

EMERGING RESOURCES COMPANY SHARE FUND

The net asset value of the Emerging Resources Company Share Fund increased by 9.19% during May. Over the 12 months ended May, the net asset value rose by 28.27%.

Background market conditions were mixed in the early part of the month but generally weaker during the second half.

- The S&P/ASX 300 index rose by 1.3% after having peaked mid-month 6.4% higher than at the end of April.
- The resources stocks within the S&P/ASX 300 index rose by 7.9% after having peaked 15.6% higher.
- Daily traded base metal prices were falling through much of the month. Average aluminium, copper and zinc prices were down between 2% and 4%; lead and nickel prices were 21% and 10% lower, respectively.
- Average crude oil prices were 13% higher.
- The average gold price was 2% lower for the month; silver prices were down 3%.

No new investments were made or existing investments sold during the month. The value of 11 stocks rose while the value of nine stocks fell. The four stocks which made the largest positive contributions to the investment return were Felix Resources, Sunshine Gas, United Minerals Corporation and Sundance Resources. Three out of these four stocks were from within the steelmaking and coal segment of the portfolio.

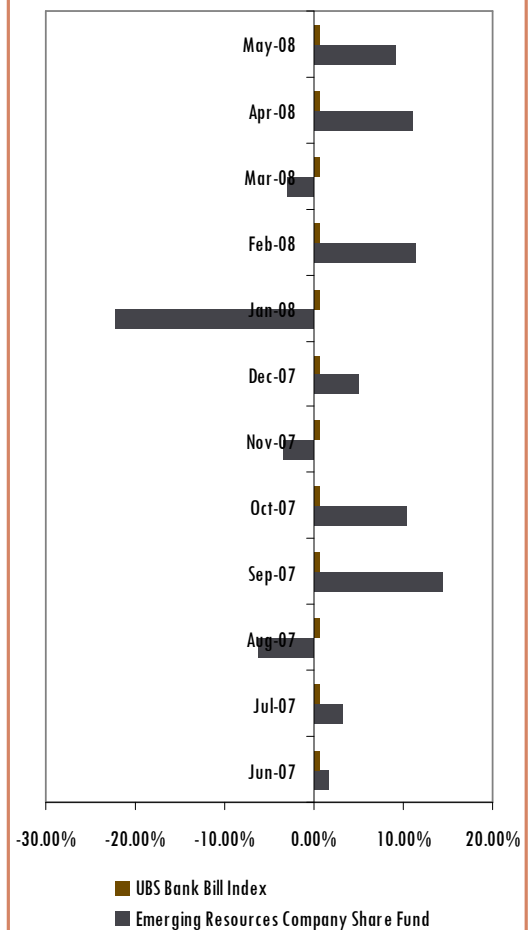
- Felix Resources benefited from the positive sentiment in the market toward coal stocks and speculation about takeovers of locally listed coal producers by larger international companies.
- Sunshine Gas has been successfully developing its own coal seam gas assets in Queensland. Its recent share price performance has also benefited from a re-rating of Australian coal seam gas assets following the interest shown in Australian resources by UK-based BG Group and Malaysian oil and gas operator, PETRONAS.
- United Minerals Corporation provided more information about the extent of its Western Australian iron ore resource base which highlighted its quality and growing size.
- The Sundance Resources share price recovered after the company provided more details of the extent and nature of its west African iron ore resource base and the potential scale of development which it will support.

The largest single negative contributor to the portfolio performance was 3D Oil. The company announced disappointing results from a segment of its Bass Strait exploration interests. Unfortunately, expectations about these results had become unrealistically high prior to the announcement. While more successful exploration outcomes had the potential to add considerable value, the company's previous exploration activity had already suggested sufficient reserves for future production to occur. The company is likely to make development of these discoveries a priority over the coming two years.

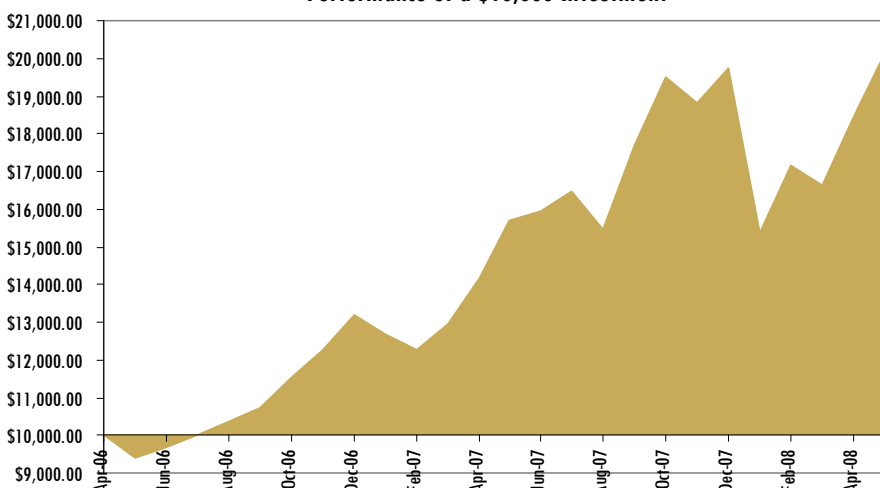
There was once again some tendency for larger stocks to show superior returns. The portfolio stocks drawn from within the S&P/ASX 300 rose by 17% compared with a 3% drop among the stocks selected from outside the All Ordinaries.

Of the five commodity segments into which the Fund is divided, the biggest gain (38.6%) came from the steelmaking and coal group. The oil and gas segment rose 5.4%. Nonferrous metals stocks in the portfolio were up 3.5%. The value of gold stocks was unchanged and industrial minerals stocks were 4.3% lower.

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)	39.92%	n/a
1 Year	28.27%	7.22%
1 Month	9.19%	0.66%
Profitable Months	70.83%	100.00%
Distribution for quarter	\$0.0000	n/a
Fund Assets (million)	\$36.46	n/a
Application Unit Price	2.0220	n/a
Withdrawal Unit Price	2.0109	n/a
Net Asset Value Unit Price	2.0164	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.

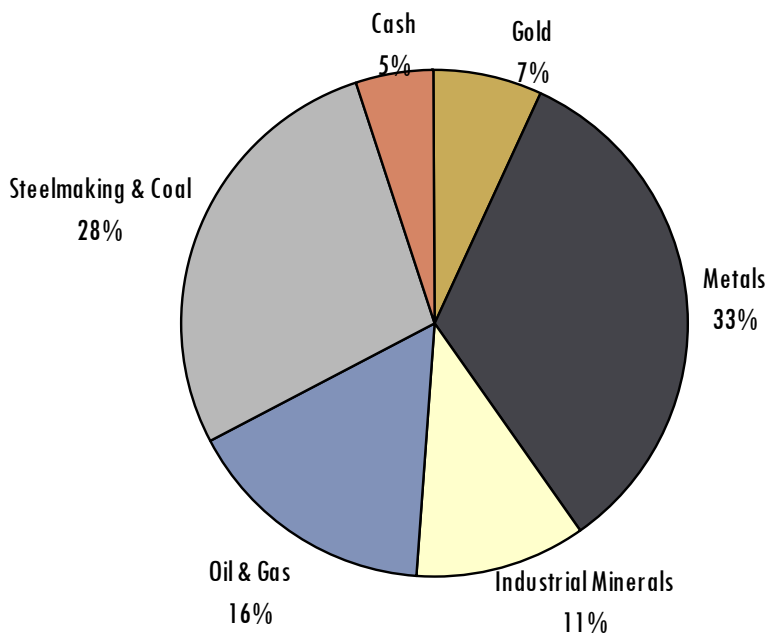
Undervalued Growth Opportunities

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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