

Prime Value Growth Fund

Fund Update - June 2015



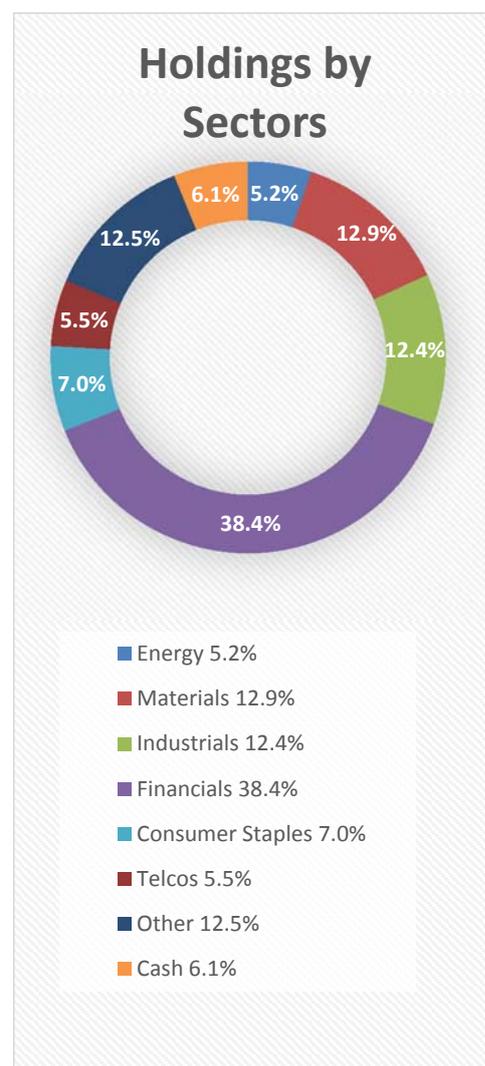
- Global events, particularly in Greece and China, dictated share market performance.
- Defensive sectors performed well in a volatile environment. The volatile environment introduced opportunities to invest in companies that may have been oversold.
- Ingenia Communities was the Fund's best performing stock as the company reported strong sales going into the end of the financial year.

	Annual return*	S&P/ASX 300 Accumulation Index	Relative Performance to Benchmark
Since inception (pa)	12.8%	8.2%	4.6%
10 Years (pa)	7.4%	6.9%	0.5%
5 Years (pa)	7.7%	9.5%	-1.8%
3 Years (pa)	10.9%	14.7%	-3.8%
1 Years (pa)	0.6%	5.6%	-5.0%
3 Months	-8.1%	-6.5%	-1.6%
1 Month	-5.7%	-5.3%	-0.4%

*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
BHP Billiton	Materials
Commonwealth Bank Australia	Financials
National Australia Bank	Financials
Telstra	Telecommunications
Wesfarmers	Consumer Staples

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	12.8%
Research Rating	Lonsec - Investment Grade Zenith - Approved



Market review

Global share markets sold-off heavily in June, weighed down by events in Greece and a plunge in the Chinese stock market. The Australian share market underperformed both developed and emerging markets, with the ASX 300 declining 5.3%. Adding to market volatility was a host of earnings downgrades.

Two themes dominated much of the market's performance in the 2015 financial year. Interest rates declined and share prices were driven up by investors seeking better returns. In the last quarter, Greek political and fiscal uncertainty coupled with fragile Chinese stock market sentiment were the main drivers.

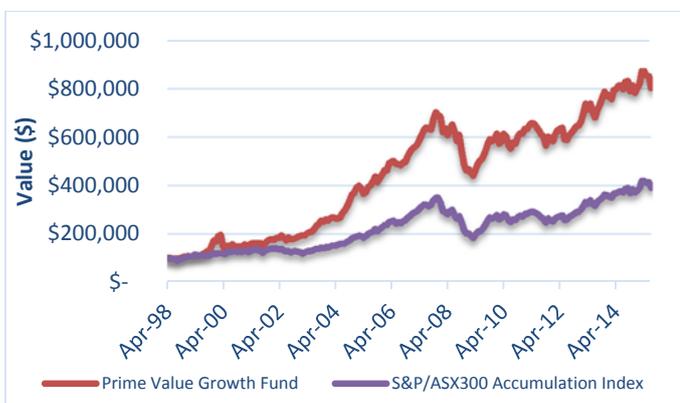
Greece's inability to reach a conclusion to its debt obligations and the possibility of its exit from the Eurozone are significant events but are unlikely to have a long term negative effect on the global economy. Events surrounding China's stock market decline are affecting investor confidence although we make the observation that the Chinese stock market has a smaller role in the economy compared to developed economies.

Fund review & Strategy

The Fund posted a return of -5.7% for the month, broadly in line with the market (after fees). In absolute terms, the Fund's major contributors to performance were Ingenia (up 6.2%), CBA (up 0.1%) and REA Group (up 0.4%), while the major detractors were BHP (down 8.6%), Wesfarmers (down 10.6%) and Qube (down 19.0%).

Ingenia reported that manufactured home sales have picked up through the June quarter resulting in a rally of the stock price. The stock had been under pressure through FY15 as delays in the sales and delivery of homes caused some doubt over the company's prospects. We invested in Ingenia as the company was in position to offer a solution to the rising demand for affordable housing to a cohort that is ageing.

Asciano has received a non-conditional takeover offer from a Canadian company, Brookfield Infrastructure Group (on 1 July 2015). We invested in Asciano earlier this year based on our assessment of the company's ability to extract value from its current asset base. A key conclusion made was Asciano is in a position to improve its profit margins significantly.



This graph shows how \$100,000 invested at the Fund's Inception has increased to \$802,900 (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 \$391,300 over the same period. The returns exclude the benefits of imputation credits.

Top contributors (absolute)	Sector
Ingenia	Financials
Commonwealth Bank	Financials
REA Group	Consumer Discretionary

Top detractors (absolute)	Sector
BHP Billiton	Materials
Wesfarmers	Consumer Staples
Qube	Industrials

Platforms

Asgard, Ausmaq, Beacon, BT Wrap, First Wrap, 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	\$3.1051	\$3.0893
Withdrawal price	\$3.0815	\$3.0659
Distribution (30/06/2015)	\$0.2497	\$0.2491
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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