

# EMERGING RESOURCES COMPANY SHARE FUND

The net asset value of the Emerging Resources Company Share Fund fell by 3.10% in March. The return for the March quarter was -15.90% after the reported unit price of the Fund reached a peak value on 31 December 2007. The unit value at the end of March was 28.27% higher than at the end of March 2007.

Background market conditions deteriorated further in the month.

- The S&P/ASX 300 index reached its lowest level since September 2006 before financial services stocks led a recovery, leaving it 4.0% lower than at the end of February.
- The S&P/ASX 300 Resources index fell by 8.5%.
- Daily traded metal prices tended lower. However, average prices for the month were higher due to the strength of price rises during February. Average aluminium, copper, nickel, tin and zinc prices were between 3% and 15% higher. Lead prices were 2% lower.
- Average crude oil prices jumped 9%.
- Precious metal prices fell in mid March. However, average gold and silver prices increased 5% and 9%, respectively.

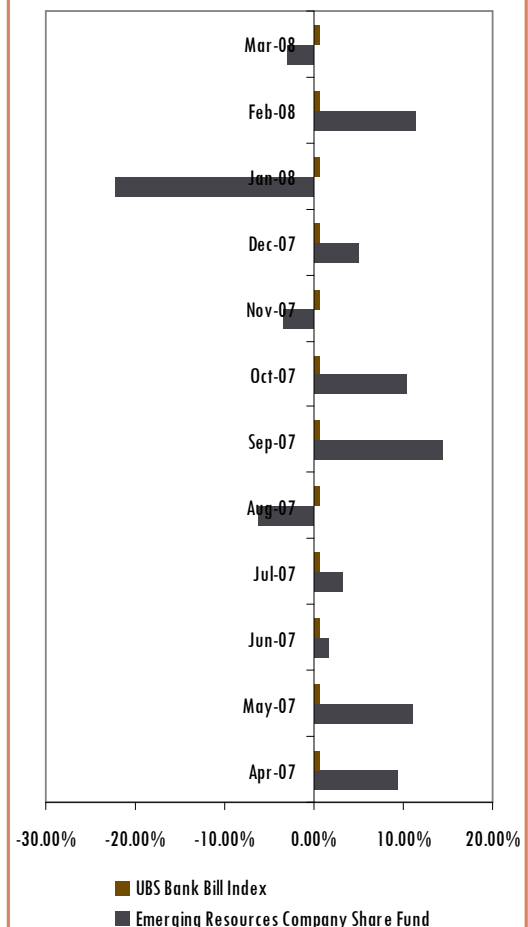
No new investments were made or existing investments sold during March. Thirteen of the 20 stocks held in the portfolio declined in value; seven rose. The four stocks making the largest negative contributions to investment performance during the month were Perilya, Horizon Oil, Sunshine Gas and Mount Gibson Iron. Each fell by between 18% and 34%.

The performance of these four stocks was affected adversely by issues specific to each. Perilya was sold down in the lead up to its widely expected bid for another listed company. Horizon Oil reported some disappointing, but not commercially critical, results from exploration activity off the coast of China. Sunshine Gas was preparing for a capital raising. Mount Gibson Iron was awaiting a decision by the Takeover Panel concerning the actions of one of its shareholders. In each case, the Manager expects the causes of the adverse price movements to dissipate as the favorable valuation characteristics of these stocks reassert themselves.

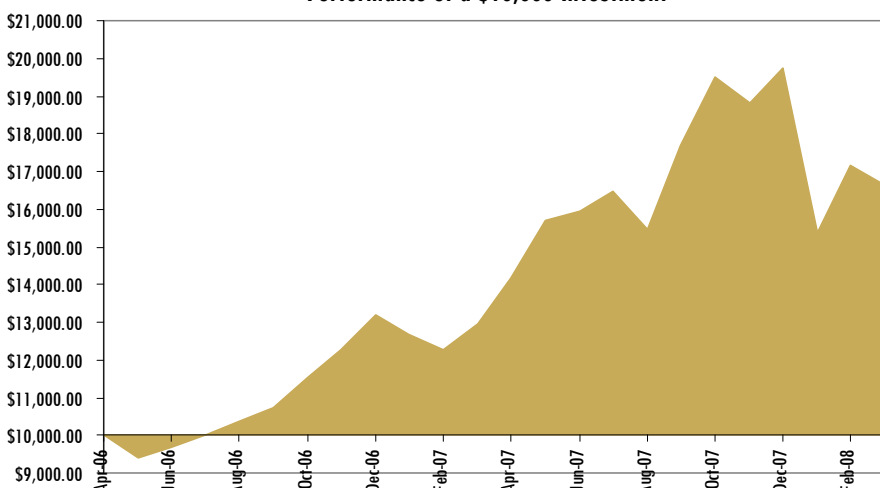
The largest positive contribution to the performance of the portfolio came from United Minerals Corporation. Its 26% return in the month was a continuation of the rise which was noted in the Fund's February report following upgrades of the likely developmental potential of its Western Australian iron ore deposits.

Of the five commodity segments into which the Fund's investments are divided, only the steelmaking and coal group, which added 5.8%, rose in value. The industrial minerals (-2.1%), nonferrous metals (-3.2%), gold (-9.6%) and oil and gas (-14.2%) segments declined. The relative buoyancy in the steelmaking and coal group of stocks reflected a widening belief that favourable commodity pricing conditions are likely to persist for longer than previously anticipated. This, combined with speculation that several mid tier coal stocks could be takeover targets, supported coal stock prices. The Fund currently holds both Macarthur Coal and Felix Resources, two of the stocks which have been mentioned as possibly involved in these transactions.

## MONTHLY PERFORMANCE RETURNS



## Performance of a \$10,000 Investment



Performance Summary	Emerging Resources Company Share Fund	UBS Bank Bill Index
Since Inception p.a. (28/04/06)	30.30%	n/a
1 Year	28.27%	7.00%
1 Month	-3.10%	0.67%
Profitable Months	70.83%	100.00%
Distribution for quarter	\$0.0000	n/a
Fund Assets (million)	\$27.60	n/a
Application Unit Price	1.66700	n/a
Withdrawal Unit Price	1.65790	n/a
Net Asset Value Unit Price	1.66247	n/a

## EMERGING RESOURCES COMPANY SHARE FUND

The Emerging Resources Company Share Fund began investing at the beginning of May 2006.

### Investment Objective

The objective of the Fund is to maximise returns to Investors by identifying and investing in the securities of emerging natural resources companies listed on the ASX. The key factor in the Investment Manager's decision to invest in any particular emerging natural resource company will be its assessment of that company's potential to achieve strong organic growth over a two to three year period with a view to having that growth reflected in share price performance over the medium term.

### Experienced Fund Managers

Two members of the Manager's Investment Committee (Tony Wiggins and Doug Goodall) have managed specialized resources equity portfolios on behalf of J B Were Asset Management, Portfolio Partners and Colonial Mutual. John Robertson was responsible for resource sector investment strategy at McIntosh and Company (now Merrill Lynch Australia) before becoming the firm's Chief Economist. All three also have had extensive experience in the commercial and technical aspects of the resources industry in Australia and overseas.

### Recognised Academic and Industry Experts

The Investment Manager is assisted in its decision-making by an investment advisory committee which includes highly regarded mineral economist and coal industry specialist, Professor Donald Barnett and ore deposit geology specialist, Professor Philip Seccombe. Also on the Committee are Nick Moony, a metallurgist with an international consulting practice and Colin Jackson, a mining engineer, corporate adviser and current director of two ASX listed companies.

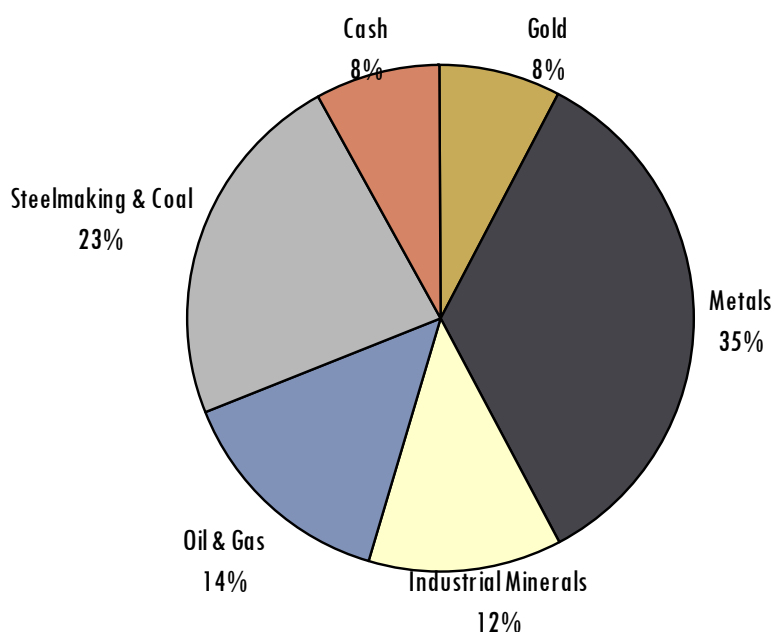
### Undervalued Growth Opportunities

The Investment Manager's process involves moving from the universe of over 500 ASX listed resources companies to the 20 stocks which will make up the Fund's investments using a rigorous appraisal process based on identifying undervalued growth opportunities. The Manager's seven step investment process described in detail on pages 6-9 of the PDS is used to identify the universe of emerging producers, build a focus list, select a portfolio of 20 stocks and manage the ongoing investment risks. The Fund's investments will be confined to ASX-listed companies. The Investment Manager will seek to be fully invested in accordance with the Fund's investment criteria (subject to the needs of the Fund for short-term liquidity to meet redemptions and operating costs).

### Diversified Commodity Exposure

The proposed portfolio will provide exposure to a full range of mineral commodities including oil and gas, steel-making minerals (including coal), gold, non-ferrous metals and industrial minerals. At least two stocks will be held in each of these five commodity groupings at any one time.

### EMERGING RESOURCES COMPANY SHARE FUND COMMODITY SPREAD



### ABOUT THE FUND

The Emerging Resources Company Share Fund is managed by EIM Capital Managers Pty Ltd, a Melbourne-based boutique investment manager with experience in funds management, geology, metallurgy, mine development, raw materials sale and trading, and investment analysis. The Fund will invest in a diversified range of ASX listed emerging natural resources companies.

The objective of the Fund is to maximise returns to investors by identifying and investing in the securities of emerging natural resources companies listed on the ASX. The key factor being the company's potential to achieve strong 'organic growth' over a two to three year period with a view to having that growth reflected in share price performance over the medium term.

The Fund applies a rigorous, value-driven investment process to select investments.

### FUND FACTS

**Composition** Australian shares and investments

**Fund Start Date** 28 April 2006

**Investment Timeframe** 5 years

**Withdrawals** Weekly

**Distributions** Quarterly

**Minimum Investment** \$10,000

**APIR Code** WPC0013AU

**ARSN** 118 630 541

**Unit Prices** Weekly

**Applications** Weekly

**MER** 0.25625% p.a.

**Buy-sell spread** 0.275%/0.275%

**Performance Fee** 18.45% of positive returns with any negative returns recouped before the performance fee applies

**Level of Risk** High

### Important Information

This report is provided for investors in the Funds. While all care has been taken in the preparation of this report (using sources believed to be reliable and accurate), Officium Capital Ltd, its officers, employees, agents and associated entities accept no responsibility for and will not be liable in respect of any loss or damage suffered by any person in connection with this other than under law which cannot be excluded. You should seek your own financial and taxation advice before dealing with your investment.

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