DISTRIBUTION REPORT
Six Month Period to 31 December 2009

AFS LICENCE 219462   ABN 69 063 081 612

Dear Investor,

We are pleased to enclose the Distribution Statement relating to investments in the Hunter Hall Value Growth Trust (VGT), Global Ethical Trust (GET), Australian Value Trust (AVT) and Global Deep Green Trust (GDG) for the six months to 31 December 2009.

DISTRIBUTIONS

The VGT and AVT paid a distribution of 5.55c and 0.75c, respectively, for the six months to December 2009. Unfortunately, the GET and GDG were not able to make any distributions, despite positive investment performance in the six month period, as these trusts have realised capital loss positions of $97.4m and $0.38m, respectively, and net revenue losses for the period.

The distribution amounts, together with Trust composition details at 31 December 2009, are shown. The reinvestment prices are free of transaction costs.

	VGT	GET	AVT	GDG
Pre-distribution Price	228.25c	107.33c	150.99c	108.44c
Distribution (per unit)	5.55c	-	0.75c	-
Reinvestment Price	222.70c	-	150.24c	-
Tax Credits (per unit)	0.39c	-	0.66c	-
Net Assets (pre-distribution)	$1,197.9m	$358.5m	$99.8m	$10.2m
International Equity Exposure	53%	82%	-	35%
Australia/NZ Equity Exposure	31%	-	84%	36%
Gold Bullion	2%	4%	-	-
Net Liquids	14%	14%	16%	29%
Currency Hedging	42%	-	-	-

PERFORMANCE

The Hunter Hall Trusts, with the exception of the Global Ethical Trust, did well in the six month period to 31 December 2009 with positive absolute performance and strong relative performance.

The VGT rose 24.0% over the six months to December 2009, outperforming the MSCI World Index (MSCI), by 14.1%. For the 2009 calendar year the VGT was up 43.8%, outperforming the MSCI by 43.0%, while outperforming the All Ordinaries Accumulation Index (All Ords) by 4.2%.

The GET rose 6.1% over the six months to December 2009, underperforming the MSCI by 3.8% for the half-year. The GET was up 9.9% for the 2009 calendar year, outperforming its benchmark by 9.1%.
The AVT rose 47.5% over the six months to December 2009, outperforming the All Ords by 21.4%. The AVT recorded a positive 86.2% return for the 2009 calendar year, outperforming the benchmark by 46.6%.

The GDG rose 29.0% over the six months to December 2009, outperforming its benchmark, the MSCI, by 19.1%. The GDG recorded a positive 38.0% return for the 2009 calendar year, outperforming its benchmark by 37.2%.

The table below displays the performance of the Funds over various time periods

To 31 December 2009	ABSOLUTE PERFORMANCE				RELATIVE PERFORMANCE					INDICES	
Fund	VGT	GET	AVT	GDG	VGT	VGT	GET	AVT	GDG		
Index					MSCI	All Ords	MSCI	All Ords	MSCI	All Ords	MSCI
%	1	2	3	4	(1-6)	(1-5)	(2-6)	(3-5)	(4-6)	5	6
6 Months	+24.0	+6.1	+47.5	+29.0	+14.1	-2.1	-3.8	+21.4	+19.1	+26.1	+9.9
1 Year	+43.8	+9.9	+86.2	+38.0	+43.0	+4.2	+9.1	+46.6	+37.2	+39.6	+0.8
Since Inception (31.10.2007)				**+3.8**					+16.1		-12.3
3 Years	-1.8	-9.3	+3.0		+7.9	-1.2	+0.4	+3.6		-0.6	-9.7
5 Years	+7.9	+2.7	+7.5		+8.7	-0.3	+3.5	-0.7		+8.2	-0.8
7 Years	+12.1	+6.0	+10.8		+11.3	+0.2	+5.2	-1.1		+11.9	+0.8
Since Inception (29.11.2001)		**+4.3**	**+11.9**				+7.2	+2.4		+9.5	-2.9
10 Years	+10.8				+14.2	+2.1				+8.7	-3.4
15 Years	+16.2				+11.2	+5.5				+10.7	+5.0
Since Inception (02.05.1994)	**+15.3**				+11.0	+5.4				+9.9	+4.3

AOAI = All Ordinaries Accumulation Index. MSCI = 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..

DISCUSSION

The largest holding in the VGT, AVT and GDG, Australian cancer treatment firm, **Sirtex,** rose 125% over the six months to December 2009. After an outstanding 2009 financial year result, the company recorded further strong growth in the September 2009 quarter with operating profit up 68% to $5.5m on a 34% boost in revenue to $16.5m. This improvement was largely attributable to an increase in sales in Europe and the US. Following the successful resolution of all its legal battles – in which its position was fully vindicated, and the bulk of its costs reimbursed - Sirtex is cashed up with $31m cash on hand and is broadening its focus on new markets such as Taiwan, Korea and India. The stock has continued its price run, up 6% to $7.99 since calendar year-end.

Australian anti-viral drug specialist **Biota**, held in the VGT, AVT and GDG, rose 102% over the six months due to concerns relating to the outbreak of the H1N1 flu strain and as its Relenza product gained market share from its rival Tamiflu. After revealing royalties for the June 2009 financial year rose 120% to $45m, the company announced solid results in the September 2009 quarter. GlaxoSmithKline announced plans to triple Relenza's annual production capacity to 190m courses by the end of 2009. Late in the half-year, the stock was added to the S&P/ASX 200. Our other healthcare stocks, Norwegian pharmaceutical company **Photocure** (+35%) and UK medical device company **Biocompatibles** (+24%) also performed well. Both stocks are held in the VGT and GET, with Biocompatibles also held in the GDG.

Australian independent ATM operator **Customers** (+39%) continued its rise as the market started to understand its earnings potential post the introduction of Direct Charging in March 2009. Customers' is now debt-free and has announced a capital return of 8 cents per share, to be paid in early 2010. Growth opportunities include potential ATM convenience fee increases, a likely move into New Zealand, the recently signed strategic partnership deal with Korean-listed Hyosung Group to deliver ATMs to third parties in Australia, and branding and advertising deals. We used the share price strength to reduce our weighting.

Our entry into US listed media company **Virgin Media** (held in the VGT and GET) in June 2009 proved timely as the company rose 80% to December 2009. The Company continued to gain traction from its cheaper and faster broadband service offering with product penetration up strongly to 2.5 products per customer. Revenue grew by 5% in the September 2009 quarter. Debt was cut by $0.5b over the year to US$5.6b. Virgin's secondary listing on the London Stock Exchange has the potential to broaden its investor base.

Our portfolio of Indian banks, held in the GET, VGT and GDG portfolios, which account for which account for 7%, 6% and 3%, respectively, had a strong half-year to December. Notable contributors included **Allahabad** (+61%), **Canara** (+48%), **Indian Overseas Bank** (+27%) and **Indian Bank** (+19%). Performance was helped by a string of good results and the return of foreign buyers to the Indian market as fears over rising bond rates and increasing bad loans diminished. We used price strength in **Bank of India** (+9%) to reduce our exposure and exited **Syndicate Bank**.

Indian tea-plantation company **McLeod Russel** (+130%) rose on the back of a surging tea price, attributable to poor weather conditions in major tea growing regions, namely Kenya and Sri Lanka. The global tea shortage is estimated to reach 100m kilograms and the tea price rally is expected to continue for some time. Late in the half year the company acquired Uganda's Rwenzori Tea Investment for US$30m including assumed debt as part of its strategy to expand its global tea production. The transaction will take McLeod's total tea production to 96m kg per annum. McLeod is held in the VGT and GET.

Australian telecommunications company **M2 Telecommunications** (held in the VGT and AVT) rose 131% after delivering a good result for the year ended 30 June 2009. Net profit jumped 45% on an 86% increase in revenue. With the acquisition of People Telecom and the small and medium business assets of Commander, M2 has forecast another big boost in the financial year to June 2010 when it will have a full year benefit from this expansion.

Despite a continued tough operating environment, Australian printer **PMP** (held in the VGT and AVT) appreciated by 99%. Under new CEO Richard Allely, the Company is being transformed into a more cost effective and customer focused business. Despite the loss of an important Kmart contract over the half-year, this was offset by long-term contract renewals to print the Yellow Pages and White Pages for directories business Sensis. PMP also acquired the magazine distribution business of New Zealand's Independent Magazine Distributors.

Our exposure to the speciality metals markets through Dutch listed specialty metals company **AMG Metallurgical** helped performance with the stock up 82% over the half-year. The better June 2009 quarterly results were due to a recovery in AMG's end-markets, as well as the success of the company's cost cutting initiates. AMG is held in the VGT, GET and GDG.

US diversified technology company **JDS Uniphase** (held in the VGT and GET) rose 44% on the back of aggressive cost reductions and a recovery in demand for telecommunication equipment. JDS is moving to a variable model by outsourcing its manufacturing activities.

Norwegian-based marine seismic company **Petroleum Geo-Services** (PGS) sold its onshore business to Geokenetics for US$210m. The deal comprised a part-cash payment of US$184m and US$26m worth of Geokinectic shares. While we expect a fall in calendar 2009 earnings due to deferred exploration spending over the year from major oil companies, a significant improvement in the seismic market during 2010 seems likely. The stock rose 67% over the half-year and is held in both the VGT and GET.

Australian paint manufacturer **Wattyl** rose 89% over the six months and benefited from a pick-up in sentiment towards the Australian housing sector. The company also appointed new Managing Director, Mr Tony Dragicevich over the half-year, who has considerable experience in business turnaround situations. Wattyl is held in the VGT and AVT.

Australian memory chip manufacturer **Legend**, held exclusively in the VGT, rose 124%, after twice upgrading its earnings forecasts over the half-year.

Other notable contributors included US-listed media company **VisionChina** (+79%), UK publisher **Haynes Publishing** (+52%), Spanish security and surveillance systems company **Proseguer** (+50%), US steel producer **United States Steel Corp** (+54%), US media company **News Corp** (+50), Brazillian education services company **Kroton** (+36%) and Korean water purifier **Woongjin Coway** (+24%). All these stocks are held in both the VGT and GET.

Late in the half-year we added Korea's second largest home shopping network**, CJ O Shopping**, to the VGT and GET portfolios. In a market limited to only five players by law, CJ O has a 25% market share. The business is growing strongly, fuelled in-part by a recovery in consumer spending and in-part by swine flu fears, which has resulted in Koreans prefer 'contactless' shopping methods. We also added positions in US financial products company **H&R Block** (up 21% on our average entry price), Canadian airline operator **Jazz Air** (up 2% on our average entry price), Japanese-listed **Pioneer Corporation Convertible Bonds** (up 7% on our average entry price) and German automobile services and manufacturing company **Duerr** (up 48% on our average entry price).

While adding to existing holdings in **Virgin Media**, **Biocompatibles** and **News Corporation**, we exited **Northern Foods**, **Addax Petroleum**, **China Essence**, **Shenzhen International**, **Timminco** and **Fu Ji Food Convertible Bonds**.

A large portion of our positive performance in the AVT over the six months came from our exposure to resource and engineering companies, all of which had been heavily oversold in the financial year to June 2009. Notable contributors included **Ausdrill**, **Decmil**, **Southern Cross Electrical**, **RER Group** and **RCR Tomlinson**, up 129%, 95%, 72%, 47% and 62%, respectively. **Structural Systems** was the only one of our engineering related stocks to disappoint, falling 8% over the half-year. The company cited rectification work and cost overruns from the now divested Formwork business as the primary reason for the 2010 financial year earnings downgrade. Structural is held in the VGT and AVT.

Renewed corporate activity in the sector over the half-year saw Ausdrill merge with competitor Brandrill, Southern Cross Electrical acquired the overhead power lines business of K.J Johnson and the Hindle electrical maintenance business. Decmil produced a net profit after tax of $10m on revenue of $290m. The company has continued to win major engineering, construction, maintenance and industrial services contracts taking its order book to A$400m in December 2009.

Despite reporting a 22% decline in net profit after tax to $14m for the financial year to June 2009, due largely to project delays associated with the global slowdown, RCR Tomlinson reported its sixth consecutive year of record sales growth, up 14% to $589m. RCR commenced the new financial year with a strong order book, up 44% on the corresponding period.

Air-conditioning and refrigeration company **Hastie** (held in the VGT and AVT) rose 49%. The company expanded its coverage in Queensland and New South Wales with two bolt-on acquisitions, while also winning two contracts totalling $67m.

Electrical cable manufacturer **KLM Group**, held exclusively in the AVT, rose 343% after receiving a takeover offer at $0.47 per share from Programmed Maintenance Services. The bid has been unanimously recommended by the KLM Board.

Over the half-year we added Western Australian second tier mining contractor **VDM Group** to the AVT after participating in the company's recapitalisation. With the strengthening of the balance sheet, a strong order book and strong tendering pipeline for construction work on iron ore and port expansions, we believe the company is now moving in the right direction.

Shoe retailer **RCG Ltd** rose 53% as the Australian consumer began to resurface from their hibernation. RCG announced a record profit for the financial year to June 2009, paid a substantial dividend, acquired the Australian distribution rights for the Merrell footwear brand and bought Shoe Superstore. It confirmed its intention to return approximately 70% of the after tax earnings in the way of dividends.

Other notable contributors over the half-year included window furnishings manufacturer **Kresta** (+63%); billings systems software company **Hansen** (+57%), after announcing a record financial performance for the fiscal year ended 30 June 2009; packaging company **Colorpak** (+47%) after management confirmed late in the half-year it was on track to outperform 2010 financial year guidance provided in June 2009; and gold explorer and producer **St Barbara,** which rose 37% as the gold price strengthened and the market became increasing confident in the new management team. All of these stocks are held jointly in both the VGT and AVT.

Canadian-listed wind sensor systems developer and manufacturer **Catch the Wind** (held in the GDG, VGT and GET) rose 47% over the half-year as it continued to make progress towards the commercialisation of laser wind sensing technology. The company signed a collaborative research and development with Gamesa, a leading Spanish manufacturer of wind turbines. Late in the half-year, the results from the Nebraska Public Power District test demonstrated that the *Vindicator* increased the energy output of a wind turbine by an average of 12.3%, as a result of a better alignment with the prevailing wind direction. This is a significant increment and substantially improves the economics of wind power.

UK listed biodegradable plastics company **Symphony Environmental** rose 102% on the back of its strong results to June 2009. Revenue rose to £3.7m, up 59% on the corresponding period, while gross profit was up 97% to £1.9m. Over the half, the company signed a supply agreement with Danish producer, Superfos Industries, for the manufacturer of a range of rigid plastic packaging using special *d2w* additives supplied by Symphony. Symphony is held in the GDG, as well as the VGT and GET.

Over the half-year, we participated in a non-renounceable rights issue for CBD Energy. CBD is developing a number of wind farms in Australia, and has an innovative thermally based power storage technology which it is starting to roll out in Australia and China. The company raised A$5.4m via a convertible notes with a 12.5% coupon at an issue price of A$0.10 to provide working capital for the company's developing wind farm initiatives in New Zealand and Australia. The notes and shares are held in the GDG, VGT and AVT. The notes ended up 80% by year end, while the shares rose 128%. CBD also announced a further capital raising just before the end of the year to fund the development of its growing number of wind farms and to acquire alternative power systems wholesaler e-Kinetics.

The largest stock detractor for the half-year was US education provider **Apollo** which fell 15% over the period. The Company's strong August 2009 quarter results were overshadowed by the announcement that the US Securities and Exchange Commission (SEC) are conducting an informal inquiry into the company's revenue recognition practices. Apollo reported revenue of US$1.1b, up 29% on the corresponding period. Enrolment growth rose 22% year-on-year to 443,000 students, while operating earnings per share of US$1.06 beat consensus estimates. Apollo is held in the VGT, GET and GDG.

Our international farming and soft commodity exposures hurt returns over the half-year. UK-listed Ukrainian broad acre farming company **Landkom** fell 54% as lower agricultural prices, a decline in demand for milling wheat in the world and a dry autumn season all conspired to reduce revenues. The company raised £9.8m through a placement of 195m new shares at £0.05 per share and the proceeds will be used to ensure the 28,000ha of crops planted will be maintained and harvested. Landkom is held in both the VGT and GET. In the same space, Swedish agricultural operator **Trigon** fell 20%.

German pay-TV operator **Sky Deutschland** fell 22% following a weaker than expected September 2009 quarter results. Revenue of €209m was 5% below consensus, while net subscriber additions of 66,000 were disappointing. We used the pessimism around low pay-TV penetration in Germany to add to existing holdings in the VGT and GET portfolios.

Another blight on returns was Japan, where all our stocks struggled despite in some cases impressive earnings performances and in all cases exceptionally cheap valuations. Used car sales advertiser **Proto** (13%), karaoke company **Daiichikosho** (0%) and non-life insurer **Sompo** (-8%) under-performed world markets despite good earnings growth in tough markets. Capital goods wholesaler **Toba** (-24%) suffered from pessimism about when industrial capital spending would resume even though its earnings slump seems to be bottoming. Proto and Toba are held in the GET only, while Sompo and Daiichikosho are held in the GET and the VGT.

Other detractors over the half-year included NZ electric motor manufacturer **Wellington Drive** (-41%), despite successfully completing a NZD$8.5m capital raising; Swedish gas exploration company **PA Resources** (-14%); and Korean gas utility **Samchully** (-9%) despite announcing better than expected September quarter results and the sale of its stake in Indonesian coal mining affiliate Samtan.

Most disappointingly, we have suffered a complete wipeout in Australian electricity retailer **Jackgreen**, which appointed an administrator just before Christmas. Jackgreen shares and convertible notes were held by the VGT, the AVT and the GDG.

Other detractors included German-listed Chinese waste incineration company **Zhongde Waste** (-7%), held in the VGT and GET and Australian life science company **Fluorotechnics** which fell 15% as the company further downgraded its revenue for the 2009 financial year. The company now expects revenue to be approximately $3.2m (down 20% on previous guidance), blaming unfavourable foreign exchange rate movements and delays in marketing some of its products.

Over the half-year we exited consumer discretionary company **Pacific Brands**, drilling companies **Swick** and **Brandrill**, sugar company **CSR**, **India Equities Fund,** New Zealand dairy farmer **New Zealand Farming Systems** and soft commodity company **PrimeAg**.

TRUSTS' TOP 10 HOLDINGS

The largest 10 holdings of each Trust at 31 December, 2009, are detailed below.

VALUE GROWTH TRUST			
	Main Business	**Country**	**% Net Assets**
SIRTEX MEDICAL	liver cancer treatments	AUSTRALIA	7.1
VIRGIN MEDIA	broadband communications	UK	3.9
WOONGJIN THINKBIG	education services	KOREA	3.8
CUSTOMERS	electronic transaction services	AUSTRALIA	3.8
BIOTA	pharmaceuticals	AUSTRALIA	3.1
WOONGJIN COWAY	water purifiers	KOREA	2.5
JDS	optical components	USA	2.4
SOMPO	insurer	JAPAN	2.4
BIOCOMPATIBLES	medical devices	UK	2.2
GOLD	gold	GOLD	2.1

GLOBAL ETHICAL TRUST			
	Main Business	**Country**	**% Net Assets**
VIRGIN MEDIA	broadband communications	UK	5.5
WOONGJIN THINKBIG	education services	KOREA	5.3
GOLD	gold	GOLD	4.4
BIOCOMPATIBLES	medical devices	UK	3.6
WOONGJIN COWAY	water purifiers	KOREA	3.4
JDS	optical components	USA	3.3
AMG	speciality metals	NETHERLANDS	3.2
SAMCHULLY	energy distributor	KOREA	2.7
NEWS CORPORATION	media	USA	2.7
APOLLO	education programs	USA	2.6

AUSTRALIAN VALUE TRUST			
	Main Business	**Country**	**% Net Assets**
SIRTEX MEDICAL	liver cancer treatments	AUSTRALIA	10.3
M2 TELECOMMUNICATIONS	telecommunications	AUSTRALIA	5.4
RCR TOMLINSON	engineering services	AUSTRALIA	5.1
S. CROSS ELECTRICAL	industrials	AUSTRALIA	4.5
DECMIL	engineering services	AUSTRALIA	4.4
CUSTOMERS	electronic transaction services	AUSTRALIA	4.4
BIOTA	pharmaceuticals	AUSTRALIA	4.3
HANSEN TECHNOLOGIES	billing systems software	AUSTRALIA	3.8
PMP	printing and distribution	AUSTRALIA	3.7
RER GROUP	mining services	AUSTRALIA	3.6

GLOBAL DEEP GREEN TRUST			
	Main Business	**Country**	**% Net Assets**
SIRTEX MEDICAL	liver cancer treatments	AUSTRALIA	16.4
CBD ENERGY (Ordinaries and Notes)	energy services	AUSTRALIA	9.6
CATCH THE WIND	wind sensor systems	CANADA	7.6
SYMPHONY	biodegradable plastics	UK	6.5
BIOTA	pharmaceuticals	AUSTRALIA	3.9
BIOCOMPATIBLES	medical devices	UK	3.0
PURE CIRCLE	food and beverage additive	UK	2.9
KROTON	educational services	BRAZIL	2.8
INDIAN BANK	bank	INDIA	2.7
AMG	speciality metals	NETHERLANDS	2.5

OUTLOOK

After the spectacular market recovery in the December 2009 half-year, we are now cautious about the short term outlook for investment markets.

Australia is enjoying an improved global reputation for financial and economic management, but most of its larger stocks now look fully priced, and the overall share market looks as though it may be vulnerable to a correction on any disappointment. That said the small and mid-cap companies we tend to specialise in seem to still offer excellent growth prospects, but are being valued at levels well below where they were before market tumble.

Historically sharp economic contractions in the United States have been followed by strong recoveries. However the headwinds faced in America from still very sick residential and commercial real estate markets, and a huge burden of debt in the government and household sectors mean there is no certainty that history will prove a perfect guide for 2010. Any gains may already be priced into the share markets there. It is likely that demand will be weak for at least one or two years which will dampen the global economy.

The outlook in Europe varies, but the economies of the UK and the fringe countries around the Mediterranean and Baltic look very sick. The knock on effect of further crises in Greece or any of the former Soviet Bloc countries are unlikely to leave the relatively strong German, French or Scandinavian countries unscathed.

For most of Asia things look brighter, however several of the data points from China are starting to look concerning, especially inflation and increasing bank loan losses following the government mandated surge in lending last year. Chinese markets have done less well than most of Asia in recent times – but very little seems cheap enough to compensate for very high corporate governance and regulatory risks.

In India, growth is picking up, without many of the artificial drivers used in China, but inflation is also a concern, mainly due the weak monsoon, which is pushing up food prices. Share prices in India have already done well, and bargains seem rare, other than the Indian banks we already hold, and some small cap names.

While inflation is picking up generally in Asia, Japan is still plagued with deflation as the two decade long process of deleveraging following the burst of the late 1980s bubble economy continues. The outlook in Japan is further clouded by decreasing investor confidence in the policies of the newly elected Democratic Party. On the other hand the longstanding poor performance of the Japanese markets is increasingly throwing up opportunities to invest in well managed companies with good businesses and unprecedentedly cheap prices.

The biggest concern however is probably the state of world bond markets. Driven by a desire for apparent low risk assets, bond yields in most of the developed world are still not far off the multi-decade lows they reached last year. However they are starting to show disturbing signs of weakness as investors focus on the high government debt burdens and intractable fiscal deficits in much of the OECD. In a world where rising inflation and low growth seem a very plausible combination, bond markets could experience a rout, which would almost certainly be adverse for share market valuations.

Our response to this environment will be to maintain fairly high liquidity and be vigilant in selling shares that can no longer be justified in the portfolios on valuation grounds. In the meantime any corrections will almost certainly throw up some exciting individual share opportunities to refresh our portfolios.

Please be advised that Monthly Performance Reports for the Funds, as well as other relevant marketing information can be emailed to you. If you would like to subscribe to this service, or have any further queries regarding Hunter Hall, please contact our Investor Relations Department by email at invest@hunterhall.com.au or by calling 1800 651 674 (0800 448 305 for New Zealand callers).

Yours sincerely,

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MSCI refers to the MSCI World Total Return Index, Net Dividends Reinvested, in A$. All Ords refers to the All Ordinaries Accumulation Index.