

## 10 Good Reasons behind 10 Years of Success



### Building Wealth Together

*"The shareholders and the investment managers of Prime Value are cornerstone investors in the Funds. As fellow investors, we ourselves demand superior returns for accepting the investment risk—not just the average return of the market. This commitment ensures that there is a common objective aligned with that of the investors."*

Prime Value Asset Management is a multi-award winning boutique Australian equities manager specialising in the creation of wealth for high net-worth individuals, private investors, not-for-profit organisations and clients of financial advisers. Our aim is to produce superior, long term, absolute returns in excess of the performance of Australian markets. Prime Value has an impressive 10 year performance history, largely driven by

1. An **exceptional team** which is well-resourced, experienced and stable. Our investment team has demonstrated superior performance over a range of economic conditions and trends in investment style biases and is drawn together by a passion for investing.
2. A **strong culture** which is open, inclusive and collaborative. This ensures the team can function at their very best.
3. A true **alignment of interest** with investors. As cornerstone investors, the performance of the Funds is the team's primary objective. For this reason, we focus on tax-effectiveness income and invest only when we have high conviction in companies. "Building Wealth Together" is more than simply a slogan. It is a statement of personal commitment and confidence.
4. A simple, well understood **philosophy**. We seek to **minimise mistakes** rather than chasing returns through high-risk investments. This is a mundane and unspectacular method of investing, where there is no room for heroics, but we believe it generates consistently superior returns.
5. A proven **investment process**. We apply a pragmatic approach which recognises that investing is as much art as it is science. Our process is disciplined and thorough but is applied with common sense and thoughtful judgement. This combination is a key component of the Funds' relative out-performance in a variety of market conditions.
6. Our focus on **risk management**. Most investors interpret risk as the possibility of a loss on their investment. Prime Value shares this view of risk, rather than the generally accepted standard deviation. We understand that when markets are strong, relative performance is important but when markets fall, absolute returns become critical. This balance of wealth creation and wealth protection is central to our risk management approach.
7. A **flexible investment mandate**. Our investment style is not limited to sector specialisation or restricted by market capitalisation restrictions. We invest in small, medium and large companies and our stock selection is driven by our view on a company, not its benchmark weight. We are style "neutral" and strive to achieve superior returns through all stages of the economic cycle.
8. **Personal service**. We are a small, boutique organisation and pride ourselves on acting in the best interest of investors, with full transparency in our dealings. We provide information in an accurate and timely manner and undertake our **stewardship role** earnestly.
9. A highly respected **board** and service providers. Our board brings passion, integrity, skill and commitment to the business and, since a chain is only as strong as its weakest link, our service providers have been chosen from the highest levels of their respective fields.
10. Most importantly, Prime Value has achieved success because **we are a little bit different**. We combine the discipline and investment expertise of a large fund with the flexibility and non-bureaucratic features of a boutique. In essence, the best of both investment worlds.



# Prime Value Imputation Fund

## 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.

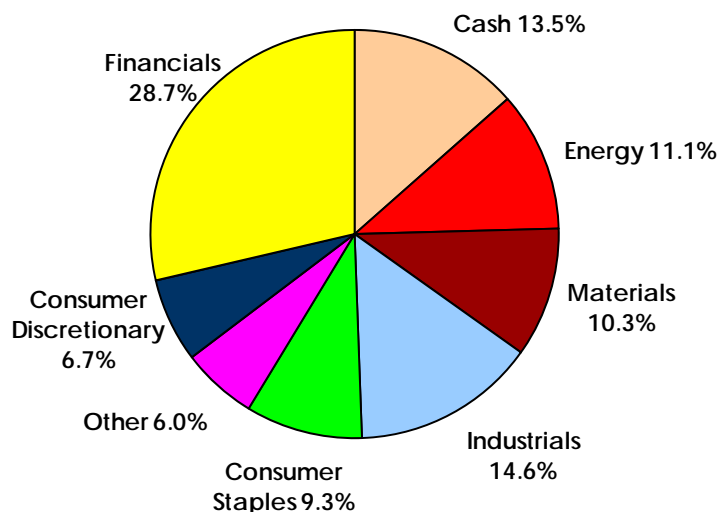
## Investor Profile

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.

## Investment Strategy

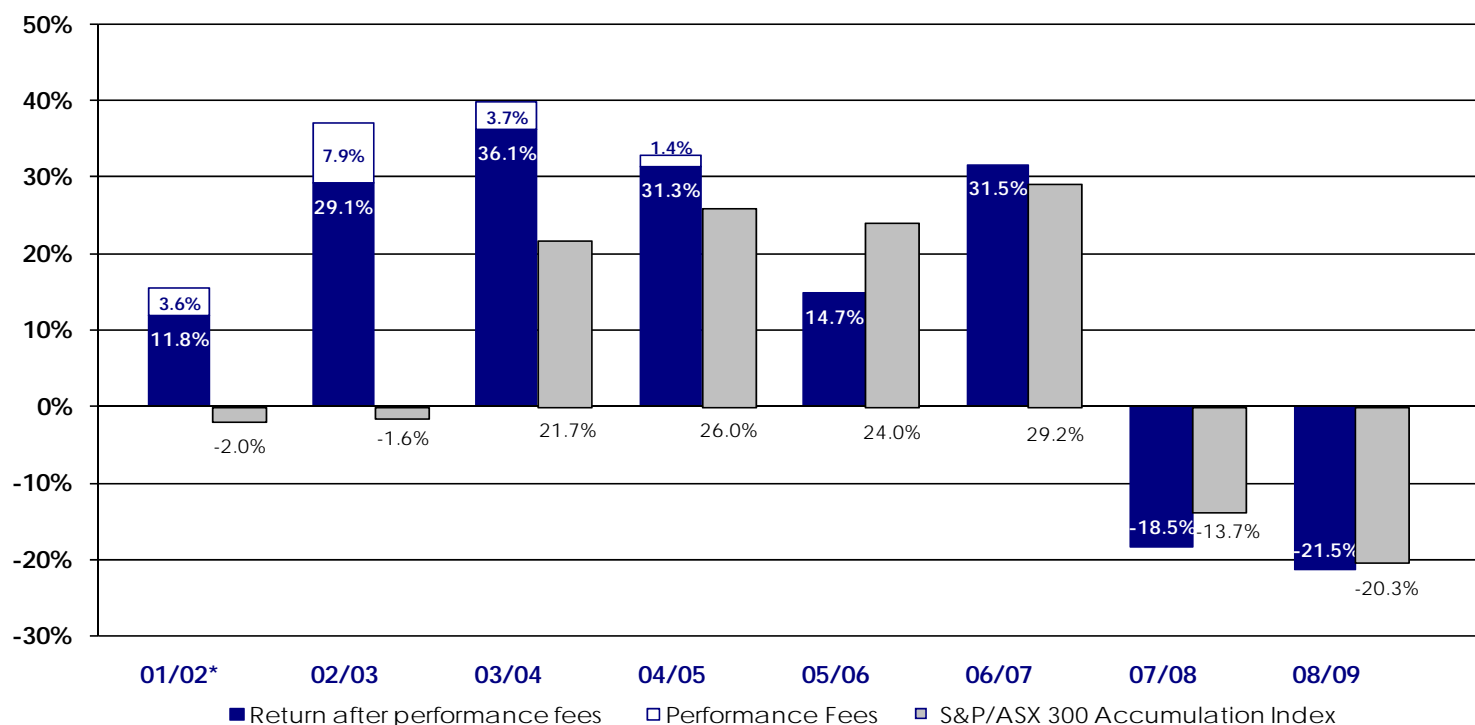
The PVIF will be comprised of securities, primarily companies listed on an Australian stock exchange or due to be listed in the next 12 months. The Fund will normally have short term cash investments for liquidity management purposes and may have limited investment in fixed interest securities (see PDS) and global equities, where appropriate. 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.

## Holdings by Sectors as at 30 June 09



## Historical Performance (Class A Units)

Annual Return of PVIF and S&P/ASX 300 Accumulation Index by Financial Year. Past performance is not necessarily an indicator of future performance. \* The return for 2001/02 is for the period from 20 Dec 01 to 30 Jun 02



Distributions (Class A Units)	2004/05	2005/06	2006/07	2007/08	2008/09
Distribution (per unit)	\$0.1238	\$0.1536	\$0.1849	\$0.1527	\$0.0923
Income Distribution (% of Unit Price)	5.1%	5.9%	6.0%	5.3%	5.2%
- Grossed up (for Imputation Credits)	6.1%	6.9%	7.4%	6.8%	7.6%
Imputation Credit (per unit)	\$0.0247	\$0.0273	\$0.0427	\$0.0410	\$0.0431
Franking Level (%)#	46.6%	41.5%	53.9%	62.7%	109.0%

# The "level of franking" is a measure of the grossed-up imputation credit relative to the total distribution made. Unlike the franking level of a company's dividend however, the "denominator" includes not just dividends, but realised capital gains as well. In times where capital growth is strong, distributions are likely to be higher, and the "level of franking" will be proportionately lower. This does not necessarily mean that dividends received were low or that they were not highly franked.

# Prime Value Growth Fund

## 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.

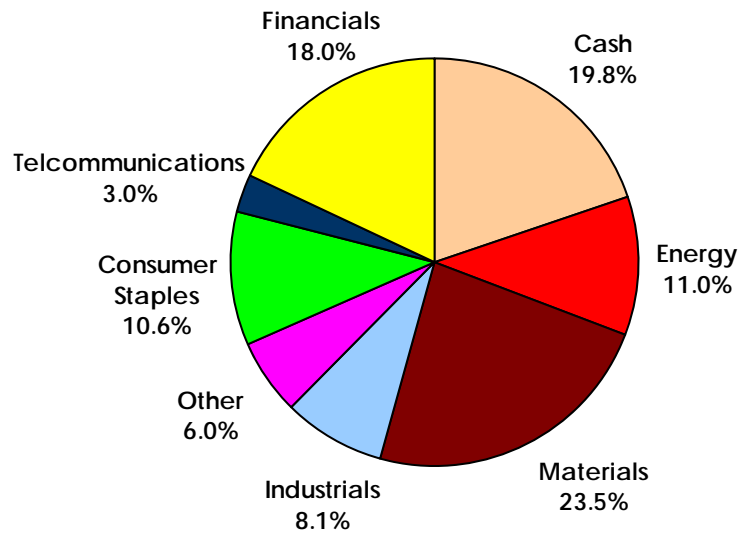
## Investor Profile

The PVGF is designed 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, superannuation funds and non-profit organisations.

## Investment Strategy

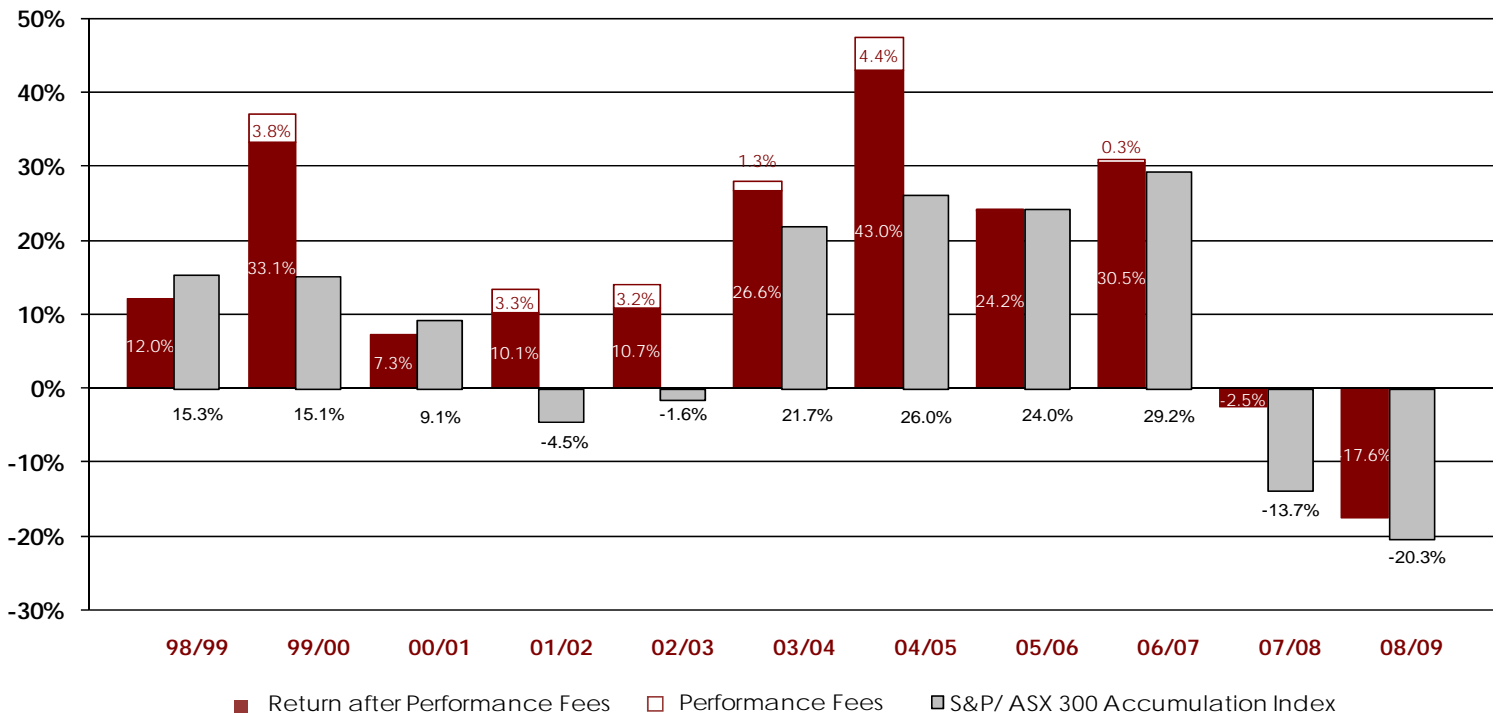
The PVGF will be comprised of securities, primarily companies listed on an Australian stock exchange or due to be listed in the next 12 months. The Fund will normally have short term cash investments for liquidity management purposes and may have limited investment in fixed interest securities (see PDS) and global equities, where appropriate.

## Holdings by Sectors as at 30 June 09



## Historical Performance (Class A Units)

Annual Return of PVGF and S&P/ASX Accumulation Index by Financial Year. Past performance is not necessarily an indicator of future performance.



## Distributions (Class A Units)

	2004/05	2005/06	2006/07	2007/08	2008/09
Distribution (per unit)	\$0.1586	\$0.1097	\$0.1632	\$0.1218	\$0.0635
Distribution (% of Unit Price)	7.2%	4.4%	5.4%	3.8%	2.8%
- Grossed up (for Imputation Credits)	7.8%	5.0%	6.1%	4.5%	3.9%
Imputation Credit (per unit)	\$0.0128	\$0.0143	\$0.0226	\$0.0223	\$0.0249
Franking Level (%)#	18.8%	30.4%	32.3%	42.8%	91.5%

# The "level of franking" is a measure of the grossed-up imputation credit relative to the total distribution made. Unlike the franking level of a company's dividend however, the "denominator" includes not just dividends, but realised capital gains as well. In times where capital growth is strong, distributions are likely to be higher, and the "level of franking" will be proportionately lower. This does not necessarily mean that dividends received were low or that they were not highly franked.

# About Prime Value

## PERFORMANCE

We aim to achieve superior, long term, absolute returns in excess of the Australian markets. Prime Value has consistently achieved this since inception in April 1998.

## SECURITY

In conjunction with our legal advisers, we will endeavour to continue to meet our obligations under the Corporations Act and our Australian Financial Services Licence. This includes a comprehensive compliance plan audited by an external auditor.

## SERVICE

We will act in the best interests of our investors, with transparency in our dealings. We aim to provide information to investors in an accurate and timely manner.

## STABLE AND ETHICAL TEAM

We aim to be a good steward and operate with integrity, with a highly qualified, experienced and stable team, and a simple and well-understood investment philosophy.

Prime Value was established in 1998 by Han Lee and Yong Quek as a vehicle for managing their family wealth and that of other private clients. The investment team comprises Han Lee and Leanne Pan, who together managed the highly successful Shell Australia Superannuation Fund. The senior management team includes Fiona Clark, Wayne Morrissey and Yong Quek, who have occupied senior business and financial positions at large organisations including WMC Ltd, Shell Australia Ltd and HSBC Asset Management Ltd.

As cornerstone investors in the Funds, the Prime Value team understand that investing is a balance between wealth creation and wealth preservation. They are focussed on delivering superior long-term, tax-effective absolute returns in excess of Australian markets.

Prime Value offers two award-winning investment funds - the Prime Value Growth Fund and the Prime Value Imputation Fund.

## Investment Essentials

	Direct Investment (Class A)
Minimum Investment #	\$20,000
Management Expenses Ratio	1.435% pa
Performance Fee	20.5% pa of performance (net of other fees and costs) above benchmark, subject to positive performance. Please refer to PDS.

# You can also invest via IDPS or wrap account (Class B)

Prime Value Asset  
Management Ltd  
Level 9, 34 Queen Street  
Melbourne VIC 3000  
Australia

[www.primevalue.com.au](http://www.primevalue.com.au)

Tel: 03 9620 7762

Fax: 03 9620 7772



Disclaimer: The information contained in this document 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 or an offer of units, and contains a brief overview of the investment only. Potential investors should obtain and read the Product Disclosure Statement dated 17 August 2007 ("PDS") and particularly the risk factors discussed within the PDS. Any prospective investor wishing to make an investment in the Prime Value Growth Fund or Prime Value Imputation Fund must read the PDS 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 Growth Fund or 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 in the Prime Value Growth Fund and Prime Value Imputation Fund.

Performance figures have been calculated in accordance with IFSA Standard No 6.0, Product Performance – "Calculation of Returns" and IFSA Standard No 10 – "Presentation of Past Performance Information". The returns are calculated 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.