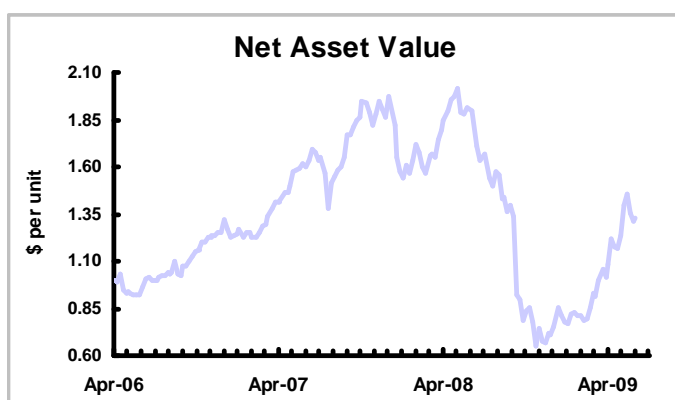


7 August 2009

**Emerging Resources Company Share Fund
Investment Manager's Annual Letter 2009**

Dear Investor,

The net asset value of the Emerging Resources Company Share Fund made a strong recovery in the first half of 2009 following the global credit crisis and world-wide decline in equity markets in the second half of 2008. Critical to the recovery was the ongoing focus of the Manager on growth oriented companies building value through new projects.



In common with global equity markets, the resources sector suffered a major cyclical decline in the second half of 2008. For the year ended June 2009, the net asset value of the Emerging Resources Company Share Fund fell by 30.2% while the prices of resources stocks in the S&P/ASX 300 fell by 32.3%.

The overall Australian market had reached a peak at the end of October 2007. The resources sector had remained relatively strong until mid

2008 when evidence mounted that the primary source of its relative strength – the developing Asian economies – would also suffer from the effects of the global credit crisis. The Fund reached its peak unit price at the end of May 2008 and, by the beginning of 2008/09, the unit price had already begun to fall. It fell in each of the first five months of the year.

The onset of the global credit crisis had a particularly severe effect on stocks which would need funding to continue meeting their development targets. While only temporary, concerns about funding affected many of the stocks in the portfolio. Several of the smallest stocks in the portfolio also suffered the consequences of a reduction in market liquidity.

By early 2009, with so called economic green shoots sprouting in China and the rate of output decline slowing in the advanced economies, corporate funding became more readily available (albeit more expensive) as financial stabilisation actions by governments began having an effect. Daily traded commodity prices also began to rise, adding some further strength to sectoral equity prices. The resources stocks in the S&P/ASX 300 rose by 18.2% over the six months to June.

The Fund's portfolio recovered strongly once market conditions began to stabilise. Based on its valuation analysis, the Manager also concluded that the low equity prices prevailing in the fourth quarter of 2008 were unlikely to persist and invested available cash in the market, further supporting the investment performance.

June was the seventh consecutive month of positive absolute performance by the Fund after the low point in the Fund's unit price had been reached in November 2008.

During the year, the Fund celebrated the third anniversary of its inception. Over the three years to June, the net asset value of the Fund rose by 11.1% per annum. According to industry research group Morningstar, this put the Fund's three year return amongst the top ten best returns from the several thousand retail investment trusts (from all sectors) tracked by the firm.

PORTFOLIO CHANGES

During the year, the Fund held 23 different stocks. Of these, six stocks increased in value and 17 declined. Platinum Australia, an African platinum mine developer, made the largest positive contribution to the investment performance of the Fund. This stock was purchased for the first time in October after falling markets had brought its share price below the Manager's assessed value. Uranium miner Paladin Energy, which made the second largest contribution to investment performance, was purchased at around the same time. Other stocks purchased during the year were the iron ore mine developer Pluton Resources and petroleum explorer and producer Tap Oil.

Strong returns were also generated from Sunshine Gas after a takeover bid was launched for the company. The Fund sold its shares in Sunshine Gas in September. Other companies to have been sold in the first quarter were Mineral Deposits and Copperco.

The largest negative contributions were made by some of the smallest companies in the portfolio. They suffered from a lack of market liquidity and some lingering concerns about their abilities to fund ongoing development activities.

Overland Resources, Terramin Australia and United Minerals Corporation were the stocks that detracted most from the investment performance of the Fund. Canadian zinc mine developer Overland and Terramin, which has an operating zinc mine in Australia and a larger mine under development in Algeria, would also have been affected by lower zinc prices. The share price of Pilbara iron ore mine developer United Minerals Corporation reached a peak on 1 July 2008 after a very strong price rise in the last months of 2007/08, exaggerating the loss of value in 2008/09.

Of the five commodity segments into which the Fund is divided, the largest falls occurred amongst the base metal stocks (-50.0%) and gold (-37.5%). The smallest falls occurred amongst the oil and gas stocks (-12.8%), steelmaking materials and coal (-13.1%) and industrial minerals (-19.7%).

Three companies in the portfolio, Terramin Australia, Horizon Oil and Platinum Australia, made the transition from project developers to operators during the year. This important milestone, which can take many years to reach, is the ultimate test of whether a management team can add sustainable shareholder value.

INVESTMENT STRATEGY

There were over 800 ASX listed stocks making up the sector in the last year accounting for nearly 31% of the market's capitalisation at the end of June. With over \$260 billion spent on exploration and project development within Australia over the past 20 years (or \$340 billion at today's prices), this is an important part of the Australian economy, by any objective standards. However, it is also a capital hungry sector with some very real risks and undoubted traps for the unwary.

The Emerging Resources Company Share Fund seeks to tap new project development as the primary value driver of sustainable investment returns.

There is solid historical and analytical evidence to suggest that companies successfully building new mines or undertaking substantial expansions of existing operations can deliver outstanding returns even in the trough of a commodity price cycle.

The opportunity to make such returns reflects an ongoing need for new mines. While raw material usage rates in 2009 have clearly fallen, even a modest improvement in macroeconomic growth

prospects in 2010 and 2011 is likely to support a rapid rise in usage in the same way as accelerating growth has done in the past.

The latest International Monetary Fund forecasts are suggesting that global GDP will rise by 2.5% in 2010 after having declined by 1.4% in 2009. The advanced economies are expected to expand by just 0.6% in 2010, well below the expected 4.7% growth rate for the developing economies.

Even this relatively subdued pattern of growth in the coming year should be enough to support a return to rates of consumption growth consistent with the average of those experienced in the past 50 years.

While it is theoretically possible for just a few very large mines of the size of Escondida (copper) and Red Dog (zinc), for example, to meet the world's growing raw material needs, there are very few of these giant mines on the planning horizon. The world is more than ever depending on a larger number of average sized mines to meet its ongoing needs.

Historically average rates of growth now require eight to ten new average sized copper or zinc mines every year. Meeting the need for these new mines remains a challenge for the industry. That industry challenge is an investment opportunity for those investors able to identify the companies best equipped to meet this need.

The investment process of the Fund has been designed to identify the companies capable of meeting this need for new mines. Starting from the more than 800 ASX listed resources companies, the process filters out all but 20 for the Fund's portfolio. These 20 should not only have the best growth prospects in the sector but should also be among the lowest cost producers so that they are able to survive the cyclical downturns which are a constant feature of the market in which they operate.

This investment process has served unitholders well in the past year. While the unit price has fallen, the companies in the portfolio, chosen in accordance with the investment strategy, had the capacity to survive the downturn and subsequently recover. The valuations for these stocks also remain highly attractive providing the analytical underpinning for future investment returns.

DISTRIBUTIONS

There were no distributions for 2008/09 as the Fund's expenses and capital losses exceeded the value of capital gains during the year.

E.I.M. Capital Managers Limited 20 July 2009

Important Information

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The product disclosure statement (PDS) for Emerging Resources Company Share 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.

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