

EMERGING RESOURCES COMPANY SHARE FUND

The net asset value of the Emerging Resources Company Share Fund fell by 37.25% during October. Over the year to the end of October, the net asset value of the Fund fell by 56.98%.

Background market conditions worsened significantly during the month with widespread liquidation of both commodity futures positions and commodity producer equities. Confirmation of a global recession and evidence of slowing rates of Chinese economic activity undermined investor confidence.

- The S&P/ASX 300 fell by 12.9%.
- The S&P/ASX 300 resources index fell by 18.8%. BHP Billiton and Rio Tinto, which accounted for 46% of this index at the beginning of October fell by 9.7% and 8.2%, respectively, implying that the remaining 94 stocks together fell by 27%.
- Average daily traded metal prices fell by 16%, in the case of aluminium, and 31% in the case of nickel.
- Lower spot prices for iron ore and coal were reported, raising doubts about the sustainability of contracted prices.
- Average daily gold prices were 2.8% lower. Average silver prices fell by 14.4%.
- Average monthly crude oil prices were 27% lower.

Market volatility rose dramatically during October with day to day fluctuations in stock prices reflecting a series of government attempts to boost economic activity and restore financial market liquidity. By the end of the month, some of the most extreme liquidity concerns had dissipated, but fresh evidence of a global economic contraction reaching well into 2009 began to affect investor sentiment adversely.

The financial valuations (and medium term share price targets) underpinning the stock selections in the portfolio had already taken account of a prolonged cyclical downturn in commodity prices. That assumption was intended to focus the Fund's investments on those companies with a sufficiently low cost structure that they could survive a cyclical downturn in commodity prices. Since the Manager has not generally had to downwardly revise its valuations as a consequence of changing conditions, potential returns over a three to five year horizon from the stocks in the existing portfolio have risen considerably. The Fund's expected three year excess return (over and above its risk adjusted target of 14%) was slightly over 40% per annum at the end of October.

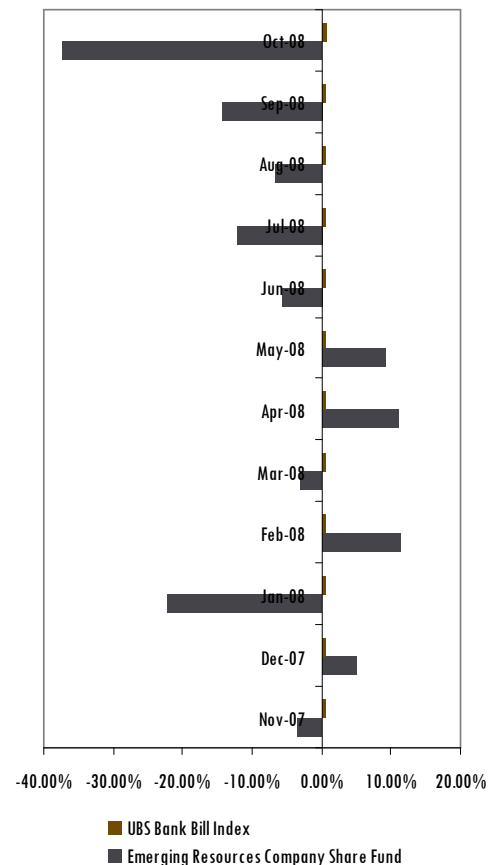
The Fund completed its selling of CopperCo in October. The Fund also sold its position in Mineral Deposits. While overall sectoral conditions remained weak, the Manager made these changes to permit the purchase of two stocks with more secure production profiles and which, in the Manager's estimation, have stronger and earlier recovery potential than those being exited.

During October, the Fund initiated investments in Platinum Australia and Paladin Energy. These investments were made following significant retracements in their share prices after having been overvalued, based on the Manager's analysis, for the past two years. There were positive investment returns on both stocks following the purchase. Carrick Gold also made a small positive contribution to performance.

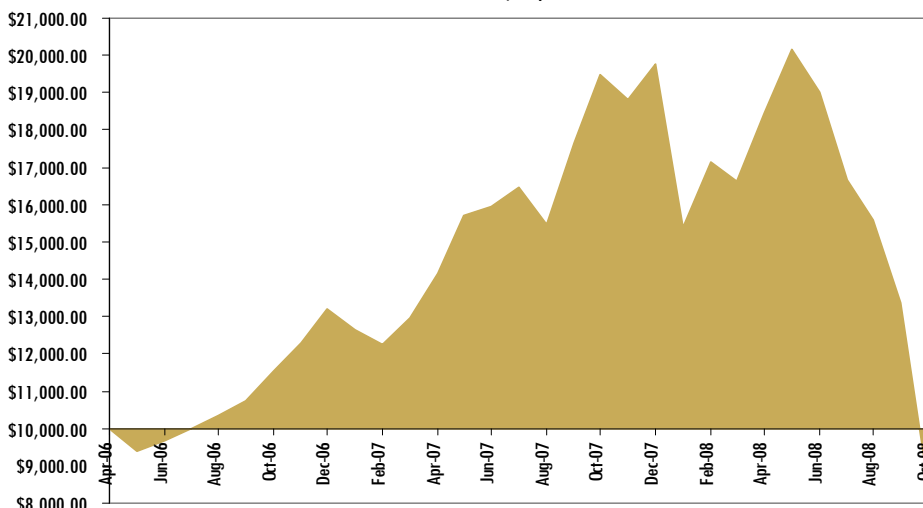
A reappraisal of iron ore market conditions by investors detrimentally affected the prices of iron ore producers. Three of the five companies subtracting most from portfolio performance — Pluton Resources, Mount Gibson Iron and Sundance Resources — are iron ore miners or mine developers. The two other stocks in the bottom five were Mirabela Nickel and Overland Resources, whose exposure to weakening nickel and zinc market conditions were key influences.

All five of the commodity segments into which the Fund is divided fell in value. Gold (down 19.4%) fell least. Oil and gas fell 31.4% followed by industrial minerals (-42.9%), steelmaking and coal (-53.0%) and nonferrous metals (-56.1%).

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)	-6.76%	n/a
1 Year	-56.98%	1.98%
2 Years p.a.	-14.77%	7.80%
1 Month	-37.25%	0.71%
Profitable Months	61.29%	100.00%
Distribution for quarter	\$0.0000	n/a
Fund Assets (million)	\$17.64	n/a
Application Unit Price	0.8413	n/a
Withdrawal Unit Price	0.8367	n/a
Net Asset Value Unit Price	0.8390	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.

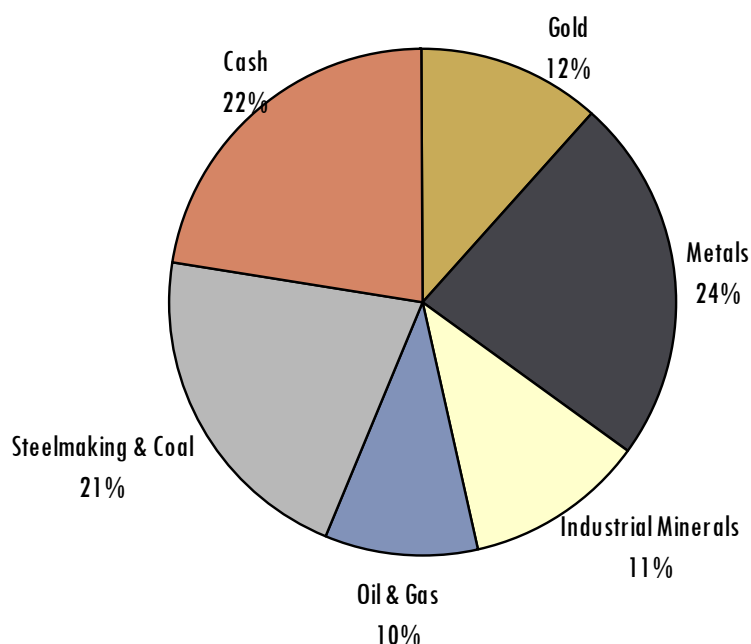
Undervalued Growth Opportunities

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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