Prime Value Growth Fund
Fund Update - August 2015

- Concerns of slowing Chinese economic growth rippled through financial markets causing sharemarkets to retreat in August
- Fund performance was resilient, continuing the recent trend of positive attribution due to stock selection
- Strong portfolio performers included Sydney Airports (+2.5%), Asciano (+4.4%) and IPH Ltd (+12.5%)

	Total Return*	S&P/ASX 300 Accumulation Index	Relative Performance to Benchmark
Since inception (pa)	12.5%	7.9%	4.6%
10 Years (pa)	6.5%	6.1%	0.4%
5 Years (pa)	6.3%	7.9%	-1.6%
3 Years (pa)	8.0%	11.0%	-3.0%
1 Years (pa)	-6.4%	-3.2%	-3.2%
3 Months	-8.6%	-8.8%	0.2%
1 Month	-7.4%	-7.7%	0.3%

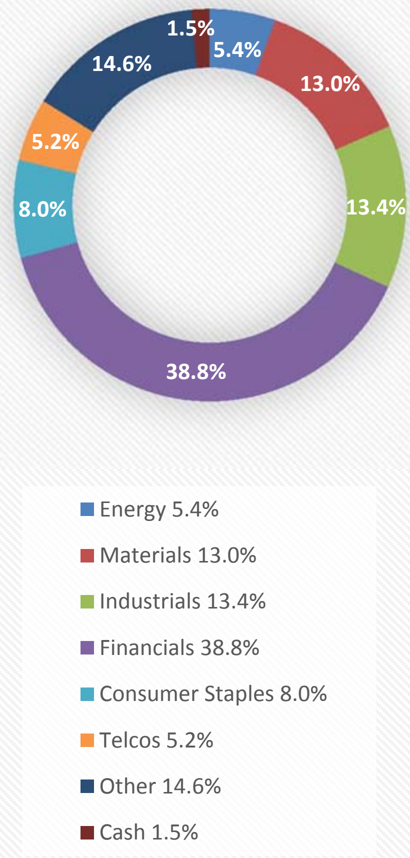
*Fund returns are calculated net of management fees, assuming all distributions are re-invested. Performance figures have been calculated in accordance with the Financial Services Council (FSC). The returns are calculated before performance fees which are charged against individual accounts. The returns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

Top five holdings	Sector
Commonwealth Bank Australia	Financials
National Australia Bank	Financials
BHP Billiton	Materials
Telstra	Telecommunications
Wesfarmers	Consumer Staples

* The top five holdings make up approximately 33.3% of the portfolio

Feature	Fund facts
Portfolio Manager	ST Wong
Investment objective	To provide superior medium to long term capital growth, with some income, by managing a portfolio of predominantly Australian equities listed on any recognised Australian Stock Exchange.
Benchmark	S&P / ASX 300 Accumulation Index
Inception Date	10 April 1998
Cash limit	0 - 30%
Distribution	Half-yearly
Recommended investment period	3 - 5 years +
Annualised Return	12.5%
Research Rating	Lonsec - Investment Grade Zenith - Approved

Holdings by Sectors



Market review

August was a difficult month for growth assets. Concerns of a slowing Chinese economy and its impact on the global economy rippled through asset classes. The Australian share market declined 7.7%, the worst monthly performance since October 2008. The underperformance of the Australian market was larger in US dollar terms given the fall in the Australian dollar, which declined a further 2.4 cents to $0.7133 at the end of August.

We make the observation that China took steps to underpin growth with the Chinese central bank cutting interest rates and bank reserve requirements, both aimed at introducing monetary stimulus into the economy. China also announced a surprise devaluation of its currency. We are currently watching for the implications of the Renminbi devaluation whilst expecting the drop in the Australian Dollar to exert a positive impact on our export sectors.

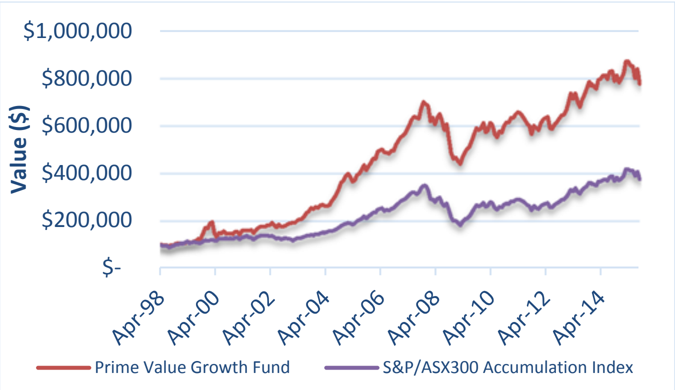
Oil was the roller coaster commodity of the month – hitting a 7 ½ year low of US$42.70 (Brent) on 24 August before rebounding 27% over the subsequent trading days to actually finish up on the month (US$54.15).

Fund review & Strategy

The Fund posted a return of -7.4% for the month, outperforming the benchmark (after fees). In absolute terms, the Fund's major contributors to performance were Asciano (+4.4%), Sydney Airport (+2.5%) and IP services firm IPH (+12.5%), while the banks represented the three major detractors (CBA -13.9%, ANZ -14.5% and NAB -10.4%).

Asciano continued to perform well with Brookfield formalising its takeover offer. We are currently assessing Brookfield's offer of an implied value of $9.15 per share. The banks have sold off by approximately 20% from their highs in April. At current levels, the banks offer much improved valuations—we estimate the sector's FY16 gross yield at 8.6%. Recent capital raisings have strengthened the banks' balance sheets, a positive, with the recent repricing of investor mortgage loans contributing to returns. The Fund participated in CBA's entitlement issue but didn't take up any ANZ placement shares.

The recent market volatility has introduced potential opportunities for the Fund and we hold the view that any reasonable sell down affects share prices across the board indiscriminately thus creating opportunities to invest.



This graph shows how $100,000 invested at the Fund's Inception has increased to $778,600 (net of fees excluding performance fees). This compares very favourably with the return of the market, where a $100,000 investment would have increased to $376,800 over the same period. The returns exclude the benefits of imputation credits.

Top contributors (absolute)	Sector
Asciano	Industrials
Sydney Airport	Industrials
IPH	Industrials

Top detractors (absolute)	Sector
Commonwealth Bank	Financials
ANZ	Financials
National Australia Bank	Financials

Platforms
Asgard, Ausmaq, Beacon, BT Wrap, First Wrap, Hub24, IOOF, Global One, Macquarie Wrap, Netwealth, Premium Choice, Symetry, Wealthtrac

	Direct Investment (Class A)	Platform Investment (Class B)
APIR code	PVA0001AU	PVA0011AU
Minimum Investment	$20,000	N/A
Issue price	$2.7680	$2.7542
Withdrawal price	$2.7470	$2.7334
Indirect Cost Ratio (ICR)	1.435% pa	1.23% pa
Performance fee	20.5%[1]	20.5%[1]

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

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