

Prime Value Opportunities 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)
- Over the quarter the Opportunities Fund held up quite well due to prudent stock selection
- The Fund's strategy has not changed despite volatile markets – we remain focussed on fundamentals of well-run companies

	Total Return*	S&P/ASX300 Accumulation Index	Benchmark (8% pa)
Since inception (pa)	14.5%	8.5%	8.0%
3 Years (pa)	11.6%	5.3%	8.0%
1 Year (pa)	4.2%	-9.3%	8.0%
6 months	7.8%	3.7%	4.0%
3 Months	-1.8%	-2.6%	2.0%
1 Month	3.6%	4.8%	0.7%

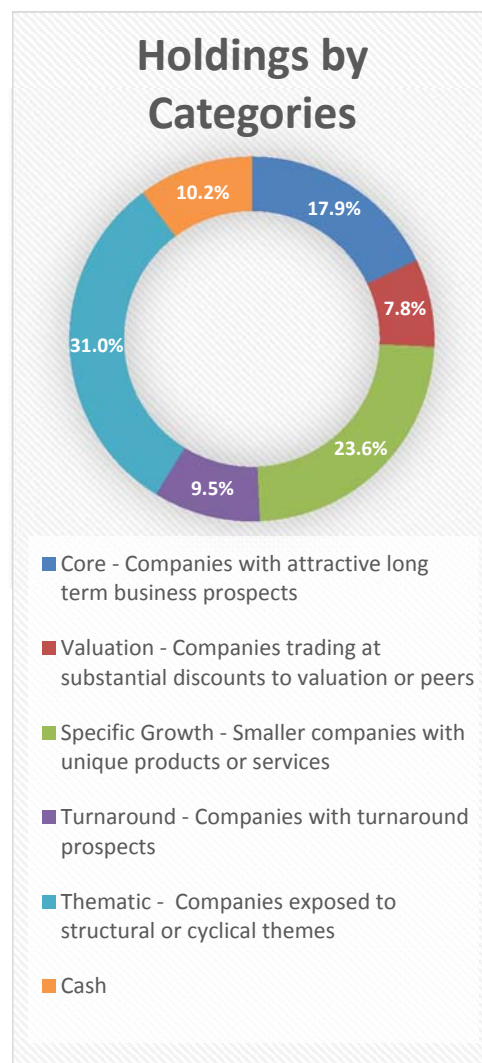
* Fund returns are calculated net of management fees, assuming all distributions are re-invested. Performance figures have been calculated in accordance with the Financial Services Council (FSC). The returns are calculated before performance fees which are charged against individual accounts. The returns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

	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%				9.5%	58.6%

Top five holdings	Sector
Commonwealth Bank Australia	Financials
Westpac	Financials
CSL Limited	Health Care
Orora Limited	Materials
Sydney Airport	Industrials

* The top five holdings make up approximately 27.0% of the portfolio

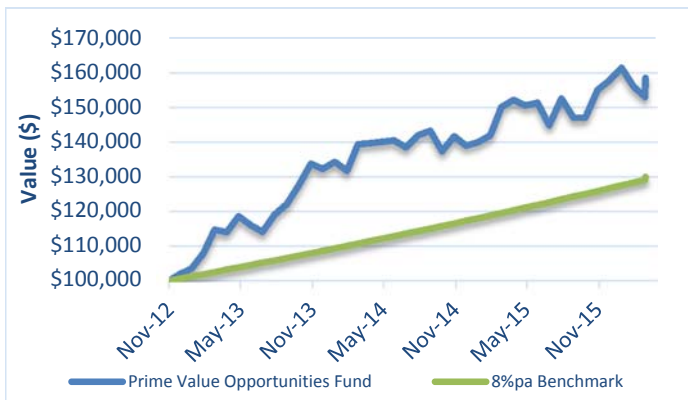
Feature	Fund facts
Portfolio Manager	ST Wong
Investment objective	To achieve superior absolute total returns by providing medium to long term capital growth without the constraints of a share market benchmark.
Benchmark	8% pa
Inception Date	5 November 2012
Cash	0 - 100%
International Exposure	0 - 20%
Distribution	Half-yearly
Recommended investment period	3 + years
Annualised Return	14.5%
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 \$158,590 (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 \$129,960 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	\$1.4737	\$1.4474
Withdrawal price	\$1.4625	\$1.4364
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 3.6% for the month (after fees), outperforming its absolute return benchmark. Over the financial year-to-date, the Fund has outperformed its 8% pa benchmark by 2.9% (after fees), while significantly outperforming the S&P/ASX 300 Accumulation Index by 11.9%. In absolute terms, the Fund's major contributors to performance for the month were Aconex (+27%), Orora (+9.7%) and CBA (+6.8%), while Ramsay Health Care (-7.4%), IPH (-3.7%) and Baby Bunting (-4.5%) were the three major detractors.

Comments and actions of central banks are likely to influence share market movements in the immediate term. We believe the upcoming Federal election is unlikely to affect the Australian share market but we are alert to policy decisions that may affect the healthcare, consumer, superannuation and infrastructure sectors. We have not altered the Fund strategy materially despite a challenging market environment. We remain focussed on fundamentals whilst being acutely aware of investor rotational flows affecting short term share price changes as it may offer interesting opportunities.

Top contributors (absolute)	Sector
Aconex Limited	Information Technology
Orora Limited	Materials
Commonwealth Bank	Financials

Top detractors (absolute)	Sector
Ramsay Health Care	Health Care
IPH Limited	Industrials
Baby Bunting Group Ltd	Consumer Discretionary

Platforms
Asgard, BT Wrap, Hub24, Netwealth, Powerwrap

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