

## **Samuel Terry Absolute Return Fund – March 2006 monthly report**

The Fund's performance and that of the Australian All Ordinaries Accumulation Index and the MSCI World Equities Index are as follows:

<b>To 31 March 2006</b>	<b>STAR</b>	<b>All Ords</b>	<b>MSCI (\$A)</b>
1 month	6.51%	4.81%	5.89%
3 months	9.40%	9.39%	9.04%
6 months	13.66%	13.16%	16.85%
1 year	10.54%	29.37%	27.33%
Since inception on 1st November 2003 (%p.a.)	12.50%	24.99%	15.91%

Most of the Fund's holdings rose in March. The most spectacular was **Esperance Minerals**, an Australian shale oil company which rose 68%. It was originally less than 2% of the Fund but had grown to 3.6% at month end. The company has considerable potential but is highly speculative.

**Miller's Retail**, an Australian clothing retailer (3.2% of the Fund) rose 29% after an impressive first half profit. The shares were sold in early April.

Our three **Indonesian companies** rose 7%, 10% and 42% despite all of them reporting disappointing annual results.

The Fund started buying shares in a small New Zealand company. I hope that we can buy some more of it but the share price is stubbornly strong.

Continuing a dreary trend, **Simon Gilbert Wines** (2.6% of the Fund) fell another 13%, so we bought some more.

The Fund's reported numbers benefited from a 3.5% fall in the \$A against the \$US and a 2.6% fall in the \$A against the British pound.

Net asset value per unit was \$1.0974 at the end of March. 17% of the Fund was in cash (mostly \$A). The Fund owned securities issued by 25 companies.

Fred Woollard  
19th April 2006

*Samuel Terry Asset Management Pty Limited (AFSL 278294) does not guarantee the repayment of capital or any particular rate of return from the Trust. Past performance is no guarantee or indication of future performance. 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 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.*