Prime Value Growth Fund
Fund Update – January 2016

- The Australian share market fell 5.5% in January, in line with global share markets and the falling oil price
- Australia's unemployment rate was steady at 5.8% in December 2015—a positive outcome, indicating that the economy has a good base as Australia transitions from the resources boom
- Resmed and Sydney Airport were key performers in January—both companies reported good revenue growth at their latest updates

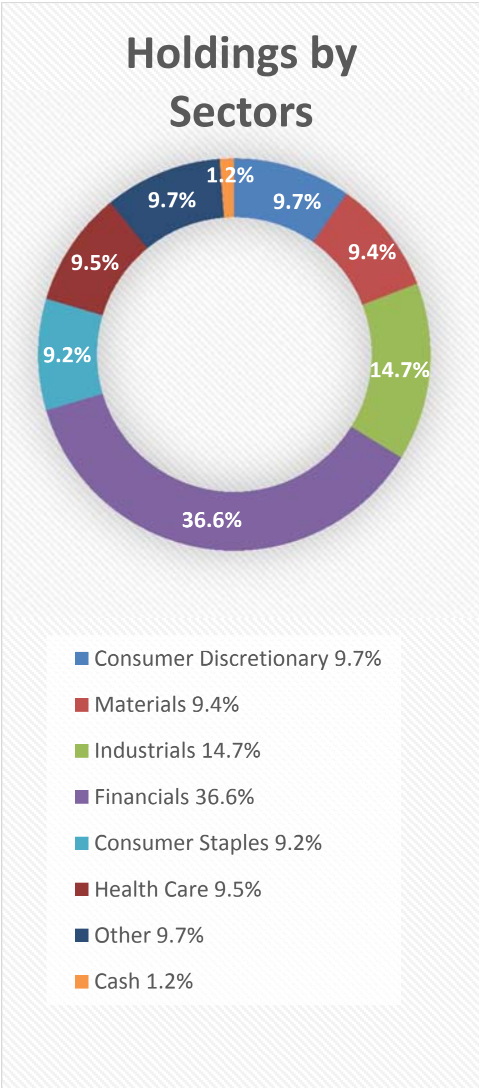
	Total Return*	S&P/ASX 300 Accumulation Index	Relative Performance to Benchmark
Since inception (pa)	12.2%	7.6%	4.6%
10 Years (pa)	5.3%	4.6%	0.7%
5 Years (pa)	4.2%	5.5%	-1.3%
3 Years (pa)	3.5%	5.3%	-1.8%
1 Years (pa)	-5.6%	-5.8%	0.2%
3 Months	-2.4%	-3.5%	1.1%
1 Month	-5.3%	-5.5%	0.2%

*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
Wesfarmers	Consumer Staples
National Australia Bank	Financials
Telstra	Telecommunications
CSL	Health Care

* The top five holdings make up approximately 30.1% 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 + years
Annualised Return	12.2%
Research Rating	Lonsec - Investment Grade Zenith - Approved

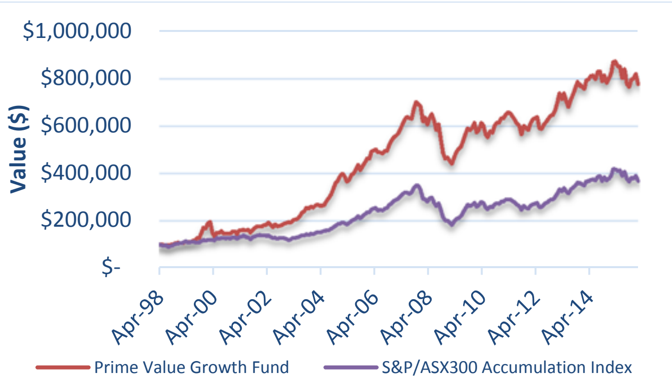


Market review

The Australian share market had a difficult start to 2016, down 5.5% in January. Markets were concerned with slowing Chinese economic growth while the oil price continued to fall at a rapid pace. This led to a broad based sell-off with developed and emerging market indices both down more than 6% over the month.

Despite global concerns, the Australian economy is transitioning well. Sectors previously highlighted, particularly in service oriented industries are robust, leading to a steady unemployment rate of 5.8% for December 2015 which would indicate the economy has a good base to continue to transition away from the resource boom.

The REIT sector was the best performing sub-sector for the month, returning a modest 1.1%. Unsurprisingly, the defensive sectors outperformed - namely Utilities, Telcos and Consumer Staples. The resources sectors were hit hard, with Energy down -6.2% and the broader Materials sector down -9.5%. The major banks also came under renewed selling pressure, with Financials (ex REITs) down 9%.



This graph shows how $100,000 invested at the Fund's Inception has increased to $777,800 (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 $368,700 over the same period. The returns exclude the benefits of imputation credits.

	Direct Investment (Class A)	Platform Investment (Class B)
APIR code	PVA0001AU	PVA0011AU
Minimum Investment	$20,000	N/A
Issue price	$2.6938	$2.6808
Withdrawal price	$2.6734	$2.6606
Distribution (31/12/2015)	$0.0750	$0.0767
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

Fund review & strategy

The Fund outperformed its benchmark by 0.2% in January (after fees), declining 5.3% versus a negative return of 5.5% for the S&P/ASX 300 Accumulation Index. For FYTD, the Fund is 2.7% above its performance benchmark. In absolute terms, the Fund's major contributors to performance for the month were Resmed (+8.2%), which reported above consensus Q2 sales; Sydney Airport (+3.6%) and Harvey Norman (+6.2%). CBA (-8.0%), ANZ (-13.4%) and BHP (-14.1%) were the three major detractors.

The portfolio is positioned to capitalise on Australia's transitioning economy away from a reliance on the resource sector. We expect the consumer, services and infrastructure sectors to become more important components of the economy in the future. Accordingly, a large proportion of our research resource is allocated to these sectors and is reflected in our stock holdings.

We hold moderate positions across the mining and energy sectors—these positions have not changed significantly in the past year as the companies we have invested in have the following characteristics: low cost producers with profitable long life assets backed by robust balance sheets.

Top contributors (absolute)	Sector
Resmed	Health Care
Sydney Airport	Industrials
Harvey Norman	Consumer Discretionary

Top detractors (absolute)	Sector
Commonwealth Bank	Financials
ANZ Bank	Financials
BHP Billiton	Materials

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

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