

Prime Value Opportunities Fund

Fund Update - April 2016



- Stronger commodity prices buoyed by China's efforts to stimulate its economy led to a strong resource sector performance
- Banks benefitted as concerns on commodity-related bad debts eased
- The Fund posted a return of 2.3% in April with BHP (+22.7%), Ramsay Healthcare (+5.9%) and Orora (+5.6%) key contributors

	Total Return*	S&P/ASX300 Accumulation Index	Benchmark (8% pa)
Since inception (pa)	14.9%	9.3%	8.0%
3 Years (pa)	11.0%	5.0%	8.0%
1 Year (pa)	7.8%	-4.7%	8.0%
6 months	4.6%	2.7%	4.0%
3 Months	4.0%	6.4%	2.0%
1 Month	2.3%	3.3%	0.6%

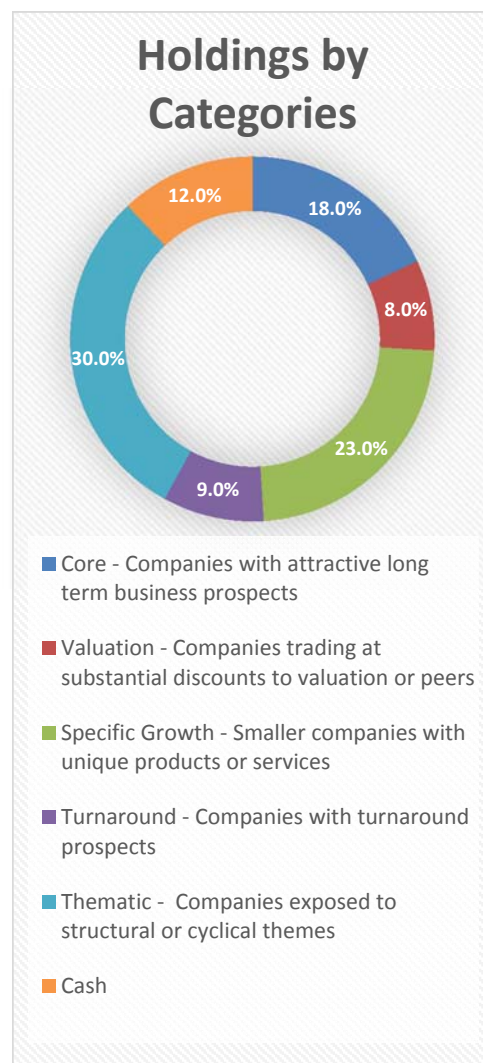
* Fund returns are calculated net of management fees, assuming all distributions are re-invested. Performance figures have been calculated in accordance with the Financial Services Council (FSC). The returns are calculated before performance fees which are charged against individual accounts. The returns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

	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	FYTD	ITD
FY 2013					1.8%	1.7%	4.3%	6.2%	-0.6%	4.0%	-2.2%	-1.7%	14.1%	14.1%
FY 2014	4.4%	2.6%	4.4%	5.0%	-1.1%	1.5%	-1.9%	5.9%	0.2%	0.3%	0.3%	-1.4%	21.4%	38.5%
FY 2015	2.5%	1.0%	-4.1%	3.1%	-1.9%	0.7%	1.5%	5.7%	1.4%	-1.0%	0.5%	-4.3%	4.6%	44.9%
FY 2016	5.3%	-3.7%	0.1%	5.5%	1.7%	2.4%	-3.4%	-1.9%	3.6%	2.3%			12.0%	62.3%

Top five holdings	Sector
Westpac	Financials
Commonwealth Bank Australia	Financials
Orora Limited	Materials
CSL Limited	Health Care
Ramsay Health Care	Health Care

* The top five holdings make up approximately 27.4% 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	5 November 2012
Cash	0 - 100%
International Exposure	0 - 20%
Distribution	Half-yearly
Recommended investment period	3 + years
Annualised Return	14.9%
Research Rating	Lonsec - Investment Grade Zenith – Approved

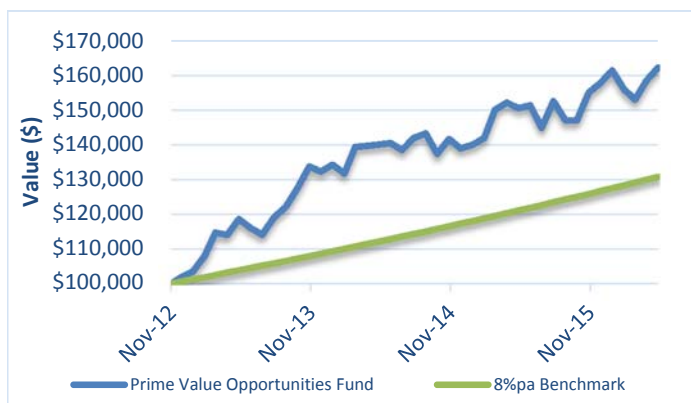


Market review

Australian equities performed strongly in April gaining 3.3%, driven by the ongoing rebound in commodity prices. Mining stocks and to a lesser extent energy stocks significantly outperformed, with Fortescue (+33.7%), BHP (+22.7%), Rio Tinto (+20.8%) the best performing large cap stocks for the month. Iron ore surged 22.6% to US\$65.20 a tonne, while the price of oil (Brent) rose 21.5% to US\$48.13 a barrel, despite no agreement from major producers to limit supplies.

Having rallied to its highest level since mid-2015, weak first quarter inflation data saw the AUD finish the month lower at USD 0.7630 (down approximately 1%). The decline in the March quarter headline CPI and weak underlying inflation led the RBA to reduce interest rates by 25 basis points in early May.

The resource sectors were the standout performers in April, with Materials up 14.3% (mining & metals index up approximately 20%) and Energy up 7.5%. All other sectors posted modest gains, with the exception of Consumer Discretionary (-1.7%) and Utilities (-0.3%). Having significantly underperformed financial-year-to-date, mega caps (3.7%) and large caps (3.5%) outperformed both mid-caps (2.4%) and small-caps (3%) in April.



This graph shows how \$100,000 invested at the Fund's Inception has increased to \$162,300 (net of fees excluding performance fees). This compares very favourably with the return of the benchmark, where a \$100,000 investment would have increased to \$130,760 over the same period. The returns exclude the benefits of imputation credits.

	Direct Investment (Class A)	Platform Investment (Class B)
APIR code	PVA0005AU	PVA0006AU
Minimum Investment	\$20,000	N/A
Issue price	\$1.5081	\$1.4783
Withdrawal price	\$1.4967	\$1.4671
Distribution (31/12/2015)	\$0.0207	\$0.0133
Indirect Cost Ratio (ICR)	0.95% pa	0.95% pa
Performance fee	15% ¹	15% ¹

¹ of performance (net of management fees) above the agreed benchmark, subject to a high water mark

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Fund review & strategy

The Fund rose 2.3% for the month, outperforming its absolute return benchmark. Over the financial year-to-date, the Fund has outperformed its 8% pa benchmark by 4.6% (after fees), while significantly outperforming the S&P/ASX 300 Accumulation Index by 11%. In absolute terms, the Fund's major contributors to performance for the month were BHP (+22.7%), Ramsay Health Care (+5.9%) and Orora (+5.6%), while Flight Centre (-9.1%), TPG Telecom (-5.6%) and Harvey Norman (-4.7%) were the three major detractors.

The Fund continues to find opportunities in the mid-cap segment of the market. A number of these opportunities are driven by stock specific circumstances that are typically not dependent on the economic cycle. Link Administration is an example of such an investment. Link is one of the largest companies servicing the superannuation fund industry. The company's administration platform connects superannuation funds to its members, a service where scale is a critical factor for success. We expect Link to gain market share over time. Link offers high quality low cost services that will appeal to superannuation funds as the sector consolidates and outsources to more efficient service providers.

Top contributors (absolute)	Sector
BHP Billiton	Materials
Ramsay Health Care	Health Care
Orora Limited	Materials

Top detractors (absolute)	Sector
Flight Centre	Consumer Discretionary
TPG Telecom	Telecommunications
Harvey Norman	Consumer Discretionary

Platforms

Asgard, BT Wrap, Hub24, Netwealth, Powerwrap

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