



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

## January 2012

Date - 31.01.2012	Entry Price	Unit Price	Exit Price
GET	1.0028	0.9998	0.9968
GEH	0.8956	0.8929	0.8902

### Absolute and Relative Performance (after fees)

To 31 January 2012 (%)	1 month	6 months	1 year	Compound Annual Return				Value of \$10,000 invested at inception
				3 years	5 years	7 years	Since inception	
<b>Global Ethical Trust (GET)</b>								
Absolute Performance - GET	+3.5	-7.5	-13.1	-0.2	-6.9	+0.6	+2.7	\$13,061
Benchmark - MSCI	+1.3	-0.8	-9.0	-1.9	-7.7	-1.3	-2.9	\$7,383
<b>Relative Performance</b>	<b>+2.2</b>	<b>-6.7</b>	<b>-4.1</b>	<b>+1.7</b>	<b>+0.8</b>	<b>+1.9</b>	<b>+5.6</b>	<b>\$5,678</b>
<b>Global Ethical Trust - Hedged (GEH)</b>								
Absolute Performance - GEH	+5.3	-6.4	-	-	-	-	-8.2	\$9,183
Benchmark - MSCI Hedged	+4.5	-0.5	-	-	-	-	-3.3	\$9,667
<b>Relative Performance</b>	<b>+0.8</b>	<b>-5.9</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-4.9</b>	<b>-\$484</b>

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 Bullion	gold	n/a	5.4
BTG	medical devices	UK	4.7
Lexmark	printing and imaging solutions	USA	4.1
Proto Corp	publishing	Japan	3.4
Danieli	machinery manufacturer	Italy	3.4
Comcast	communication services	USA	3.2
Computer Sciences	IT services	USA	2.9
JDS	optical components	USA	2.8
Virgin Media	broadband communications	UK	2.7
AMG	speciality metals	Netherlands	2.7

### Commentary

The Hunter Hall Global Ethical Trust (GET) started 2012 strongly, up 3.5% for the month of January. The portfolio outperformed its benchmark, the MSCI World in A\$, by 2.2%. The Global Ethical Trust (Hedged) was up 5.3%, outperforming its benchmark, the MSCI World in A\$ Hedged, 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. The **Gold Bullion** price recovered 10% to US\$1,731/oz to be one of the trust's top contributors.

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.

After generally poor performances in December, a number of the trust's Indian holdings have rebounded. Jewellery manufacturer **Shree Ganesh** (+15%), **Tulip Telecom** (+7%) and **Indian Bank** (+19%) all contributed positively. **Allahabad Bank** (+41%) was the best performer after reporting a 35% growth in net profit for the December quarter compared with the previous corresponding period.

## Commentary - continued

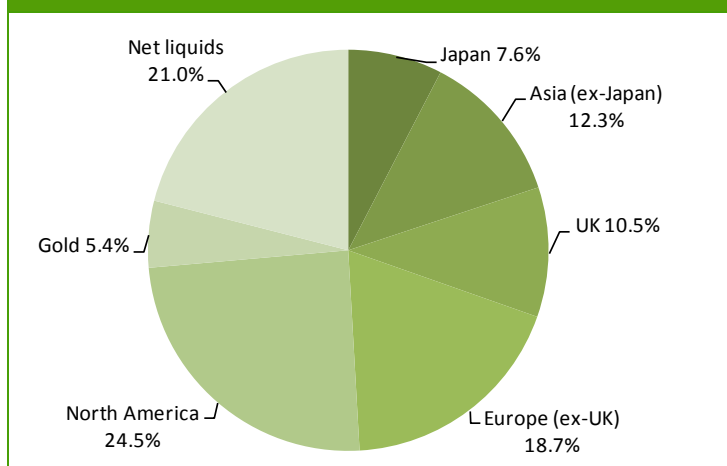
UK oil and gas explorer **Afren** (+41%) is an independent exploration and production company with operations in 12 countries, mainly in Africa and the Middle East. The company announced it had discovered oil and gas at the Okoro East exploration well off southeast Nigeria in "excellent quality reservoir sands". The company also announced that it had commenced drilling at its Ghana offshore operation.

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.

At month end the GET's net assets were \$215.0m with 21.0% net liquids. The international equities component was 73.6% and 5.4% gold. The GEH's net assets were \$1.2m, with 99.6% of the foreign currency exposure hedged back to Australian Dollars.

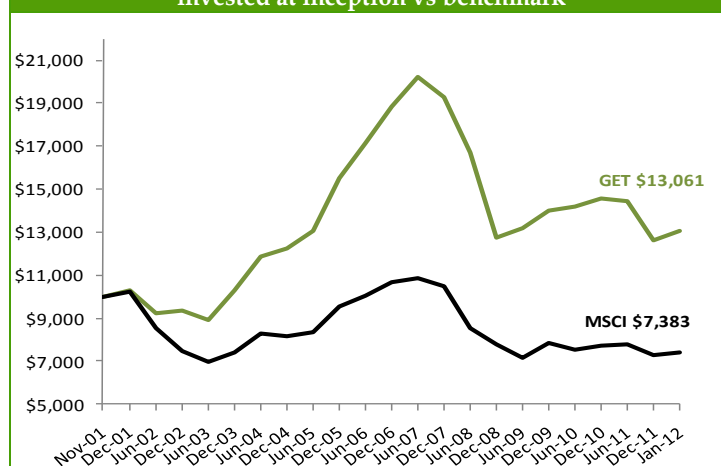
We expect uncertainty in the global economy to ease during the first half of 2012, enabling the Hunter Hall investment team to execute a number of potentially extraordinary opportunities. Emerging economies continue to be a growth driver of the world economy. The World Bank forecasts emerging economy 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. We have also been increasing the portfolio's exposure to the US as its economy continues to slowly improve.

### GET: Country Allocation Breakdown



### GET: Value of \$10,000

invested at inception vs benchmark



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