



SAMUEL TERRY  
ASSET MANAGEMENT

**Samuel Terry Absolute Return Group (the Fund) – June 2023 quarterly report**

The Fund's performance<sup>1</sup> (pre-tax, net of fees) and those of the Australian All Ordinaries Accumulation Index and the MSCI World Equities Index, are as follow:

To 30 JUNE 2023	STAR Founder		MSCI (\$A)	STAR A
	Class	All Ords		
1 quarter	3.6%	1.9%	6.2%	3.4%
1 year	29.2%	14.8%	20.2%	26.2%
3 years (%p.a.)	20.8%	11.4%	12.3%	18.6%
5 years (%p.a.)	17.7%	7.3%	9.8%	15.6%
7 years (%p.a.)	20.0%	9.0%	11.4%	
10 years (%p.a.)	23.7%	8.8%	12.0%	
Inception on 1 November 2003	16.6%	8.6%	8.2%	

The Fund's good performance was mainly due to three of our holdings. Shares in American offshore drilling contractor, **Diamond Offshore** (12.3% of the Fund<sup>2</sup>) rose 18%, helped by higher rental rates for its rigs. Kangaroo Island landowner, **Kiland**, (9.2% of the Fund) rose 13%. Australian financial services conglomerate, **AMP** (10% of the Fund) rose 7.6%. The share prices of both AMP and Kiland were helped by ongoing share buybacks.

Our biggest loser was Australian oil producer, **Horizon Oil** (6.4% of the Fund) which fell 9%, probably due to a 6% drop in the oil price<sup>3</sup>.

The Fund made a takeover bid for **Eildon Capital**, an Australian property lender and fund manager. Our bid valued Eildon at \$A44m, which was a 15% discount to Eildon's net tangible asset value. We like Eildon's business model and team. Fred Woollard has joined Eildon's board. The Fund owns 55% of Eildon's shares and it represents 3.6% of the Fund.

We bought more shares in **Sierra Rutile** (3% of the Fund), the world's largest producer of natural rutile. The price we paid was just above the company's unrestricted net cash, meaning we paid very little for its mine, despite the mine being highly profitable for its owners and essential for its customers.

The Fund's net asset value was \$682m or \$4.67 per Founder unit and \$16.92 per A Class unit, both calculated before deduction of the 2023 distribution. 15% of the Fund was in cash and gold. It owned securities issued by 25 companies.

Fred Woollard, Nigel Burgess and Mitch Taylor

14 July 2023



<https://twitter.com/FredWoollard>

Threads: fredwoollard

*Samuel Terry Asset Management Pty Limited (AFSL 278294) does not guarantee the repayment of capital or any particular rate of return from the Fund. Past performance is no guarantee or indication of future performance. The unit price can go down as well as up. Investment returns have been calculated in accordance with normal industry practice utilising movements in the unit price and assuming reinvestment of all distribution of income and realized profits. The above report does not take into account a reader's investment objectives, particular needs or financial situation. It is general information only and should not be considered as investment advice and should not be relied on as an investment recommendation.*

---

<sup>1</sup> Performance numbers are net of all fees and administration costs. The difference in returns between Founder units and A units is due to A units having a lower performance hurdle for calculating performance fees.

<sup>2</sup> Our investment in Diamond is split between 9.4% in ordinary shares and 2.9% in secured debt.

<sup>3</sup> We have referenced the US dollar Brent front month futures spot price.