



Ethical  
Managed Funds

# Hunter Hall Global Value Limited

ACN 107 462 966

## Monthly Performance Report

February 2016

Date	Pre-tax Net Tangible Assets (cps)	Pre-Tax Net Tangible Assets excluding DTA (cps)	Post-Tax Net Tangible Assets (cps)
29 February 2016	134.27	133.25	128.15

### Absolute and Relative Performance (after fees)

29 February 2016 (%)	1 month	6 months	Compound Annual Return					
			1 year	3 years	5 years	7 years	10 years	Since Inception
HHV - Performance	2.2	4.0	0.8	19.4	11.2	15.4	5.9	7.8
MSCI World - Performance	-1.7	-5.9	-2.5	18.7	12.6	11.4	4.2	5.9
<b>Relative Performance</b>	<b>3.9</b>	<b>9.9</b>	<b>3.3</b>	<b>0.7</b>	<b>-1.4</b>	<b>4.0</b>	<b>1.7</b>	<b>1.9</b>

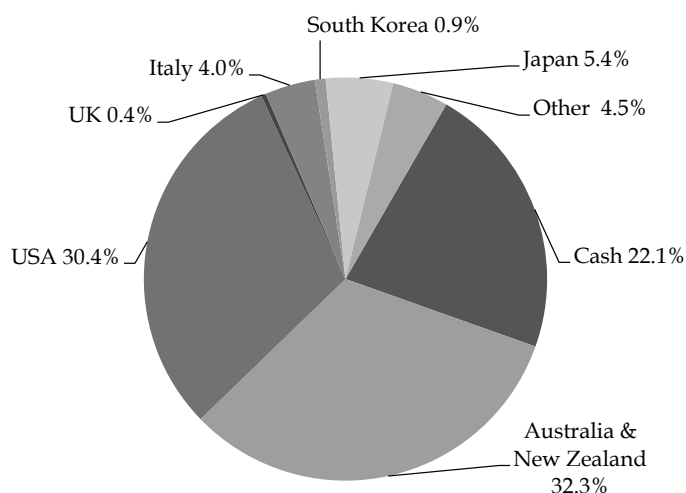
Source: Hunter Hall. Inception date: 19.03.2004. MSCI World refers to the MSCI World Total Return Index, Net Dividend Reinvested, in A\$. Performance figures refer to the movement in net assets per share, including share buy-backs and the reinvestment of dividends, but excluding tax and the effect of 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 (%)
St Barbara	gold explorer and producer	Australia	13.8
Sirtex Medical	liver cancer treatments	USA	8.7
Vocus	telecommunications	Australia	5.4
Doray Minerals	gold explorer and producer	Australia	3.8
Prada	fashion	Italy	3.2
Viavi Solutions	communications equipment	USA	3.1
Lumentum	hardware	USA	2.7
Medical Developments	pharmaceuticals	Australia	2.6
Viacom	media/entertainment	USA	2.2
Bank of New York Mellon	financial services	USA	1.7

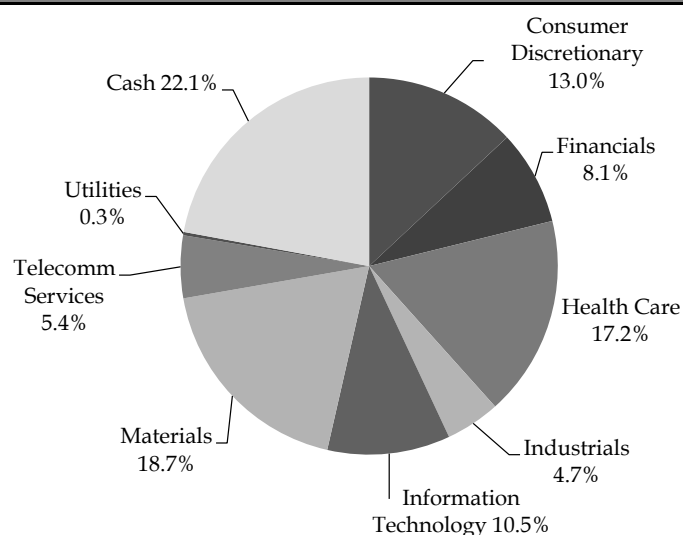
### Country Allocation Breakdown

(as a percentage of net assets)



### Sector Allocation Breakdown

(as a percentage of net assets)



At month-end international equities constituted 46.4% of the Fund, with 14.1% of the foreign currency exposure hedged back into Australian Dollars.

The HHV rose by 2.2% in February 2016, outperforming its benchmark, the MSCI World, by 3.9%.

The bulk of the positive monthly performance came from our two Australian gold holdings, St Barbara and Doray Minerals, which rose 26% and 40%, respectively. Global macro uncertainty, and in particular the rush to negative interest rates and CNY depreciation, saw the gold price in A\$ rise 9% over the month (hitting a 52-week high at A\$1,759/ounce intra-month) as investors sought refuge from the market turmoil.

St Barbara delivered an excellent December 2015 half-year report with strong cash flows allowing further reduction of debt. The increase in the A\$ gold price should allow further increases in profit in the period ahead.

Doray, who began open pit mining at its new Deflector mine in Western Australia in February and plans its first gold production from June 2016, signed an off-take agreement with MRI Trading for the commercial supply and sale of gold/silver/copper concentrate from the mine. The agreement covers 100% of the concentrate produced over Deflector's initial mine life of 6 years. In addition, the company released good drilling results near its Andy Well mine, increasing the potential for mine life extension beyond its current reserve estimates.

Other contributors over the month included US optical component manufacturers Viavi Solutions (+31%) and Lumentum (+22%), who both beat and raised numbers for the full year, and two well-timed stock additions during the month - Australian specialised healthcare provider Medical Developments, up 20% from our average entry price, and Australian-listed mineral sands producer Base Resources, up 179% from our average entry price.

Medical Developments International (MVP) is a specialised healthcare company which has developed industry-leading products in the areas of pain management, asthma and resuscitation, plus veterinary equipment. One of MVP's most exciting opportunities is the commercialisation of its pain management drug/device called Penthrox which is widely used in ambulances in Australia. This has been a category-leading product used in Australia for many years and has recently gained approval to be sold in the UK, Ireland, Belgium and Singapore, with approval pending in France.

Base Resources operates the Kwale mineral sands mine in Kenya. This is believed to be the world's second-highest margin mineral sands mine and has extensive reserves and opportunity for growth. The mine commenced production of ilmenite, rutile and zircon in late 2013, with first export sales in early 2014. Kwale is located 10 kilometres inland from the Kenyan coast and 50 kilometres south of Mombasa, the principal port facility for East Africa. The project is based on a mine life of 13 years, and features a high grade ore body with a high-value mineral assemblage. Kwale is a large project with about A\$400m invested. The stock sells at a fraction of tangible book value but is highly risky given net debt of about A\$250m, country risk and declining prices for its products. However, if rutile and zircon prices remain steady, or even start going up, the stock could enjoy significant gains.

In February, we cut our exposure to global financials; US banks JPM and Citigroup, Chinese banks Industrial and Commercial Bank of China and China Construction Bank and Hong Kong-listed HSBC.

The company ended the month with cash accounting for 22.1% of assets.

## Hunter Hall Investment Management Limited

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