



HUNTER HALL INTERNATIONAL LIMITED

ABN 43 059 300 426

16 November 2016

Market Announcements Office
ASX Limited
Level 5, 20 Bridge Street
Sydney NSW 2000

2016 ANNUAL GENERAL MEETING Chairman's Address and CEO Presentation

Please find attached a copy of an address to be delivered by Mr Kevin Eley, Chairman of Hunter Hall International Limited at the 2016 AGM today, followed by an address by Mr Peter Hall AM, Chief Executive and Chief Investment Officer and related presentation slides.

Yours sincerely,

Christina Seppelt
General Counsel and Company Secretary

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2016 ANNUAL GENERAL MEETING

CHAIRMAN'S WELCOME AND ADDRESS

Welcome

On behalf of my fellow Directors, management and employees of Hunter Hall International Limited I welcome you to this the 17th Annual General Meeting of the company.

I am Kevin Eley, and I am honoured to be your Chairman.

Before we begin the meeting I would like to introduce the other people sitting at this table.

To my left is the Secretary of the Company, Christina Seppelt and to her left is Wayne Hawkins, a non-executive director.

To my right is the company's founder, Peter Hall, Chief Investment Officer and Chief Executive Officer and to his right is David Groves, a non-executive director.

I have asked members of Hunter Hall's management and investment management team to be seated in the front row. They are looking forward to greeting you once the formal business of the meeting has concluded.

Also present are Matt Adam Smith and Grant Leyland representatives from the Company's auditors, Grant Thornton.

Now would be a good time, if you haven't already, to silence your mobile telephone please.

It is now just past 12.30pm, the nominated time for the meeting therefore I would like to call the Annual General Meeting of Hunter Hall International Limited to order.

The Company Secretary Christina Seppelt has confirmed that proper notice has been given to all members and we have a quorum for this meeting.

I would now like to present to you my report for the year to 30 June 2016 and to update you as to subsequent progress and outlook.

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After I have given an overview of the company's position Peter Hall, the Chief Investment and Chief Executive Officer will provide a more detailed discussion of our activities.

Following Peter's report all shareholders in the company will be welcome to ask any questions you may have of me or the other directors.

Then we will progress to the formal business of the meeting, where the resolutions provided in the Notice of Meeting will be put to the members.

We will allow time for questions and answers relating to the resolutions before proceeding to vote on the resolutions.

Summary of HHL activities

Before I report on the year I thought it would be useful for shareholders if I briefly reflect on Hunter Hall's business activities.

Our principal activity is to manage 5 unit trusts on behalf of 7000 unitholders and an ASX listed investment company with nearly 8000 shareholders.

Approximately \$1.1 billion funds are currently invested on a global and ethically screened basis by our investment teams based in Sydney and London for our investees.

Hunter Hall is paid a management fee for managing these funds from which all operating costs are paid.

If our investment team outperforms set benchmarks we are able to earn performance fees on an annual basis provided we have recouped any previous underperformance.

Over the years Hunter Hall has generated surplus funds which are invested in new funds as seed capital such as the newly formed High Conviction Trust (HCT) and in acquiring shares in our ASX listed investment company Hunter Hall Global value Limited (ASX Code -HHV).

These investments generate annual income in the form of dividends and distributions and one off profits when realised.

To meet our regulatory requirements and to safeguard against any unforeseen circumstance we also hold substantial cash on deposit which generates interest income.

The surplus from all the above activities after donating 5% to charitable causes and providing for income tax is then distributed to you our shareholders by way of dividends while any unrealised gains on investments are not distributed.

What we have achieved this year

The past financial year has been a year of substantial change and achievement for your company

- Hunter Hall achieved the highest Net Profit after tax since 2011
- There have been numerous management changes which have strengthened our operations
- The Board has been refreshed to instigate independent strategic thought
- Encouraging progress has been achieved with the growth and investment performance of our funds

And

- Costs have been contained while at the same time there has been a focussed and increased marketing effort.

Financial results

Hunter Hall reported a profit after tax of \$7.8 million for the year ended 30 June 2016, enabling us to pay a dividend of 28.7 cents per share, an 85% increase on the previous financial year of 15.5 cents per share.

Our operating revenue at \$16.6 million was up 4.5% from the previous financial year, in line with the 2% increase in funds under management which grew to \$1.139 billion at 30 June 2016.

Operating expenses were only up 1.3% to \$10.2 million resulting in an operating profit from investment management of \$6.4 million an increase of 10% from \$5.8 million achieved last year.

A large contributor to profit after tax for the year was the \$3.7 million in investment income.

In December 2014 we seeded the High Conviction Trust with \$5 million and during this financial year we redeemed \$3 million of the investment in the High Conviction Trust, realising a \$1.5 million gain. We also earned a further \$1.5 million in distribution income from the High Conviction Trust and dividends from our investment in Hunter Hall Global Value Limited our listed LIC. Although income from these investments are likely to recur, gains on the sale of our investments may not.

We earned net performance fees of \$1.8 million from the HCT and the Hunter Hall Australian Value Trust.

\$651,000 for charitable donations was set aside which means since listing Hunter Hall has paid in excess of \$10 million from operating profits to worthwhile charitable causes.

Income tax of \$3.3 million was provided this year which resulted in an increase of 87% in Net profit attributable to our shareholders of \$7.8 million.

It is worth noting that this year's Profit after tax attributable to shareholders from which dividends are paid excludes a further \$2.6 million of unrealised gains from our investment portfolio.

Balance sheet

Hunter Hall has a very strong balance sheet with no debt.

Our investments in the High Conviction Trust and Hunter Hall Global Value Limited had a total market value at 30 June 2016 of \$18.7 million. These investments complement the \$12.0 million cash we hold either at call or as term deposits.

In total, our cash and investment portfolio of \$30.7 million represented \$1.13 per share at 30 June 2016.

Board and Executive changes

During the year the composition of the Board changed. There were also a number of management changes some of which occurred subsequent to the year end.

In September 2015 I was delighted to accept an invitation to join the Hunter Hall Board, David Groves who has wide commercial and public company experience joined the Board in April 2016 and Mark Forstmann resigned in September 2016 after joining the Board in 2000.

I wish to take this opportunity to thank and acknowledge Mark for his contribution to your company over the past 16 years.

After three and half years of service David Deverall Chief Executive and Managing Director resigned in January 2016 to pursue other opportunities.

Peter was then appointed as Chief Executive Officer supported by Paula Ferrao as Deputy Chief Executive Officer to whom most of the Sydney executive management report. Peter also continues his role as Chief Investment Officer.

In order to reduce Peter's significant responsibilities I took over from Peter as Chairman.

In addition we have employed another marketing person in Kathleen Tepana and Anthony Rule as our Chief Financial Officer.

As a result of these changes Hunter Hall has a refreshed Board comprising a new Independent Chairman and a new Non-executive Director and the founder and Chief Investment Officer of Hunter Hall now managing your company with the support of an expanded management team.

Peter continues to be based out of London where we are considering strengthening our investment capabilities as this remains an ideal place to identify global investment opportunities.

Update and Outlook

Funds under management as at close of business Friday, 11 November 2016 were \$1.117 billion, a decrease of \$22 million on the \$1.139 billion as at 30 June 2016, after net distributions and dividends of \$26 million.

Although our funds have delivered positive absolute returns since 30 June 2016, the performance fee deficit of the VGT has increased, the HCT is now negative while all other funds' performance fee deficits have reduced marginally. These numbers are all as at 11 November 2016 except for the Hunter Hall Global which is at 19th August 2016:

We have made significant improvement in the levels of outflows in FY2016 and I am delighted to report that since 30th June 2016 we have had three out of four months of net inflows.

I now invite Peter to provide further details on our operational and investment performance and outlook for the year.

CEO ADDRESS

Dear Fellow Shareholders,

This year's strong result was due to excellent investment performance of our largest two funds, the Hunter Hall Value Growth Trust and the ASX listed Hunter Hall Global Value Limited, as well as of our newest fund, the Hunter Hall High Conviction Equities Trust. We also saw the continued reduction in net outflows from our funds, made slow but steady progress with research ratings, increased the focus on the direct distribution channel, continued to manage our cost base and received strong earnings from our investment portfolio.

Strategy

I will firstly update you on our progress on our strategic objectives.

During the year we increased on our focus on the direct distribution channel for all our funds. We hired a direct marketing specialist, Kathleen Tepana, increased advertising and initiated an engagement campaign for stakeholders of our second largest product, Hunter Hall Global Value Limited.

We are pleased that a combination of excellent performance, a more regular stream of dividends and increased stakeholder focus has delivered significant value to Hunter Hall Global Value shareholders, with a total return for shareholders for the year to 30 June 2016 of 20.0%. Furthermore, the Hunter Hall Global Value share price discount to its NTA per share narrowed from 15.4% at 30 June 2015 to 6.7% at 30 June 2016.

The principal objectives for Hunter Hall Global Value are to generate growth in the value of the investment portfolio, to pay a consistent regular stream of fully franked dividends, to control costs and to manage capital effectively.

At current prices HHV offers investors a 4.9% fully franked yield and an ethically screened global portfolio of equities with a long term track record of success. Our direct marketing activities are designed to increase support for the HHV among investors who seek regular fully-franked income and exposure to global markets.

During the year we also made the decision to close the Hunter Hall Australian Equities Trust. The Australian Equities Trust was launched in July 2013 as our first foray into the wholesale market. After three years, and despite good performance, it failed to generate inflows and thus was economically unviable. As a result of this decision Simon Bridger and Philip Hart have left the company and we thank them for their hard work and wish them well in their future endeavours.

The High Conviction Trust is developing very nicely with its assets increasing from \$15 million this time last year to over \$51 million at the most recent date. On 12 December 2017 the fund will celebrate its third anniversary. If the fund can maintain its investment performance at even a mildly positive number it will produce excellent three year performance numbers which may attract further investor interest.

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We continue to manage our expenses prudently. As Kevin mentioned, during the year we increased our operational expenses by 1.3% to \$10.3 million. Savings in wages and occupancy costs were offset by increased spend in sales and marketing. We expect to again see spending increases in this area, as we support our listed product and make inroads into our direct marketing strategy.

We also saw a small increase in incentive payments to our investment team. As our ability to generate performance fees increases, the pressure of paying incentives from operational profits will reduce. We are hopeful that we will be able to generate performance fees from the High Conviction Trust, the Hunter Hall Australian Value Trust and possibly Hunter Hall Global Value over the next twelve months.

We have augmented our investment team by promoting Arden Jennings to become a Portfolio Manager. Arden has worked at Hunter Hall for over four and a half years and has performed extremely well as a dealer and analyst. We are also planning to increase our investment team in London by one or two people in the next few months.

As Kevin mentioned, our decision to deploy our balance sheet more aggressively paid off in spades as substantial investments in Hunter Hall Global Value and the High Conviction Trust have earned good returns.

We continue to make progress with fund flows. Net outflows fell from \$8m in the month of July 2015, to \$4 million in June 2016. More recently, we have started seeing modest inflows into the Value Growth Trust and Australian Value Trust, while the High Conviction Trust is attracting strong interest. Some of our funds have recently been added to the BT/ASGARD platform while the High Conviction Trust has been added to the Netwealth platform.

We will continue to engage with external research houses to highlight our strong absolute and relative investment performance, continued investment team stability, the increase in profitability of the business, and the reduction of management fees in two of our funds. We hope these initiatives will contribute to improvements in our ratings which are lower than our long and successful investment track record warrants.

We are also focusing on our direct investor base by increasing advertising spend, adding a direct marketing specialist and improving our web capability and communications. Although harder to reach, traditionally direct clients have formed a large portion of our investor base. We are also investigating how to make our existing products more competitive and how to improve access to our product offering.

Investment Performance

With our relatively high weighting of gold and cash and low exposure to Europe and China, we were well positioned not only for the negative sentiment that persisted over global markets, for the Brexit shock in late June 2016 and a Trump presidency.

In the context of a tough year for global markets where the MSCI World Total Return Index, Net Dividend Reinvested, in A\$ (MSCI World) returned just 0.4% for the year to 30 June 2016, the performance of the Hunter Hall's two largest investment portfolios, the Value Growth Trust and Hunter Hall Global Value, was pleasing.

The Value Growth Trust recorded an 11.4% return for the twelve months to 30 June 2016 outperforming the MSCI World by 11.1%, while Hunter Hall Global Value's pre-tax NTA per share recorded a 12.3% return for the twelve months to 30 June 2016, outperforming the MSCI World by 11.9%. Importantly Hunter Hall Global Value's share price discount to its NTA per share has narrowed from 15.4% at 30 June 2015 to 6.7% at 30 June 2016.

The other great success of the year was the High Conviction Trust which enjoyed superb performance, up 121.3%, as a result of a heavy weighting in gold stocks and mineral sands producer Base Resources.

The performance of the Global Ethical Trust was disappointing at negative 9.7% as a result of a number of stock selection errors such as Minebea and Piaggio. In the period since 30 June the fund has risen nearly 8%, strongly outperforming its benchmark as a result of successful stock picks such as Lumentum and SunOpta.

Our Australian small cap fund, the Australian Value Trust returned 21% in the year to 30 June 2016, outperforming its benchmark, by the Small Ordinaries Accumulation Index (Small Ords) by 6.6%.

The Global Deep Green Trust performed poorly during the year, down 8.9% but at the time of writing is up 11.1% since 30 June.

Brexit and Trump were a surprise for markets that have been in a fragile position for many years. We continue to see great vulnerability in the global financial situation with high equity, property and bond market valuations, slowing economies, high sovereign debt levels and over-leveraged financial institutions in China, Italy, Germany and other states.

The Trump presidency will create a new and even more risky environment with its stated programme of isolationism, trade protectionism, tax cuts and increased spending likely to lead to higher fiscal deficits, interest rates, inflation and geopolitical risk. Caution is warranted and we will continue to hold high cash and gold weightings, and favour defensive economies such as Australia while avoiding high risk areas such as the international banking industry, Europe and China.

However, disruption can create opportunity and we capitalised on the Brexit shock to invest in the United Kingdom and Europe, buying stock in two UK property companies, a UK exporter and a German car manufacturer.

Objectives for the year ahead

The year to 30 June 2017 will be one of consolidation. Our recurring cost base will increase slightly as we invest in our marketing effort and in our investment team. We are hopeful that we will see a return to net inflows and if we do, subject to performance and market movements, we may see an increase in operating earnings. However, it is unlikely that we will enjoy the strong investment profits that we earned in 2015/2016 so our total dividends are likely to be lower than last year.

Of critical importance to the success of Hunter Hall is the performance of the listed investment company, Hunter Hall Global Value and it is pleasing to see its good investment performance has continued in the period since 30 June 2016. The company has a good bank of realized and unrealized profits and should be able to meet over the medium term one of its objectives, which is to pay a consistent regular stream of fully franked dividends, subject of course to the decisions of the HHV Board.

It is pleasing to note the excellent relationship our company has with the independent directors of Hunter Hall Global Value, Chairman Paul Jensen and non-executive director Julian Constable who in conjunction with my alternate David Groves have achieved an excellent outcome for the shareholders of that company. Hunter Hall is one of those shareholders and we thank Paul, David and Julian for their endeavours.

A major objective for the year is to return to net inflows and we will be seeking to achieve this through increased direct marketing effort, the ongoing growth of the High Conviction Trust, which will see its second anniversary in December 2016, and through better ratings from ratings agencies and platforms. We hope that our continued good investment performance and team stability will encourage the latter.

Let me finish by thank the Board and my colleagues in the investment and management teams for their support of my efforts. In particular I would like to pay tribute to our Deputy Chief Executive Officer Paula Ferrao, who has been an absolute rock for our company for the nearly 18 years she has been with Hunter Hall, and never more so than in the past year. Thank you Paula.



Hunter Hall International Limited Annual General Meeting

12.30pm, 16 November 2016

Radison Blu Hotel, Pitt Street, Sydney



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Welcome



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Agenda





Chairman's Address



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Investment Products Summary

31 October 2016	VGT	HHV	GET	HCT	AVT	GDG	TOTAL
Funds under Management \$'m	592.7	338.3	91.1	49.6	39.8	5.6	1,117.1
Investors	5,571	7,879	655	499	365	191	15,160



1. Highest net profit after tax since 2011
2. Management changes have strengthened our operations
3. The board has been refreshed to instigate independent strategic thought
4. Encouraging progress has been achieved with the growth and investment performance of our funds
5. Costs have been contained while at the same time there has been a focussed and increased marketing effort.



Profit and Loss

Key Financial Metrics

Year Ending	30 Jun 2016	30 Jun 2015	Change
Funds under management (\$m)	1,139	1,118	1.9%
Operating revenue (\$'000)	16,621	15,910	4.5%
Ongoing operating expenses	(10,251)	(10,121)	1.3%
Operating profit from investment management	6,370	5,789	10.0%
Investment income	3,657	365	901.9%
Net performance fees	1,782	298	498.0%
Charitable donations	(651)	(374)	74.1%
Tax expense	(3,334)	(1,890)	76.4%
Profit after tax attributable to HHL Shareholders	7,824	4,188	86.8%
Dividend (cents per share)	28.7	15.5	85.2%
Movement in value of seeded funds	2,578	2,781	(7.3)%
Statutory profit after tax	10,402	6,969	49.3%



Balance Sheet

- Cash and investments of \$30.7m; \$12.0m cash and \$18.7m of investments in our funds (HCT and HHV)
- Equivalent to \$1.13 per share
- Share price at 30 June 2016 was \$3.60
- No debt

Performance Fee Surplus / (Deficit)

	VGT \$'000	HHV \$'000	GET \$'000	HCT \$'000	AVT \$'000	GDG \$'000
Current ¹	(16,752)	(1,717)	(16,289)	(126)	(79)	(552)
30 June 2016	(12,687)	(3,813)	(16,340)	2,138	(373)	(612)
30 June 2015	(21,590)	(8,868)	(14,516)	593	(69)	(540)

¹ as at 11 November 2016, except HHV which is as at 19 August 2016



CEO's Address



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Hunter Hall Strategy

Re-invest in Our Strengths

- Stay true-to-label as a value investor
- Maintain our small-mid caps bias
- Reinforce position as thought leader in responsible investing
- Build our investment team capability
- Allocate investment capital based on performance

Implement the Plan for Change

- Strengthen our risk management
- Increase focus on direct investors
- Increase communication of HHV's success
- Manage our balance sheet optimally



Hunter Hall Global Value (ASX:HHV)

Performance (after fees)

31 October 2016	HHV PRE-TAX	MSCI (AUD) ¹	Relative Returns MSCI ¹
6 months	1.8%	2.6%	-0.8%
1 year	6.2%	-5.1%	11.3%
3 years	15.9%	11.7%	4.2%
5 years	16.4%	16.5%	-0.1%
7 years	10.8%	11.2%	-0.4%
10 years	6.0%	4.1%	1.9%
Since inception ² - compound annual	8.1%	5.9%	2.2%

The performance percentages are rounded up, therefore the relative returns may not be equal to the difference between the VGT's performance and the MSCI World

¹ MSCI (A\$) refers to the MSCI World Total Return Index, Net Dividends Reinvested in Australian Dollars.

² Inception: 19 March 2004

Performance figures refer to the movement in net assets per share after all fees, charges and tax paid and including share buy-backs and the reinvestment of dividends, excluding tax accrued but unpaid.

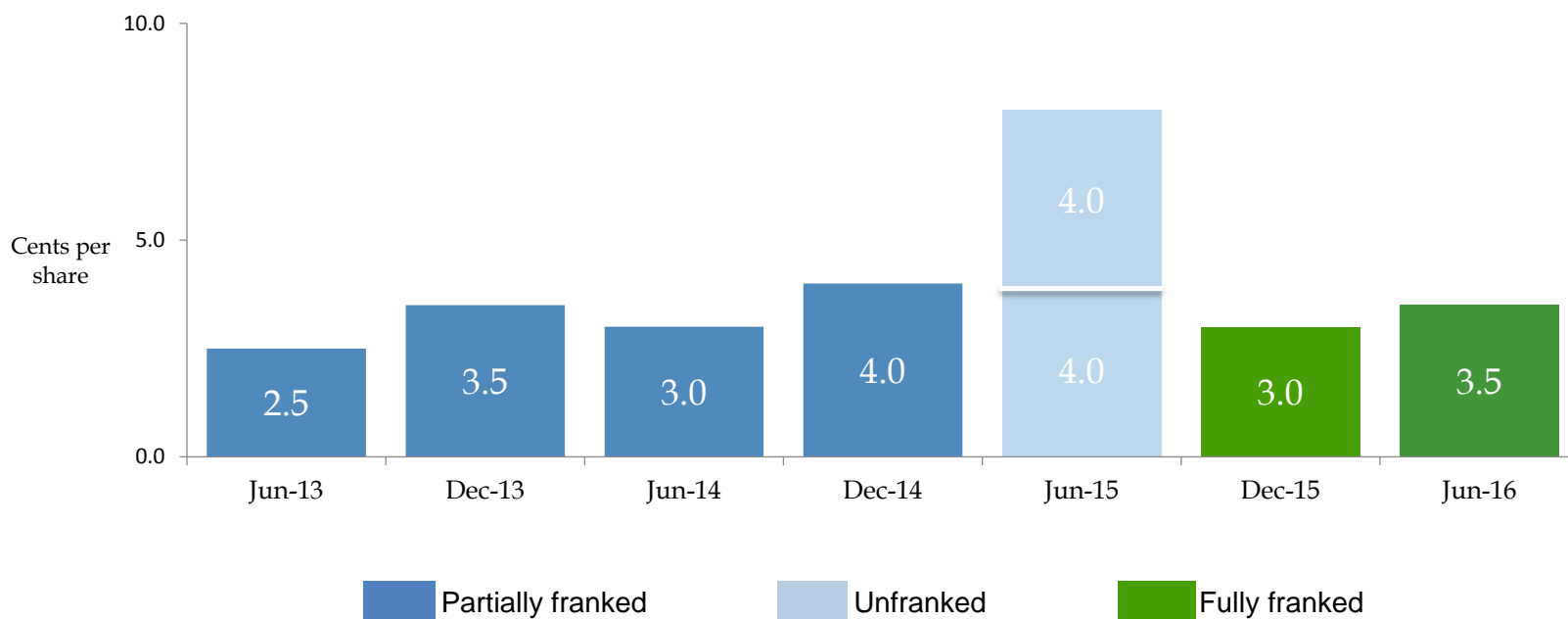
The performance figures indicate the achievement of the investment manager in managing the HHV portfolio, not the returns to shareholders as measured by movements in the HHV share price, which is dependent on market sentiment towards the HHV shares.



Hunter Hall Global Value (ASX:HHV)

Dividend Policy

“To pay a consistent regular stream of fully franked dividends to our shareholders, provided the Company has sufficient profit reserves and franking credits and it is within prudent business practices”

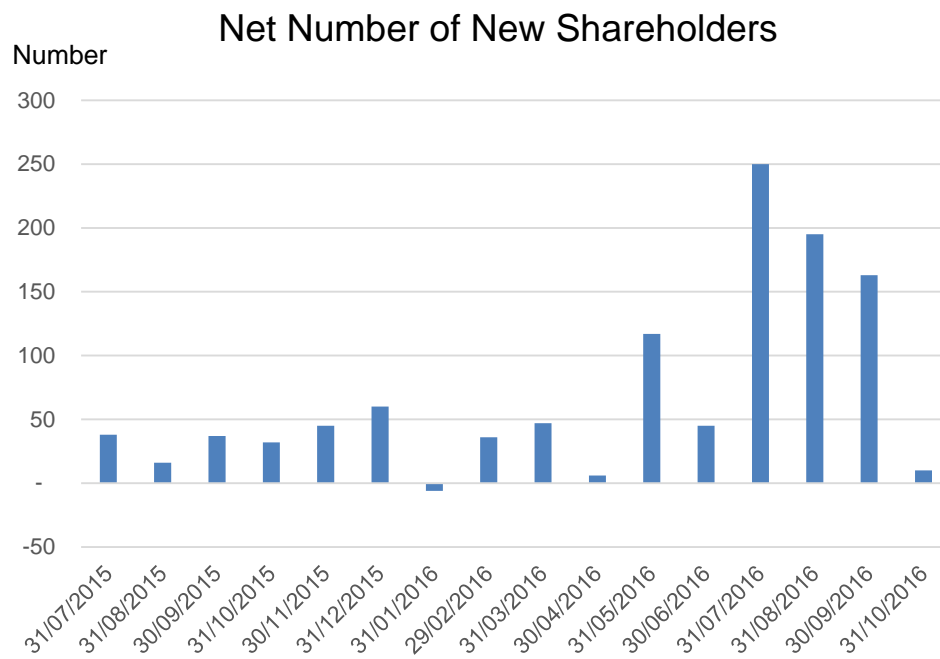
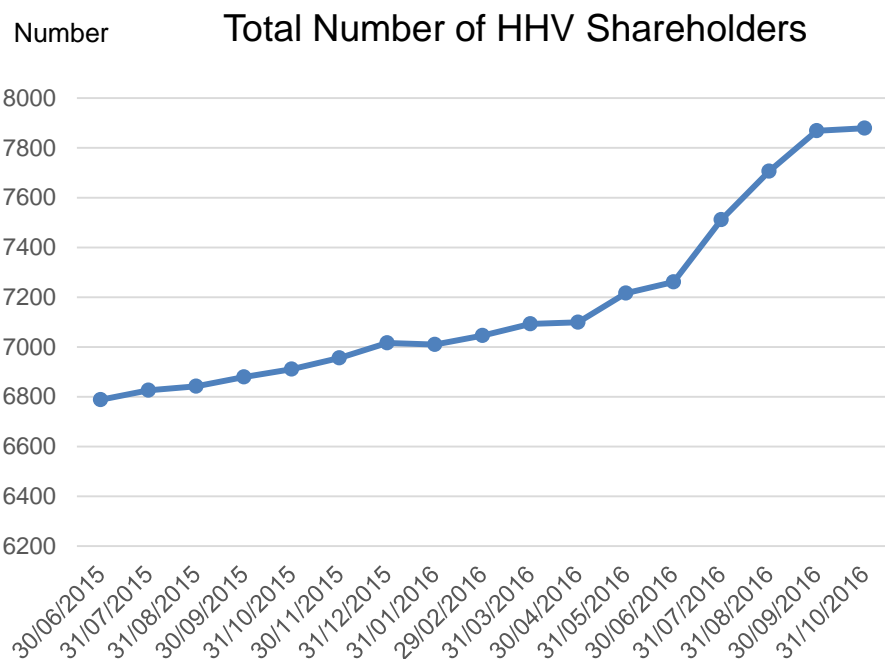




Hunter Hall Global Value (ASX:HHV)

Shareholder Engagement

The number of Hunter Hall Global Value Limited shareholders increased by 16.1% since 1 July 2015, 1,091 - 780 net new shareholders since May.



Source: Hunter Hall



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- Maintain our small-mid caps bias
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- Build our investment team capability
- Allocate investment capital based on performance

Implement the Plan for Change

- Strengthen our risk management
- Increase focus on direct investors
- Increase communication of HHV's success
- Manage our balance sheet optimally



1, 3, 5 Year and Inception Performance

30 June 2016

	VGT	HHV	GET	HCT	AVT	GDG
1 Year to 30 June 2016	11.4%	12.3%	-9.7%	121.3%	21.0%	-8.9%
Benchmark ^	0.4%	0.4%	0.4%	5.0%	14.4%	0.4%
Relative Performance	11.1%	11.9%	-10.0%	116.4%	6.6%	-9.3%
3 Years to 30 June 2016	20.0%	21.0%	9.0%	-	14.8%	5.9%
Benchmark ^	14.6%	14.6%	14.6%	-	9.1%	14.6%
Relative Performance	5.5%	6.5%	-5.6%	-	5.7%	-8.6%
Since Inception*	13.7%	8.4%	5.0%	123.5%	8.1%	1.1%
Benchmark^	6.2%	6.0%	3.0%	5.1%	5.8%	4.6%
Relative Performance	7.5%	2.4%	2.0%	118.4%	2.3%	-3.5%

Note: All Trust returns are after fees and before tax. HHV performance figures refer to the movement in net assets per share after all fees, charges and tax paid and including share buy-backs and the reinvestment of dividends, excluding tax accrued but unpaid. Past returns are no guarantee of future returns.

[^]Benchmarks: VGT, GET, HHV - MSCI World Total Return Index, Net Dividends Reinvested in A\$; AVT – S&P/ASX Small Ordinaries Accumulation Index;
HCT – RBA's Cash Rate target + 3%

^{*}Inception date: VGT is 02.05.1994; HHV is 19.03.2004; GET and AVT is 29.11.2001; HCT is 11.12.2014



Portfolio Structure

30 October 2016	Cash	Gold Shares	Equities
Value Growth Trust	25.5%	15.7%	58.8%
Global Value Limited	21.4%	17.0%	61.6%
Global Equities Trust	2.9%	8.5%	88.6%
Australian Value Trust	4.9%	12.4%	82.7%
Global Deep Green Trust	15.3%	0.0%	84.7%
High Conviction Equities Trust	6.1%	38.3%	55.6%



Objectives for the Year Ahead

1. Return to net inflows by:
 - Investing in direct marketing
 - Improved ratings
2. Continued focus on LIC:
 - Performance
 - Marketing and shareholder engagement
3. Strengthen investment team



Thank You



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All opinions and estimates included in this communication/presentation constitute the Company’s judgement as of the date of this communication and are subject to change without notice. Investment returns have been calculated in accordance with normal industry practice utilising movements in unit price and assuming reinvestment of all distribution of income and realised profits.

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