<u>Samuel Terry Absolute Return Fund</u> – October 2014 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 31 October 2014	STAR	All Ords	MSCI ($A)
1 month	-0.43%	3.96%	0.18%
3 months	6.25%	-0.80%	5.23%
1 year	22.49%	5.93%	15.62%
3 years (%p.a.)	20.06%	12.89%	20.20%
5 years (%p.a.)	22.62%	7.92%	11.54%
Since inception on 1 Nov 2003 (%p.a.)	11.78%	9.31%	5.95%

The Fund's biggest loser was put options on the **Commonwealth Bank of Australia**, which expired worthless because the bank's share price rose 7%. This cost us 1.8% of our Fund. Other option positions generated a small profit and constitute a total of 6.4% of the fund.

Other losers included Australian gold miner **Saracen Minerals** (1.5% of the Fund) which fell 20%, partly because of a 3% fall in the $A gold price and the UK-based **Co-Operative Bank** (3.7% of the Fund) which fell 8% for no apparent reason.

The Fund's annual report has been sent to unit holders. Our annual letter, which forms part of the annual report, is sent with this report.

The Fund's net asset value per unit was $1.3778 at month end. The Fund owned securities issued by 24 companies. 7.8% of the Fund was in $A cash.

Fred Woollard and Nigel Burgess
11 November 2014