

Samuel Terry Absolute Return Fund – March 2017 monthly report

The Fund's performance (Founder units, net of fees) and those of the Australian All Ordinaries Accumulation Index and the MSCI World Equities Index, are as follow:

To 31 March 2017	STAR	All Ords	MSCI (\$A)
1 month	-1.1%	3.2%	1.6%
3 months	1.7%	4.5%	0.9%
1 year	35.3%	19.5%	15.9%
3 years (%p.a.)	30.8%	7.6%	12.1%
5 years (%p.a.)	27.2%	10.7%	15.3%
7 years (%p.a.)	26.9%	7.2%	10.9%
10 years (%p.a.)	16.0%	4.3%	4.9%
Since inception on 1 Nov 2003 (%p.a.)	15.6%	9.0%	6.9%

This month, 1.2% of our loss was attributable to our call and put options on the S&P 500 Index. At month-end, a total of 1.2% of the Fund was invested in these options. Volatility remains very cheap and we continue to believe that buying options is an attractive gamble for a small part of the Fund. The effect of our option positions is that we are heavily exposed to major market movements in either direction but our maximum monthly loss is about 1% of the Fund. Unfortunately, a loss of this size is to be expected from time to time from our options strategy.

Our biggest winner was Australian mining company **South32** (3.3% of the Fund), which rose 11%.

We have decided to temporarily close the Fund to new subscriptions. We apologise for any inconvenience but believe that this decision is in the best interests of our unitholders. The Fund has more than doubled in size in the last year and now has 31% in cash. We do not anticipate the closure to be long lasting as we are currently buying five securities.

As was the case when we previously closed the Fund to new subscriptions, we are not stopping redemptions from the Fund.

The Fund's net asset value was \$ 75m or \$2.6673 per Founder unit and \$10.9348 per A Class unit at month end. It owned securities issued by 21 companies.

Fred Woollard and Nigel Burgess
10 April 2017

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.