

Prime Value Growth Fund

Fund Update – March 2016



- The ASX300 Accumulation Index ended March up 4.8% to close off a volatile March quarter (down 2.6% for quarter)
- Australian and global stocks responded positively to central banks interest rate easing measures
- Central banks' actions also led to the strengthening of the Australian Dollar and a rebound in commodity prices

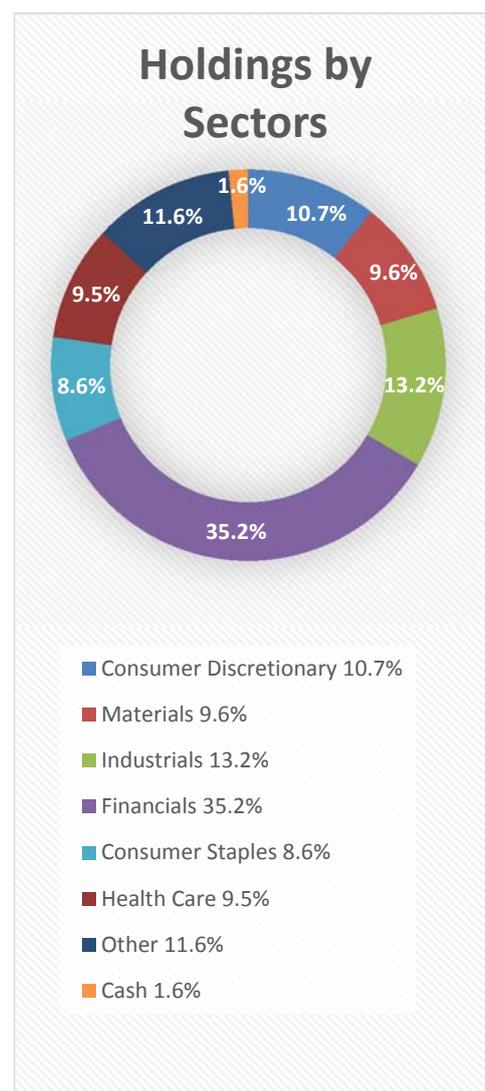
	Total Return*	S&P/ASX 300 Accumulation Index	Relative Performance to Benchmark
Since inception (pa)	12.1%	7.7%	4.4%
10 Years (pa)	4.8%	4.3%	0.5%
5 Years (pa)	3.6%	5.5%	-1.9%
3 Years (pa)	3.3%	5.3%	-2.0%
1 Year (pa)	-9.9%	-9.3%	-0.6%
3 Months	-4.2%	-2.6%	-1.6%
1 Month	4.1%	4.8%	-0.7%

*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
BHP Billiton	Materials

* The top five holdings make up approximately 28.9% of the portfolio

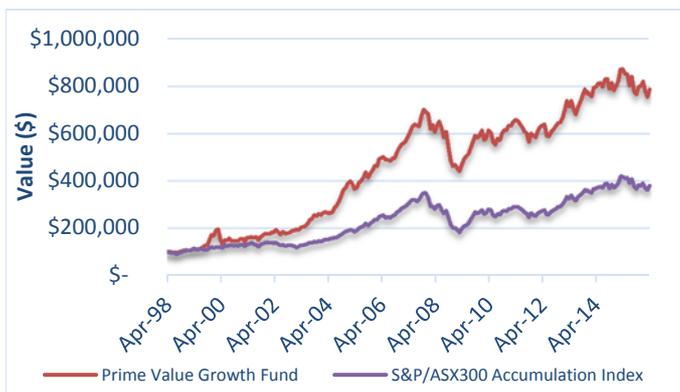
Feature	Fund facts
Portfolio Manager	ST Wong
Investment objective	To provide superior medium to long term capital growth, with some income, by managing a portfolio of predominantly Australian equities listed on any recognised Australian Stock Exchange.
Benchmark	S&P / ASX 300 Accumulation Index
Inception Date	10 April 1998
Cash limit	0 - 30%
Distribution	Half-yearly
Recommended investment period	3 + years
Annualised Return	12.1%
Research Rating	Lonsec - Investment Grade Zenith - Approved



Market review

Equity markets recovered strongly in March boosted by accommodative ECB monetary policies and more “dovish” commentary from the Fed, with the latter leading to a major sell-off in the US dollar. Cyclical outperformed defensives, while emerging markets outperformed developed markets. The rebound in commodity prices continued with Brent oil up 10.1% to US\$39.60 and iron ore up 8.8% to US\$53.20 during the month. Higher commodity prices and the outlook for interest rate differentials led to the AUD strengthening by 7.7% to USD 0.7690.

March was a strong month across the board, with all ASX sectors posting a positive return. The strongest returns came from cyclicals (Energy + 6.2%, Materials +6.0% and Financials +5.9%). Defensives lagged, in particular Health Care +0.4% and Utilities 1.3%. The banks were the best performing sub-sector (+6.5%). Mid-caps and small-caps (+5.5%) performed in-line with mega caps (5.4%) but outperformed large caps (4.6%). The Australian economy continues to hold-up well, recording better than expected growth in the final quarter of 2015; however, recent soft economic news flow and softening house prices will test the resilience of consumer demand as the federal budget draws closer.



This graph shows how \$100,000 invested at the Fund’s Inception has increased to \$787,050 (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 \$379,610 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	\$2.7259	\$2.7138
Withdrawal price	\$2.7053	\$2.6932
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 was up 4.1% for the month, and for FYTD, the Fund is 1.2% above its performance benchmark. In absolute terms, the Fund’s major contributors to performance for the month were CBA (+6.8%), NAB (+8.5%) and Wesfarmers (+6%). Resmed (-8.2%), Brambles (-3%) and Event Hospitality and Entertainment (-3.2%) were the three major detractors.

The rise in the Australian Dollar will no doubt cause some concerns for the Reserve Bank. A stronger A\$ will be a headwind for the economy. Nevertheless, Australia has one of the highest interest rates in the world and this allows the Reserve Bank the option to cut rates, making the dollar less attractive to capital flows.

A key development is the pace of the commodity price rebound. Commodity prices are rising off a low base and our expectation is for a modest recovery in prices. Spending on capital expenditure is being cut back and this should lead to better supply demand metrics, but the current over supply being experienced is likely to result in only a modest recovery in prices. We continue to watch the space with interest.

Top contributors (absolute)	Sector
Commonwealth Bank	Financials
National Australia Bank	Financials
Wesfarmers	Consumer Staples

Top detractors (absolute)	Sector
Resmed	Health Care
Brambles	Industrials
Event Hospitality & Entertainment	Consumer Discretionary

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

Contact details:

Phone: 03 9098 8088

Fax: 03 9098 8099

Email: info@primevalue.com.au

Mail:

Prime Value Asset Management Ltd
Level 9, 34 Queen Street
Melbourne VIC 3000

Web: www.primevalue.com.au

The information contained in this Fact Sheet is general in nature and has no regard to the specific investment objectives, financial or particular needs of any specific recipient. It is not intended to constitute investment advice or a personal securities recommendation. This document is not a Product Disclosure Statement (PDS) or an offer of units, and contains a brief overview of the investment only. Any prospective investor wishing to make an investment in the Prime Value Growth Fund must obtain and read the PDS dated 28 March 2013 (particularly the risk factors discussed) and complete an application form. Neither Prime Value Asset Management Limited nor its associates or directors, nor any other person, guarantees the success of the Prime Value Growth Fund, the repayment of capital or any particular rate of capital or income return, or makes any representation in relation to the personal taxation consequences of any investor’s investment.