



**HUNTER HALL  
GLOBAL VALUE LIMITED**

ACN 107 462 966

4 August 2016

Market Announcements Office  
ASX Limited  
Level 5, 20 Bridge Street  
Sydney NSW 2000

**HUNTER HALL GLOBAL VALUE LIMITED (HHV)  
INVESTOR PRESENTATION - WEBINAR**

Hunter Hall Global Value Limited (**ASX: HHV**) advises that James McDonald, the Deputy Chief Investment Officer of its investment manager, Hunter Hall Investment Management Limited, will be leading an investor update which will be streamed live, commencing at 12.15pm today Thursday 4 August 2016.

James will provide investors with an update on HHV's investments. He will explain HHV's investment approach and how the investment portfolio is positioned for the current macro environment. James will also discuss a selection of key stocks held in the portfolio.

A copy of James' presentation is attached for release.

Investors can still register by clicking [here](#).

If investors have any questions please contact our Shareholder Relations team on (02) 8224 0300.

Yours faithfully

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Company Secretary

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# Hunter Hall Global Value Limited (HHV)

Special Webinar

4 August 2016

**James McDonald**  
Deputy Chief Investment Officer



Ethical  
Managed Funds



# Hunter Hall Global Value (ASX: HHV)

## Investment Objective

To deliver long term total shareholder returns through a portfolio of undervalued international and Australian equities

## Dividend Policy

To pay our shareholders a regular and consistent stream of fully franked dividends, provided the Company has sufficient profit reserves and franking credits, and it is within prudent business practices.

## Portfolio characteristics

- Global equities portfolio
- Concentrated portfolio ~ 60 investments
- Benchmark unaware
- Focused on small and mid cap sectors
- Value investor
  - Seeking investments trading at a significant discount to our assessment of their intrinsic value
- Active currency management
- Ethical screened investment portfolio
  - Australia's only ethically screened Listed Investment Company



# Hunter Hall Global Value (ASX: HHV)

An attractive investment proposition

## Investment Performance

### Portfolio Performance at 31 July 2016

	Compound Annual Returns							
	1 Month	6 Months	1 Year	3 Years	5 Years	7 Years	10 Years	Since Inception <sup>2</sup>
<b>To 31 July 2016 (%)</b>								
<b>HHV Performance (after fees)</b>	6.2%	19.9%	19.1%	20.7%	16.7%	13.8%	7.5%	8.9%
<b>MSCI World<sup>1</sup></b>	2.1%	3.8%	-3.8%	12.7%	16.2%	11.1%	4.9%	6.1%
<b>Outperformance</b>	4.1%	16.1%	22.9%	8.0%	0.5%	2.7%	2.6%	2.8%

Performance quoted is after fees and charges but excludes the impact of tax and the exercise of options and assumes dividends have been reinvested. The performance figures indicate the achievement of the investment manager in managing the HHV portfolio, not the returns to shareholders as measured by movements in the HHV share price, which is dependent on market sentiment towards the HHV shares. Returns beyond 1 Year are Compound Annual Returns.

Source: Hunter Hall, Bloomberg.

<sup>1</sup> 'MSCI World' refers to the MSCI World Total Return Index, Net Dividends Reinvested in Australian Dollars.

<sup>2</sup> Inception: 19 March 2004



# Hunter Hall Global Value (ASX: HHV)

An attractive investment proposition

## Share Price

- Pre tax NTA \$1.53 as at 31 July 2016
- Share Price \$1.41 as at 3 August 2016
- Share Price 8% discount to Pre tax NTA
- Share Price discount to NTA narrowed from ~15% late 2015

## Dividend

- 6.5 cent Fully Franked Dividend.
- 1H 3 cents. 2H 3.5 cents
- 4.6% Fully Franked Yield. 6.6% Gross, based on current share price.

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# Hunter Hall Global Value (ASX: HHV)

Investment Team

Name	Role	Main Hunting Grounds	Location	Qualifications	Industry Experience	Years with HH
Peter Hall AM	CIO, Portfolio Manager	Europe, USA, Australia	SYD/LDN	B.A.	33	23
James McDonald	DCIO, Portfolio Manager	Europe, USA, Asia	SYD	B.Com., L.L.B	19	13
Jonathan Rabinovitz	DCIO, Portfolio Manager	Australia, Asia, USA	SYD	B.Com. (Hons)	30	9
Li Zhang	Portfolio Manager	USA, Asia, Australia	SYD	B.Eng., M.Bus.	15	6
Yizhong Chan	Portfolio Manager	USA, Europe, Asia	SYD	B.M., M.M., PD, M.App.Fin	8	8
Arden Jennings	Portfolio Manager	Australia, USA	SYD	B.App.Fin, B.Com.-Accg	4	4
Tim Blake	Equities Analyst	USA, Europe	SYD	B.Com., B.Bus (Hons), CFA	14	1
Alex Weibin Ge	Equities Analyst	Australia, Asia	SYD	M.Bus.Fin., MBA, CFA	10	3
Andrew Marvell	Equities & Currency Dealer, Analyst	Europe, USA	LDN	B.Ec.(Soc Sc)	10	10
<b>Average Experience of 6 Portfolio Managers</b>					18	11

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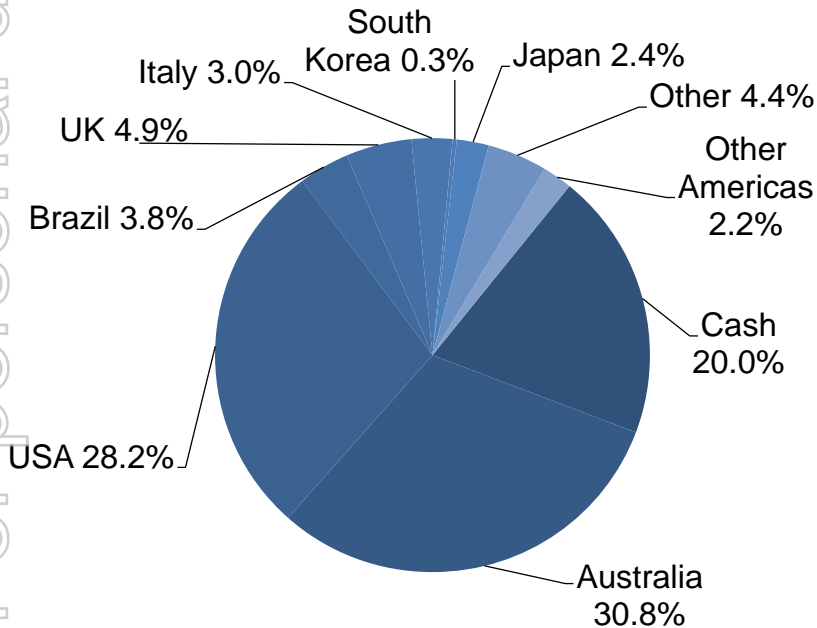


# Hunter Hall Global Value (ASX: HHV)

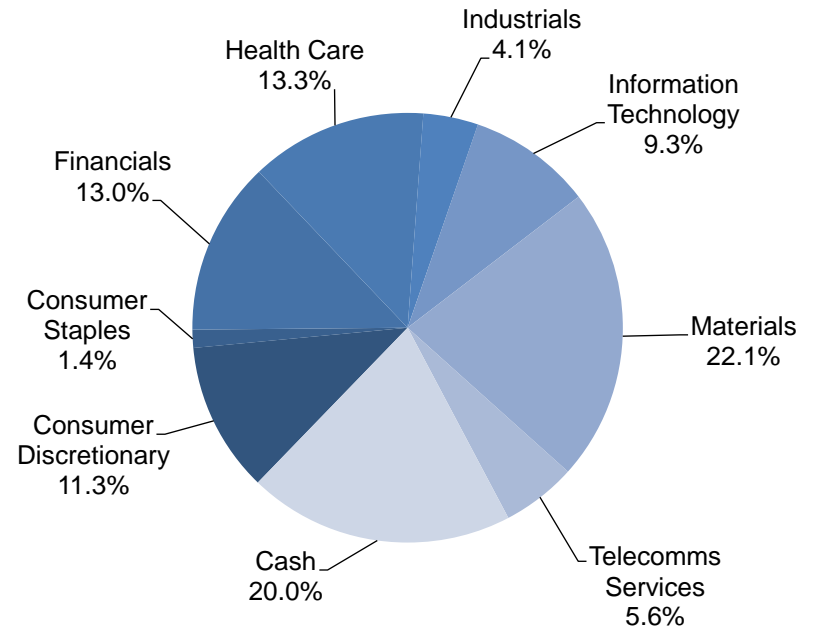
## Portfolio's Country and Sector Diversification

31 July 2016

### Country Allocation



### Sector Allocation



13.9% of international exposure hedged in AUD.  
 Total AUD exposure is 48.9%

Source: Hunter Hall



# Hunter Hall Global Value (ASX: HHV)

## Top 10 Portfolio Holdings

31 July 2016

Top 10 Holdings	Main Business	Country	%
St Barbara	gold explorer and producer	Australia	9.7
Sirtex Medical	liver cancer treatments	USA	6.9
Vocus	telecommunications	Australia	5.1
Doray Minerals	gold explorer and producer	Australia	4.4
Beadell Resources	precious metals miner	Brazil	3.8
Lumentum	hardware	USA	3.5
Prada	fashion	Italy	2.7
Foxtons	real-estate broker	UK	2.3
Avis	car rental	USA	2.3
Medical Developments	pain control	Australia	1.9
Other			37.5
Cash			20.0

**Portfolio holds 57 stocks in total**





# Hunter Hall Global Value (ASX: HHV)

## Challenging Investment Environment

### Challenging Investment Environment

- Significant global uncertainty
- Excess industrial capacity, technological change and ageing population all driving deflation.
- Rising populism, US elections, Brexit impact
- Low global interest rates; Europe, USA, Japan, Australia
- Negative interest rates increasing. Bank of Japan considering more radical monetary steps "Helicopter Money"

Portfolio positioned defensively, with a barbell strategy.

- 20% Cash
- 20% Gold mining companies
- 60% Other equities



# Hunter Hall Global Value (ASX: HHV)

Portfolio Positioned Defensively

## 20% Portfolio in Cash

- Expect cash weighting to reduce as take advantage of market volatility
- Anticipated market volatility will produce attractive investment opportunities.
- Brexit uncertainty; purchased Foxtons

## 20% of Portfolio in Gold Mining Companies

- Portfolio of low cost, highly cash generating listed mining companies in Australia
  - St Barbara Limited (ASX:SBS),
  - Doray Minerals Limited (ASX:DRM)
  - Beadell Resources Limited (ASX: BDR)
  - Blackham Resources Limited (ASX: BLK)
- Single digit PE multiples.
- All leveraged to a rising gold price.

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# Stocks



Ethical  
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# Hunter Hall Global Value (ASX: HHV)

## St Barbara Limited (ASX:SBM)

Held 2009-2012 and since 2014



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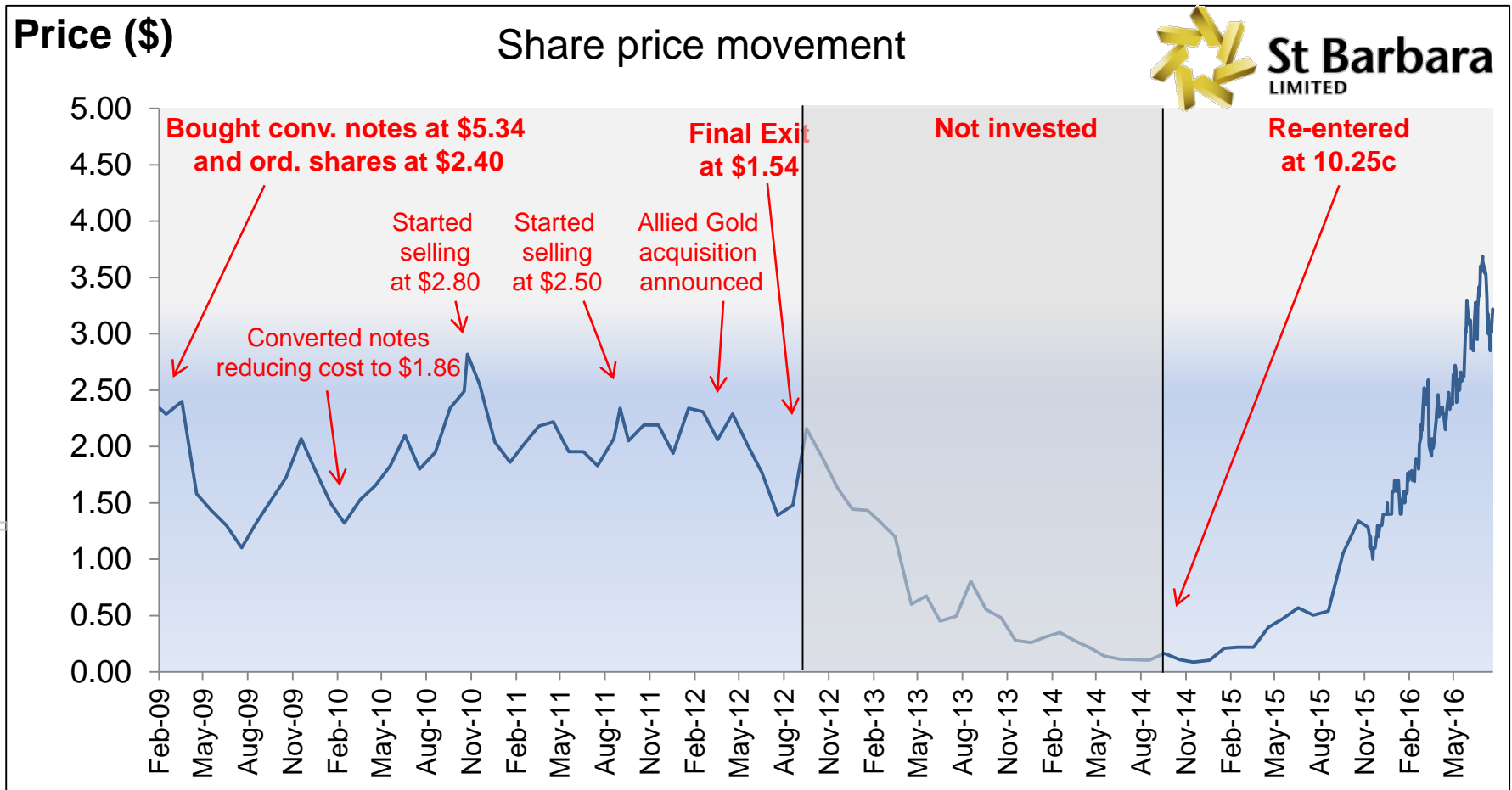


Chart Source: Morningstar, daily closing prices for SBM 13 Feb 2009 – 1 August 2016.



# Hunter Hall Global Value (ASX:HHV)

## Sirtex Medical Limited (ASX:SRX)

- SIR-Spheres® radiation therapy for liver cancer.
- 3 major phase 3 clinical trials to report over the next 12 months. Significant catalysts
- \$3bn market opportunity vs \$240m in 2016 revenue estimate.
- 2017 PE of 25x.





# Hunter Hall Global Value (ASX:HHV)

## Sirtex Medical Limited (ASX:SRX) SARAH Study

- Major catalyst due by year end
- Compares standard of care Nexavar with Sirspheres in Primary liver cancer
- Nexavar expensive @ USD\$100,000 per course. High side effect profile.
- Overall survival 10.7 months with Nexavar
- SARAH study hopes to show 14 months of survival

Three outcomes possible:

- (1) SIR-Spheres worse than Nexavar
- (2) SIR-Spheres the same as Nexavar
- (3) SIR-Spheres superior to Nexavar.

Option (3) clearly the best, but showing the same level of benefit in (2) with superior safety and toxicity profile could still represent an attractive market opportunity for Sirtex



# Hunter Hall Global Value (ASX:HHV)

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## **Sirtex Medical Limited (ASX:SRX) SIRFLOX and SIRveNIB**

- 1H 2017 combined SIRFLOX and FOXFIRE GLOBAL study will report survival in secondary liver cancer. Hugely important
- SIRveNIB a similar Phase 3 study to SARAH but set in Asian populations with high incidence of Hepatitis C will also report in 1H 2017.

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# Hunter Hall Global Value (ASX:HHV)

## Lumentum Operations LLC (LITE.US)

- Leading producer of optical components for Telecom networks (Lasers, Switches and Modulators).
- 40% market share in optical switches (Reconfigurable Add Drop Multiplexers – ROADMs). Finisar only significant competitor. Key component for Metro Optical Networks
- Verizon, AT&T and Chinese operators building out metro networks. Currently ROADMs represent a \$200mln business for Lumentum. Potential to double over 2 years. High margin business
- Data centre build out by Google, Microsoft, Amazon and Facebook also driving demand for optical transceivers. Google is a 10% customer.
- Second largest player in the industrial use Fibre Laser market used for cutting and welding. \$200mln of revenues could triple over the next 4 years. High margin business.





# Hunter Hall Global Value (ASX:HHV)

## Lumentum Operations LLC (Lite.US)

Potential for revenue to grow 50% and profits to double over 3 years.

	6/2017 e
Market Cap (m)	\$1,800
Net Cash (m)	\$150
Enterprise Value (m)	\$1,650
Revenues (m)	\$1,000
EBITDA (m)	\$165
Net Income (m)	\$100
EV/EBITDA	10x
PE	18x

Source: Hunter Hall



# Hunter Hall Global Value (ASX:HHV)

## Photocure ASA (PHO.NO)

- Oslo listed biotech Photocure – Hunter Hall owns 15%
- Hexvix (called Cysview in the US) is a bladder cancer diagnostic used to identify cancerous cells during a surgical Cystoscopy to remove cancer. Reduces the recurrence of bladder cancer. Recommended in both EU and US guidelines
- Launched in Europe in 2006.
- In the Nordic countries very high penetration with direct sales force. 80% in Denmark. 40% in Sweden
- 30% penetration Germany with partner Ipsen. (Royalty model)
- Launched direct sales force in US in 2012. 2% Penetration
- US sales now 22% of sales. Grew 66% last quarter



# Hunter Hall Global Value (ASX:HHV)

## Photocure ASA (PHO.NO)

- Razor and Blades model
- Approximately \$800 per tube of Cysview
- 250,000 Surgical cystoscopies per annum
- 400 centres cover 80% of market
- 73 scopes in place. 8 added last quarter
- USD200mln market size = NOK1.7bn
- Surveillance market trial reports next year.
- Surveillance market 3x Surgical = \$600mln



# Hunter Hall Global Value (ASX:HHV)

## Photocure ASA Valuation

	2016E ( mln NOK)
Market Value	950
Cash	120
Enterprise Value	830
Revenue	150
EBITDA	-20

Potential to triple revenue over 4 years  
Breakeven should be reached over next year



# Hunter Hall Global Value (ASX:HHV)

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