

## Fund Performance

Tables 1 and 2 show the PVIF performance relative to the S&P/ASX 300 Accumulation Index for the period to 31 December 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.)	Since Dec 01 (p.a.)
Prime Value Imputation Fund	3.1%	1.8%	37.3%	-3.3%	4.5%	15.7%	16.7%
S&P/ASX300 Accumulation Index	3.7%	3.4%	37.6%	-0.8%	8.3%	11.9%	9.3%
Relative Performance To Benchmark	-0.6%	-1.6%	-0.3%	-2.5%	-3.8%	3.8%	7.4%
Approximate Annual Return (after Performance Fees)#			37.3%	-3.3%	4.5%	14.9%	15.2%

Table 2:

Cumulative Return (Class A units)*	1 Yr	3 Yrs	5 Yrs	7 Yrs	Since Dec 01
Prime Value Imputation Fund	37.3%	-9.6%	24.4%	177.4%	249.2%
S&P/ASX300 Accumulation Index	37.6%	-2.3%	48.9%	119.0%	105.0%
Relative Performance To Benchmark	-0.3%	-7.3%	-24.5%	58.4%	144.2%
Approximate Cumulative Return (after Performance Fees) #	37.3%	-9.6%	24.4%	165.4%	219.7%

\* 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 managed a late rally, with the S&P/ASX 300 Accum Index rising 3.7% to finish the year at its closing high. Other global equity markets were also stronger, particularly Japan (up 12.8%). US economic data was mostly positive, suggesting the US economy is stabilising and leading to a rebound in the US dollar (and a weaker Australian dollar). Oil was initially weaker but recovered, while base metals and iron ore prices continued to climb.

Domestically, the Reserve Bank of Australia raised interest rates for the third consecutive month to 3.75%. Economic data was mixed but generally positive, with employment particularly encouraging. Corporate activity continued to dominate news as National Australia Bank launched a counterbid for AXA Asia Pacific (above the upwardly revised AMP offer), BHP Billiton and Rio Tinto confirmed an iron ore joint venture and Woodside launched a \$2.5bn rights issue.

The Industrials sector was the best performer, with IT, Materials and Health Care also performing well. Telecoms and consumer stocks lagged. The banking sector came under pressure due to concerns about funding costs (shown by Westpac increasing mortgage rates by 0.2% more than the RBA increase).

The Imputation Fund achieved a return of 3.1% during December. Sector allocation was positive as the fund was overweight Industrials. However this was partially offset by the cash holding which detracted from performance in a rising market.

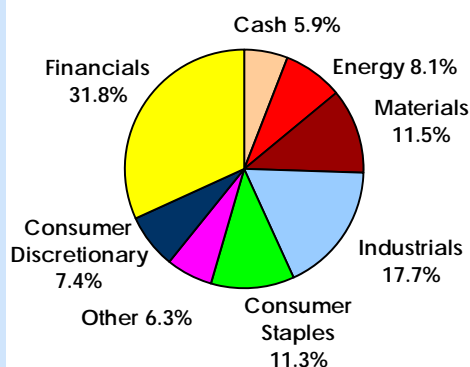
Stock selection was negative. The biggest contributors to performance included Monadelphous (up 10.9%), QBE Insurance (up 15.1%) and Westpac (up 4.8%). The stocks which detracted from performance included Bradken (down 3.9% after strong performance in November), Woodside Petroleum (down 3.2%) and Santos (down 4.3%).

Our expectations for the Australian equity market have not altered significantly and our portfolio strategy is therefore unchanged. We retain a cautious stance and see a number of risks over the medium to longer term, but expect conditions over the shorter term to remain supportive for equities. Mining services and defensive consumer stocks are our preferred sectoral positions.

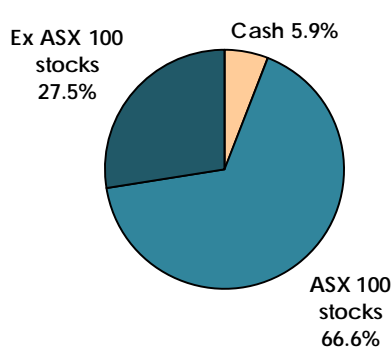
We continue to focus on high quality defensive companies offering growth, strong balance sheet and high tax-effective dividends, particularly those who will also benefit from Australia's relatively strong economic position.

The Fund maintained a high level of income, with 3% (including franking) paid this half-year.

### Holdings by Sectors



### Holdings by Market Cap



### Top Five Holdings

Name	Sector
Monadelphous	Industrials
National Australia Bank	Financials
Santos	Energy
Wesfarmers	Consumer Staples
Westpac	Financials

The portfolio is generally comprised of 30 - 60 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.

### 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.

Launch Date: 20 December 2001 <sup>1</sup> Size of Fund: \$84.8m	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	\$20,000	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 December 2009	Issue Price: \$2.2668 Withdrawal Price: \$2.2496 Distribution: \$0.0448	Issue Price: \$2.2670 Withdrawal Price: \$2.2498 Distribution: \$0.0465

<sup>1</sup> Research Rating—Standard and Poors—3 stars

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

<sup>3</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, Frist Wrap, Macquarie Wrap, netwealth, Portfolio Advantage, Premium Choice, Symetry, Wealthtrac.

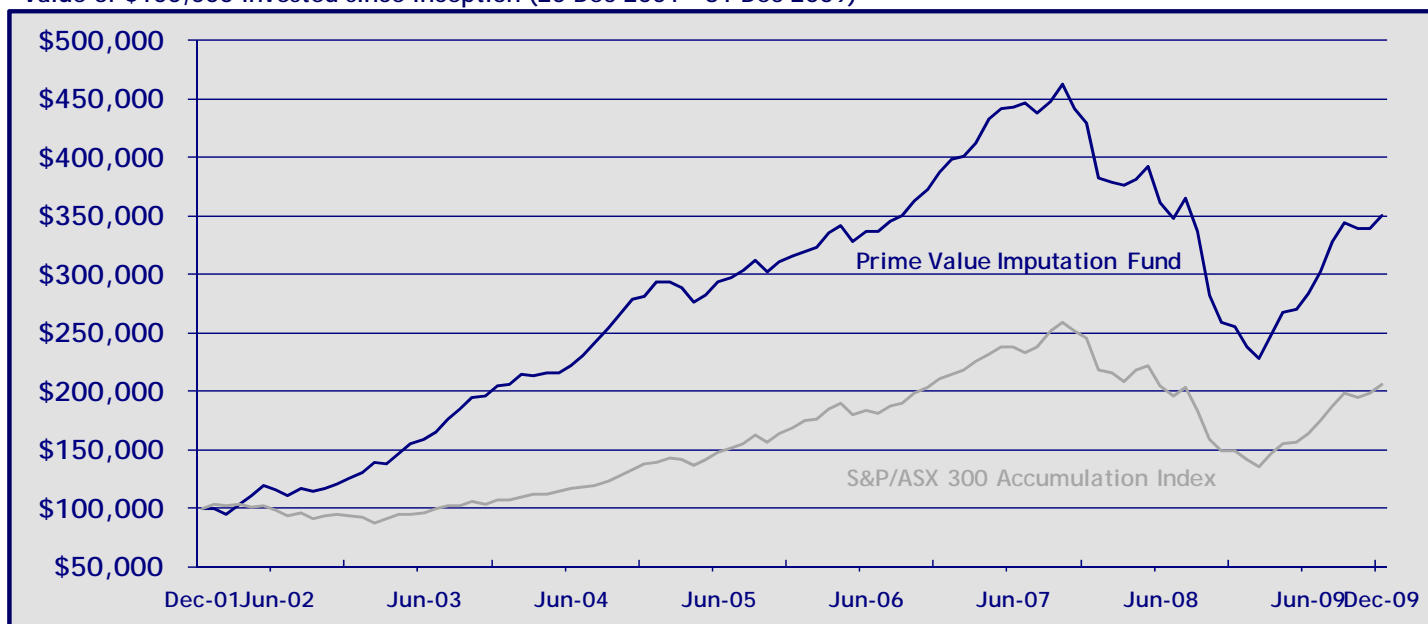
<sup>4</sup> Up to 3% may be charged where a Direct Investor is introduced by an adviser to the Fund, as mutually agreed between the investor & adviser.

<sup>5</sup> 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 (20 December 2001) has increased to \$349,200 (net of fees excluding performance fees) as at 31 December 2009. After performance fees, the amount would be approximately \$319,700. This compares very favourably with the return of the market, where a \$100,000 investment would have increased to \$205,000 over the same period. The returns exclude the benefits of imputation credits.

Value of \$100,000 invested since inception (20 Dec 2001 - 31 Dec 2009)



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