



SAMUEL TERRY
ASSET MANAGEMENT

Samuel Terry Absolute Return Group (*the Fund*) – Sep 2022 quarterly report

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

	STAR Founder Class	All Ords	MSCI (\$A)	STAR A Class
To 30 September 2022				
1 quarter	7.3%	0.8%	0.7%	6.6%
1 year	13.8%	-8.6%	-10.7%	13.1%
3 years (%p.a.)	17.0%	3.1%	5.7%	15.2%
5 years (%p.a.)	19.1%	7.1%	8.4%	17.1%
10 years (%p.a.)	23.2%	8.6%	12.5%	
Since inception (%p.a.)	16.2%	8.2%	7.5%	

The Fund benefitted from rises in several holdings, including Australian mining contractor **MACA** (3.9% of the Fund), which rose 63%, due to a takeover bid.

Australian financial services conglomerate, **AMP** (11.3% of the Fund) rose 14.6%. It announced that it intends to buy back approximately 10% of its shares and distribute some capital to shareholders. These are encouraging steps, but AMP needs to do much more to simplify its business and close the wide gap between its share price and underlying value.

Solar energy producer, **New Energy Solar** (2.0% of the Fund) rose 18% after it announced plans to sell its solar farms in USA and distribute the proceeds to shareholders.

Despite a 24% drop in the oil priceⁱⁱ, shares in offshore drilling contractor, **Diamond Offshore** (12.7% of the Fundⁱⁱⁱ) rose 12.6%. Oil producer **Horizon Oil** (9.6% of the Fund), rose 9.2%, helped by the announcement of a 3c distribution.

Australian steel producer, **Bisalloy** (2.4% of the fund) rose 31%. Our biggest loser was Australian life insurer, **NobleOak** (4.7% of the Fund), which fell 12%.

6% of the Fund was invested in a corporate bond at a yield of over 15%. It is secured over assets worth significantly more than the price we paid for the debt. The underlying business is generating significant cash to service the debt.

The Fund's net asset value was \$484m or \$3.8809 per Founder unit and \$14.2908 per A Class unit. 14% of the Fund was in cash and gold. It owned securities issued by 24 companies.

The Fund is open to applications from existing and new investors.

Fred Woollard, Nigel Burgess and Mitch Taylor

18 October 2022

 <https://twitter.com/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.

ⁱ Performance numbers are net of all fees and admin 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.

ⁱⁱ We have used the Brent front month futures spot price.

ⁱⁱⁱ Our investment in Diamond is split between 8.6% in ordinary shares and 4.1% in secured debt.