

# PRIME VALUE IMPUTATION FUND

## MONTHLY UPDATE NOVEMBER 2012



# PrimeValue®

Building Wealth Together

### Fund Performance

Table 1 shows the PVIF performance relative to the S&P/ASX 300 Accumulation Index for the period to 30 November 2012.

Table 2 shows the distribution by financial year.

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 Dec 01 (pa)
Prime Value Imputation Fund	0.3%	3.3%	8.0%	1.8%	-4.1%	2.0%	11.4%	12.3%
S&P/ASX300 Accumulation Index	0.4%	5.6%	14.2%	2.9%	-3.0%	4.0%	8.5%	7.2%
<b>Relative Performance To Benchmark</b>	<b>-0.1%</b>	<b>-2.3%</b>	<b>-6.2%</b>	<b>-1.1%</b>	<b>-1.1%</b>	<b>-2.0%</b>	<b>2.9%</b>	<b>5.1%</b>
Approximate Annual Return (after Performance Fees)#			8.0%	1.8%	-4.1%	2.0%	10.8%	11.2%

Table 2: Distribution (Class A units)*	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13 (Sep Qtr)
Income Distribution	5.3%	5.2%	3.0%	4.2%	5.1%	1.2%
Grossed-up Distribution (for Imputation credits)	6.8%	7.6%	4.7%	6.4%	7.6%	2.0%

\* 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.

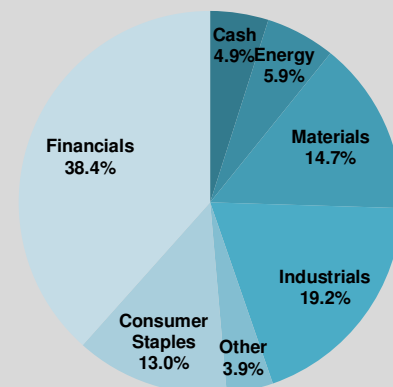
The Fund achieved a return of 0.3% during November. Sector allocation detracted from

performance as the Fund was underweight Health Care and overweight Industrials. This was partially offset by an underweight position in Materials and an overweight position in consumer Staples.

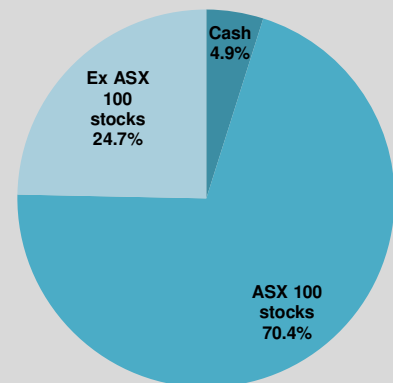
Stock selection contributed positively to performance. The key positive holdings included Monadelphous (up 3.2%), Wesfarmers (up 2.2%) and CBA (up 3.4%). The holdings which detracted from performance were National Australia Bank (down 5.8%), Orica (down 4.1%) and ANZ Bank (down 4.3%).

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

Monadelphous	Industrials
National Australia Bank	Financials
Orica	Materials
Wesfarmers	Consumer Staples
Westpac	Financials

The portfolio is generally comprised of 30 - 50 stocks.

## Key Fund Details

### Investment Objectives

The PVIF aims to provide capital growth over the medium to long-term, combined with regular tax-effective income, by managing a portfolio of assets comprised mainly of Australian equities listed on any recognised Australian stock exchange.

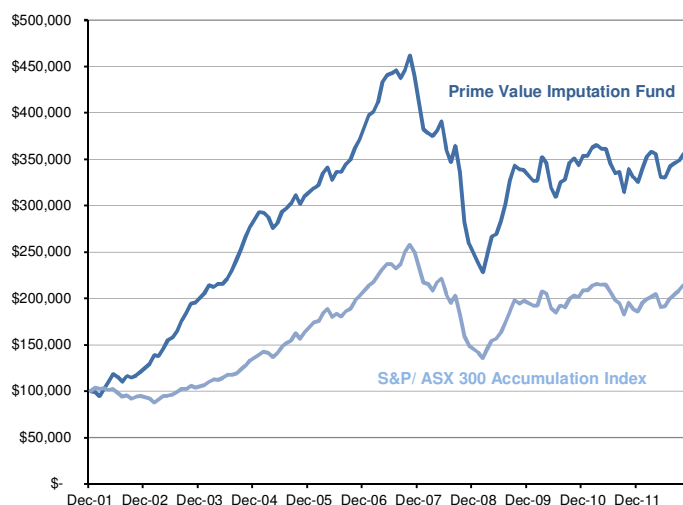
Due to the tax benefits under the current dividend imputation regime, the PVIF will typically have a core position of Australian equities with an attractive level of franked dividends.

### Investor Profile

The PVIF is appropriate for an investor seeking medium to long-term capital growth and regular income that includes imputation credits. Investors should be 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 (20 Dec 2001 – 30 Nov 2012)



This graph shows how a notional \$100,000 invested at the Fund's Inception (20 December 2001) has increased to \$357,100 (net of fees excluding performance fees) as at 30 November 2012. After performance fees, the amount would be approximately \$328,000. This compares very favourably with the return of the market, where a \$100,000 investment would have increased to \$215,400 over the same period. The returns exclude the benefits of imputation credits.

Launch Date: 20 December 2001 <sup>1</sup> Size of Fund: \$41.6m	Direct Investment (Class A)	Indirect Investment via IDPS or IDPS-Like Schemes (Class B)
APIR Code	PVA0002AU (PVIF)	PVA0022AU (PVIF)
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	Quarterly	Quarterly
Research Rating	Lonsec Morningstar ★★★	Lonsec Morningstar ★★★
Unit Prices @ 30 November 2012	Issue Price: \$2.0233 Withdrawal Price: \$2.0079	Issue Price: \$2.0216 Withdrawal Price: \$2.0062

<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.

## Prime Value Asset Management Ltd

Level 9, 34 Queen St,  
Melbourne VIC 3000

Tel: +61 3 9620 7762

Fax: +61 3 9620 7776

Website: [www.primevalue.com.au](http://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 Imputation Fund must obtain and read the PDS dated 17 Aug 2007 (particularly the risk factors discussed) and complete an application form attached to the PDS. Neither Prime Value Asset Management Limited nor its associates or directors, nor any other person, guarantees the success of the Prime Value Imputation 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.