

JULY 2010 PERFORMANCE REVIEW

The net asset value of the Emerging Resources Company Share Fund rose by 6.53% in July. Since its inception in April 2006, the value of the Fund increased at an annualized rate of 7.82%.

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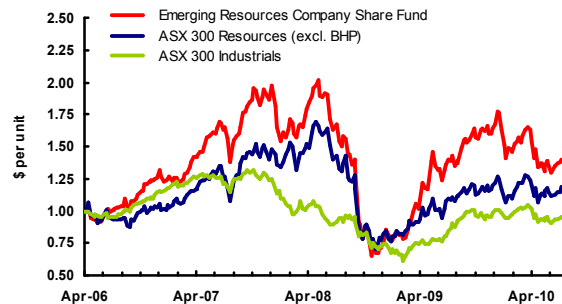
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The Product Disclosure Statement (PDS) for the E.I.M. Capital Managers Emerging Resources Company Share Fund (ARSN 118 630 541) contains important information to assist prospective investors to decide if they should invest in the Fund. The PDS should 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.



Sectoral Comparisons



Background market conditions improved significantly during the month.

- The S&P/ASX 300 index rose by 4.5%. The S&P/ASX 300 resources index rose by 4.6%. The median rise in ASX listed resource stocks was 7.1%.
- Prices of the main daily traded nonferrous metals moved higher. Lead prices jumped 22%. Aluminium, copper and zinc prices rose between 10% and 15%. Nickel prices increased 6%.
- Precious metal prices tended lower. Gold and silver prices each dropped 6%. Platinum prices rose 1.5%.
- Crude oil prices were 5% higher.

The value of 14 stocks in the portfolio rose and the value of six stocks declined. Two new stocks - Newport Mining and Sylvania Resources - were added to the portfolio.

Sylvania Resources treats tailings in South Africa to extract platinum group metals. It also has access to greenfield platinum mine development opportunities in the country. Newport Mining is seeking to develop phosphate deposits in Brazil for the production of fertiliser. Development will position the company to take advantage of growing demand for fertilizer in a fast growing and agriculturally rich region currently importing its phosphate needs.

Three stocks - Red 5, Overland Resources and Western Areas - made the largest and similarly sized positive contributions to investment performance.

Higher investment returns from gold mine developer Red 5 came despite weaker gold prices after the company released drilling results indicating the potential for a large gold-copper deposit approximately 20 kilometres from its principal development site at Siana in the southern Philippines.

The Overland Resources share price strengthened after the company announced the commencement of the third phase of its diamond drilling program at its Yukon base metal project in Canada. The company said that its work to date should lead to a relatively low capital cost open pit and underground zinc mining operation.

The three stocks that subtracted most from investment performance were 3D Oil, Carrick Gold and the leading silver producer, Coeur d'Alene Mines.

Of the five commodity segments into which the portfolio is divided, only the oil and gas group detracted from the investment performance (falling by 4.7%). The nonferrous metals stocks gained 19.2%, gold stocks rose 10.5%, steelmaking and coal added 8.4% and industrial minerals was little changed with a rise of 0.1%.

Distribution of Monthly Stock Returns

