

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 2011. 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	Financial YTD	1 Yr	3 Yrs (p.a.)	5 Yrs (p.a.)	7 Yrs (p.a.)	Since Dec 01 (p.a.)
Prime Value Imputation Fund	-1.7%	3.5%	-5.9%	-8.2%	8.5%	-3.4%	2.1%	12.4%
S&P/ASX300 Accumulation Index	-1.4%	2.1%	-9.8%	-11.0%	7.7%	-2.4%	4.4%	6.3%
Relative Performance To Benchmark	-0.3%	1.4%	3.9%	2.8%	0.8%	-1.0%	-2.3%	6.1%
Approximate Annual Return (after Performance Fees)#				-8.2%	8.3%	-3.4%	2.1%	11.2%

Table 2:

Cumulative Return (Class A units)*	1 Yr	3 Yrs	5 Yrs	7 Yrs	Since Dec 01
Prime Value Imputation Fund	-8.2%	27.7%	-15.9%	15.7%	225.0%
S&P/ASX300 Accumulation Index	-11.0%	24.8%	-11.4%	35.1%	85.9%
Relative Performance To Benchmark	2.8%	2.9%	-4.5%	-19.4%	139.1%
Approximate Cumulative Return (after Performance Fees) #	-8.2%	27.1%	-15.9%	15.7%	196.5%

* 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 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 ended the year on a poor note, with the benchmark S&P/ASX 300 Accumulation Index falling a further 1.4% during December to be down 11.0% for the calendar year. The continuing European debt crisis was the dominant theme, with a commitment by 26 EU nations (the UK declined to be involved) leading to the ECB providing €490 billion to European banks at 1% for three years. These funds will be partially used to purchase higher yielding European government bonds bringing sovereign borrowing costs down. The focus on Europe masked generally positive US economic data, reinforcing the continuing pick up in activity.

Domestically, a number of profit warnings in the retail sector in the crucial lead up to Christmas led to weakness, while materials and energy companies lagged due to weaker commodity prices, particularly gold. The defensive and high yielding sectors, including Telcos, Healthcare and Utilities, were the better performing sectors, while banks and REITs also held up. The RBA cut interest rates for the second time, with expectations of further rate cuts increasing.

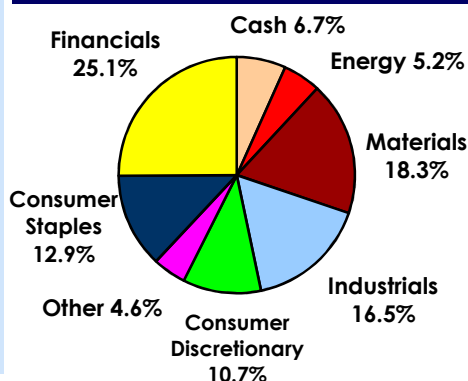
The Fund fell 1.7% during the month. Sector allocation was mildly negative, as the Fund was underweight Financials and Telcos. This was partially offset by underweight positions in the Materials and Energy sectors.

The stocks which contributed positively to performance included ANZ (up 3.2%), Commonwealth Bank (up 3.8%) and Telstra (up 5.4%). The holdings which detracted from performance included Wesfarmers (down 3.2%), Orica (down 4.3%) and IOOF (down 7.7%).

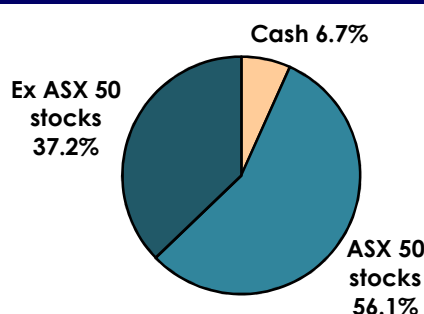
The Fund was well positioned during the half, outperforming by 3.9% in difficult market conditions. The calendar year return of -8.2% was a solid result in a challenging market which fell 11.0%. The strong outperformance was achieved while delivering a consistently high distribution of 3.8% (or 5.6% including franking credits) for the half-year period, reflecting the Fund's conservative stance and focus on tax-effective income. (Please note however that as some companies pay both dividends in the December half, distributions for the June half are expected to be lower).

We are cautiously optimistic about the outlook for 2012. The global macro environment will remain challenging but valuations reflect much of the negativity. We also expect smaller and mid-cap companies to be less influenced by the macro "noise". Downside risk remains however. We prefer mining services and consumer staples companies, particularly those with high tax-effective dividends.

Holdings by Sectors



Holdings by Market Cap



Top Five Holdings

Name	Sector
Monadelphous	Industrials
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 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 2001¹

Size of Fund: \$47.0m

Direct Investment (Class A)

Indirect Investment via IDPS or IDPS-Like Schemes (Class B)

Indirect Cost Ratio (ICR)	1.435% p.a. ²	1.23% p.a. ^{2,3}
Performance Fee	20.5% p.a. ² of performance (net of management fees and administration costs) above the agreed benchmark, subject to positive performance	20.5% p.a. ² 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 ⁴	N/A
Withdrawal Fee	Nil	N/A
Early Withdrawal Fee	2% ⁵	N/A
Income Distributions	Half-yearly	Half-yearly
Unit Prices @ 31 December 2011	Issue Price: \$1.9624 Withdrawal Price: \$1.9476 Distribution: \$0.0744	Issue Price: \$1.9624 Withdrawal Price: \$1.9476 Distribution: \$0.0765

¹ Research Rating—Standard and 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, Macquarie Wrap, netwealth, Portfolio Advantage, Premium Choice, Symetry, Wealthtrac.

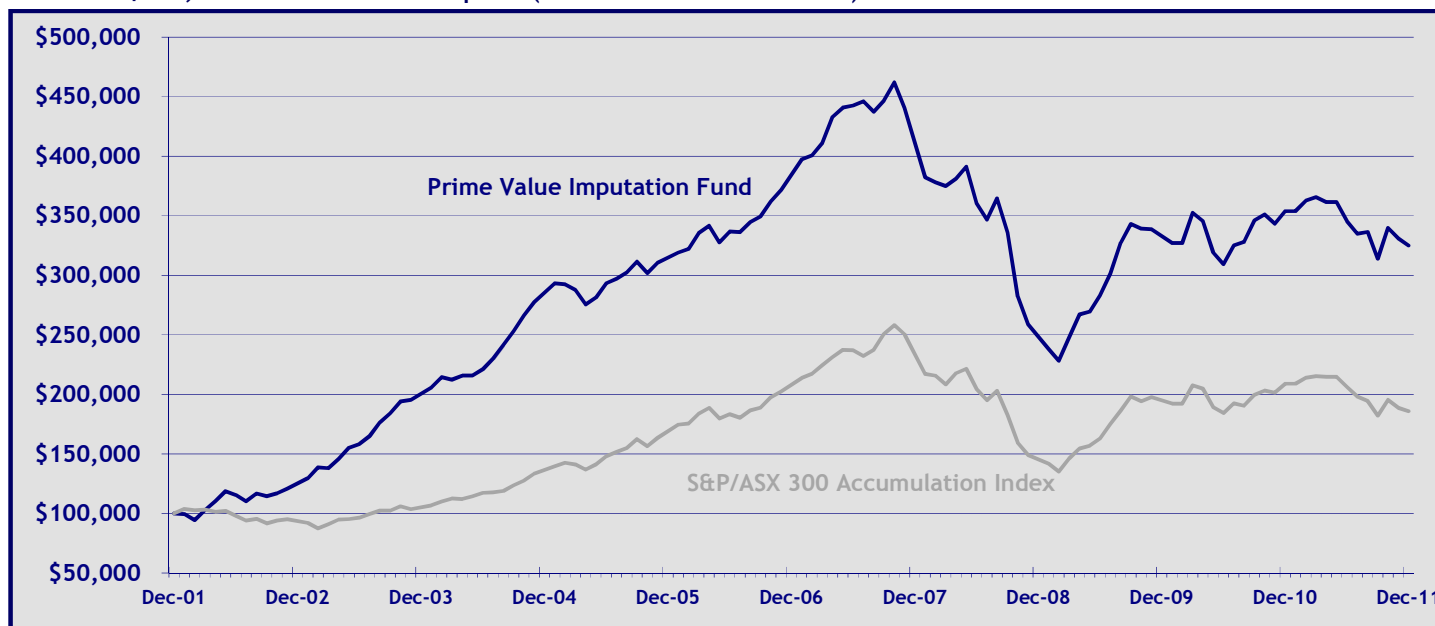
⁴ Up to 3% may be charged where a Direct Investor is introduced by an adviser to the Fund, as mutually agreed between the investor & adviser.

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 (20 December 2001) has increased to \$325,000 (net of fees excluding performance fees) as at 31 December 2011. After performance fees, the amount would be approximately \$296,500. This compares very favourably with the return of the market, where a \$100,000 investment would have increased to \$185,900 over the same period. The returns exclude the benefits of imputation credits.

Value of \$100,000 invested since inception (20 Dec 2001 - 31 Dec 2011)



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