

# EMERGING RESOURCES COMPANY SHARE FUND

The net asset value of the Emerging Resources Company Share Fund increased by 11.08% during April. Over the 12 months ended April, the net asset value rose by 30.36%.

Background market conditions were more supportive during the month.

- The S&P/ASX 300 index increased by 4.4%.
- The resources stocks within the S&P/ASX 300 index rose by 10.4%.
- Daily traded base metal prices were generally steady with some slight weakening late in the month. Average aluminium, lead, nickel and zinc prices were 2 to 9% lower. Average copper and tin prices rose by 3% and 9%, respectively.
- Average crude oil prices were 7% higher.
- Gold and silver prices were weaker. The average gold price was 6% down on the March average and the silver price was 9% lower.

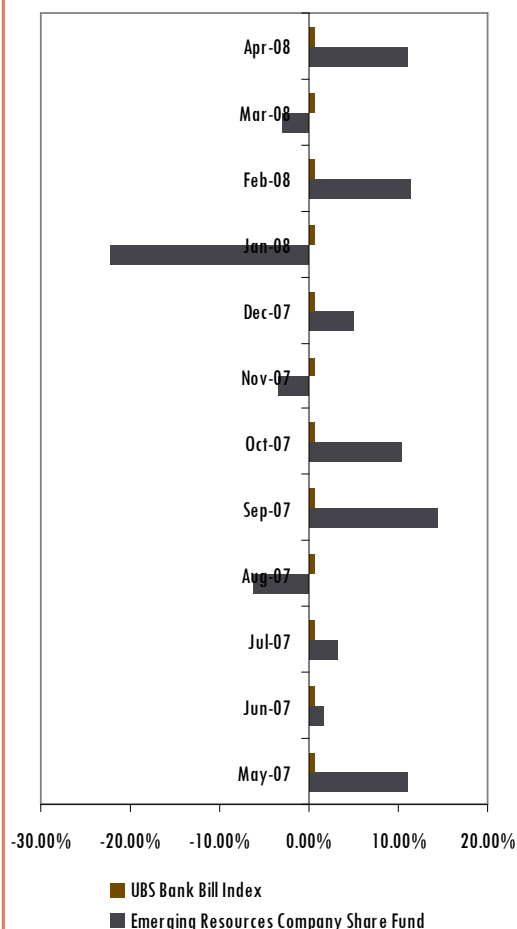
No new investments were made or existing investments sold during the month. The value of 15 of the 20 stocks held in the portfolio rose while the value of five fell. Western Areas, Sunshine Gas and Macarthur Coal made the largest positive contributions to Fund performance during the month, each gaining between 30% and 64%. The Western Areas share price benefited from further expansions of the company's nickel resource base in Australia and at its Canadian investment, giving a further boost to the already growing confidence about its long-term future as a significant nickel miner. Since Sunshine Gas completed a capital raising in mid March, its share price had already been moving higher. The bid for Origin Energy by UK-based BG Group, unveiled on the last day of April, provided further share price impetus. A central reason for the bid by BG was a view that Australia's coal seam gas resources were undervalued. Sunshine Gas is an emerging Queensland-based coal seam gas producer. Macarthur Coal has benefited from the recent strength of the global coal market and speculation that an international coal producer might be contemplating a bid for the company. The company has confirmed that it is discussing a transaction with a potential buyer.

Coeur d'Alene Mines, with a 28% negative return, subtracted most from portfolio performance. Coeur d'Alene was affected adversely by weaker silver prices as well as production losses in South America due to a maintenance shutdown but remains on track to achieve a 40% silver production increase during 2008.

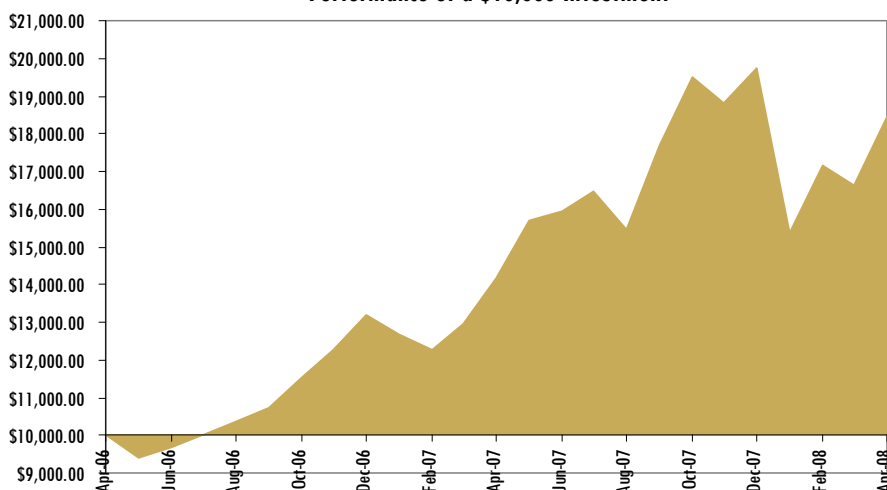
Of the five commodity segments into which the Fund is divided, the biggest gain (+29.4%) was made by the oil and gas group of stocks. The nonferrous metal investments (+12.9%), steelmaking and coal (+11.2%) and gold sectors (+10.2%) all contributed significantly. The industrial minerals grouping, which includes silver producer Coeur d'Alene, fell by 10.3%.

There was some continuing tendency for smaller stocks to perform less strongly than larger stocks in the portfolio. The four stocks in the portfolio outside the S&P/ASX All Ordinaries (i.e. outside the largest 500 stocks listed on the ASX) had a combined 3.9% return compared with a 15.2% return from the stocks which are All Ordinaries constituents.

## 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)	35.83%	n/a
1 Year	30.36%	7.10%
1 Month	11.08%	0.65%
Profitable Months	70.83%	100.00%
Distribution for quarter	\$0.0000	n/a
Fund Assets (million)	\$31.15	n/a
Application Unit Price	1.9010	n/a
Withdrawal Unit Price	1.8906	n/a
Net Asset Value Unit Price	1.8958	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.

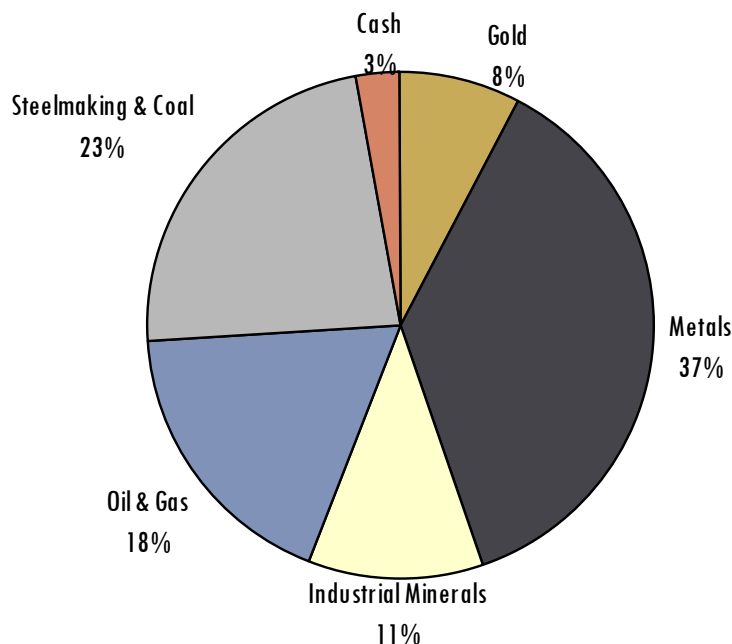
### Undervalued Growth Opportunities

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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