

Samuel Terry Absolute Return Fund – July 2010 monthly report

The Fund's performance, and those of the Australian All Ordinaries Accumulation Index and the MSCI World Equities Index, are as follow:

To 31 July 2010	STAR	All Ords	MSCI (\$A)
1 month	6.66%	4.23%	0.60%
3 months	0.57%	-6.17%	-3.14%
1 year	28.41%	10.16%	2.14%
3 years (%p.a.)	-4.42%	-6.12%	-10.08%
Since inception on 1 November 2003 (%p.a.)	4.79%	9.18%	0.73%

Most of the Fund's return in July was due to large rises in two of our companies.

Indonesian television network, **Surya Citra Media** (9.8% of the Fund) rose 56% after reporting strong profit and revenue growth. Despite their rise, SCM shares remain inexpensive at around 6x earnings, and pay a dividend yield of over 10%. I expect more strong profit growth in coming years.

Macquarie Atlas Roads, (8.5% of the Fund) which owns stakes in six highly leveraged toll roads in Europe and America rose 26% because of encouraging traffic data and proposed takeover bids for two other motorway groups, Intoll and Abertis.

The Fund's net asset value per unit was \$A 0.9854 at the end of July after paying the 2010 distribution of \$A 0.01 per unit. The Fund owned securities issued by 21 companies.

Fred Woollard
16 August 2010

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