

Samuel Terry Absolute Return Fund – October 2016 monthly report

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

To 31 October 2016	STAR	All Ords	MSCI (\$A)
1 month	6.1%	-2.2%	-1.2%
3 months	8.1%	-3.1%	-1.0%
1 year	44.8%	6.6%	-3.9%
3 years (%p.a.)	34.1%	4.3%	10.9%
5 years (%p.a.)	27.8%	9.0%	15.4%
7 years (%p.a.)	27.4%	6.6%	10.7%
10 years (%p.a.)	15.9%	4.5%	4.3%
Since inception on 1 Nov 2003 (%p.a.)	15.7%	8.4%	6.4%

The highlight of the month was a 25% rise in the Fund's largest investment, **Kangaroo Island Plantation Timbers Ltd (KPT)**, which is now 34% of the Fund. The reason for the rise was that KPT announced the purchase of the other major timber estate on the island for \$55m. This purchase greatly increases the likelihood that the island's plantations will be turned into a sustainable business, creating jobs and growth for the island and profits for shareholders. We are very excited about this acquisition and the Fund is supporting it with a \$2.75m short-term loan. You can learn more about this purchase and what it means for KPT in this presentation:

<http://www.kipt.com.au/wp-content/uploads/2016/01/Investor-Presentation-October-2016.pdf>

The Fund sold out of **Infigen**, an Australian wind electricity producer. In the five years that the Fund owned Infigen, its shares rose more than four fold.

The Fund's 2016 annual report was sent to unitholders. Our annual letter is attached with this e-mail.

The Fund's net asset value was \$58m or \$2.5664 per Founder unit at month end. 31% of the Fund was in \$A cash and it owned securities issued by 19 companies.

Fred Woollard and Nigel Burgess
8 November 2016

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.