Ethical Managed Funds

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

Hunter Hall Global Deep Green Trust

Monthly Performance Report

January 2012

Date	Entry Price	Unit Price	Exit Price
31.01.2012	0.8227	**0.8202**	0.8178

Absolute and Relative Performance (after fees)

			Compound Annual Return			
To 31 January 2012 (%)	**1 month**	**6 months**	**1 year**	**3 years**	**Since inception**	**Value of $10,000 invested at inception**
Absolute Performance – GDG	+2.1	-14.6	-13.3	+0.4	-4.6	$8,202
Benchmark – MSCI	+1.3	-0.8	-9.0	-1.9	-7.9	$7,054
Relative Performance	**+0.8**	**-13.8**	**-4.3**	**+2.3**	**+3.3**	**$1,148**

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 (%)
BTG	medical devices	UK	10.2
Sirtex Medical	liver cancer treatments	Australia	10.1
Biota	pharmaceuticals	Australia	6.0
JDS	optical components	USA	5.7
Interdigital	wireless technologies	USA	4.4
Manila Water	water utility	Philippines	4.0
Redflex	technology	Australia	3.6
Colefax	furnishing fabrics	UK	3.4
CBD Energy	energy services	Australia	3.2
Catch the Wind	wind sensor systems	USA	3.0

Commentary

Hunter Hall Global Deep Green Trust (GDG) started 2012 well, up 2.1% for the month of January. The portfolio slightly outperformed its benchmark, the MSCI World in A$, by 0.8%. Around the world markets rallied with the S&P 500 Index rising 4%, Hong Kong's Hang Seng Index up 11% and London's FTSE up 2%. At home, the Australian All Ordinaries climbed 5% and the Australian dollar rose 4c to US$1.06.

Italian steel producer **Danieli** (+18%) reported strong quarterly results, including a 22% increase in revenues and a 65% reduction in capital expenditure from the previous corresponding quarter. The company is continuing to improve efficiencies in its steel-making processes, while expanding production facilities in China and Thailand and opening new operations in the growing economies of India, Russia and Vietnam.

Australian liver cancer treatment company **Sirtex** (+5%) achieved strong growth in dosage sales for the December quarter which were up 22% on the previous corresponding period. This was driven mainly by strong sales in the US (up 31%) and the Asia Pacific region (up 38%). Sirtex's 30 quarters of consecutive growth in dose sales can be attributed to an increasing global acceptance of the company's *SIR-Spheres*. A very significant trial in France has been announced which will compare the performance of *SIR-Spheres* against *Nexavar*, the current standard of care for primary liver cancer. *Nexavar* is a chemotherapy drug which has sales of about US$1b and is utilised by an estimated 35,000 patients. *SIR-Spheres* appear to provide a longer survival period and fewer nasty side effects and therefore would seem to have a reasonable chance of taking some of *Nexavar*'s market share

After generally poor performances in December, a number of the fund's Indian holdings have rebounded. Telecommunications company **Tulip Telecom** (+7%) and **Indian Bank** (+19%) both contributed positively.

Commentary - *continued*

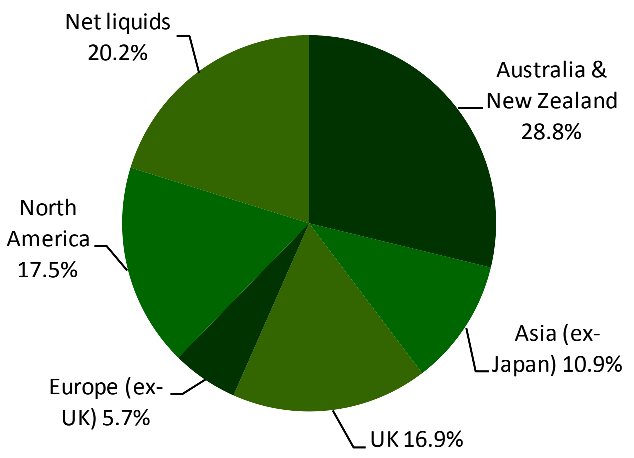
While the portfolio comfortably outperformed its benchmark during the month, its largest detractor was US wireless technology company **Interdigital** which fell 14% after the company changed the strategy behind selling its patent portfolio The decision followed months of unsuccessful negotiations with potential buyers for the entire portfolio of 20,000 patents. The new strategy is to sell sections of the patent portfolio and increase its licensing sales with a target of doubling annual revenues to $800m by 2015.

Despite falling during January, Australian cancer treatment company **Bionomics** (-20%) maintains a strong balance sheet, including $20m cash at bank. The company received a US$3m payment from US pharmaceutical company Ironwood, which is developing Bionomics' anti-anxiety drug BNC210. There is potential for Bionomics to receive a further US$10m over the next two years for the development. The company has also worked to halve its operating expenses to A$1m for the December quarter, from the previous corresponding period.

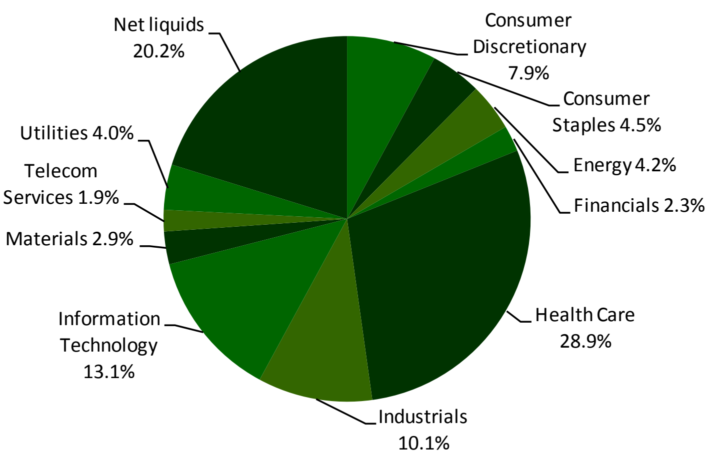
At month end the Fund's net assets were $5.7m with 20.2% net liquids. The international component was 51.8%, with 37.3% of the foreign currency exposure hedged back into Australian Dollars.

We expect uncertainty in the global economy to ease during the first half of 2012, enabling the Hunter Hall investment team to execute a number of potentially extraordinary opportunities. In the context of moderate global economic growth, driven in part by Asian industrial activity, infrastructure development and urbanisation, Australia is expected to remain a safe haven. We continue to favour Australian companies. However Emerging economies will also continue to be a growth driver of the world economy. The World Bank forecasts emerging economy growth in 2012 of 6.2% and global growth of 2.5% - hardly a recession. While the pace of growth in China and India has been moderating, sharp falls in their stockmarkets should provide us with new investment opportunities.

Country Allocation Breakdown



Sector Allocation Breakdown



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