

QUARTERLY UPDATE MARCH 2013



Fund Performance

The following table shows the performance of the PVOF for the period to 31 March 2013.

Return (Class A Units)*	3 mths	Since 5 Nov 12
Prime Value Opportunities Fund	10.1%	14.0%
Benchmark (8% pa)	1.9%	3.1%
Relative Performance To Benchmark	8.2%	10.9%
Approximate Return (after Performance Fees)#	9.0%	12.4%

* 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.

March Quarter Commentary

The Fund rose 10.1% over the quarter, which was pleasing given reasonably high levels of cash. As at the end of March 2013 the Fund had returned 14.0% since its inception on 5 November 2012.

We saw strong quarterly contributions from our holdings across the market capitalisation spectrum, from the smallest to the largest. The profile of the performance contributors reflects the diversity of the portfolio holdings. The key contributors to performance over the March quarter included REA Group and Bega Cheese. REA Group’s 1H13 results reaffirmed the company’s ability to leverage its strong market position to improve its advertising model. Bega Cheese’s overall financial position has continued to improve with the onset of higher capacity utilisation at its facilities.

The holdings which detracted from performance included Ardent Leisure and Sydney Airports. Sydney Airports’ share price was affected by a potential tax issue surrounding the tax deductibility of one of its debt instruments. The tax issue is non-operational but may have some impact on the company’s dividends. Ardent Leisure’s Australian theme park customer count in the past six months had appeared to be soft.

Portfolio Strategy

We have had very low turnover in the portfolio since its inception. There were few reasons to deviate from the strategy we had implemented when the Fund commenced. It was particularly pleasing to have the February reporting season reaffirm our investment rationale for a number of our holdings.

During the quarter, the following themes impacted the portfolio positively:

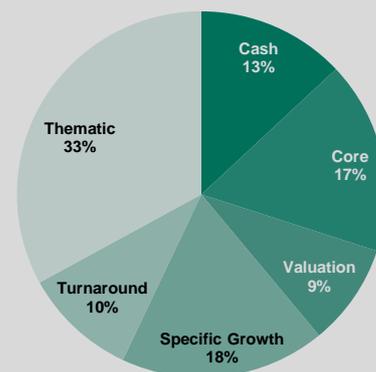
- Investor demand for income or yield continued to be strong.
- Companies with pricing power capitalised on that strength to drive revenue growth.
- Companies are benefiting from leveraging their fixed cost base through improving utilisation rates.
- Companies with unique products that add value to their clients had good top line revenue growth.

Ramsay Healthcare, one of the Fund’s core holdings, announced a joint venture with listed Malaysian conglomerate Sime Darby to expand their hospital operations in South East Asia.

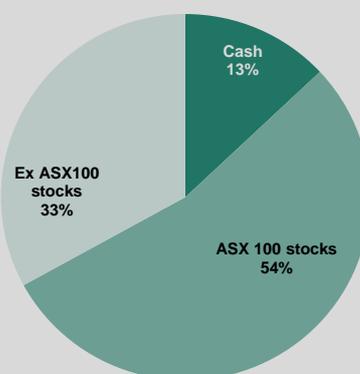
Healthcare is a demographic thematic the Fund has exposure to. Ramsay and Sime Darby have plans to contribute hospital assets and funding into the JV structure. The plan is sensible. The financial risks are low but leverages key strengths of the joint venture partners—Ramsay for its excellent hospital expertise and Sime Darby for the company’s growing emphasis in the sector.

We make the following observations on several key differences impacting the healthcare sector in Asia compared to Australia. First, a faster growing middle class demands better quality healthcare services. The Asian middle class is typically younger but experiencing good growth in wealth or incomes. Second, the population is underserved in healthcare services in a number of Asian countries, providing scope for private sector service providers to expand into the sector.

Holdings by Categories



Holdings by Market Cap



Top Five Holdings

ANZ	Financials
BHP Billiton	Materials
IINET	Telecommunications
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 14.0% as at 31 March 2013.

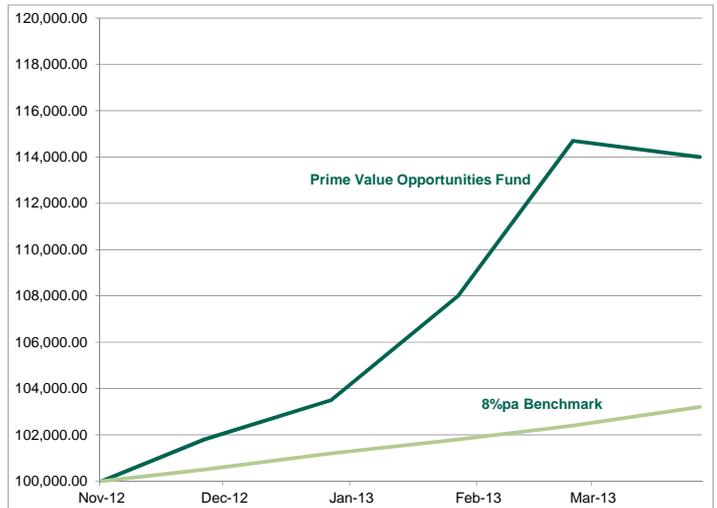
The Opportunities Fund is a highly concentrated portfolio of securities invested across the broad market (i.e. large, mid, small or micro cap stocks). There are no index weightings or sector limit constraints and the Fund can invest in global equities (up to 20%). The Fund may at times invest largely 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 – 31 Mar 2013)



This graph shows how a notional \$100,000 invested at the Fund's Inception (5 November 2012) has increased to \$114,000 (net of fees excluding performance fees) as at 31 March 2013. After performance fees, the amount would be approximately \$112,400. This compares with an 8% absolute return, where a \$100,000 investment would have increased to \$103,100 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 ¹	0.95% pa ^{1,2}
Performance Fee	15% ¹ of performance (net of management fees) above 8% pa, subject to a high water mark	15% ¹ 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
Minimum Monthly Investment	\$500	N/A
Withdrawal Fee	Nil	N/A
Income Distributions	Half-yearly	Half-yearly
Unit Prices @ 31 March 2013	Issue Price: \$1.1446 Withdrawal Price: \$1.1360	Issue Price: \$1.1284 Withdrawal Price: \$1.1198

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.

Prime Value Asset Management Ltd

Level 9, 34 Queen St,
Melbourne VIC 3000

Tel: +61 3 9098 8088

Fax: +61 3 9098 8099

Website: www.primevalue.com.au

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 Opportunities Fund must obtain and read the PDS dated 28 Mar 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 Opportunities 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.