



Ethical  
Investments

# Hunter Hall Global Value Limited

## Monthly NTA and Performance Report

ACN 107 462 966

June 2017

### At a Glance

<b>Inception Date</b>	19 March 2004
<b>ASX Code</b>	HHV
<b>Investment Manager</b>	Hunter Hall Investment Management Limited
<b>Benchmark</b>	MSCI World <sup>1</sup>
<b>Asset Class</b>	Global equities
<b>Sector</b>	Small to mid-cap
<b>Management Fee</b>	1.50%
<b>Performance Fee</b>	15.38% of any return greater than the MSCI World, payable yearly (inclusive of GST)
<b>DRP</b>	Yes
<b>Ethical Policy</b>	Negative screen

### Net Tangible Assets (NTA)

CPS	Jun-17	May-17
Net tangible asset value before tax <sup>3</sup>	118.20	123.05
Provision for tax on unrealised income and gains <sup>3</sup>	0.35	(0.67)
Net tangible asset value after tax <sup>3</sup>	118.55	122.38

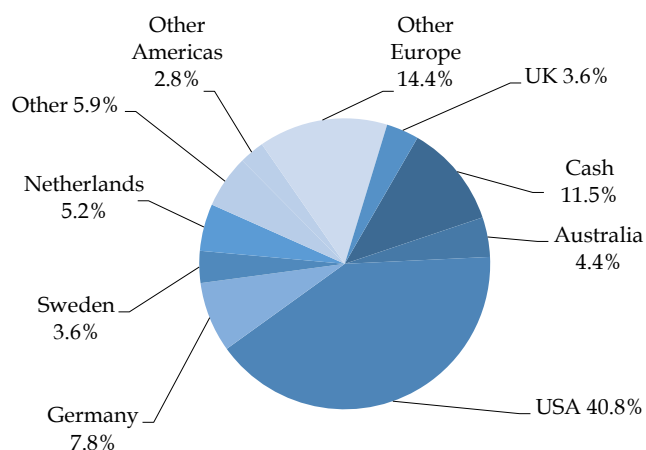
### Company Information

	Jun-17	May-17
Premium/Discount to pre-tax NTA	-6.5%	-13.4%
Market Capitalisation	\$269.8m	\$260.1m
Share Price	\$1.105	\$1.065
Ordinary Shares on Issue	244.2m	244.2m

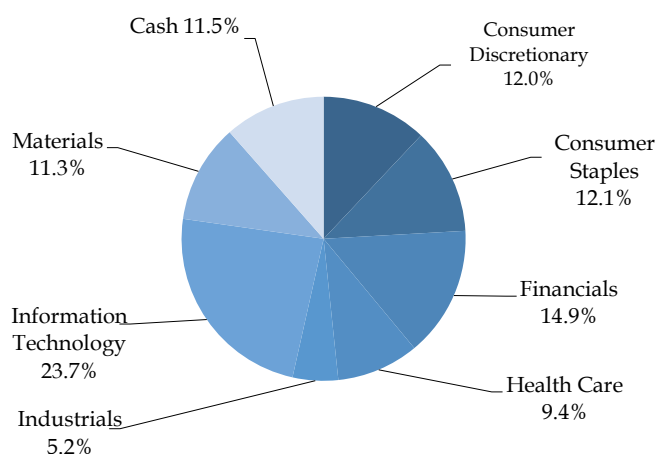
### Performance % (after all fees & expenses)

	1 month	6 months	1 year	Compound Annual Return				
				3 years	5 years	7 years	10 years	Since inception
Absolute Performance <sup>2</sup>	-4.5	-4.4	-14.0	7.9	13.7	9.1	3.2	6.5
MSCI World <sup>1</sup>	-2.6	4.5	14.7	12.8	18.0	12.9	5.0	6.6
Relative Performance	-1.9	-8.9	-28.7	-4.9	-4.3	-3.8	-1.8	-0.1

### Country Allocation



### Sector Allocation



As at 30 June 2017 the portfolio was invested 84.1% in International Equities, 4.4% in Australian Equities and 11.5% in Cash. The portfolio had an exposure to foreign cash and investments of A\$264m, with 0% of the foreign equity exposure hedged back into Australian Dollars by forward foreign exchange contracts.

Note: Figures in this report have been rounded to the nearest appropriate decimal place. For Country and Sector Allocations the aggregate weights for the fund may not equal 100%.

1. MSCI World refers to the MSCI World Total Return Index, Net Dividends Reinvested, in A\$.

2. Performance figures refer to the movement in net assets per share, including share buy-backs and the reinvestment of dividends, excluding tax accrued but unpaid. Source: Hunter Hall.

3. The figures are unaudited.

### Contact Details

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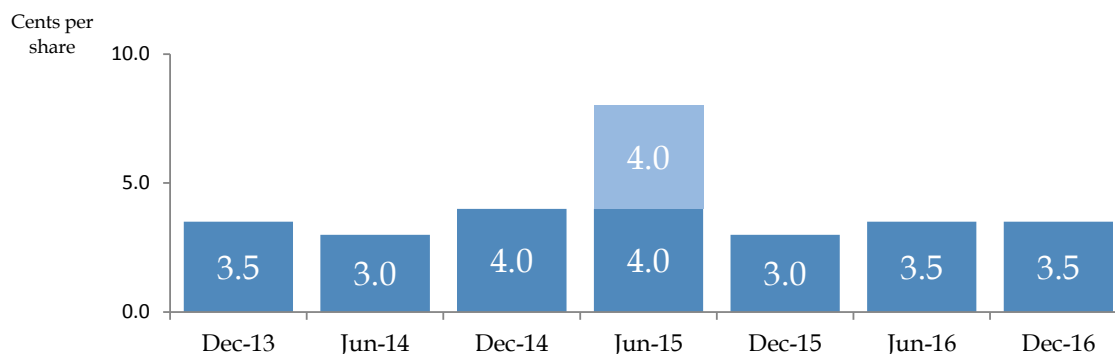
**Web:** [www.hunterhallglobalvalue.com.au](http://www.hunterhallglobalvalue.com.au)

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## Top 10 Holdings

Company	Business Description	Country of Listing	Area of Principal Economic Activity	Net Assets (%)
IAC InterActiveCorp	internet services	USA	USA	5.1
Alphabet Inc	web-based search engine	USA	USA	3.3
Comcast	communication services	USA	USA	3.1
Dollar General	retail	USA	USA	2.8
Wacker Chemie	chemical manufacturing	Germany	Germany	2.8
Novo Nordisk	pharmaceuticals	Denmark	Denmark	2.8
Ahold	retailer	Netherlands	Netherlands	2.5
BBVA	banking	Spain	Spain	2.5
Apple	consumer electronics	USA	USA	2.3
Oracle	software	USA	USA	2.3

## Recent Dividend History



The Board remains committed to paying a regular and growing stream of fully franked dividends to the shareholders, provided the Company has sufficient profit reserves and franking credits. Dividends from December 2013 to December 2014 were partly franked, the final and the special June 2015 dividends were unfranked, the December 2015 and June 2016 dividends were fully franked. The December 2016 dividend was fully franked too and paid on 21 April 2017. For more information please visit [www.hunterhallglobalvalue.com.au](http://www.hunterhallglobalvalue.com.au).

## Month in Review

Hunter Hall Global Value Limited's (the Company) investment portfolio was down 4.5% in the month of June underperforming the benchmark by 1.9%. The strengthening Australian dollar detracted from absolute returns as well as a pullback in technology shares after a very strong first 5 months of the year. Our exposure here included US companies, Alphabet (formerly Google) and IAC, which fell 6% and 3%, respectively.

Individual detractors included Italian luxury goods producer Prada, which fell 11% over concerns that the recent recovery in Chinese luxury goods demand was beginning to slow, our Belgian-Dutch food retailer, Ahold Delhaize (-15%) and Australian bricklayer robotic company, Fastbricks (-26%), which we exited as part of the portfolio transitional process we are undertaking.

Ahold Delhaize took a hit after Amazon announced it was acquiring US natural food supermarket chain, Whole Foods (US\$13.7b). With 48% of Ahold's revenue derived from the USA in FY2016, we believe the markets initial reaction was that Amazon would begin to erode Ahold's US revenue and subsequently started indiscriminately selling the stock. While we do not discount any threat that Amazon may pose (to any industry!), we do not believe that the Amazon/Whole Foods situation will pose a threat in the short to medium term as any implementations will take time and money.

On the positive side of the ledger our US optical component holdings Lumentum and Finisar (+5%) both performed well as they discussed the prospects for their 3D sensing businesses which will benefit from the launch of the upcoming iPhone. We believe Lumentum has won the majority of Apple's business with Finisar supplying the balance. We used the intra-month spike in Lumentum to trim our holding.

US software company Oracle (+10%) rose on the back of strong results, boosted by strong growth in its cloud computing revenue streams which are highly recurring compared to traditional lumpy licence sales and therefore liked by investors.