

Samuel Terry Absolute Return Fund – March 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 31 March 2012	STAR	All Ords	MSCI (\$A)
1 month	-0.27%	1.15%	4.42%
3 months	5.92%	9.00%	10.65%
1 year	11.87%	-6.20%	-0.68%
3 years (%p.a.)	27.98%	12.29%	6.57%
5 years (%p.a.)	5.78%	-1.78%	-4.62%
Since inception on 1 Nov 2003 (%p.a.)	9.17%	8.04%	2.21%

Our biggest loser (again!) was Australian gold miner, **Saracen** (5.3% of the Fund), which fell 23% because of production problems. This was despite a 2% rise in the \$A gold price. Our other big loser was Australian media company **Commstrat** (0.6% of the Fund) which dropped 80% after announcing a rights issue to patch up its balance sheet. Although Commstrat has been an ongoing disappointment, and has caused us large losses I remain cautiously optimistic about it, and I plan to take up our rights.

Our biggest winner was Japanese property owner, **Goodman Japan** (3.8% of the Fund), which rose 37% after announcing an increase in expected profits and rollover of its debts. Despite the rise, the shares remain inexpensive at about 10-12x earnings and about half of tangible book value.

We also benefited from an 8% gain in our two investment banks **Macquarie Group** (6.1% of the Fund) and **Goldman Sachs** (5.0% of the Fund). We sold a few Goldman Sachs shares in order to manage our exposure to this risky sector.

The Fund's net asset value per unit was \$1.3053 at month end. The Fund owned securities issued by 24 companies. 1.1% of the Fund was in \$A cash.

Fred Woollard
12 April 2012

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