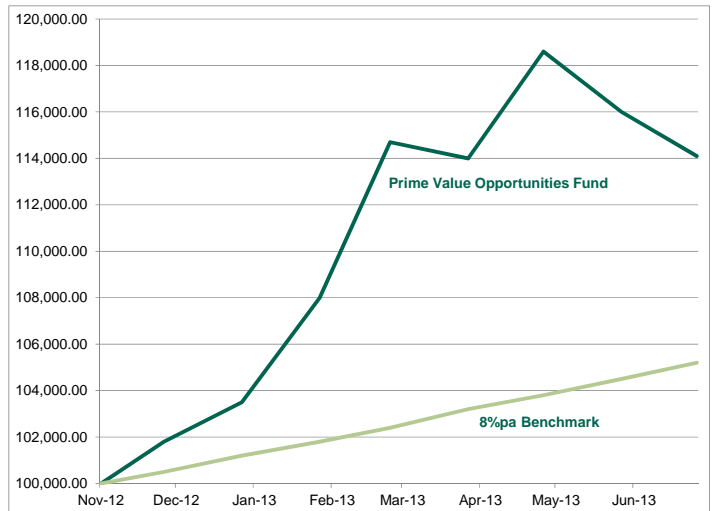
The Opportunities Fund is a highly concentrated portfolio of securities invested across the broad market (i.e. large, mid, small or micro cap stocks). There are no index weightings or sector limit constraints and the Fund can invest in global equities (up to 20%). The Fund may at times invest largely in cash and fixed interest (up to 100%) based on the attractiveness of investment opportunities and market conditions.

### Investor Objectives and Investor Profile

The Fund is designed for an investor seeking to achieve superior absolute total returns by providing medium to long term capital growth without the constraints of a share market benchmark. Composition of the Fund will differ from the typical Australian equity fund.

## Historical Performance (Class A Units)

### Value of \$100,000 Invested Since Inception (5 Nov 2012 – 30 Jun 2013)



This graph shows how a notional \$100,000 invested at the Fund's Inception (5 November 2012) has increased to \$114,100 (net of fees excluding performance fees) as at 30 June 2013. After performance fees, the amount would be approximately \$112,700. This compares with an 8% absolute return, where a \$100,000 investment would have increased to \$105,200 over the same period. The returns exclude the benefits of imputation credits.

Launch Date: 5 November 2012	Direct Investment (Class A)	Indirect Investment via IDPS or IDPS-Like Schemes (Class B)
APIR Code	PVA0005AU	PVA0006AU
Indirect Cost Ratio (ICR)	0.95% pa <sup>1</sup>	0.95% pa <sup>1,2</sup>
Performance Fee	15% <sup>1</sup> of performance (net of management fees) above 8% pa, subject to a high water mark	15% <sup>1</sup> of performance (net of management fees) above 8% pa, subject to a high water mark
Benchmark	8% pa	8% pa
Minimum Initial Investment	\$50,000	N/A
Minimum Additional Investment	\$5,000	N/A
Withdrawal Fee	Nil	N/A
Income Distributions	Half-yearly	Half-yearly
Unit Prices @ 30 Jun 2013	Issue Price: \$1.1451 Withdrawal Price: \$1.1365 Distribution: \$0.0042	Issue Price: \$1.1323 Withdrawal Price: \$1.1237 Distribution: \$0.0012

<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.

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