


Quarterly Investment Report for the period ended 30th April 2007



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Fund Information

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Advisor

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Latest price	173.98
12m high	175.11 (18 April 2007)
12m low	104.02 (14 June 2006)
Currency	GBP
Fund Size	£45m, AUD\$111m (56 Holdings)
Launch date	25 July, 2005
Benchmark	AS48 – S&P/ASX 300 Resources Specialist
IMA Sector	Specialist
Share class	Income (Dividend date – 31May)
Structure	UCITS III OEIC
ACD	ACDS – Sinclair Henderson
Depository	HSBC
Minimum Invest	£50,000 initial, £10,000 sbsqt.
Charges	1.00% AMC, 20% PRF 1/2ly v Benchmark
ISIN	GB00B0D75910
SEDOL	B0D7591
Bloomberg Ticker	AUSNRFD LN

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Sources: Bloomberg L.P. LME. Comex/Nymex, Kitco, UXC

MARKET REVIEW

After some early instability caused by volatility in global markets, particularly US sub-prime fears in late January and early February, the resources sector and fund holdings continued their pleasing run, ending the quarter near record high levels. The robustness of the local market was evident as the domestic market shrugged off international disruptions with fund holdings recovering from the early weakness in a matter of weeks.

Consolidation and 'M & A' activity was again evident, with a hostile takeover bid and more beneficial offer terms announced on two of the funds holdings during the period. Despite China's stock market wobbles and concerns in the US, the domestic market again outperformed global peers, as did resources stocks.

Reporting season also weighed positively with strong numbers again evident from fund holdings and a continued positive outlook flagged by companies.

Gold: After being somewhat range bound for the previous period, gold prices broke upward to finish the quarter higher, as investors looked to gold under the softer tone of the US dollar and continued geopolitical instability.

Nickel: Prices have experienced a sustained rise over the period, continuing on from the impressive gains of the previous quarter. Nickel prices are being squeezed by continued critically low stock levels on the London Metal Exchange.

Six Month Nickel Chart: November 1st 2006–April 30th 2007



Source: Kitco Metals

Zinc – Rumours of losses by an investment fund, Red Kite, in the physical zinc market led to some early weakness in Zinc prices, before recovering. Volatile trading gripped the Zinc market throughout the quarter, but an overall rise to remain at historically high levels was evident. Stocks remain low, and thus continue to support prices.

Six Month Zinc Chart: November 1st 2006–April 30th 2007



Source: Kitco Metals

Copper – posted exceptional gains of over 50 per cent over the quarter on continued confidence that demand from China would remain healthy, and a continued downtrend in copper stocks on the London Metals Exchange.

Six Month Copper Chart: November 1st 2006–April 30th 2007



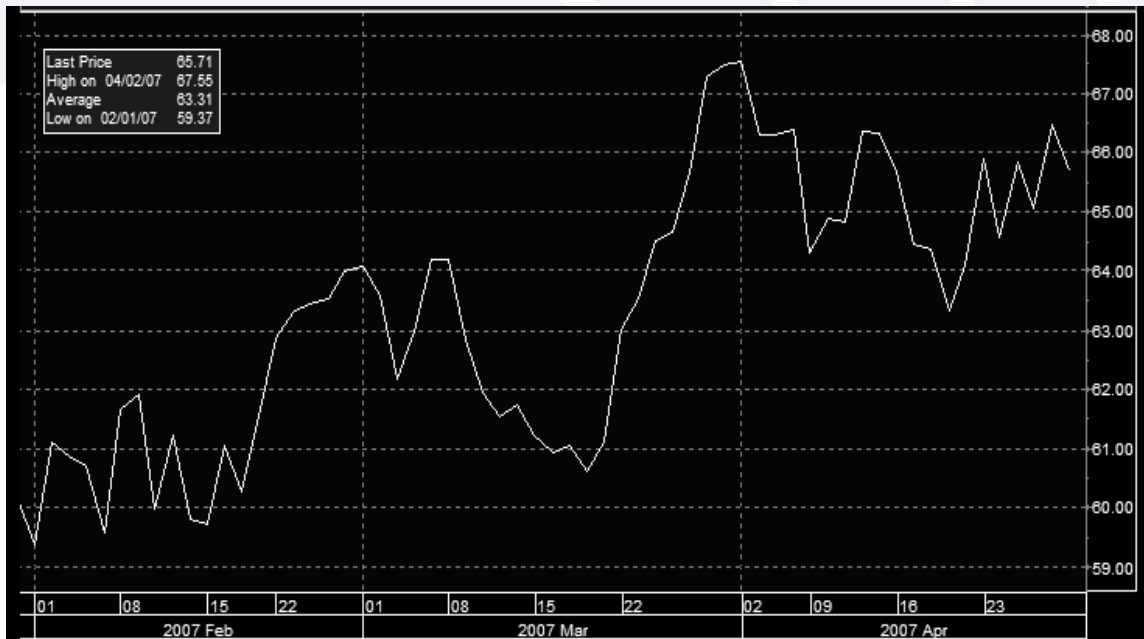
Source: Kitco Metals

Iron Ore – Tightening continues within the sector as China’s appetite for the metal in steel production continues unabated. Chinese and Russian investors continue to stalk local juniors.

Uranium – continued its surge to record levels through the quarter, supporting the uranium positions that the fund holds. The spot uranium price now stands at \$113per pound. Consolidation is heating up in the sector with a number of fund holdings involved in M & A activity. During the quarter, the Federal opposition Labor Party overturned its 25-year policy that bans new uranium mines. The Labor Party's new policy was announced at the same time that Prime Minister John Howard indicated that he hopes to expand Australia's uranium industry into nuclear processing and nuclear power. The government intends to introduce laws in 2008 that would set-up a nuclear regulatory regime.

Oil & Gas – Oil prices rose on the back of continued geopolitical tensions, and colder conditions, particularly throughout the North Eastern United States. Fund holdings remain leveraged to any gains in oil and gas prices.

Three Month June Crude Oil Futures Chart: January 31st 2007– April 30th 2007



Source: Bloomberg

FUND PERFORMANCE

As at 30th April 2007

Movement %

	3 months	6 months	1 year	Launch
ACDS Australian Natural Resources Fund	18.7	27.8	29.2	74.0
AS 48 All Resources Index	18.8	15.0	7.2	50.4

The Oceanic Asset Management – CF Australian Natural Resources Fund closed up 18.7 per cent for the quarterly period ending April 30, 2007, another substantial rise, although broadly in line with the benchmark Australian S&P/ASX300 Resources Index.

Comparative Returns: January 31st 2006–April 30th 2007



Comparative Returns: October 31st 2006–April 30th 2007



Particular positive highlights for the fund were:

Summit (up 69 per cent for the quarter)—received hostile takeover offer from Paladin resources, subsequently squeezed by a deal with Canadian listed uranium major Areva, which triggered an increased offer from Paladin.

Omega Corp (up 14 per cent)—received an increased offer from Toronto-listed uranium major Denison mines, followed by an 11th hour bid from Central African Mining and Exploration Company.

Golden State Resources (up 30 per cent)—fixed down hole problems, market realizes value and commercial ability inherent in existing gas strikes and anticipated further success.

Jabiru Metals (up 15 per cent)— acquires high grade Benambra base metal (Copper—Zinc) project in Victoria. Jaguar project continues to achieve key milestones as production nears.

Ironbark Gold (up 143 per cent)—market re-rate company following acquisition of world class Citronen zinc project in Greenland.

ABM Resources (up 34 per cent)— continued drilling success at Eraynia project, market begins to realize massive potential of project.

Tanami Gold (up 28 per cent)—Performance of treatment plant improves sharply following issues with previous services provider, recommencement of mining at flagship Coyote project

Lynas Corp (up 53 per cent)— receives key tax concessions for development of rare earths project, the largest outside of China, leveraged to changes in global technology.

The following holdings were disappointing for the quarter:

Perilya—(down 19 per cent) death of worker leads to production slowdown at Broken Hill Operations. Cashed up producer that is incredibly cheap relative to peers.

Herald Resources (down 6 per cent) more delays in project forestry approval in Indonesia. Market continues to eye red-tape processes closely.

Odyssey Energy (down 16.5 per cent) Remains unloved by the market as the company's low key approach fails to get them in the eyes of investors. We expect a re-rating as the company explores substantial tenement holdings, and production numbers are released.

Petsec Energy (down 28 per cent) Generally unloved by the market despite continued success in the oil rich Gulf of Mexico. Recent Oil and Gas sector underperformance also weighing in. Anticipate re-rating as value becomes evident relative to peers and as the oil sector re-enters the spotlight. Continued exploration and development success should also assist.

FUND ACTIVITY

Placements, Rights Issues and Initial Public Offerings

During the quarter the fund participated in the following new issues and capital raising initiatives:

Torrens Energy—alternative clean energy hot rocks project, raised \$6 million—105 per cent gain on listing with loyalty option included.

Jabiru Metals—raised approximately \$58 million in order to fast track exploration and feasibility of high grade Benambra tenement in Victoria, continue exploration of Teutonic Bore, and pay off debt.

Ironbark—raising approximately \$25 million to institutional investors for purchase of world-class Citronen zinc project in Greenland.

Extract—raises \$15 million from institutional investors to fund extensive drilling and evaluation programs planned for 2007 on the company's wholly owned Namibian uranium interests.

Siberian Diamonds— Exploring for Diamonds in the highly prospective Siberian region.

Mineral Sands Limited—raising \$10 million for a number of advanced project areas which contain previously identified resources that exhibit potentially favourable mining and processing options and good infrastructure

Mac Services —services provider to the mining industry. Raised approximately \$73 million.37.3 per cent rise on first day of listing.

Boart Longyear—one of the worlds largest mining services companies, specialising in drilling services to the mining industry, raised approximately 2.3billion.

ABM resources—raised \$3.75 million to fund continued exploration of the company's Erayinia project.

OUTLOOK & STRATEGY

Markets are expected to remain volatile in the short to medium term. Despite this, both the domestic and international economic environments remain supportive with supply conditions for a number of metals remaining tight. Global volatility and associated uncertainty is expected to add support to gold and oil prices in the near term. Commodity markets remain strong, with gold and oil touted as particular performers as geopolitical tensions with Iran, and US sub-prime uncertainty remains. Opportunities and value continue to exist despite the exceptional performance of the market in recent weeks. Results from explorers are anticipated to continue to exceed market expectations with subsequent share price rises

Commodity prices broadly remain over forecast levels, with subsequent re-ratings of producers and near term producers expected. A number of fund holdings are continuing their movement along the company growth cycle, with significant re-ratings expected as the fund captures the early mover advantage as companies move from exploration to production.

Key government debates on mining policy and economics are set to continue to hold the mining sector in the spotlight domestically. Fund holdings continue to be stalked as potential takeover targets with uranium, base metal and gold holdings predominantly under the spotlight. Despite the calls from the bears, and continued volatility, The 'China story' continues to remain a robust and positive driver for our investments.

Green energy, carbon friendly companies, water suppliers, and companies exploring or producing commodities required to meet changes to global government policies also remain an area of particular interest. As awareness grows, a number of strategic fund holdings are set to benefit. Green energy is anticipated to become an increasingly important global issue, with companies leveraged to this issue set to benefit as awareness grows. Companies leveraged to technological change such as rare earths producers and platinum explorers are also of particular interest to the fund.

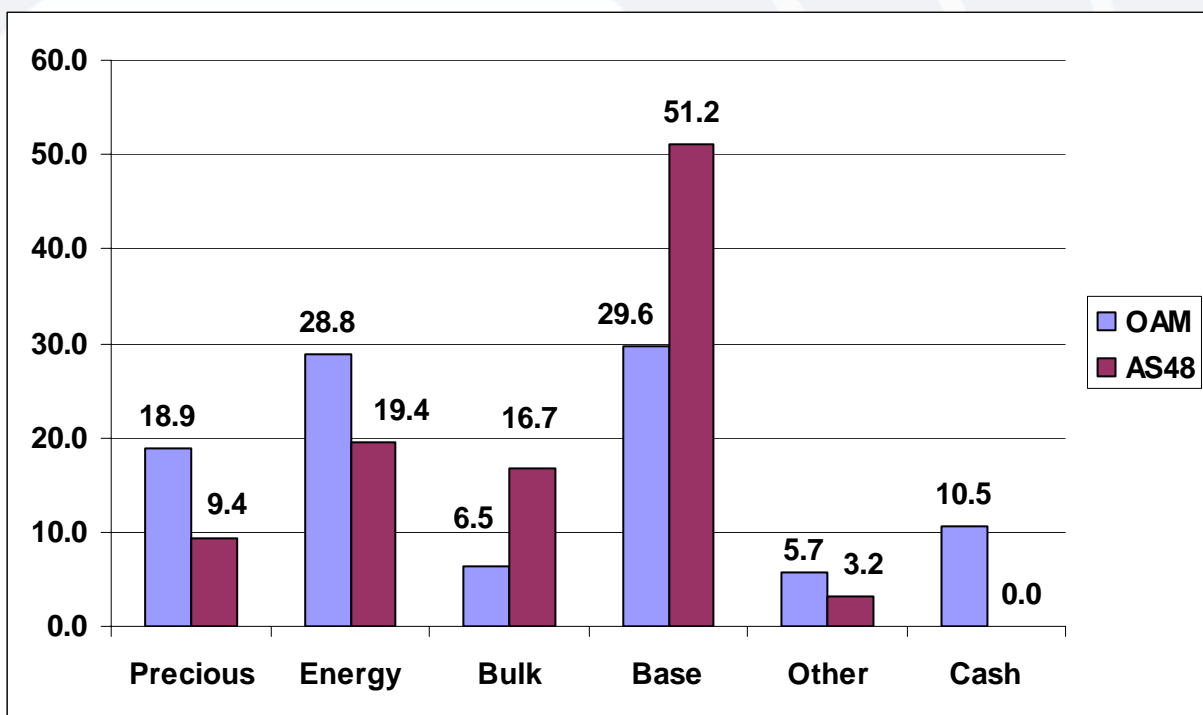
Quality public offerings and placings remain in the market with the fund well poised to take advantage of its local and international relationships to access the most beneficial raisings and offerings. The fund holds a strategic cash stake to take advantage of any short term volatility in global markets and in order to move quickly on new investment opportunities as they arise.

We remain focused on existing and emerging producer companies within the mining and energy sectors with continued emphasis on quality of assets, cash flow potential and management strength.

Sector Breakdown By Primary Commodity

As at 30 April 2007

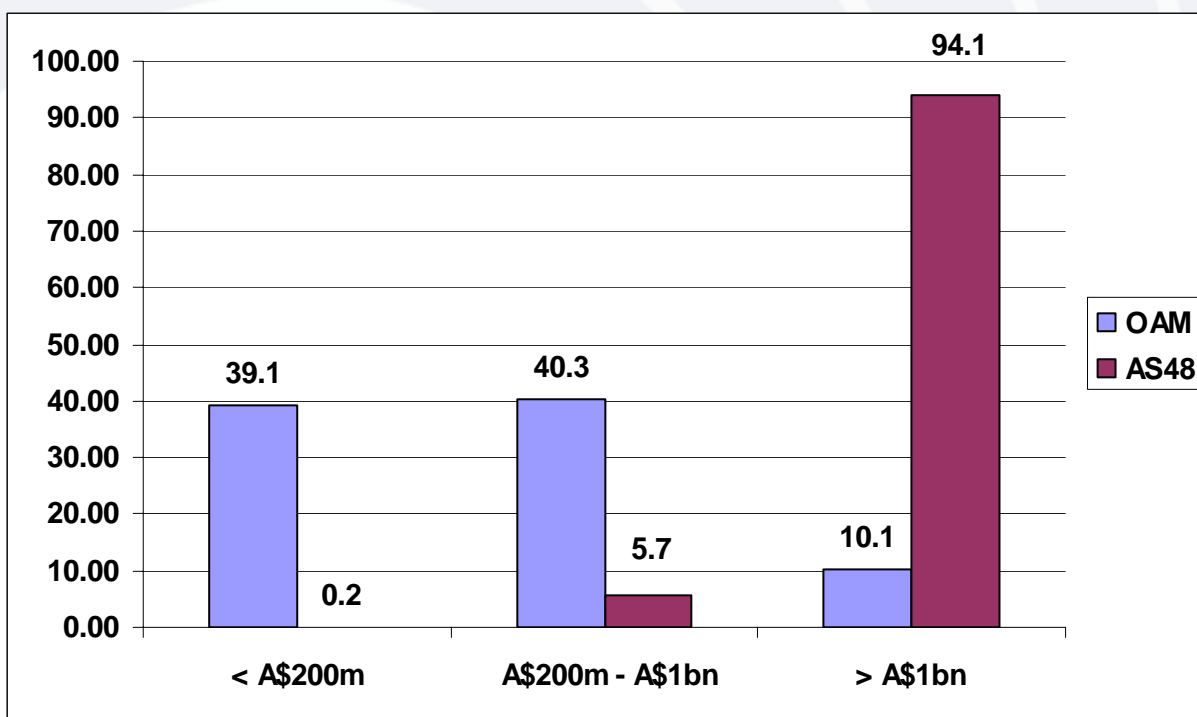
	Oceanic	AS48—All Resources Benchmark	Difference – Over / (Under) Weight
Precious	18.9	9.4	9.5
Energy	28.8	19.4	9.4
Bulk	6.5	16.7	(10.2)
Base	29.6	51.2	(21.6)
Other	5.7	3.2	2.5
Cash	10.5	0	2.3



Market Capitalisation Breakdown

As at 30 April 2007

	Oceanic	AS48—All Resources Benchmark	Difference – Over / (Under) Weight
\$0– \$200 Million	39.1	0.2	38.9
\$200m –\$1 Billion	40.3	5.7	34.6
\$1 Billion +	10.1	94.1	(84.0)
Cash	10.5	0	10.5



Portfolio Stock Holdings by Sub Sector (Diversifieds by Primary Commodity)

As At 30th April 2007

Sub Sector	Weighting	Weighting Previous Quarter (%)	Increase / (Decrease)
Zinc	20.8	25.8	(5.8)
Oil & Gas	18.4	22.2	(3.8)
Gold	13.1	7.3	5.8
Uranium	9.2	7.5	1.7
Nickel	6.6	8.2	(1.6)
Copper	6.6	4.4	2.2
Iron Ore	6.5	9.0	(2.5)
Logistics	5.0	5.3	(0.3)
Silver	3.4	4.1	(0.7)
Platinum	1.8	2.0	(0.2)
Mineral Sands	0.7	1.8	(1.1)
Diamonds	0.6	0.1	0.5
Cash	10.5	2.3	8.2

Top Ten Holdings

Company	Sector	Primary Sub Sector	Weighting (%)
Jabiru Metals	Base Metals	Zinc	6.4
Ironbark	Base Metals	Zinc	5.8
ABM Resources	Base Metals	Zinc	5.6
Golden State Resources	Energy	Oil & Gas / Uranium	5.5
Sphere Investments	Bulk Commodities	Iron Ore	5.5
CBH Resources	Base Metals	Zinc	3.6
Bolnisi Gold	Precious Metals	Silver / Gold	3.4
KFM Diversified	Other	Logistics	3.0
Tanami Gold	Precious Metals	Gold	2.9
Oxiana	Base Metals	Copper	2.7

Concentration Breakdown

	%
Cash	10.5
Top 5 Holdings	28.8
Top 10 Holdings	44.4
Top 20 Holdings	66.3
Top 30 Holdings	78.7
Top 40 Holdings	86.2
Top 50 Holdings	89.2
Total Holdings (56)	89.5