


Quarterly Investment Report for the period ended 31st June 2007



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Fund Information

Registered and Head Office of the Investment	Fund Manager:	Elliott Rowton
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Oceanic Asset Management Pty Ltd	Email :	e.rowton@oceanicasset.com.au
Level 6, 40 St Georges Terrace	Bloomberg:	e.rowton@bloomberg.net
Perth	Latest price	187.70
Western Australia 6000	12m high	202.93 (26th July 2007)
	12m low	112.65 (22nd September 2006)
Authorised Corporate Director	Currency	GBP
Capita Financial Managers Limited	Fund Size	£60m, AUD\$139m (58 Holdings)
Registered Office:	Launch date	25 July, 2005
Beaufort House	Benchmark	AS48 – S&P/ASX 300 Resources Specialist
15 St Botolph Street	IMA Sector	Income
London EC3A 7HH	Share class	(Dividend date – 31May)
(Authorised and regulated by the Financial Services Authority)	Structure	UCITS III OEIC
	ACD	Capita
	Depository	HSBC
	Minimum Invest	£50,000 initial, £10,000 subsequent
	Charges	1.00% AMC, 20% PRF 1/2ly v Benchmark
	ISIN	GB00BOD75910
	SEDOL	BOD7591
	Bloomberg Ticker	AUSNRFD LN
Disclaimer		

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

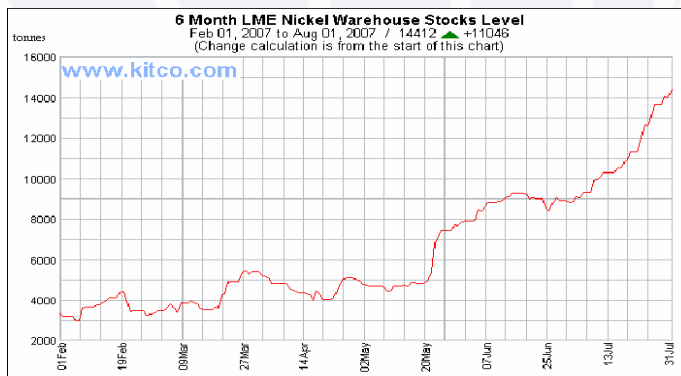
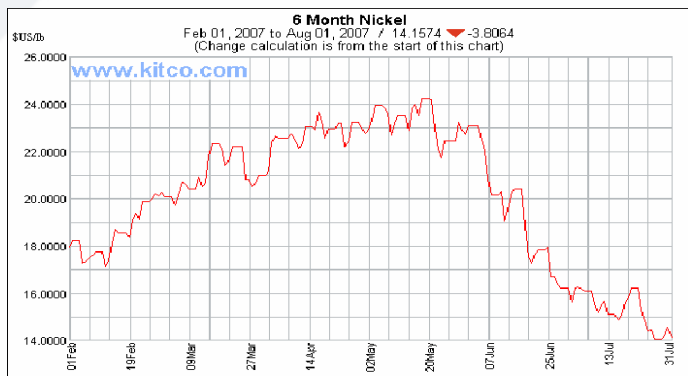
MARKET REVIEW

It was another strong period for the fund, reaching record highs before a large broader market sell off towards the end of the quarter guided holdings lower. US concerns about the sub-prime mortgage and corporate lending markets, worse-than expected US company earnings results and disappointing US economic figures all impacted on the domestic market.

Gold— Continues to trade range bound after having several attempts at US\$700/oz. Investors seem disappointed by gold's failure to rally through this level and have looked to take profits on several occasions. Reasonable support remains around the US\$640/oz level. European Central Bank selling has been a feature, but support still remains from jewellery demand particularly from key gold consuming economies such as India, China and the Middle East.

Nickel— Prices came under pressure after reaching all-time highs of US\$54,050/tonne on 15 May following significant increases in LME stocks and a belief that stainless steel production will remain constrained after European and Asian producers announced that they were starting to cut output in June/July. Plentiful stainless steel scrap and talk of the Chinese and South Koreans using nickel substitutes such as low-grade nickel pig iron from Indonesia also weighed.

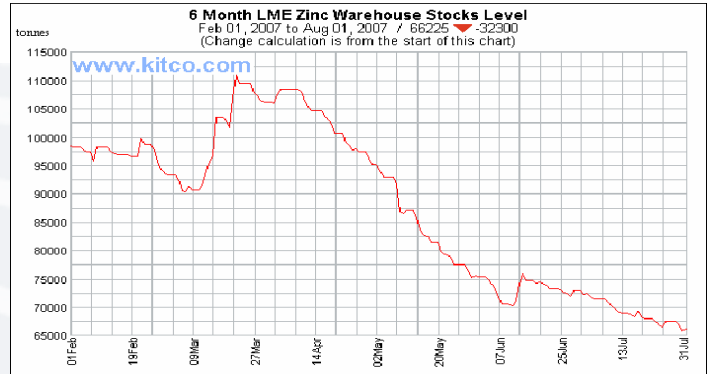
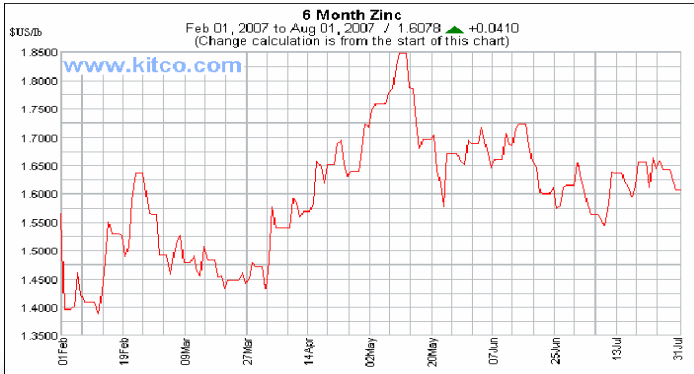
Six Month Nickel Chart and Inventories: 1st February 2007–31st July 2007



Source: Kitco Metals

Zinc – Prices spiked to US\$1.85/pound in May on continued depletion of LME warehouse stocks to historically low levels. Prices pulled back to the US\$1.50-1.60 level with market anticipating mine supply rising as a number of projects ramp up or commence operations. Demand from galvanized steel makers remains robust.

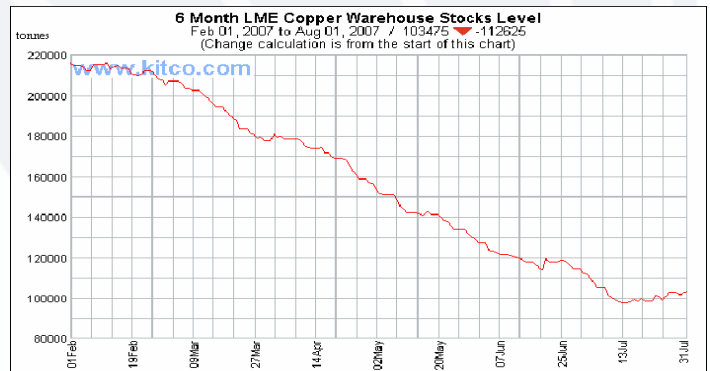
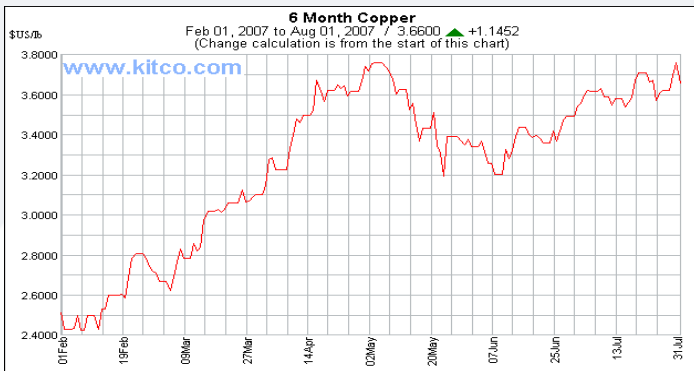
Six Month Zinc Chart and Inventories: 1st February 2007–31st July 2007



Source: Kitco Metals

Copper – Continued to trade at high levels with supply disrupted from continued industrial unrest at several large mines and Chinese demand remaining strong. China’s preliminary trade data for July showed that copper imports (unwrought and products) remained at firm levels. We believe this may offset concerns of lack of demand coming from the downturn in US housing markets.

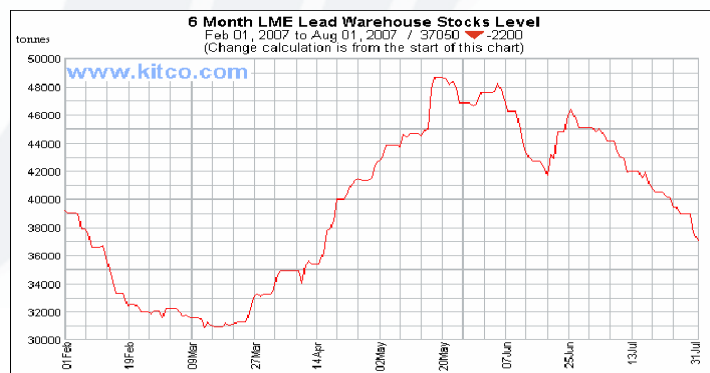
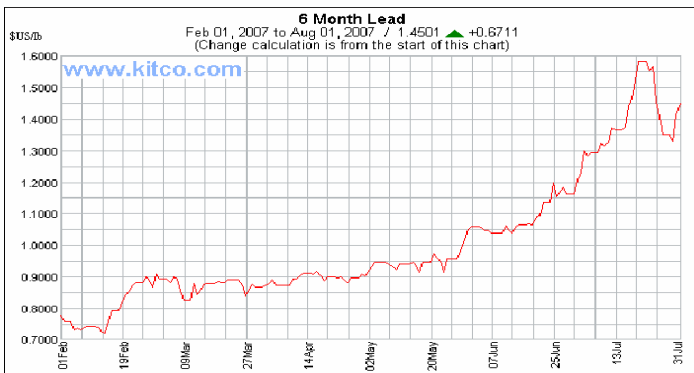
Six Month Copper Chart and Inventories: 1st February 2007–31st July 2007



Source: Kitco Metals

Lead— Prices were pushed to extraordinarily high levels in very tight supply conditions.

Six Month Lead Chart and Inventories : 1st February 2007–31st July 2007



Source: Kitco Metals

Iron Ore – remains a hot topic as pundits talk of sustained high prices with Chinese and Japanese Steel Mills.

Uranium—The introduction of Uranium futures on the New York Mercantile Exchange added support to spot prices early in the quarter, reaching highs of over \$125 per pound before a seasonal sell off through June and July. Despite this, the long term outlook for uranium remains compelling, and we believe opportunities still exist in emerging uranium plays geared towards the continuing global shift in attitude towards nuclear energy.

Oil & Gas – Oil prices rose significantly throughout the quarter with WTI/NYMEX /Brent nearly hitting all time highs. Bullish factors such as falling US crude inventories, decreased refinery capacity, doubt over OPEC’s ability to increase supply through spare capacity, signs of falling production from some of the world’s largest oil companies (Eg, ExxonMobil, BP, etc), nationalization of oil assets in countries such as Venezuela, Russia, etc, continued geo-political conflict in areas like Nigeria, Iran and Iraq, the fact that the world’s biggest oilfields (Saudi/Mexico/North Sea) continue to show evidence they are in natural decline and past their peak, and IEA predictions that world oil demand will rise by 2.2 million barrels a day or some 2.5% in 2008 and beyond have all conspired to push prices to near record levels.

Three Month June Crude Oil Futures Chart: 1st May 2007 – 31st July 2007



Source: Bloomberg

Rare Earths & Green Technology— Green energy, ‘carbon friendly’ companies, water suppliers, and companies exploring or producing commodities required to meet changes to global government policies and technological change continue to gather momentum as awareness grows.

FUND PERFORMANCE

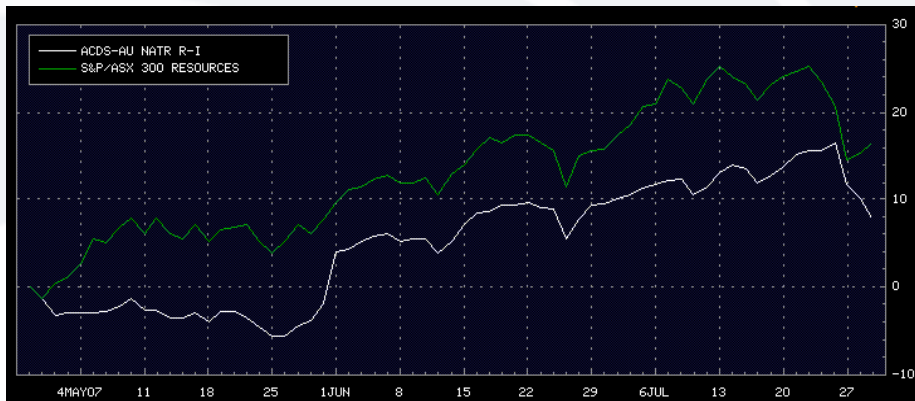
As at 31st July 2007

Movement %

	3 months	6 months	1 year	Launch
ACDS Australian Natural Resources Fund	7.9	28.0	50.1	87.7
AS 48 All Resources Index	16.7	38.6	35.2	75.5

The Oceanic Asset Management – CF Australian Natural Resources Fund closed up 7.9% for the quarterly period ending July 31st, 2007, an encouraging result, although disappointing in line with the benchmark Australian S&P/ASX300 Resources Index which benefited particularly by substantial rises in heavyweights BHP Billiton and Rio Tinto over the period.

Comparative Returns: 1st May 2007– 31st July 2007



Comparative Returns: 1st February 2007–30th April 2007



Sources: Bloomberg

Particular positive highlights for the fund were:

Sphere Investments (up 99% for the quarter) - Achieves a number of Key Milestones as it progresses towards developing its Mauritanian Iron Ore project, including arranging the sale of 49.9% of interest in the project to partners SABIC and Qatar Steel for US\$375 million, and a dual listing on the Dubai International Financial Exchange.

Salinas Energy (up 19%) - Certifies a proved plus probable (2P) reserve of 5.5 million barrels of Oil at North San Ardo with production rates stabilizing over 550 barrels of oil per day. Acquires right to earn 50% in the Paris Valley Oil field, estimated to contain over 100 million barrels of oil in place, 6 miles along trend from North San Ardo. Acquired right to earn 100% interest in the McCool Ranch oil pool, estimated to have approximately five million barrels of oil in place and located within one mile of North San Ardo. Planning advanced drilling for the North Yowlumne-2 follow up well in the San Joaquin Basin following an oil discovery in previous drilling.

Mundo Minerals (up 34%) - Construction advances on Engenho Gold Project in Brazil, with first production in early 2008 on track. Significant new gold anomaly is confirmed at Mazoca, 2km from Engenho, with the potential to emerge as a new ore source. Acquisition of high grade Torrecillas Gold Project in Peru completed. Drilling upgrades the potential for a new gold discovery at Conceicao East, within the Tocantins Project, Brazil.

Pan Australian Resources (up 25%) - Phu Kham Copper Gold project in Laos remains ahead of scheduled mid 2008 start up target. Ongoing infill and resource extension drilling within Phu Kham indicates potential for the open pit to be extended deeper. Heap leach production for the Phu Bia gold mine in Laos up 7% on the previous quarter. Mineralised zone extended at Ban Houayxi in Laos and new porphyry copper-gold intersected at Puthep Copper project in Thailand.

Wildhorse Energy (up 116%) - initial JORC inferred resource of 30 million pounds of uranium resource identified at Pecs Project in Hungary. Bison Basin Project in Wyoming modeling and analysis continues with JORC certification nearing completion. Drilling continues at Sweetwater project in Wyoming with grades in the range suitable for ISL production. Signed an agreement with Sparton Resources Inc. to evaluate the possibility of extracting uranium from coal ash produced by thermal power stations in Europe. Applied for a number of exploration permits in highly prospective areas of Central Eastern Europe. Wildhorse upgrades target to 100 million pounds of uranium resources under its control (from 45 million) by the end of 2008.

Tiger Resources (up 77%) - Drilling on Kipoi project in Democratic Republic of Congo encounters high grade copper oxide and cobalt mineralization over a significant strike length. Aurum project drilling defines a coherent zone of copper mineralization over long wide strike length.

The following holdings were disappointing for the quarter:

Tanami Gold (down 22% for the quarter) - gold sector nervousness weighs in as plant settles down to continuous treatment and improved recoveries at Coyote Gold Project in Northern Territory. Price also lags before mining recommences for the quarter as lower grade stockpiled ore is processed . Market largely ignores recent drilling program that intersects visible gold and outstanding assay results in the Muttley Lode at Coyote which improves confidence in the continuity and predictability of the high grade underground lodes.

Globe Uranium (down 36%) - Spot uranium prices fall from lofty highs, with flow on effect to junior uranium explorers. Profit taking also weighs in following over 500 per cent rise from IPO entry price in less than 18 months. Drilling confirms significant multi-commodity Uranium-Rare Earths discovery at Kanyika Malawi prospect and company attains prospective new uranium tenements in Malawi, Zambia and Tanzania. Globe is on track for maiden JORC resource by end of the year.

Sally Malay (down 29%) - Commodity price underperformance weighs on share price as Nickel slides on low quality Chinese substitution impacting on demand. Market nonplussed despite production increases at Sally Malay and Lanfranci operations in Western Australia, continued discoveries of new mineralization across tenements and completion of feasibility study at Copernicus. However, we sold most of our holding prior to the price slump.

FUND ACTIVITY

Placements, Rights Issues and Initial Public Offerings

During the quarter the fund was active in the following placements and offerings:

Oilex—50 million shares at \$1.35 to raise \$67.5 million in order to progress the company's exploration activities, including drilling up to eight wells in the highly prospective Cambay project.

United Uranium—Initial Public Offering raising of 25 million shares at 20 cents to explore and evaluate uranium tenements in the Northern Territory. Opened at a 125% premium.

Paladio— placement of 44 million shares at 75c to raise \$33 million in order for the company to acquire Decmil Australia Pty Ltd, a leading construction and maintenance services provider to the resources and oil and gas industries. Traded substantially higher after issue.

Emerald Oil & Gas— placed 16.75 million shares at 20c to raise approximately \$3 million with one-for-two option to further exploration and development of the company's oil and gas interests in the United States and Australia. Also traded substantially higher after issue.

Tanami Gold— 154 million shares at 13c to raise approximately \$20 million to see the company through to first gold pours at Coyote Project

Every Day Mining Services: Initial Public Offering which raised \$8 million through issuing 20 million shares at 40 cents. 62.5% return on first day of listing.

First Australian Resources— \$8.68 million raised through issue of 62 million shares at 14c in order to fund world class, aggressive, high impact exploration programs in Senegal, China, Australia and the United States.

Zambezi Resources— raised \$15 million at 45c through initial public offering to explore Iron Oxide Copper Gold mineralisation in Zambia.

FUND ACTIVITY

Placements, Rights Issues and Initial Public Offerings (continued)

Pike River Coal— Initial Public Offering of \$65 million to explore and mine high quality coal in New Zealand.

Red Corp Ventures—raised up to \$100 million at C50c for exploration, development and construction of the multi-commodity Tulsequah copper-lead-zinc-gold-silver project in British Columbia, Canada.

Mundo Minerals raised approximately \$18 million at 50c per share to underpin future development of highly prospective gold projects.

Prarie Downs Metals— raised \$5.46 million at 91c per share to be applied to ongoing exploration and development of their flagship Prarie Downs Zinc project

OUTLOOK & STRATEGY

We anticipate trends on international financial and equity markets will continue to have a dominant influence on sentiment in commodities markets. Credit market issues may provide a heavy check on international economic growth that we shall be monitoring events closely over the next few months.

Gold—With international financial and equity markets rocked by concerns over the US sub-prime mortgage sector and a related increase in investor risk aversion it has been interesting to observe that gold has not as yet benefited greatly from safe haven flows. If the current credit crunch continues for an extended period, then we expect gold will attract some safe haven buying. Physical demand should increase notably from end of August/early September as Indian and European buyers return. The unwinding of FX carry trades may be short-term positive for the US\$ and may put some upward pressure on the AUD\$ gold price that should benefit our gold producer positions.

Copper—We expect copper consumption to remain solid in coming months given the pace of growth of industry and infrastructure building in emerging economies. Mine and concentrate supply looks to remain constrained on continued labour disputes and lower ore grades, and inventories are expected to remain low. Interesting to note that the copper futures are currently in backwardation suggesting expected further tightness.

Lead—The current lead price already reflects extremely tight market conditions. We expect new lead supply to hit markets over the next 18 months with several large projects coming on stream. At the same time lead demand may surprise to the upside if motor vehicle demand in emerging economies prove stronger than expected. Additionally, continued disruptions to existing production (such as Ivernia's Magellan mine) or delays to new projects could be supportive of current high prices.

Nickel—Is our least preferred base metal exposure at present, as prices look to remain under pressure on concerns that continued historically high prices are encouraging substitution by stainless steel producers

OUTLOOK & STRATEGY (continued)

Zinc— We anticipate the zinc market to remain tight with stocks remaining at critically low levels by historical measures. New mine supply may put some downward pressure on prices in the short-term, although this is well documented and may already be factored in by the market. With LME warehouse levels extremely low, any possible disruptions to zinc supply could squeeze prices significantly higher. Our discussions with industry players indicates that over the medium to longer term there is a significant zinc supply gap. Our zinc positions are well poised to ramp up production into these solid underlying fundamentals.

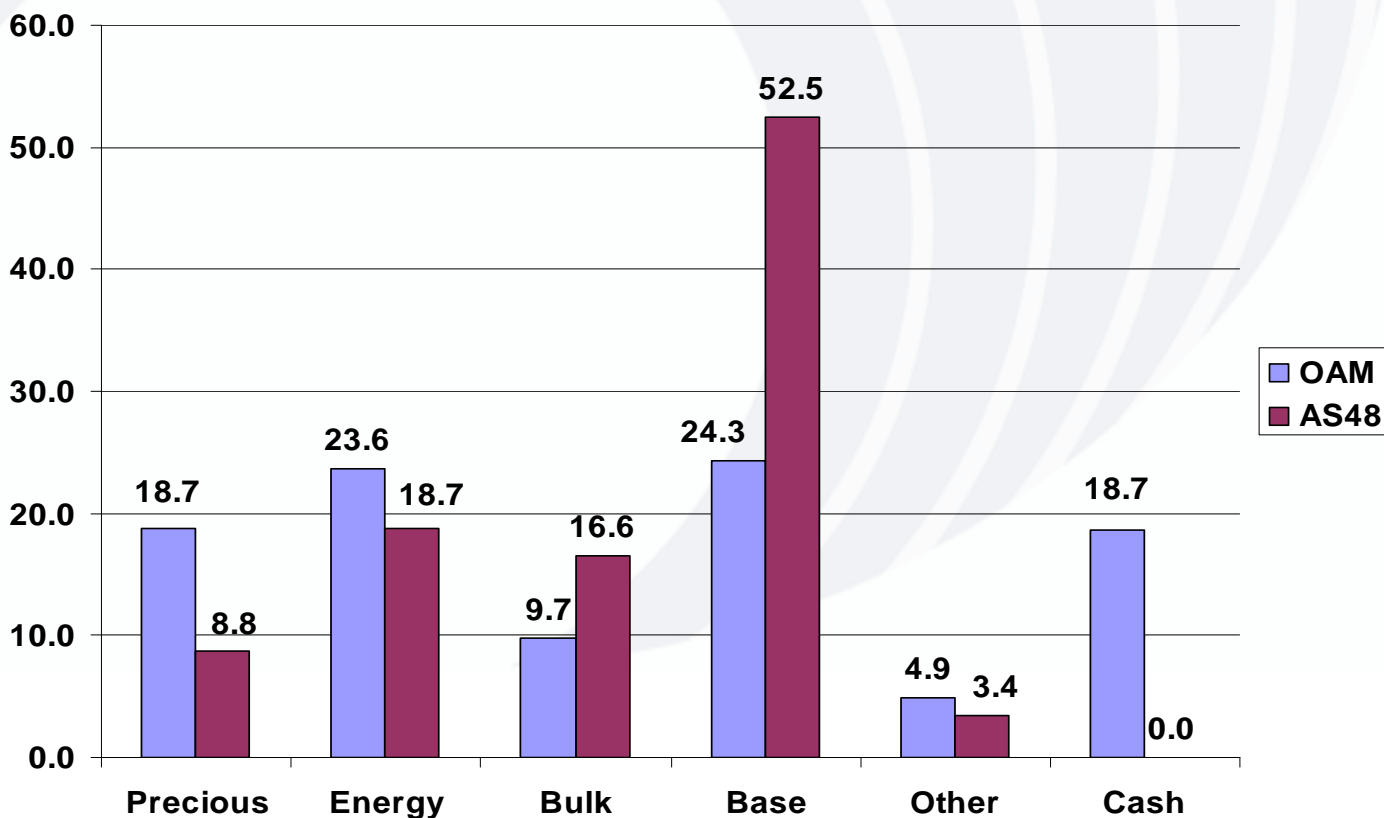
The fund has moved to a defensive 18.7% cash position and will monitor markets for appropriate opportunities to take advantage of any overselling of quality companies positioned to benefit from the ongoing growth in emerging nations. We remain focused on existing and emerging producer companies within 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 31 June 2007

	Oceanic (%)	AS48—All Resources Benchmark (%)	Difference – Over / (Under) Weight (%)
Precious	18.7	8.8	9.9
Energy	23.6	18.7	4.9
Bulk	9.7	16.6	(6.9)
Base	23.6	52.5	(28.9)
Other	5.6	3.4	2.2
Cash	18.7	0	18.7

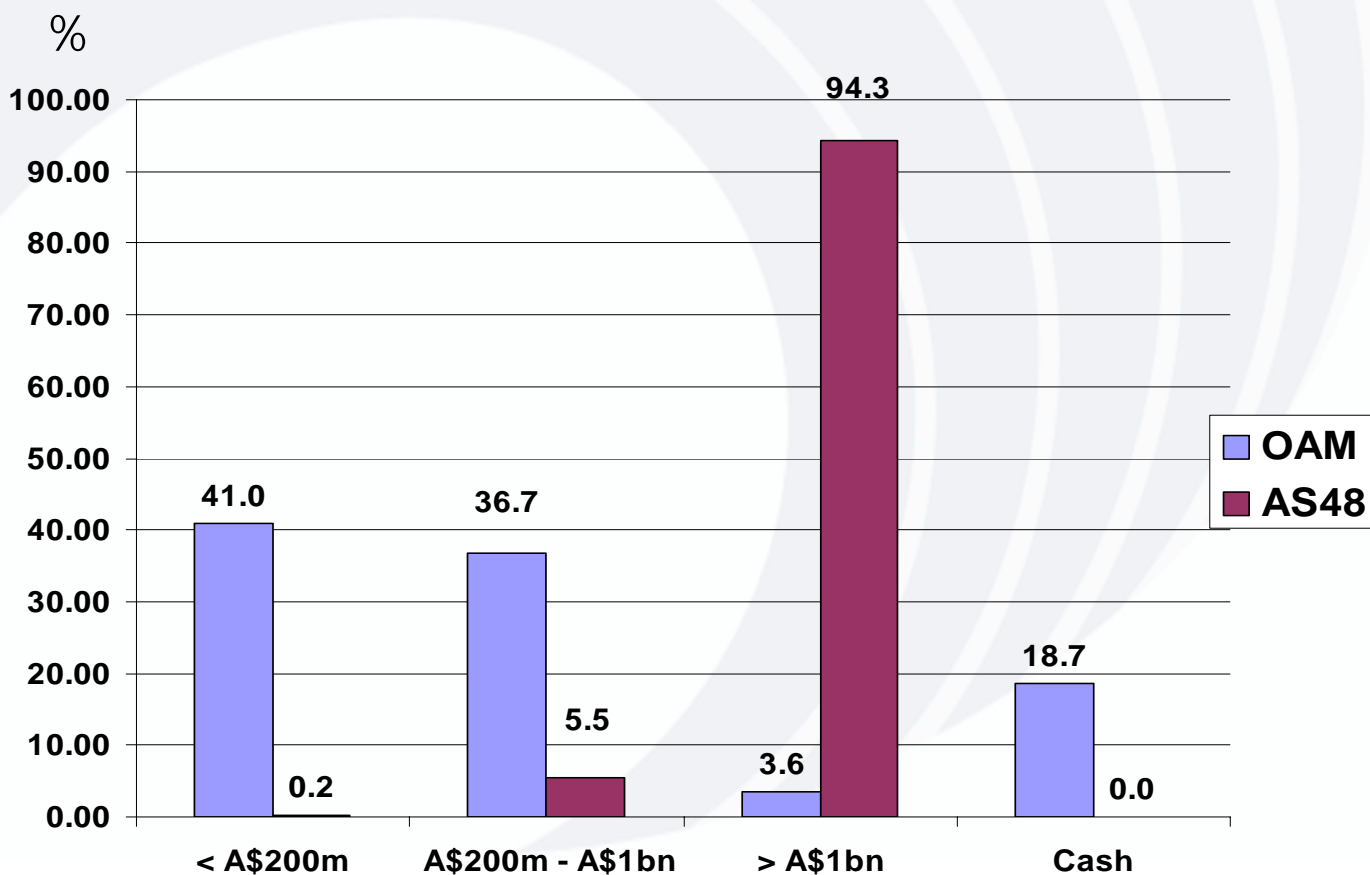
(%)



Market Capitalisation Breakdown (%)

As at 31st July 2007

	Oceanic (%)	AS48—All Resources Benchmark (%)	Difference – Over / (Under) Weight (%)
\$0– \$200 Million	41.0	0.2	39.9
\$200m –\$1 Billion	36.7	5.5	31.2
\$1 Billion +	3.6	94.3	(90.7)
Cash	18.7	0	18.7



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

As At 31st June 2007

Sub Sector	Weighting (%)	Weighting Previous Quarter (%)	Increase / (Decrease) (%)
Zinc	24.1	20.8	3.3
Oil & Gas	17.5	18.4	(0.9)
Gold	10.1	13.1	(3.0)
Iron Ore	8.2	6.5	1.7
Copper	5.6	6.6	(1.0)
Logistics	5.0	5.0	0.0
Uranium	4.6	9.2	(4.6)
Platinum	1.7	1.8	(0.1)
Coal	1.5	0	1.5
Silver	1.1	3.4	(2.3)
Nickel	0.6	6.6	(6.0)
Mineral Sands	0.6	0.7	(0.1)
Diamonds	0.5	0.6	(0.1)
Magnesium	0.4	0	0.4
Cash	18.7	10.5	8.2

Top Ten Holdings

Company	Sector	Primary Sub Sector	Weighting (%)
Sphere Investments	Bulk Commodities	Iron Ore	8.2
Ironbark Gold	Base Metals	Zinc	6.4
ABM Resources	Base Metals	Zinc	6.2
Oilex	Energy	Oil & Gas	6.0
Jabiru Metals	Base Metals	Zinc	6.0
Salinas Energy	Energy	Oil & Gas	4.2
Mundo Minerals	Precious Metals	Gold	3.8
CBH Resources	Base Metals	Zinc	3.0
KFM Diversified	Other	Logistics	2.5
Tanami Gold	Precious Metals	Gold	2.3

Concentration Breakdown

	%
Cash	18.7
Top 5 Holdings	32.8
Top 10 Holdings	48.6
Top 20 Holdings	64.7
Top 30 Holdings	73.5
Top 40 Holdings	78.5
Top 50 Holdings	81.0
Total Holdings (58)	81.3