

10 August 2010

**Officium Global Fund
Investment Manager's Annual Letter 2010**

Dear Investor,

Although not as eventful as financial year 2009, the 2010 financial year was littered with noteworthy developments. The first quarter of the year saw both the United States and Japan announce that their economies had returned to growth in the June quarter of 2009 as government stimulus measures and monetary policy actions appeared to place the global economy on a recovery path. Corporate earnings also tended to rebound strongly in the first quarter, which lead to improvements in investor sentiment throughout the first half of the year. However in the following quarters, debt issues, firstly in Dubai and then in Greece and Southern Europe, saw hopes of a global economic recovery begin to wilt and investor risk aversion return to markets. In this environment the international equity market, as measured by the MSCI World Index Hedged (A\$) increased by 20.4% in the six months to December, before finishing the year with a return of 11.7%.

PORTFOLIO SUMMARY

The net asset value of the Officium Global Fund increased by 14.6% during the year. The Fund is not a traditional global equities Fund, but rather a diversified mix of funds and strategies selected with a thematic overlay. The current thematic skews of the portfolio include quality large cap investments with multi-national exposure, Asian focused investments, gold and broader commodity market investments and investments that stand to benefit from both rising and falling markets (i.e. long/short hedge funds). We currently hedge the majority of the passive currency exposure in the portfolio, however where a manager takes an active view on currency we generally leave this currency exposure unhedged.

"Multinational Exposure"

The Magellan Flagship Fund (ASX Code: MFF) was first added to the Officium Global Fund in January 2010. Since then the share price has continued to trade at an attractive discount to its net tangible assets which has provided the Officium Global Fund with the opportunity to further increase exposure to this holding. MFF is a listed investment company that invests in a portfolio of listed international and Australian companies. MFF is predominately invested in global multinational businesses that have leadership positions in emerging markets as well as in developed markets. At the end of June, MFF accounted for 5.7% of the Officium Global Fund and was the largest direct exposure to quality large cap international businesses.

The Officium Global Fund has been a long-term investor in the GVI Global Industrial Share Fund and continued to increase exposure during the 2010 financial year. The Fund returned 8.4% for the 12 months to the end of June and in so doing underperformed the benchmark MSCI World Index (100% Hedged to AUD). The Fund seeks to provide investors with attractive long term returns from an absolute return investment approach focused on investing in international companies in the developed world. The Fund focuses on companies that pay high dividends, have little debt, are well managed and can consistently grow earnings. This preference for high

dividend yielding stocks has meant that GVI tends to favour investments in European markets over lower-yielding US or Japanese markets. Despite their portfolio skew to Europe, the majority of the European exposure held by the Fund is in Germany, France, Switzerland and Holland, all countries with a more favourable fiscal backing than the Southern European nations where debt issues are currently raising concerns. As we expect dividends to constitute a significant amount of market returns going forward, the GVI Global Industrial Share Fund is likely to continue to remain a core holding within the Fund.

The Officium Global Fund invested in the Grant Samuel Epoch Global Choice Fund in May 2010. The Fund provides the Officium Global Fund with exposure to a long-only international equity manager that is focused on investing in high quality companies. The investment themes Epoch Investment Partners are currently focused on include high quality, large capitalisation companies, technology companies that boost economic productivity and healthcare stocks that stand to benefit from higher government expenditure. At the end of June the Fund represented 2.6% of the Officium Global Fund and is a position to which the Fund intends to increase exposure to in coming periods.

“Asian Exposure”

The Fund's exposure to Asia is primarily derived from our holding in the TAAM New Asia Fund and the Gottex Tiger Fund. Although we reduced exposure to the TAAM New Asia Fund in August 2009 following strong performance reported by the Fund, we increased exposure to both investments throughout the early part of 2010 during periods of weakness in Asian markets. The TAAM New Asia Fund is a benchmark unaware, bottom-up stock picker that utilises a contrarian investment philosophy to invest in an underlying portfolio of around 40 to 60 shares trading in Asia, ex Japan. The Fund returned 9.7% for the 12 months to the end of June. The Gottex Tiger Fund returned slightly less in the same period and is a Fund that consists of 25 to 45 hedge funds that have an Asian Pacific focus. The Fund invests along the entire capital structure and can invest in long/short funds which provides the portfolio with downside protection.

“Commodity Exposure”

Gold

The thematic skew to gold is achieved by the investments held by the Officium Global Fund in Gold Bullion Securities (ASX Code: GOLD) and the Baker Steel Gold Fund. The investment in Gold Bullion Securities provides the Officium Global Fund with direct exposure to Australian dollar denominated gold bullion. This direct exposure to gold provided the Fund with a return of 25.0% during the year as investors were attracted to its perceived safety in a period of rising risk aversion. The Baker Steel Gold Fund is focused on investing in small and mid cap gold equities and as such, is highly leveraged to movements in the gold price. The Fund returned 64.6% in the 12 months to the end of June and along with the investment in gold bullion was a key contributor to the performance of the Officium Global Fund.

Resources

The Emerging Resources Company Share Fund is the main source of resource sector exposure in the Officium Global Fund. The focus of the Fund is on emerging natural resource companies that have strong growth prospects and low operating costs. The net asset value of the Emerging Resources Company Share Fund increased strongly in the first half of 2009/10, with a return of 22.5% being recorded. However the returns in the second half of the financial year were weaker, as the resource sector faced multiple headwinds that ranged from a rise in investor risk aversion throughout the world to uncertainty regarding the domestic tax regime. In this environment the net asset value of the Fund declined by 22.4% to record a 12 month return of -2.6%. At the end of June 2010, the fund constituted 5.7% of the

Officium Global Fund and is a holding that provides the Fund with exposure to low cost emerging producers that stand to benefit from the long term growth of the Asian region and the associated demand for resources.

Agriculture

Investments in the DWS Global Agricultural Land and Opportunities Fund ("GALOF") and the DWS Global Equity Agribusiness Fund represent the main agricultural exposures held by the Officium Global Fund. Access to the agricultural sector has been a long-term theme of the Officium Global Fund, as it is a sector that stands to benefit from expanding populations, an increase in demand for food and a decline in arable land. At the end of June the Officium Global Fund had 2.2% of the portfolio invested in GALOF which is a fund that enters into joint ventures with farmers by injecting equity in their business to help them expand. The DWS Global Equity Agribusiness Fund constituted 2.4% of the Officium Global Fund at the end of June and is a fund that invests in listed agricultural businesses throughout the world.

"Long/Short Investment Exposure"

The Tilson Offshore Fund is the main long/short fund held by the Officium Global Fund. The Tilson Offshore Fund had an outstanding 12 months, recording a return of 9.8%. In comparison the S&P500, Dow Jones Industrial Average and Nasdaq indices returned -6.6%, -5.0% and -6.7% respectively. The ability of the fund to invest such that it profits both when share prices increase (long investments) and decrease (short investments) has allowed it to outperform the broader US indices during a volatile 12 months of trading.

Guild Global Growth Managed Account

The Guild Global Growth Managed Account is an investment account managed exclusively for the Officium Global Fund. The fund is managed by Guild Investment Management, an extremely active investment manager that has an impressive long-term record of outperforming the broader market. The Officium Global Fund increased exposure to this Managed Account during October and November 2009, as this active investment style allows Guild Investment Management to maximise returns in volatile markets. Guild Investment Management adopts a thematic overlay to their investment process, with many of their current investment themes aligning closely with those held by the Officium Global Fund.

Remaining Holdings

The remaining holdings in the portfolio at the end of June 2010 are the Platinum Fund Limited, Platinum International Fund, Bridgewater Pure Alpha Fund, Bridgewater Global All Weather Fund, Gottex Horizon Fund, Hunter Hall Value Growth Trust and the Ellerston GEMS Fund. Combined these holdings account for 18.0% of the Officium Global Fund.

MARKET OUTLOOK

On the whole, we currently view international market as trading around fair value. Nevertheless, we do see pockets of attractive risk-adjusted returns existing, particularly amongst the quality large cap multinational companies that derive a significant amount of their earnings from emerging markets. As such, we expect reasonable returns from international equity investments in coming periods, although would caution that these returns are likely to involve ongoing volatility. The Officium Global Fund remains well diversified across thematic skews and underlying managers and is well positioned to continue to take advantage of market volatility.

We thank you for your continued support through what has been a volatile 12 months. If you have any questions regarding the Fund please do not hesitate to contact Officium Capital at admin@officiumcapital.com.au or by phone on (07) 3876 4333. Also, please visit our website, www.officiumcapital.com.au to view the latest

unit prices, performance data, product disclosure statements and monthly investment reports.

Yours sincerely



John Nunan

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The product disclosure statement ("PDS") for the Officium Global Fund is issued by Officium Capital. The PDS details the terms of the offer and if you wish to invest in the Fund, then you should consider the contents of the PDS, consider whether or not an investment in the Fund is appropriate for you and complete the application form accompanying the PDS. You should also consider the PDS in deciding whether to continue to hold an interest in the Fund.

Past performance should not be taken as an indication of future performance. This information does not take into account your investment objectives, financial situation or particular needs. Before making any investment decision, you should obtain and carefully consider the PDS, having regard to your investment objectives, financial situation and particular needs.