

# OFFICIUM SPECIAL SITUATIONS FUND

The net asset value of the Officium Special Situations Fund declined by 3.7% in July, significantly underperforming the gains made by the broader market.

During the month:

- The share price of Resolute Mining declined by 26.5%, with the Resolute Mining Convertible Notes and Options declining by similar amounts. Combined, these investments were the largest detractors from Fund performance. The share price decline in the ordinary shares was a continuation of a downward movement in its share price that had started in late June and was not helped by the announcement that its operations at the Syama Mine had been interrupted. The company also announced fourth quarter results during the month which showed that the company had produced 353,303 ounces of gold in the year to June at a cash cost of \$732 per ounce.
- Oceania Capital Partners was relatively flat during the month as the share price held steady following the significant decline recorded in the prior month.
- Transactional activity undertaken during the month saw Officium Capital exit its remaining position in the LinQ Resources Fund and Intelligent Investor Funds Management establish a position in QBE Insurance Group and further increase exposure to Prime Infrastructure Group, UXC Limited and to some of the smaller positions in the portfolio.
- QBE Insurance Group provided preliminary results for the half year ended 30 June 2010 in July. These results came in below market expectations and resulted in the share price being sold down by 8.2%. This sell down followed the 7.4% decline recorded in the prior month. These declines provided Intelligent Investor Funds Management with the opportunity to establish a small position in this quality company at a reasonable price.
- UXC Limited flagged early in the month that there were parties interested in bidding for the company. This saw the share price increase significantly in the first two weeks of the month before flattening off as optimism of a takeover eventuating receded as management played down expectations of the offer.

*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 35.4% (cumulative) of your funds in RSG (including exposure to RSGG & RSGO) and OCP as at 31 July 2010 at \$0.775 and \$1.52, 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 July 2010	Officium Special Situations Fund
Since Inception p.a. (6/9/04)	0.13%
1 Year	11.92%
3 Years p.a.	-5.87%
5 Years p.a.	-0.53%
1 Month	-3.67%
Profitable Months	53.52%
June Quarter Distribution	\$0.0069
Fund Assets (million)	\$36.81
Application Unit Price	0.8295
Withdrawal Unit Price	0.8250
Net Asset Value Unit Price	0.8272

## TOP TEN HOLDINGS

Top Ten Holdings	% of Portfolio
Oceania Capital Partners	20.00%
Resolute Mining Convertible Notes	9.20%
Photon Group	5.69%
Spark Infrastructure Group	5.34%
Prime Infrastructure Group	5.22%
MAp Group	5.09%
UXC Limited	4.49%
Resolute Mining	4.04%
Tassal Group	2.71%
Ethane Pipeline Income Fund	2.39%
<i>Remaining Holdings</i>	<i>16.13%</i>
<i>Cash</i>	<i>19.70%</i>
<b>TOTAL</b>	<b>100%</b>