



HUNTER HALL GLOBAL VALUE LIMITED

ACN 107 462 966

14 February 2017

Market Announcements
Platform Australian Securities
Exchange
20 Bridge Street
SYDNEY NSW 2000

Hunter Hall Global Value Limited (HHV) 31 December 2016 Financial Statements

Key Points

- Interim Fully Franked Dividend of 3.5 cents per share declared on 31 January 2017
- After tax operating loss for the period to 31 December 2016 was \$18.4 million
- Corporate expenses down 29.7% (6.5% excluding non-recurring items)

Investment Portfolio

HHV's investment portfolio was negatively impacted in the December quarter of 2016, due to its large exposure to cash, gold mining companies and two specific investments. These positions weighed on the performance, particularly after the US presidential candidate Donald Trump's electoral victory.

Despite fears of a Brexit-like market slump, the US market rallied strongly as participants focused on tax cuts and infrastructure spending, rather than on the potential for tariffs and trade wars. Telecommunications company, Vocus Communications Ltd and cancer treatment pioneer Sirtex Medical Ltd, both major holdings for HHV, revised down earnings guidance leading to share price declines of 54% and 46% respectively.

HHV's investment objective is to generate positive absolute returns in excess of the MSCI World Index benchmark over an investment horizon of five years or more. HHV's five year investment performance, after deducting all management fees and corporate taxes paid was 15.7%¹ p.a. For the corresponding period, the benchmark return was 18.4%. For the six month period to 31 December 2016, after all expenses and taxes paid, the investment portfolio declined by 10.0% and the MSCI World² for the period rose 9.8%. The HHV gross investment return for the same period declined by 7.4%.

Shareholders should note that HHV reports its investment performance (Monthly Performance Report) on a net basis after the deduction of all management fees, corporate expenses and taxes. Reporting investment returns on a net basis reflects the actual returns delivered to shareholders for the period and is a conservative perspective of investment performance.

When comparing investment returns shareholders should note that:

- The MSCI World benchmark, by definition does not include any provision for management fees, corporate expenses or tax expenses and accordingly is not a 'like for like' comparison to the return to shareholders and
- Many listed investment companies (and their investment managers) compare gross investment returns to benchmarks, not net returns as HHV does.

¹Source: Hunter Hall. 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. Past performance is no guarantee of future performance and no guarantee of future return is implied.

² MSCI World Total Return Index, Net Dividend Reinvested, in AUD.

Operating Results

The Company announced an after tax operating loss of \$18.4 million for the six months to 31 December 2016. The portfolio had realised gains of \$28.4 million and an unrealised loss on investments of \$53.8 million. Corporate expenses were down 29.7% on the previous half year. When non-recurring items are excluded, expenses were down 6.5% on the adjusted prior period. Tax paid in the period amounted to \$7.4 million and there is a current tax liability that will be paid in the second half of the year.

Interim Fully Franked 3.5 cps Dividend Declared

On 31 January 2017, the Board announced a fully franked interim dividend of 3.5 cents per share, representing an annualised fully franked cash dividend yield of 5.9%³ and an annualised gross dividend yield of 8.5%.

Ex-Dividend Date:	3 April 2017
Dividend Record Date:	4 April 2017
Dividend Payment Date:	21 April 2017

Final Dividend for FY17 Expected to be in Line with Interim Dividend

The Company's dividend policy is to pay a consistent regular stream of fully franked dividends to our shareholders provided the Company has sufficient profit reserves and franking credits and it is within prudent business practices.

On 30 September 2016, the Company paid a 3.5 cps final fully franked dividend to shareholders for FY 2016. This amounted to \$8.5 million and under the dividend reinvestment plan 569,953 new shares were issued raising new capital of \$791,330.

At 31 January 2017, the company holds a Profit Reserve of \$107 million or 44.17 cents per share and the franking account balance has increased due to the realisation of gains in the portfolio and tax paid.

The Board recognises that the payment of a reliable stream of fully franked dividends is very important to the great majority of our shareholders and it expects to declare a final dividend for FY17 in line with the interim dividend.

Paul Jensen
Chairman
Hunter Hall Global Value Limited

Contact: Mr Paul Jensen, Chairman
Telephone: +61 2 8224 0339 or (0417) 702 130
Email: ktepana@hunterhall.com.au
Website: www.hunterhallglobalvalue.com.au
Post: GPO Box 3955, Sydney NSW 2001, Australia

³ The annualised 3.5 cps cash dividend grossed up for franking credits and assuming the HHV share price of \$1.18 as at 13 February 2017