

## **Samuel Terry Absolute Return Fund – April 2014 monthly report**

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

<b>To 30 April 2014</b>	<b>STAR</b>	<b>All Ords</b>	<b>MSCI (\$A)</b>
1 month	-1.23%	1.29%	0.77%
3 months	4.30%	6.46%	0.40%
1 year	27.84%	10.43%	27.87%
3 years (%p.a.)	18.66%	8.41%	13.89%
5 years (%p.a.)	24.65%	12.51%	10.52%
Since inception on 1 Nov 2003 (%p.a.)	11.27%	9.49%	5.49%

Once again, our biggest loser was UK-based **Co-Operative Bank** (3.4% of the Fund), which fell 15% in response to a worse than expected 2013 loss of £1.3bn. Even after the loss, I estimate that the Bank's shares are trading at a discount to net tangible asset value of over 35%. When the shares become listed (hopefully in 2015), I expect them to trade at a higher price than they do now.

We resumed buying call and put options on the Australian ASX 200 Index at very low implied volatility. This protects us from large falls in the index, and gives us exposure to large rises in the index. As neither occurred, these positions cost us about 0.4% of the Fund during the month.

We sold most of our shares in Australian sandalwood grower **TFS** (1.9% of the Fund), for more than three times the price we paid early last year.

We started buying an Australian property trust at a discount to net asset value of over 30%.

The Fund's net asset value per unit was \$1.5848 at month end. The Fund owned securities issued by 26 companies. 14.6% of the Fund was in \$A cash.

Fred Woollard  
10 May 2014

*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 the 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.*