

## **Samuel Terry Absolute Return Fund – April 2015 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:

To 30 April 2015	STAR	All Ords	MSCI (\$A)
1 month	2.08%	-1.47%	-0.82%
3 months	8.16%	5.39%	5.05%
1 year	26.09%	10.16%	25.85%
3 years (%p.a.)	21.35%	13.74%	23.19%
5 years (%p.a.)	23.19%	8.16%	13.33%
Since inception on 1 Nov 2003 (%p.a.)	12.49%	9.55%	7.13%

The main cause of the Fund's good performance this month was a 20.8% increase in **Kangaroo Island Plantation Timbers** (16.8% of the Fund) for no apparent reason.

Russia's largest bank, **Sberbank**, (1.6% of the Fund) rose 36% in \$US terms, helped by encouraging results and a 12% gain in the rouble.

Much of our activity during the month was assisting **Hamilton Securities** (3.4% of the Fund) with its takeover bid for **Asset Resolution Ltd**, an unlisted Australian investment company. The takeover bid was formally launched on 7<sup>th</sup> April.

The Fund owns 47% of Hamilton (on a fully diluted basis) and Fred is a director of Hamilton. The Fund already owns 18.5% of ARL, and ARL represents 7.8% of the Fund's assets.

The bid values ARL at \$9.8m, which is more than Hamilton's cash of \$2.6m. The difference is being funded by a loan facility from the Fund, which, if drawn upon, might be repaid by a rights issue, which the Fund will underwrite.

Depending on the outcome of the takeover bid and the rights issue, ARL (both directly and through Hamilton) could grow to over 35% of the Fund, which would make it by far the Fund's largest asset. We are happy to discuss the ARL bid with any unit holder who wishes to hear more about the bid and what it means for the Fund.

The Fund's net asset value per unit was \$1.5661 at month end. The Fund owned securities issued by 21 companies. 31.7% of the Fund was in \$A cash.

Fred Woollard and Nigel Burgess  
12 May 2015

*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.*