

Samuel Terry Absolute Return Fund – September 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 30 September 2016	STAR	All Ords	MSCI (\$A)
1 month	1.0%	0.4%	-1.1%
3 months	10.6%	5.3%	2.6%
1 year	44.9%	14.0%	2.8%
3 years (%p.a.)	32.5%	6.4%	12.4%
5 years (%p.a.)	27.9%	11.0%	16.1%
7 years (%p.a.)	26.7%	6.7%	10.3%
10 years (%p.a.)	15.2%	5.2%	4.4%
Since inception on 1 Nov 2003 (%p.a.)	15.3%	8.6%	6.5%

The Fund's biggest winner was Australian mining company **South32** (4% of the Fund), which rose 25%. This was because of strength in both coal prices and share prices in the global mining sector.

Bonds issued by Australian equipment rental company, **Emeco** (2.5% of the Fund) rose 15% after Emeco announced a clever debt restructuring that is good for Emeco's shareholders and bondholders.

Important changes to the Fund

As foreshadowed last month, we have updated the Fund's Trust Deed and issued a new Information Memorandum. The principal changes to the Trust Deed are to permit multiple classes of Units and to ensure that the Fund complies with the new Australian AMIT tax legislation.

In the future the Fund will be accepting applications for the new "**A Class units**", which will be subject to the terms in the new Information Memorandum. Most units already issued will be renamed "**Founder units**" and will retain the same terms on which they were issued. Holders of B Class units will also retain the same terms on which they were issued.

Those of you with too much time on your hands can download the updated Trust Deed and Information Memorandum from our website.

The Fund's net asset value was \$53.8m or \$2.419 per Founder unit at month end. 35% of the Fund was in \$A cash and it owned securities issued by 20 companies.

Fred Woollard and Nigel Burgess
11 October 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.