

## **Martin Raymond Real Return Fund – April 2004 monthly report**

Dear Unitholders,

NAV/unit rose by 0.3% during April, and since the fund's inception on 1<sup>st</sup> November, the NAV/unit has gained 5.2%. The fund owns securities in seven companies. 68% of the fund remains in cash.

Without the 6% fall in the \$A versus the \$US, the Fund's net asset value would have fallen 1% during April.

The main events of note during the month were:

- 1) **MCI** (8.2% of the fund) fell a whopping 32% during April after the company forecast that it would lose money in 2004 and painted a gloomy outlook. The company exited bankruptcy in late April.

The Fund has suffered badly from having a much larger weighting in MCI than I would have chosen, but now that the shares are freely tradeable, and the price has fallen, I am now comfortable with the weighting. In fact, I am considering buying more.

- 2) **Village Roadshow** (6% of the Fund) rose 9% during April, presumably because investors recognised the short and long term benefits of the company's buy-back plans.
- 3) **Bangkok Land** bonds (5.5% of the Fund) rose during April from 18.75% to 23% of face value for no obvious reason.
- 4) The Fund sold out of **HHG** when the price hit \$1.25.

The Fund's inactivity is largely because I have been distracted by setting up my company's new office and beginning the process of applying for an AFS (funds management) license for the company. This process is very time consuming, and has kept me away from looking at markets and companies. I expect that I will spend a significant part of May on the same matters.

Fred Woollard  
10<sup>th</sup> May 2004

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