



Hunter Hall Global Deep Green Trust

Monthly Performance Report

September 2011

Ethical
Managed Funds

Date	Entry Price	Unit Price	Exit Price
30.09.2011	0.8423	0.8398	0.8373

Absolute and Relative Performance

To 30 September 2011 (%)	1 month	6 months	Compound Annual Return			Value of \$10,000 invested at inception
			1 year	3 years	Since inception	
Absolute Performance - GDG	-8.0	-15.3	-4.6	-1.0	-4.4	\$8,398
Benchmark - MSCI	+0.7	-10.9	-4.7	-6.8	-9.3	\$6,827
Relative Performance	-8.7	-4.4	+0.1	+5.8	+4.9	\$1,571

Inception date: 31 October 2007. MSCI refers to the MSCI World Total Return Index, Net Dividends Reinvested, in A\$. Source: Hunter Hall. Past performance is no guarantee of future performance and no guarantee of future return is implied.

Top 10 Holdings

Company	Main Business	Country	Net Assets (%)
Sirtex Medical	liver cancer treatments	Australia	9.3
BTG	medical devices	UK	8.4
InterDigital	wireless technologies	USA	5.7
Biota	pharmaceuticals	Australia	5.6
Colefax	furnishing fabrics	UK	4.2
McLeod Russel	tea grower	India	3.6
Redflex	technology	Australia	3.3
Symphony	biodegradable plastics	UK	3.1
Tulip Telecom	data communication infrastructure	India	3.0
Herbalife	personal care products	USA	2.9

Commentary

The Global Deep Green Trust fell 8.0%, underperforming its benchmark, the MSCI in AUD by 8.7%, which rose 0.7% in September. Concerns over the European and US economies continued in September as markets around the world fell dramatically. Northern American markets had their worst month since the 2008 crash with August US payroll data at its weakest since June 2010. This was reflected in flat retail sales and a general lack of consumer confidence. The AUD declined 9.8% against the Greenback as investor concerns increased demand for safe US\$ denominated assets during the month and our Australian Dollar hedge subtracted value during the month due to its weakness.

After its impressive performance in August, US wireless technologies company **InterDigital** (-34%) was the trust's largest detractor. Numerous rumours pointed to the potential bid price for the company being lower than previously expected. InterDigital's Board of Directors said the quest to realise shareholder value is continuing and may involve selling the company, to a single buyer or consortium of buyers, or selling select assets of the company.

After the fund re-entered **China Lumena New Materials** (CLNM) last month the company fell by 43%. Lumena, the world's leading polyphenylene sulphide (PPS) producer

with 28% share, had its corporate credit rating downgraded by S&P from B+ to BB- during September. The company hit back saying it was disappointed at the unreasonable rationale behind the ratings cut. For 2012 we believe CLNM is selling on sub 2x EV/EBITDA and sub 3x PE. Its expanding PPS production profile should take it to 40% global share by 2013.

Italian steel manufacturer **Danieli** (-12%) delayed the allocation of funds needed for the construction of a €400m steel mill in Europe. The company chairman Mr Benedetti cited "a slowing down of the European economy" as the principal reason behind the decision. The company had previously stated that by the month of September it would have allocated over €400m to the project.

UK biodegradable plastics company **Symphony Environmental** (-40%) released its results for the six months to June 30. The company's pre-tax profit fell from £0.42m to £0.21m from the previous corresponding period. The company remained upbeat about future growth highlighting new laws in the UAE and Italy to ban non-biodegradable plastic bags as confirmation that governments around the world were starting to take the environmental issue of plastic bags seriously, which the company believes should give it momentum moving forward.

Commentary - continued

US process equipment technology company **Veeco Instruments** (-33%) which makes equipment for LED lighting manufacturers, fell during the month on concerns over weakening demand from China. One of the firm's rivals, Germany's Aixtron SE cut its revenue forecast for the second half of the year by nearly 50% citing postponements of Asian orders as the problem.

Other detractors included Canadian wind sensor system developer **Catch the Wind** (-37%), Australian influenza drug developer **Biota** (-19%) and Australian liver cancer treatments company **Sirtex** (-15%).

On the positive side, Indian Telecommunications company **Tulip Telecom** (+7%) rose late in the month after the country's telecom tribunal stayed the Department of Telecommunication's decision to reject Qualcomm India's application for the obtaining broadband service permits. The tribunal reportedly passed an interim order, restricting the Department of Telecommunications from forfeiting Qualcomm's bid and giving the broadband wireless access

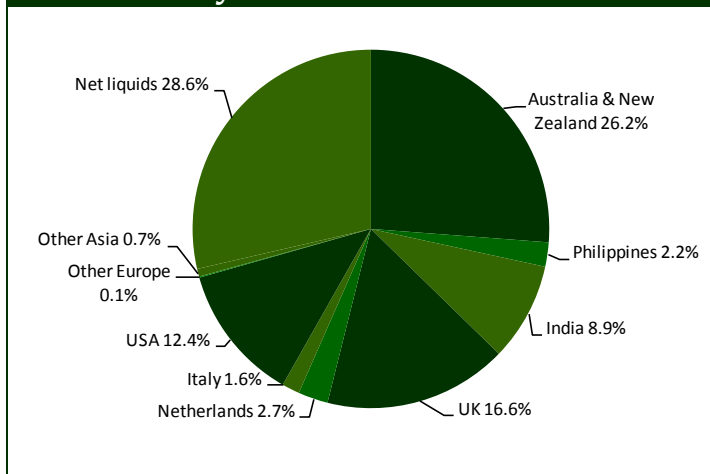
to any other party until the next hearing in late October. Tulip holds 13% of Qualcomm's India broadband venture.

Also in India, **Indian Bank** (+3%) announced a trade services agreement with US bank Wells Fargo during September. Wells Fargo will provide trade processing services to Indian Bank customers across South East Asia and China.

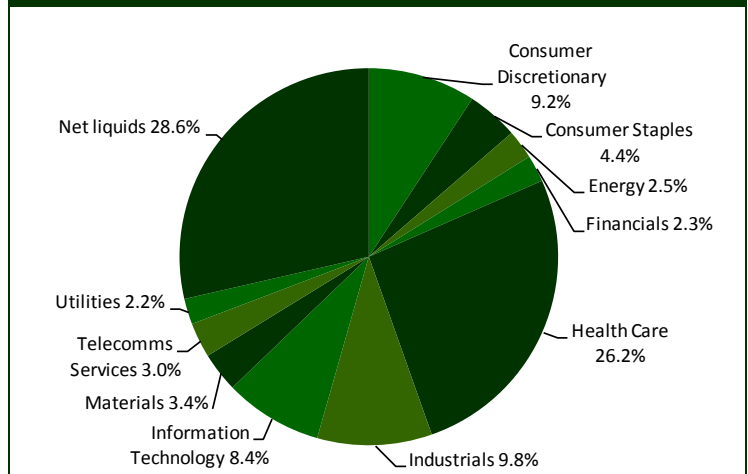
UK fabrics company **Colefax Group** (+1%) rose after releasing its financial year results. Revenue was up 12% to 77.7m and profit before tax up 47% to 6.4m. The company also increased its final dividend by 20% to 2.00p per share. The year's strong results were attributed to the exceptional performance of the decorating division while a good recovery in the UK helped to offset a disappointing year in the US.

At month end the Fund's net assets were \$6.0m with 28.6% net liquids. The international component was 45.9%, with 29.7% of the foreign currency exposure hedged back into Australian Dollars.

Country Allocation Breakdown



Sector Allocation Breakdown



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