

Samuel Terry Absolute Return Fund – April 2012 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 30 April 2012	STAR	All Ords	MSCI (\$A)
1 month	3.42%	1.10%	-1.79%
3 months	3.04%	4.73%	6.50%
1 year	17.90%	-4.62%	-0.57%
3 years (%p.a.)	28.53%	10.50%	3.53%
5 years (%p.a.)	6.36%	-2.15%	-5.27%
Since inception on 1 Nov 2003 (%p.a.)	9.51%	8.10%	1.97%

Most of our gains were due to three of our Australian small companies.

Calliden, an insurance company, (5.2% of the Fund) rose 30%, possibly because of publicity about sharp rises in premiums, as part of the industry response to last year's string of natural disasters. Despite the rise, Calliden shares still trade at less than tangible book value, and only 3x what it *could* earn in a good year.

Medical supplier **ITL**, (4.4% of the Fund) rose 30% because the company bought back about 10% of its own shares during the month. Despite the rise, the shares trade at less than 10x earnings and have good growth potential.

Aircraft finance company **Keybridge Capital** (4.5% of the Fund) rose 16% as it continues to sell down assets and repay debt. The shares trade at less than half of net asset value, which Keybridge is likely to realise over the next two-three years.

Our worst losers were American banks **Goldman Sachs** (4.5% of the Fund) and **CIT** (4.4% of the Fund) which fell 7-8%, despite both companies reporting reasonable first quarter profit results.

The Fund's net asset value per unit was \$1.3499 at month end. The Fund owned securities issued by 24 companies. 0.8% of the Fund was in \$A cash.

Fred Woollard
8 May 2012

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