

Samuel Terry Absolute Return Fund – June 2011 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 30 June 2011	STAR	All Ords	MSCI (\$A)
1 month	-1.41%	-2.39%	-1.74%
3 months	-3.81%	-4.78%	-3.19%
1 year	40.00%	12.17%	3.09%
3 years (%p.a.)	13.09%	-0.21%	-1.90%
Since inception on 1 November 2003 (%p.a.)	7.97%	9.08%	2.08%

The Fund had a fairly quiet month. Our biggest loser was Australian gold producer **Saracen** (6.2% of the Fund) which fell 21%, partly because of weakness in most Australian gold shares due to a 3% fall in the \$A gold price.

Our biggest winner (again!) was Indonesian television network **Surya Citra Media** (8.3% of the Fund), which rose 20% for no new reason.

Our **ASX 200 Index put options expired**, realising a useful profit. Unfortunately, volatility (the measure of option value) is now priced close to the middle of its long-term range. When it returns to being cheap, I expect we will resume hedging a large part of our equity exposure.

The fund's 2011 distribution will be around 16 cents per unit, most of which will comprise long-term capital gains. This will be paid in the next few weeks.

The Fund's net asset value per unit was \$A 1.2935 (cum-distribution) at the end of June. The Fund owned securities issued by 21 companies. 13% of the Fund was in \$A cash.

Fred Woollard
14 July 2011

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