

## Fund Performance

Tables 1 and 2 show the PVGF performance relative to the S&P/ASX 300 Accumulation Index for the period to 31 August 2009. 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 (p.a.)	5 Yrs (p.a.)	7 Yrs (p.a.)	10 Yrs (p.a.)	Since April 98 (p.a.)
Prime Value Growth Fund	5.2%	12.3%	-6.8%	4.6%	13.8%	17.3%	16.9%	16.4%
S&P/ASX300 Accumulation Index	6.6%	19.0%	-8.0%	0.0%	9.4%	10.0%	8.6%	8.4%
Relative Performance To Benchmark	-1.4%	-6.7%	1.2%	4.6%	4.4%	7.3%	8.3%	8.0%
Approximate Annual Return (after Performance Fees)#			-6.8%	3.7%	12.9%	15.8%	15.2%	14.8%

**Table 2:**

Cumulative Return (Class A units)*	1 Yr	3 Yrs	5 Yrs	7 Yrs	10 Yrs	Since April 98
Prime Value Growth Fund	-6.8%	14.4%	90.7%	205.4%	377.2%	467.0%
S&P/ASX300 Accumulation Index	-8.0%	0.1%	56.7%	95.2%	128.7%	152.2%
Relative Performance To Benchmark	1.2%	14.3%	34.0%	110.2%	248.5%	314.8%
Approximate Cumulative Return (after Performance Fees) #	-6.8%	11.5%	83.7%	182.8%	326.3%	402.5%

\* 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.

## Manager's Commentary

The Australian equity market experienced another positive month, with the S&P/ASX 300 Accumulation Index increasing by 6.6% during August. This represents a return of over 45% since the lows reached in early March. US and European markets were stronger, largely due to better than expected economic data signalling a stabilising global economy. Commodity prices were higher, with base metals and sugar the best performers. However Chinese equities fell on concerns authorities would try to cool overheated equity and property markets through policies which would limit bank lending and stifle growth. The Australian dollar was stable.

Domestically, the RBA left interest rates unchanged but removed its easing bias. Focus centred on the reporting season, which was generally well received. The key themes included resilient revenues, excellent cost management, strength in the consumer sector (particularly JB Hi-Fi and Harvey Norman) and positive surprises for media and bank results. In particular, the banks demonstrated strong margins and a better than expected bad and doubtful debt position.

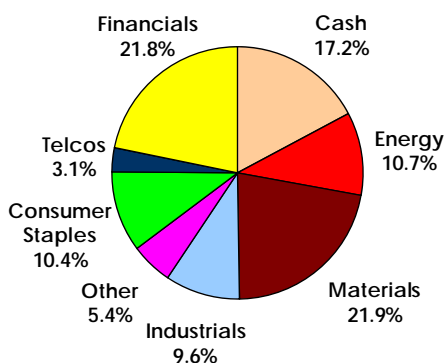
The Financial sector was the best performer, with other cyclicals also strong. Miners underperformed, as did defensive sectors such as Telcos, Utilities and Cons Staples.

The Prime Value Growth Fund achieved a return of 5.2%. The sectoral allocation was negative, with the Fund underweight in the strongest performing sectors, Financials and REITs. The Cash holding also detracted from performance in a strong market. Underweight positions in Telecoms and Utilities contributed to performance.

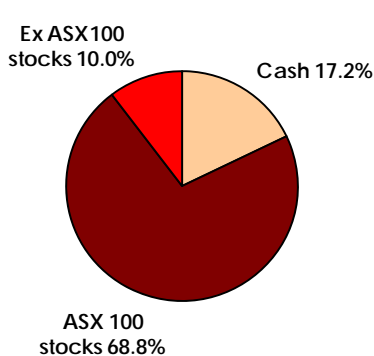
Stock selection was positive for the month. The biggest contributors to performance were the banks, including NAB (up 17.1%), Westpac (up 12.4%) and ANZ (up 14.9%). The stocks which detracted from performance included BHP (down 2.8%), Telstra (down 7.6% on lower earnings guidance and a sell-down by the Future Fund) and Rio Tinto (down 7.1%).

The recent reporting season has confirmed the hardiness of the domestic economy and corporate earnings, with upgrades likely. The outlook for equities over the medium to longer term is becoming more positive. However there remain a number of risks. The loan provisioning cycle, while moderate, is not over, household deleveraging will continue and mixed economic data may disappoint. We have reduced our cash position over recent months but retain a level cautiousness. Our investment focus is towards high quality defensive companies with a growth component and strong balance sheet.

### Holdings by Sectors



### Holdings by Market Cap



### Top Five Holdings

Name	Sector
BHP	Materials
National Australia Bank	Financials
Orica	Materials
Wesfarmers	Consumer Staples
Westpac	Financials

The portfolio is generally comprised of 30 - 60 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.

Launch Date: 10 April 1998 <sup>1</sup> Size of Fund: \$267.4m	Direct Investment (Class A)	Indirect Investment via IDPS or IDPS-Like Schemes (Class B)
Indirect Cost Ratio (ICR)	1.435% p.a. <sup>2</sup>	1.23% p.a. <sup>2,3</sup>
Performance Fee	20.5% p.a. <sup>2</sup> of performance (net of management fees and administration costs) above the agreed benchmark, subject to positive performance	20.5% p.a. <sup>2</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	\$40,000	N/A
Minimum Additional Investment	\$5,000	N/A
Contribution Fee	Nil <sup>4</sup>	N/A
Withdrawal Fee	Nil	N/A
Early Withdrawal Fee	2% <sup>5</sup>	N/A
Income Distributions	Half-yearly	Half-yearly
Unit Prices @ 31 August 2009	Issue Price: \$2.4869 Withdrawal Price: \$2.4681	Issue Price: \$2.4622 Withdrawal Price: \$2.4436

1 Research Rating—Standard & Poors—3 stars

2 Unless otherwise stated, all fees quoted are inclusive of GST and the relevant RITC.

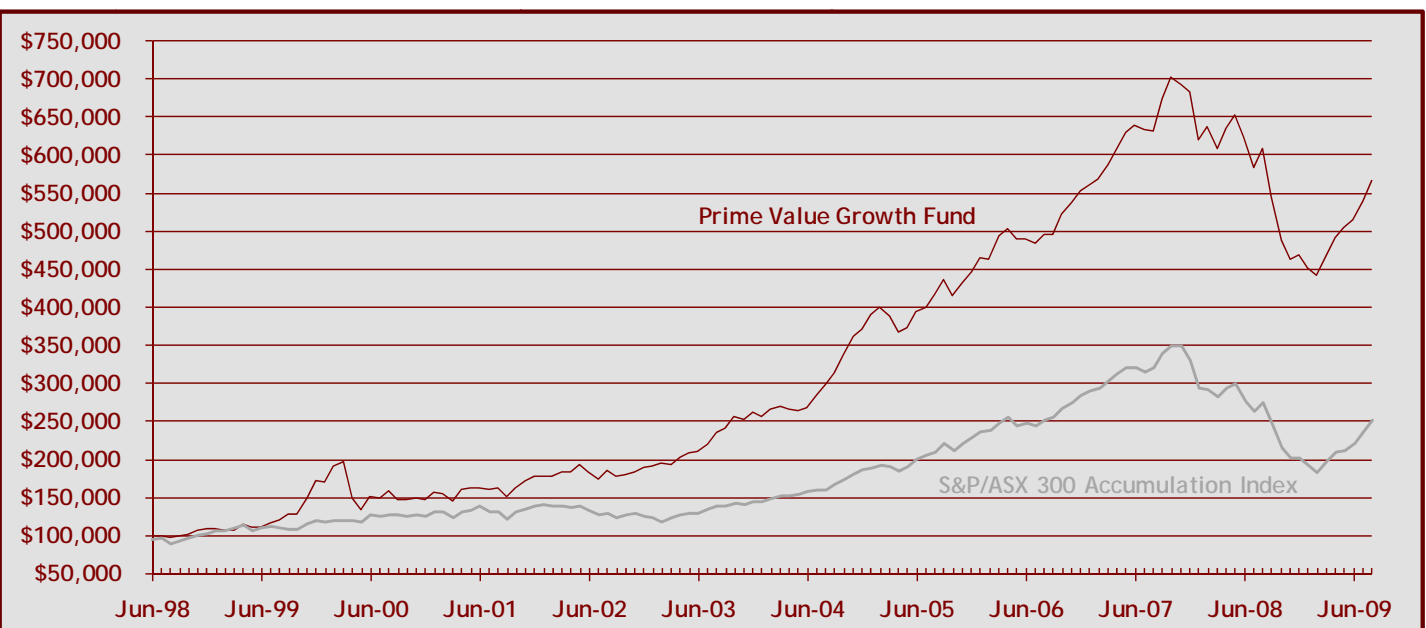
3 Fees for indirect investments do not include the fees charged by the IDPS operator. The fund is available in the following platforms: Asgard, Ausmaq, Beacon, BT Wrap, First Wrap, IOOF Global One, Macquarie Wrap, netwealth, Portfolio Advantage, Premium Choice, Symetry, Wealthtrac.

4 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.

5 Applies to investments of less than 12 months' duration to discourage short term investing. The Fund invests in a portfolio of equities designed to deliver returns over the medium to long term.

### Historical Performance (Class A Units)

The following graph shows how a notional \$100,000 invested at the Fund's Inception (10 April 1998) has increased to \$567,000 (net of fees excluding performance fees) as at 31 August 2009. After performance fees, the amount would be approximately \$502,500. This compares very favourably with the return of the market, where a \$100,000 investment would have increased to \$252,200 over the same period. The returns exclude the benefits of imputation credits.



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