



# Hunter Hall Value Growth Trust

## Monthly Performance Report

April 2012

Ethical  
Managed Funds

Date	Entry Price	Unit Price	Exit Price
30.04.2012	2.0225	2.0164	2.0104

Prices above are post the December 2011 distribution of 2.8205 cents per unit.

### Absolute and Relative Performance (after fees)

To 30 April 2012 (%)	1 month	6 months	1 year	Compound Annual Return					Value of \$10,000 invested at inception
				3 years	5 years	7 years	10 years	Since inception	
Absolute Performance - VGT	+0.4	+3.9	-9.7	+8.2	-2.4	+6.0	+6.4	+12.9	\$89,328
Benchmark - MSCI World	-1.6	+9.6	+0.2	+2.9	-6.1	0.0	-1.8	+3.8	\$19,439
<b>Relative Performance</b>	<b>+2.0</b>	<b>-5.7</b>	<b>-9.9</b>	<b>+5.3</b>	<b>+3.7</b>	<b>+6.0</b>	<b>+8.2</b>	<b>+9.1</b>	<b>\$69,888</b>
Benchmark - All Ords	+1.1	+4.7	-4.6	+10.5	-2.2	+6.2	+7.4	+8.6	\$44,290
<b>Relative Performance</b>	<b>-0.7</b>	<b>-0.8</b>	<b>-5.1</b>	<b>-2.3</b>	<b>-0.2</b>	<b>-0.2</b>	<b>-1.0</b>	<b>+4.3</b>	<b>\$45,038</b>

Inception date: 2 May 1994. MSCI World refers to the MSCI World Total Return Index, Net Dividend Reinvested, in A\$. All Ords refers to the All Ordinaries Accumulation Index and is the benchmark for Performance Fees. Source: Hunter Hall. 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	8.2
Gold Bullion	gold	n/a	4.4
Danieli	machinery manufacturer	Italy	3.6
BTG	medical devices	UK	2.9
St Barbara	gold explorer and producer	Australia	2.8
Comcast	communication services	USA	2.8
PMP	printing and distribution	Australia	2.6
M2 Telecommunications	telecommunications	Australia	2.6
JDS	optical components	USA	2.6
Afren	oil and gas exploration and production	UK	2.3

### Top 5 Contributors

Company	Contribution to Return (%)	Company	Contribution to Return (%)
Sirtex Medical	+1.62	JDS Uniphase	-0.51
PMP	+0.89	InterDigital	-0.36
BTG	+0.37	M2 Telecommunications	-0.33
St Barbara	+0.28	Biota	-0.30
Pure Circle	+0.13	Woongjin Thinkbig	-0.25

### Top 5 Detractors

### Commentary

The Hunter Hall Value Growth Trust rose 0.4% for April contributing to a recovery of 10.5% since the year began. The upward trend in global sharemarkets during the first quarter of 2012 eased during April, with the S&P 500 down 1%, the German Dax down 3% and Japan's Nikkei down 6%. Bucking the general trend, Australia's market was stronger, up 1.1% after rumours China was likely to ease monetary policy to stimulate growth, an International Monetary Fund upgrade to the global economic growth forecast and very positive Australian Consumer Price Index data. With the Australian dollar steady at \$US1.04 the

global stockmarket benchmark MSCI World Index fell by 1.6% in Australian dollar terms.

Looking at the major positions and developments within the portfolio, the **Gold Bullion** price remained steady, closing the month at US\$1,664/oz.

The largest contributor for the month was Australian liver cancer treatment company **Sirtex** where, as reported in last month's report, dosage sales for the March 2012 quarter grew 34% compared to the previous corresponding period. Dosage sales were up in all regions including a 47% increase in the US, and a 46% increase in the Asia Pacific. Sirtex has now reported 31 consecutive quarters of sales growth.

## Commentary - continued

Another major contributor to performance was Australian printer **PMP** which received a conditional indicative take-over offer of between 68c-78c per share, leading to a 148% increase in the share price late in April.

UK pharmaceuticals developer **BTG** announced positive second phase 3 trial results for its varicose vein treatment, *Varisolve*. Leading broker, JP Morgan, said that the trial results "significantly de-risks" *Varisolve*, increasing confidence in the likelihood of an approval, indicated for the end of 2013.

Australian telco **M2 Telecommunications** announced an \$83m renounceable rights issue to fund its \$192m acquisition of Primus Telecom. While market reaction to this was a detractor we have a positive view on the company's strategy and management and the fund has taken up its entitlement in the rights issue.

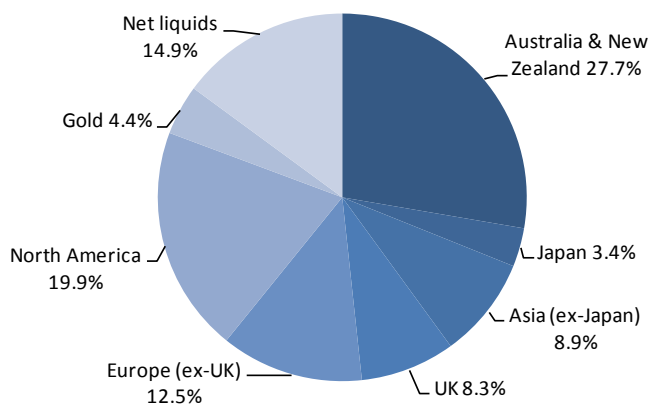
Amongst the detractors, US printer manufacturer **Lexmark** declined following its first quarter 2012

results. We regard the market reaction as a short term blip as the company continues to generate strong cash flows, growing market share in the A4 laser printer market and is returning capital to shareholders. Most recently it announced a 20% increase in quarterly dividend to \$0.30 per share.

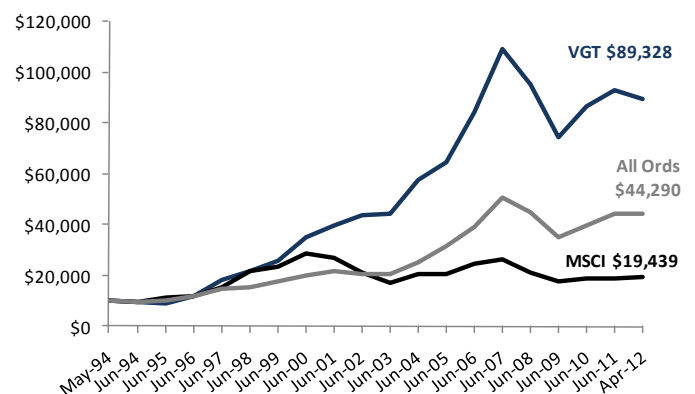
At month end the Fund's net assets were \$910.5m with 14.9% net liquids and 4.4% in gold. The international equity component was 53.2% of which 56.0% of the foreign currency exposure was hedged back into Australian Dollars.

As new investment opportunities have emerged we have reduced the fund's cash by 6.7% over the last two months. Meanwhile the remaining 19.3% cash and gold bullion exposure acts as a safeguard against potential market volatility resulting from the European sovereign debt crisis and a potential slowdown in the Chinese economy.

### Country Allocation Breakdown



### Value of \$10,000 invested at inception vs benchmarks



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