

# PRIME VALUE GROWTH FUND

## MONTHLY UPDATE NOVEMBER 2012



**PrimeValue**<sup>®</sup>  
Building Wealth Together

### Fund Performance

Tables 1 and 2 show the PVGF performance relative to the S&P/ASX 300 Accumulation Index for the period to 30 November 2012.

Table 1 shows the performance on an annual basis and Table 2 shows the cumulative return.

Table 1: Annual Return (Class A Units)*	1 mth	3 mths	1 Yr	3 Yrs (pa)	5 Yrs (pa)	7 Yrs (pa)	10 Yrs (pa)	Since Apr 98 (pa)
Prime Value Growth Fund	0.4%	4.7%	9.4%	3.0%	-1.3%	6.0%	13.5%	13.6%
S&P/ASX300 Accumulation Index	0.4%	5.6%	14.2%	2.9%	-3.0%	4.0%	8.5%	7.6%
<b>Relative Performance To Benchmark</b>	<b>0.0%</b>	<b>-0.9%</b>	<b>-4.8%</b>	<b>0.1%</b>	<b>1.7%</b>	<b>2.0%</b>	<b>5.0%</b>	<b>6.0%</b>
Approximate Annual Return (after Performance Fees)#			9.4%	3.0%	-1.3%	5.6%	12.5%	12.4%

Table 2: Cumulative Return (Class A units)*	1 Yr	3 Yrs	5 Yrs	7 Yrs	10 Yrs	Since April 98
Prime Value Growth Fund	9.4%	9.4%	-6.4%	50.1%	255.7%	547.7%
S&P/ASX300 Accumulation Index	14.2%	9.0%	-14.0%	31.8%	126.5%	191.3%
<b>Relative Performance To Benchmark</b>	<b>-4.8%</b>	<b>0.4%</b>	<b>7.6%</b>	<b>18.3%</b>	<b>129.2%</b>	<b>356.4%</b>
Approximate Cumulative Return (after Performance Fees) #	9.4%	9.3%	-6.4%	46.3%	229.2%	474.7%

\* Performance figures have been calculated in accordance with FSC Standard No 6.0, Product Performance – “Calculation of Returns” and FSC Standard No 10 – “Presentation of Past Performance Information”. The returns are calculated after management fees but before performance fees which are charged against individual accounts. The returns exclude the benefits of imputation credits. No allowance has been made for taxation. Performance assumes the reinvestment of income distributions. Past performance is not necessarily an indicator of future performance.

# Post-performance fee returns are an APPROXIMATION only, as performance fees are charged each year on June 30 (or on withdrawal), based on the performance of each investment. Performance fees are only payable where the return of the Fund exceeds the performance of the benchmark and the net return is positive.

### Manager's Commentary

The Australian equity market overcame early weakness to finish the month slightly higher, with the benchmark S&P/ASX 300 Accumulation index rising 0.4% during November. Initial weakness came from the US election result, with concerns that President Barack Obama would be unable to negotiate the approaching “fiscal cliff”. Hopes of a deal mid-month, combined with stronger economic data led to a rebound. Also positive was a new rescue deal to allow aid to Greece. In China, economic data also improved and the leadership transition was concluded. Europe officially entered recession (the second time in 4 years) and growth expectations were downgraded; however business confidence in German and France improved. Commodity prices were mixed. Gold and iron ore were weaker but base metals performed strongly and coal and oil also rose. The Australian dollar was marginally stronger against the US Dollar and the Euro.

Domestically, the RBA left interest rates unchanged and economic data was mixed. Business conditions and capex intentions were much weaker. However consumer confidence was robust and employment and retail sales were stronger than expected.

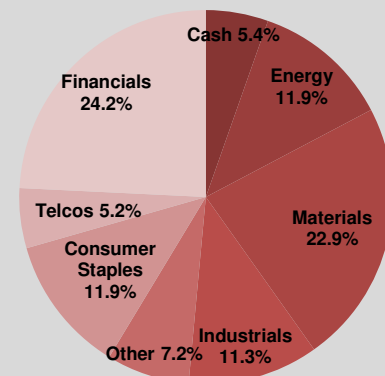
The defensive sectors continued to outperform, with Healthcare and Telcos the best performing sectors. Energy companies and REITs (Real Estate Investment Trusts) underperformed, while Materials also fell.

The Fund achieved a return of 0.4% during November, in line with the benchmark.

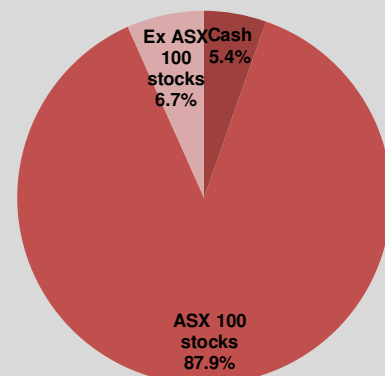
Sector allocation detracted from performance as the Fund was overweight Energy and underweight Healthcare and Consumer Discretionary. This was partially offset by an overweight position in Consumer Staples and an underweight position in Financials. Stock selection contributed positively to performance. The key positive holdings included Telstra (up 4.1%), Commonwealth Bank (up 3.4%) and Monadelphous (up 3.2%). The stocks which detracted from performance included National Australia Bank (down 5.8%), ANZ Bank (down 4.3%) and Oil Search (down 4.6%).

Market volatility has dropped, with returns in 8 of the last 12 months within a +/-2% band. The financial market rally which began in July assumes the global economic/geopolitical outlook will not worsen, or if it does, that central banks will backstop economies and markets. This suggests a period of consolidation is possible in coming months, particularly with a potential fiscal cliff looming over the US, the likelihood that China will not significantly stimulate their economy and a high Australian dollar. Despite this, there are still plenty of good themes and ideas to watch in the lead-up into the new year and longer term the global search for yield remains. The Australian market is attractive, particularly relative to cash, due to low government debt, solid economic growth, and an expected recovery in earnings. We continue to believe that the balance of risk will favour equity investors over the medium to long term and our strategy remains largely unchanged.

### Holdings by Sectors



### Holdings by Market Cap



### Top Five Holdings

ANZ	Financials
BHP Billiton	Materials
Telstra	Telecommunications
Wesfarmers	Consumer Staples
Westpac	Financials

The portfolio is generally comprised of 30 - 50 stocks.

## Key Fund Details

### Investment Objectives

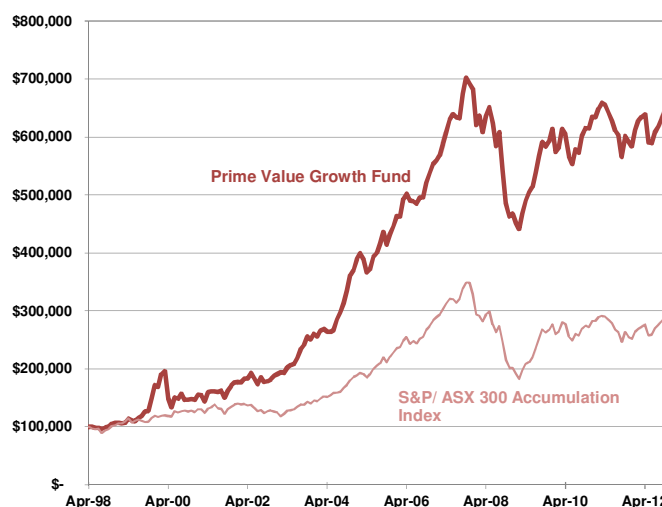
The PVGF aims to provide superior medium to long-term capital growth, with some income, by managing a portfolio of predominantly Australian equities listed on any recognised Australian stock exchange.

### Investor Profile

The PVGF is appropriate for an investor seeking medium to long-term capital growth, who is prepared to accept some fluctuations in short-term returns. This type of investment is appropriate as a significant part of a properly diversified investment portfolio for individuals, companies, trusts and superannuation funds.

## Historical Performance (Class A Units)

### Value of \$100,000 Invested Since Inception (10 Apr 1998 – 30 Nov 2012)



This graph shows how a notional \$100,000 invested at the Fund's Inception (10 April 1998) has increased to \$647,700 (net of fees excluding performance fees) as at 30 November 2012. After performance fees, the amount would be approximately \$574,700. This compares very favourably with the return of the market, where a \$100,000 investment would have increased to \$291,300 over the same period. The returns exclude the benefits of imputation credits.

Launch Date: 10 April 1998	Direct Investment (Class A)		Indirect Investment via IDPS or IDPS-Like Schemes (Class B)	
Size of Fund: \$203.7m				
APIR Code	PVA0001AU (PVGF)		PVA0011AU (PVGF)	
Indirect Cost Ratio (ICR)	1.435% p.a. <sup>1</sup>		1.23% p.a. <sup>1,2</sup>	
Performance Fee	20.5% p.a. <sup>1</sup> of performance (net of management fees and administration costs) above the agreed benchmark, subject to positive performance		20.5% p.a. <sup>1</sup> of performance (net of management fees and administration costs) above the agreed benchmark, subject to positive performance	
Benchmark	S&P / ASX 300 Accumulation Index		S&P / ASX 300 Accumulation Index	
Minimum Initial Investment	\$20,000		N/A	
Minimum Additional Investment	\$5,000		N/A	
Contribution Fee	Nil <sup>3</sup>		N/A	
Withdrawal Fee	Nil		N/A	
Income Distributions	Half-yearly		Half-yearly	
Research Rating	Lonsec Zenith Morningstar	Investment Grade Approved ★★★★★	Lonsec Zenith Morningstar	Investment Grade Approved ★★★★★
Unit Prices @ 30 November 2012	Issue Price:	\$2.7845	Issue Price:	\$2.7629
	Withdrawal Price:	\$2.7635	Withdrawal Price:	\$2.7419

<sup>1</sup> Unless otherwise stated, all fees quoted are inclusive of GST and the relevant RITC.

<sup>2</sup> Fees for indirect investments do not include the fees charged by the IDPS operator. The fund is available in the following platforms: Asgard, Ausmaq, Beacon, BT Wrap, First Wrap, IOOF Global One, Macquarie Wrap, netwealth, Portfolio Advantage, Premium Choice, Symetry, Wealthtrac.

<sup>3</sup> Up to 3% may be charged where a Direct Investor is introduced by an adviser to the Fund, as mutually agreed between the investor & adviser.

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