



Hunter Hall Global Ethical Trust

Hunter Hall Global Ethical Trust - Hedged

Monthly Performance Report

May 2011

Ethical
Managed Funds

Date - 31.05.2011	Entry Price	Unit Price	Exit Price
GET	113.69c	113.35c	113.01c
GEH	100.92c	100.62c	100.31c

Absolute and Relative Performance

To 31 May 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	
Global Ethical Trust (GET)								
GET (absolute performance)	-0.1	+2.6	+3.6	-5.8	-3.3	+3.8	+4.2	\$14,807
MSCI (benchmark)	+0.6	+3.4	+0.8	-5.3	-4.3	+0.0	-2.4	\$7,941
Relative Performance	-0.7	-0.8	+2.8	-0.5	+1.0	+3.8	+6.6	\$6,867
Global Ethical Trust - Hedged (GEH)								
GEH (absolute performance)	-1.2	-	-	-	-	-	+0.6	\$10,062
MSCI - Hedged (benchmark)	-0.9	-	-	-	-	-	+0.7	\$10,067
Relative Performance	-0.3	-	-	-	-	-	-0.1	-\$5

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	6.4
BTG	medical devices	UK	3.9
InterDigital	wireless technologies	USA	3.5
AMG	speciality metals	Netherlands	3.4
JDS Uniphase	optical components	USA	3.3
Virgin Media	broadband communications	UK	3.0
Proto Corp	publishing	Japan	3.0
Woongjin Thinkbig	education services	Korea	2.4
Trigon	agricultural operations	Ukraine	2.3
Alcatel Lucent	telecommunications services	France	2.2

Commentary

The Hunter Hall Global Ethical Trust (GET) fell 0.1%, underperforming its benchmark by 0.7%.

The Hunter Hall Global Ethical Trust - Hedged (GEH) fell 1.2%, underperforming its benchmark by 0.3%.

Despite notching up a fresh post-float high of US\$1.1012 early in the month, weaker commodity prices and fresh Eurozone concerns conspired to send the A\$ lower. It closed the month at US\$1.0672.

Dutch specialty metals company **AMG** fell 11% despite reporting pleasing March 2011 quarterly results. Revenue was US\$318m, up 35% on the previous corresponding quarter, operating profit at US\$17m was up 48%, and EBITDA of US\$26m was up 19%. AMG benefitted from improved pricing of a number of

Advanced Materials products, including antimony, chromium and tantalum. The company also announced price increases for aluminium master alloys and grain refiner products, effective immediately.

Canadian wind sensor system manufacturer **Catch the Wind** fell 37%. Two new independent Directors have been 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. The company also announced a deal to sell laser wind sensor units to TransAlta Corporation, Canada's largest independent renewable energy provider. TransAlta has agreed to buy 20 Vindicator laser wind sensor units. The sale is the company's largest to date.

Commentary

Other detractors over the month included French telecommunications equipment and services company **Alcatel Lucent** (-10%), US wireless technologies company **InterDigital** (-7%) and Japanese publishing company **Proto** (-6%). All fell without announcing any adverse developments.

On the positive side, a few of our stocks contributed to performance over the month.

Indian jewellery manufacturer **Shree Ganesh** continued its price rise, up 33%, after delivering strong FY2011 yearly results. Profit after tax rose 76% to Rs2,943m (US\$65m). Diluted EPS grew 34% to Rs48.6, putting it on an historical PE of 5.7x. During the year the company converted 17 tonnes of gold (a 42% increase on corresponding period), while the total number of stores grew to 20 (a 50% increase on corresponding period).

US nutritional company **Herbalife** hit 52-week highs, up 25% after posting a market-beating quarterly profit and subsequently raising its outlook for the year. Sales rose 29% to US\$795m, on the previous corresponding period, led by a 45% increase in Mexico and 41% increase in Asia Pacific and China. Encouragingly, sales in the US rose 10%. The company's strategic focus on global obesity continues to be its main growth driver.

UK medical company **BTG** rose 10%. High integration costs following its recent takeover of Biocompatibles saw BTG record an £11m loss before tax for the year. With the company's varicose veins treatment, Varisolve,

phase III results due in FY2012 and Biocompatibles fully integrated, we believe FY2012 could be a transformative year for BTG.

US-listed broadband communications company **Virgin Media** (+8%) is considering further returns to shareholders at the end of 2011, according to CFO Mr Eamonn O'Hare. The company is two-thirds of the way through a £375m share buyback program and is generating free cash flow in excess of its need to pay down debt.

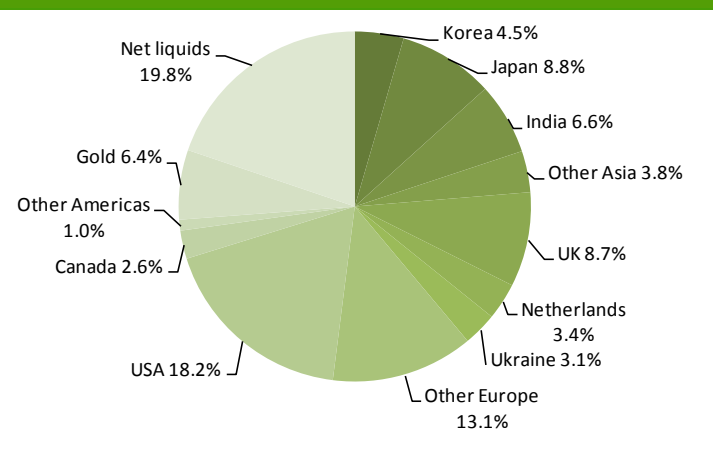
Other contributors over the month included German telecommunications company **Freenet** (+9%), German pay-TV operator **Sky Deutschland** (+7%) and Korean water purifier manufacturer **Woongjin Coway** (+6%).

Over the month we exited positions in Taiwanese electrical components manufacturer **Epistar** and Indian cement company **Birla Corporation**. A new position was established in US printing and imaging solutions company **Lexmark**.

At month end the GET's net assets were \$285.8m with 20% 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 \$1.2m with 93% in GET units, 7% net liquids and its hedging level was 98.8%.

GET: Country Allocation Breakdown



GET: Value of \$10,000

invested at inception vs benchmark



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