

## **Samuel Terry Absolute Return Fund – September 2018 quarterly 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 30 September 2018	STAR	All Ords	MSCI (\$A)
1 quarter	4.8%	1.9%	6.1%
1 year	33.9%	14.7%	18.3%
3 years (%p.a.)	29.7%	12.4%	12.2%
5 years (%p.a.)	28.5%	8.4%	14.3%
7 years (%p.a.)	26.4%	11.2%	16.4%
10 years (%p.a.)	22.7%	7.7%	9.5%
Since inception on 1 Nov 2003 (%p.a.)	16.3%	9.0%	7.9%

The biggest contributor to the Fund's gains in the quarter were our **option positions**, which contributed about 3% to our gain. At quarter-end, we had 5.4% of the fund in a mixture of call and put options over gold and the S&P 500 Index. We continue to believe that we are in the late stage of a major bull market, and that option volatility for particular assets (so far S&P, All Ords and gold) is the one cheap asset class.

Australian paper distributor **Spicers**, (7.1% of the Fund) rose 51%, helped by a good profit result and the sale of its Asian business. Our Nigel Burgess is a director of Spicers.

Other big winners were Australian oil explorer, **Carnarvon Petroleum** (3.4% of the Fund) which rose 167% after making a major oil discovery and Australian pharmaceuticals company, **AcruX** (1.8% of the Fund) which rose 51% due to the likely launch of a new product.

**Kangaroo Island Plantation Timbers** (19.8% of the Fund) fell 7% for no apparent new reason.

The Fund's net asset value was \$126m or \$2.8443 per Founder unit and \$11.17 per A Class unit (up 4.46%) at quarter end. 20% of the Fund was in \$A cash. It owned securities issued by 21 companies.

Fred Woollard and Nigel Burgess  
10 October 2018



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*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*

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