Prime Value Emerging Opportunities Fund Update – November 2015

- The Prime Value Emerging Opportunities Fund invests in companies in the diversified smaller emerging companies sector
- The Fund is benchmark agnostic and is managed actively to identify opportunities and preserve capital
- Currently the Fund is 62% invested but we have identified a number of opportunities we expect to invest in shortly.
- The Fund has increased by 10.9% since inception (8 Oct 2015)

	Total Return*	Benchmark (8% pa)	S&P/ASX Emerging Companies Accum Index
Since inception	8.9%	1.1%	-0.5%
1 Month	6.3%	0.6%	-2.8%

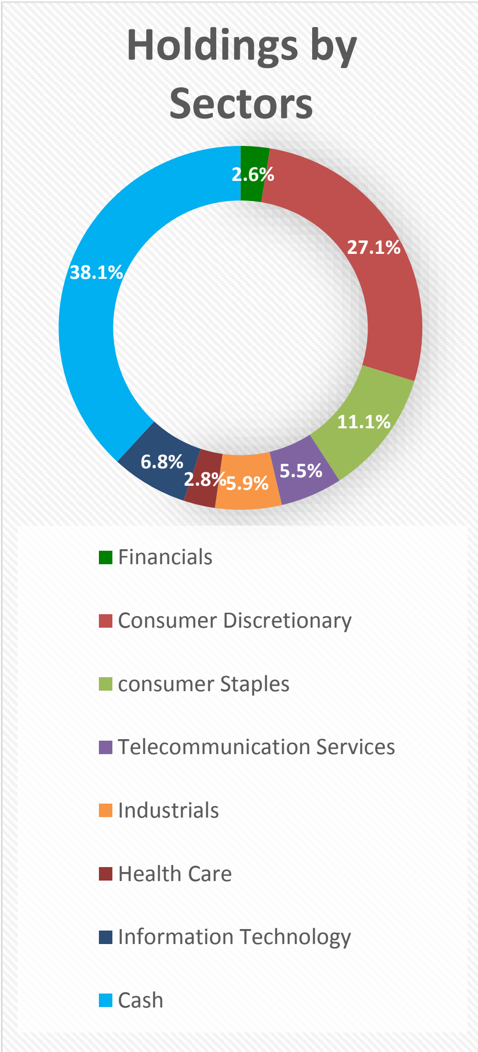
* Fund returns are calculated net of management fees and performance fees, assuming all distributions are re-invested. Performance figures have been calculated in accordance with the Financial Services Council (FSC). The returns exclude the benefits of imputation credits. Past performance is not necessarily an indicator of future performance.

The Prime Value Emerging Opportunities Fund is a concentrated portfolio of companies with a market capitalisation of less than $500 million at the time of first purchase by the Fund. The Fund may hold up to 30% in previously held companies which have grown their market cap above $500m. Investors should be aware there may be greater price volatility with an investment in the small and micro-cap sector, than with larger companies.

Top five holdings	Sector
PWR Holdings	Consumer discretionary
Surfstich	Consumer discretionary
Appen	Information Technology
QMS Media	Consumer Discretionary
Collins Foods	Consumer Discretionary

* The top five holdings make up approximately 27.5% of the portfolio

Feature	Fund Facts
Portfolio Manager	ST Wong
Investment objective	To achieve superior absolute total returns by providing medium to long term capital growth without the constraints of a share market benchmark.
Benchmark	8% pa
Inception Date	8 October 2015
Typical Number of Stocks	25-50
Cash	0 - 20%
Unlisted Exposure	0 – 10%
International Exposure	0 – 20%
Distribution	Half-yearly
Recommended investment period	3 + years



Market review

The Australian share market eased slightly in November with the ASX300 declining by 0.7%. Health care was the standout sector (+5.3%), while the materials sector was by far the worst performing sector, down 12.4%. Small caps were flat, outperforming large caps (-0.8%) and mid-caps (-0.6%). The downward trend in Chinese growth and a much anticipated lift in US rates are the two key factors weighing on both commodity prices and emerging markets. The US dollar and bond yields rallied during the month as markets began to increasingly price-in a December rate hike following the release of strong economic data, including unemployment which fell to 5%.

Domestically, stronger than expected employment data reduced expectations of a near-term rate cut and supported the AUD (up 1.1c to 72.5 US cents). While limited in its scope, materially weaker-than-forecast capex spending data was a clear reminder of the economic headwinds moving into 2016. The positive offset for the economy and equity markets is historically low interest rates (with an easing bias) and a relatively constrained Australian dollar.

Fund review & strategy

The Fund enjoyed a strong start, rising 10.9% since inception. We currently hold 17 investments including 1 investment that will be listed in the near future. We finished the month with a cash position of approximately 38%. We have earmarked a number of companies we expect to be invested in quite shortly.

Our overarching investment approach is to seek companies with strong business models executed by outstanding management teams. We further believe understanding how the company's growth is to be funded is critical to understanding a company's business model. We then look to construct a diversified portfolio across industries and through stock selection. Currently we have larger positions in companies within the Consumer, Industrials and IT/Telco sectors. We have no exposure to the Materials or Energy sectors at this point.

Despite the current low growth environment, it is possible to identify companies with robust earnings growth potential and the ability to sustain and possibly grow

	Direct Investment	Platform Investment
APIR Code	TBC	TBC
Minimum Investment	$20,000	N/A
Issue price	$1.0936	$1.0936
Withdrawal price	$1.0848	$1.0848
Indirect Cost Ratio (ICR)	1.25%	1.25%
Performance fee	20%[1]pa	20%[1]pa

[1] of performance (net of management fees and administration costs) above the agreed benchmark, subject to positive performance

Top contributors (absolute)	Sector
Appen	IT
QMS Media	Consumer Discretionary
Baby Bunting	Consumer Discretionary

Top detractors (absolute)	Sector
Surfstitch Group	Consumer discretionary
Vitaco Holdings	Consumer staples
Speedcast International	Telecommunications

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