QUARTERLY UPDATE MARCH 2014

Prime Value Opportunities Fund

Fund Performance

The following table shows the performance of the PVOF for the period to 31 March 2014.

Return (Class A Units)*	3 mths	6 mths	Financial YTD	1 Yr (pa)	Since 5 Nov 12 (pa)
Prime Value Opportunities Fund	4.0%	9.6%	22.4%	22.5%	26.6%
Benchmark (8% pa)	1.9%	3.9%	5.9%	8.0%	7.9%
Relative Performance To Benchmark	2.1%	5.7%	16.5%	14.5%	18.7%
Approximate Return (after Performance Fees)#	3.7%	8.7%	20.0%	20.3%	23.8%

* 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 4.0% through the March quarter. For the nine months of the 2014 financial year the Fund posted a return of 22.4% (after management fees). Viewed in the two dimensions of against the Fund's 8% p.a. return benchmark and against the broader market, the Fund's progress this financial year has been highly satisfactory–in fact it's hard to imagine a double digit return in any given year as disappointing.

Building on a solid December 2013 quarter, the Fund continued to perform well in the March 2014 quarter. Although 2014 did start on a softer and volatile note, the Fund's performance through the quarter more than made up for the soft January performance (the Fund fell 1.9% in January, recovered 5.9% in February and rounded out March up 0.2%). Key contributors during the quarter included our holdings in Ardent Leisure (+24.4%), REA Group (+29.1%) and Vocation (+27.8%). Compared to the December quarter, where we highlighted mergers and acquisition a feature for the Fund, it was operating performance matters that dictated our attention during the March quarter.

Although not as exciting as M&A matters, we believe that holding positions in strongly capitalised and well operated companies will help limit downside risks for our investors.

Fund activity remains exceptionally low—this has been consistent since the Fund commenced. There hasn't been a shift in our investment style. We exited our position in Royal Wolf during the quarter, for liquidity reasons but did not add any new positions to the portfolio. Even though we sold our position in Royal Wolf, we expect to continue monitoring its progress. We feel it's an excellent company helmed by a sensible management team. It's clearly not just a company that sells shipping containers—management's efforts to reposition its value proposition to its customers by creating alternative uses and points of engagement has been positive for shareholders.

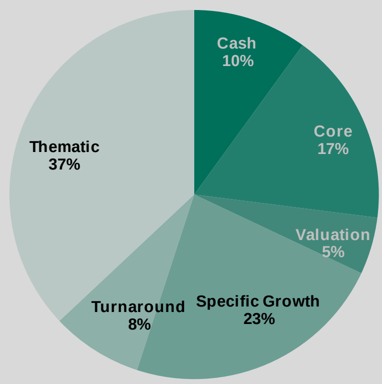
Unlike most of our peers and the benchmark index, the Fund was not 100% invested since Fund inception. The Fund's approximately 10% average cash weighting obviously detracted from performance. However, in such an unusually strong 18 months and with the significant outperformance of our stock positions, we are pleased with the current portfolio performance. The cash position was a by-product of our research and portfolio construction and not a market call. It is our intention to be able to deploy as much of the Fund's cash, prudently, as seeds for future return.

Looking Ahead

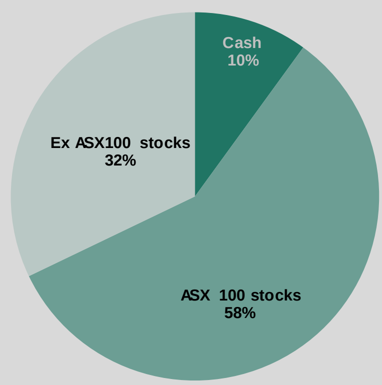
As we have highlighted above, portfolio activity has been very low. However, our 'Work-in-Progress' is full. Work-in-Progress is the lifeline of the Fund and is critical for future fund returns. We may be following and learning about certain stocks over a long duration of time before initiating a position. This approach helps us to gain conviction in our investments and will yield opportunities in 'out-of-favour' stocks. One aspect of this search process leads us to look at attractive businesses whose shares may have been avoided by the larger investment community because of temporary problems i.e. short termism. Such might be the case for certain Australian resources companies because they are commodity producers and commodities (broadly speaking) are in the doldrums.

Looking forward, we feel that macro factors remain unpredictable and investor sentiment is ever changing. Building a portfolio against such a backdrop is challenging. We continue to sharpen our process and endeavour to gain further attunement to business fundamentals affecting our holdings. The market tumult earlier in January should not be forgotten. Instead such events should be seen as opportunities to unearth potential investments at an attractive price.

Holdings by Categories



Holdings by Market Cap



Top Five Holdings

ANZ	Financials
BHP Billiton	Materials
Ramsay Health Care	Health Care
iiNet	Telecommunications
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 26.6% p.a as at 31 March 2014.

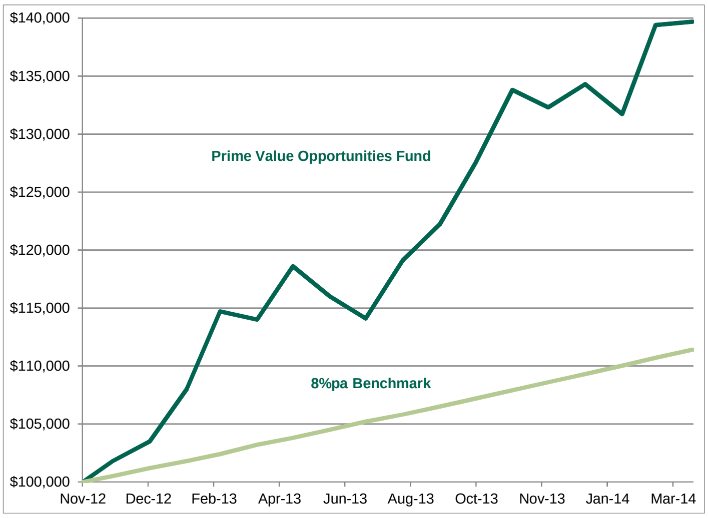
The Opportunities Fund is a highly concentrated portfolio of securities invested across the broad market (i.e. large, mid, small or micro cap stocks). There are no index weightings or sector limit constraints and the Fund can invest in global equities (up to 20%). The Fund may at times invest largely 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 2014)



This graph shows how a notional $100,000 invested at the Fund's Inception (5 November 2012) has increased to $139,700 (net of fees excluding performance fees) as at 31 March 2014. After performance fees, the amount would be approximately $135,400. This compares with an 8% absolute return, where a $100,000 investment would have increased to $111,400 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	$20,000	N/A
Minimum Additional Investment	$2,000	N/A
Withdrawal Fee	Nil	N/A
Income Distributions	Half-yearly	Half-yearly
Research Rating	Lonsec Investment Grade	Lonsec Investment Grade
Unit Prices @ 31 Mar 2014	Issue Price: $1.3724 Withdrawal Price: $1.3620	Issue Price: $1.3433 Withdrawal Price: $1.3331

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