

Prime Value Opportunities Fund

Fund Update - July 2015



- The Fund had a strong start to the financial year, up 5.3% for the month.
- Global events, particularly in Greece and China, dictated share market performance again. These events exerted a positive influence on the market, a reversal of events from the previous month.
- M&A activity had a positive impact on performance and our focus now turns to the August reporting season.

	Total Return*	S&P/ASX300 Accumulation Index	Benchmark (8% pa)
Since inception (pa)	16.7%	13.7%	8.0%
2 Years (pa)	13.2%	10.8%	8.0%
1 Year (pa)	7.5%	5.5%	8.0%
3 Months	1.3%	-0.8%	2.0%
1 Month	5.3%	4.3%	0.7%

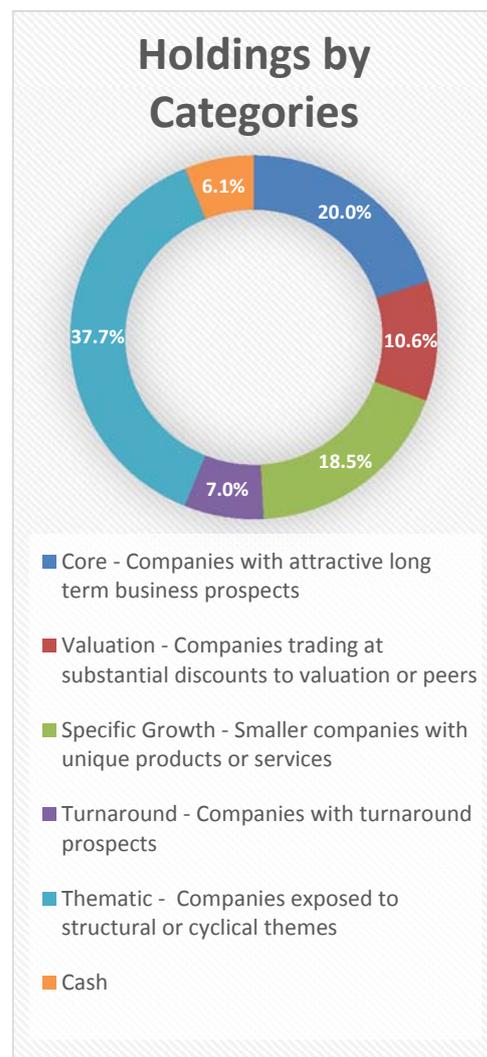
* Fund returns are calculated net of management fees, assuming all distributions are re-invested. Performance figures have been calculated in accordance with the Financial Services Council (FSC). The returns are calculated before performance fees which are charged against individual accounts. The returns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

	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%												5.3%	52.6%

Top five holdings	Sector
Commonwealth Bank Australia	Financials
National Australia Bank	Financials
Ramsay Health Care	Health Care
CSL Limited	Health Care
Sydney Airport	Industrials

* The top five holdings make up approximately 32.7% of the portfolio

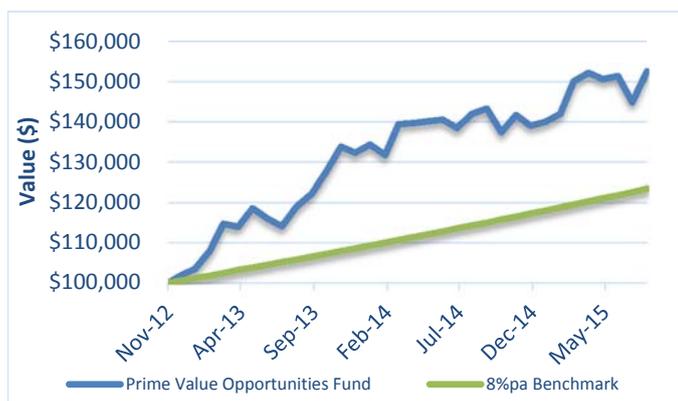
Feature	Fund Facts
Portfolio Manager	ST Wong
Investment objective	To achieve superior absolute total returns by providing medium to long term capital growth without the constraints of a share market benchmark.
Benchmark	8% pa
Inception Date	5 November 2012
Cash	0 - 100%
International Exposure	0 - 20%
Distribution	Half-yearly
Recommended investment period	3 - 5 years +
Annualised Return	16.7%
Research Rating	Lonsec - Investment Grade Zenith - Approved



Market review

The Australian share market rebounded strongly in July, up 4.3% on the month. This was despite another poor month for commodities, which weighed on the resource sectors (materials -1.1%, energy +0.3%). Iron ore recovered from its early month lows but still declined 12.1%; gold fell 6.6% on reports of a large Chinese sell-off; and oil fell 12.7% to US\$53.52/bbl (Brent) on concerns of a growing global oversupply, including the implications of a lifting of Iranian economic sanctions. Other sectors posted strong returns, with Healthcare (+9.5%) and Consumer Staples (+7.5%) the biggest gainers of the month. Large caps (+4.4%) outperformed small caps (+1.6%) but mid-caps (+5.7%) were the strongest performing segment of the market.

M&A continued to feature strongly in the Australian market, following Brookfield's offer for Asciano in June. DUET made a bid for Energy Developments, G8 Education tabled an offer to take over Affinity Education and Pulse Health showed interest in Vision Eye Institute. These bids demonstrate a willingness for active corporate management.



This graph shows how \$100,000 invested at the Fund's Inception has increased to \$152,600 (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 \$123,500 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	\$1.4374	\$1.4120
Withdrawal price	\$1.4266	\$1.4014
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 Prime Value Opportunities Fund posted a return of 5.3% for the month, outperforming both its absolute return benchmark and the S&P/ASX 300 Accumulation Index (after fees). Our focus on stock selection and capital preservation continued to drive Fund performance. The largest contributors in July were Asciano (+22.3%), CSL (+14.4%) and Sydney Airports (+12.7%). Investments that were unfavourable for the Fund were BHP (-2.2%), iiNet (-1.3%) and Harvey Norman (-1.1%).

CSL's share price benefited from the positive trends in plasma product sales reported by its competitors. Plasma demand remains robust although some competition is likely to affect prices. CSL further reported that the company is in a position to integrate the Novartis flu vaccine business approximately 5 months earlier than expected.

Our attention turns to the corporate reporting season in August. We will be using this opportunity to reassess the prospects of our current holdings but also revisit opportunities that have become attractive to us.

Top contributors (absolute)	Sector
Asciano	Industrials
CSL Limited	Health Care
Sydney Airports	Industrials

Top detractors (absolute)	Sector
BHP Billiton	Materials
iiNet	Telecommunications
Harvey Norman	Consumer Discretionary

Platforms
BT Wrap, Hub24, Netwealth, Power Wrap

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