

# OFFICIUM SPECIAL SITUATIONS FUND

The net asset value of the Officium Special Situations Fund decreased by 2.0% in May, significantly outperforming the decline in the broader market. At the start of May the majority of the cash position in the Fund was transitioned to Intelligent Investor Funds Management who were able to use the weakness in the market to invest some of this cash.

During the month:

- Oceania Capital Partners traded ex a 30 cents per share return of capital. Including this amount, Oceania Capital Partners provided a total return of 2.3% in May and was a key contributor to the relative outperformance of the Fund.
- The gold mining stocks held in the Fund provided mixed results, with the share price of Resolute Mining and Catalpa Resources declining during the month by 9.8% and 11.9% respectively, while the share price of St Barbara and Intrepid Mined increased by 10.9% and 41.0% respectively. The sharp increase in the Intrepid Mines share price followed the announcement that the company had signed a Letter of Agreement with Northern Star Resources for the sale of the Paulsens Mine. We used the higher share price to exit this position during the month.
- Prime Infrastructure was the largest investment made by Intelligent Investor Funds Management during the month. The business is a diversified infrastructure entity that seeks to own, manage and operate domestic and international infrastructure assets. The main assets currently owned by the business include the Northern Gas Pipeline in the US, Queensland's Dalrymple Bay Coal Terminal and a rail network in WA called WestNet Rail.
- Intelligent Investor Funds Management have also established a 4.3% position in Photon Group. Photon Group is a specialist marketing and communications services company that generates approximately 35% of its revenue outside of Australia.
- The other investments made by Intelligent Investor Funds Management that fall within the top ten holdings of the Officium Special Situations Fund include Spark Infrastructure, MAp Group, UXC Limited and Tassal Group.

*NOTE: Due to the high concentration of Resolute Mining Limited (RSG) and Oceania Capital Partners Limited (OCP) in this Fund, any purchase of new units in the Officium Special Situations Fund is effectively equivalent to investing circa 43.7% (cumulative) of your funds in RSG (including exposure to RSGG & RSGO) and OCP as at 31 May 2010 at \$1.06 and \$2.40, respectively. Please be mindful of this when considering a new investment into the Officium Special Situations Fund or purchasing additional units in the Fund.*

#### Important Information

This report is provided for investors in the Funds. While all care has been taken in the preparation of this report (using sources believed to be reliable and accurate), Officium Capital Ltd, its officers, employees, agents and associated entities accept no responsibility for and will not be liable in respect of any loss or damage suffered by any person in connection with this other than under law which cannot be excluded. You should seek your own financial and taxation advice before dealing with your investment. This report has been prepared without taking into account your investment objectives, financial situation or particular needs. Before investing, or retaining an investment, in any of the Funds you should read the relevant PDS and consider whether the Fund is appropriate having regard to those matters. A copy of the PDS is available at [www.officiumcapital.com.au](http://www.officiumcapital.com.au). Remember, past performance should not be taken as an indication of future performance.

## PERFORMANCE SUMMARY

Performance Summary as at 31 May 2010	Officium Special Situations Fund
Since Inception p.a. (6/9/04)	2.62%
1 Year	38.50%
3 Years p.a.	1.15%
5 Years p.a.	5.14%
1 Month	-1.95%
Profitable Months	55.07%
Distribution Last Quarter	\$0.0025
Fund Assets (million)	\$44.48
Application Unit Price	0.9774
Withdrawal Unit Price	0.9721
Net Asset Value Unit Price	0.9748

## TOP TEN HOLDINGS

Top Ten Holdings	% of Portfolio
Oceania Capital Partners	26.14%
Resolute Mining Convertible Notes	10.45%
Prime Infrastructure Group	4.34%
Resolute Mining	4.27%
Photon Group	4.27%
Spark Infrastructure Group	4.04%
MAp Group	3.92%
UXC Limited	3.18%
Resolute Mining Options	2.81%
Tassal Group	2.45%
<i>Remaining Holdings</i>	<i>11.02%</i>
<i>Cash</i>	<i>23.10%</i>
<b>TOTAL</b>	<b>100%</b>