



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

August 2011

Date - 31.08.2011	Entry Price	Unit Price	Exit Price
GET	1.0676	1.0644	1.0612
GEH	0.9253	0.9225	0.9198

Absolute and Relative Performance

To 31 August 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)	-1.6	-8.4	+1.0	-4.5	-4.1	+2.4	+3.4	\$13,905
MSCI (benchmark)	-4.7	-13.7	-4.9	-8.2	-6.7	-1.6	-3.5	\$7,097
Relative Performance	+3.1	+5.3	+5.9	+3.7	+2.6	+4.0	+6.9	\$6,808
Global Ethical Trust - Hedged (GEH)								
GEH (absolute performance)	-3.3	-5.1	n.a.	n.a.	n.a.	n.a.	-5.1	\$9,487
MSCI - Hedged (benchmark)	-6.6	-9.2	n.a.	n.a.	n.a.	n.a.	-9.2	\$9,076
Relative Performance	+3.3	+4.1	n.a.	n.a.	n.a.	n.a.	+4.1	\$412

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	7.1
BTG	medical devices	UK	3.7
Proto Corp	publishing	Japan	3.6
Computer Sciences	IT services	USA	3.3
Woongjin Thinkbig	education services	Korea	3.0
Interdigital	wireless technologies	USA	3.0
AMG	speciality metals	Netherlands	2.8
Daiichikoshu	karaoke machinery	Japan	2.6
Trigon	agricultural operations	Ukraine	2.5
Virgin Media	broadband communications	UK	2.4

Commentary

Volatility remained high in August as European and US sovereign debt concerns weighed heavily on investor sentiment. The Hunter Hall Global Ethical Trust fell 1.6 %, however it continues to outperformed its benchmark. This month outperformance was 3.1%, as the MSCI fell 4.7%. The outperformance was largely as a result of our large **Gold Bullion** holding, which we added to over the month, as the precious metal continued its march beyond US\$1,800/oz. Gold rose 12% over the month, and is up 19% since June 2011.

On the equity front, Japanese karaoke parlour operator **Daiichikoshu** (+13%) benefitted from the results of an eight month study conducted with *Tohoku Fukushi University*, showing the mental and physical benefits of online karaoke for aged people. The company aims to continue to grow market share in the over-65 market. It also announced another share buy-back.

Singapore-listed Chinese sports shoe manufacturer, **Qingmei** rose 9% after reporting strong full year earnings, with sales and profits 10% higher than the previous corresponding period. The high dividend was also pleasing with the company announcing a final payment of 30% of its net profit.

Continuing its impressive rise was US wireless telecommunication specialist **InterDigital**, up 3% in August. News that a key potential bidder for the takeover of the company, *Google*, had purchased competitor *Motorola Mobility* sent InterDigital's share price down early in the month. However, this reversed when it emerged that *Google* had not withdrawn from the auction. Competitors, *Samsung* and *Apple*, are said also to be interested in the company.

Commentary - continued

German telecommunications provider **Freenet** (+3%) performed well after the company announced it had upgraded its expected financial year earnings to €350m (\$460m) from €325m (\$428m).

US nutritional supplement manufacturer **Herbalife** contributed after going ex-dividend during the month. The company expanded its distribution facilities by 82% over the month while paying a US 20c dividend.

Spanish security and surveillance systems provider **Prosegur** (+1%) was driven by second quarter results including revenue growth of 5.8% year-on-year.

We re-entered Hong Kong based **China Lumena New Materials** during August as the company announced at the end of the month that its revenues and gross profit were up by 119% and 98% respectively for the 6 months to 30 June 2011 on the previous corresponding period. The company is already the leading thenardite producer in China, and with the country's continued urbanisation set to stimulate sales of washing machines and washing powder, we believe there will be further demand for the commodity. The implementation of medical reform in China, as part of the government's Twelfth Five-year Plan, may also lead to an increased demand for medical thenardite, of which China Lumena is the only certified producer in the country.

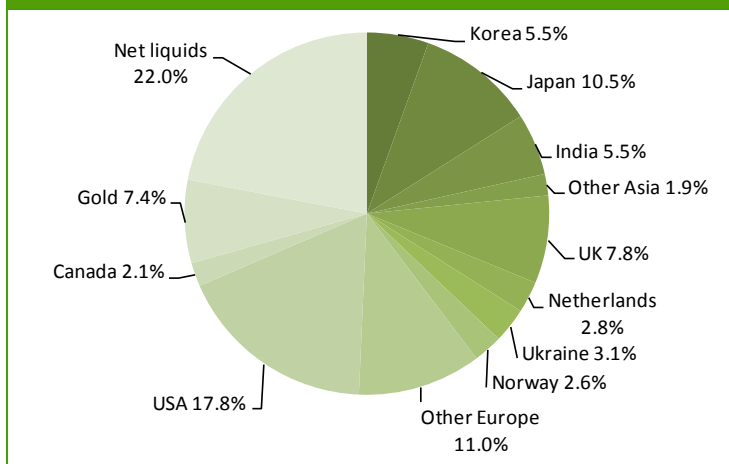
US computer company **Computer Sciences** (-13%) fell as margins weakened on increased labour costs, and it announced a weaker than expected outlook. However, late in the month the company reported it had been awarded two new contracts worth US\$83m with the US postal service. The company also resolved a legal dispute with the US government and will receive a cash payment of US\$227m as well as a US\$1b, five-year contract extension.

India's **Allahabad Bank** (-11%) deferred its planned US\$500m medium term note issue, citing hardening interest rates in overseas markets following the US and European debt woes. The company was planning to raise capital by September to fund its growing Hong Kong business; however, the Managing Director indicated that the market conditions were not favourable to undertake the issue.

Other detractors included Canadian wind sensor system developer **Catch the Wind** (-25%), Netherlands specialty metals company **AMG** (-18%), and US cable TV operator **Comcast** (-10%).

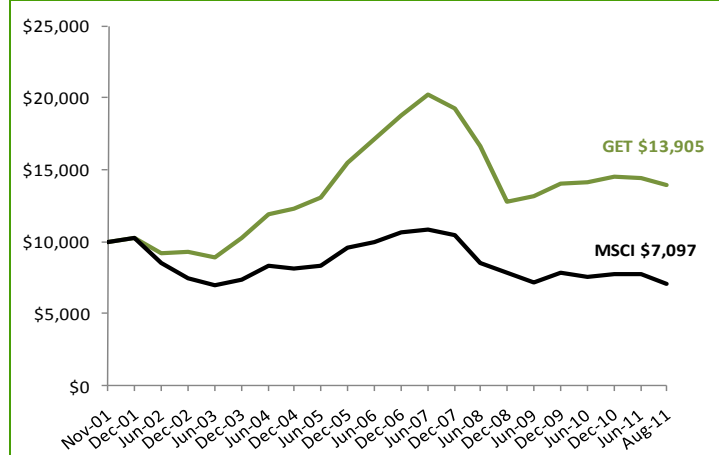
At month end the GET's net assets were \$251.6m with 22% net liquids. The international component was 70.6%. The GEH's net assets were \$1.2m with 3.8% net liquids, and 100% of the foreign currency exposure hedged back to Australian Dollars.

GET: Country Allocation Breakdown



GET: Value of \$10,000

invested at inception vs benchmark



Hunter Hall Investment Management Limited - Contact Details

Street address: Level 2, 60 Castlereagh St, Sydney, Australia
Postal address: Reply Paid 3955, Sydney NSW 2001
Website: www.hunterhall.com.au

Telephone: 1800 651 674
 0800 448 305 (New Zealand callers)
 +61 2 8224 0300
Email: invest@hunterhall.com.au

Initial applications for units can only be made on an Application Form found in the current Product Disclosure Statement for the Hunter Hall Funds. 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. 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 Fund. Past performance is no guarantee of future performance. This document 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 investment advice and should not be relied on as an investment recommendation.