

JANUARY 2010 PERFORMANCE REVIEW

The net asset value of the Emerging Resources Company Share Fund fell by 9.32% in January. Since inception of the Fund, it has risen at an annualized rate of 11.60%.

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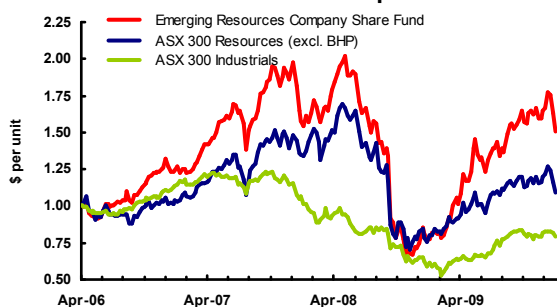
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The Product Disclosure Statement (PDS) for the E.I.M. Capital Managers Emerging Resources Company Share Fund (ARSN 118 630 541) contains important information to assist prospective investors to decide if they should invest in the Fund. The PDS should be read carefully. In reading the PDS, prospective investors should be aware that the PDS does not take into account their individual investment objectives, financial situation or particular needs. Before making an investment decision, investors should obtain independent financial advice.

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Sectoral Comparisons



Background market conditions weakened during the month after starting strongly.

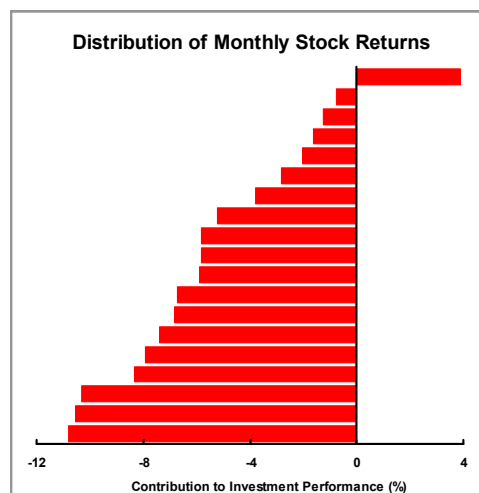
- The S&P/ASX 300 resources stocks fell by 9.4%.
- Nonferrous metal prices had risen sufficiently strongly in December and early January that, despite prices falling later in my month, average daily prices were 2.5% - 8.0% higher for the main metals.
- Average gold prices for the month were 1.5% lower but silver was up 0.6% and platinum prices were 8.3% higher.
- Average crude oil prices were 3.0% higher.

Only one stock - WA iron ore mine developer Pluton Resources - made a positive contribution to investment performance. The three stocks that subtracted least from investment performance were Bauxite Resources, Carrick Gold and Platinum Australia.

During January, the Carrick Gold share price continued to rise, reaching its highest level since July 2008 amid speculation that the company was soliciting buyers for its gold mine development areas around Kalgoorlie. The company took advantage of the higher share price to raise capital but, when the expectation of a bid appeared unfounded and with generally weakening markets, the share price fell. In common with many other companies, the share price ended the month below the price of the capital raising.

The three stocks that subtracted the most from portfolio performance were Western Areas, gold producer Red 5 and Mirabela Nickel. Western Areas and Mirabela Nickel are both nickel miners.

The macroeconomic environment was more influential than stock specific developments during the month. A combination of events - China's attempts to put a lid on bank lending, doubts about the U.S. senate reappointing Fed chairman Ben Bernanke, the surprise announcement of the so-called Volcker rule, the bank tax proposal in the U.S. and the prospect of European countries defaulting on their debt - came together to sap the strength of equity and commodity markets.



Despite the momentum of U.S. economic activity moving in the right direction, greater attention seemed to be focused on the risk factors. There was also some seasonality in play. Resource sector equity markets tend to be seasonally strong over the Christmas/new year period (and correspondingly weaker later in the month).

Among the five commodity segments into which the Fund is divided, nonferrous metal stock values dropped the most (-14.4%), followed by gold (-13.4%), oil and gas (-9.9%), steelmaking and coal (-7.7%) and industrial minerals (-7.5%).