



Ethical  
Managed Funds

Hunter Hall Investment Management Limited  
ABN 69 063 081 612 AFSL 219462

# Hunter Hall Global Ethical Trust

## Hunter Hall Global Ethical Trust - Hedged

### Monthly Performance Report

April 2011

Date - 30.04.2011	Entry Price	Unit Price	Exit Price
GET	113.82c	113.48c	113.14c
GEH	102.17c	101.86c	101.55c

### Absolute and Relative Performance

To 30 April 2011 (%)	1 month	6 months	1 year	Compound Annual Return				Value of \$10,000 invested at inception
				3 years	5 years	7 years	Since inception	
<b>Global Ethical Trust (GET)</b>								
GET (absolute performance)	-1.7	+3.3	+4.0	-4.6	-3.7	+4.1	+4.3	\$14,824
MSCI (benchmark)	-1.5	+2.8	+0.6	-5.4	-4.9	+0.2	-2.5	\$7,896
<b>Relative Performance</b>	<b>-0.2</b>	<b>+0.5</b>	<b>+3.4</b>	<b>+0.8</b>	<b>+1.2</b>	<b>+3.9</b>	<b>+6.8</b>	<b>\$6,928</b>
<b>Global Ethical Trust - Hedged (GEH)</b>								
GEH (absolute performance)	+1.3	-	-	-	-	-	+1.9	\$10,186
MSCI - Hedged (benchmark)	+2.5	-	-	-	-	-	+1.6	\$10,162
<b>Relative Performance</b>	<b>-1.2</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>+0.3</b>	<b>\$24</b>

Inception date for the GET: 29.11.2001. Inception date for the GEH: 28.02.2011. MSCI refers to the MSCI World Total Return Index, Net Dividends Reinvested, in A\$. MSCI - Hedged refers to the MSCI World Total Return Index, Net Dividends Reinvested, hedged in A\$ Source: Hunter Hall. Past performance is no guarantee of future performance and no guarantee of future return is implied.

### GET: Top 10 Holdings

The GEH is invested almost entirely in GET units, with the balance of its assets held in cash

Company	Main Business	Country	Net Assets (%)
Gold	gold	n.a.	6.2
AMG	speciality metals	Netherlands	3.8
InterDigital	wireless technologies	USA	3.6
BTG	medical devices	UK	3.5
JDS Uniphase	optical components	USA	3.2
Proto Corp	publishing	Japan	3.1
Virgin Media	broadband communications	UK	2.7
Woongjin Thinkbig	education services	Korea	2.5
Alcatel Lucent	telecommunication services	France	2.4
Trigon	agricultural operations	Ukraine	2.3

### Commentary

The Hunter Hall Global Ethical Trust fell 1.7%, underperforming its benchmark by 0.2%.

The Hunter Hall Global Ethical Trust - Hedged rose 1.3%; however underperformed its benchmark by 1.2%.

The A\$ continued its rise against the US\$ in April, notching up a fresh post-float high of US\$1.0978, driven by sustained USD weakness and strong commodity prices. The VIX Volatility Index hit 52-week lows towards the end of the month.

The GET's largest contributor over the month was Hong-Kong listed polyphenylene sulphide (PPS) producer **China Lumena New Material (+44%)**. The company reported pleasing FY2010 results highlighted by revenue and net profit, up 46% and 37% on the previous corresponding period. The company declared a final dividend, taking the full year payout to 25%. China Lumena also announced the issuance of US\$120m

convertible bond to China Investment Corporation and Citic Capital with terms of three years' duration and a coupon rate of 6%. The addition of both firms on the share register is an endorsement of support to the financial strength of the company.

The number of global hard-disk drive (HDD) makers further consolidated in April with US memory device manufacturer **Seagate (+22%)** announcing plans to acquire Samsung's HDD business for US\$1.375b. The deal will be financed 50% from existing cash on its balance sheet and 50% stock. Seagate will issue an additional 45.2m shares resulting in Samsung owning 9.6% of Seagate. The acquisition is expected to complete by calendar year end, with management expecting the acquisition to be EPS and cash flow accretive from calendar year 2012. The company also released March 2011 quarterly results in-line with expectations.

Ukrainian grain and oilseed grower **Landkom** (+20%) was buoyed by news the company had shrugged off the Northern winter freeze. While 2% of the crops planted in autumn were lost, the company reported the majority of the crops remain in a very good condition.

French electronic transaction company **Ingenico** (+6%) reported a strong start to the year across all business segments. For the March 2011 quarter, revenue rose to €205m, up 9% on the corresponding period. Strong growth from the sale of terminals, particularly in the Asia-Pacific region, resulted in management upgrading its full-year forecasts.

Other contributors over the month included Indian data communication infrastructure company **Tulip Telecom** (+11%), UK medical devices company **BTG** (+9%), French telecommunications company **Alcatel Lucent** (+7%) and our **Gold Bullion** position (+2%).

The largest detractor over the month was Indian bank **Allahabad** which fell 11% on the Reserve Bank of India's decision to raise interest rates in an attempt to tackle inflation, coupled with increased provisioning norms for substandard loans, saw Allahabad lower growth estimates for FY2011 and FY2012.

US wireless communications company **InterDigital** (-3%) reported a solid March 2011 quarterly result, with per-unit royalties growing over 30% year on year and 11% quarter on quarter. Fixed royalties also increased marginally with several new licensees under agreement such as with computer manufacturer Acer. The company is continuing discussions to renew license agreements with Korean company LG Electronics as well as providing them the latest 4G technology. The company also raised US\$230m in 2.5% convertible bonds to increase its cash position to \$757m in readiness to make a bid for Nortel's patent portfolio.

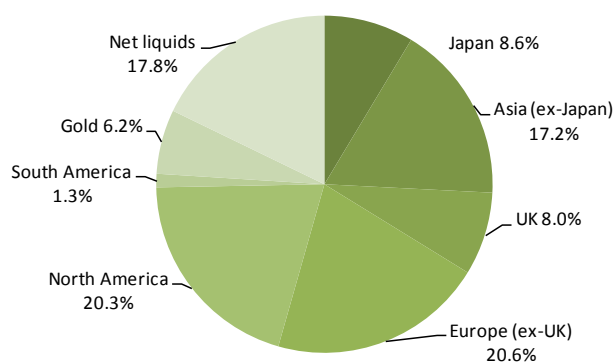
Taiwanese electrical components manufacturer **Epistar** (-12%) reported sluggish March quarterly results. Sales of TWD\$4.4b (US\$154m) were 8% down on the previous quarter while net income of TWD\$349m (US\$12m) was 70% down on the previous quarter. The company attributed the reductions to lower yields on new LED TV's due to strict specifications by Korean vendors and an increase in the sapphire substrate cost, a key ingredient in the insulation of high power, high frequency integrated circuits. We believe Epistar is near the bottom of the cycle and a gradual increase in the penetration rate of LED TVs is a principal driver for a recovery in the share price in the upcoming months.

Korean water purifier manufacturer **Woongjin Coway** fell 5% despite announcing March quarterly results that were better than expected. The fall may have reflected market confusion caused by Coway's change from GAAP to IFRS accounting standards. Coway reported a 9% rise in sales to W400b (US\$370m). However, operating profit of W57b (US\$53m) and net profit of W39b (US\$36m) were 16% and 25% down on the corresponding period due to the new standard excluding equity method gains from profit numbers. If the accounting changes are excluded both numbers surpassed expectations. Particularly pleasing was the cosmetics sales from the Chinese operations which climbed 30% year on year in Yuan terms.

At month end the GET's net assets were \$289.6m with 18% net liquids, held in a basket of currencies including the United States Dollar, Australian Dollar, Japanese Yen, Swiss Francs, Euro, and Norwegian Kroner.

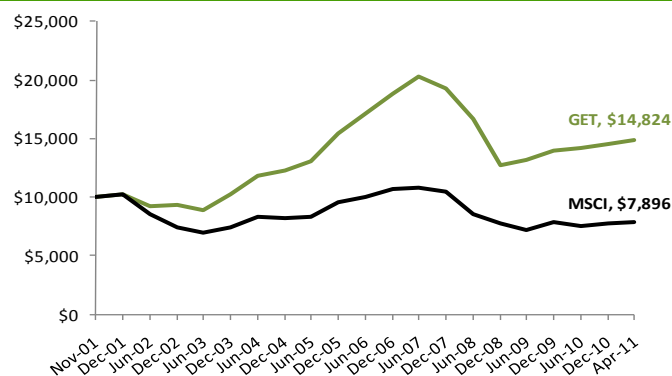
GEH's net assets at month end were \$1.1m with 91% in GET units, 9% net liquids and its hedging level was 98.9%.

### GET: Country Allocation Breakdown



### GET: Value of \$10,000

invested at inception vs benchmark



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