

Samuel Terry Absolute Return Fund – July 2011 monthly report

The Fund's performance, and those of the Australian All Ordinaries Accumulation Index and the MSCI World Equities Index, are as follow:

To 31 July 2011	STAR	All Ords	MSCI (\$A)
1 month	1.13%	-3.40%	-4.19%
3 months	-0.87%	-7.48%	-5.44%
1 year	32.74%	3.96%	-1.81%
3 years (%p.a.)	14.64%	0.43%	-3.03%
Since inception on 1 November 2003 (%p.a.)	8.04%	8.49%	1.50%

The Fund had a mixed month. Our biggest loser was American finance company, **CIT Group**, (4.2% of the Fund), which fell 10%, mainly because David Einhorn, a highly regarded fund manager, sold his large holding. I share the market's disappointment that Mr Einhorn sold, but remain confident that CIT is likely to generate a good return over coming years, and there is little real risk of loss.

Our biggest winner (again!) was Indonesian television network **Surya Citra Media** (6.8% of the Fund), which rose 15%, possibly because of a great profit result in the June quarter. Although I believe that SCM has several more years of strong profit and share price growth ahead of it, we sold some SCM during the month to manage the inherent risk in having a large position in an Indonesian company.

Australian gold producer **Saracen** (7% of the Fund) rose 12%, partly because of a 6% rise in the \$A gold price and pleasing production numbers. Australian medical supplier, **ITL** (2.6% of the Fund) rose 30% after a much better than expected profit.

The fund's 2011 distribution of 17 cents per unit was paid on 25 July. Please let me know if you have not received notification of this from the Fund administrators.

The Fund's net asset value per unit was \$A 1.135 at the end of July. The Fund owned securities issued by 21 companies. 13% of the Fund was in \$A cash.

Fred Woollard
15 August 2011

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. The unit price can go down as well as up. 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.