



SAMUEL TERRY
ASSET MANAGEMENT

Samuel Terry Absolute Return Group (the Fund) – March 2022 quarterly report

The Fund's performance¹ (pre-tax, net of fees) and those of the Australian All Ordinaries Accumulation Index and the MSCI World Equities Index, are as follow:

To 31 MARCH 2022	STAR Founder		MSCI (\$A)	STAR A
	Class	All Ords		Class
1 quarter	7.4%	1.6%	-8.2%	7.3%
1 year	11.1%	15.5%	13.6%	10.6%
3 years (%p.a.)	18.3%	11.5%	13.5%	16.0%
5 years (%p.a.)	17.6%	9.8%	12.8%	15.5%
7 years (%p.a.)	22.4%	8.4%	10.5%	
10 years (%p.a.)	22.3%	10.2%	16.2%	
Since inception on 1 Nov 2003 (%p.a.)	16.1%	9.2%	8.5%	

The Fund's gains were due to strong performances by our oil related shares, which benefitted from a 39% increase in the oil price.²

Shares in offshore drilling contractor, **Diamond Offshore** (20.7% of the Fund³) rose 50%, helped by their listing on the New York Stock Exchange. Oil producers, **Horizon Oil** (8.8% of the Fund) rose 36% and **Karoon Energy** (4.8% of the Fund), rose 28%.

We added four new names to the Fund, but were unable to buy as many as we wanted at prices we were willing to pay. All four are less than 1% of the Fund.

One of these was **FAR Ltd** (0.8% of the Fund), an Australian oil explorer. The Fund bought 4.9% of FAR at 39c, then launched a takeover bid for FAR at 45c, valuing the company at \$45m. Our bid was unsuccessful, and the shares ended the quarter at 74c.

Our biggest loser was Kangaroo Island landowner, **Kiland Ltd**, which fell 16.8%. The company announced a share issue to fund the development of its landholding. We took up our rights and participated as a sub-underwriter of the issue. At quarter end, Kiland was 7.5% of the Fund.

At 31 March, the Fund's net asset value was \$446m or \$3.6468 per Founder unit and \$13.50 per A Class unit at quarter end. 11.3% of the Fund was in cash and gold. The Fund owned securities issued by 27 companies.

¹ Performance numbers are net of all fees and admin costs. The difference in returns between Founder units and A units is due to A units having a lower performance hurdle for calculating performance fees.

² We have used the Brent spot futures price.

³ Our investment in Diamond is split between 16.6% in ordinary shares and 4.1% in secured debt.

Fred Woollard, Nigel Burgess and Mitch Taylor
15 April 2022



<https://twitter.com/FredWoollard>

Samuel Terry Asset Management Pty Limited (AFSL 278294) does not guarantee the repayment of capital or any particular rate of return from the Fund. 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.