



HUNTER HALL

GLOBAL VALUE LIMITED (ASX: HHV)

SEPTEMBER
2017
PERFORMANCE
UPDATE

DESCRIPTION AND FEATURES

Global Value Limited provides access to investments in 30-50 companies, large and small across developed and developing markets via a listed investment company structure.

Investments are made predominantly in companies that deliver stable yet growing free cash flow throughout cycles (which we classify as 'Core' holdings) whilst also taking positions in more cyclical companies ('Cyclical') and those whose valuation has been materially impacted ('Opportunistic').

We avoid investments in companies that in our opinion are harmful to people, animals or the environment.

Portfolio Managers	Jordan Cvetanovski Steven Glass
ASX code	HHV
Founded	19 March 2004
Mandate inception	1 July 2017
Asset Class	International Equities
Fees	Management Fee: 1.50% p.a. Performance Fee: 15.38% of any return greater than the MSCI World
DRP	Yes
Share Price¹	\$1.13
NTA (pre-tax)^{1,2}	\$1.1781
NTA (post tax)^{1,2}	\$1.1702
Premium/Discount to pre-tax NTA¹	(3.44%)
Ordinary Shares on Issue¹	244.2m
Benchmark	MSCI World ³

¹ At 30 September 2017.

² The figures are unaudited.

³ MSCI World refers to the MSCI World Total Return Index, Net Dividends Reinvested, in A\$.

THE FUND
CONTINUES
TO HAVE A
RELATIVELY
LARGE
EUROPEAN
EXPOSURE

PERFORMANCE COMMENTARY

In September, the portfolio delivered 2.6% while its benchmark returned 3.4%. Foreign exchange contributed to the absolute return but was a headwind to returns relative to the underlying index, due to the portfolio's relatively large AUD exposure. Our analysis points to stock selection generating a positive absolute and relative return and the biggest detractors from relative returns being the portfolio's cash holdings.

The biggest positive individual stock contributors were Dollar General, Wacker Chemie and B&M European Value Retail. There was no specific news to explain the performance of all three stocks, however we believe that Dollar General and B&M benefited from the growing recognition that they are unlikely to be victims of Amazon's onward march.

The three largest individual stock detractors were Newcrest Mining, Apple and Comcast. Newcrest's share price declined in line with the gold price, which is explained by heightened expectations that the US Federal Reserve will increase interest rates. Apple's share price declined 6% over the month, which we believe is explained by fading enthusiasm around its

newest iPhones. Comcast's share price declined 5% following its announcement that its video subscribers will decline by 100-150k in 3Q17.

During the month we decreased the portfolio's exposure to the Core segment and increased its exposure to the Opportunistic segment. This reflects some Core positions increasingly nudging our target valuations while two unique opportunities to invest in Opportunistic stocks presented themselves. These opportunities were in industrial companies, which explains the 3% increase in the portfolio's exposure to Industrials over the month.

The Fund continues to have a relatively large European exposure and some Latam exposure, while it is underweight the US and Asia. As at 30 September the portfolio was approximately 60% invested in Core, 22% in Cyclical, 10% in Opportunistic and 8% in cash. The largest industry exposures (according to GICS codes) were Information Technology (19%), Materials (17%) and Financials (15%).

PERFORMANCE

Net performance for periods ending 30 September 2017⁴

	1 Month	FYTD	Since Inception p.a. ⁵
HHV	2.59%	2.39%	7.63%
Benchmark	3.35%	2.49%	6.71%

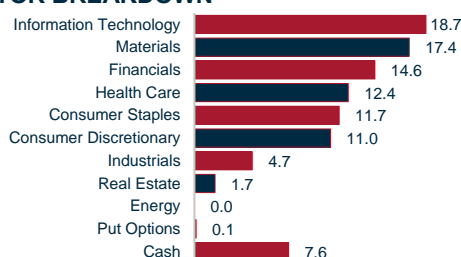
Global Value Limited has been managed under the new investment mandate by the Pengana investment team since 1 July 2017. The performance since inception in the table above refers to the movement in net assets per share since the inception of HHV in March 2004. See footnotes ⁴ and ⁵ below for further details.

PORTFOLIO INFORMATION

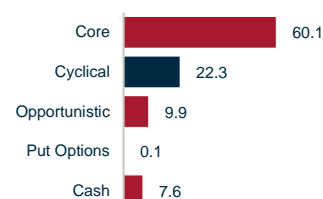
Top 10 Stocks		
Name	Country	Sector
American Express Company	United States	Financials
Apple Inc.	United States	Information Technology
B&M European Value Retail SA.	Luxembourg	Consumer Discretionary
Celgene Corporation	United States	Health Care
Dollar General Corporation	United States	Consumer Discretionary
IAC/InterActiveCorp.	United States	Information Technology
Medtronic plc	United States	Health Care
Novo Nordisk A/S Class B	Denmark	Health Care
Oracle Corporation	United States	Information Technology
Wacker Chemie AG	Germany	Materials

Largest 3 Contributors	Largest 3 Detractors
Dollar General Corporation	Newcrest Mining Limited
Wacker Chemie AG	Apple Inc.
B&M European Value Retail SA.	Comcast Corporation Class A

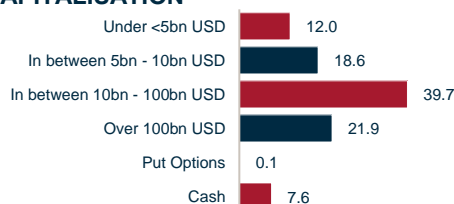
SECTOR BREAKDOWN



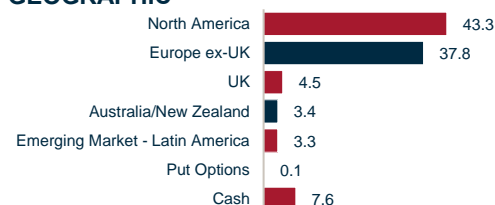
SEGMENT



CAPITALISATION



GEOGRAPHIC



4. Performance figures refer to the movement in net assets per share, reversing out the impact of option exercises and payments of dividends, before tax paid or accrued on realised and unrealised gains. Past performance is not a reliable indicator of future performance, the value of investments can go up and down.

5. Inception date of HHV: 19 March 2004, new investment team with new mandate adopted: 1 July 2017.

None of Hunter Hall Global Value Limited ("HHV"), Hunter Hall Investment Management Limited (ABN 69 063 081 612, AFSL 219462) nor any of their related entities guarantees the repayment of capital or any particular rate of return from HHV. Past performance is no guarantee of future performance. This document has been prepared by HHV and does not take into account a reader's investment objectives, particular needs or financial situation. It is general information only and should not be considered investment advice and should not be relied on as an investment recommendation.

FOR FURTHER
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