



SAMUEL TERRY
ASSET MANAGEMENT

Samuel Terry Absolute Return Group (the Fund) – Dec 2023 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 December 2023	STAR Founder Class	All Ords	MSCI (\$A)	STAR A Class
1 quarter	1.4%	7.2%	4.6%	1.2%
1 year	14.3%	9.8%	21.1%	13.4%
3 years (%p.a.)	17.9%	8.4%	9.7%	16.5%
5 years (%p.a.)	19.1%	10.4%	12.2%	17.0%
7 years (%p.a.)	17.8%	8.5%	10.5%	15.9%
10 years (%p.a.)	22.1%	8.0%	10.6%	
Inception on 1/11/2003	16.4%	8.7%	8.2%	

The Fund's poor performance was mainly due to three of our holdings. Our biggest loser was Australian financial services conglomerate, **AMP** (6.7% of the Fund), which fell 26%. Much of the fall occurred after AMP decided to invest more money into its bank, rather than returning more capital to shareholders. Kangaroo Island landowner, **Kiland** (7.2% of the Fund), fell 9%. Kiland shares were delisted from the ASX in December. American offshore drilling contractor, **Diamond Offshore** (5.8% of the Fund) fell 11%, probably because of a 19% fall in the oil price².

It wasn't all bad. Australian cotton ginner **Namoi Cotton** (2.9% of the Fund) rose 31% due to a takeover offer for the company. Swiss bank, **UBS** (4% of the Fund) rose 15% as the benefits from its Credit Suisse acquisition became more apparent.

Infrabuild, an Australian steel distributor, repaid our debt (previously 9.5% of the Fund), generating a return of over 15% p.a. for the Fund.

We invested 6% of the Fund into distressed debt issued by **Accolade Wines**, Australia's largest (by volume) wine company. We also made loans to two high quality Australian firms on attractive terms.

We updated the Fund's Information Memorandum to reflect changes in the redemption policy communicated in our 2023 annual letter. The updated Information Memorandum is available for viewing [here](#).

The Fund's net asset value was \$A 761 m or \$4.7417 per Founder unit and \$17.3319 per A Class unit. 17% of the Fund was in cash and gold. It owned securities issued by 31 companies.

Fred Woollard, Nigel Burgess and Mitch Taylor

15 January 2024

X: [X.com/FredWoollard](https://x.com/FredWoollard) | Threads: 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.

¹ Performance numbers are net of all fees and administration 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 referenced the US dollar Brent front month futures spot price.