



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

October 2011

Date - 31.10.2011	Entry Price	Unit Price	Exit Price
GET	1.0202	1.0171	1.0141
GEH	0.8948	0.8921	0.8895

Absolute and Relative Performance (after fees)

To 31 October 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)	-2.6	-10.4	-7.4	+1.1	-5.8	+1.7	+2.9	\$13,287
MSCI (benchmark)	+1.1	-8.5	-6.0	-5.5	-7.1	-1.2	-3.2	\$7,222
Relative Performance	-3.7	-1.9	-1.4	+6.6	+1.3	+2.9	+6.1	\$6,065
Global Ethical Trust - Hedged (GEH)								
GEH (absolute performance)	+3.6	-9.9	-	-	-	-	-8.2	\$9,175
MSCI - Hedged (benchmark)	+8.6	-8.9	-	-	-	-	-7.4	\$9,259
Relative Performance	-5.0	-1.0	-	-	-	-	-0.8	(\$83)

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	7.4
BTG	medical devices	UK	4.3
Lexmark	printing and imaging solutions	USA	3.9
Computer Sciences	IT services	USA	3.7
Proto Corp	publishing	Japan	3.7
Woongjin Thinkbig	education services	Korea	2.9
Daiichikosho	karaoke machinery	Japan	2.9
AMG	speciality metals	Netherlands	2.8
Virgin Media	broadband communications	UK	2.6
Danieli	machinery manufacturer	Italy	2.6

Commentary

Global markets recovered some of the ground they lost in September, as concerns eased over the major European economies seemingly coming to an agreement on a bailout package for Greece. The AUD also recovered 9.0% this month after declining 9.8% against the greenback in September. Strong economic data out of China for the September quarter, and a rally in commodity markets were the main drivers of the Aussie dollar. The Hunter Hall Global Ethical Trust fell 2.6%, underperforming its benchmark by 3.7%, as the MSCI in AUD rose 1.1%.

India's **Allahabad Bank** (-5%) fell after Mumbai-based Union Bank reported very poor quarterly results. Later in the month, the Reserve Bank of India unexpectedly announced the deregulation of savings bank rates. This announcement caused a disruption to India's banking sector, however we believe that Allahabad is well positioned in the sector and it released healthy earnings

in its 2Q12 reporting, including a 21% increase in net profit year on year.

Indian telecommunications company **Tulip Telecom** (-5%) fell on concerns about the company's high capex, debt and interest costs. The costs are associated with laying trunk fibre cable from Mumbai to Chennai, and the construction of a new data centre in Bangalore. We remain upbeat about the stock, and we believe these two projects will put the company in a strong position upon their completion.

Japanese karaoke parlour operator **Daiichikosho** was flat over the month despite seeing an improvement in the karaoke market after the recent Japanese earthquakes and tsunami. We remain optimistic about the Karaoke market in Japan and we believe that the company's recent strong earnings, which have greatly exceeded estimates, should continue in FY2012.

Commentary - continued

US wireless technologies company **InterDigital** fell (-7%) in the month of October pending an announcement on the ongoing sale of the company or select assets of the company to a single buyer or consortium of buyers. The company also released its 3Q results which reported revenues up 9% quarter on quarter and net income up 53% quarter on quarter due to a one-off reduction in income tax offset by increased expenses. Due to the ongoing strategic process, the company has suspended all conference calls until further notice.

UK digital TV technologies company **Pace** (-17%) declined after announcing it expected its operating profit for 2011 to fall below previous projections after the severe flooding of hard-disk supplier, Western Digital's factories in Thailand. Western Digital is reported to have lost up to 60% of its production capacity due to the devastating impact of the floods.

Korean educational company **Woongjin Thinkbig** fell 1% after disappointingly missing its Q3 guidance. However the company remains optimistic about Q4 given the uptake of the new higher ASP course it has introduced.

Other detractors included Canadian wind sensor systems developer **Catch the Wind** (-32%), Singapore-listed shoe manufacturer **Qingmei** (-8%) and UK-listed agricultural company **Landkom** (-19%).

US printer manufacturer **Lexmark** (+17%) rose after announcing solid 3Q11 results, despite the uncertain economic climate. Gross profit was up 5.8% on the previous corresponding period. Earnings before tax was

up 4.9% from \$88m to \$92m quarter-on-quarter. Lexmark has invested in its Perceptive Software business by hiring more people and increasing its marketing activities. Perceptive Software had a net loss of \$3m in 3Q11, however the company has sacrificed these short-term losses in order to grow the business long term.

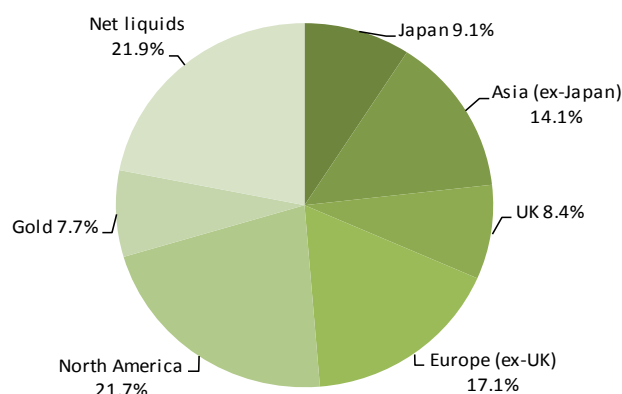
US cable TV provider **Comcast** (+12%) had a strong month, releasing solid 3Q results, in line with market expectations. The company's cable division was its best performer with 5% growth in revenue year on year, despite the weak macro environment. The company also accelerated their share buyback during the month, sending a positive signal to investors.

Italian machinery manufacturer **Danieli** rose 18% after confirming the company's intention to build a new steel mill in Europe with a production capacity of one million tonnes. The new mill would double the current production capacity of the company's steel producing subsidiary, Acciaierie Bertoli Safau. Pleasingly, Danieli also announced that they are expecting operations suspended by the war in Libya to resume during 2012.

Other contributors included Hong Kong listed sodium sulphate producer **China Lumena New Materials** (+43%), UK medical devices company **BTG** (+11%) and Netherlands specialty metals company **AMG** (+18%).

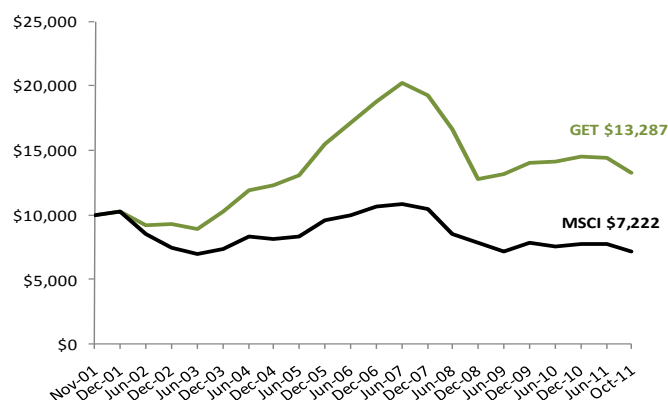
At month end the GET's net assets were \$231.4m with 21.9% net liquids. The international component was 70.4%. The GEH's net assets were \$1.2m with 100% of the foreign currency exposure hedged back to Australian Dollars.

GET: Country Allocation Breakdown



GET: Value of \$10,000

invested at inception vs benchmark



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