

## Samuel Terry Absolute Return Fund – December 2007 monthly report

The Fund's performance, compared to that of Australian All Ordinaries Accumulation Index and the MSCI World Equities Index, follows:

To 31 December 2007	STAR	All Ords	MSCI (\$A)
1 month	-0.69%	-2.36%	-0.25%
3 months	0.99%	-1.73%	-1.00%
1 year	-4.38%	17.95%	-1.75%
2 years	11.49%	21.41%	4.70%
Since inception on 1 November 2003 (%p.a.)	10.41%	22.26%	9.08%

The Fund had a quiet but disappointing month. **Neteller plc**, the world's largest payments system for internet gaming (3.2% of the Fund), fell another 11% for no new reason, so we bought some more shares.

The small Sydney publisher, **Nine Hundred Degrees** (1.0% of the Fund) fell 30% after announcing a major acquisition and capital raising. If this transaction can be completed, it looks like a good deal.

**Lighting Corp** (4.1% of the Fund) rose 11% after the company accepted an improved takeover bid from its rival, Gerard.

Net asset value per unit was \$1.1588 at the end of December. 16.1% of the Fund was in cash, of which 11.1% was in \$A and 5.0% in gold. The Fund owned securities issued by 25 companies.

Fred Woollard  
14 January 2008

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