

# Officium Special Situations Fund

## SECTOR FUNDS

**OFFICIUM**  
CAPITAL

January 2011

January was quiet for the overall market and for the Officium Special Situations Fund. The All Ordinaries Index was practically unchanged while the Fund returned 1.3% for the month. While a few share prices bounced around during January (RNY Property Trust in particular was up 22.7% on very light trading), there was almost nothing in the way of news pertinent to the underlying businesses.

- During the month, Intelligent Investor Funds Management met with the new CEO of one of the Fund's largest positions, UXC Limited (+1.0%). Chris Nicolli has taken over the reins from former Executive Chairman Geoff Lord, who remains as Chairman and a substantial shareholder. UXC has been plagued by problems in the non-IT part of its business and needs a hands-on manager to simplify the business and focus on its strengths. The meeting with Nicolli was encouraging in this respect, but actions speak much louder than words and we will be looking for tangible progress during the next 12 months.
- Economic news out of the US was overwhelmingly positive. Manufacturing, consumption and overall economic production all posted healthy growth rates for either the last month or last quarter of 2010. The two areas of the US economy still struggling are housing – where both prices and construction activity continued to decline – and jobs. The latter is the key variable for the Fund's investment in two US commercial property trusts, RNY Property Trust (+22.7%) and Real Estate Capital Partners USA Property Trust (-10.7%), so hopefully the strong economic data creates more employment over the coming months. RNY reports its full year results on 25 February.
- During the month, the Fund exercised its options in Resolute Mining (RSGO) given the lack of liquidity associated with the options.
- Oceania Capital Partners rose 7.3% for the month of January to \$1.33 per share. The company announced unaudited Net Assets per Share of \$2.20 per share based on asset carrying values as at 31<sup>st</sup> December 2010.
- The Fund's exposure to 1300 Smiles, the Ethane Pipeline Income Fund and Infomedia was reduced, while the Fund's exposure to Photon Group was increased during the month.

Performance Data as at	31/01/2011
1 month	1.27%
3 months	6.10%
6 months	11.93%
1 year	0.69%
2 years (p.a.)	36.67%
3 years (p.a.)	-4.45%
5 years (p.a.)	0.93%
Since 30/09/2004	1.73%
Net Asset Value (\$)	0.9167
Fund Size (\$ million)	39.49

Top 10 Portfolio Holdings	%
CASH	22.81%
Oceania Capital Partners Ltd.	16.31%
Photon Group Limited	7.52%
UXC Limited	7.04%
Resolute Mining Ltd.	6.31%
Spark Infrastructure Group	5.96%
MAP Group	4.79%
Reckson New York Property Trust	4.05%
QBE Insurance Group Limited	3.54%
Tassal Group Limited	3.16%
<i>Other holdings</i>	18.51%
<b>TOTAL</b>	<b>100.00%</b>

#### Important Information

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