



Ethical  
Managed Funds

# Hunter Hall Global Value Limited

ACN 107 462 966

## Monthly Performance Report

September 2015

Date	Pre-Tax Net Tangible Assets (cps)	Pre-Tax Net Tangible Assets excluding DTA (cps)	Post-Tax Net Tangible Assets (cps)
30.09.2015	128.25	127.97	123.53

### Absolute and Relative Performance

To 30 September 2015 (%)	1 month	6 months	1 year	Compound Annual Return				
				3 years	5 years	7 years	10 years	Since inception
Absolute Performance	-0.2	3.5	13.6	20.5	12.4	10.6	7.0	7.7
Benchmark - MSCI World	-2.8	-0.1	18.3	23.8	15.5	8.3	5.6	6.4
Relative Performance	2.6	3.6	-4.7	-3.2	-3.1	2.4	1.4	1.3

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 tax and 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	12.7
St Barbara	gold explorer and producer	Australia	7.9
Prada	high-end fashion	Italy	4.6
M2 Telecommunications	telecommunications	Australia	4.5
Citigroup	financial services	USA	3.1
Viavi Solutions	communications equipment	USA	2.9
Viacom	media/entertainment	USA	2.9
Greenlight Re	reinsurance	USA	2.7
JP Morgan	financial services	USA	2.6
Genworth Financial	insurer	USA	2.5

### Top 5 Contributors

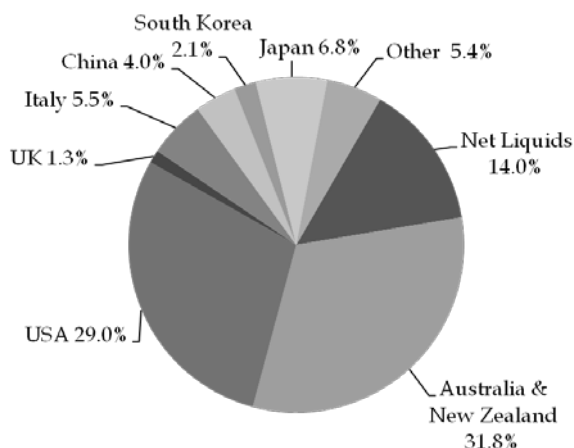
Company	Contribution to Return (%)
St Barbara	2.88
Viacom	0.15
M2 Telecommunications	0.12
Adidas	0.09
SRG Ltd	0.08

### Top 5 Detractors

Company	Contribution to Return (%)
Sirtex Medical	-0.54
Marvell	-0.27
Greenlight Re	-0.27
Titan International	-0.25
Porsche	-0.24

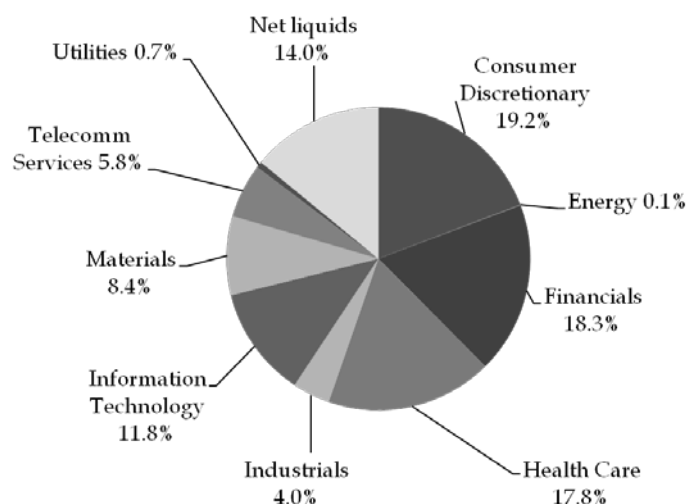
### Country Allocation Breakdown

(as a percentage of net assets)



### Sector Allocation Breakdown

(as a percentage of net assets)



At month-end international equities constituted 55.5% of the Fund, with 32.4% of the foreign currency exposure hedged back into Australian Dollars.

## STOCK IN FOCUS

### St Barbara



Australian gold producer, St Barbara, rose 94% in September to break through the \$1 share price mark for the first time since 2013. After reporting excellent full year results last month, the company continued to de-lever its balance sheet in the September quarter and was admitted into the ASX-300 Index. The company has just announced its production results for the September quarter and they are superb. Production is nearly 30% higher than the mid range of its estimates for the full year to 30 June 2016, assisted by a very high grade of 9.4g/tonne at Gwalia. No doubt coming quarters will fall back closer to the company's guidance range. However, St Barbara generated about \$72m of cash during the quarter or about 14.5c per share (interestingly this is only a little below our purchase cost of 18c a share). The company applied this cashflow to buy back debt and announced it had purchased an additional US\$10m of its Senior Notes at a 7% discount, taking the total repurchased to US\$67m, 27% of the aggregate principal of the original US\$250m. We are delighted with the progress that the company has made in the last year under the leadership of CEO Bob Vassie and can see the stock appreciating further in the medium term as debt is ground down and (hopefully) reserves are increased.

### Viacom



Against a turbulent market backdrop in September, our recent entry into US global entertainment content company, Viacom (+6%), held up well. The company reaches approximately 700 million households across 160 countries, operating the international extensions of the multimedia brands MTV, VH1, Nickelodeon, Comedy Central and BET, as well as certain program services. The company's share price has fallen 50% from July 2014 to August 2015 as the market, we believe, is overly pessimistic about the cord-cutting phenomenon. Big content companies like Viacom should fare much better than the market fears as they can use alternative ways to distribute content. At current prices, Viacom trades on a P/E of 7.5x, EV/EBITDA of 7x, has a free cash flow yield of 12%, which is attractive in this low interest rate environment, and has a 3.5% dividend yield. Supporting the stock is knowledge that the company has spent US\$17.7b (greater than the company's current market cap) buying back shares since 2010. We believe they will continue to do so. Viacom could also become a take-over target if its share price stays underappreciated.

### Sirtex Medical



Australian liver cancer pioneer, Sirtex, fell 6% in September, despite the lack of any adverse developments. Sirtex announced the appointment of Dr Katherine Woodthorpe as an Independent Non-Executive Director. Dr Woodthorpe has served on boards ranging from ASX-listed companies to research institutions and government entities for the past 17 years. We believe this is an important appointment as the company continues to make progress towards its 2020 Vision strategy. Also in September, Sirtex was highlighted at the 17<sup>th</sup> Annual Scientific Meeting of Australasian Gastro-Intestinal Trials Group in Sydney, where the company's SIRQLOX clinical data showed a clinically significant 7.9 month extension of tumour control in the liver while at the same time having no impact on the duration of systemic therapy.

### Marvell



US integrated circuit manufacturer Marvell fell 20% in September as the company experienced a delay in reporting its 2Q2015 result. The audit committee of Marvell is conducting an independent investigation on correct provisioning of litigation reserves, given there was a Federal Circuit court ruling in favour of Marvell announced a few days after quarter-end, as well as recognition of certain revenue by Marvell in 2Q which had originally been scheduled for 3Q. The audit committee has since announced that its investigation to date has revealed no material issues regarding Marvell's 2Q result. The Company will also cut 17% of its workforce with its exit from the smart-phone application processor market which should save between \$170m-220m per annum and will maintain its regular quarterly dividend of US\$0.06 per share.

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