

Hunter Hall Value Growth Trust

Morningstar Category
World Mid/Small Blend

Product Type
Retail

Legal Type
Investment Trusts

Fund Status
Open

Morningstar Recommendation
Recommended

Morningstar Rating
★★★★★
Out of 19 funds as at 30 Sep 2009

Morningstar Take by Matthew Rutt 17 Apr 2009

We continue to like Hunter Hall's bold, long-term approach to investing, despite the dismal showing in 2008. While the shop's reputation has been tarnished, it was really no surprise given the approach. We're confident the strategy will again deliver. Value Growth is driven by a deep level of investment nous and a multi-portfolio manager structure which sees team members individually take responsibility for sleeves of the portfolio. This reduces key person risk and ensures direct accountability, while drawing fully on individual insights and encouraging quality in-depth research. We commend the team for getting off the beaten investment track. They'll fossick for opportunities most lack skill in understanding or are too apprehensive to delve into. Examples include Korean energy distributor Samchully and Indian bank Allahbad. The local sleeve is dominated by small-cap names such as Sirtex Medical. Hunter Hall's is an unashamedly eclectic approach to investing, and investors shouldn't be put off by the disparate collection of international and domestic names. Founder Peter Hall has been proactive with people and process enhancements to manage risks. Changes include two portfolio manager departures in late 2008 and redefining senior level responsibilities. Including Hall, eight portfolio managers remain. Positively, the house now takes a more analytical approach to implied portfolio weights, and also monitors thematic risks. These are minor enhancements, and the house has ensured that its investment process remains unimpaired. We expect the weighting to Korea to decline as the portfolio moves to a slightly higher exposure to more liquid names. This is a positive, as concentration in Korean and illiquid stocks had been our prevailing concern. The strategy is still not without risks, and its returns can be volatile. These are by-products of the go-anywhere approach and concentrated nature. Despite 2008 being Value Growth's worst year on record, we believe it makes an ideal Supporting Player which will reward over the long haul.

Fees

One-time

Entry Fee/Contribution Fee	%0.00
Exit Fee/Withdrawal Fee	%0.00
Buy/Sell Spread	%0.60

Annual

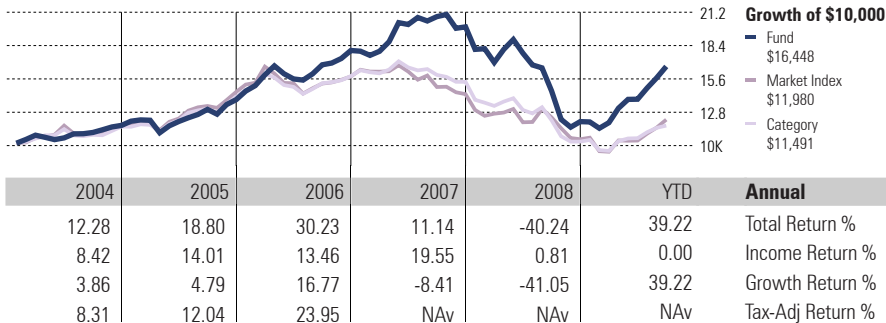
ICR pa (30 Aug 2008)	%1.84
Performance Fee pa (30 Aug 2008)	NAv
Management Fee pa	%1.83
Max Ongoing Adviser Fee pa	%0.00

Operations

Investment Details

Ticker	3876
APIR Code	HOW002AU
Fund Inception	02 May 1994
Net Assets (Mil) 31 Aug 2009	\$1090.04
Entry Price 12 Oct 2009	\$2.2197
Exit Price 12 Oct 2009	\$2.2064

Performance 30 Sep 2009



Trailing 6 Mth 1 Yr 3 Yr 5 Yr 10 Yr

Quartile

	6 Mth	1 Yr	3 Yr	5 Yr	10 Yr
Total %	40.26	14.20	-0.28	8.57	11.85
Income %	0.00	0.00	8.73	10.03	9.32
Growth %	40.26	14.20	-9.01	-1.45	2.53
Tax-Adj %	NAv	NAv	NAv	NAv	NAv
Index %	29.02	-1.58	-7.23	2.04	4.52
Category %	22.83	-3.64	-8.57	1.43	2.00

Category Risk Meter (3 Year Standard Deviation)

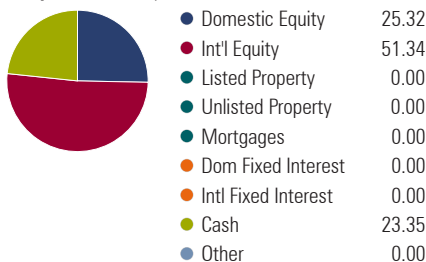


Risk	Std Deviation	Rel to Category
3 Year	20.81	Above Average
5 Year	19.49	Above Average
10 Year	17.37	Average

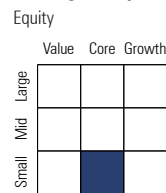
Index: MSCI World Small Cap Index with Net Div Reinv \$A

Portfolio 30 Sep 2009

Composition (31 May 2009)



Morningstar Style Box



Small Core

These funds own a mixture of smaller-sized growth and value companies, or companies which exhibit both characteristics.

Top 10 Stock Holdings

Company	Sector	% Assets
Customers Limited	Technology	4.94
Sirtex Medical Limited	Healthcare	4.73
Woongjin Thinkbig	Technology	4.11
Biota Holdings Limited	Healthcare	3.76
Virgin Media, Inc.	Telecom	3.26
Samchully	Energy	2.86
Woongjin Coway	Technology	2.75
Apollo Group, Inc. A	Technology	2.54
JDS Uniphase Corporation	Technology	2.18
Po Valley Energy Limited	Energy	2.04

Top 5 Sector Weightings

Sector	% Assets
Financial Services	19.29
Healthcare Services	16.47
Business Services	12.62
Industrial Materials	11.76
Software	8.98

Top 5 Countries

Country	% Assets
Australia	29.66
U.S.	9.77
South Korea	9.72
India	7.78
Japan	2.84

Purchase Information

Minimum Initial Investment	\$10,000
Minimum Investment Facility	\$10,000
Minimum Additional Investment	\$2,000
Minimum Withdrawal	\$500
Minimum Switch	\$0
Distributions Frequency	6 Monthly

Manager Info

Manager	Hunter Hall Investment Management Ltd
Custodian	Permanent Trustee Company Ltd
Telephone	1800 651 674
Address	Level 2 Sydney, NSW 2001

Investment Detail Disclosure

Quick Stats

Morningstar Category: A fund category is based on exposure to asset classes, investment sectors, the investment style, market-cap, and the associated risk and return characteristics of funds. The objective of the classification system is to provide groupings of funds which can be reasonably considered to be close investment alternatives and for which performance and other statistics such as fees are comparable.

Morningstar Recommendation: The recommendation is a qualitative assessment of the people, process, portfolio, parent, and performance of a fund manager as it relates to a particular investment strategy. The Morningstar Recommendation operates on a five-point scale: 'Highly Recommended', 'Recommended', 'Investment Grade', 'Hold', or 'Avoid'. The Morningstar Recommendation is the final outcome of a collaborative process based on a site visit, the IFSA questionnaire, quantitative and holdings-based analysis of the portfolio, and an assessment of all the key issues outlined.

Morningstar Rating: The rating is calculated for funds with at least a three-year history based on a Morningstar Risk-Adjusted Return measure that accounts for variation in a fund's monthly performance. The top 10% of funds in each peer group receive 5 stars, the next 22.5% receive 4 stars, the next 35% receive 3 stars, the next 22.5% receive 2 stars and the bottom 10% receive 1 star. The peer group is determined by the fund's Morningstar Category, Legal Type, and Product Type. The Overall Morningstar Rating is derived from a weighted average of the performance figures associated with its three- and five-year (if applicable) Morningstar Rating metrics.

Morningstar Take

The Morningstar Take is a summary of Morningstar's overall opinion of the fund manager's strategy and capabilities in the asset class. If Morningstar has not qualitatively reviewed the manager, the PDS Objective and Fund Investment Strategy will appear in its place.

Performance

Growth of \$10,000: The graph compares the growth of \$10,000 in a fund with that of a capital market index chosen by Morningstar and with that of the average growth for all funds in its Morningstar peer group. The index is an unmanaged portfolio of specified securities. The index and the category average do not reflect any initial expenses however the category average returns are net of ongoing fees. A fund's portfolio may differ significantly from the securities in the index.

Quartile Rank: The graph represents the fund's total return percentile rank among funds in the same peer group. The black bar on the graph represents the quartile in which the fund-performance ranking falls. If the top quarter of the graph is shaded, for example, the fund performed among the top 25% of its category that year.

Total Return: Reflects performance without adjusting for sales charges or the effects of taxation, but is adjusted to reflect all actual ongoing fund expenses and assumes reinvestment of distributions. Growth return is the percentage change in the scheme's soft close exit price adjusted for any capital re-organisation (eg. an issue of

bonus units). Income return is the total return less growth return and reflects the level of distributions from a fund (distributions include such things as interest, dividends, and realised capital gains).

Tax-Adjusted Return: A pre-liquidation performance calculation that assumes the taxed distribution amount (as opposed to the gross distribution amount used in the total return calculation) is reinvested in the fund. The calculation assumes the following: investors are Australian residents exposed to local taxation rules; all taxation credits/concessions can be fully-utilised immediately; the highest tax bracket will apply when calculating an after-tax CPU (48.5% for all after-tax return calculations before 1 July 2006 and 46.5% thereafter); the after-tax distribution is re-invested at the ex-distribution exit price (Ex-Price), on the distribution end date; and an after-tax return will be calculated post 1 October 1999 only.

Category Risk Meter: The graph compares the fund's three-year standard deviation with that of the average for all funds in its peer group. Standard deviation is a statistical measure of the volatility of the fund's returns.

Fees

Entry Fee/Contribution Fee: The amount paid or payable against the initial, and any subsequent, contributions made into a product by or for a retail client.

Exit Fee/Termination Fee: The amount paid or payable on the disposal of all interests held in a financial product.

Buy/Sell Spread: The difference between the price at which you can buy a unit and sell a unit on any given day. This is a transaction cost incurred by the investor that reflects the actual or estimated transaction costs incurred by the fund in dealing with the underlying securities.

ICR: The Indirect Cost Ratio is a ratio of the fund's management costs that are not deducted directly from a member's or product holder's account, to the fund's total average net assets. Note: A dollar-based fee charged directly against a member's account, such as a \$1 per week management cost is not included in the ICR.

Management Fee: Includes any of the following: in relation to a product or fund - an amount payable for administering the fund; for a custodial arrangement - the cost involved, or amount paid or payable, for gaining access to, or participating in, the arrangement; distribution costs; other expenses and reimbursements in relation to a product or fund; amounts paid or payable for investing in the assets of the fund; amounts deducted from a common fund by way of fees, costs, charges or expenses, including amounts retrieved by an external fund manager or a product issuer; and amounts deducted from returns before allocation to the fund; estimated performance fees; any other investment-related expenses and reimbursements, including any associated with custodial arrangements.

Adviser Service Fee: The amount that is: paid or payable to a financial adviser for financial product advice to a retail client or product holder about an investment; and not included in a contribution fee, withdrawal fee,

termination fee, establishment fee or management cost.

Performance Fee: The amount paid, calculated by reference to the performance of a product or fund above a specified hurdle rate, according to the annual report.

Portfolio

Composition: The graph represents a breakdown of the fund's holdings into general investment classes based on surveyed data provided by the fund manager.

Morningstar Style Box: For equity funds the vertical axis shows the market capitalization of the stocks owned and the horizontal axis shows investment style (value, blend or growth). For fixed-income funds the vertical axis shows the average credit quality of the bonds owned, and the horizontal axis shows interest rate sensitivity as measured by a bond's duration (short, intermediate or long).

Credit Analysis: For corporate-bond and municipal-bond funds, the credit analysis depicts the quality of bonds in the fund's portfolio. Government bonds are also included within the AAA category. Bonds with a BBB rating or above are considered to be of investment grade. Bonds rated BB or below are considered to be quite speculative.

Bond Statistics: The average weighted interest-rate sensitivity (Duration), years to maturity (Maturity), bond credit ratings (Credit Quality), coupon rates (Coupon) and cost (Price), computed by averaging each bond adjusted for its relative size within the portfolio.

Top 10 Stock Holdings: The largest equity exposure of a fund's portfolio. Portfolio holdings information is based on the most recent information available to Morningstar.

Top 5 Sector Weightings: The Morningstar sector structure divides the stock universe into 129 industries ranging from semiconductors to medical equipment. These industries are classified into 41 industry groups, which are then used to construct 12 separate sectors.

Top 5 Countries: The largest geographical exposure of a fund's stock assets. Country assignments are based on the primary exchange where each stock is traded.

Operations

Minimum Initial Investment: Indicates the smallest investment amount accepted by the product to establish a new account.

Minimum Investment Facility: Indicates the smallest investment amount accepted by the facility to establish a new account.

Minimum Additional Investment: Indicates the amount required to make subsequent investments in the product.

Minimum Withdrawal: Indicates the smallest amount that can be taken out of the product at one time.

Minimum Switch: Indicates the smallest amount that can be switched between similar investment products defined in the PDS.

Distributions Frequency: Indicates the number of times per year a fund intends to distribute for the life of the PDS.