

## **Samuel Terry Absolute Return Fund – August 2016 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:

<b>To 31 August 2016</b>	<b>STAR</b>	<b>All Ords</b>	<b>MSCI (\$A)</b>
1 month	0.9%	-1.3%	1.4%
3 months	8.8%	2.5%	0.1%
1 year	45.2%	10.7%	1.6%
3 years (%p.a.)	32.9%	7.1%	12.9%
5 years (%p.a.)	25.8%	9.5%	16.3%
7 years (%p.a.)	27.3%	7.5%	10.5%
10 years (%p.a.)	15.8%	5.3%	4.9%
Since inception on 1 Nov 2003 (%p.a.)	15.3%	8.7%	6.6%

The Fund benefitted from gains in several of its holdings. The worst performer was **Infigen**, an Australian wind energy producer, (1.6% of the Fund), which fell 25%, probably due to a worse than expected profit.

We are currently buying four securities. We are excited about all four of them, but they are fairly illiquid and difficult to buy.

### **Important change to the fund**

During September we will be re-writing our Information Memorandum and making changes to our Trust Deed. Units issued under the new Information Memorandum will have the same fee structure as the old one except that the hurdle rate for us to receive a performance fee will change from 10% pa to the RBA Cash Rate plus 2%.

Investors who invest after 31 August will receive a new class of unit (A Class), which will reflect this change.

We are not changing the fees on money already invested in the Fund. Existing unit holders will retain their existing class of units (to be called Founder Class), which will retain its existing fee structure.

Please contact us if you would like more information on this matter, or to receive a copy of the amended Information Memorandum or Trust Deed.

The Fund's net asset value was \$42.7m or \$2.3946 per unit at month end. The Fund owned securities issued by 20 companies. 22.9% of the Fund was in \$A cash.

Fred Woollard and Nigel Burgess  
9 September 2016

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