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## Forager Investing Series: How RHG Changed My Life

Mortgage lender Rams Home Loans listed on the ASX in June of 2007. Two weeks later the sub-prime crisis struck and the company lost the ability to fund its loans. The *New York Times* called Rams the [worst float of all time](#).

It was a horrendously timed float. By the end of June 2008, the stock price was trading at less than 5 cents and it had sold the Rams brand name to Westpac, leaving itself without the ability to write any new business. But on that day it was also one of the great investment opportunities of a lifetime. The company changed its name to RHG and sought to maximise the cash flows from its \$15bn legacy portfolio of mortgages. Over the ensuing six years, it delivered more than \$1.70 in cash to shareholders, mostly in the form of fully franked dividends.

This story is the first in a six-part video series we have put together on our investing approach. Later in the series, I fess up on my biggest investing disaster and explain why even RHG wasn't so easy at the time. We'll be posting them on the blog over the next few weeks and providing some commentary as we go. If you want to binge on them all up front, however, you can watch all six [Forager Introduction to Investing](#) videos on our [YouTube channel](#).