



HUNTER HALL GLOBAL VALUE LIMITED

ACN 107 462 966

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31 August 2010

Company Announcements Office
Australian Stock Exchange Limited
Level 5, 20 Bridge Street
Sydney NSW 2000

HUNTER HALL GLOBAL VALUE LIMITED 30 June 2010 Preliminary Final Report and Dividend Announcement

As required by ASX Listing Rule 4.3A, I attach the following documents in relation to the 30 June 2010 preliminary final report:

- 1) Appendix 4E – Preliminary Final report
- 2) Preliminary Final Report containing:
 - a) Chairman's Statement
 - b) Financial Statements for the year ended 30 June 2010

The Directors have declared a final fully franked dividend of 6.0 cents per share, with a record date of Monday 27th September 2010 and a payment date of Friday 8th October 2010.

Yours sincerely,

OUAFAA KARIM
Company Secretary

Appendix 4E

Preliminary final report Period ended 30 June 2010

ENTITY: HUNTER HALL GLOBAL VALUE LIMITED
ABN: 13 107 462 966

The following information is given to the ASX under listing rule 4.3A.

Item 1:

This preliminary final report is for the reporting period to 30 June 2010 and the previous corresponding period to 30 June 2009.

Item 2: Results for announcement to the market

	\$A'000 Up/(down)	% Up/(down)	to	\$A'000
2.1: Revenue from Ordinary Activity	(522)	(10%)		5,104
2.2: Loss from ordinary activities after tax attributable to members	82,889	143%		24,864
2.3: Net loss for the period attributable to members	82,889	143%		24,864

2.4: The amount of fully franked dividends for the period amounted to 6.0 cents per share. This is made up of a final fully franked dividend of 6.0 cents per share.

	Amount per share	Franked amount per share
Final dividend	\$0.060	\$0.060

2.5: The record date for determining entitlements to the dividend is Monday 27 September 2010 and payment date will be Friday 8 October 2010.

2.6: Salient features of the result included:

- The profit of the Company after providing for income tax amounted to \$24,864,000 (2009: loss of \$58,025,000).
- Net assets at 30 June 2010 totalled \$268,625,000 (2009: \$266,887,000).
- At 30 June 2010 the Company's net asset backing after provision for tax on unrealised capital gains was \$0.9993 per share compared to a net asset backing of \$0.8950 at 30 June 2009. Cash holdings at 30 June 2010 were \$25,497,000 (2009: \$35,231,000) before payment of income tax.

Item 3: Net Tangible Assets Per Security

	Reporting period \$A	Previous corresponding period \$A
Net Tangible Asset backing per ordinary share after tax	0.9993	0.8950

Item 4: Audit Review/Status

This report is based on accounts that are audited and a copy of the Independent Auditor's Report has been included in the attached Financial Report.

Item 5: Attachments forming part of Appendix 4E

Hunter Hall Global Value Limited 2010 Financial Report.



Jack Lowenstein
Director
31 August 2010

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**HUNTER HALL
GLOBAL VALUE
LIMITED**
ACN 107 462 966

30 June 2010

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CHAIRMAN'S REPORT

31 August 2010

Peter Hall, Chairman of Hunter Hall Global Value Limited made the following statement today;

Financial Performance

In the 12 months to 30 June 2010 the Company reported a net gain after tax of \$24.9m, as compared with a net loss of \$58.0m in the year to 30 June 2009. The results include investment gains before tax of \$37.5m, while in the year to 30 June 2009 investment losses before tax were \$80.7m.

Net Tangible Assets (NTA) after provision for tax were \$268.6m at 30 June 2010 compared to \$266.9m a year earlier. The after-tax NTA per share was \$0.9993 calculated on 268,826,093 ordinary shares on issue. The pre-tax NTA was \$272.4m or \$1.0131 per share. Both post-tax and pre-tax NTA includes 10.3c of tax assets relating to credits for previous realised losses.

The NTA is calculated using bid price to value investments. The Australian Securities Exchange requires investment companies to report their Net Tangible Asset Backing each month using "net market value". This calculation differs from the NTA used for Financial Reporting, as referred to above, in that it uses last sale price less realisation costs to value investments. The Company considers that Net Tangible Asset Backing figure using last sale price less realisation costs is the more appropriate measure of its performance.

The following table details the investment performance of the Company, including share buybacks and assuming reinvestment of dividends:

To 30 June 2010 (%)	HHV (1)	MSCI (2)	Relative Performance (1-2)
6 Months	-4.2	-4.0	-0.2
1 Year	+17.5	+5.5	+12.0
2 Years	+1.3	-6.0	+7.3
3 Years	-5.9	-11.3	+5.4
5 Years	+4.7	-2.0	+6.7
6 Years	+5.5	-1.6	+7.1
Compound Annual Return since inception (19.03.2004)	+5.6	+0.1	+5.5

Source: Hunter Hall. MSCI refers to the MSCI World Total Return Index, Net Dividend Reinvested, in A\$. Performance figures refer to the movement in net assets per share, including share buybacks and the reinvestment of dividends, but excluding the effect of option exercises. Past performance is no guarantee of future performance and no guarantee of future return is implied.

Dividend

A fully franked dividend of 6.0 cents per share has been declared by the Board. The record date for the dividend is 27 September 2010 and the dividend will be paid on 8 October 2010. Following payment of the upcoming dividend the Company will have paid fully franked dividends of \$0.253 per share since listing in March 2004 at an issue price of \$1.00.

The Company's ability to pay the dividend arises from a recent amendment to the Corporations Act which introduced a 'solvency' test in lieu of the existing 'profits' test for the payment of dividends. This is subject to conditions that an entity's assets exceed liabilities by an amount sufficient to pay the dividend, that the payment is fair and reasonable and that there is no material prejudice to the ability to pay creditors. It is the Directors' opinion that the Company meets these tests.

The amount of the dividend will represent the full balance of the Company's franking account which currently stands at \$6.8m. This equates to a total dividend payment of \$15.8m. The dividend payment should therefore be seen as a 'one off' item rather than part of a recurring stream of dividends.

Buy-back

In the 12 months to 30 June 2010, the Company bought back and cancelled 29.4m shares. The average price for the buy-back was \$0.79 for a total consideration of \$23.1m. Between listing and 30 June 2010, the Company has bought back and cancelled 149.5m shares at an average price of \$0.78 per share.

Since 30 June 2010 the Company has bought back and cancelled a further 3.2m shares at an average price of \$0.78.

CHAIRMAN'S REPORT

Portfolio Structure

At 30 June 2010, the Company held 84 stocks which accounted for 78% of the portfolio. The balance was net liquids, predominantly cash, held in Australian dollars, US dollars, Euro, Japanese Yen, Swiss Francs and Taiwan Dollar. This accounted for 19% of the portfolio, while Gold accounted for 3% of the portfolio. At 30 June 2010 hedging was in place for 42% of the Company's foreign currency exposure.

	30 June 2009	30 June 2010
Net Liquids	23%	19%
Gold Bullion	3%	3%
Equities	74%	78%
Equities Breakdown:		
- Australia/New Zealand	28%	28%
- UK	6%	9%
- Europe (ex UK)	7%	6%
- Japan	3%	8%
- Korea	10%	7%
- Asia (ex Japan, ex Korea)	12%	9%
- North America	7%	10%
- South America	1%	1%
- % of international equities hedged	11%	42%
Number of Stocks	69	84

Stocks as at 30 June 2010

Company	Country	Main Business	Cost (\$m)	Market (\$m)	Pre-tax Portfolio Weight %
Sirtex Medical	Australia	liver cancer treatments	5.915	13.789	5.0%
Woongjin Thinkbig	Korea	education services	5.160	10.994	4.0%
Customers	Australia	electronic transaction services	5.504	10.509	3.8%
Allahabad	India	bank	5.712	9.350	3.4%
Gold (Perth Mint)	n/a	gold	8.000	8.751	3.2%
Biocompatibles	UK	medical devices	8.626	7.853	2.9%
Proto Corp	Japan	publishing	4.655	6.856	2.5%
NKSJ	Japan	insurer	7.012	6.538	2.4%
Daiichikosho	Japan	karaoke machinery	5.254	6.385	2.3%
Virgin Media	UK	broadband communications	2.331	6.032	2.2%
Decmil	Australia	engineering services	0.983	5.472	2.0%
Wattyl	Australia	paint and surface coatings	2.451	5.084	1.9%
St. Barbara	Australia	gold explorer and producer	4.547	4.878	1.8%
Samchully	Korea	energy distributor	8.094	4.875	1.8%
Indian Bank	India	bank	2.316	4.749	1.7%
Canara	India	bank	2.456	4.628	1.7%
JDS Uniphase	USA	optical components	2.221	4.548	1.7%
Tyco Electronics	USA	electronic components	4.623	4.436	1.6%
Biota	Australia	pharmaceuticals	4.158	4.264	1.6%
Jazz Air Income Fund	Canada	airline operation	4.359	4.250	1.6%
Other			101.814	87.421	32.0%
Total Investments			196.18973	221.659	81.1%
Net Liquids				51.522	18.9%
Net Assets Pre-Tax				273.182	100.0%
Australian Equities				74.300	27.2%
International Equities				138.609	50.7%
% foreign currency exposure hedged				41.6%	

* These figures differ from those shown in the financial statements as they are based on last traded price not bid price.

CHAIRMAN'S REPORT

Portfolio Performance

The financial year to 30 June 2010 was a good year for Hunter Hall Global Value as our net assets per share increased by 17.5% as compared with a 5.5% rise in world markets.

The year fell into two distinct periods. The first eight months saw a continuing rebound in the global economy on the back of strong demand for commodities from China, low global interest rates and an upward revision in earnings forecasts. However, from April sentiment soured. Rising concerns that debt burdened countries like Greece, Spain, Portugal, Italy and Ireland might default on their sovereign debt and doubts about the global recovery saw stocks and industrial commodities fall as investors sought perceived safer havens such as bonds, gold, which hit a record price of US\$1,265/oz, and the US dollar.

Our portfolio bias towards small and mid-cap stocks proved fruitful as smaller capitalisation stocks outperformed their larger counterparts. We benefited from the appreciation of the Australian Dollar against major global currencies, and in particular the 5% rise against the US Dollar over the year.

Individual stocks contributing to the Company's positive performance included some of our largest holdings. These stocks included US-listed broadband communications company **Virgin Media** (up 79 per cent), our portfolio of Indian banks including **Allahabad** (up 109 per cent), **Canara** (up 71 per cent) and **Indian Bank** (up 54 per cent), Australian cancer treatment firm **Sirtex** (up 46 per cent), US optical components manufacturer **JDS Uniphase** (up 72 per cent), Australian ATM operator **Customers** (up 33 per cent), Australian paint and surface coating manufacturer **Watty1** (up 198 per cent) and Australian telecommunications company **M2** (up 136 per cent).

Collectively, our portfolio of Indian banks delivered the Company the largest returns over the financial year to June. We used a 20% rally over the financial year in **Indian Overseas Bank** (IOB) to cut our exposure, as our faith in management dwindled. Similar reasoning on **Bank of India** (-1% over the financial year) also saw us exit from this stock. Tea grower **McLeod Russel** rose 77% on the back of a surging tea price, attributable to poor weather conditions in major tea growing regions, namely Kenya and Sri Lanka.

Cancer treatment firm Sirtex hit an all time high of \$7.80 in early January 2010, marking a meteoric rise of 407% from lows in January 2009. However, a slowing of sales growth in the US and heavy investment in clinical trials hampered profit growth and resulted in the stock slipping to recent prices around \$5.

The firm has an aggressive clinical trials programme with 16 trials under way. It is working with leading pharmaceutical group Bayer Healthcare in a 375 patient-trial to test Sirtex's SIR-Spheres and Bayer's Nexavar together in the treatment of hepatocellular carcinoma, a primary cancer of the liver. The company also announced a clinical trial with Oxford University to test if chemotherapy in patients with SIR-Spheres target radiation therapy is more effective than chemotherapy on its own in patients with bowel cancer that has spread to the liver. If these trials can show significant added benefits in combining SIR-Spheres with current treatment, usage of the Sirtex product may increase substantially.

Our entry into US listed media company **Virgin Media** in June 2009 proved timely as the stock appreciated 79% over the year. 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. Further, Virgin also became dual-listed on the London Stock Exchange, which helped broaden its investor base.

US diversified technology company **JDS Uniphase** continued its impressive turnaround from its lows of 2009. Solid December 2009 quarterly results were followed by news that JDS had entered into an agreement to acquire the *Network Solutions* communications test business of Agilent Technologies for US\$165m in cash. The acquisition established JDS as a market leader in wireless test instruments and systems, including Bluetooth and 3G/4G technologies. This pushed the stock higher until JDS released its March 2010 quarterly results, which disappointed the market. We believe this was an over-reaction as the outlook for the company remains positive, driven by strong demand for test and measurement equipment for mobile networks as smart phones continue to create traffic growth.

CHAIRMAN'S REPORT

We are the largest shareholder in paint manufacturer **WattyI** which has received a takeover bid from US paint manufacturer, Valspar Corporation. Shareholders will receive \$1.67 in cash per share, up from the initial bid of \$1.30 per share in May 2010 which we rejected. The company's share price rose 113% from its pre-bid market price of \$0.79 and a pleasing 116% from our average cost price

Australian telecommunications reseller **M2 Telecommunications** bedded down the previous year's acquisitions, resulting in a massive uplift to earnings. Fiscal 2009/2010 EBITDA of \$30m was up 130% on the previous corresponding period. The company re-sells telecommunication services to small-medium businesses. Whilst not an exceptional business model, being driven by competition regulation, the company is extremely well managed and provides an excellent service to its customers. The company has a history of consistent organic growth and has also recently completed another two acquisitions, both at a multiple of around 2x EBITDA.

Window furnisher **Kresta** share price was up 159% as the company reported superb operating performance for the 2009/2010 year. Kresta reported net profit after tax of \$6.8m up 85% from the same period last year. The company cited new products, strong capital management, cost control measures and a selective roll-out of new stores as the main reasons for the improvement. We used the price strength over the financial year to halve our position.

Our investments in gold have been successful with physical gold rising 27% in Australian dollar terms. Gold explorer and producer **St Barbara** was up 62% over the financial year. We used price dips to add to our holding over the year. Gold is increasingly being seen as a reserve diversification alternative to both the US dollar and the Euro and as an investment asset in its own right. The gold bull trend is approaching ten years in duration and gold is nearly five times higher than its 2001 low of US\$260 per ounce.

Other contributors over the financial year included UK-listed designer and distributor of furnishing fabrics and wallpapers **Colefax** (up 65 per cent), Australian engineer servicer **RCR Tomlinson** (up 38 per cent), Korean water purifier manufacturer **Woongjin Coway** (up 33 per cent), French electronic payments device manufacturer **Ingenico** (up 29 per cent), UK medical devices company **Biocompatibles** (up 29 per cent), UK truck and rail component manufacturer **Castings** (up 24 per cent), Japanese karaoke machinery manufacturer **Daiichikoshio** (up 23 per cent) and Korean education provider **Woongjin Thinkbig** (up 11 per cent).

Despite the positive momentum globally, a handful of stocks held back returns over the financial year. These stocks included Australian-listed gas distributor **Po Valley** (down 79 per cent), German pay-TV operator **Sky Deutschland** (down 53 per cent), UK-listed Ukrainian broad acre farming company **Landkom** (down 52 per cent) and US educator **Apollo** (down 40 per cent).

Po Valley slashed reserve estimates at its Bezzecce gas field by 90% and reported a faster rate of decline in wellhead pressure at the Castello gas field. These adverse events overshadowed the commencement of commercial gas production at Sillaro in May 2010 and cast doubt on its strategy of developing gas production in Northern Italy.

US education provider **Apollo** slumped to a two-year low. In June 2010 the US Court of Appeals reinstated a securities-fraud verdict against the company. The stock fell 20% on the news. The court reversed a lower court judgment that found in favour of the education provider. While management plans to explore all available options for a further review, the stock will remain under pressure until there is some kind of closure to this regulatory issue. We have recently exited this stock.

Life sciences company **Fluorotechnics** had a very disappointing financial year, down 72% as a result of slow take up of its new analytical product. Engineer servicer **Structural Systems** (down 40 per cent) was also disappointing. Despite the core business remaining solid, the company downgraded its December 2009 half-yearly results citing losses associated with the discontinued formwork business in Victoria. After tax profit fell 84% from the previous corresponding period in December 2008 to \$1.7m, revenue fell 18% to \$104m, while net earnings fell 76% to \$0.03 per share in December 2009.

CHAIRMAN'S REPORT

Outlook

In a relative sense Hunter Hall Global Value has achieved its objective of outperforming international stock markets by a substantial margin (5.5% a year since inception). However, absolute returns, at 5.6% per annum are well below investor's expectations.

We continue to seek to preserve capital and improve absolute returns by investing in undervalued securities, paying out all franking credits and aggressively buying back our shares when they trade at prices well below net asset backing.

The economic and investment climate is volatile and complex. A cautious approach is warranted and we are maintaining levels of cash and gold at about 15%. However, volatility also offers opportunities and we remain ready to invest where prices falls substantially below value

Annual General Meeting

The Annual General Meeting of Hunter Hall Global Value Limited will be held on Monday 29 November 2010 at 4.00pm at the Menzies Hotel, 14 Carrington Street, Sydney NSW 2000. This will be preceded by the Hunter Hall Investment Management Annual Investors and Advisors meeting, commencing at 1.30pm, to which Company shareholders are also invited.



**Peter MacDonald Hall
Executive Chairman
Hunter Hall Global Value Limited**

Please direct any enquiries to:

Jack Lowenstein
Director
Hunter Hall Global Value Limited
Tel: (02) 8224 0320

DIRECTORS' REPORT

Your Directors present their report on Hunter Hall Global Value Limited for the financial year ended 30 June 2010.

Directors

The name of Directors in office at any time during or since the end of the year are:

Peter James MacDonald Hall	(Executive Chairman, Executive Director)
Jack Theseus Lowenstein	(Executive Director)
David Ian Scott	(Non-executive Director - resigned 23 October 2009)
Adam Paul Blackman	(Non-executive Director)
Alex Koroknay	(Non-executive Director)
Julian David Constable	(Non-executive Director - appointed 25 May 2010)

Directors have been in office since the start of the financial year to the date of this report, unless stated otherwise.

Information on Directors

During the period, the following persons held office as Director:

Peter James MacDonald Hall, B.A.

Executive Chairman, Executive Director

Mr Hall is Executive Chairman and Executive Director of Hunter Hall Global Value Limited and Hunter Hall International Limited and a Director of Hunter Hall International Ethical Fund plc, all of which are publicly listed entities. He is Chief Investment Officer of Hunter Hall Investment Management Limited and a Director of the international research subsidiary Hunter Hall International (UK) Limited. He is a Trustee of the Hunter Hall Charitable Trust, a member of the Hunter Hall Charity Committee and of the Remuneration and Nomination Committee.

Mr Hall is also Deputy Chairman of Prospect Publishing, a Patron of the Asian Rhino Project and Sea Shepherd UK, a Director of the International Rhino Foundation, a member of the Sydney Film Festival Council and a Trustee of the Bedales Grants Trust Fund and of the ABC Trust, a UK based charity.

Mr Hall has 27 years experience in investment markets. Previously he was Investment Manager of Hancock & Gore Limited, Portfolio Manager and Analyst with Mercantile Mutual Holdings Limited, Industrial Analyst with Pembroke Securities Limited, Investment Analyst with New Zealand South British Insurance Limited and a journalist with John Fairfax & Sons Limited.

Mr Hall completed the Harvard Business School Owner/President Management Program in 2003.

Mr Hall was awarded Member (AM) of the Order of Australia in 2010 for his philanthropic contributions to society and his service to the finance management industry.

Jack Theseus Lowenstein M.A. (Oxon)

Deputy Chairman, Executive Director

Mr Lowenstein is Executive Director of Hunter Hall Global Value Limited and Hunter Hall International Limited, both of which are publicly listed entities. He is Executive Director, Deputy Chief Investment Officer and Senior Portfolio Manager of Hunter Hall Investment Management Limited, monitoring and researching Australian and Asian companies and advising on matters relating to corporate governance in the Australian investments of the Hunter Hall portfolios. He is a member of the Hunter Hall Risk Management Committee.

Mr Lowenstein is also Chairman of Kontiki Capital Limited, a Fiji based investment bank, and is a Director of Calliden Group Limited.

Mr Lowenstein has 17 years experience in investment and corporate finance. Previously he had eight years researching and reporting on international markets for the Euromoney Publications magazine group.

Mr Lowenstein completed the Harvard Business School Owner/President Management Program in 2009.

DIRECTORS' REPORT

David Ian Scott, B.Bus., Dip. Law, Grad. Dip. Art
Non-executive Director (resigned 23 October 2009)

Mr Scott was a Non-executive Director of Hunter Hall Global Value Limited, a publicly listed entity and is a former Director of Hunter Hall International Limited and Hunter Hall Investment Management Limited. He was a member of the Hunter Hall Global Value Limited Audit Committee.

Mr Scott has 21 years experience in finance, taxation and corporate management and was previously employed in legal and chartered accounting firms, including Coopers & Lybrand.

Adam Paul Blackman B.Econ., FCA., JP.
Non-executive Director

Mr Blackman is a Non-executive Director of Hunter Hall Global Value Limited, a publicly listed entity. He is Chairman of the Hunter Hall Global Value Limited Audit Committee.

Mr Blackman is a chartered accountant with 23 years experience in public practice and is a partner in the firm, Quantum Partners Accountants & Business Advisers where he is primarily involved in business and taxation planning services. He has had several years experience in reviewing and advising on compliance issues in the financial services industry.

Mr Blackman is a fellow of the Institute of Chartered Accountants in Australia.

Alex Koroknay B.A., LLM. (Hons)
Non-executive Director

Mr Koroknay is a Non-executive Director of Hunter Hall Global Value Limited, a publicly listed entity. He is a Trustee of the Hunter Hall Charitable Trust and a member of the Hunter Hall Global Value Limited Audit Committee.

Mr Koroknay is a practising solicitor specialising in managed investments, superannuation and venture capital financing, and is experienced in the requirements of the Corporations Act and Superannuation Industry (Supervision) Act. For five years Mr Koroknay worked as a consultant with HWL Ebsworth and acted for a number of fund managers before establishing his own practice. Previously he was a Partner with Nash O'Neill Tomko; Dibbs Crowther and Osborne; Manager - Corporate Securities at Allen Allen Hemsley and a consultant to Toomey, Pegg and Drevikovsky.

Julian David Constable
Non-executive Director (appointed 25 May 2010)

Mr Constable is a Non-executive Director of Hunter Hall Global Value Limited, a publicly listed entity.

Mr Constable is a senior investment advisor at Bell Potter Securities Ltd, having worked in this capacity since 1998. In this role his key attributes were developing new business and building relationships with clients. He has worked in the stockbroking industry since 1984, in both trading and advisory areas, at firms including Pembroke Securities Ltd, Pring Dean McNall, Hambros Equities and Potter Warburg Dillon Read.

Mr Constable has been a Non-executive Director of the ASX-listed HGL Ltd since August 2003 and is a member of their Audit Committee. HGL Ltd has operated as an investment, manufacturing and distribution company.

DIRECTORS' REPORT

Company Secretary

Ouafaa Karim B.A., M.Com.Law Grad Dip (Corp Management), SIA (Aff).
Company Secretary

Ms Karim has been the Company Secretary of the Company since its inception and is also the Group Company Secretary for Hunter Hall International Limited. Ms Karim is also an Executive Director of Bennelong Administration Services Pty Limited. She is a Trustee of the Hunter Hall Charitable Trust and a member of the Hunter Hall International Limited Charity Committee and of the Compliance Committee.

Ms Karim is also President of the Responsible Investment Association Australasia and is a member of the IFSA Regulatory Affairs Board Committee and the AFSA NSW Executive Committee.

Ms Karim has over 25 years experience in the finance industry including corporate management, company secretarial, unit trust administration, compliance, operations and custody. Previously Ms Karim was employed by Aetna Funds Management (Australia) Limited, Permanent Trustee Company Limited and State Street Australia Limited.

As at the date of this report, the relevant interests of Directors and their related parties in the shares of the Company are:

	Shares
Mr P Hall	200,000
Mr D Scott	-
Mr J Lowenstein	80,000
Mr A Blackman	20,000
Mr A Koroknay	10,000
Mr J Constable	50,000

Principal activities

Hunter Hall Global Value Limited was incorporated on 22 December 2003 to invest in a portfolio of permitted investments. The Company provides investors with the opportunity to invest in a medium to long term concentrated portfolio, and gain access to a defined investment process and the experience of the investment management team of the Manager, Hunter Hall Investment Management Limited. The Company predominantly invests in international and some ASX listed securities. Some late-stage private equity companies may also be part of the Company's investment universe.

Operating results

The net income of the Company after providing for income tax amounted to \$24.864m (2009: loss of \$58.025m).

Financial Position

Net assets at 30 June 2010 totalled \$268.625m (2009: \$266.887m).

At 30 June 2010 the Company's net asset backing after provision for tax was \$0.9993 per share compared to a net asset backing of \$0.8950 at 30 June 2009.

Cash holdings at 30 June 2010 were \$25.497m (2009: \$35.231m) before payment of income tax.

The Company's financial and operational review is further covered in the Chairman's Report on pages 2 to 7.

Earnings per share

Basic and fully diluted earnings per share for the year to 30 June 2010 was 8.7 cents per share (2009: loss per share of 17.6 cents).

Dividends Paid or Recommended

A final dividend of 6.0 cents per share (\$15.8m) has been recommended.

Likely Developments

The Company will continue to seek to meet its financial objective to increase intrinsic value per share.

Events Subsequent to Balance Date

There were no other matters or circumstances which have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.

DIRECTORS' REPORT

Significant Changes to the State of Affairs

There were no significant changes in the state of affairs of the Company during the financial year other than as noted in the Chairman's Report.

Environmental Issues

The Company's operations are not subject to any environmental regulation under the law of the Commonwealth and State.

Proceedings on Behalf of the Company

No person has applied for leave of Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings. The Company was not a party to any such proceedings during the year.

Indemnifying and Insurance of Directors and Officers

The Company insures each of the Directors and officers in office against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity of Directors and officers of the Company, other than conduct involving a wilful breach of duty in relation to the Company.

Remuneration Report

The information which follows through to the end of the section titled *Executive Directors and other Key Management Personnel* is subject to audit by the external auditor.

Remuneration Policy

The Board's policy is to remunerate Non-executive Directors at market rates for time, commitment and responsibilities. The Hunter Hall International Limited Nomination and Remuneration Committee determines payments to the Non-executive Directors and reviews their remuneration annually, based on market practice, duties and accountability. Independent external advice is sought when required.

The Company does not remunerate its Executive Directors and other Key Management Personnel. Remuneration is paid by Hunter Hall International Limited (HHL). For remuneration of Executive Directors and specified executives refer to the HHL Annual Report for the year to 30 June 2010.

The employment terms and conditions of Key Management Personnel and Directors are formalised in contracts of employment.

Employment Details of Members of Key Management Personnel and Other Executives

Names and positions held of Directors and other Key Management Personnel of the Company in office at any time during the financial year are:

Peter James MacDonald Hall	Executive Chairman
Jack Theseus Lowenstein	Executive Director
David Ian Scott	Non-executive Director (resigned 23 October 2009)
Adam Paul Blackman	Non-executive Director
Alex Koroknay	Non-executive Director
Julian David Constable	Non-executive Director (appointed 25 May 2010)
David Barclay Buckland	Chief Executive Officer of Hunter Hall Investment Management Limited
Ouafaa Karim	Company Secretary
Paula Ferrao	Chief Financial Officer

There were no other employees meeting the definition of Key Management Personnel.

DIRECTORS' REPORT

Non-executive Directors

The Non-executive Directors received the following remuneration from the Company during the financial year:

	Short Term Benefits		Post Employment Benefits	Total
	Directors' Fees	Superannuation Contributions	\$	\$
2010				
Non-executive Directors				
Mr D I Scott	7,211	860		8,071
Mr A P Blackman	25,000	2,250		27,250
Mr A Koroknay	22,936	2,064		25,000
Mr J Constable	1,911	172		2,083
	57,058	5,346		62,404

	Short Term Benefits		Post Employment Benefits	Total
	Directors' Fees	Superannuation Contributions	\$	\$
2009				
Non-executive Directors				
Mr D I Scott	22,936	2,064		25,000
Mr A P Blackman	25,000	2,250		27,250
Mr A Koroknay	22,936	2,064		25,000
	70,872	6,378		77,250

	Position held as at 30 June 2010 and any change during the year	Proportions of elements of remuneration related to performance			Proportions of elements of remuneration not related to performance	
		Non salary cashed based incentives	Shares	Options	Fixed salary/ fees	Total
Non-executive Directors		%	%	%	%	%
Mr D I Scott	Non-executive Director (resigned 23 Oct 09)	-	-	-	100	100
Mr A P Blackman	Non-executive Director	-	-	-	100	100
Mr A Koroknay	Non-executive Director	-	-	-	100	100
Mr J Constable	Non-executive Director (appointed 25 May 10)	-	-	-	100	100

There were no options granted or performance bonuses paid to Non-executive Directors during the financial year.

Executive Directors and other Key Management Personnel

Executive Directors of the Company are also Directors of Hunter Hall International Limited (HHL), and their services to the Company form part of an investment management agreement for the provision of services by Hunter Hall Investment Management Limited to the Company. As such only Non-executive Directors are paid directly from the Company.

DIRECTORS' REPORT

Meetings of Directors

During the financial year, 7 meetings of Directors (including committees) were held. Attendances were:

	DIRECTORS' MEETINGS		COMMITTEE MEETINGS	
	Number eligible to attend	Number attended	AUDIT COMMITTEE	Number attended
Peter James MacDonald Hall	4	2	-	-
Jack Theseus Lowenstein	4	3	-	-
David Ian Scott	2	1	2	2
Adam Paul Blackman	4	4	3	3
Alex Koroknay	4	4	3	3
Julian David Constable	-	-	-	-

Auditor's Independence Declaration

A copy of the Auditor's Independence Declaration as required under s307c of the Corporations Act 2001 in relation to the Audit of the Financial Report for the year ended 30 June 2010 is set out on page 43 and forms part of this report.

Non-Audit Services

No non-audit services were provided by the Company's auditors, Grant Thornton Audit Pty Ltd or its related entities, to the Company for the year to 30 June 2010 (2009: \$nil).

Rounding of amounts

The Company is of a kind referred to in Class Order 98/100, issued by the Australian Securities and Investments Commission, relating to the rounding off of amounts in the Directors' Report. Amounts in the Directors' Report have been rounded off in accordance with that Class Order to the nearest thousand dollars, or in certain cases, to the nearest dollar.

Signed in accordance with a resolution of the Board of Directors.



Jack Theseus Lowenstein

Director

Dated this 31st Day of August 2010

CORPORATE GOVERNANCE STATEMENT

The ASX Corporate Governance Council released revised Corporate Governance Principles and Recommendations on 2 August 2007. This Statement complies with those revised principles and outlines the main corporate governance practices in place throughout the financial year.

Having regard to the size of the Company and the nature of its business, the Directors are of the view that the Company complies as far as possible with the spirit and intentions of the Corporate Governance Principles and Recommendations as appropriate. The Company has followed the ASX Corporate Governance Principles and Recommendations where they apply, with the exception of recommendations 2.1, 2.2, 2.3 and 2.4, as disclosed in section 2 below.

A description of the Company's practices in respect of the 8 Principles and Recommendations are set out below; all these practices, unless otherwise stated, were in place for the entire year.

1. Lay solid foundations for management and oversight

The Board has the responsibility for ensuring the Company is properly managed so as to protect and enhance Shareholders' interests in a manner which is consistent with the Company's responsibility to meet its obligations to all parties with which it interacts. To this end, the Board has adopted appropriate Corporate Governance policies and practices to lay solid foundations for management and oversight. The Board has formalised its role and responsibilities into a Board Charter. The areas of responsibility reserved for the Board under the Charter are:

- ensuring the Company is properly managed so as to protect and enhance Shareholder's interests
- appointing and retiring Non-executive Directors
- creating Board Committees
- adopting the Continuous Disclosure Protocol
- identifying and managing significant business risks
- adopting a share trading policy for Directors and employees
- adopting a Code of Ethical Standards
- ensuring Auditor independence
- reviewing the performance of the Board, the Company and management
- reviewing the allocation of work between the Board and management
- oversight of the Company, including its control and accountability systems
- appointing and removing the Chief Executive Officer (or equivalent)
- ratifying the appointment and, where appropriate, the removal of the Chief Financial Officer (or equivalent) and the Company Secretary
- input into and final approval of management's development of corporate strategy and performance objectives
- reviewing and ratifying systems of risk management and internal compliance and control, codes of conduct and legal compliance
- monitoring senior management's performance and strategy implementation, and ensuring appropriate resources are available
- approving and monitoring the progress of major capital expenditure, capital management and acquisitions and divestitures
- approving and monitoring financial and other reporting

The Company has not appointed any senior executives. Senior executive functions are provided by the Investment Manager, Hunter Hall Investment Management Limited (HHIML) and its parent, Hunter Hall International Limited (HHL), in accordance with the terms of the Investment Management Agreement. The Board has satisfied itself that the Investment Manager and its Parent Company have a process for evaluating the performance of senior executives and an induction program to ensure that senior executives are able to gain an understanding of:

- the Company's financial position, strategies, operations and risk management policies
- the respective rights, duties, responsibilities and roles of the Board and senior executives

CORPORATE GOVERNANCE STATEMENT

2. Structure the Board to add value

Board Composition

During the reporting period the Board was made up of three Non-executive Directors and two Executive Directors, except for the period between the resignation of David Scott and the appointment of Julian Constable, during which the Board composition was made up of two Non-Executive Directors and two Executive Directors.

As at the date of this report the Board is made up of three Non-Executive Directors and two Executive Directors, and Peter Hall is both Executive Chairman and Managing Director of the Company.

Peter James MacDonald Hall	Executive Chairman	Appointed 22 December 2003
Jack Theseus Lowenstein	Executive Director	Appointed 22 December 2003
David Ian Scott	Non-executive, independent Director	Appointed 22 December 2003, resigned 23 October 2009
Adam Paul Blackman	Non-executive, independent Director	Appointed 30 January 2004
Alex Koroknay	Non-executive, independent Director	Appointed 22 December 2003
Julian David Constable	Non-executive Director	Appointed 25 May 2010

Whilst the Board composition does not comply with ASX corporate governance principles recommendations 2.1 (which recommends that the majority of the Board be independent), 2.2 (which recommends that the Chair be Independent) and 2.3 (which recommends that the roles of Chair and Chief Executive Officer not be exercised by the same individual), the Board is of the view that the existing Board structure is suitable to its business and changing it would not add value for Shareholders.

To assist the Board in fulfilling its duties and obligations, the Board has established an Audit Committee, Chaired by Adam Blackman (Independent, Non-executive Director).

Directors' Access to Independent Professional Advice

For the purpose of the proper performance of their duties, Directors are entitled to seek independent professional advice at the Company's expense, unless the Board determines otherwise.

For details of the number of meetings held and attended by the Board and its Committee, and details on the Directors, including; qualifications, skills and experience, please refer to the Directors' Report found in this Annual Report.

Nominations Committee

The Company does not have a Nominations Committee and therefore does not comply with recommendation 2.4 of the ASX Corporate Governance Principles and Recommendations. The Board is of the view that the Company's size and structure does not lend itself to requiring a separate Nominations Committee. Instead, the Board considers the areas that would otherwise be considered by a Nominations Committee, including:

- setting the terms and conditions relating to the appointment and re-election of Directors
- assessing the necessary, and desirable, competencies of Directors
- Board succession plans
- evaluation of the performance of the Board, its committees and Directors
- the appointment and re-election of Directors
- ensuring Directors have access to continuing education to update and enhance their skills and knowledge
- establishing a process to ensure the Directors are provided with the information they need to discharge responsibilities effectively
- providing Directors with access to the Company Secretary and other resources as required.

The Company adopts an informal process for evaluating the performance of the Board, its committees and individual Directors.

CORPORATE GOVERNANCE STATEMENT

3. Promote ethical and responsible decision making

Code of Conduct

The Company recognises the need for Directors and employees to observe the highest standards of behavior and business ethics when engaging in corporate activity.

The Board has adopted a Code of Conduct which sets out the principles and standards with which all officers and employees are expected to comply in the performance of their respective functions.

All employees and Directors of the Company are expected to observe the highest standards of ethics, integrity and behaviour during the course of their employment with the Company. The standards expected include:

- compliance with all Company policies, procedures, and contracts
- compliance with all reasonable and legal instructions of management
- to be honest and fair in dealings with clients, colleagues, management, the Board and the general public

Share Trading Policy

The Board has adopted a share trading policy to ensure compliance with the Corporations Act. The policy restricts share trading by Directors, employees and their associates (the designated officers). The following is an extract of the key restrictions in the policy:

a. Dealing in Company Shares:

Amongst other things the Policy restricts designated officers of the Company from acquiring or disposing of shares in the Company except during the week following the issue of the Company's monthly announcement to the Australian Securities Exchange of the NTA backing of its shares.

b. Dealing in other shares:

The designated officers of the Company and its subsidiaries shall not acquire shares or other securities in any of the companies that are listed on the Company's Excluded Stocks List.

The Excluded Stocks List is compiled by Hunter Hall Investment Management Limited (the Investment Manager) and comprises the securities held by the Hunter Hall investment funds, the Company or its subsidiaries.

The onus is on the designated officers to consult the current list whenever they, or their associates, wish to acquire shares or securities. The list is held and maintained by the Company Secretary of the Company and is made available to all Directors and employees.

The complete version of the Company Share Trading Policy is available on the Company website, www.hunterhall.com.au.

4. Safeguard integrity in financial reporting

Audit Committee

The Board has established an Audit Committee, as at the date of this report the members of the Committee were:

Adam Paul Blackman	Non-executive Independent Director
Alex Koroknay	Non-executive Independent Director
Julian David Constable	Non-executive Director

The Board considers two Non-executive Directors to be Independent Directors on the basis they:

- are Non-executive
- are not a substantial shareholder of the Company or an officer of, or otherwise associated with, a substantial shareholder of the Company
- have not been employed in an executive capacity by the Company or another group member, or been a Director after ceasing to hold any such employment, within the past three years

CORPORATE GOVERNANCE STATEMENT

- have not been a principal of a professional advisor or a consultant to the Company or another group member, or an employee materially associated with the service provided, within the past three years
- are not a supplier or customer of the Company or another group member, or an officer of or otherwise associated directly or indirectly with a supplier or customer
- have no contractual relationship with the Company or another group member other than as a Director of the Company
- have not served on the Board for a period which could, or could reasonably be perceived to, interfere with the Director's ability to act in the best interests of the Company
- are free from any interest in any business or other relationship which could, or could reasonably be perceived to, interfere with the Director's ability to act in the best interests of the Company

Whilst the Board has not adopted a formal Charter for the Audit Committee, it has accepted and follows the following principles:

Functions of the Audit Committee

The primary objective for the Committee is to assist the Company in fulfilling its responsibilities relating to accounting and reporting practices. In addition, the Committee will:

- through active and open communication with the external Auditors, ensure that audits are conducted in a manner that is appropriate to the nature of the Company's activities
- oversee and appraise the quality of the audits conducted by the Company's external Auditors
- perform an independent and objective review of financial information presented by management to shareholders, regulators and the general public
- monitor and assess compliance with the Company's Corporate Governance controls, including its operating, administrative and accounting controls
- monitor the Company's Corporate Governance policies, controls and its compliance therewith

In carrying out its functions, the Audit Committee may commission independent legal, accounting or other professional advice or assistance, at the reasonable expense of the Company.

The Audit Committee must inform the Board if it believes that it does not have adequate resources to properly perform its functions as an Audit Committee.

Appointment

The Board of Directors of the Company is responsible for appointing members to the Audit Committee. The Audit Committee must be made up of at least three Directors of the Company with the majority being Non-executive Directors. Audit Committee members should be suitably qualified. The Board has responsibility for reviewing the qualifications of prospective Audit Committee members and for ensuring that the appointees are suitably qualified.

Replacement, removal and retirement

If an Audit Committee member resigns, is removed, ceases to be a Non-executive Director or is otherwise unable to perform their duties, the Board may fill the vacancy and must do so if failure to appoint an appropriate person would cause a breach of the ASX Corporate Governance Principles.

The Board may remove an Audit Committee member by giving at least one month's written notice to that Audit Committee member.

Audit Committee members may retire by providing at least one month's written notice to the Audit Committee and the Board.

Minutes, reports and recommendations

Meetings are formally minuted. The Chair must ensure that minutes of the Audit Committee meetings are kept and include details of all records, recommendations and actions required. The minutes shall be made available to Audit Committee members and the Board of the Company.

CORPORATE GOVERNANCE STATEMENT

Meeting and reporting frequency

The Audit Committee shall meet bi-annually or more frequently, as determined by the Audit Committee. Meetings may also be called at the request of the Chair or the Board. The Audit Committee will report to the Board after each meeting.

Disclosure of interests

An Audit Committee member must disclose any direct or indirect pecuniary interest that they may have in a matter being considered, or about to be considered, by the Audit Committee, if their interest could conflict with the proper performance of their duties in relation to the consideration of the matter.

This disclosure must occur at the first meeting of the Audit Committee after the relevant facts have come to the Audit Committee member's knowledge and must be recorded in the minutes of the meeting.

Rights to information and reports

The Audit Committee members have the right to receive such reports as they deem necessary to carry out their functions and responsibilities.

Auditor Independence

It is the Board's policy that, in order to maintain the independence of the audit function, the external Auditor shall not be engaged to perform consulting work for the Company. It is however, the Board's policy that, in addition to the audit of the year end financial report and review of the half-year financial report, the external Auditor may be engaged to provide advice and assistance in relation to compliance with financial reporting requirements, to act as tax agent and perform the group's tax compliance work (including any related tax advice needed) and to perform other ad hoc assurance assignments. The above policy helps the Board to ensure that the Auditor is independent at the same time as ensuring that professional services are rendered to the group in a cost effective and efficient manner.

The Auditor is invited to attend each Annual General Meeting of the Company, and to be available to answer shareholder questions about the conduct of the audit as well as the preparation and content of the Auditor's Report.

5. Make timely and balanced disclosure

The Company is a 'disclosing entity' pursuant to section 111AC of the Corporations Act 2001 and complies with the continuous disclosure requirements as set out in the ASX Listing Rules and the Corporations Act 2001.

The Company has adopted a continuous disclosure protocol and has appointed Ouafaa Karim, the Company Secretary, as Disclosure Officer of the Company. The Company discloses to the ASX any information concerning the Company which a reasonable person would expect to have a material effect on the price or value of securities of the Company unless certain exemptions from the obligation to disclose apply.

The Company is committed to giving all Shareholders comprehensive and equal access to information about its activities and to fulfilling its continuous disclosure obligations to the wider market.

The Board is responsible for making decisions on what should be disclosed publicly under the market disclosure policy, and for developing and maintaining relevant guidelines. The Company Secretary has responsibility for ensuring compliance with continuous disclosure requirements in the ASX Listing Rules, and overseeing and co-ordinating information disclosure to the ASX, Shareholders, the media and the public.

The Company also publishes the Company Annual Reports, profit announcements, notices of meetings, media releases, and any other information that is relevant to the performance and activities of the Company on the Hunter Hall website at www.hunterhall.com.au.

CORPORATE GOVERNANCE STATEMENT

6. Respect the rights of Shareholders

The Company Code of Conduct and its Disclosure policy both recognise its legal and other obligations to shareholders and other stakeholders.

By adhering to the continuous disclosure requirements and ensuring clear and timely release of information, the Company aims to provide Shareholders with a clear and balanced understanding of the aims and objectives of the Company.

Together with its mandatory monthly Net Tangible Asset reporting, the Company also provides details of its portfolio performance which includes a narrative by the Investment Manager, Hunter Hall Investment Management Limited, on the investments held in the portfolio that have contributed to portfolio performance over that period.

Further cementing the Company's commitment to ensuring Shareholders are kept properly informed, all Shareholders are invited to attend an investor update. This provides an opportunity for Shareholders to obtain information on the investment portfolio, the performance of the underlying investments and provides an opportunity for Shareholders to hear directly from the Investment Manager. This forum is made available on an annual basis and is held separately to the Company Annual General Meeting.

At each Annual General Meeting the Chairman opens the floor for general questions and provides the Shareholders with the opportunity to be heard and to ask questions of their Directors.

7. Recognise and manage risk

The Board is responsible for identifying assessing, monitoring and managing the areas of potential business and legal risk for the Company.

The identification, monitoring and, where appropriate, any change to significant risk to the Company are monitored directly by the Board.

The Board reviews and monitors the parameters under which such risks are managed and is done by way of compliance and risk management reporting from the Investment Manager, Hunter Hall Investment Management Limited (HHIML), as it is the entity responsible for the provision of investment management, administration and general operations of the Company.

The Board also receives an annual assurance from HHIML's Chief Executive Officer and Chief Financial Officer (or equivalent) that the declaration provided in accordance with section 295A of the Corporations Act is founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks.

8. Remunerate fairly and responsibly

The Company does not employ any executives, therefore it does not have a Remuneration Committee nor does it have a Remuneration Policy to disclose.

The only remuneration paid by the Company is to the Non-Executive Directors. Director's fees are paid to Non-executive Directors at a level that is considered to be in keeping with the size of the Company. Non-executive Directors are remunerated by way of fees in the form of cash and superannuation contributions. The Non-executive Directors do not receive options or bonus payments and, other than their superannuation benefits, they are not provided with retirement benefits.

The Executive Directors are employees of Hunter Hall International Limited and are remunerated under its remuneration policy.

For details of the level of fees paid to the Non-Executive Directors please refer to the Remuneration Report in the Directors' Report, in this Annual Report. For details of the fees paid to the Executive Directors please refer to the Annual Report of Hunter Hall International Limited, a copy of which may be obtained from the Hunter Hall website – www.hunterhall.com.au.

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2010**

	Note	30 June 2010 \$'000	30 June 2009 \$'000
Revenue	2	5,104	5,656
Administration fees		(86)	(83)
Management fees	3	(3,975)	(3,791)
Directors' fees		(63)	(71)
Professional fees		(107)	(85)
Registry fees		(185)	(189)
Foreign exchange losses		(2,637)	(3,481)
Other expenses		(466)	(390)
 Loss before income tax and gains/(losses) from investments		 (2,415)	 (2,434)
Realised losses from investments		(7,019)	(74,659)
Unrealised gains/(losses) from investments		44,527	(6,080)
 Profit/(loss) before income tax		 35,093	 (83,173)
Income tax (expense)/revenue	4	(10,229)	25,148
 Net profit/(loss) after income tax expense		 24,864	 (58,025)
Other comprehensive income for the year		-	-
 Total comprehensive income/(loss) for the year		 24,864	 (58,025)
Basic & diluted earnings/(loss) per share (cents per share)	5	8.7	(17.6)

The Statement of Comprehensive Income should be read in conjunction with the accompanying Notes.

**STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2010**

		30 June 2010 \$'000	30 June 2009 \$'000
	Note		
Assets			
Cash and cash equivalents	6	25,497	35,231
Trade and other receivables	7	1,961	611
Investments	8	218,360	198,479
Tax receivable	9	1,005	-
Deferred tax assets	9	23,208	33,364
Total assets		<u>270,031</u>	<u>267,685</u>
Liabilities			
Trade and other payables	10	1,195	660
Deferred tax liabilities	9	211	138
Total liabilities		<u>1,406</u>	<u>798</u>
Net assets		<u>268,625</u>	<u>266,887</u>
Equity			
Contributed equity	11	298,967	322,093
Accumulated losses		<u>(30,342)</u>	<u>(55,206)</u>
Total equity		<u>268,625</u>	<u>266,887</u>

The Statement of Financial Position should be read in conjunction with the accompanying Notes.

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2010**

	Note	Contributed Equity \$'000	Accumulated Losses \$'000	Total \$'000
Balance as at 1 July 2008		357,710	2,819	360,529
Loss for the year		-	(58,025)	(58,025)
Other comprehensive income for the year		-	-	-
Total comprehensive income for the year		-	(58,025)	(58,025)
Transactions with owners in their capacity as owners:				
Shares bought back	11	(35,617)	-	(35,617)
Balance as at 30 June 2009		322,093	(55,206)	266,887
Balance as at 1 July 2009		322,093	(55,206)	266,887
Profit for the year		-	24,864	24,864
Other comprehensive income for the year		-	-	-
Total comprehensive income for the year		-	24,864	24,864
Shares bought back	11	(23,126)	-	(23,126)
Balance as at 30 June 2010		298,967	(30,342)	268,625

The Statement of Changes in Equity should be read in conjunction with the accompanying Notes.

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2010

	Note	30 June 2010 \$'000	30 June 2009 \$'000
Cash flows from operating activities			
Interest received		339	2,114
Dividends received		4,488	3,630
Sundry receipts/(payments)		33	(2,735)
Management and performance fees paid		(3,599)	(4,058)
Payment to suppliers		(726)	(877)
Income tax (paid)/received		(1,005)	2,045
Net cash (outflow)/inflow from operating activities	13	(470)	119
Cash flows from investing activities			
Investments purchased		(89,973)	(105,093)
Proceeds from investments sold		102,779	131,153
Net cash inflow from investing activities		12,806	26,060
Cash flows from financing activities			
Payments for share buybacks		(23,126)	(35,617)
Net cash outflow from financing activities		(23,126)	(35,617)
Net decrease in cash and cash equivalents held		(10,790)	(9,438)
Cash and cash equivalents at beginning of year		35,231	45,140
Effect of currency translations		1,056	(471)
Cash and cash equivalents at end of year	6	25,497	35,231

The Statement of Cash Flows should be read in conjunction with the accompanying Notes.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001. The financial report complies with all Australian equivalents to International Financial Reporting Standards (AIFRS) in their entirety. As a result of complying with AIFRS, the financial report also complies with International Financial Reporting Standards (IFRS).

The Company is a listed public company, incorporated and domiciled in Australia.

The financial report has been prepared on an accruals basis and is based on historical costs and does not take into account changing money values or, except where stated, current valuations of non-current assets. Cost is based on the fair values of the consideration given in exchange for assets.

Summary of Significant Accounting Policies

The following is a summary of the material accounting policies adopted by the Company in the preparation of the financial report. They have been consistently applied unless otherwise stated.

a. Revenue and other income

Dividend income is recognised on a receivable basis on the date shares are quoted ex-dividend.

Distribution income is recognised on a receivable basis as of the date the unit value is quoted ex-distribution.

Interest from fixed interest and discount securities is recognised as income on the basis of the accumulated entitlement that would be received on the disposal of the security according to the trading practices accepted by the market for the relevant security.

Interest on cash on deposit is recognised in accordance with the terms and conditions which apply to the deposit. All revenue is stated net of the amount of Goods and Services Tax (GST).

b. Cash and cash equivalents

Cash and cash equivalents include cash on hand and in banks, and money market investments readily convertible to cash within two working days, net of outstanding overdrafts.

For the purpose of the Statement of Cashflows, cash includes cash on hand and at call deposits with banks or financial institutions, net of bank overdrafts.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

c. Fair values of financial assets and liabilities

Recognition and initial measurement

Financial assets and liabilities are recognised when the Company becomes a party to the contractual provisions to the instrument. For financial assets this is equivalent to the date that the Company commits itself to either the purchase or sale of the asset (i.e. trade date accounting is adopted).

Financial assets and liabilities are valued at fair value. Financial instruments are classified into the following categories and fair values of financial instruments are determined on the following basis:

i. Investments

All investments are initially recognised at cost, being the fair value of the consideration given including acquisition charges associated with the investment. After initial recognition, investments have been classified as designated "fair value through profit or loss". Gains and losses on investments are recognised in the Statement of Comprehensive Income. Investment performance is measured and evaluated by Key Management Personnel on the basis of fair value movement and managed in accordance with the documented investment strategy.

Investments traded in an organised financial market (traded securities) are valued at current quoted market bid price for an asset. Quoted market prices are available for listed shares, options, debentures and other equity and debt securities.

ii.

Monetary financial assets and liabilities not traded in an organised financial market

Financial assets and liabilities related to trade debtors, trade accounts payable, accruals and dividends payable are valued on a cost basis carrying amount (which approximates fair value).

iii. Gold Bullion

Gold bullion is valued at fair value current quoted market price.

iv.

Receivables

Receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost. Receivables are included in current assets, except for those which are not expected to mature within 12 months following the end of the reporting period.

v.

Financial liabilities

Non-derivative financial liabilities are subsequently measured at amortised cost and can include trade accounts payable and accrued expense provisions.

d. Foreign currency translation

Transactions denominated in foreign currencies are translated into Australian currency at the rates of exchange ruling on the date of the transaction. All realised exchange gains and losses are taken to account in the period in which they arise.

Foreign currency monetary assets and liabilities existing at balance date are revalued at the rates of foreign exchange at balance date. The resulting unrealised exchange differences are brought to account in determining the profit or loss for the year.

e. Derivative financial instruments

The company uses derivative financial instruments such as foreign currency contracts to hedge its risks associated with foreign currency fluctuations. Such derivative financial instruments are stated at fair value.

The fair value of forward contracts is calculated by reference to current forward exchange rates for contracts with similar maturity profiles. The fair value of interest rate swap contracts is determined by reference to market values for similar instruments.

Gains and losses arising from changes in fair value are taken directly to the Statement of Comprehensive Income.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

f. Income Tax

The income tax expense (revenue) for the year comprises current income tax expense (revenue) and deferred tax expense (revenue).

The Company adopts the liability method of tax-effect accounting whereby the income tax expense is based on the profit from ordinary activities adjusted for any non-assessable or disallowed items.

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled. Deferred tax is credited in the Statement of Comprehensive Income except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity.

Deferred income tax assets are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary differences can be utilised.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the economic entity will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

g. Goods and Services Tax

Revenue, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or is expensed. Receivables and payables in the Statement of Financial Position are shown inclusive of GST. Cash flows are presented in the Statement of Cash Flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

h. Trade and Other Payables

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the Company during the reporting period which remains unpaid. The balance is recognised as a current liability with the amount being normally paid within 30 days of recognition of the liability.

i. Critical accounting estimates and judgements

The Directors evaluate estimates and judgements incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Company.

In the opinion of the Directors it is probable that the deferred tax asset recognised in the Statement of Financial Position of the Company at 30 June 2010 will be able to be used against future taxable amounts. The net assets of the Company had positive performance over the first half of the financial year. The Company's investments are expected to increase to intrinsic value in the future.

Key estimates - impairment

The Company assesses impairment at each reporting date by evaluating conditions specific to the Company that may lead to impairment of assets. When an impairment trigger exists, the recoverable amount of the asset is determined. Value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates.

No impairment has been recognised in respect of any assets for the year ended 30 June 2010.

j. Rounding of amounts

Unless otherwise shown in the financial statements, amounts have been rounded to the nearest thousand dollars and are shown in A\$'000.

Hunter Hall Global Value Limited is a company of the kind referred to in the Australian Securities and Investments Commission Class Order 98/100 issued 10 July 1998.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

k. Adoption of New and Revised Accounting Standards

The Company has adopted the following applicable new and revised Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) which are mandatory to apply for the year.

AASB 101: Presentation of Financial Statements

AASB 101 prescribes the contents and structure of the financial statements. Changes reflected in this financial report include:

- the replacement of Income Statement with Statement of Comprehensive Income. Items of income and expense not recognised in profit or loss are disclosed as components of 'other comprehensive income'. In this regard, such items are no longer reflected as equity movement in the Statement of Changes in Equity. It should be noted that there was no income that fell into the category of 'other comprehensive income' for the year;
- the adoption of the single statement approach to the presentation of the Statement of Comprehensive Income;
- other financial statements are renamed in accordance with the Standard.

AASB 8 Operating Segments

From 1 January 2009, operating segments are identified and segment information disclosed on the basis of internal reports that are regularly provided to, or reviewed by, the Chief Investment Officer of the Investment Management Company. Previously the Company presented segment information in respect of its business and geographical segments (see Note 16). Under the management approach, the Company's presentation will be unchanged.

AASB 7: Financial Instruments: Disclosures

The amended Standard requires additional disclosures about fair value measurement and liquidity risk. Fair value measurements related to all financial instruments recognised and measured at fair value are to be disclosed by source of inputs using a three level fair value hierarchy, by class. In addition, a reconciliation between the beginning and ending balance for level 3 fair value measurements is now required, as well as significant transfers between levels in the fair value hierarchy. The amendments also clarify the requirements for liquidity risk disclosures with respect to derivative transactions and assets used for liquidity management. The fair value measurement disclosures are presented in Note 14. The liquidity risk disclosures are not significantly impacted by the amendments and are presented in Note 14.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

I. **New Accounting Standards for Application in Future Periods**

The AASB has issued new and amended accounting standards and interpretations that have mandatory application dates for future reporting periods. The Company has decided against early adoption of these standards. A discussion of those future requirements and their impact on the Company follows:

AASB 9: Financial Instruments and AASB 2009–11: Amendments to Australian Accounting Standards arising from AASB 9

These standards are applicable retrospectively and amend the classification and measurement of financial assets. The Company has not yet determined the potential impact on the financial statements. The changes made to accounting requirements include:

- simplifying the classifications of financial assets into those carried at amortised cost and those carried at fair value;
- simplifying the requirements for embedded derivatives;
- removing the tainting rules associated with held-to-maturity assets;
- removing the requirements to separate and fair value embedded derivatives for financial assets carried at amortised cost;
- allowing an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument; and
- reclassifying financial assets where there is a change in an entity's business model as they are initially classified based on:
 - a. the objective of the entity's business model for managing the financial assets; and
 - b. the characteristics of the contractual cash flows.

AASB 2009–4: Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 2 and AASB 138 and AASB Interpretations 9 & 16] (applicable for annual reporting periods commencing from 1 July 2009) and AASB 2009–5: Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 5, 8, 101, 107, 117, 118, 136 & 139] (applicable for annual reporting periods commencing from 1 January 2010).

These standards detail numerous non-urgent but necessary changes to accounting standards arising from the IASB's (International Accounting Standards Board) annual improvements project. No changes are expected to materially affect the Company.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

NOTE 2 : REVENUE

	2010	2009
	\$'000	\$'000
Interest received	341	2,058
Dividends received	4,730	3,555
Other revenue	33	43
	5,104	5,656

NOTE 3 : EXPENSES

a. Management Fees

In accordance with the Investment Management Agreement (outlined in the Shareholder Information section of this Annual Report), the Investment Manager is entitled to a management fee of 1.5% per annum of the gross value of the Company, payable on a monthly basis.

The Investment Manager is also entitled to a performance fee when the Company outperforms the MSCI Total Return Index, Net Dividends Reinvested in Australian dollars. The method of calculating the fee is detailed in the Investment Management Agreement.

The amounts paid and payable to the Investment Manager in accordance with the Investment Management Agreement were:

	2010	2009
	\$'000	\$'000
Management fees	3,975	3,791
Performance fees	-	-
	3,975	3,791

b. Indirect Cost Ratio (ICR)

The ICR is a measure of the additional expense incurred by shareholders as a result of investing in the Company. The majority of these expenses comprise fees paid to the Investment Manager and the custodian. Expenses that would otherwise be incurred by a direct investor, such as transaction costs, brokerage, government taxes and charges on purchases and sales, are excluded.

The ICR of the Company calculated in accordance with the Corporation Amendment Regulations 2005, is shown in the following table. The table combines the expenses incurred directly by the Company and those incurred indirectly through investments in other managed investment schemes.

	2010	2009
	\$'000	\$'000
ICR related expenses incurred by the Company		
Excluding performance fees	4,882	4,638

ICR related expenses incurred by the Company

as a % of average net assets

	2010	2009
	%	%
Including performance fees	1.80	1.78
Excluding performance fees	1.80	1.78

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

NOTE 3 : EXPENSES (continued)

c. Auditor's Remuneration

	2010	2009
Remuneration of the Auditor of the Company for:	\$	\$
Audit of year end Financial Report	38,000	36,550
Review of half year Financial Report	22,000	21,000
	60,000	57,550

NOTE 4 : INCOME TAX (EXPENSE)/REVENUE

	2010	2009
Note:	\$'000	\$'000
The components of tax (expense)/revenue comprise:		
Deferred tax	9c (10,229)	25,153
(Over)/under provision in respect of prior years	-	(5)
	(10,229)	25,148

The prima facie tax on profit/(loss) before tax is reconciled to the income tax benefit provided in the financial report as follows:

Prima facie tax (payable)/ receivable on loss before income tax of 30%	(10,528)	24,952
Less tax effect of:		
Foreign withholding tax	(86)	(81)
Imputation credits	(165)	(121)
(Over)/under provision for income tax in prior year	-	(5)
Add tax effect of:		
Tax credits	550	403
Income tax attributable to entity	(10,229)	25,148

The applicable weighted average effective tax rates are as follows:

	29%	30%
--	-----	-----

NOTE 5 : EARNINGS/(LOSS) PER SHARE (EPS)

	2010	2009
	\$'000	\$'000
Profit/(loss) used in the calculation of both basic and dilutive EPS	24,864	(58,025)
	2010	2009
	No.	No.
Weighted average number of ordinary shares outstanding during the year used in calculation of basic EPS	285,774,964	330,496,947
Weighted average number of ordinary shares and potential ordinary shares outstanding during the year used in calculation of dilutive EPS	285,774,964	330,496,947

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

NOTE 6 : CASH AND CASH EQUIVALENTS

	2010	2009
	\$'000	\$'000
Cash at bank	25,497	35,231
	25,497	35,231

NOTE 7 : TRADE AND OTHER RECEIVABLES

	2010	2009
	\$'000	\$'000
Dividends accrued	704	462
Interest accrued	27	29
GST receivable	81	72
Prepayments	-	5
Other amounts receivable on investments sold	1,149	43
	1,961	611

NOTE 8 : INVESTMENTS

	2010	2009
	\$'000	\$'000
Equity securities at fair value	211,435	190,621
Derivative financial instruments at fair value	(1,824)	972
Gold bullion at fair value	8,749	6,886
	218,360	198,479

Details of the Company's largest 10 investments as at 30 June 2010 are as follows:

Name of investment	Principal activities	Carrying value \$'000
Sirtex Medical Ltd	liver cancer treatments	13,760
Woongjin Thinkbig Co Ltd	education services	10,972
Customers Ltd	electronic transaction services	10,134
AIahabad Bank	bank	9,366
Gold Bullion	gold	8,749
Biocompatibles International Plc	medical devices	7,667
Proto Corp	publishing	6,754
NKSJ Holdings Inc	insurer	6,526
Daiichikoshio Co Ltd	karaoke machinery	6,340
Virgin Media Inc	broadband communications	6,032

Details of the Company's largest 10 investments as at 30 June 2009 are as follows:

Name of investment	Principal activities	Carrying value \$'000
Woongjin Thinkbig Co Ltd	children's educational material	12,899
Sirtex Medical Ltd	therapeutics	11,939
Customers Ltd	electronic transaction services	11,078
Gold Bullion	gold	6,866
Samchully Co Ltd	energy	6,693
Biocompatibles International Plc	medical devices	6,526
Addax Petroleum Corp	oil & gas exploration & production	6,162
Woongjin Coway Co Ltd	water purifying manufacturer	5,674
Po Valley Energy Ltd	gas producer	5,453
RCR Tomlinson Ltd	engineering services	5,245

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

NOTE 9 : TAX		2010	2009
a.	Assets	\$'000	\$'000
CURRENT			
Income tax receivable		1,005	-
		1,005	-
NON CURRENT			
Deferred tax assets comprise:			
Attributable to realised tax loss		3,464	23,141
Fair value adjustments		19,626	10,160
Other		118	63
		23,208	33,364
Total Tax Assets		24,213	33,364
b.	Liabilities	2010	2009
CURRENT		\$'000	\$'000
Income tax payable		-	-
		-	-
NON CURRENT			
Deferred tax liability comprises:			
Fair value gain adjustments		18	18
Other		193	120
		211	138
Total Tax Liabilities		211	138
c.	Reconciliations	2010	2009
		\$'000	\$'000
(i) Gross Movements			
Opening balance		(33,226)	(8,073)
Charged/(credited) to the Statement of Comprehensive Income		10,229	(25,153)
Closing balance		(22,997)	(33,226)
Movements	Transaction costs on equity issue	Fair value gain adjustments	Other
	\$'000	\$'000	\$'000
(ii) Deferred Tax Assets			
At 1 July 2008	6	8,195	107
Deductible in financial year	(6)	-	-
Attributable to realised tax loss	-	23,141	-
Credited to the Statement of Comprehensive Income	-	1,965	(44)
At 30 June 2009	-	33,301	63
Attributable to realised tax loss	-	3,464	-
Credited to the Statement of Comprehensive Income	-	(13,675)	55
At 30 June 2010	-	23,090	118
(iii) Deferred Tax Liabilities	Transaction costs on equity issue	Fair value gain adjustments	Other
	\$'000	\$'000	\$'000
At 1 July 2008	-	18	217
Charged to the Statement of Comprehensive Income	-	-	(97)
At 30 June 2009	-	18	120
Charged to the Statement of Comprehensive Income	-	-	73
At 30 June 2010	-	18	193

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

NOTE 10 : TRADE AND OTHER PAYABLES

	2010 \$'000	2009 \$'000
Amounts owing on investments purchased	92	114
Sundry accruals	401	220
Payable to Director related entities:		
Manager's account	694	319
Payable to other Director related parties	8	7
	1,195	660

NOTE 11 : CONTRIBUTED EQUITY

	2010	2009
	No. shares	No. shares
Issued ordinary shares at the beginning of the reporting period	298,179,749	357,785,272
Share buy backs	(29,353,656)	(59,605,523)
Issued ordinary shares at reporting date	268,826,093	298,179,749

Share Rights

Ordinary shares participate in dividends and the proceeds on winding up the Company in proportion to the number of shares held. At shareholder meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

Share Buy Backs

During the year the Company bought back 29,353,656 (2009: 59,605,523) ordinary shares on issue at an average of \$0.788 each (2009: \$0.598 each). The total purchase consideration of the buy-back was \$23,126,550 (2009: \$35,617,561). The buy backs occurred on market at the same terms available to other shareholders. Shares were bought back if trading at a 10% or greater discount to NTA. The shares bought back have been cancelled and the full amount of the buy-back debited to issued capital.

Capital Management

The Company manages its capital to ensure that it is able to continue as a going concern while maximising the return to shareholders and benefits for other stakeholders. The Board also aims to maintain a capital structure that ensures the lowest cost of capital available to the entity.

During 2010, the Company paid no dividends (2009: \$nil).

The Company's overall strategy remains unchanged from 2009.

The capital structure of the Company consists of cash and cash equivalents and equity attributable to equity holders of the parent, comprising issued capital, reserves and retained earnings as disclosed in the Statement of Changes of Equity.

The Company is not subject to externally imposed capital requirements.

Operating cash flows are used to maintain and expand the Company's investment portfolio, as well as to make the routine outflows of tax and dividends.

The Board has no current plans to issue further shares on the market but intends to continue to buy-back shares on market in accordance with the share buy-back plan approved by shareholders.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

NOTE 12 : DIVIDENDS

	2010 \$'000	2009 \$'000
Fully franked final ordinary dividend of nil cents per share (2009: nil)	-	-
Fully franked interim ordinary dividend of nil cents per share (2009: nil)	-	-
a. Final fully franked dividend of nil cents per share (2009: nil)	-	-
b. Balance of franking account at year end adjusted for franking credits arising from payment of provision for income tax and dividends recognised as receivables, franking debits arising from payment of dividends provided for and franking credits that may not be distributable in subsequent financial years.	6,757	6,207
c. The amount of franking credits available for future reporting periods:		
Impact on the franking account of dividends proposed or declared before the financial report was authorised for issue but not recognized as a distribution to equity holders during the period.	(6,757)	-
Franking account balance subsequent to payment of proposed dividend:	-	-

NOTE 13 : CASH FLOW INFORMATION

	2010 \$'000	2009 \$'000
Reconciliation of net cash provided by operating activities to net profit/(loss) after income tax:		
Net profit/(loss) after income tax	24,864	(58,025)
Changes in market value	(34,871)	81,209
Changes in assets and liabilities:		
Increase in assets	(308)	(38)
Increase/(decrease) in liabilities	9,845	(23,027)
Net cash (outflow)/inflow from operating activities	(470)	119

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

NOTE 14 : FINANCIAL RISK MANAGEMENT

The Company's financial instruments consist mainly of deposits with banks, investments, accounts receivable and payable, and derivatives. Derivatives are used by the Company for economic hedging purposes. Such instruments include forward exchange contracts. The Company does not speculate in the trading of derivative instruments.

The Company holds the following financial instruments:

	2010	2009
	\$'000	\$'000
Financial Assets		
Cash and cash equivalents	25,497	35,231
Trade and other receivables	1,961	611
Investments at fair value	220,184	197,507
Foreign currency forward contracts	(1,824)	972
	245,818	234,321
Financial Liabilities		
Trade and other payables	1,195	660
	1,195	660

Financial Risk Exposures and Management

The main risks the Company is exposed to through its financial instruments are foreign exchange risk, price risk, interest rate risk, credit risk and liquidity risk.

a. Market Risk

(i) Foreign exchange risk

With approximately 56.6% (2009: 53.4%) of the Company's portfolio held in foreign stocks there is a risk associated with movements in foreign exchange rates. In addition 6.7% (2009: 10.5%) of the Company's portfolio is held in foreign currency cash. The Australian Dollar weighting of the Company's portfolio is mainly comprised of Australian Dollar cash, Australian equities, and forward contracts hedging foreign currency exposures back into Australian Dollars.

The Company maintains an objective of being 40-80% exposed to the Australian Dollar. This is primarily managed through the sale of Foreign Exchange Forward contracts. The use of forward contracts resulted in a realised gain of \$3,679,567 in the year to 30 June 2010 (2009: loss of \$9,053,519).

The extent of cash diversification may also be adjusted over time. Where cash is held in foreign currencies it is held in currencies reflecting the currency weights in the performance benchmark, the MSCI World Total Return Index, Net Dividends Reinvested in \$AUD. The currency composition of this index reflects the relative size of global equity markets. It is dominated by US Dollar, Euro and Japanese Yen exposures, with Australian Dollar assets usually comprising between 2 and 5% of the index.

In absolute terms the Company is a net investor in foreign currency assets including cash and to a varying degree benefits from any weakening in the Australian Dollar against those currencies to which it is exposed.

The accounting policy in regard to forward exchange contracts is detailed in Note 1e.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

NOTE 14 : FINANCIAL RISK MANAGEMENT (continued)

The Company's total net exposure to fluctuations in foreign currency exchange rates at the balance date was as follows:

2010 Assets	Cash \$'000	Investments \$'000	Forwards \$'000	Unsettled Trades \$'000	Other \$'000	Total \$'000
Australian Dollar	9,242	80,545	-	-	128	89,915
Brazilian Real	-	3,182	-	-	-	3,182
Canadian Dollar	-	8,404	-	-	52	8,456
Euro	1,019	11,046	662	-	10	12,737
British Pound	-	17,006	-	-	18	17,024
Hong Kong Dollar	-	1,100	-	-	-	1,100
Japanese Yen	1,937	20,059	-	-	3	21,999
New Zealand Dollar	-	2,423	-	-	-	2,423
Norwegian Kroner	777	2,272	92	151	-	3,292
Singapore Dollar	1	-	-	-	-	1
Korean Won	-	19,297	-	-	-	19,297
Swedish Kroner	-	1,479	-	-	-	1,479
Swiss Francs	1,302	1,322	-	-	-	2,624
Taiwanese Dollar	1,141	328	-	-	-	1,469
Thailand Baht	-	524	-	-	1	525
United States Dollar	10,078	51,197	-	998	600	62,873
	25,497	220,184	754	1,149	812	248,396
Liabilities			Forwards \$'000	Unsettled Trades \$'000	Other \$'000	Total \$'000
Australian Dollar			-	92	1,095	1,187
Brazilian Real			-	-	-	-
Canadian Dollar			146	-	-	146
Danish Kroner			-	-	-	-
Euro			-	-	8	8
British Pound			458	-	-	458
Indian Rupee			103	-	-	103
Japanese Yen			1,164	-	-	1,164
Korean Won			357	-	-	357
Norwegian Kroner			-	-	-	-
Swiss Francs			1	-	-	1
United States Dollar			349	-	-	349
			2,578	92	1,103	3,773

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

NOTE 14 : FINANCIAL RISK MANAGEMENT (continued)

The Company's total net exposure to fluctuations in foreign currency exchange rates at the comparative balance date was as follows:

2009 Assets	Cash \$'000	Investments \$'000	Forwards \$'000	Unsettled Trades \$'000	Other \$'000	Total \$'000
Australian Dollar	10,743	72,883	-	-	104	83,730
Brazilian Real	-	1,639	-	-	47	1,686
Canadian Dollar	-	9,982	-	-	-	9,982
Euro	6,087	11,272	-	18	-	17,377
British Pound	1	12,782	107	-	17	12,907
Hong Kong Dollar	-	7,190	-	-	-	7,190
Indian Rupee	-	-	886	-	-	886
Japanese Yen	1,738	7,361	-	-	1	9,100
South Korean Won	-	25,266	-	-	-	25,266
Norwegian Krone	-	5,986	-	-	-	5,986
New Zealand Dollar	-	4,947	-	25	-	4,972
Singapore Dollar	1	1,397	84	-	-	1,482
United States Dollar	16,661	36,802	-	-	399	53,862
	35,231	197,507	1,077	43	568	234,426
Liabilities			Forwards \$'000	Unsettled Trades \$'000	Other \$'000	Total \$'000
Australian Dollar			-	114	534	648
Euro			-	-	12	12
South Korean Won			105	-	-	105
			105	114	546	765

At balance date, the details of outstanding forward exchange contracts are:

	Buy Australian Dollars		Average Exchange Rate	
	2010 \$'000	2009 \$'000	2010	2009
Canadian Dollar	3,344	-	1.1150	0.0000
Euro	8,480	-	1.4642	0.0000
British Pound	17,414	7,795	1.7906	0.4811
Indian Rupee	4,584	6,033	0.0254	33.1500
Japanese Yen	8,137	-	0.0135	0.0000
Norwegian Krone	1,277	-	0.1824	0.0000
Singapore Dollar	-	945	-	1.0582
United States Dollar	15,381	-	1.2007	0.0000

Sensitivity analysis

A 10% strengthening/weakening of the Australian Dollar at 30 June 2010 would have (decreased)/increased the net assets attributable to shareholders and profit or loss from operating activities by (\$9,855,188) / \$9,855,188 (2009: (\$13,587,488) / \$13,587,488). The analysis assumes that all other variables, in particular interest rates, remain constant. The analysis is performed on the same basis for 2009.

(ii) Price risk

The Company is exposed to equity securities price risk. This arises from investments held by the Company and classified on the Statement of Financial Position as fair value through profit or loss.

To manage its price risk arising from investments in equity securities, the Company diversifies its portfolio. The majority of the Company's equity investments are publicly traded.

Sensitivity analysis

At reporting date, if the equity prices had been 10% higher or lower net profit and equity of the Company would have been \$22,018,409 higher/\$22,018,409 lower (2009: \$19,750,601 higher/\$19,750,601 lower).

The sensitivity to equity prices has not changed significantly from the prior year.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

NOTE 14 : FINANCIAL RISK MANAGEMENT (continued)

(iii) Interest rate risk

The majority of the Company's financial assets are non-interest bearing. The main interest rate risk for the Company arises from its cash holdings. The Company's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of change in market interest rates and the effective weighted average interest rates on classes of financial assets and financial liabilities are as follows:

	2010		2009	
	Weighted Average Interest Rate \$'000	Effective Interest Rate %	Weighted Average Interest Rate \$'000	Effective Interest Rate %
Cash and cash equivalents	25,497	1.61	35,231	0.78

Sensitivity analysis

At reporting date, if the interest rates had been 10% p.a. higher or lower net profit and equity of the Company would have been \$2,046 higher/\$2,046 lower (2009: \$2,262 higher/\$2,262 lower).

b. Credit risk

Credit risk arises from cash and cash equivalents, derivative financial instruments and deposits with banks and financial institutions, as well as outstanding receivables. The Company minimises concentrations of credit risk by undertaking transactions with a number of customers and counter parties on recognised and reputable exchanges. The Company is not materially exposed to any individual counterparty.

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date in respect of recognised financial assets is the carrying amount, net of any provisions for doubtful debts of those assets, as disclosed in the Statement of Financial Position and Notes to the Financial Statements.

c. Liquidity risk

The Company manages liquidity risk by monitoring forecast cash flows and ensuring that adequate uninvested cash levels are maintained.

Maturities of financial liabilities

Financial liabilities held by the Company include management fees payable to the Investment Manager, unsettled trades and other sundry accruals. The below table shows the maturities of financial liabilities held by the Company. The Company holds short term forward contracts which are also included below where any liability existed at balance date. Further information on these instruments is in Note 14e. below.

2010	Less than 1 month					Total \$'000
	month \$'000	1 to 3 months \$'000	3 to 6 months \$'000	6 to 12 months \$'000		
Financial Liabilities						
Due to brokers	92	-	-	-	-	92
Foreign currency forward contracts	472	399	1,513	194		2,578
Other payables & accrued expenses	1,103	-	-	-		1,103
Total	1,667	399	1,513	194		3,773

2009	Less than 1 month					Total \$'000
	month \$'000	1 to 3 months \$'000	3 to 6 months \$'000	6 to 12 months \$'000		
Financial Liabilities						
Due to brokers	114	-	-	-	-	114
Foreign currency forward contracts	-	-	105	-	-	105
Other payables & accrued expenses	546	-	-	-	-	546
Total	660	-	105	-		765

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

NOTE 14 : FINANCIAL RISK MANAGEMENT (continued)

d. Net fair values

The net fair values of listed investments have been valued at the quoted market bid price at balance date. For unlisted investments where there is no organised financial market, the net fair value has been based on either cost or the redemption price published by the issuer at balance date. The net fair value of loans and amounts due approximates their carrying value. For other assets and other liabilities the net fair value approximates their carrying value. No financial assets and financial liabilities are readily traded on organised markets in standardised form other than listed investments. Financial assets where the carrying amount exceeds net fair values have not been written down as the Company believes the diminution to be temporary.

The following table provides an analysis of financial instruments as at balance date that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which fair value is observable.

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets and liabilities.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)
- Level 3 fair value measurement are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

GVL 2010	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Financial assets at fair value through profit or loss				
Foreign currency forward contracts	-	754	-	754
Listed investments at fair value	208,530	1,594	-	210,124
Unlisted investments at fair value	8,749	1,311	-	10,060
Total	217,279	3,659	-	220,938
Financial liabilities at fair value through profit or loss				
Foreign currency forward contracts	-	2,578	-	2,578
Total	-	2,578	-	2,578

e. Specific instruments

Derivative financial instruments

A derivative is a financial contract the value of which depends on or is derived from the value of underlying assets, liabilities or indices. Derivative transactions include a wide assortment of instruments, such as forwards, futures, options and swaps. Derivatives are considered to be part of the investment process. The use of derivatives is an essential part of the Company's portfolio management. In particular the Company utilises short term forward contracts to manage its risk associated with movements in foreign exchange rates.

For details of forward exchange contracts outstanding at the balance date refer to Note 14(a)(i).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

NOTE 15 : RELATED PARTY TRANSACTIONS

2010 **2009**
\$ \$

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

Director related entities:

a.	Hunter Hall International Ltd	Expense reimbursements paid in relation to cost incurred on behalf of the Company	(511,373)	(680,237)
b.	Hunter Hall Investment Management Ltd	Pursuant to the Investment Management Agreement: Performance fees paid and payable	-	-
		Management fees paid and payable	(3,974,562)	(3,790,897)
c.	Bennelong Administration Services Pty Ltd	Administration fees paid and payable pursuant to administration services provided by Bennelong Administration Services Pty Ltd to the Company	(85,922)	(83,323)
d.	Share and option transaction of Directors:			

Directors and Director-related entities hold, directly, indirectly or beneficially as at the reporting date equity interest in the Company, in the form of ordinary shares in the Company. There were no longer any Company options on issue as at 30 June 2010. Movements in equity interests during the period were as follows:

	Held at 1 Jul 09	Purchases	Sales	Held at 30 Jun 10
Mr A Blackman	20,000	-	-	20,000
Mr P Hall	500,000	-	-	500,000
Mr J Lowenstein	80,000	-	-	80,000
Mr D Scott	20,000	-	(20,000)	-
Mr A Koroknay	10,000	-	-	10,000
Mr J Constable	-	50,000	-	50,000
	Held at 1 Jul 08	Purchases	Sales	Held at 30 Jun 09
Mr A Blackman	20,000	-	-	20,000
Mr P Hall	500,000	-	-	500,000
Mr J Lowenstein	80,000	-	-	80,000
Mr D Scott	20,000	-	-	20,000
Mr A Koroknay	10,000	-	-	10,000

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

NOTE 16 : STATEMENT OF OPERATIONS BY SEGMENT

The Company has identified its operating segments based on the internal reports that are reviewed and used by the Chief Investment Officer of the Investment Management Company in assessing and determining the allocation of resources.

The Company operates in one business segment, being investment in securities. The Company operates from Australia only and therefore has only one geographical segment. The Company invests in securities listed or to be listed on foreign and domestic stock exchanges, unlisted securities and fixed interest securities. As at 30 June 2010, 56.6% (2009: 53.4%) of the Company's portfolio was held in foreign securities. The Company has investment exposures in different countries which are shown below:

2010	Revenue \$'000	Realised Gains/(Losses) \$'000	Unrealised Gains/(Losses) \$'000	Fair Value of Portfolio \$'000	Portfolio Share %
Investments listed in:					
Australia & New Zealand	1,556	(2,449)	26,728	84,561	34.7
Other Americas	4	(96)	471	3,182	1.3
Other Europe	254	(7,101)	2,853	16,119	6.6
United Kingdom	407	(418)	1,175	17,006	7.0
Other Asia	45	(4,611)	3,869	2,773	1.1
Japan	456	(331)	3,004	21,000	8.6
Korea	782	1,760	(311)	19,297	7.9
India	819	1,851	8,270	22,414	9.2
USA	139	860	829	25,428	10.4
Canada	301	(163)	435	8,404	3.4
Foreign Exchange Hedge Contracts	-	3,679	(2,796)	(1,824)	(0.7)
Sub	4,763	(7,019)	44,527	218,360	89.5
Cash	341	(3,692)	1,056	25,497	10.5
Total	5,104	(10,711)	45,583	243,857	100.0

2009	Revenue \$'000	Realised Gains/(Losses) \$'000	Unrealised Gains/(Losses) \$'000	Fair Value of Portfolio \$'000	Portfolio Share %
Investments listed in:					
Australia & New Zealand	863	(11,615)	1,571	77,768	33.3
Other Americas	101	-	(1,013)	1,639	0.7
Other Europe	32	(12,672)	(12,323)	17,258	7.4
United Kingdom	366	(1,024)	(2,027)	17,399	7.4
Other Asia	29	(7,919)	(4,989)	10,778	4.6
Japan	153	(1,679)	361	7,361	3.1
Korea	657	(8,624)	(58)	25,265	10.8
India	900	533	8,360	21,020	9.0
USA	432	(16,325)	12,387	9,037	3.9
Canada	22	(6,281)	(3,774)	9,982	4.3
Other	43	-	-	-	-
Foreign Exchange Hedge Contracts	-	(9,053)	(4,575)	972	0.4
Sub	3,598	(74,659)	(6,080)	198,479	84.9
Cash	2,058	(3,009)	(471)	35,231	15.1
Total	5,656	(77,668)	(6,551)	233,710	100.0

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

NOTE 17 : SUBSEQUENT EVENTS

There were no other events subsequent to year end that require disclosure other than those matters referred to elsewhere in this report.

The financial report was authorised for issue on 31 August 2010 by the Board of Directors.

NOTE 18 : CONTINGENT LIABILITIES

There were no contingent liabilities at year end that require disclosure.

DIRECTORS' DECLARATION

The Directors of the Company declare that:

1) the Financial Statements and Notes, as set out on pages 19 to 41 are in accordance with the Corporations Act 2001, including:

- i) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001; and
- ii) giving a true and fair view of the financial position as at 30 June 2010 and performance of the Company or the 12 months ended on that date;
- iii) complying with International Financial Reporting Standards as disclosed in Note 1.

2) the Chief Executive Officer and Chief Financial Officer have declared that:

- i) the financial records of the Company for the financial year have been properly maintained in accordance with Section 286 of the Corporations Act;
- ii) the financial statements and notes for the financial year comply with the Accounting Standards; and
- iii) the financial statements and notes for the financial year give a true and fair view;

3) in the Directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.



Jack Theseus Lowenstein

Director

Dated this 31st day of August 2010



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**Auditor's Independence Declaration
To the Directors of Hunter Hall Global Value Limited**

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the audit of Hunter Hall Global Value Limited for the year ended 30 June 2010, I declare that, to the best of my knowledge and belief, there have been:

- a no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- b no contraventions of any applicable code of professional conduct in relation to the audit.

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

G S Layland
Director - Audit & Assurance

Sydney, 31 August 2010



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Independent Auditor's Report To the Members of Hunter Hall Global Value Limited

Report on the financial report

We have audited the accompanying financial report of Hunter Hall Global Value Limited (the "Company"), which comprises the statement of financial position as at 30 June 2010, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Directors' responsibility for the financial report

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Act 2001. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. The directors also state, in the notes to the financial report, in accordance with Accounting Standard AASB 101 Presentation of Financial Statements, that compliance with the Australian equivalents to International Financial Reporting Standards ensures that the financial report, comprising the financial statements and notes, complies with International Financial Reporting Standards.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards which require us to comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the

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financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we have complied with the independence requirements of the Corporations Act 2001.

Auditor's opinion

In our opinion:

- a the financial report of Hunter Hall Global Value Limited is in accordance with the Corporations Act 2001, including:
 - i giving a true and fair view of the company's financial position as at 30 June 2010 and of its performance for the year ended on that date; and
 - ii complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001; and
- b the financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

Report on the remuneration report

We have audited the Remuneration Report included in pages 10 to 11 of the directors' report for the year ended 30 June 2010. The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Auditor's opinion on the remuneration report

In our opinion, the Remuneration Report of Hunter Hall Global Value Limited for the year ended 30 June 2010, complies with section 300A of the Corporations Act 2001.

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

G S Layland
Director - Audit & Assurance

Sydney, 31 August 2010

Shareholder Information

As at 25 August 2010 there were 8,513 shareholders.

DISTRIBUTION OF SHAREHOLDERS

Category (size of Holding)	Number of shareholders	Number of ordinary shares
1 – 1,000	274	120,562
1,001 – 5,000	1,377	5,002,780
5,001 – 10,000	1,811	15,299,764
10,001 – 100,000	4,769	147,871,969
100,001 – and over	282	97,465,764
TOTAL	8,513	265,760,839

The number of shareholders holding less than a marketable parcel is 622.

SUBSTANTIAL SHAREHOLDERS

The names of the substantial shareholders listed in the holding Company's register as at 25 August are:

	Number held	Percentage
Cogent Nominees Pty Ltd	18,749,053	7.05

NET TANGIBLE ASSETS (NTA) RECONCILIATION OF MONTHLY ASX ANNOUNCEMENT TO FINANCIAL STATEMENTS

	30 June 2010	30 June 2009
NTA as announced to ASX	269,213,492	267,624,644
Adjustment to bid price valuation	(1,475,251)	(1,238,982)
Reversal of accrual for realisation costs	664,978	596,237
Tax adjustments	243,082	(95,084)
Other	(20,699)	345
	268,625,602	266,887,160

Shareholder Information

20 LARGEST SHAREHOLDERS – ORDINARY SHARES

Name	Number of ordinary shares	% of total issued ordinary shares
1. Cogent Nominees Pty Ltd	18,749,053	7.05
2. UBS Wealth Management Australia Nominees Pty Ltd	10,847,181	4.08
3. RBC Dexia Investor Services Australia Nominees Pty Limited <MLCI A/C>	4,402,746	1.66
4. Forbar Custodian Limited <Forsyth Barr Ltd-Nominee A/C>	2,071,983	0.78
5. RBC Dexia Investor Services Australia Nominees Pty Limited <NMSMT A/C>	1,111,593	0.42
6. HSBC Custody Nominees (Australia) Limited	1,101,712	0.41
7. Bond Street Custodians Limited <MCGOL - CP0114 A/C>	1,100,000	0.41
8. Perpetual Trustees Consolidated Limited <C_L A/C>	1,052,375	0.4
9. Bond Street Custodians Limited <MCGOL - DR0020 A/C>	1,005,000	0.38
10. Favermead Pty Ltd <Fitzpatrick S/F A/C>	1,000,000	0.38
11. Tree Pot Pty Ltd <Tree Pot A/C>	1,000,000	0.38
12. Ms Thelma Joan Martin-Weber	1,000,000	0.38
13. Australian Executor Trustees Limited <No 1 Account>	894,340	0.34
14. Fernwaye Pty Ltd <Folie Staff Super Fund A/C>	841,000	0.32
15. Mr Carl Brendan Skipworth	660,000	0.25
16. Mrs Jean Thyne Hadges	643,095	0.24
17. Green Super Pty Ltd <Ross Knowles Super Fund A/C>	634,622	0.24
18. Invia Custodian Pty Limited <Living Care A/C>	600,000	0.23
19. Invia Custodian Pty Limited <Matt Dillon A/C>	600,000	0.23
20. Shore Nominees Limited	584,113	0.22

TRANSACTIONS IN SECURITIES

Total number of transactions in securities during the year

30 June 2010

1,031

840

Total brokerage paid or accrued during the year

391,828

451,397

VOTING RIGHTS

Subject to the Company's Constitution:

- At meetings of shareholders, each shareholder is entitled to vote in person, by proxy, by attorney or by representative
- On a show of hands, each shareholder present in person, by proxy, by attorney or by representative is entitled to one
- On a poll, each shareholder present in person, by proxy, by attorney or by representative is entitled to one vote for every share held by the shareholder

In the case of joint holdings, only one joint holder may vote.

VOTING BY PROXY

Shareholders may appoint a proxy or attorney to represent them at a shareholder meeting. If a proxy is appointed and the shareholder attends the meeting then that proxy is automatically revoked.

A corporate shareholder may appoint a proxy, an attorney or a corporate representative.

DIVIDEND PAYMENTS

The Company offers shareholders the following choices of how dividend entitlements can be received:

- Cash – a cheque is mailed to the shareholder's registered address
- Direct Credit Deposit –the dividend is paid directly to the nominated bank account. Direct credits avoid delay in postal delivery and the possibility of lost cheques and are therefore a preferred option.

Shareholder Information

PRINCIPAL REGISTERED ADDRESS OF THE COMPANY

The principal registered office is Level 2, 60 Castlereagh Street, Sydney NSW 2000. Telephone (02) 8224 0300.

REGISTRY

Computershare Investor Services Pty Limited, Level 3, 60 Carrington Street, Sydney NSW 2000. Investor Enquiries 02 8216 5700.

STOCK EXCHANGE LISTING

Quotation has been granted for all the ordinary shares of the Company on all Member Exchanges of the Australian Securities Exchange Limited ("ASX"). The company shares are traded under the symbol HHV. Details of trading activity are published in most daily newspapers and also obtainable from the ASX website: www.asx.com.au.

INVESTMENT MANAGEMENT AGREEMENT

The Company has appointed Hunter Hall Investment Management Limited (the Manager), under an Investment Management Agreement dated 29 January 2004, to manage the investment portfolio of the Company. The Manager manages and supervises all investments of the Company, including providing monthly valuations, for the term of the contract.

Term

The Investment Management Agreement is for an initial period of 25 years commencing on the date the Company listed on the ASX, unless terminated earlier in accordance with terms of the Investment Management Agreement.

Powers of Manager

For the purpose of carrying out its functions and duties under the Investment Management Agreement, the Manager has the powers of a natural person and absolute and unfettered discretion to manage the investment portfolio and to do all things and execute all documents necessary for the purpose of managing the investment portfolio.

Management Fee

In return for the performance of its duties as Manager of the Company's investment portfolio, the Manager is entitled to be paid a monthly management fee equal to 0.125% of the gross value of the investment portfolio calculated on the last day of the month (equivalent to a fee of 1.5% per annum of the average value of the investment portfolio).

Performance Fee

The Manager is also entitled to a Performance Fee, equal to 15% of any out-performance of the investment portfolio compared to its benchmark the MSCI World Accumulation Net Return Index in Australian Dollars. The fee is aggregated daily and paid annually, subject to the following:

- i. if the aggregate Performance Fee for a Financial Year (including any amounts accrued from a previous year) is a positive amount but the Investment Return of the investment portfolio is not greater than zero, then that Performance Fee shall be carried forward (as an accrual) to the following Financial Year,
- ii. if the aggregate Performance Fee for a Financial Year (including any positive or negative amount carried forward from the previous year) is a positive amount but the payment of the accrued Performance Fee would cause the adjusted Investment Return of the investment portfolio for the year to be negative, that portion of the Performance Fee that would cause the Investment Return of the investment portfolio to be negative shall be carried forward (as an accrual) to the following Financial Year,
- iii. if the aggregate Performance Fee for a Financial Year is a negative amount, no Performance Fees shall be payable to the Manager in respect of that Financial Year, and the negative amount shall be added to the Performance Fee of the succeeding year.

Reimbursement of Expenses

The Company must reimburse to the Manager, in addition to its remuneration and rights of indemnification or reimbursement conferred under any other provision of the Investment Management Agreement or by law, all charges and expenses reasonably and properly incurred by the Manager in respect of the Company.

Corporate Directory

PRINCIPAL AND REGISTERED OFFICE

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Email invest@hunterhall.com.au
Website www.hunterhall.com.au

DIRECTORS

Peter James MacDonald Hall
Executive Chairman
Jack Theseus Lowenstein
Executive Director
Julian Constable
Non-executive Director
Adam Paul Blackman
Non-executive Director
Alex Koroknay
Non-executive Director

COMPANY SECRETARY

Ouafaa Karim

AUDITOR

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SHARE REGISTRY

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