

Officium Special Situations Fund

SECTOR FUNDS

OFFICIUM
CAPITAL

April 2011

The Officium Special Situations Fund returned 11.0% in April, substantially outperforming the 0.6% decline for the S&P/ASX All Ordinaries Accumulation Index. The Fund's positive performance was driven by a 45% increase in Oceania Capital Partners' share price and meaningful increases for both RHG Limited and Infigen Energy.

- European IT company CSC announced a takeover offer for iSOFT (ASX: ISF), an ASX listed healthcare IT business. The offer was welcome news for Oceania Capital Partners' (ASX: OCP) shareholders, as iSOFT had been the company's largest investment and was under severe operational and financial stress. If the takeover gets approved, OCP will get paid its convertible notes in full (\$0.43 per OCP share) and receive \$45m for its ordinary shares in iSOFT, equivalent to \$0.49 per OCP share (both investments were effectively attributed no value in the OCP share price at the time).

OCP also announced that it has received ACCC approval for the sale of its Signature Security business, rounding off a good news month for the company.

- During the month, the Fund established a position in RHG Limited (ASX: RHG), a mortgage company formerly known as Rams Home Loans. The Manager formed a view that shareholder activists trying to get control of RHG's board were likely to be successful and that, if so, the company would be worth substantially more than its share price at the time. At an extraordinary general meeting on 28 April, votes were dramatically in favour of the activists' proposed agenda.

Faced with imminent defeat at an upcoming EGM, RHG's existing board immediately declared a \$0.79 fully-franked dividend and committed to returning the remainder of the company's assets to shareholders over the next 18 months. The share price responded positively to the news and finished the month 23% higher than the Fund's average purchase price.

- In line with the transition of the investment management of the Fund, the Manager took advantage of the high gold price and general optimism about the resources sector and exited the Resolute Mining (ASX: RSG) position in early April.
- During the month, additional transactional activity included the Fund increasing its exposure to Infigen Energy.

Performance Data as at	30/04/2011
1 month	10.95%
3 months	15.83%
6 months	22.82%
1 year	8.43%
2 years (p.a.)	26.18%
3 years (p.a.)	4.14%
5 years (p.a.)	-0.07%
Since 30/09/2004	3.72%
Net Asset Value (\$)	1.0312
Fund Size (\$ million)	42.76

Top 10 Portfolio Holdings	%
Oceania Capital Partners Ltd.	24.69%
Spark Infrastructure Group	8.74%
Photon Group Limited	7.28%
CASH	7.27%
QBE Insurance Group Ltd	7.00%
RHG Limited	5.89%
UXC Limited	5.69%
Transfield Services Infrastructure	5.50%
Infigen Energy	5.17%
RNY Property Trust	4.81%
Other holdings	17.96%
TOTAL	100.00%

Investment Information

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