



Ethical
Managed Funds

Hunter Hall Equity Funds

Annual Report
30 June 2011



Hunter Hall Value Growth Trust

ARSN 093 079 906

Hunter Hall Global Ethical Trust

ARSN 098 586 282

Hunter Hall Global Ethical Trust – Hedged

ARSN 148 948 565

Hunter Hall Asian Value Trust

ARSN 148 947 826

Hunter Hall Australian Value Trust

ARSN 098 586 586

Hunter Hall Global Deep Green Trust

ARSN 121 915 526

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At the forefront of all investor's minds over the past few months has been the frightening volatility of debt and equity markets and evidence of weakness in the world economy, the finances of most developed world governments and the European banking system. We expect the next year to offer similar volatile and frightening conditions (of which, more later).

Indeed, the four years since the onset of the Global Financial Crisis (GFC) in late 2007 have been difficult for investors in equities (and a nightmare for some).

So why bother investing in the stock market at all? Why not just sit the whole thing out until the smoke clears - and meanwhile earn a nice return on term deposits? That is a rational thing to do with part of one's assets and indeed Hunter Hall currently has about 20% of its assets in cash and gold.

However, over the long term, equities offer the best return of any asset class. The 6% nominal rate of return offered by some term deposits does not offer sufficient returns over the long term to build wealth or preserve standards of living. For that, investors need to earn higher rates, and the asset class that offers those higher rates is equities. It is necessary to remain in contact with the equity market if investors wish to preserve and build wealth.

In addition, the weakness of the stockmarket is offering some quite superb investment opportunities with excellent businesses offered at dirt cheap valuations. When conditions improve, the owners of those businesses are going to make a ton of money.

Hunter Hall's strategy over the past four years has been:

1. to position ourselves so as to be able to persevere through what was likely to be an extended period of difficulty by maintaining liquidity, being overweight in the Australian safe haven and avoiding high risk sectors and markets, and
2. to construct portfolios that can perform well when markets recover.

For example, we currently have 15.9% of our funds in cash, 5.6% in physical gold, 3.1% in gold shares and 25.5% in Australian shares. In rough terms, we have 50% of our assets playing in the shallow end of the pool while the big boys punch it out in deep waters. We have about 16% in each of Europe and the United States (relatively low) and almost nothing in China (which we regard as an accident waiting to happen). Notably, we have avoided the nightmares of the European and American banking sectors. The reward has been superb relative performance for almost all our funds.

The table below shows the performance of the Hunter Hall funds since the beginning of the GFC which can be dated from the day when Northern Rock asked for assistance from the Bank of England which led to a run on the bank in the following week. That was the moment when we realised we had a catastrophe on our hands.

A global financial catastrophe means that it is very difficult for a long-only fund manager to make positive absolute returns. But Hunter Hall has limited the losses and carried out what I think of as a creditable "fighting retreat". Our forces are intact, our portfolios well-positioned and we are ready to move forward when markets recover.

14 September 2007 to 6 September 2011	VGT⁽¹⁾	AVT⁽²⁾	GET⁽³⁾	HHV⁽⁴⁾	GOF⁽⁵⁾	GDG⁽⁶⁾
Absolute %pa	-5.2%	- 1.5%	-9.4%	-4.9%	-3.0%	- 2.9%
Relative to the All Ords (7)	+ 0.9%	+ 4.5%				
Relative to the MSCI World (A\$) (8)	+ 5.6%		+ 1.3%	+ 5.8%		+ 7.6%
Relative to the MSCI World (US\$) (9)					+ 2.6%	

(1) The Hunter Hall Value Growth Trust. (2) The Hunter Hall Australian Value Trust. (3) The Hunter Hall Global Ethical Trust. (4) Hunter Hall Global Value Limited (5) The Hunter Hall Global Opportunities Fund. (6) The Hunter Hall Global Deep Green Trust, since inception on 31.10.2007. (7) All Ords = All Ordinaries Accumulation Index. (8) MSCI World Total Return Index, Net Dividends Reinvested in A\$. (9) MSCI World Total Return Index, Net Dividends Reinvested in US\$.

The Year in Review

For the first eight months of the financial year to June 2011 investors seemed optimistic about global equity markets, partly due to the additional money printing adopted by the central banks in the United States, United Kingdom, and later in the period, Japan. This so-called “quantitative easing” resulted in much of the new money created pouring into financial assets. The latter part of the financial year saw a number of obstacles including the earthquake and tsunami in Japan and the resultant Fukushima nuclear accident, floods in Queensland and Victoria, regime changes in Egypt and Tunisia, civil war in Libya, a severe winter in the United States and a sharp rise in the price of oil.

The resurfacing of major credit problems, particularly in Greece which put the viability of the Euro in doubt, and the approaching end of quantitative easing in the United States, without signs that the country's underlying problems were fixed, spooked markets. Doubts about the global recovery saw stocks and industrial commodities fall as investors sought perceived safer havens such as gold, which hit a record price of US\$1,578/oz in May, bonds and cash.

Despite the increasing evidence of what has been termed a “two-speed economy” with reports the east coast of Australia is in recession, China's insatiable appetite for resources meant the Australian Dollar notched up a new post-float high against the US Dollar in April of US\$1.097. While it closed the period slightly lower at US\$1.071, the Australian Dollar was up 5% and 26% for the six and twelve months to June 2011, respectively.

Individual stocks contributing to the Funds' positive performance included some of their respective largest holdings. These stocks included US diversified technology company JDS Uniphase (up 69%) held in the VGT and

GET, UK medical device company Biocompatibles (up 69%) before a stock and cash takeover by UK pharmaceutical company BTG (up 15%) held in the VGT, GET and GDG, Australian mining services company Decmil (up 82%) held exclusively in the AVT, Australian telecommunications reseller M2 (up 94%) held in the VGT and AVT, and German pay-TV company Sky Deutschland (up 107%).

US diversified technology company JDS Uniphase (JDS) rose strongly from June to October 2010 before a weak September 2010 quarterly result from competitor Oclaro (down 39%) saw JDS fall in sympathy. We saw this as a ‘pause’ in the prospects for the optical components sector, not a collapse, and used the price weakness to add to our existing JDS holding. This was justified as the stock rose 154% to March 2011. We used this strength to sell 40% of our holding. However, the market got a wake-up call on the cyclical nature of the industry during the later stages of the financial year as order flows from several parts of the world slowed sharply. Competitor Oclaro and Finisar again posted disappointing quarterly results, and this saw JDS Uniphase fall in sympathy into the end of the financial year.

Closer to home, Decmil was our largest Australian contributor. China's demand for commodities continued to benefit our larger exposures to the Australian resource and engineering space, despite the uncertainties caused by the Federal Government's proposed new Resource Super Profits Tax. Decmil recorded strong half-year results in December 2010, announcing a 58% increase in net profit after tax on the previous corresponding period. The company followed this up with a further \$256m in new contracts over the subsequent half-year. The most significant of these contracts were the stage 2 installation of a 1,600-person camp at the Karntama Village project in Western Australia's Pilbara Region and the installation of

permanent accommodation at BHP Billiton's Warrawandu Village, also in the Pilbara.

Another strong Australian contributor was telecommunications services reseller M2 Telecommunications. The company's FY2010 results marked the successful integration of People Telecom and business assets of Commander. Revenue rose 101% to \$406m, net profit after tax rose 119% to \$16.2m and Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA) rose 136% to \$31m. Further benefitting M2 was the decision by the Australian Competition and Consumer Commission (ACCC) to reduce the wholesale line rental rate. This is the rate at which M2 rents Telstra's infrastructure for providing voice services to its 200,000 customers. The company followed its FY2010 results up with a record December 2010 half-yearly result. Net profit rose 40% on the previous corresponding period to \$12m, underlying earnings per share rose 23% to \$0.11 per share while the company's fully franked dividend rose 40% to \$0.07 per share. M2 later acquired Austar's mobile assets, which will expand its regional presence, as well as the business assets of Clear Telecoms, the largest privately owned provider of business telecommunications services. These deals are expected to deliver significant earnings per share growth from FY2012. We used the price strength at \$3.75 to reduce our exposure. The stock closed the financial year at \$3.28.

German pay-TV operator Sky Deutschland confirmed its turnaround with the release of its December 2010 quarterly update. Sky added 131,000 subscribers, up 235% from the corresponding period in 2009 while reducing its churn to the lowest level in 21 quarters, down to 12%. Over the ensuing months, the stock price climbed 107% from €1.69 to €3.50 to hit our target price. We exited the position, locking in profits for the VGT and GET.

Other contributors over the financial year included Australian engineer servicer **RCR Tomlinson** (up 96%) held in the VGT and AVT, Dutch specialty metals company **AMG Metallurgical** (up 83%) held in the VGT, GET and GDG, Indian jewellery manufacturer **Shree Ganesh** (up 44% from our average entry price) held in the VGT, GET and ASV, US personal care products company **Herbalife** (up 150%) held in the VGT, GET and GDG, French electronic devices company **Ingenico** (up 101%) held in the VGT and GET, US-listed broadband communications company **Virgin Media** (up 79%) held in the VGT and GET, and Australian telecommunications company **Macquarie Telecom** (up 121%) held in the VGT and AVT.

A handful of stocks held back returns over the financial year. These stocks included Australian ATM operator **Customers** (down 73%) held in the VGT and AVT, Korean education provider **Woongjin Thinkbig** (down 36%) held in the VGT, GET and ASV, US wireless technology company **InterDigital** (down 22% from our average entry price) held in the VGT, GET and GDG, and Canadian wind sensor system manufacturer **Catch the Wind** (down 73%) held in the VGT, GET and GDG.

Customers was the biggest blight on our portfolio returns. After reporting uninspiring December 2010 half-year results, the company compounded the disappointment with a dull trading update in May 2011. Despite revenue growth in the second half of the trading year, adverse market conditions including soft consumer sentiment in Australia, adverse weather conditions, burgeoning fuel prices and increased ATM competition resulted in Customers downgrading its FY2011 expectations. The company now forecasts FY2011 net profit before tax to be in the range of \$16-18m, compared with \$24.8m in FY2010. This estimate includes the consolidation of the company's New Zealand

investment and assumes no further deterioration in operating conditions over the remainder of the financial year. We significantly reduced our holding over the financial year, and have since exited.

Over the financial year we added US wireless technologies company **InterDigital** to the portfolio. The company generates revenues through licensing its portfolio of wireless patents with leading handset manufacturers Apple, Samsung, HTC, Blackberry, LG and others. Their technology is used in all 3G phones and currently has 50% of the 3G handset market under licence. The company is also a leader in 4G (next generation) technology. Mobile phone sales have continued to rise globally but importantly for the company the data demand per phone is increasing at a staggering rate of 100% per annum. With this exponential increase in data demand looms the prospect of a bandwidth crunch. Cisco predicts the demand for wireless data to exceed network capacity by 20 times in 2015. **InterDigital** is recognised as a pioneer in developing wireless technology and is focused on providing a solution to this issue.

Although the stock has soared since balance date, in the six months to June 2011 **InterDigital** fell 22% from our average entry price. Despite posting a solid March 2011 quarterly result, with per-unit royalties growing over 30% year-on-year and 11% quarter-on-quarter, the share price was weighed down by delays in renewing their licensing agreement with LG (15% of revenue), news that another major client, Blackberry manufacturer **Research in Motion**, would significantly miss earnings guidance, and uncertainty over its success in litigation with Nokia. On the positive side the company reported that it had successfully sold licenses for 4G technology to Casio Hitachi Mobile Communications and Acer (tablet devices and PCs).

The company raised US\$230m via convertible notes yielding 2.5% in April 2011 in an attempt to make a joint bid led by Google for Nortel's patent portfolio. However, they were beaten in the auction by a consortium consisting of Apple, Microsoft, Sony, Ericsson, RIM and EMC. The consortium agreed to pay five times Google's initial bid of US\$900m for a patent portfolio which includes wireless technology. The sale highlights the rise of patents as an asset class and the value of intellectual property in wireless.

Canadian wind sensor system manufacturer **Catch the Wind** was plagued with the need to raise capital after confirming a higher than expected cash burn at the end of June 2010. Despite this, the company's share price showed some signs of recovery in the second half of the financial year, on the back of impressive trial results and news the company had significantly reduced the production cost of its **Vindicator** laser wind sensor units. Better still was the news in May that the company had made its biggest sale to date - 20 units sold to **TransAlta Corporation**, Canada's largest independent renewable energy provider. Two new independent Directors were also appointed to its Board. Ms Susan Nickey and Dr Jo Major Jnr bring with them considerable experience in both the renewable and optical technology sectors.

Other detractors over the financial year included New Zealand electric motor manufacturer **Wellington Drive** (down 78%) held in the VGT and GDG, Japanese publisher **Proto Corporation** (down 18%) held in the VGT, GET and ASV, Australian engineer services company **VDM Group** (down 30%) held exclusively in the AVT, UK food and beverage additive company **PureCircle** (down 64%) held in the VGT, GET and GDG, and Korean water purifier company **Woongjin Coway** (down 8%) held in the VGT, GET and ASV.

Performance

Hunter Hall has a long-term absolute return objective of 15% per annum on a rolling five-year basis, without incurring significant risk to principal. We also aim to outperform the designated benchmarks for each Fund by 5% per annum over rolling three to five-year periods.

	Absolute Performance						Benchmark Performance					Relative Performance					
	VGT	GET	GEH	ASV	AVT	GDG	All Ords	MSCI World	MSCI Hedged	ASV Benchmark	VGT vs All Ords	VGT vs MSCI	GET vs MSCI World	GEH vs MSCI Hedged	ASV vs ASV Benchmark	AVT vs All Ords	GDG vs MSCI World
To 30 June 2011 (%)																	
Since inception (28.02.2011)			-1.2	-2.5					-0.5	-1.8				-0.7	-0.7		
6 months	-3.3	-0.5			-6.1	-0.4	-2.0	0.8			-1.3	-4.1	-1.3			-4.1	-1.2
1 year	7.6	2.2			17.1	-3.7	12.2	3.0			-4.6	4.6	-0.8			4.9	-6.7
3 years	-0.8	-4.7			4.3	-1.8	-0.2	-3.1			-0.6	2.3	-1.6			4.5	1.3
Since inception (31.10.2007)						-2.5											5.3
5 years	2.1	-3.4			6.4		2.6	-4.9			-0.5	7.0	1.5			3.8	
7 years	7.1	2.9			7.7		8.4	-0.9			-1.3	8.0	3.8			-0.7	
Since inception (29.11.2001)		3.9			9.9		8.1	-2.6					6.5			1.8	
10 years	8.9						7.4	-3.5			1.5	12.4					
15 years	14.7						9.2	3.2			5.5	11.5					
Since inception (02.05.1994)	13.9						9.1	3.8			4.8	10.1					
Calendar Year Returns																	
8 months to 31.08.2011	-6.6	-4.3			-9.9	-0.3	-7.2	-8.0			0.6	1.4	3.7			-2.7	7.7
2010	4.2	3.7			6.3	-15.6	3.3	-1.9			0.9	6.1	5.6			3.0	-13.7
2009	43.8	9.9			86.2	38.0	39.6	0.8			4.2	43.0	9.1			46.6	37.2
2008	-40.3	-33.8			-52.6	-25.1	-40.4	-25.3			0.1	-15.0	-8.5			-12.2	0.2
2007	10.4	2.4			23.6		18.0	-2.1			-7.6	12.5	4.5			5.6	
2 months to 31.12.2007	-5.0	-3.0			2.1	4.9	-4.7	-0.1			-0.3	-4.9	-2.9			6.8	5.0
2006	30.6	21.4			31.2		25.0	11.7			5.6	18.9	9.7			6.2	
2005	18.2	26.4			0.3		21.1	17.0			-2.9	1.2	9.4			-20.8	
2004	12.8	19.4			14.4		27.6	10.3			-14.8	2.5	9.1			-13.2	
2003	35.0	10.0			24.3		15.9	-0.5			19.1	35.5	10.5			8.4	
2002	-8.0	-9.1			12.6		-8.1	-27.2			0.1	19.2	18.1			20.7	
2001	26.5						10.1	-9.7			16.4	36.2					
1 month to 31.12.2001	6.6	2.7			7.0		2.6	2.2			4.0	4.4	0.5			4.4	
2000	7.9						3.6	2.2			4.3	5.7					
1999	33.9						16.1	17.1			17.8	16.8					
1998	26.0						11.6	32.1			14.4	-6.1					
1997	28.6						12.2	41.1			16.4	-12.5					
1996	44.0						14.6	6.3			29.4	37.7					
1995	8.8						20.2	25.9			-11.4	-17.1					
02.05.1994 to 31.12.1994	-2.9						-4.7	-6.8			1.8	3.9					

All Ords = All Ordinaries Accumulation Index. MSCI World = MSCI World Total Return Index, Net Dividends Reinvested in A\$. MSCI Hedged = MSCI World Total Return Index, Net Dividends Reinvested, Hedged into A\$. ASV Benchmark = 80%/20% blend of the MSCI AC Asia ex Japan Total Return Index and the MSCI Japan Total Return Index, respectively, both with Net Dividends Reinvested, in A\$. Source: Hunter Hall. Past performance is no guarantee of future performance and no guarantee of future return is implied.

The VGT, since its inception over 17 years ago, has achieved a compound annual return of 13.9%. Over the five year period to 30 June 2011, the VGT has achieved a compound annual return of 2.1%. Since inception, the VGT has outperformed its international markets benchmark, the MSCI World Total Return Index, Net Dividend Reinvested, in Australian Dollars (MSCI World), by 10.1% per annum and the All Ordinaries Accumulation Index (All Ords) by 4.8% per annum.

The GET has achieved a compound annual return of 3.9% since inception (29 November 2001). Over the five year period to 30 June 2011, the GET has achieved a compound annual return of -3.4%. Against its benchmark, the MSCI World, the GET has outperformed by 6.5% per annum since inception.

The GEH fell 1.2% since its inception on 28 February 2011, underperforming its benchmark, the MSCI World Total Return Index, Net Dividends Reinvested, Hedged in Australian Dollars (MSCI World – Hedged) by 0.7%.

The ASV fell 2.5% since its inception on 28 February 2011, underperforming its benchmark by 0.7%. The benchmark is an 80%/20% blend of the MSCI AC Asia ex Japan Total Return Index and the MSCI Japan Total Return Index, respectively, both with Net Dividends Reinvested, in A\$. We refer to this as the ASV Benchmark.

The AVT has achieved a compound annual return of 9.9% since inception (29 November 2001). Over the five year period to 30 June 2011, the AVT has achieved a compound annual return of 6.4%. Against its benchmark, the All Ords, the AVT has outperformed by 1.8% per annum since inception.

The GDG has achieved a compound annual return of -2.5% since inception (31 October 2007). Against its benchmark,

the MSCI World, the GDG has outperformed by 5.3% per annum since inception.

Major Holdings

Sirtex Medical (VGT, AVT, GDG)

Sirtex Medical (SRX) recorded strong growth over the 2011 financial year with dose sales up 19.3% compared to 14% growth the prior year.

US sales accelerated, up 19.3% for the year and 30.9% in the final quarter. The impact of the new Regional Head, appointed in December 2009, is gaining traction from the investment in additional sales and marketing staff. Europe grew 24.5% for the year. There was some softness in the final quarter in Italy and Spain, which was offset by continued acceptance in Germany. Asia Pacific saw 3.1% growth for the year, with slower growth in the final quarter reflecting the transition following the appointment of a new Regional Head and a reconfiguration of sales efforts in key markets.

There is increasing awareness and acceptance among the international medical community of the benefits for liver cancer patients of using SIR-spheres microspheres.

To date, approximately 20,000 doses of SIR-spheres® microspheres have been used to treat liver cancer patients globally at more than 400 medical centres. The ongoing opportunity for Sirtex remains huge as current sales of SIR-spheres microspheres represent less than 1% of the addressable global market of people diagnosed annually with liver cancer.

Sirtex continued to invest heavily in clinical trials, which will provide important data for clinicians that should lead to increased adoption of the treatment in future years. Sirtex is pursuing a strategy of investing to ensure that the

business structures are in place to cope with the expected 'step change' in sales volumes once the results of clinical trials become available.

In late July 2011 the UK National Institute for Health and Clinical Excellence (NICE) released final guidance on how SIRT can be used in metastatic colorectal liver cancer (mCRC). NICE advises the UK National Health Service (NHS) on when and how new procedures can be used in clinical practice. NICE recommended mCRC patients with no prior exposure to chemotherapy be enrolled in the UK Phase 3 'Foxfire' trial. For patients previously treated with chemotherapy NICE said they support the routine use of SIRT (encompassing SIR-Spheres). The NICE decision provides further evidence that SIR-Spheres is both efficacious and cost-effective in salvage mCRC. We expect significant volume growth in dose usage in the UK going forward.

The company has established a new plant in Singapore which will help service future Asian growth, and is also already looking at options for sites beyond this.

The balance sheet remains incredibly healthy, with \$40m cash and no debt.

We remain excited about the future for Sirtex Medical.

PMP (VGT, AVT)

PMP is the largest commercial printer in Australia and New Zealand. In addition, PMP is involved in letterbox distribution, digital pre-media, database marketing and analytics, and operates magazine distributor Gordon and Gotch.

PMP has been a long term investment for Hunter Hall. The company is undergoing a significant restructuring that began in early 2009. After successfully completing Stage 1 Transformation Plan in Australia where \$27m of cost

reductions were implemented, additional annualised savings of \$28m from the restructure of operations in Australia and New Zealand are expected by 2013.

With presses located all over Australia and New Zealand, PMP Print is the leading supplier for major retailers and publishers. Despite lower volumes and pricing, PMP has managed to improve the profitability of this business. Margin improvements of late are a result of the restructuring program, with cost savings driven by reduced headcount, improved scheduling and reduced freight and paper costs. Margins are expected to continue to improve. In the heatset printing business, catalogue and magazine circulation are expected to have improved in the second half of this financial year.

PMP Distribution has one of Australia's and New Zealand's most extensive coverage for letterbox delivery services. The business is continuing its turnaround with the first half of 2011 seeing EBIT of \$1.4m compared to a loss of \$3.7m in the second half of 2010. This was a result of market share growth on rising contract volumes and new customers. PMP rebuilt and repositioned this business and by the end of the first half of 2011 had about 35% market share in letterbox distribution. PMP is working towards a 50% share over the next few years.

Gordon and Gotch is a magazine distribution company that offers expertise in the allocation, marketing, merchandising and distribution of magazines to newsagents, supermarkets and other retailers throughout Australia. After the closure of a competitor, Gordon and Gotch now distributes approximately 99% of imported magazines in Australia. The business is increasing its capability in the online channel as it moves to a distribution model that that will be economically viable in servicing both printed and online channels.

Following a strategic review, PMP announced on 30 June 2011 that it was closing the Scribo book distribution business which had been operating at a loss due to reduced titles.

PMP is implementing a significant transformation at the New Zealand business, with the full benefit to be seen in 2012. The Transformation Plan includes consolidation of five sites down to two and cutting the number of printing presses from eight to five.

Due to strong cash flow, PMP has continued to reduce its net debt from \$208.3m at 30 June 2009 to \$142.6m at 31 December 2010.

The company is buying back its own shares on an ongoing basis, which we view as an efficient way of returning value to shareholders given the company has limited franking with which to pay dividends. PMP has provided guidance for FY2011 EBIT to be in the range of \$56-60m. With strong free cash flow generation and a streamlined cost structure PMP is well placed for the future.

Woongjin Thinkbig (VGT, GET, ASV)

Through its network of home tutors and door to door salesman, Woongjin Thinkbig provides tuition and education materials primarily to primary school students in South Korea. As in other industries, there is a move away from hard copy to digital content. Thinkbig is investing heavily to transition its business towards new businesses such as trade books, English language teaching and adult education.

The private education industry is still highly fragmented in Korea with many small companies which lack the capital to invest in digital content. Thinkbig is using its scale advantage to internally create or buy specialty content. Over the last year the company has made two significant acquisitions of English language and mathematics content companies.

2010 was a disappointing year for the company as offline businesses declined at a more rapid rate than new businesses grew, with revenue and profits both down modestly. 2011 will be an inflection year with the first half showing flat performance, but a strong recovery is expected in the second half of the year as new businesses reach critical mass.

The company remains attractively valued trading on a Price Earnings (PE) of 9x and dividend yield of 5%. Koreans view spending on their children's education as extremely important and the stock is therefore relatively immune from economic weakness and has defensive characteristics.

BTG (VGT, GET, GDG)

Hunter Hall acquired shares in BTG via the takeover of former holding Biocompatibles. Although we have since divested half our holding we continue to be excited by the prospects of the company.

BTG has an interesting portfolio of cash generative products and royalty streams which are being reinvested via research and development into new areas with large upside potential.

Current key products include rattle snake anti-venom for the US market, produced on a farm in South Australia using serum from sheep blood, and drug eluting beads to treat liver cancer.

A significant royalty stream is expected to commence in 2011 from Johnson & Johnson's new block buster drug for prostate cancer, Abiraterone, branded as Zytiga. The drug was rapidly approved in April following better than expected trial data.

Further royalties are also expected to commence in 2012 from Sanofi's multiple sclerosis drug, Alemtuzumab, sold as Lymtrada, which is already approved to treat Leukaemia under the name Campath.

The company has spent many years developing a foam based treatment for varicose veins which has taken far longer than expected to commercialise. However, the company is conducting Phase 3 trials after extensive safety tests required by the Food and Drug Administration (FDA). The product is now expected to launch in 2013 and will be distributed by BTG's own sales force which is currently being built to distribute drug eluting beads. Interventional radiologists will administer both products allowing for sales and distribution synergies.

A portfolio of other earlier stage drugs offers significant long term potential. The company has a strong balance sheet with £73m of cash, rapidly growing high margin revenues forecast to be £140m in the current financial year and significant news flow over the coming year. Although the company only expects to break even in the current year, this is due to the heavy burden of an annual £40m invested in research and development. Profitability should expand rapidly in 2012 as revenues increase. Although healthcare budgets are likely to be cut in the US we believe the company's strong growth prospects should compensate for this risk.

InterDigital (VGT, GET, GDG)

InterDigital is a pioneer in developing wireless technologies found in 2G, 3G and 4G devices ranging from mobile phones, iPads/tablet devices to PC Cards. InterDigital is a world leader with its wireless technology found in all 3G phones on the market. It currently earns a royalty or fee on 50% of all 3G phones sold and aims to have 100% of the market covered with its 18,000 strong patent portfolio.

In the past year, we have witnessed the value of patents related to wireless technology increase tremendously as sales in mobile devices have taken a new dimension with

the introduction of tablet devices and the rollout of 4G or smart-phones. Mobile network data traffic is set to explode five-fold to 20,000 petabytes by 2014. This is 20 times larger than the current capacity of the mobile network. The exponential growth in data demand could potentially be even higher should devices implement live-TV streaming, video conferencing, multimedia-rich killer applications or even 3D multimedia.

InterDigital benefits from the surge in demand through license agreements with a number of technology companies which pay them a percentage of their sales on mobile devices. It currently has licence agreements with a long list of companies that include Samsung, Sharp, LG, Apple, Sanyo, Acer, Blackberry, Nokia and HTC.

InterDigital's earnings will increase as its coverage in 3G expands, and as it retains a greater share and margin on 4G/LTE (Long Term Evolution) devices. Essentially, InterDigital will be a beneficiary of any current or potentially new wireless device irrespective of form factor. The wireless market is not limited to mobile phones or computer devices. We are observing new devices requiring wireless functionality such as M2M (machine to machine) which covers a wide range of industries from health, transport, energy to security.

At the time of writing, InterDigital has effectively put itself on the market after a consortium of Apple, EMC, Ericsson, Microsoft, Research in Motion and Sony paid \$4.5b, or five times Google's bid of \$0.9b, for the Nortel patents. InterDigital claims to have a broader and deeper patent portfolio than Nortel and this has led to speculation a consortium of Android players including Google, Samsung, HTC and LG may bid. The stock moved up 67% in the month of July 2011.

M2 Telecommunications (AVT)

M2 Telecommunications has been a successful story ever since Hunter Hall bought a significant holding a few years back at an average price of \$0.75 per share. Over that time the company has paid out \$0.35 in dividends and the share price has soared to a high of \$4.08 in March 2011. We sold one-quarter of our shareholding into this strength.

The group's CEO Vaughan Bowen is a highly impressive entrepreneur with an extraordinary track record of growing the company both organically and via several excellent acquisitions. For example, the recent Clear Telecoms purchase delivered annualised revenue of \$70m, EBITDA of \$8m and was acquired for 3x EBITDA. M2 Telecommunications is now the largest network-independent telecommunications company in Australia.

In light of the NBN rollout and Telstra's recently announced investment into VoIP (Voice over IP), data and hosted email, M2 Telecommunications is in a strong position to benefit by being a large customer to Telstra and Optus, as well as delivering a more personalised and tailored solution to Small and Medium Enterprises (SME).

Over the five years to June 2012, we are expecting revenue to increase four-fold from \$109m to \$430m and EBITDA to increase seven-fold from \$9m to \$63m.

At the current share price of \$3.00, we will continue backing this dynamic telecommunications entrepreneur and his team, especially given the forecast return on equity exceeds 35%.

JDS Uniphase (VGT, GET)

Hunter Hall continues to hold a significant position in JDS Uniphase (JDS) though we sold 40% of the position after the value of the shares nearly tripled from \$10 to \$28 in a year. The shares price has subsequently fallen back to \$12 and once again is appealing.

JDS is a world leader in testing equipment for optical telecom networks and optical components such as lasers and receivers, generally ranking one or two in most of its end markets. Test and Measurement and Components each account for 40-45% of revenues with the balance coming from other specialty optical products such as high margin security ink used in printing bank notes and holograms on credit cards.

On-demand TV, smart phones and tablet computers (eg. iPads) are fuelling demand for internet capacity, which is forcing telecom operators to build more optical fibre networks. We believe that such growth will continue even in weaker economic times though there will clearly be cycles, especially in the optical component segment. Pleasingly though, the company holds \$400m of net cash relative to its \$2.3b market value allowing it to withstand any down cycles.

High growth and cost reductions have driven strong operating margin gains over recent years. The company is targeting a range of 14-17% operating margin; however, this may be more difficult in the short term with the weak economy causing delays in some telecom spending. There is also a short term cycle occurring in optical components as evidenced by weak results from competitors. The company has billions of dollars of tax losses so will pay just a few percent tax rate for the foreseeable future, which also makes the shares attractive.

Daiichikoshō (VGT, GET, ASV)

“Sing for a Smile” is the current marketing slogan for the karaoke parlour division of the Funds’ largest investment in Japan, Daiichikoshō, and in the post-earthquake doldrums in that country, this company at least has given us a little to smile about.

Daiichikoshō is the dominant supplier of high-end karaoke equipment in Japan, offering the only High Definition (HD) music boxes available in the market. This is helping it gain market share from its last remaining rival, a struggling division of diversified niche electronics manufacturer Brother Industries. As it gains market share in current sales and the installed base in karaoke parlours all over Japan, it is also boosting recurring income from the subscription music updates it streams weekly to these equipment owners.

The business has much to recommend it. Like Gillette, it makes money from selling both ‘razors’ and ‘razor blades’. Unlike Gillette, Daiichikoshō can even dream of going from its present 60% market share to total dominance if Brother ever tires of the bleeding from its uneconomic business model of maintaining two incompatible sub-scale businesses against the market leader.

Daiichikoshō's other main business, operating Japan's second largest karaoke parlour chain Big Echo, has had a tougher time in the post-earthquake period. While few of its parlours and their associated restaurants were directly affected by the disaster, the initial power cuts and general gloom saw a sharp drop in sales in the months immediately following it. However, by the middle of the year this had turned around completely, perhaps helped by many Japanese seeing it as their civic duty to save power at home during the hot and humid summer rainy season by staying in the air-conditioned comfort of the company's restaurants and music outlets.

Meanwhile Daiichikoshō's third division, music publishing, went from strength to strength, driven by the phenomenon that is *Perfume*, Japan's greatest ever all-girl J-Pop group. In an industry where these bubble gum combos are supposed to have a shelf-life of three years at best, *Perfume* is breaking all the rules with record sales for its latest album, 10 years after their debut.

Like the rest of the Japanese market, Daiichikoshō's share price has not fully recovered since the earthquake. However, unlike most Japanese companies, Daiichikoshō has reacted to this rationally by announcing a share buy-back, its fourth in recent years.

As an absolute cash machine, Daiichikoshō can afford to keep buying back its shares indefinitely, and thus grow earnings per share even in an economy where anything other than modest top-line sales and bottom-line profit growth is always going to be a challenge. Indeed we would like to see it buying back at a faster rate, rather than buy bonds with any of its abundant surplus cash as it did recently.

However, we do take comfort from the fact that unlike some of our other Japanese holdings over the years it has at least shown no temptation to over-pay for growth through acquisitions. The purchase earlier this year of a small rival karaoke chain was no more than fully priced, and was clearly done for good defensive reasons. More recently there have been reports that the company has invested in technology to provide food safety testing equipment for in-restaurant use, which seems like a relatively low risk and potentially high returning diversification into services to an industry it already knows well from its existing business.

We estimate Daichikoshō is trading on a March 2012 PE of 8.6, and scarcely above book value. Its Enterprise Value/Earnings Before Interest, Tax, Depreciation and

Amortisation (EV/EBITDA) is just 2.6 and it has a dividend yield of 4%. Despite a mountain of cash and low yielding investments, it generates an Return on Equity (ROE) of over 10% and with a proven commitment to buy-backs and a steadily rising dividend, we believe this fast tortoise will out-run many hares over the long term.

Gold and Gold mining shares – the great paradox (VGT, GET, AVT)

We hate loving gold bullion but it has been in the interests of our unitholders that we have done so for the last few years, and unfortunately we expect this to continue for quite a while to come.

Traditionally, when gold has done well, gold miners have done better. Not in recent times. However, we expect something of a reversion of this trend over the next year as confidence in the fundamental drivers of the gold price become clearer and investors seek more leveraged plays on the theme. When this happens, we believe our 'value stock' holding in the sector, St Barbara Mines, will be a handy outperformer.

In a 'normal world', gold should be a dull investment. By this we mean one where even developed countries can maintain real growth rates (i.e. after allowing for inflation) of 2-4% per annum, governments keep more or less balanced budgets and resist temptations to expand their sphere of influence, and central bankers take seriously their mandates to grow the monetary base no faster than their underlying economies. However, we have not lived in anything resembling a 'normal world' for many years and there seems little prospect of us doing so any time soon.

Smarter investors than us have seen the woes currently besetting the world building since the 1990s. In this

context, it should come as little surprise that for the last decade, the gold price, measured in US Dollars at least, has risen every year. While the volatility of the Australian Dollar has made the progress more erratic, since gold reached its recent low in local currency terms below A\$400 an ounce in mid-1999, it is now comfortably four times higher than this and briefly touched a high of A\$1,736 per ounce in early August. The text books say it shouldn't be so, but the fact is that over this period gold has comfortably outperformed even the Australian stock market, one of the world's best, which allowing for reinvestment of dividends has only gone up 140%.

This has been good news for investors in the Hunter Hall Funds, most of which have held large positions in physical gold since early 2007.

The GFC started in late 2007 but there is much unfinished business in terms of the still mounting government debt levels in most of Europe, Japan and the US.

We have little faith that current hopes of aggressive fiscal consolidation by widespread austerity will succeed in many countries. This is not to say that governments should not cut spending, much of which seems to us wasteful and often sponsors agencies which suppress rather than encourage economic growth. It is just that, in the short term, even well targeted plans along these lines seem more likely to depress already weak economies further, putting political strains on the governments trying to implement them.

When these plans are, as we expect abandoned, governments will be left with only two tools to get out of their debt traps: default or, more likely in most cases, something with the unappealing technical name of 'Financial Oppression.'

'Financial Oppression' refers to the regularly repeated historical habit of countries which find themselves in the

circumstances now seen in much of the developed world that try and inflate their way out of their debt burdens while keeping interest rates artificially low. Though done at a gentle pace, most of the developed world did this from the end of the Second World War until the 1970s.

This allowed the US to dramatically reduce its debt to GDP ratio from around 100% at the end of the war. However, the ultimate result was that the US, and consequently the rest of the world, was forced off the last vestiges of the gold standard in 1971 and gold consequently soared from US\$32 an ounce to a brief peak of nearly US\$850.

The unsustainable 1980 spike to US\$850 highlights the risk in gold - knowing when to sell an investment that has few of the classic investment parameters of a share.

Many alternative valuation methodologies are on offer, including how much gold has been needed on average in the past to buy a constant volume of various other asset classes such as oil or stock indices. Most of these point to a value well above US\$2,000. Others are based on the price at which the US monetary base would again be backed by all the gold in Fort Knox. This currently points to US\$10,000 per ounce.

These analyses give us comfort in holding on to our position, especially as we would expect gold to over-shoot its 'fair value' when it completes its final rally. In any case we also expect these rule-of-thumb techniques to indicate higher 'fair value' prices for gold by the time governments have finished printing money to get themselves out of a hole that, for now, they seem intent on digging deeper.

Sadly the news has been less favourable in terms of the returns made on the other half of our investment in the precious metal. Shares in St Barbara Mines have essentially gone nowhere in the three years we have owned them.

Gold miners, including St Barbara, give investors plenty of reasons to be nervous. Operationally they are exposed to all kinds of geological uncertainty and require complex processing plants to produce tiny amounts of metal from vast tonnages of dirt. In addition the boards and management of many gold companies have acted irrationally over the years in terms of corporate strategy.

However, ultimately the prices of gold mining stocks should represent the value of proven and probable ounces of gold in the ground, and the know-how to increase this inventory, adjusted for the costs of future production and exploration.

At present St Barbara trades on an enterprise value per reserve ounce of just A\$140. Even as a mid-cost (albeit long-life) producer with a fully loaded cost of production of around A\$1,000 per ounce as a weighted average over its three mines, the value proposition of owning it seems impossible to ignore with a gold price of anything above A\$1,500 an ounce.

Comcast (VGT, GET)

Comcast (CMCSA) started life as a television delivery service. During the 2000s it added voice and data services. In January 2011 it acquired 50% of NBC Universal (NBCU) and is expected to acquire the remaining 50% by 2017. Today, CMCSA is the US's largest pay-TV distributor, largest Internet Service Provider (ISP) and controls approximately 25% of all the television content viewed by Americans.

In the US, cable television emerged in the 1950s to deliver broadcast television to areas that couldn't receive it via antenna, e.g. remote or hilly locations. Cable Cowboys, as they were known, would place an antenna on an elevated location to catch TV signals and run cables from the

antenna into households. The model evolved to the delivery of exclusive pay-TV channels, which took pay-TV to the masses.

The cable television business model led to natural monopolies. This resulted in the cable companies acting like monopolies, with persistently increasing prices and equally declining customer service. This led to the success of satellite television in the 2000s and since 2002 cable television subscriber numbers have fallen.

Recently the pay-TV industry growth slowed and cable television's decline accelerated. Many pundits attribute this to Online Video Distributors (OVDs) such as Netflix, Apple and Amazon. This argument gained credence following the second quarter 2011 results, where video subscriber growth was probably the weakest in the industry's history.

If the subscription TV business model is doomed why would we invest in the largest pay-TV player? The crux of our investment case is that CMCSA is priced for a virtual doomsday scenario (or at least no growth) but we don't think that will happen.

Over the past four quarters CMCSA's cable business generated approximately \$5b in free cash flow. Based on CMCSA's current market capitalisation, this equates to a yield on our equity investment of 8.3% from the cable business alone.

This yield doesn't include NBC Universal. We think current prices imply approximately fair value for CMCSA's cable business plus getting the NBC Network, Universal Studios, Universal Orlando Resort, USA Network (US's top rating cable network), Golf Channel, E! Channel and CNBC, for free!

It would be delusional to pretend that the recent TV subscriber figures are not a point of concern. However, we believe this concern is too backwards looking and doesn't take into account other factors such as the weak US economy contributing to the decline and the fact that content companies have taken action to preserve the current subscription TV business model.

If Americans do cancel their subscription en-mass (in our mind unlikely but not impossible) we do not believe the result would be devastating. The cable companies still own the pipe into the home and can implement usage based pricing to augment their revenue. Their capital expenditure would decline (no more set top boxes) and their margins will expand (video gross margin = 60% but data gross margin = 95%+). Finally, data is a less competitive than video, as video competition includes the satellite players whereas data doesn't. We calculate the industry's cash flow would decline by around 20% with the upshot being that the loss of video is not as bad as many would think.

Our attraction to CMCSA is not limited to a disagreement on the structural issues facing the industry. We are also extremely impressed with internal changes occurring within the company. Over the past few years it has hired new management and the company appears to be operating with renewed vigor. Its customer satisfaction ratings are improving, it introduced a number of innovations, it is investing in the NBC Network and it is harnessing its economies of scope by entering new businesses. As a result it is outperforming its peers on most operating and financial metrics. In addition the company has low gearing, has completed the majority of the required capital expenditure, is buying back shares and recently increased its dividend.

Outlook

Late June and early July saw a surge in market sentiment as various European Union entities and the International Monetary Fund apparently cobbled together yet another rescue package for Greece. Slightly more positive data also emerged from the US and Japan, where the post-earthquake recovery seems to be proceeding better than originally expected. However, greater volatility returned to equity and debt markets in recent weeks.

Some emerging markets are also taking comfort from the fall in the price of oil, even if this may itself be a symptom of weaker growth in developed economies. However, we note that most of Asia has inverted to flat yield curves and that these have traditionally been good indicators of economic slowdowns and often recession.

We remain cautious and maintain relatively high levels of cash and bullion in our portfolios. We are sensitive to the degree of hedging we have in the VGT, ASV and GDG, with some expectation that the long period of Australian Dollar outperformance may soon come to an abrupt end. Our problem is that it is not clear what currencies would outperform the Australian Dollar given the threats to developed world currencies.

The Europeans' political commitment to the Euro project seems increasingly untenable on economic grounds. Greece faces a significant restructuring of its debts, as the economy continues to shrink, while government debt spirals despite an unprecedented austerity program. We doubt the Greek populace will have the stomach for much more hardship, especially when it fully grasps that the current multilateral so-called "rescues" are more focused on protecting bank lenders from France and Germany than helping the Greeks themselves. The real solution to Greece's problems is a

default and withdrawal from the Euro allowing the restoration of the Drachma and dirt cheap holidays in Greece for hard-working Northern Europeans.

We are no more optimistic on the prospects for two other sick small countries in Europe: Portugal and Ireland. The real test of the Euro and the European Central Bank will be bail-outs for Italy and Spain, both of which have come under attack in the bond markets in recent days with soaring yields. Sovereign defaults by these two countries will have systemic impacts on the solvency of many European banks, and probably the European Central Bank itself, and would put an end to what many commentators deride as the current 'extend and pretend' routine in continental Europe.

Europe's problems do not end at the English Channel. Britain has the balance sheet of 'Club Med' but the interest rates of the thrifty Northern Europeans. It still looks vulnerable, even before it feels the effects of the long overdue but still painful impact of cuts in its bloated welfare state. Given the shriveled nature of its manufacturing sector, it is also not clear how much benefit it is getting from continued falls in the pound sterling.

The theme of weakening government tax revenues exceeded by rising government spending is evident in most developed economies. This is perhaps in its most extreme form in Japan but it is increasingly apparent in Australia too, despite the well rehearsed but increasingly unconvincing pledges to bring the Commonwealth budget back to surplus.

Where Australia stands out, and indeed looks more like an emerging market, is in its willingness to use monetary policy to offset the fiscal laxity. Like the developing Asia, Australia is seeing inflationary pressures. Unlike Asia, these relate more to labour shortages in Western Australia and

Queensland and rising government charges than raw material costs. Unfortunately, structural inefficiencies in Australia prevent labour in the struggling Brisbane to Melbourne corridor flowing to the growth states as they have in previous resource booms. In the meantime, the Reserve Bank of Australia's tough monetary stance is pushing up the Australian Dollar, which adds to the pain in the mortgage belts of the large cities of eastern Australia through the destruction of traditional blue collar manufacturing jobs.

Increasing doubts about the sustainability of China's investment-intensive economic growth model have seen many raw material prices plateau or dip. While it would be wrong to underestimate the capacity of China's central planners to keep the growth engines firing, signs are emerging that the conflicting need to put a cap on inflation through tougher monetary policy is putting the country's financial system under strain. What is clear is that if China does catch a cold, Australia, most of Africa and much of South America will get influenza.

The potential vulnerability of Australia's position is exacerbated by the increasingly apparent frailty of its housing market, which could have significant impacts on the country's banks due to their high level of dependence on the sector. Australian banks have managed to slightly reduce their reliance on foreign borrowing but still have high levels of loans to their core deposit bases. As well as having a huge traded sector, Australia is connected to the rest of the world's economy through our banking sector's reliance on wholesale funding to bridge the gap between loans and deposits. And if interest rates go up internationally Australian banks will be squeezed. Any uncertainty about their financial strength will hurt the

Australian Dollar and put the focus on the effective bank cheque the Commonwealth has written to protect Australian bank deposits.

How equity markets perform in this environment is not clear. We believe the 20 year bull-run in developed country government bonds is coming to a close and the inflationary impacts of lax fiscal and monetary policies in most developed economies are reaching an inflexion point. Rising costs of doing business in China will also remove the biggest deflationary force of this period caused by cheap manufactured imports. In our view, long term fixed interest investments are likely to do badly while equities are likely to do less badly.

We are of the view that the long swing of outperformance of Australian shares over foreign shares, especially when measured in Australian Dollar terms, is petering out. To this end, it is our present strategy to cut our hedges on our foreign holdings in the VGT, GDG and ASV, as soon as we gain confidence in a decisive break in Australian Dollar strength, and gradually cut our exposure to Australian stocks in the VGT as well.

At the country level we are still nervous about China, and fundamentally more bullish about India especially if, as we believe, the recent monetary tightening phase is coming to an end and recent oil price weakness is sustained.

The paradox of Europe is that great export companies from Germany, France, Scandinavia, the Benelux region and even northern Italy are benefiting from the currency weaknesses caused by the stresses at the heart of the Euro project. Japan contains elements of both the US and Europe so far as the prospects of individual companies are concerned but seems frozen in even greater apathy at the

political level, and in far too many cases companies there do not treat shareholder as owners.

Meanwhile in the US, signs of a recovery in the housing market remain, at best, tentative and even record company profits are not prompting much new hiring. At the same time most US governments seem incapable of cutting spending, with the only hurdle to increased indebtedness coming from mandatory debt limits at the federal, state and municipal level, increases in which typically require legislative approval. Nevertheless, we do feel the US could be the one market that provides surprise upside potential. The one level where we have confidence is the ingenuity of corporate management, especially in companies with international sales which are more likely to profit than lose from a weak currency and a soft labour market. This is now being joined by an expansion in consumer credit in Q1 (the first since 2005), an improvement in US credit scores (which hit their highest level in four years in May) and the willingness of senior loan officers to lend increasing markedly. What if the best place to invest is the US and not Asia as many people think? This is not our base case given the sharp rises already seen in the market, the fiscal incontinence and coming budget issues, but food for thought if these can be addressed in a timely manner.

As our Portfolio Managers go about their work the key remit remains unchanged from our inception nearly 20 years ago: to find stocks that are not just cheap, but cheap despite the quality of their business and management, and their prospects for growth.

For more information on the portfolios and performance of the Hunter Hall Funds please refer to our website at www.hunterhall.com.au

Investment Team

Peter Hall, Jack Lowenstein, James McDonald, David Buckland, Chad Slater, Steven Glass, Catriona Alford, Roland Winn, Richard Stephen, Andrew Marvell, Yizhong Chan, Li Zhang and Michael Walsh.

The information contained in this Investment Manager's Report is based on research by the investment team and represents the best information available at the time of writing. This report does not take into account a reader's investment objectives, particular needs or financial situation. It is general information only and should not be considered as investment advice and should not be relied on as an investment recommendation.

Initial applications for units can only be made on an Application Form found in the current Product Disclosure Statement for the Hunter Hall Funds. Hunter Hall Investment Management Limited (AFSL: 219462) or any related entity does not guarantee the repayment of capital or any particular rate of return from the Funds. Past performance is no guarantee of future performance. Investment returns have been calculated in accordance with normal industry practice utilising movements in the unit price and assuming the reinvestment of all distributions of income and realised profits.

The Directors of Hunter Hall Investment Management Limited (the Responsible Entity), submit herewith the annual financial reports of the Hunter Hall Asian Value Trust (ASV), the Hunter Hall Australian Value Trust (AVT), the Hunter Hall Global Deep Green Trust (GDG), the Hunter Hall Global Ethical Trust (GET), the Hunter Hall Global Ethical Trust - Hedged (GEH) and the Hunter Hall Value Growth Trust (VGT) (the Hunter Hall Equity Funds or Funds) for the year ended 30 June 2011 in accordance with ASIC Class Order 06/441. In order to comply with the provisions of the Corporations Act 2001, the Directors report as follows:

Directors

The names of the Directors of the Responsible Entity during or since the end of the financial year are:

William Wayne Hawkins B.Ec., F.Fin., FAICD
Chairman, Non-executive Director

Mr Hawkins is Chairman and Non-executive Director of Hunter Hall Investment Management Limited. He is Deputy Chairman and Lead Non-Executive Director of Hunter Hall International Limited and Chairman and Director of Hunter Hall International Ethical Fund plc, both of which are publicly listed entities. He is Chairman of the Hunter Hall Risk Management Committee, Audit Committee and of the Remuneration and Nominations Committee.

Mr Hawkins has over 43 years experience in investment management. Previously he was Funds Manager and Investment Analyst with City Mutual Life Assurance Society Limited, Group Investment Manager with New Zealand South British Insurance, Chief Executive of NZI Investment

Services Limited, Chief Investment Officer and Managing Director (Funds Management) with Oceanic Capital Corporation Group.

David Barclay Buckland B.Comm., M.App.Fin., F.Fin, FCPA, FCIS

Executive Director, Chief Executive Officer, Senior Portfolio Manager

Mr Buckland is Executive Director, Chief Executive Officer and Senior Portfolio Manager of Hunter Hall Investment Management Limited and a Director of Bennelong Administration Services Pty Limited. He is Executive Director of Hunter Hall International Limited, a publicly listed entity. He is a member of the Hunter Hall Audit Committee.

Mr Buckland was appointed Chief Executive Officer of Hunter Hall Investment Management Limited in 2001, when Funds Under Management were under \$200m.

Mr Buckland has 27 years of industry experience with ten years in stockbroking in Sydney and London and the balance in fund management. Previously he was a Director of JP Morgan Securities Australia, Research Analyst at Statton Securities and Portfolio Manager – Equities, as well as Investment Manager at NZI Corporation, where he was responsible for over \$1b of investment funds.

Mr Buckland completed the Harvard Business School Owner/President Management Program in 2006.

Mark Benedict Forstmann B.Sc., B.A. (Comm)
Non-executive Director

Mr Forstmann is Non-executive Director of Hunter Hall Investment Management Limited and of Hunter Hall International Limited, a publicly listed entity. He is a member of the Hunter Hall Audit Committee and of the Risk Management Committee.

Mr Forstmann has 23 years experience in investment markets including equities, currencies and fixed interest. Between 1986 and 1994 he worked at Bank America and Banque Indosuez in Sydney and Paris. At Banque Indosuez he was primarily involved in proprietary trading of bonds and currencies in Australian and European markets. Since 1995 he has focused on film and television production.

In December 2009, Mr Forstmann was appointed to the board of the Nature Conservation Trust of NSW. Since 2006 he has been a climate change ambassador with The Climate Project, the affiliation between the Australian Conservation Foundation and Al Gore.

Company Secretary

Ouafaa Karim B.A., M.Com Law, Grad Dip (Corp Management), F.Fin.

Group Company Secretary

Ms Karim is the Group Company Secretary and Compliance and Risk Manager of Hunter Hall International Limited and Company Secretary of Hunter Hall Global Value Limited, both of which are publicly listed entities. Ms Karim was appointed Chief Executive Officer of Hunter Hall International (UK) Limited in 2011. She is also Executive Director of Bennelong Administration Services Pty Limited and a Trustee of the Hunter Hall Charitable Trust.

Ms Karim is a Director of the Responsible Investment Association Australasia.

Ms Karim has over 26 years experience in the finance industry including corporate management, company secretarial, unit trust administration, compliance, operations and custody. Previously Ms Karim was employed by Aetna Funds Management (Australia) Limited, Permanent Trustee Company Limited and State Street Australia Limited.

Jeremy Freeman B.Eng. (Hons), M.App.Fin.

Deputy Company Secretary

Mr Freeman has eight years of industry experience and was previously Currency Dealer and Analyst.

Mr Freeman's previous experience includes four years in the administrative and accounting aspects of the financial services industry as well as three years in investor communications, performance analysis and attribution and business analysis.

Principal Activities

The principal activity of each of the Funds is the investment and management of securities in accordance with their respective investment objectives and guidelines as set out in the current Product Disclosure Statement and in accordance with the provisions of each of the Funds' Constitutions.

The Constitution of each Fund authorises investments in a wide range of assets, including securities listed on the Australian and international stock exchanges (the international component is restricted to New Zealand for the AVT). It is the Responsible Entity's current policy to restrict investment to listed securities, securities to be listed, exchange traded options and cash, or cash alternatives, including gold bullion, in a manner consistent with the stated investment objectives of each of the Funds.

During the year there were two new Funds established on the 28 February 2011. These are the Hunter Hall Asian Value Trust (ASV) and the Hunter Hall Global Ethical Trust - Hedged (GEH). The ASV is an ethically screened fund principally invested in an Asian (including Japanese) stock portfolio of under-researched and relatively undiscovered businesses. The GEH is an ethically screened fund principally invested in units of the GET. Through its holding in the GET it is exposed to an international portfolio of under-researched and undiscovered businesses. It aims to eliminate the Fund's foreign currency exposure by hedging the portfolio back into Australian Dollars, primarily through short to medium term forward contracts.

There has been no significant change in the activities of any of the Funds during the financial year.

Charitable Giving

Hunter Hall International Limited (HHL), the parent company of the Responsible Entity, donates 5% of its pre-tax profits to charities or charitable purposes. The Responsible Entity has also elected to donate a portion of its fees from the Hunter Hall Global Deep Green Trust to charity:

- 0.5% of the 1.6% annual Management Fee
- 20% of any Performance Fee earned

The Hunter Hall Shareholder Nominated Charitable Donations Scheme allows shareholders, on a basis proportional to the number of shares they own, to nominate Australian registered charities for the receipt of donations.

Each year, shareholders receive a form which lists a variety of charities designed to represent a full spectrum of charitable concerns so that each shareholder will be able to select a charity that accords with their area of interest. The list of charities was initially chosen in consultation with charity research specialist Givewell and is reviewed annually by the Hunter Hall Charitable Donations Scheme Committee.

For the year to 30 June 2011 the donations of 5% of pre-tax profits were \$833,109 (2010: \$920,103), from Management Fees were \$39,055 (2010: \$46,307) and from Performance Fees were nil (2010: \$34,571).

Transparency

The Responsible Entity has a policy of transparency and communication in relation to investments. Monthly reports on each of the Funds' investments are available on the Hunter Hall website or by request.

In addition unitholders and supporting advisors are invited to Hunter Hall's Annual Investors and Advisors Meeting.

The Responsible Entity has a strict policy for share trading by Directors, employees and their associates by which they are prohibited from investing in shares held by the Funds without the prior consent of the Chairman, Chief Executive Officer or the Board.

The Responsible Entity also has a policy for trading units in the Funds by Directors, employees and their associates by which they are prohibited from investing in units of each of the Funds without the prior consent of the Board.

Review of Results and Operations

It should be noted that the following tables include two new funds, the Asian Value Trust (ASV) and the Global Ethical Trust – Hedged (GEH). These funds were established on 28 February 2011. The Results and Indirect Cost Ratios shown are therefore based on 4 months of trading to 30 June 2011 for these new Funds.

Results

The net income/(loss) after distributions paid and distributions for the year for each Fund:

2011	VGT	GET	GEH	ASV	AVT	GDG
Net Income (\$)	56,016,131	6,383,381	(48,688)	(39,369)	10,605,744	(46,828)
Distribution (\$)	27,606,235	-	31,622	4,001	3,551,999	-
Distribution - Dec (cents per unit)	2.2686	-	-	-	1.8739	-
Distribution - Jun (cents per unit)	3.0569	-	2.7317	0.3196	3.9041	-
2010	VGT	GET	GEH	ASV	AVT	GDG
Net Income (\$)	96,777,486	24,114,082	n.a.	n.a.	16,710,424	571,002
Distribution (\$)	56,697,970	-	n.a.	n.a.	497,552	-
Distribution - Dec (cents per unit)	5.5458	-	n.a.	n.a.	0.7529	-
Distribution - Jun (cents per unit)	5.2437	-	n.a.	n.a.	-	-

Indirect Cost Ratios

For the year ended 30 June, the Indirect Cost Ratio for each Fund was:

2011	VGT	GET	GEH	ASV	AVT	GDG
Excluding performance fee	1.87	2.09	2.33	1.74	2.12	2.00
Including performance fee	1.87	2.09	2.33	1.74	2.12	2.00
2010	VGT	GET	GEH	ASV	AVT	GDG
Excluding performance fee	1.85	2.09	n.a.	n.a.	2.13	2.00
Including performance fee	1.85	2.09	n.a.	n.a.	2.13	2.00

Financial Position

The following table shows the net assets and the unit redemption price (post-distribution) of each Fund as at 30 June.

2011	VGT	GET	GEH	ASV	AVT	GDG
Net assets	1,098,367,583	273,795,351	1,111,970	1,213,090	87,827,300	6,429,385
Unit redemption price	2.1300	1.1038	0.9577	0.9692	1.4392	0.9096
2010	VGT	GET	GEH	ASV	AVT	GDG
Net assets	1,066,056,563	321,122,722	n.a.	n.a.	82,090,544	8,930,535
Unit redemption price	2.0285	1.0805	n.a.	n.a.	1.2774	0.9448

Subsequent Events

Since the close of the financial year to 30 June 2011, the Australian and international equity markets have experienced periods of high volatility. Please refer to Note 17 for further details concerning the performance of the Funds and their benchmarks since the end of the financial year.

There has not been any other matter or circumstance, other than that referred to in the Financial Statements or Notes thereto, that has arisen since the end of the financial year that has significantly affected, or may significantly affect, the operations of each of the Funds, the results of those operations, or the state of affairs of each of the Funds in future financial years.

Future Developments

Each Fund will continue to be managed in accordance with its investment objectives and guidelines as set out in the current Product Disclosure Statement and in accordance with the provisions of the Constitution of each Fund. Future results will accordingly depend on the performance of the investments and markets to which the Funds are exposed.

Options Granted

In accordance with each of the Funds' Constitutions no options have been:

- i. granted over unissued units in each of the Funds during or since the end of the financial year,
- ii. granted to the Responsible Entity

Indemnification of Officers of the Responsible Entity and Auditors

During or since the financial year, no Fund has indemnified or made a relevant agreement to indemnify an officer of the Responsible Entity, auditor of the Funds or of any related corporate body against a liability incurred by an officer of the Responsible Entity, auditor of the Funds or of any related corporate body. In addition, each Fund has not paid, or agreed to pay, a premium in respect of a contract insuring against a liability incurred by an officer of the Responsible Entity or an auditor of each of the Funds.

The Directors' and Officers' Liability Insurance cover is included under the Responsible Entity's Investment Management Insurance Policy. It provides cover against all costs and expenses involved in defending legal actions and any resulting payments arising from a liability to persons (other than the Responsible Entity or a related body corporate) incurred in their position as Director or Executive Officer unless the conduct involves a wilful breach of duty or an improper use of inside information or position to gain advantage.

Environmental Regulation

The operations of each Fund are not subject to any particular or significant environmental regulations under a Commonwealth, State or Territory Law.

Scheme Information in the Financial Report

Fees paid to the Responsible Entity and its associates out of each Fund's property during the financial year are disclosed in Note 13 to the Financial Statements.

The number of interests in each Fund issued during the financial year, withdrawals from each Fund during the financial year and the number of interests in each of the Funds at the end of the financial year are disclosed in Note 12 to the Financial Statements.

The value of each Fund's assets at the end of the financial year is disclosed in the Statement of Financial Position as 'Total Assets' and the basis of valuation is included in Note 2 to the Financial Statements.

Ethical Investment Policy Negative Screen – VGT, GET, GEH, ASV and AVT

Hunter Hall is committed to the concept of responsible investing and seeks to avoid investing in businesses that are, in its opinion, involved in activities that are harmful to people, animals or the environment.

The VGT, GET, GEH, ASV and AVT use a negative screening process. This screening process seeks to avoid investment in companies that derive operating revenues from direct and material business involvement in

- the manufacture or sale of weapons and weapons components,
- tobacco manufacture,

- gambling outlets or systems,
- intensive animal farming,
- animal testing for cosmetics,
- activities that give rise to human rights violations,
- unremediated destruction of the environment, and
- uranium mining and nuclear reactors.

The ASV will also screen out companies operating in Asian countries in which the systemic abuse of human rights occurs which, in practice, currently includes the Tibetan and Xinjiang regions of China, Iran, Myanmar, North Korea, Syria, Turkmenistan and Uzbekistan.

While the negative screen as described above may seem straightforward, investors should be aware that from time to time borderline cases arise where it is unclear whether an investment should be rejected or not. In such cases the Directors of both Hunter Hall Investment Management Limited (the Responsible Entity) and Hunter Hall International Limited (HHL) retain the right to exercise their collective judgement and will take the merits of the investment into account.

Acknowledging the difficulty with such borderline cases, Hunter Hall follows a policy of transparency and aims to provide as much information about each of the Funds' investments as possible.

The Hunter Hall investment team continually monitors all investments in the Funds. In the event that the activities of an investee company change, or if additional information becomes available such that the investment is considered to breach the Ethical Investment Policy, the investment is disposed of as soon as practicable. When disposing of an asset under such circumstances Hunter Hall endeavours to realise the best price it reasonably can, taking into account

liquidity and other market forces. Therefore, it is possible that disposal of such an investment could extend over a period of time.

Investors should be aware that the negative screening process does not restrict investment in businesses engaged in mining, the manufacture or sale of alcohol, or which use animal by-products. Hunter Hall is of the view that mining does not necessarily cause permanent damage to the environment, provided that due attention is paid to site remediation, control of contamination, worker safety and the welfare of any nearby population. Although we acknowledge the sensitivity of some investors with regards to the sale of alcohol or animal by-products, Hunter Hall believes the decision to invest in these activities to be a personal investor preference, rather than a stated preference of the Funds.

Labour standards are not systematically taken into account in the selection, retention or realisation of investments.

Positive Screen – GDG

The GDG implements its positive ethical investment policy by only investing in companies that are deemed to contribute positively to environmental, humanitarian, social and sustainability issues. The GDG invests globally in activities such as:

- renewable energy from solar, wind, waves, geothermal, biomass, advances in battery, storage and transmission technologies and efficiency gains,
- technologies and products which reduce environmental damage such as hybrid automobile engines, water purification and desalination, waste management and advanced materials,

- medical services and devices, biotechnology, pharmaceuticals and veterinary care,
- education and communications,
- animal husbandry, aquaculture, fisheries, forestry and agriculture conducted in an environmentally sustainable and humane way, and
- activities and instruments involved in microfinance, water management, biodiversity credits, carbon credits, intellectual property related to DNA.

The GDG complies with Hunter Hall's negative screening process, used for the VGT, GET, GEH, AVT and ASV and furthermore, applies the following exclusions:

- the nuclear power industry,
- biofuels that are produced in a way that contributes to an unsustainable reduction in biomass and biodiversity,
- any countries that support commercial whaling. Japan, Norway, Iceland, Denmark and South Korea kill substantial numbers of whales and dolphins. This whaling screen currently prohibits the GDG from investing in countries which account for approximately 11% of the MSCI World All Country Index on an aggregated basis.
- any country which is developing nuclear weapons or weapons of mass destruction which, in practice, currently includes North Korea and Iran, and
- any country where the systemic abuse of human rights occurs which, in practice, currently includes the Tibetan and Xinjiang regions of China, Eritrea, Equatorial Guinea, Iran, Libya, Myanmar, North Korea, Somalia, Sudan, Syria, Turkmenistan and Uzbekistan.

The perception of the ethicality of many activities is likely to be subject to revision as circumstances change. Examples are nuclear power, wind power and biofuels, which have both vociferous proponents and critics. Hunter Hall will seek to avoid jumping to hasty conclusions about the ethicality of an activity yet will be flexible so as to adapt to change.

Auditor's Independence Declaration

A copy of the Auditor's Independence Declaration as required under s.307c of the Corporations Act 2001 in relation to the audit of the financial report of each Fund for the year ended 30 June 2011 is set out on page 59 and forms part of this report.

The report is signed in accordance with a resolution of the Directors of the Responsible Entity made pursuant to s.298(2) of the Corporations Act 2001.

On behalf of the Directors of Hunter Hall Investment Management Limited



David Barclay Buckland
Executive Director

Sydney
23 August 2011

Statements of Comprehensive Income

Year ended 30 June 2011

Notes	VGT		GET		GEH*		ASV*		AVT		GDG		
	2011 \$	2010 \$	2011 \$	2010 \$	2011 \$	2010 \$	2011 \$	2010 \$	2011 \$	2010 \$	2011 \$	2010 \$	
Revenue													
Dividend income	21,372,837	21,273,699	4,081,990	6,108,395	-	-	7,181	-	2,434,628	1,857,960	35,380	54,578	
Interest income	5,294,626	5,372,029	332,013	690,408	1,439	-	3,610	-	640,257	660,252	50,941	73,142	
Sub-underwriting commission	67,996	232,234	19,540	32,892	-	-	-	-	5,133	151,377	-	14,261	
Other income	316,560	7,277	107,487	15,703	-	-	-	-	1,076	37	3,849	-	
Total revenue	27,052,019	26,885,239	4,541,030	6,847,398	1,439	-	10,791	-	3,081,094	2,669,626	90,170	141,981	
Fair value changes													
Changes in fair value of investments	3	84,121,801	151,228,377	13,433,420	37,953,108	(17,474)	-	(38,743)	-	13,100,976	16,482,932	326,012	925,510
Total gains/(losses) on investments		84,121,801	151,228,377	13,433,420	37,953,108	(17,474)	-	(38,743)	-	13,100,976	16,482,932	326,012	925,510
Expenses													
Management fees	5a	(18,492,654)	(18,080,779)	(5,385,637)	(6,319,910)	-	-	(5,575)	-	(1,718,157)	(1,640,726)	(124,815)	(148,181)
Performance fees	5a	-	-	-	-	-	-	-	-	-	-	-	(172,854)
Realised foreign exchange losses		(6,069,357)	(3,710,747)	(5,342,012)	(13,338,578)	-	-	(580)	-	(561)	(137)	(304,413)	(133,381)
Other operating expenses	5b	(2,989,443)	(2,846,634)	(863,420)	(1,027,936)	(1,031)	-	(1,261)	-	(305,609)	(303,719)	(33,782)	(42,073)
Total operating expenses		(27,551,454)	(24,638,160)	(11,591,069)	(20,686,424)	(1,031)	-	(7,416)	-	(2,024,327)	(1,944,582)	(463,010)	(496,489)
Profit/(loss) before finance costs attributable to unitholders		83,622,366	153,475,456	6,383,381	24,114,082	(17,066)	-	(35,368)	-	14,157,743	17,207,976	(46,828)	571,002
Finance costs attributable to unitholders													
Distributions to unitholders	4	(27,606,235)	(56,697,970)	-	-	(31,622)	-	(4,001)	-	(3,551,999)	(497,552)	-	-
Changes in net assets attributable to unitholders		56,016,131	96,777,486	6,383,381	24,114,082	(48,688)	-	(39,369)	-	10,605,744	16,710,424	(46,828)	571,002
Profit/(loss) for the year		-	-	-	-	-	-	-	-	-	-	-	-
Other comprehensive income		-	-	-	-	-	-	-	-	-	-	-	-
Total comprehensive income/(loss) for the year		-	-	-	-	-	-	-	-	-	-	-	-

*The GEH and ASV were established on 28 February 2011 and hence the results reflect the 4 month period ending 30 June 2011 and there are no comparative figures for these entities.

The above Statements of Comprehensive Income should be read in conjunction with the accompanying notes.

Statements of Financial Position

As at 30 June 2011

	Notes	VGT		GET		GEH*		ASV*		AVT		GDG	
		2011 \$	2010 \$	2011 \$	2010 \$	2011 \$	2010 \$	2011 \$	2010 \$	2011 \$	2010 \$	2011 \$	2010 \$
Assets													
Cash and cash equivalents	6a	195,594,348	151,411,881	53,921,990	50,466,350	80,864	-	397,642	-	15,925,381	17,499,207	813,550	2,541,415
Financial assets held at fair value through profit and loss	7	915,827,114	935,627,936	217,350,128	268,104,773	1,062,199	-	954,357	-	74,636,145	65,051,193	5,597,974	6,357,370
Trade and other receivables	8	11,260,922	9,769,544	3,649,950	3,260,970	761	-	1,972	-	341,087	267,993	29,798	52,831
Total assets		1,122,682,384	1,096,809,361	274,922,068	321,832,093	1,143,824	-	1,353,971	-	90,902,613	82,818,393	6,441,322	8,951,616
Liabilities													
Trade and other payables	9	8,533,941	3,165,380	1,126,717	709,371	232	-	136,880	-	682,668	727,849	11,937	21,081
Distribution payable	10	15,780,860	27,587,418	-	-	31,622	-	4,001	-	2,392,645	-	-	-
Total liabilities (excluding net assets attributable to unitholders)		24,314,801	30,752,798	1,126,717	709,371	31,854	-	140,881	-	3,075,313	727,849	11,937	21,081
Net assets attributable to unitholders (liability)	11	1,098,367,583	1,066,056,563	273,795,351	321,122,722	1,111,970	-	1,213,090	-	87,827,300	82,090,544	6,429,385	8,930,535

*The GEH and ASV were established on 28 February 2011 and hence the results reflect the 4 month period ending 30 June 2011 and there are no comparative figures for these entities.

The above Statements of Financial Position should be read in conjunction with the accompanying notes.

Statements of Changes in Equity

Year ended 30 June 2011

Notes	VGT		GET		GEH*		ASV*		AVT		GDG	
	2011 \$	2010 \$	2011 \$	2010 \$	2011 \$	2010 \$	2011 \$	2010 \$	2011 \$	2010 \$	2011 \$	2010 \$
Opening balance	-	-	-	-	-	-	-	-	-	-	-	-
Changes in equity for the year	-	-	-	-	-	-	-	-	-	-	-	-
Closing balance	-	-	-	-	-	-	-	-	-	-	-	-

*The GEH and ASV were established on 28 February 2011 and hence the results reflect the 4 month period ending 30 June 2011 and there are no comparative figures for these entities.

For the purposes of these financial reports net assets attributable to unitholders is classed as a liability rather than as equity. As a result the Funds do not have any equity reflected in the above Statements of Changes in Equity.

The above Statements of Changes in Equity should be read in conjunction with the accompanying notes.

Statements of Cash Flows

Year ended 30 June 2011

Notes	VGT		GET		GEH*		ASV*		AVT		GDG	
	2011 \$	2010 \$	2011 \$	2010 \$	2011 \$	2010 \$	2011 \$	2010 \$	2011 \$	2010 \$	2011 \$	2010 \$
Cash flows from operating activities												
Interest received	5,159,869	5,698,855	393,922	691,533	727	-	3,271	-	690,744	543,362	56,140	73,106
Dividends received	22,733,811	20,060,659	4,710,934	5,770,549	-	-	6,046	-	2,412,085	1,806,548	43,466	47,144
Management, performance and entry fees paid	(18,342,751)	(17,810,680)	(5,442,529)	(6,363,114)	-	-	(3,992)	-	(1,693,183)	(1,613,010)	(128,284)	(487,013)
Payments to suppliers	(2,995,410)	(3,111,406)	(801,167)	(4,977,300)	(849)	-	(1,485)	-	(302,668)	(326,991)	(33,577)	(42,842)
Sundry income/(expense)	384,556	239,510	126,899	(64,836)	-	-	-	-	6,206	151,413	3,849	14,262
Net cash flows provided by/ (used in) operating activities	6,940,075	5,076,938	(1,011,941)	(4,943,168)	(122)	-	3,840	-	1,113,184	561,322	(58,406)	(395,343)
Cash flows from investing activities												
Investments purchased	(475,749,767)	(403,247,024)	(112,841,304)	(110,354,633)	(1,110,655)	-	(1,149,618)	-	(34,286,008)	(27,381,644)	(3,352,821)	(2,724,129)
Proceeds from investments sold	577,843,767	379,298,637	172,931,281	122,002,812	30,982	-	291,307	-	37,627,339	30,383,934	4,028,013	1,503,142
Net cash flows provided/(used in) investing activities	102,094,000	(23,948,387)	60,089,977	11,648,179	(1,079,673)	-	(858,311)	-	3,341,331	3,002,290	675,192	(1,220,987)
Cash flows from financing activities												
Proceeds from issue of units	125,637,557	156,675,757	19,394,263	43,306,596	1,160,659	-	1,252,460	-	14,036,429	13,746,084	612,950	1,623,001
Payments for redemption of units	(162,254,704)	(148,033,119)	(73,105,013)	(94,031,381)	-	-	-	-	(18,905,414)	(15,877,649)	(3,067,272)	(331,006)
Payment of distributions	(26,500,759)	(19,106,013)	-	-	-	-	-	-	(1,159,356)	(612,865)	-	-
Net cash flows (used in)/provided by financing activities	(63,117,906)	(10,463,375)	(53,710,750)	(50,724,785)	1,160,659	-	1,252,460	-	(6,028,341)	(2,744,430)	(2,454,322)	1,291,995
Net increase/(decrease) in cash and cash equivalents held	45,916,169	(29,334,824)	5,367,286	(44,019,774)	80,864	-	397,989	-	(1,573,826)	819,182	(1,837,536)	(324,335)
Cash and cash equivalents at beginning of year	151,411,881	179,508,810	50,466,350	86,214,933	-	-	-	-	17,499,207	16,680,025	2,541,415	2,792,024
Effect of foreign currency exchange rate changes on cash and cash equivalents	(1,733,702)	1,237,895	(1,911,646)	8,271,191	-	-	(347)	-	-	-	109,671	73,726
Cash and cash equivalents at end of year	195,594,348	151,411,881	53,921,990	50,466,350	80,864	-	397,642	-	15,925,381	17,499,207	813,550	2,541,415

*The GEH and ASV were established on 28 February 2011 and hence the cash flows reflect the 4 month period ending 30 June 2011 and there are no comparative figures for this entity.

The above Statements of Cash Flows should be read in conjunction with the accompanying notes.

1. Financial Reporting Framework Statement of compliance and basis of preparation

These general purpose Financial Reports have been prepared in accordance with the requirements of each Fund's Constitution (as amended), Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001 in Australia.

The Financial Reports comply with all Australian equivalents to International Financial Reporting Standards (AIFRS) in their entirety. Compliance with AIFRS ensures that the financial reports also comply with International Financial Reporting Standards (IFRS) in their entirety.

The Financial Reports have been prepared on an accruals basis and are based on historical costs, except where stated, in accordance with the requirements of each Fund's Constitution. Fund investments are revalued to fair value. Cost is based on the fair value of the consideration given in exchange for assets. The Financial Reports are presented in Australian Dollars, which is the Funds' functional currency.

This annual report covers each Fund as an individual entity. Each Fund is a managed scheme established and domiciled in Australia. ASV and GEH were both established on the 28 February 2011. The Financial Reports represent 4 months of trading for these Funds.

The Funds have the same Responsible Entity, Hunter Hall Investment Management Limited and have presented their Financial Reports in a single document as permitted by ASIC Class Order 06/441.

2. Summary of Significant Accounting Policies

Accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions and other events is reported.

The following significant accounting policies have been adopted in the preparation and presentation of the Financial Reports:

a. Revenue and expenses

Dividend income is recognised on a receivable basis on the date shares are quoted ex-dividend.

Distribution income is recognised on a receivable basis as of the date the unit value is quoted ex-distribution.

Interest from fixed interest and discount securities is recognised as income on the basis of accumulated entitlement that would be received on the disposal of the security according to the trading practices accepted by the market for the relevant security. Interest on cash on deposit is recognised in accordance with the terms and conditions which apply to the deposit.

b. Income tax

Under current legislation each of the Funds are not subject to income tax, provided taxable income including assessable capital gains is fully distributed to unitholders.

c. Cash and cash equivalents

Cash and cash equivalents includes cash on hand and in banks, and money market investments readily convertible to cash within two working days, net of outstanding overdrafts.

d. Fair value of financial assets and liabilities

Recognition and initial measurement

Financial assets and liabilities are recognised when each Fund becomes a party to the contractual provisions of the instrument. For financial assets this is equivalent to the date that the Fund commits itself to either the purchase or sale of the asset (i.e. trade date accounting is adopted).

Financial assets and liabilities are valued at fair value. Financial instruments are classified into the following categories and fair values of financial instruments are determined on the following basis:

i. *Investments*

All investments are initially recognised at cost, being the fair value of the consideration given including acquisition charges associated with the investment. After initial recognition, investments have been classified as designated "fair value through profit or loss". Gains and losses on investments are recognised in the Statements of Comprehensive Income. Investment performance is measured and evaluated by Key Management Personnel on the basis of fair value movement and managed in accordance with the documented investment strategy.

Investments traded in an organised financial market (traded securities) are valued at current quoted market bid price for an asset. Quoted market prices are available for listed shares, options, debentures and other equity and debt securities.

ii. *Monetary financial assets and liabilities not traded in an organised financial market*

Financial assets and liabilities related to trade debtors, trade accounts payable, accruals and dividends payable are valued on a cost basis carrying amount (which approximates fair value).

iii. *Gold bullion*

Gold bullion is valued at fair value current quoted market price.

iv. *Receivables*

Receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost. Receivables are included in current assets, except for those which are not expected to mature within 12 months following the end of the reporting period.

v. *Financial liabilities*

Non-derivative financial liabilities are subsequently measured at amortised cost and can include trade accounts payable and accrued expense provisions.

e. Derivative financial instruments

The VGT, GEH, ASV and GDG use derivative financial instruments such as foreign currency contracts to hedge risks associated with foreign currency fluctuations. Such derivative financial instruments are stated at fair value.

The fair value of forward contracts is calculated by reference to current forward exchange rates for contracts with similar maturity profiles.

Gains and losses arising from changes in fair value are taken directly to the Statements of Comprehensive Income.

f. Foreign currency transactions

All foreign currency transactions during the year have been brought to account using the exchange rate in effect at the date of transaction. Foreign currency monetary items at balance date are translated at the exchange rate existing at that date.

Gains and losses on amounts denominated in foreign currency (other than investments) are separately disclosed as foreign currency gains or losses in the Statements of Comprehensive Income in the year in which the exchange rates change.

g. Distributions

Distributions to unitholders comprise the taxable income (including assessable capital gains) of each Fund. The distributions are payable at the end of each December and June each year.

h. Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of Goods and Services Tax (GST), except:

- i. where the amount of GST incurred is not recoverable from the taxation authority, the GST amount is recognised as part of the cost of acquisition of an asset or as an expense.
- ii. for receivables and payables, which are recognised inclusive of GST.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables.

Cash flows are included in the Statements of Cash Flows on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from or payable to the taxation authority is classified as cash flows from operating activities.

i. Transfer to/from net assets attributable to unitholders

Non-distributable income is retained as net assets attributable to unitholders and consists of unrealised changes in the fair value of investments, accrued income not yet assessable, expenses provided for or accrued which are not yet deductible, net capital losses and tax free or tax deferred income.

2. Summary of Significant Accounting Policies *continued*

j. Exit price

The unit exit price is calculated in accordance with each Fund's Constitution and is determined by the value of the assets (based on a last sale valuation) of each Fund less its liabilities for estimated transaction costs, divided by the number of units on issue.

k. Payables

Trade payables and other accounts payable are recognised when each Fund becomes obliged to make future payments resulting from the purchase of securities. The amounts are unsecured and are usually paid within three days of recognition.

l. Receivables

Trade and other receivables may include amounts for dividends, interest and securities sold where settlement has not yet occurred. Amounts are generally received within 3 days of being recorded as receivables. Dividends are accrued when the right to receive payment is established.

m. Applications and redemptions

Applications received for units in each of the Funds are recorded net of any entry fees payable prior to the issue of units in each Fund. No exit fees are charged. Unit prices are determined by reference to the net assets of each Fund based on a last sale valuation divided by the number of units on issue at close of business each day.

All or part of an investment can be switched between the Hunter Hall Equity Funds. This facility is free of any entry fees for up to four switches per financial year however

transaction costs will apply for the redemption and application components of each switch. Further details can be found in the Hunter Hall Equity Funds Product Disclosure Statement.

n. Critical accounting estimates and judgements

The Responsible Entity evaluates estimates and judgements incorporated into the Financial Report of each Fund based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and internally.

o. Financial year end comparatives

ASV and GEH were created during the year and were established on 28 February 2011. Hence the financial year for ASV and GEH represents the 4 month period ended 30 June 2011 and there are no comparative figures for these entities.

p. Standards, amendments and interpretations to existing standards that are not yet effective and have not been adopted early by the Funds

The AASB has issued new and amended accounting standards and interpretations that have mandatory application dates for future reporting periods. The Funds have decided against early adoption of these standards. A discussion of those future requirements and their impact on the Funds follows.

AASB 9: Financial Instruments (December 2010) (applicable for annual reporting periods commencing on or after 1 January 2013)

This standard is applicable retrospectively and includes revised requirements for the classification and measurement of financial instruments, as well as recognition and derecognition requirements for financial instruments. The Responsible Entity has not yet determined any potential impact on the financial statements.

The key changes made to accounting requirements include:

- simplifying the classifications of financial assets into those carried at amortised cost and those carried at fair value;
- simplifying the requirements for embedded derivatives,
- removing the tainting rules associated with held-to-maturity assets,
- removing the requirements to separate and fair value embedded derivatives for financial assets carried at amortised cost,
- allowing an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument, and
- requiring an entity that chooses to measure a financial liability at fair value to present the portion of the change in its fair value due to changes in the entity's own credit risk in other comprehensive income, except when that would create an accounting mismatch. If such a mismatch would be created or enlarged, the entity is required to present all changes in fair value (including the effects of changes in the credit risk of the liability) in profit or loss.

AASB 2010 – 4: Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 101 & AASB 134 and Interpretation 13] (applicable for annual reporting periods commencing on or after 1 January 2011)

This Standard details numerous non-urgent but necessary changes to Accounting Standards arising from the IASB's annual improvements project. Key changes include:

- clarifying the application of *AASB 108* prior to an entity's first Australian Accounting Standards financial statements,
- adding an explicit statement to *AASB 7* that qualitative disclosures should be made in context of the quantitative disclosures to better enable user to evaluate an entity's exposure to risks arising from financial instruments,
- amending *AASB 101* to the effect that disaggregation of changes in each component of equity arising from transactions recognised in other comprehensive income is required to be presented, but is permitted to be presented in the statement of changes in equity or in the notes,
- adding a number of examples to the list of events or transactions that require disclosure under *AASB 134*, and
- making sundry editorial changes to various Standards and Interpretations.

The Responsible Entity has not yet determined any potential impact on the financial statements.

AASB 2010 - 7: Amendments to Australian Accounting Standards arising from AASB 9 (December 2010) [*AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 112, 118, 120, 121, 127, 128, 131, 132, 136, 137, 139, 1023, 1038* and Interpretations 2, 5, 10, 12, 19 & 127] (applies to periods beginning on or after 1 January 2013)

This Standard makes amendments to a range of Australian Accounting Standards and Interpretations as a consequence of the issuance of *AASB 9: Financial Instruments* in December 2010. Accordingly, these amendments will only apply when the Funds adopt AASB 9. As noted above, the Responsible Entity has not yet determined any potential impact on the financial statements from adopting AASB 9.

AASB 1054: Australian Additional Disclosures

This Standard is as a consequence of phase 1 of the joint Trans-Tasman Convergence project of the AASB & FRSB. This Standard relocates all Australian specific disclosures from other standards to one place and revises disclosures in the following areas:

- Compliance with Australian Accounting Standards,
- The statutory basis or reporting framework for financial statements,
- Whether the financial statements are general purpose or special purpose,
- Audit fees,
- Imputation credits,
- Reconciliation of net operating cash flow to profit (loss).

This Standard is not expected to have a significant impact on the financial statements of the Funds.

AASB 13: Fair Value Measurement

This standard includes a definition of fair value and provides guidance on fair value measurement. *AASB 13* will become mandatory for the Funds' 30 June 2014 financial statements. This standard is applied retrospectively. The Responsible Entity has not yet determined the potential effect of the standard.

3. Changes in Fair Value of Investments

	VGT		GET		GEH		ASV		AVT		GDG	
	2011 \$	2010 \$	2011 \$	2010 \$	2011 \$	2010 \$	2011 \$	2010 \$	2011 \$	2010 \$	2011 \$	2010 \$
Designated at fair value through profit and loss - equity investments, gold bullion and units in unlisted schemes:												
Realised changes in fair value of investments	68,313,760	(36,987,746)	25,845,821	(12,213,313)	-	-	(18,485)	-	11,507,805	1,018,226	341,853	198,682
Unrealised changes in fair value of investments	(29,829,074)	163,258,665	(12,412,401)	50,166,421	(55,012)	-	(28,965)	-	1,593,171	15,464,706	(99,005)	726,828
Held for trading - derivative financial instruments:												
Realised changes in fair value of investments	26,420,313	52,411,909	-	-	30,982	-	1,514	-	-	-	49,914	-
Unrealised changes in fair value of investments	19,216,802	(27,454,451)	-	-	6,556	-	7,193	-	-	-	33,250	-
	84,121,801	151,228,377	13,433,420	37,953,108	(17,474)	-	(38,743)	-	13,100,976	16,482,932	326,012	925,510

4. Distributions Paid and Payable

	VGT		GET		GEH		ASV		AVT		GDG	
	2011 \$	2010 \$	2011 \$	2010 \$	2011 \$	2010 \$	2011 \$	2010 \$	2011 \$	2010 \$	2011 \$	2010 \$
Dividend income	7,780,024	9,286,134	-	-	-	-	-	-	1,778,538	816,225	-	-
Net capital gains	-	-	-	-	-	-	-	-	2,347,897	-	-	-
Foreign income	7,847,536	13,403,857	-	-	-	-	2,483	-	26	8	-	-
Australian income	16,232,004	40,506,014	-	-	31,622	-	1,844	-	304,536	118,551	-	-
Franking credits	(3,166,543)	(4,256,311)	-	-	-	-	-	-	(878,998)	(437,232)	-	-
Foreign tax credits	(1,086,786)	(2,241,724)	-	-	-	-	(326)	-	-	-	-	-
	27,606,235	56,697,970	-	-	31,622	-	4,001	-	3,551,999	497,552	-	-
Represented by:												
Distribution paid - December	11,825,375	29,110,552	-	-	-	-	-	-	1,159,354	497,552	-	-
Distribution payable - June	15,780,860	27,587,418	-	-	31,622	-	4,001	-	2,392,645	-	-	-
	27,606,235	56,697,970	-	-	31,622	-	4,001	-	3,551,999	497,552	-	-

	VGT		GET		GEH		ASV		AVT		GDG	
	2011 c/unit	2010 c/unit	2011 c/unit	2010 c/unit	2011 c/unit	2010 c/unit	2011 c/unit	2010 c/unit	2011 c/unit	2010 c/unit	2011 c/unit	2010 c/unit
Dividend income	1.4975	1.7709	-	-	-	-	-	-	2.8797	1.2352	-	-
Net capital gains	-	-	-	-	-	-	-	-	3.8311	-	-	-
Foreign income	1.5141	2.5541	-	-	-	-	0.1983	-	-	-	-	-
Australian income	3.1335	7.7059	-	-	2.7317	-	0.1473	-	0.4924	0.1794	-	-
Franking credits	(0.6093)	(0.8134)	-	-	-	-	-	-	(1.4253)	(0.6617)	-	-
Foreign tax credits	(0.2103)	(0.4280)	-	-	-	-	(0.0260)	-	-	-	-	-
	5.3255	10.7895	-	-	2.7317	-	0.3196	-	5.7779	0.7529	-	-
Represented by:												
Distribution paid - December	2.2686	5.5458	-	-	-	-	-	-	1.8738	0.7529	-	-
Distribution payable - June	3.0569	5.2437	-	-	2.7317	-	0.3196	-	3.9041	-	-	-
	5.3255	10.7895	-	-	2.7317	-	0.3196	-	5.7779	0.7529	-	-

5. Expenses

a. Management fees

In accordance with each of the Funds' Constitutions, the Responsible Entity is entitled to:

		Value Growth Trust	Global Ethical Trust	Global Ethical Trust - Hedged	Asian Value Trust	Australian Value Trust	Global Deep Green Trust
Management fees ⁽¹⁾	Paid monthly	1.6% ⁽²⁾	1.80% ⁽³⁾	1.80% ⁽³⁾	1.45% ⁽³⁾	1.80% ⁽³⁾	1.60% ⁽³⁾
Performance fee ⁽⁴⁾	Paid 30 June and 31 December	Australian All Ordinaries Accumulation Index	MSCI World Total Return Index, Net Dividends Reinvested in Australian Dollars	GEH assets are almost entirely invested in the GET and this investment is, in turn, subject to any performance fee accrued in the GET	MSCI All Countries Asia Total Return Index, Net Dividends Reinvested in Australian Dollars	Australian All Ordinaries Accumulation Index	MSCI World Total Return Index, Net Dividends Reinvested in Australian Dollars

(1) The method of calculating the fee is detailed in the Constitutions and summarised in the current Product Disclosure Statement.

(2) Of net asset value, of which 0.1% is paid quarterly for the VGT.

(3) Of net asset value.

(4) Performance Fee is 15% of any outperformance of the applicable benchmark. The method of calculating the fee is detailed in the Constitutions and summarised in the current Product Disclosure Statement.

The amounts paid or payable to the Responsible Entity in accordance with each of the Funds' Constitutions were:

	VGT		GET		GEH		ASV		AVT		GDG	
	2011 \$	2010 \$	2011 \$	2010 \$	2011 \$	2010 \$	2011 \$	2010 \$	2011 \$	2010 \$	2011 \$	2010 \$
Management fees	18,492,654	18,080,779	5,385,637	6,319,910	-	-	5,575	-	1,718,157	1,640,726	124,815	148,181
Performance fees	-	-	-	-	-	-	-	-	-	-	-	172,854
	18,492,654	18,080,779	5,385,637	6,319,910	-	-	5,575	-	1,718,157	1,640,726	124,815	321,035

b. Other operating expenses

	VGT		GET		GEH		ASV		AVT		GDG	
	2011 \$	2010 \$	2011 \$	2010 \$	2011 \$	2010 \$	2011 \$	2010 \$	2011 \$	2010 \$	2011 \$	2010 \$
Accounting and administration costs	1,386,418	1,356,064	358,866	421,163	-	-	-	-	114,670	109,543	-	-
Sundry expenses	1,207,820	1,077,136	324,675	388,487	141	-	300	-	147,649	155,463	6,479	9,658
Custody expenses	395,205	413,434	179,879	218,286	-	-	-	-	43,290	38,713	-	-
ICR Cap fee	-	-	-	-	890	-	961	-	-	-	27,303	32,415
	2,989,443	2,846,634	863,420	1,027,936	1,031	-	1,261	-	305,609	303,719	33,782	42,073

c. Auditor's remuneration

Auditor's remuneration expense has been included in Sundry expenses in Note 5b.

	VGT		GET		GEH		ASV		AVT		GDG	
	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Audit services:												
Audit and review of Financial Report	37,433	36,100	37,433	36,100	5,333	-	5,333	-	37,433	36,100	19,433	18,250
Other audit and assurance services:	669	-	669	-	-	-	-	-	669	-	669	-
	38,102	36,100	38,102	36,100	5,333	-	5,333	-	38,102	36,100	20,102	18,250

d. Indirect Cost Ratio (ICR) related expenses

The ICR is a measure of the additional expenses incurred by unitholders as a result of investing in each of the Funds. The majority of these expenses comprise fees paid to the Responsible Entity and the Custodian. Expenses that would otherwise be incurred by a direct investor, such as transaction costs, brokerage, government taxes and charges on purchases and sales, are excluded.

The ICR of each of the Funds is calculated in accordance with the Government's Enhanced Fee Disclosure measures (Corporations Amendment Regulations 2005), as shown in the following table. The table combines the expenses incurred directly by each of the Funds and those incurred indirectly through investments in other managed investment schemes.

	VGT		GET		GEH		ASV		AVT		GDG	
	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
ICR related expenses incurred by the Funds												
Including performance fees	21,477,191	20,924,482	6,247,866	7,346,898	2,712	-	20,025	-	2,023,434	1,944,262	155,954	362,272
Excluding performance fees	21,477,191	20,924,482	6,247,866	7,346,898	2,712	-	20,025	-	2,023,434	1,944,262	155,954	185,097
	VGT		GET		GEH		ASV		AVT		GDG	
	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010
	%	%	%	%	%	%	%	%	%	%	%	%
ICR												
Including performance fees	1.87	1.85	2.09	2.09	2.33	-	1.74	-	2.12	2.13	2.00	3.91
Excluding performance fees	1.87	1.85	2.09	2.09	2.33	-	1.74	-	2.12	2.13	2.00	2.00

6. Cash Flow Information

a. Reconciliation of cash and cash equivalents

	VGT		GET		GEH		ASV		AVT		GDG	
	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Cash balance comprises:												
Cash at bank	195,594,348	151,411,881	53,921,990	50,466,350	80,864	-	397,642	-	15,925,381	17,499,207	813,550	2,541,415
Total cash and cash equivalents	195,594,348	151,411,881	53,921,990	50,466,350	80,864	-	397,642	-	15,925,381	17,499,207	813,550	2,541,415

b. Reconciliation of profit for the year to the net cash flows used in operating activities

	VGT		GET		GEH		ASV		AVT		GDG	
	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Changes in net assets attributable to unitholders	56,016,131	96,777,486	6,383,381	24,114,082	(48,688)	-	(39,369)	-	10,605,744	16,710,424	(46,828)	571,002
Distribution to unitholders	27,606,235	56,697,970	-	-	31,622	-	4,001	-	3,551,999	497,552	-	-
Changes in the fair value of investments	(84,121,801)	(151,228,377)	(13,433,420)	(37,953,108)	17,474	-	38,743	-	(13,100,976)	(16,482,932)	(326,012)	(925,510)
Realised foreign exchange movements	6,069,357	3,710,747	5,342,012	13,338,578	-	-	580	-	561	137	304,413	133,381
Changes in working capital:												
Change in trade and other receivables	1,184,969	(988,100)	710,397	(444,236)	(762)	-	(1,972)	-	21,754	(180,495)	14,172	(8,808)
Change in trade and other payables	185,184	107,212	(14,311)	(3,998,484)	232	-	1,857	-	34,102	16,636	(4,151)	(165,408)
Net cash provided by/(used in) operating activities	6,940,075	5,076,938	(1,011,941)	(4,943,168)	(122)	-	3,840	-	1,113,184	561,322	(58,406)	(395,343)

c. Non-cash financing and investment activities

During the year distributions were reinvested by unitholders for additional units in the Funds as shown in the following table:

	VGT		GET		GEH		ASV		AVT		GDG	
	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Distribution reinvested	12,912,036	10,004,539	-	-	-	-	-	-	210,037	206,764	-	-
	12,912,036	10,004,539	-	-	-	-	-	-	210,037	206,764	-	-

7. Financial assets held at fair value through profit and loss

	VGT		GET		GEH		ASV		AVT		GDG	
	2011 \$	2010 \$	2011 \$	2010 \$	2011 \$	2010 \$	2011 \$	2010 \$	2011 \$	2010 \$	2011 \$	2010 \$
Designated at fair value through profit and loss - equity investments and units in unlisted schemes	876,173,131	914,636,008	199,254,176	249,403,895	1,055,643	-	947,164	-	71,931,938	63,198,942	5,564,724	6,357,370
Held for trading - derivative financial Instruments	9,587,404	(9,629,398)	-	-	6,556	-	7,193	-	-	-	33,250	-
Gold Bullion at fair value through profit and loss	30,066,579	30,621,326	18,095,952	18,700,878	-	-	-	-	2,704,207	1,852,251	-	-
	915,827,114	935,627,936	217,350,128	268,104,773	1,062,199	-	954,357	-	74,636,145	65,051,193	5,597,974	6,357,370

The following investments constitute 5% or more of the total value of investments of each of the Funds:

2011 VGT				2010 VGT			
Company	Main business	Market value \$	Total value of investments %	Company	Main business	Market value \$	Total value of investments %
Sirtex Medical Limited	liver cancer treatments	59,766,202	6.6	Sirtex Medical Limited	liver cancer treatments	59,521,980	6.3

2011 GET				2010 GET			
Company	Main business	Market value \$	Total value of investments %	Company	Main business	Market value \$	Total value of investments %
Gold Bullion Perth Mint	gold	17,915,552	8.2	Woongjin Thinkbig Co Limited	education services	19,678,780	7.3
BTG Plc	medical devices	10,989,925	5.1	Gold	gold	18,700,878	7.0
				Virgin Media INC.	broadband communications	16,057,251	6.0

2011 GEH				2010 GEH			
Company	Main business	Market value \$	Total value of investments %	Company	Main business	Market value \$	Total value of investments %
Hunter Hall Global Ethical Trust	global investment fund	1,055,643	100	-	-	-	-

There is no comparative table of investments above 5% for GEH as it was established on 28 February 2011.

NOTES to the Financial Statements

Year ended 30 June 2011

7. Financial assets held at fair value through profit and loss *continued*

2011 ASV				2010 ASV			
Company	Main business	Market value \$	Total value of investments %	Company	Main business	Market value \$	Total value of investments %
Allahabad Bank	bank	65,658	6.9	-	-	-	-
Consciencefood Holdings Ltd	food processor	64,444	6.8				
Tulip Telecom Ltd	data communication infrastructure	64,433	6.8				
Woongjin Coway Co Ltd	water purifiers	58,819	6.2				
TOBA INC	capital goods wholesaler	52,939	5.6				
Woongjin Thinkbig Co Limited	education services	47,593	5.0				

There is no comparative table of investments above 5% for ASV as it was established on 28 February 2011.

2011 AVT				2010 AVT			
Company	Main business	Market value \$	Total value of investments %	Company	Main business	Market value \$	Total value of investments %
M2 Telecommunications Group Limited	telecommunications	6,663,084	7.9	Sirtex Medical Limited	liver cancer treatments	5,743,794	8.8
St Barbara Ltd	gold explorer and producer	5,216,716	7.0	M2 Telecommunications Group Limited	telecommunications	5,461,823	8.4
Sirtex Medical Limited	liver cancer treatments	5,172,440	6.9	Decmil Group Limited	engineering services	4,104,000	6.2
Bionomics	cancer treatment	4,675,000	6.3				
Decmil Group Limited	engineering services	4,401,325	5.9				
PMP Ltd	printing and distribution	4,007,964	5.4				

2011 GDG				2010 GDG			
Company	Main business	Market value \$	Total value of investments %	Company	Main business	Market value \$	Total value of investments %
Sirtex Medical Limited	liver cancer treatments	708,050	12.7	Sirtex Medical Limited	liver cancer treatments	1,083,135	17.0
BTG Plc	medical devices	527,148	9.5	Velosi Limited	quality control	679,215	10.7
Interdigital Inc	wireless technologies	481,878	8.7	Symphony Environmental Technologies Limited	biodegradable plastics	626,232	9.9
Biota Holdings Limited	pharmaceuticals	396,570	7.3	Catch The Wind Limited	wind sensor systems	598,866	9.4
Symphony Environmental Technologies Limited	biodegradable plastics	335,430	6.0	CBD Energy Limited	energy services	404,713	6.4

8. Trade and Other Receivables

	VGT		GET		GEH		ASV		AVT		GDG	
	2011 \$	2010 \$	2011 \$	2010 \$	2011 \$	2010 \$	2011 \$	2010 \$	2011 \$	2010 \$	2011 \$	2010 \$
Amounts owing on investments sold	8,632,451	5,956,707	2,966,872	1,867,405	-	-	-	-	94,848	-	21,805	30,656
Goods and Services Tax recoverable	545,138	503,890	141,910	161,582	49	-	472	-	51,251	45,062	3,623	4,510
Interest receivable	544,912	409,552	57,153	119,025	712	-	365	-	119,720	170,206	1,128	6,338
Dividends accrued	1,538,421	2,899,395	370,584	999,527	-	-	1,135	-	75,268	52,725	3,242	11,327
Sundry receivables - prepayments	-	-	113,431	113,431	-	-	-	-	-	-	-	-
	11,260,922	9,769,544	3,649,950	3,260,970	761	-	1,972	-	341,087	267,993	29,798	52,831

9. Trade and Other Payables

	VGT		GET		GEH		ASV		AVT		GDG	
	2011 \$	2010 \$	2011 \$	2010 \$	2011 \$	2010 \$	2011 \$	2010 \$	2011 \$	2010 \$	2011 \$	2010 \$
Payable to related parties:												
Payable to Responsible Entity	1,834,997	1,816,444	447,561	531,926	-	-	1,583	-	150,811	137,472	9,939	13,373
Payable to Director related entities - administration fees	229,411	98,062	56,240	28,767	-	-	-	-	19,101	7,467	-	-
Payable to other parties:												
Amounts owing on investments purchased	6,076,489	893,715	431,620	-	-	-	135,023	-	363,696	442,981	-	5,017
Other payables	393,044	357,159	191,296	148,678	232	-	274	-	149,060	139,929	1,998	2,691
	8,533,941	3,165,380	1,126,717	709,371	232	-	136,880	-	682,668	727,849	11,937	21,081

10. Distributions Payable

	VGT		GET		GEH		ASV		AVT		GDG	
	2011 \$	2010 \$	2011 \$	2010 \$	2011 \$	2010 \$	2011 \$	2010 \$	2011 \$	2010 \$	2011 \$	2010 \$
Distribution payable	15,780,860	27,587,418	-	-	31,622	-	4,001	-	2,392,645	-	-	-
	15,780,860	27,587,418	-	-	31,622	-	4,001	-	2,392,645	-	-	-

11. Net Assets Attributable to Unitholders

a. Movements in unitholders' funds during the year

	VGT		GET		GEH		ASV		AVT		GDG	
	2011 \$	2010 \$	2011 \$	2010 \$	2011 \$	2010 \$	2011 \$	2010 \$	2011 \$	2010 \$	2011 \$	2010 \$
At the beginning of the year	1,066,056,563	950,631,900	321,122,722	347,733,332	-	-	-	-	82,090,544	67,304,920	8,930,535	7,067,537
Applications	125,637,557	156,676,154	19,394,261	43,306,596	1,160,658	-	1,252,459	-	13,826,389	13,746,084	612,950	1,623,001
Redemptions	(162,254,704)	(148,033,516)	(73,105,013)	(94,031,288)	-	-	-	-	(18,905,414)	(15,877,648)	(3,067,272)	(331,005)
Distribution reinvestment	12,912,036	10,004,539	-	-	-	-	-	-	210,037	206,764	-	-
Changes in net assets attributable to unitholders	56,016,131	96,777,486	6,383,381	24,114,082	(48,688)	-	(39,369)	-	10,605,744	16,710,424	(46,828)	571,002
Net assets attributable to unitholders at year end	1,098,367,583	1,066,056,563	273,795,351	321,122,722	1,111,970	-	1,213,090	-	87,827,300	82,090,544	6,429,385	8,930,535

The Funds consider their capital to be Unitholders' Funds. The Funds manage their Net Assets Attributable to Unitholders as capital, notwithstanding Net Assets Attributable to Unitholders are classified as a liability.

The objective of each of the Funds is to increase the wealth of its investors by substantially outperforming its relevant benchmark over the medium to long term without incurring significant risk to capital, in accordance with its respective investment guidelines as set out in the current Product Disclosure Statement and in accordance with the provisions of its Constitution. The Responsible Entity has adopted a policy to hedge against foreign exchange rate movements through short term forward contracts in the ASV, GDG, GEH and VGT. The AVT and GET are unhedged.

The Funds are not subject to any externally imposed capital requirements.

b. Rights of unitholders

Ordinary units participate in distributions and the proceeds on winding up of the trust in proportion to the number of units held.

12. Number of Issued Units

	VGT		GET		GEH		ASV		AVT		GDG	
	2011 units	2010 units	2011 units	2010 units	2011 units	2010 units	2011 units	2010 units	2011 units	2010 units	2011 units	2010 units
On issue at the beginning of the year	527,519,637	519,512,806	297,745,795	345,520,592	-	-	-	-	64,703,009	66,220,411	9,668,104	8,409,599
Units issued during the year	56,624,488	73,000,465	17,322,314	40,708,041	1,157,557	-	1,251,897	-	8,925,867	9,886,174	654,106	1,595,552
Units redeemed during the year	(74,074,182)	(69,485,959)	(66,481,546)	(88,482,838)	-	-	-	-	(12,475,960)	(11,570,026)	(3,216,184)	(337,047)
Distribution reinvestment	6,156,438	4,492,325	-	-	-	-	-	-	133,022	166,450	-	-
On issue at year end	516,226,381	527,519,637	248,586,563	297,745,795	1,157,557	-	1,251,897	-	61,285,938	64,703,009	7,106,026	9,668,104

13. Related Party Disclosures

a. Hunter Hall Investment Management Limited

Hunter Hall Investment Management Limited (ACN 063 081 612) as the Responsible Entity of each Fund provides accounting, treasury and investment services to each Fund in accordance with each Funds' Constitution. Transactions with the Responsible Entity are undertaken on normal commercial terms and conditions.

During the year the following amounts were paid and payable to the Responsible Entity in accordance with the Constitutions:

	VGT		GET		GEH		ASV		AVT		GDG	
	2011 \$	2010 \$	2011 \$	2010 \$	2011 \$	2010 \$	2011 \$	2010 \$	2011 \$	2010 \$	2011 \$	2010 \$
Management fees	18,492,654	18,080,779	5,385,637	6,319,910	-	-	5,575	-	1,718,157	1,640,726	124,815	148,181
Performance fees	-	-	-	-	-	-	-	-	-	-	-	172,854
ICR Cap fee	-	-	-	-	890	-	961	-	-	-	27,303	32,415
	18,492,654	18,080,779	5,385,637	6,319,910	890	-	6,536	-	1,718,157	1,640,726	152,118	353,450

The amounts payable at 30 June 2011 to the Responsible Entity, inclusive of GST but before input tax credits, in accordance with the Constitutions, were:

	VGT		GET		GEH		ASV		AVT		GDG	
	2011 \$	2010 \$	2011 \$	2010 \$	2011 \$	2010 \$	2011 \$	2010 \$	2011 \$	2010 \$	2011 \$	2010 \$
Entry fees	3,823	12,776	2,805	174	-	-	4	-	1,408	21	74	40
Management fees	1,834,997	1,816,444	447,561	531,926	-	-	1,583	-	150,811	137,472	9,939	13,373
Performance fees	-	-	-	-	-	-	-	-	-	-	-	-
ICR Cap fee	-	-	-	-	232	-	274	-	-	-	1,998	2,662
	1,838,820	1,829,220	450,366	532,100	232	-	1,861	-	152,219	137,493	12,011	16,075

13. Related Party Disclosures *continued*

b. Bennelong Administration Services Pty Ltd

Bennelong Administration Services Pty Ltd is a wholly owned subsidiary of Hunter Hall International Limited, the parent company of the Responsible Entity. Bennelong Administration Services Pty Ltd provides administration services to the Responsible Entity.

During the year the following amounts were paid to Bennelong Administration Services Pty Ltd:

	VGT		GET		GEH		ASV		AVT		GDG	
	2011 \$	2010 \$	2011 \$	2010 \$	2011 \$	2010 \$	2011 \$	2010 \$	2011 \$	2010 \$	2011 \$	2010 \$
Administration fees	1,386,418	1,356,064	358,866	421,163	-	-	-	-	114,670	109,543	-	-
	1,386,418	1,356,064	358,866	421,163	-	-	-	-	114,670	109,543	-	-

The amounts payable at 30 June 2011 to Bennelong Administration Services Pty Ltd, inclusive of GST but before input tax credits, were:

	VGT		GET		GEH		ASV		AVT		GDG	
	2011 \$	2010 \$	2011 \$	2010 \$	2011 \$	2010 \$	2011 \$	2010 \$	2011 \$	2010 \$	2011 \$	2010 \$
Administration fees	229,411	98,062	56,240	28,767	-	-	-	-	19,101	7,467	-	-
	229,411	98,062	56,240	28,767	-	-	-	-	19,101	7,467	-	-

14. Geographical Exposure

The Hunter Hall Equity Funds have investment exposures in different countries which are shown below. Each Fund invests in securities listed or to be listed on stock exchanges, unlisted securities and fixed interest securities. Details of the geographical exposures of investments were as follows:

VGT	30 June 2011			30 June 2010		
	Income and gains/(losses) on investments \$	Market value \$	Portfolio share %	Income and gains/(losses) on investments \$	Market value \$	Portfolio share %
Geographical exposure:						
Australia and New Zealand	12,808,876	323,331,104	29.1	76,009,807	342,655,184	31.5
India	(343,946)	54,340,546	4.9	41,767,858	92,629,375	8.5
Japan	(5,382,850)	34,322,276	3.1	4,436,698	50,391,792	4.6
Korea	(24,776,108)	57,601,409	5.2	9,700,273	92,775,956	8.5
Other Asia	(463,854)	21,397,589	1.9	550,058	17,950,103	1.7
United Kingdom	8,296,042	47,004,853	4.2	6,936,440	74,554,527	6.9
Other Europe	43,770,672	121,722,918	11.0	(15,531,002)	69,935,033	6.4
Canada	(11,581,657)	34,604,725	3.1	1,179,585	44,621,640	4.1
USA	35,173,730	208,754,018	18.8	20,620,643	146,065,302	13.4
Other Americas	4,474,877	3,160,272	0.3	875,873	13,678,421	1.3
Foreign exchange hedge contracts	45,637,114	9,587,404	0.8	24,957,458	(9,629,398)	(0.9)
Sub-total	107,612,896	915,827,114	82.4	171,503,691	935,627,935	86.0
Cash	3,560,924	195,594,348	17.6	6,609,925	151,411,883	14.0
Total	111,173,820	1,111,421,462	100.0	178,113,616	1,087,039,818	100.0

As at 30 June 2011 52.7% (2010: 56.3%) of the VGT's assets were held in foreign stocks and fixed interest.

NOTES to the Financial Statements

Year ended 30 June 2011

14. Geographical Exposure *continued*

GET	30 June 2011			30 June 2010		
	Income and gains/(losses) on investments \$	Market value \$	Portfolio share %	Income and gains/(losses) on investments \$	Market value \$	Portfolio share %
Geographical exposure:						
Australia and New Zealand	(658,299)	17,915,552	6.6	4,438,279	18,700,878	5.9
India	3,138,587	18,111,057	6.7	15,628,030	30,068,641	9.4
Japan	(5,725,808)	24,728,953	9.1	5,231,079	35,343,313	11.1
Korea	(6,959,659)	13,342,192	4.9	4,003,216	32,228,253	10.1
Other Asia	(430,459)	6,980,955	2.6	(893,357)	5,419,403	1.7
United Kingdom	3,247,688	17,467,556	6.4	3,386,431	30,523,692	9.6
Other Europe	19,675,577	52,493,195	19.4	(5,716,308)	37,067,266	11.6
Canada	(4,844,779)	9,060,647	3.3	1,344,492	18,102,367	5.7
USA	10,195,449	56,030,215	20.7	8,073,700	52,461,050	16.4
Other Americas	1,915,786	1,219,806	0.4	343,345	8,189,910	2.6
Sub-total	19,554,083	217,350,128	80.1	35,838,907	268,104,773	84.1
Cash	(1,579,633)	53,921,990	19.9	8,961,599	50,466,350	15.9
Total	17,974,450	271,272,118	100.0	44,800,506	318,571,123	100.0

As at 30 June 2011 73.5% (2010: 78.3%) of the GET's assets were held in foreign stocks.

GEH	30 June 2011			30 June 2010		
	Income and gains/(losses) on investments \$	Market value \$	Portfolio share %	Income and gains/(losses) on investments \$	Market value \$	Portfolio share %
Geographical exposure:						
Australia and New Zealand	1,349	68,725	6.0	-	-	-
India	16,120	69,554	6.1	-	-	-
Japan	(26,517)	95,377	8.3	-	-	-
Korea	807	51,378	4.5	-	-	-
Other Asia	(3,863)	27,199	2.4	-	-	-
United Kingdom	2,989	67,547	5.9	-	-	-
Other Europe	8,826	204,789	17.9	-	-	-
Canada	(7,504)	34,886	3.1	-	-	-
USA	(38,281)	214,971	18.8	-	-	-
Other Americas	334	4,723	0.4	-	-	-
Attributable to cash in GET investment	(661)	206,820	18.1	-	-	-
Attributable to cash in GET investment	(8,611)	9,674	0.8	-	-	-
Foreign exchange hedge contracts	37,538	6,556	0.6	-	-	-
Sub-total	(17,474)	1,062,199	92.9	-	-	-
Cash	1,439	80,864	7.1	-	-	-
Total	(16,035)	1,143,063	100.0	-	-	-

As at 30 June 2011 none of the GEH's assets were held in foreign stocks.

NOTES to the Financial Statements

Year ended 30 June 2011

14. Geographical Exposure *continued*

ASV	30 June 2011			30 June 2010		
	Income and gains/(losses) on investments	Market value	Portfolio share	Income and gains/(losses) on investments	Market value	Portfolio share
	\$	\$	%	\$	\$	%
Geographical exposure:						
Other Asia	(18,290)	247,562	18.3	-	-	-
Japan	(40,264)	246,992	18.3	-	-	-
Korea	5,905	178,288	13.2	-	-	-
India	12,728	274,322	20.3	-	-	-
Foreign exchange hedge contracts	8,706	7,193	0.5	-	-	-
Sub-total	(31,215)	954,357	70.6	-	-	-
Cash	3,263	397,642	29.4	-	-	-
Total	(27,952)	1,351,999	100.0	-	-	-

As at 30 June 2011 70.1% of the ASV's assets were held in foreign stocks.

AVT	30 June 2011			30 June 2010		
	Income and gains/(losses) on investments	Market value	Portfolio share	Income and gains/(losses) on investments	Market value	Portfolio share
	\$	\$	%	\$	\$	%
Geographical exposure:						
Australia	15,541,840	74,636,145	82.4	18,510,532	65,051,193	78.8
New Zealand	-	-	-	(18,235)	-	0.0
Sub-total	15,541,840	74,636,145	82.4	18,492,297	65,051,193	78.8
Cash	640,230	15,925,381	17.6	660,260	17,499,207	21.2
Total	16,182,070	90,561,526	100.0	19,152,557	82,550,400	100.0

As at 30 June 2011 nil (2010: nil) of the AVT's assets were held in foreign stocks.

GDG	30 June 2011			30 June 2010		
	Income and gains/(losses) on investments \$	Market value \$	Portfolio share %	Income and gains/(losses) on investments \$	Market value \$	Portfolio share %
Geographical exposure:						
Australia and New Zealand	124,873	1,461,388	22.8	343,399	2,504,360	28.2
India	(5,015)	509,631	7.9	131,982	256,160	2.9
Other Asia	(94,303)	120,264	1.9	-	-	0.0
United Kingdom	566,471	1,879,145	29.3	500,486	2,144,223	24.1
Other Europe	97,824	340,445	5.3	27,144	339,228	3.8
Canada	(487,522)	156,952	2.5	(7,675)	598,866	6.7
USA	(104,141)	992,097	15.5	(92,433)	172,150	1.9
Other Americas	74,218	104,802	1.6	17,720	342,383	3.8
Foreign exchange hedge contracts	83,165	33,250	0.5	-	-	-
Sub-total	255,570	5,597,974	87.3	920,623	6,357,370	71.4
Cash	160,612	813,550	12.7	146,868	2,541,415	28.6
Total	416,182	6,411,524	100.0	1,067,491	8,898,785	100.0

As at 30 June 2011 64.9% (2010: 45.4%) of the GDG's assets were held in foreign stocks.

15. Financial Risk Management

Each Fund's financial instruments consist mainly of deposits with banks, investments, accounts receivable and payable. The VGT, GDG, GEH and ASV use derivatives, such as forward exchange contracts, for economic hedging purposes. The Funds do not speculate in the trading of derivative instruments.

The capital structure of the Funds consists of cash and cash equivalents and the proceeds from the issue of the units of the Funds. The Responsible Entity aims to ensure that there is sufficient capital for possible redemptions by unitholders by maintaining a minimum of 5% of total investments in cash and cash equivalents for each Fund. The Funds have no restrictions on specific capital requirements on the application and redemption of units. Each Fund's overall investment strategy remains unchanged from the prior year.

Financial instruments held by each of the Funds:

	VGT		GET		GEH		ASV		AVT		GDG	
	2011 \$	2010 \$	2011 \$	2010 \$	2011 \$	2010 \$	2011 \$	2010 \$	2011 \$	2010 \$	2011 \$	2010 \$
Financial assets												
Cash and cash equivalents	195,594,348	151,411,881	53,921,990	50,466,350	80,864	-	397,642	-	15,925,381	17,499,207	813,550	2,541,415
Designated at fair value through profit and loss - equity investments, gold bullion and units in unlisted schemes	906,239,710	945,257,334	217,350,128	268,104,773	1,055,643	-	947,164	-	74,636,145	65,051,193	5,564,724	6,357,370
Held for trading - derivative financial Instruments	9,587,404	(9,629,398)	-	-	6,556	-	7,193	-	-	-	33,250	-
Loans and receivables	11,260,922	9,769,544	3,649,950	3,260,970	761	-	1,972	-	341,087	267,993	29,798	52,831
	1,122,682,384	1,096,809,361	274,922,068	321,832,093	1,143,824	-	1,353,971	-	90,902,613	82,818,393	6,441,322	8,951,616

Loans and receivables presented above represent balances owing from investments sold, receivables from interest and dividends and other receivables as detailed in Note 8.

	VGT		GET		GEH		ASV		AVT		GDG	
	2011 \$	2010 \$	2011 \$	2010 \$	2011 \$	2010 \$	2011 \$	2010 \$	2011 \$	2010 \$	2011 \$	2010 \$
Financial liabilities												
Financial liabilities measured at amortised cost	24,314,801	30,752,798	1,126,717	709,371	31,854	-	140,881	-	3,075,313	727,849	11,937	21,081
	24,314,801	30,752,798	1,126,717	709,371	31,854	-	140,881	-	3,075,313	727,849	11,937	21,081

Financial liabilities measured at amortised cost presented above represent distributions payable, payables related to related parties and balances owing on investments purchased as detailed in Notes 9 and 10.

a. Market risk

(i) Foreign exchange risk

With approximately 52.7% (2010: 56.3%) of the VGT's assets, 64.9% (2010: 45.4%) of the GDG's assets, 70.1% of ASV's assets held in foreign stocks there is a risk associated with movements in foreign exchange. The Responsible Entity has adopted a policy to hedge against exchange rate movements through short term forward contracts. See Note 15f below for further details on the derivative financial instruments used for hedging foreign exchange risk.

With 73.5% (2010: 78.3%) of the GET's assets held in foreign stocks there is a risk associated with movements in foreign exchange rates. At the balance date the AVT held nil assets in foreign stocks (2010: nil). The AVT and GET do not hedge exposure to foreign exchange risk.

With up to 100% of the GEH's assets held in GET units, the Fund is exposed to the risk associated with movements in foreign exchange rates. In order to manage this risk and thereby reduce the volatility due to foreign exchange movements, the Fund enters into forward foreign currency contracts over approximately 100% of its foreign currency exposure.

The total net exposure to fluctuations in foreign currency exchange rates were as follows:

Financial Assets

	VGT		GET		GEH		ASV		AVT		GDG	
	2011 \$	2010 \$	2011 \$	2010 \$	2011 \$	2010 \$	2011 \$	2010 \$	2011 \$	2010 \$	2011 \$	2010 \$
Currency												
Australian Dollar	439,369,860	442,130,713	29,428,295	31,255,193	194,507	-	310,768	-	90,902,605	82,811,852	2,310,406	3,292,355
Brazilian Real	7,196,527	13,678,421	2,778,929	8,189,910	10,738	-	-	-	-	-	124,853	342,383
British Pound	48,854,751	74,642,433	17,505,571	30,558,251	69,681	-	-	-	-	-	1,197,908	2,151,187
Canadian Dollar	41,995,575	45,027,160	10,794,783	18,235,272	41,537	-	-	-	-	-	205,797	599,158
Euro	75,979,658	52,278,287	32,964,255	27,653,217	126,565	-	-	-	-	-	351,447	447,919
Hong Kong Dollar	70	4,449,518	19	1,308,706	-	-	72,716	-	-	-	-	-
Indian Rupee	-	-	-	-	702	-	-	-	-	-	-	-
Japanese Yen	42,535,799	54,347,221	30,122,198	39,797,848	118,164	-	253,402	-	-	-	-	-
New Zealand Dollar	3,065,322	9,811,759	-	21	-	-	-	-	8	6,541	58,213	186,308
Norwegian Kroner	26,243,380	13,149,162	10,970,746	7,384,009	42,466	-	-	-	-	-	-	-
Philippine Peso	-	-	-	-	-	-	31,629	-	-	-	120,264	-
Singapore Dollar	17,607,671	5,862,472	4,876,349	2,367,805	19,226	-	146,247	-	-	-	26,702	122,686
Korean Won	57,828,738	92,777,343	13,342,192	32,314,343	51,378	-	178,833	-	-	-	-	-
Swedish Kroner	18,893,053	5,479,382	8,723,219	3,931,952	36,542	-	-	-	-	-	-	-
Swiss Francs	12,780,594	10,590,094	7,517,313	6,134,803	29,476	-	-	-	-	-	153,262	349,734
Taiwanese Dollar	4,851,306	1,772,637	1,947,467	737,895	7,579	-	24,260	-	-	-	-	-
Thailand Baht	4,448,550	3,174,446	668,768	181,011	2,567	-	60,713	-	-	-	-	-
United States Dollar	321,230,530	278,420,059	103,281,964	111,783,069	400,200	-	275,403	-	-	-	1,893,037	1,459,886
	1,122,881,384	1,107,591,107	274,922,068	321,833,305	1,151,328	-	1,353,971	-	90,902,613	82,818,393	6,441,889	8,951,616

NOTES to the Financial Statements

Year ended 30 June 2011

15. Financial Risk Management *continued*

a. Market risk *continued*

Financial Liabilities

	VGT		GET		GEH		ASV		AVT		GDG	
	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Currency												
Australian Dollar	22,125,010	30,232,930	695,059	709,371	34,519	-	5,832	-	3,075,313	727,849	11,917	16,034
British Pound	2,770	3,242,943	35	746	-	-	-	-	-	-	20	30
Canadian Dollar	838,490	694,650	102,330	90	548	-	-	-	-	-	567	5,017
Danish Kroner	-	857	-	376	-	-	-	-	-	-	-	-
Euro	640,514	-	157,293	-	1,518	-	-	-	-	-	-	-
Hong Kong Dollar	-	-	-	-	-	-	23,592	-	-	-	-	-
Indian Rupee	-	246,782	-	-	-	-	-	-	-	-	-	-
Japanese Yen	-	2,923,427	-	-	-	-	36,214	-	-	-	-	-
Norwegian Kroner	-	1,309	-	-	-	-	-	-	-	-	-	-
Singapore Dollar	-	-	-	-	-	-	11	-	-	-	-	-
Korean Won	-	1,214,031	-	-	2,002	-	40,148	-	-	-	-	-
Swedish Kroner	-	2	-	-	103	-	-	-	-	-	-	-
Swiss Francs	199,000	367,081	-	-	-	-	-	-	-	-	-	-
Thailand Baht	185,910	-	43,847	-	176	-	35,077	-	-	-	-	-
United States Dollar	522,107	2,610,532	128,153	-	492	-	7	-	-	-	-	-
	24,513,801	41,534,544	1,126,717	710,583	39,358	-	140,881	-	3,075,313	727,849	12,504	21,081

Sensitivity analysis

A 10% strengthening/weakening of the Australian Dollar (AUD) against the following currencies at balance date would have (decreased)/increased the net assets attributable to unitholders and profit or loss from operating activities by the amounts shown. The analysis assumes that all other variables, in particular interest rates, remain constant.

	VGT		GET		GEH		ASV		AVT		GDG	
	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
10% strengthening AUD	(41,083,752)	(39,768,350)	(24,505,952)	(29,057,488)	(2,444)	-	(13,502)	-	(1)	(654)	(274,598)	(565,421)
10% weakening AUD	41,083,752	39,768,350	24,505,952	29,057,488	2,444	-	13,502	-	1	654	274,598	565,421

(ii) Price risk

Each of the Funds is exposed to equity securities price risk. This arises from investments held by each of the Funds and classified on the Statement of Financial Position as fair value through profit or loss.

To manage price risk arising from investments in equity securities, each of the Funds diversifies its portfolio. The majority of each of the Fund's equity investments are publicly traded.

Sensitivity analysis

At balance date, if the equity prices had been 10% higher or lower, the effect on the net profit of each of the Funds would have been as follows:

	VGT		GET		GEH		ASV		AVT		GDG	
	2011 \$	2010 \$	2011 \$	2010 \$	2011 \$	2010 \$	2011 \$	2010 \$	2011 \$	2010 \$	2011 \$	2010 \$
Equity prices 10% higher	90,624,338	94,525,733	21,735,110	26,810,477	83,366	-	94,722	-	7,463,615	6,505,119	556,472	635,737
Equity prices 10% lower	(90,624,338)	(94,525,733)	(21,735,110)	(26,810,477)	(83,366)	-	(94,722)	-	(7,463,615)	(6,505,119)	(556,472)	(635,737)

(iii) Interest rate risk

The majority of each Fund's financial assets are non-interest bearing. The main interest rate risk for each Fund arises from its cash holdings. Each Fund's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on classes of financial assets and financial liabilities are as follows:

	VGT		GET		GEH		ASV		AVT		GDG	
	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010
Weighted Average Effective Interest Rate (%)	2.75	3.15	0.95	1.01	4.25	-	3.31	-	4.37	4.44	0.89	1.61
Floating Interest Rate (\$)	195,594,348	151,411,881	53,921,990	50,466,350	80,864	-	397,642	-	15,925,381	17,499,207	813,550	2,541,415

Sensitivity analysis

	VGT		GET		GEH		ASV		AVT		GDG	
	2011 \$	2010 \$	2011 \$	2010 \$	2011 \$	2010 \$	2011 \$	2010 \$	2011 \$	2010 \$	2011 \$	2010 \$
Financial assets												
Interest rates 10% higher	54,138	37,599	5,315	3,465	92	-	37	-	11,972	17,021	105	329
Interest rates 10% lower	(54,138)	(37,599)	(5,315)	(3,465)	(92)	-	(37)	-	(11,972)	(17,021)	(105)	(329)

15. Financial Risk Management *continued*

b. Credit risk

Credit risk arises from cash and cash equivalents, derivative financial instruments and deposits with banks and financial institutions, as well as outstanding receivables. Each Fund minimises concentrations of credit risk by undertaking transactions with a number of customers and counter parties on recognised and reputable exchanges. Each Fund is not materially exposed to any individual counter party.

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date in respect of recognised financial assets is the carrying amount, net of any provisions for doubtful debts of those assets, as disclosed in the Statement of Financial Position and Notes to the Financial Statements.

c. Liquidity risk

The liquidity risks associated with the need to satisfy unitholders' requests for redemptions are mitigated by maintaining a constant pool of cash to satisfy usual levels of demand. The investment portfolio of each Fund is much less diversified than many Managed Investment Schemes, in general holding no more than 100 securities. In addition, the largest holdings in the portfolio have a high relative portfolio weighting and may be relatively illiquid. This means each of the Funds are much more sensitive to movements in liquidity risk than most other Funds.

Maturities of financial liabilities

Financial liabilities held by the Funds include management fees payable to the Responsible Entity, unsettled trades and other sundry accruals. The below table shows the maturities of financial liabilities held by the Funds. In addition, the ASV, GDG, GEH & VGT hold short term forward contracts which are also included below where any liability existed at balance date. Further information on these instruments is in Note 15f. below.

VGT	2011					2010				
	Less than 1 month	1 to 3 months	3 to 6 months	6 to 12 months	Total	Less than 1 month	1 to 3 months	3 to 6 months	6 to 12 months	Total
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Financial liabilities										
Due to brokers	6,076,489	-	-	-	6,076,489	893,715	-	-	-	893,715
Derivative financial instruments	-	-	199,000	-	199,000	761,561	1,556,667	7,981,066	482,452	10,781,746
Distribution payable	15,780,860	-	-	-	15,780,860	27,587,418	-	-	-	27,587,418
Other payables	2,457,452	-	-	-	2,457,452	2,271,665	-	-	-	2,271,665
Total	24,314,801	-	199,000	-	24,513,801	31,514,359	1,556,667	7,981,066	482,452	41,534,544

GET	2011					2010				
	Less than 1 month	1 to 3 months	3 to 6 months	6 to 12 months	Total	Less than 1 month	1 to 3 months	3 to 6 months	6 to 12 months	Total
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Financial liabilities										
Due to brokers	431,620	-	-	-	431,620	-	-	-	-	-
Other payables	695,097	-	-	-	695,097	709,371	-	-	-	709,371
Total	1,126,717	-	-	-	1,126,717	709,371	-	-	-	709,371

GEH	2011					2010				
	Less than 1 month	1 to 3 months	3 to 6 months	6 to 12 months	Total	Less than 1 month	1 to 3 months	3 to 6 months	6 to 12 months	Total
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Financial liabilities										
Due to brokers	-	-	-	-	-	-	-	-	-	-
Derivative financial instruments	3,183	-	-	-	3,183	-	-	-	-	-
Distribution payable	31,622	-	-	-	31,622	-	-	-	-	-
Other payables	232	-	-	-	232	-	-	-	-	-
Total	35,037	-	-	-	35,037	-	-	-	-	-

ASV	2011					2010				
	Less than 1 month	1 to 3 months	3 to 6 months	6 to 12 months	Total	Less than 1 month	1 to 3 months	3 to 6 months	6 to 12 months	Total
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Financial liabilities										
Due to brokers	135,023	-	-	-	135,023	-	-	-	-	-
Derivative financial instruments	-	-	-	-	-	-	-	-	-	-
Distribution payable	4,001	-	-	-	4,001	-	-	-	-	-
Other payables	1,857	-	-	-	1,857	-	-	-	-	-
Total	140,881	-	-	-	140,881	-	-	-	-	-

NOTES to the Financial Statements

Year ended 30 June 2011

15. Financial Risk Management *continued*

c. Liquidity risk *continued*

AVT	2011					2010				
	Less than 1 month \$	1 to 3 months \$	3 to 6 months \$	6 to 12 months \$	Total \$	Less than 1 month \$	1 to 3 months \$	3 to 6 months \$	6 to 12 months \$	Total \$
Financial liabilities										
Due to brokers	363,696	-	-	-	363,696	442,981	-	-	-	442,981
Distribution payable	2,392,645	-	-	-	2,392,645	-	-	-	-	-
Other payables	318,972	-	-	-	318,972	284,868	-	-	-	284,868
Total	3,075,313	-	-	-	3,075,313	727,849	-	-	-	727,849

GDG	2011					2010				
	Less than 1 month \$	1 to 3 months \$	3 to 6 months \$	6 to 12 months \$	Total \$	Less than 1 month \$	1 to 3 months \$	3 to 6 months \$	6 to 12 months \$	Total \$
Financial liabilities										
Due to brokers	-	-	-	-	-	5,017	-	-	-	5,017
Derivative financial instruments	-	567	-	-	567	-	-	-	-	-
Other payables	11,937	-	-	-	11,937	16,064	-	-	-	16,064
Total	11,937	567	-	-	12,504	21,081	-	-	-	21,081

d. Net fair value of financial assets and liabilities

The net fair values of listed investments have been valued at the quoted market bid price at balance date. For unlisted investments where there is no organised financial market, the net fair value has been based on either cost or the redemption price published by the issuer at balance date. The net fair value of loans and amounts due approximates their carrying value. For other assets and other liabilities the net fair value approximates their carrying value. No financial assets and financial liabilities are readily traded on organised markets in standardised form other than listed investments. Financial assets where the carrying amount exceeds net fair values have not been written down as the Company believes the diminution to be temporary.

The following table provides an analysis of financial instruments as at balance date that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which fair value is observable.

Fair value of financial assets that are traded in active markets are based on quoted prices or dealer price quotations. For all other financial instruments the Funds determine fair values using broker quoted bid prices and unlisted unit prices.

VGT	2011				2010			
	Level 1 \$	Level 2 \$	Level 3 \$	Total \$	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Financial assets at fair value through profit or loss								
Foreign currency forward contracts	-	9,786,404	-	9,786,404	-	1,152,347	-	1,152,347
Listed investments at fair value	875,851,327	-	-	875,851,327	911,889,324	1,181,061	-	913,070,385
Unlisted investments at fair value	29,335,413	1,056,642	-	30,392,055	30,621,326	1,565,622	-	32,186,948
Total	905,186,740	10,843,046	-	916,029,786	942,510,650	3,899,030	-	946,409,680
Financial liabilities at fair value through profit or loss								
Foreign currency forward contracts	-	199,000	-	199,000	-	10,781,745	-	10,781,745
Total	-	199,000	-	199,000	-	10,781,745	-	10,781,745
GET								
	Level 1 \$	Level 2 \$	Level 3 \$	Total \$	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Financial assets at fair value through profit or loss								
Listed investments at fair value	199,167,971	-	-	199,167,971	248,241,386	-	-	248,241,386
Unlisted investments at fair value	17,915,552	267,572	-	18,183,124	18,700,878	1,162,508	-	19,863,386
Total	217,083,523	267,572	-	217,351,095	266,942,264	1,162,508	-	268,104,772
Financial liabilities at fair value through profit or loss								
Derivative financial liabilities	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-

NOTES to the Financial Statements

Year ended 30 June 2011

15. Financial Risk Management *continued*

d. Net fair value of financial assets and liabilities *continued*

GEH	2011				2010			
	Level 1 \$	Level 2 \$	Level 3 \$	Total \$	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Financial assets at fair value through profit or loss								
Foreign currency forward contracts	-	9,739	-	9,739	-	-	-	-
Listed investments at fair value	-	-	-	-	-	-	-	-
Unlisted investments at fair value	-	839,156	-	839,156	-	-	-	-
Total	-	848,895	-	848,895	-	-	-	-
Financial liabilities at fair value through profit or loss								
Derivative financial liabilities	-	3,183	-	3,183	-	-	-	-
Total	-	3,183	-	3,183	-	-	-	-
ASV	2011				2010			
	Level 1 \$	Level 2 \$	Level 3 \$	Total \$	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Financial assets at fair value through profit or loss								
Foreign currency forward contracts	-	-	-	-	-	-	-	-
Listed investments at fair value	947,219	-	-	947,219	-	-	-	-
Unlisted investments at fair value	-	-	-	-	-	-	-	-
Total	947,219	-	-	947,219	-	-	-	-

AVT	2011				2010			
	Level 1 \$	Level 2 \$	Level 3 \$	Total \$	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Financial assets at fair value through profit or loss								
Listed investments at fair value	71,931,939	-	-	71,931,939	63,198,942	-	-	63,198,942
Unlisted investments at fair value	2,704,207	-	-	2,704,207	1,852,251	-	-	1,852,251
Total	74,636,146	-	-	74,636,146	65,051,193	-	-	65,051,193
GDG								
	Level 1 \$	Level 2 \$	Level 3 \$	Total \$	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Financial assets at fair value through profit or loss								
Foreign currency forward contracts	-	33,817	-	33,817	-	-	-	-
Listed investments at fair value	5,564,724	-	-	5,564,724	6,354,893	-	2,477	6,357,370
Total	5,564,724	33,817	-	5,598,541	6,354,893	-	2,477	6,357,370
Financial liabilities at fair value through profit or loss								
Foreign currency forward contracts	-	567	-	567	-	-	-	-
Total	-	567	-	567	-	-	-	-

e. Treasury risk management

Senior executives of the Responsible Entity meet on a regular basis to analyse currency and interest rate exposure and to evaluate treasury management strategies in the context of the most recent economic conditions and forecasts.

15. Financial Risk Management *continued*

f. Derivative financial instruments

A derivative is a financial contract, the value of which depends on, or is derived from the value of underlying assets, liabilities or indices. Derivative transactions include a wide assortment of instruments, such as forwards, futures, options and swaps. Derivatives are considered to be part of the investment process. Transactions for hedging purposes are undertaken without the use of collateral as only reputable institutions with sound financial positions are dealt with. The use of derivatives is an essential part of the portfolio management of the VGT, GEH, ASV and GDG. In particular these Funds use short term forward contracts to manage the risk associated with movements in foreign exchange rates.

The Responsible Entity, as Manager, has adopted a policy to hedge against foreign exchange rate movements through short term forward contracts. The accounting policy in regard to foreign exchange contracts is detailed in Note 1e.

Realised gains/losses on forward contracts for the year are shown in the below table:

	VGT		GEH		ASV		GDG	
	2011 \$	2010 \$	2011 \$	2010 \$	2011 \$	2010 \$	2011 \$	2010 \$
Realised gains/losses on forward contracts	26,420,313	52,411,909	30,982	-	1,514	-	49,914	-

At balance date, details of outstanding foreign exchange contracts were:

VGT	Buy Australian Dollars		Average Exchange Rate		GEH	Buy Australian Dollars		Average Exchange Rate	
	2011 \$	2010 \$	2011	2010		2011 \$	2010 \$	2011	2010
Sell					Sell				
British Pound	47,781,772	87,996,012	0.6585	0.5572	Brazilian Real	10,158	-	1.6735	-
Canadian Dollar	22,391,704	17,859,731	1.0217	0.8964	British Pound	99,328	-	0.6645	-
Euro	48,246,337	37,509,276	0.7307	0.6811	Canadian Dollar	38,815	-	1.0305	-
Indian Rupee	-	19,111,443	-	39.3525	Euro	119,552	-	0.7361	-
Japanese Yen	4,135,992	21,703,754	84.6734	73.9854	Indian Rupee	67,132	-	47.6671	-
Norwegian Kroner	10,450,595	5,471,827	5.7472	5.4826	Japanese Yen	115,050	-	86.0495	-
South Korean Won	28,479,346	-	1,130.8349	1,028.8714	Norwegian Kroner	41,600	-	5.7692	-
Swedish Kroner	5,529,307	-	6.6916	-	Singapore Dollar	18,307	-	1.3110	-
United States Dollar	79,932,650	74,016,687	1.0608	0.8356	South Korean Won	50,003	-	1,139.9281	-
					Swedish Kroner	31,062	-	6.7606	-
					Swiss Francs	27,797	-	0.8994	-
					Taiwanese Dollar	6,497	-	30.7855	-
					United States Dollar	290,196	-	1.0682	-

ASV	Buy Australian Dollars		Average Exchange Rate		GDG	Buy Australian Dollars		Average Exchange Rate	
	2011 \$	2010 \$	2011	2010		2011 \$	2010 \$	2011	2010
Sell					Sell				
Japanese Yen	31,906	-	0.0118	-	British Pound	696,707	-	1.5146	-
South Korean Won	67,162	-	0.0009	-	Canadian Dollar	104,364	-	0.9754	-
Thailand Baht	18,456	-	0.0308	-	Euro	221,288	-	1.3660	-
					United States Dollar	329,126	-	0.9432	-

16. Key Management Personnel Compensation

a. Names and positions held of Directors and Specified Executives of the Responsible Entity in office at any time during the Financial Year

Directors

William Wayne Hawkins	Non-executive Chairman
David Barclay Buckland	Executive Director
Mark Benedict Forstmann	Non-executive Director

Specified Executives

Ouafaa Karim	Group Company Secretary
Paula Ferrao	Chief Operating and Financial Officer
Michael Walsh	Head of Strategy and Development
James Hordern	Manager, Business Development and Marketing
Jeremy Freeman	Deputy Company Secretary

Directors of the Responsible Entity are also Directors or executives of its parent company, Hunter Hall International Limited (HHL), and their services to Hunter Hall Investment Management Limited form part of an investment management agreement for the provision of services by HHL to the Responsible Entity. As such no Directors are paid directly from Hunter Hall Investment Management Limited.

The Responsible Entity does not remunerate any of its Board members and senior executives; remuneration is paid by the parent company, Hunter Hall International Limited.

For details on remuneration of Directors and specified executives refer to the Hunter Hall International Limited Annual Report for the year to 30 June 2011.

16. Key Management Personnel Compensation *continued*

b. Transactions

Directors of the parent company who held units in the VGT are detailed below:

	Units held as at 1 July 2010	Units sold	Units reinvested	Units purchased	Units held as at 30 June 2011
Jack Theseus Lowenstein	10,767	-	-	828	11,595

Directors of the parent company who held units in the GET are detailed below:

	Units held as at 1 July 2010	Units sold	Units reinvested	Units purchased	Units held as at 30 June 2011
Jack Theseus Lowenstein	188,875	-	-	-	188,875

Directors of the parent company who held units in the GDG are detailed below:

	Units held as at 1 July 2010	Units sold	Units reinvested	Units purchased	Units held as at 30 June 2011
Peter Hall	976,351	976,351	-	-	-

No units in the GEH, ASV or AVT were held by the Responsible Entity or by Directors and their respective related parties.

17. Subsequent Events

Since the close of the financial year to 30 June 2011, the Australian and international equity markets have experienced periods of high volatility. Performance of the Funds and their relative benchmarks for the 7 weeks since 30 June 2011 to 18 August 2011 is shown in the below tables:

From 30 June 2011 to 18 August 2011	Performance	Benchmark (All Ords)*	Relative performance
VGT	-5.5%	-6.9%	1.4%
AVT	-5.8%	-6.9%	1.1%

* All Ords refers to the All Ordinaries Accumulation Index

From 30 June 2011 to 18 August 2011	Performance	Benchmark (MSCI)*	Relative performance
GDG	-1.5%	-11.0%	12.5%
GET	-5.3%	-11.0%	5.7%

* MSCI refers to the MSCI World Total Return Index, Net Dividends Reinvested, in A\$

From 30 June 2011 to 18 August 2011	Performance	Benchmark*	Relative performance
ASV	-3.6%	-6.6%	3.0%

* The benchmark is an 80%/20% blend of the MSCI AC Asia ex Japan Total Return Index and the MSCI Japan Total Return Index, respectively, both with Net Dividends Reinvested, in A\$

The performance of the GEH between 30 June 2011 and 18 August 2011 was negative 7.3%.

For further information on the performance of the Funds, please refer to the Hunter Hall website at www.hunterhall.com.au

There were no other subsequent events to year end that require disclosure other than those matters referred to elsewhere in this report.

The Financial Report was authorised for issue on 23 August 2011 by the Board of Directors.

18. Contingencies

There were no contingent liabilities or contingent assets at 30 June 2011 or at 30 June 2010.

In the opinion of the Directors of the Responsible Entity:

1. a) the financial statements and notes of the Funds are in accordance with the Corporations Act 2001, including
 - i) giving a true and fair view of the financial position of each of the Funds as at 30 June 2011 and of their performance for the financial year ended on that date; and
 - ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001; and
 - b) there are reasonable grounds to believe that each of the Funds will be able to pay their debts as and when they become due and payable.
2. The financial statements comply with International Financial Reporting Standards.

Signed in accordance with a resolution of the Directors of the Responsible Entity.

On behalf of the Directors of Hunter Hall Investment Management Limited



David Barclay Buckland
Executive Director

Sydney
23 August 2011

**Auditor's Independence Declaration
To the Directors of Hunter Hall Investment Management Limited**

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the audits of Hunter Hall Australian Value Trust, Hunter Hall Global Ethical Trust, Hunter Hall Value Growth Trust, Hunter Hall Global Deep Green Trust, Hunter Hall Asian Value Trust and Hunter Hall Global Ethical Trust – Hedged for the financial year ended 30 June 2011, I declare that, to the best of my knowledge and belief, there have been:

- a no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audits; and
- b no contraventions of any applicable code of professional conduct in relation to the audits.



GRANT THORNTON AUDIT PTY LTD

Chartered Accountants



M A Adam-Smith

Director - Audit & Assurance

Sydney, 23 August 2011

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**Independent Auditor's Report
To the Unitholders of the Hunter Hall Equity Funds**

We have audited the accompanying financial reports of Hunter Hall Australian Value Trust, Hunter Hall Global Ethical Trust, Hunter Hall Value Growth Trust, Hunter Hall Global Deep Green Trust, Hunter Hall Asian Value Trust and Hunter Hall Global Ethical Trust - Hedged (together “the Hunter Hall Equity Funds” or “the Funds”), which comprise the statements of financial position as at 30 June 2011, and the statements of comprehensive income, statements of changes in equity and statements of cash flows for the year ended on that date, a summary of significant accounting policies, other explanatory notes to the financial reports and the directors' declaration.

Directors responsibility for the financial report

The Directors of the Responsible Entity are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the Corporations Act 2001. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that are free from material misstatement, whether due to fraud or error. The Directors also state, in the notes to the financial report, in accordance with Accounting Standard AASB 101 Presentation of Financial Statements, that compliance with the Australian equivalents to International Financial Reporting Standards ensures that the financial report, comprising the financial statements and notes, complies with International Financial Reporting Standards.

**Independent Auditor's Report
To the Unitholders of the Hunter Hall Equity Funds**

continued

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards which require us to comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error.

In making those risk assessments, the auditor considers internal control relevant to the Funds' preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Funds' internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we have complied with the independence requirements of the Corporations Act 2001.

**Independent Auditor's Report
To the Unitholders of the Hunter Hall Equity Funds**

continued

Auditor's opinion

In our opinion:

- a the financial reports of Hunter Hall Australian Value Trust, Hunter Hall Global Ethical Trust, Hunter Hall Value Growth Trust, Hunter Hall Global Deep Green Trust, Hunter Hall Asian Value Trust and Hunter Hall Global Ethical Trust - Hedged are in accordance with the Corporations Act 2001, including:
 - i giving a true and fair view of the Funds' financial position as at 30 June 2011 and of their performance for the financial year ended on that date; and
 - ii complying with Australian Accounting Standards and the Corporations Regulations 2001; and
- b the financial reports also comply with International Financial Reporting Standards as disclosed in the notes to the financial statements.



GRANT THORNTON AUDIT PTY LTD

Chartered Accountants



M A Adam-Smith

Director - Audit & Assurance

Sydney, 23 August 2011

Hunter Hall Value Growth Trust

ARSN 093 079 906

Hunter Hall Global Ethical Trust

ARSN 098 586 282

Hunter Hall Global Ethical Trust – Hedged

ARSN 148 948 565

Hunter Hall Asian Value Trust

ARSN 148 947 826

Hunter Hall Australian Value Trust

ARSN 098 586 586

Hunter Hall Global Deep Green Trust

ARSN 121 915 526

Responsible Entity

Hunter Hall Investment Management Limited

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ACN 063 081 612

AFSL 219462

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Investor Relations

You can obtain information about investing in the Hunter Hall Funds including the latest unit price via:

- internet: www.hunterhall.com.au
- telephone: 1800 651 674
0800 448 305 (New Zealand callers)
+ 612 8224 0300 (international callers)
- email: invest@hunterhall.com.au

Address for Applications and Redemptions

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Ethical
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