

Samuel Terry Absolute Return Fund – January 2016 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 31 January 2016	STAR	All Ords	MSCI (\$A)
1 month	0.42%	-5.38%	-3.62%
3 months	6.19%	-3.54%	-7.89%
1 year	37.27%	-4.69%	1.76%
3 years (%p.a.)	28.01%	5.50%	18.09%
5 years (%p.a.)	23.59%	5.35%	11.93%
Since inception on 1 Nov 2003 (%p.a.)	13.87%	8.04%	6.40%

Unlike global markets, the Fund had another quiet month. Once again, our biggest loser was Australian mining company, **South32**, which fell 8% because of general weakness in the mining sector. As the price fell, we bought more, lifting our weighting to 5.7%.

We were also hurt by a 10% fall in US investment bank, **Goldman Sachs**, (4.4% of the Fund). Part of the fall was due to Goldman receiving a \$US 5bn penalty for its activities in the US mortgage market from 2005-2007.

Our biggest winner was Australian wind energy producer, **Infigen**, (7.2% of the Fund) which rose 8% for no apparent new reason.

We sold our last shares of Australian gold producer **Saracen**. During the nine years we owned it, Saracen made great progress and its shares have been rewarding for us. Today, Saracen is a successful miner, widely owned by institutional investors, well covered by stockbroker analysts, and no longer especially cheap. It's time for us to move on.

The Fund's net asset value per unit was \$1.9877 at month end. The Fund owned securities issued by 24 companies. 15% of the Fund was in \$A cash.

Fred Woollard and Nigel Burgess
9 February 2016

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