



Ethical
Managed Funds

Hunter Hall Global Value Limited

ACN 107 462 966

Monthly Performance Report

May 2014

Date	Pre-Tax Net Tangible Assets Per Share	Post-tax Net Tangible Assets Per Share
31.05.2014	1.1787	1.1787

Absolute and Relative Performance

To 31 May 2014 (%)	1 month	6 months	1 year	Compound Annual Return		
				3 years (p.a)	5 years (p.a)	Since inception (p.a)
Movement in Net Assets per share	+1.6	+6.9	+22.2	+10.1	+11.4	+6.2
Benchmark – MSCI World	+1.5	+4.6	+22.4	+15.7	+11.1	+5.0
Relative Performance	+0.1	+2.3	-0.2	-5.6	+0.3	+1.2

Source: Hunter Hall. Inception date: 19 March 2004. MSCI refers to the MSCI World Total Return Index, Net Dividend Reinvested, in A\$. Performance figures refer to the movement in net assets per share, including share buy-backs and the reinvestment of dividends, but excluding the effect of option exercises. Past performance is no guarantee of future performance and no guarantee of future return is implied.

Top 10 Holdings

Company	Main Business	Country	Net Assets (%)
Sirtex Medical	liver cancer treatments	Australia	19.1
M2 Group	telecommunications	Australia	4.9
Danieli	metal processing machinery	Italy	3.6
GT Advanced	solar and LED servicer	USA	3.4
Bank of New York Mellon	financial services	USA	2.4
Take Two Interactive	interactive entertainment	USA	2.2
Citigroup	bank	USA	2.1
LeoPalace21	apartment construction & management	Japan	2.1
Apple	consumer electronics	USA	2.0
Maca Limited	engineering services	Australia	1.9

Top 5 Contributors

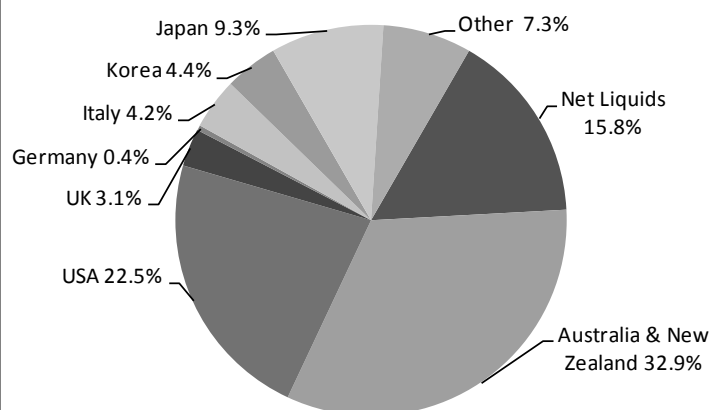
Company	Contribution to Return (%)
Sirtex Medical	+1.61
M2 Group	+0.33
GT Advanced	+0.20
Basilea	+0.18
ICBC	+0.14

Top 5 Detractors

Company	Contribution to Return (%)
JDS Uniphase	-0.24
LeoPalace21	-0.24
Atlas Iron	-0.22
Maca Limited	-0.16
Alchemia	-0.13

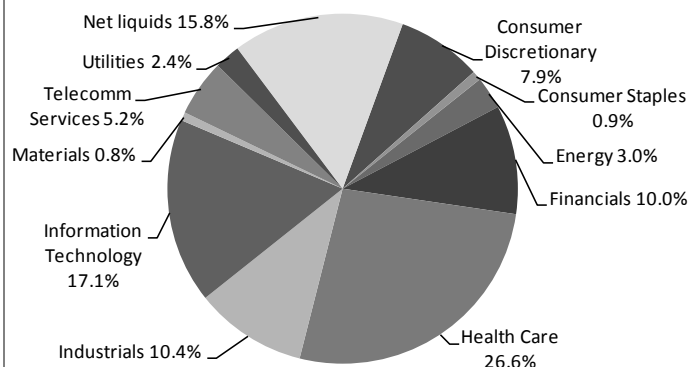
Country Allocation Breakdown

(as a percentage of net assets)



Sector Allocation Breakdown

(as a percentage of net assets)



Commentary

Hunter Hall Global Value Limited's pre-tax net assets per share rose 1.6% in May, outperforming its benchmark, the MSCI World index, by 0.1%.

Global equities generally performed strongly during May. Australia underperformed its global peers with its heavy materials weighting dragging on performance as the iron ore price fell 12.9%. The All Ordinaries Index rose 0.6%, mainly thanks to the defensive Telecommunications, Healthcare and Utilities sectors.

In the US, the S&P 500 rose 2.1%, reaching an all time closing high, amid stronger economic data. Manufacturing and non-manufacturing Purchasing Managers Index (PMI) numbers were better than expected. The unemployment rate also fell 0.4% to 6.3%, however, it was largely due to a drop in the participation rate which also weighed on the US dollar. The Australian dollar closed the month up 0.3% to US\$0.9302.

China also released stronger economic data with manufacturing PMI rising to 49.7, versus an expected 48.3, to reverse five consecutive months of decline. The Shanghai Composite Index rose 0.6%.

The Japanese Nikkei Index rose 2.3% after March Quarter 2014 GDP rose 5.9% quarter-on-quarter, compared to an expected 4.3% increase, as consumption increased ahead of the consumption tax increase. Hong Kong's Hang Seng Index rose 4.3% and Korea's Kospi Index rose 1.7%.

The President of the European Central Bank (ECB), Mario Draghi, signalled that the ECB would take action to avoid deflation in the Eurozone, pointing to a cut in ECB's deposit rate. European markets reacted with London's FTSE Index up 1.0% and Germany's DAX Index up 3.5%.

The Company's largest position, Australian liver cancer treatment company **Sirtex Medical** was the largest positive contributor to portfolio performance rising 9.3% to close the month at \$17.20. As reported last month, the company announced its 39th consecutive quarter of dose sales growth in early April. Sirtex also presented at the Macquarie Australia Conference where the company reiterated its 2020 *Vision*, with its SIRFLOX trial results due to be released in the first half of 2015 (for details please refer to Sirtex Medical's company website).

US solar and LED lighting company **GT Advanced Technologies** was a strong contributor to portfolio performance after announcing its March Quarter 2014 results in line with expectations. The company also said that it was continuing to invest in its sapphire-materials business and diversify away from being purely a solar player.

Swiss pharmaceuticals company **Basilea** contributed to performance after reporting new data on its antibiotic drug *ceftobipole* which recently gained approval in twelve European countries for the treatment of pneumonia. The new data demonstrated faster clinical responses in pneumonia patients treated with the drug than treatment with competitor drug *regimen*.

US optical components manufacturer **JDS Uniphase** was the largest detractor from portfolio performance after announcing quarterly results including net revenue of US\$418 million, up 3.1% from the previous corresponding period. Operating expenses were up 11.2% to \$196 million. Investors are concerned about soft demand in the optical components industry and China's ability to meet demand expectations. We believe that the stock has been oversold. JDS has approximately \$400 million of cash and has implemented a \$100 million share buyback program.

At month-end Global Value Limited had unaudited net assets of \$222.1 million. The portfolio asset breakdown was 32.9% Australian and New Zealand equities, 10.0% European equities, 18.3% Asian equities, 22.5% North American equities, 0.5% Middle East and 15.8% Net Liquids. Hedging was in place for 5.1% of the portfolio's foreign currency exposure. Foreign currency exposure detracted 0.26% from portfolio performance for the month while the hedging policy impact was marginal.

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