



Ethical  
Managed Funds

# Hunter Hall Global Value Limited

ACN 107 462 966

## Monthly Performance Report

### January 2015

Date	Pre-Tax Net Tangible Assets Per Share	Post-tax Net Tangible Assets Per Share
31.01.2015	1.3883	1.3883

### Absolute and Relative Performance

To 31 January 2015 (%)	1 month	6 months	1 year	Compound Annual Return			
				3 years	5 years	7 years	Since inception
Absolute Performance – GVL	1.8	18.3	21.9	21.9	11.4	6.4	7.7
Benchmark – MSCI World	3.2	17.7	19.9	25.2	13.7	6.2	6.2
<b>Relative Performance</b>	<b>-1.4</b>	<b>0.5</b>	<b>2.1</b>	<b>-3.3</b>	<b>-2.3</b>	<b>0.2</b>	<b>1.5</b>

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	17.8
M2 Telecommunications	telecommunications	Australia	4.8
Danieli	metal processing machinery	Italy	4.3
Take Two Interactive	interactive entertainment	USA	2.8
Marvell	semiconductors	USA	2.7
JDS	optical components	USA	2.7
LeoPalace21	property	Japan	2.5
Bank of New York Mellon	financial services	USA	2.3
Apple	consumer electronics	USA	2.3
Yahoo	digital content	USA	2.3

### Top 5 Contributors

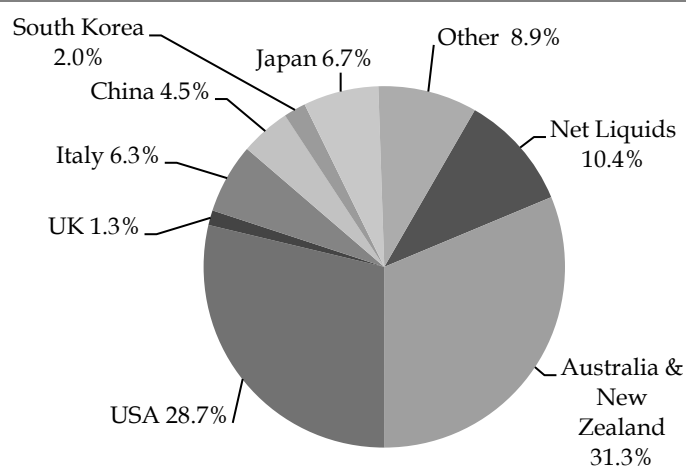
Company	Contribution to Return (%)
St Barbara	0.66
M2 Telecommunications	0.47
Harman International	0.35
Basilea	0.33
Marvell	0.30

### Top 5 Detractors

Company	Contribution to Return (%)
Sirtex Medical	-0.96
JDS	-0.23
Prudential Financial	-0.20
Yahoo	-0.20
JP Morgan	-0.16

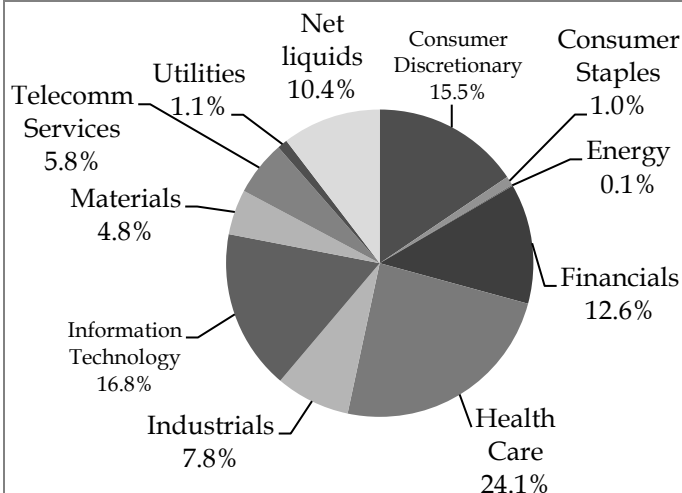
### Country Allocation Breakdown

(as a percentage of net assets)



### Sector Allocation Breakdown

(as a percentage of net assets)



## STOCKS IN FOCUS

### St Barbara



St Barbara's quarterly report to 31 December 2014 showed a significant turnaround in the company's operations. New CEO Bob Vassie has acted quickly to increase gold production which was up 42% on the previous quarter to 97,917 ounces. This was partly the result of higher grades and the processing of ore stockpiles that had built up as a result of a plant maintenance shutdown at the Leonora operations, in Western Australia. Most significantly, the Simberi mine in Papua New Guinea achieved its highest monthly and quarterly production since the project was acquired in 2012. The mine is well on its way to its production and cost targets which should allow annual profitability of \$10m to \$30m. Another excellent result was an increase in cash reserves to A\$70m. However, because of a weakening A\$, the company's net debt which is denominated in US\$ also rose, to A\$390m. Another area of concern is the Gold Ridge mine in the Solomon Island where a tailings dam is reaching capacity. The company has been trying to reduce the water level of the tailings dam but is being hampered by an unhelpful (and to our eyes, obstructionist) government. St Barbara has marginally lifted its FY2015 guidance and operational improvements have come at a time when it appears that the gold price has found a floor above US\$1,200/oz. St Barbara's share price rose 100% in January to be the Company's largest contributor over the month. There is still plenty of upside if the company can achieve its objectives.

### M2 Group



The Australian telecommunications sector outperformed the wider market over calendar 2014 as improved regulatory certainty, defensive earnings growth and the continued search for yield as bond yields continued to decline drove outperformance. Calendar 2015 has begun no differently. With dividend yields remaining attractive versus low interest rates, M2 is well placed to benefit. M2 generates sustainable earnings has an estimated FY2015 earnings per share growth of 20%, pays a dividend yielding close to 4%, and has recurring revenues with no cyclical aspect required to deliver its returns. Also helping the stock performance for January was a few analysts who revised up forecasts for earnings driven by higher energy subscriber growth assumption. One of the key differentiators for M2 is that they bundle energy products into their telecommunications offers, which increases their sales. The company has focused on rationalising a number of billing systems, reducing administrative costs and the costs to serve customers. M2 was up 11%.

### Harman International



US in-car media systems manufacturer, Harman, rose 21% in January after delivering outstanding December quarter 2014 results. The company earned US\$116m, or US\$1.65 per share for the December 2014 quarter, representing a 62% and 60% increase, respectively, from December 2013. Harman stands to benefit further from an industry trend toward cars that provide users with Internet-connected audio and entertainment options. The company said it expects demand will remain strong and it raised its earnings per share forecast. Despite the increase, the company kept its revenue forecast steady at US\$6 billion, despite an estimated 7% headwind from currency (particularly the strong US\$) during the year. The company also agreed to buy two software companies in January for US\$950m that will facilitate over-the-air computer updates to the vehicle.

### Sirtex Medical



Our largest holding, Sirtex Medical was down 5% in January, for no particular reason that we could discern. The company announced that it had completed recruitment of 560 patients for its two multi-centre FOXFIRE clinical trials and the market is now awaiting the release of Sirtex's flagship clinical trial in liver cancer, *SIRFLOX*. An initial read of the results is due in March 2015. Late in the month, Goldman Sachs upgraded the stock to a "buy" rating, from neutral, and placed a \$38 price target on the stock. Sirtex closed the month at \$26.95 but has since risen, partially as a result of the falling A\$. Sirtex's sales are mainly in the United States.

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