

Overview

On 1 August 2010, Merricks Capital Pty Limited (**Merricks**) became the Manager of the Merricks Capital Special Opportunity Fund Limited (**Fund**) (formerly known as Fat Prophets Australia Fund Limited). On 1 October 2010 the Fund announced its new Investment Mandate.

The Fund has a few select investments at any given time and focuses on investments in small to mid-cap Australian listed companies. The types of investments that the Fund targets are:

- Obtaining a strategic stake in a desired small to medium listed company via placement of new securities or acquisition of shares.
- Construction of unlisted convertible securities, offering equity-type returns but with debt security characteristics.
- Combining with other investors to acquire a significant stake in a company with a view to actively agitating for change, which could release hidden value to all shareholders.
- Investments that reward the provision of liquidity.

The Fund's core strength is that it has semi-permanent capital. Merricks seeks to make investments that allows the Fund to maximise the use of its semi-permanent capital, resulting in both capital gains and the payment of regular and consistent dividends.

Net Tangible Asset Backing

Performance	Net Asset Backing	Monthly Return
Pre Tax NTA	0.59 Per Share	4.74%
Post Tax NTA	0.59 Per Share	-18.93%
ASX 300 Accumulation Index		2.14%

Asset Allocation

Investment	Weight
Cash	46.07%
Shareholdings	53.93%

Invested Portfolio

Company	Code	Weight
ING Real Estate Entertainment Funds	IEF ASX	63.96%
Straits Resources Ltd	SRQ ASX	33.06%
Molopo Energy Ltd	MPO ASX	1.95%
Aziana Ltd	AZK ASX	1.03%

Fund Service Providers

Administrator White Outsourcing Pty Ltd
Auditor Ernst & Young

Fund Information

Inception Date April 2005
ASX Stock Code MEF
FUM \$17M AUD

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Disclaimer

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