

### Patersons Australian Resources Opportunities Fund

#### Portfolio Performance as at 31 May 2011

	1 Month	3 Month	6 Month	12 Month	Inception
<b>Patersons Australian Resources Opportunities Fund</b>	-1.78%	-3.78%	+1.73%	-	+18.99%
Reconstituted ASX300 Resources Accumulation Index	-0.37%	-0.44%	+6.07%	-	+18.29%
<b>Outperformance</b>	-1.41%	-3.34%	-4.34%	-	+0.70%

#### Monthly Summary

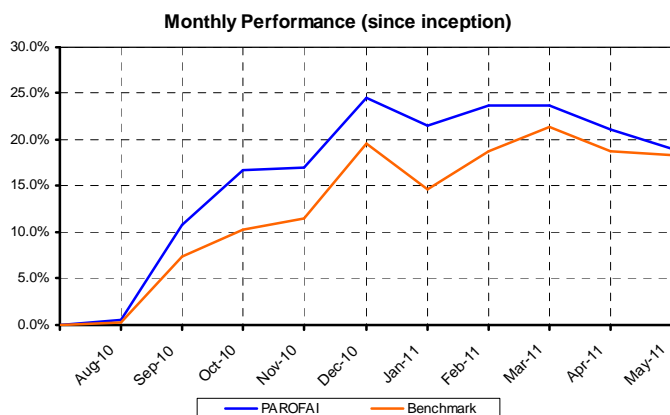
Nervousness and uncertainty continue to plague the market, particularly in the mid and small cap resources sector. We expect that there will be a continuation of volatility in performance in the short term however we still believe that the long term prospects for the sector remain excellent. The Fund is diversified across companies, countries and commodities and is constantly monitored to ensure risk levels are appropriate.

Gold stocks have been particularly volatile over the last couple of months and we have seen varying performances month to month within the portfolio. In May, Ampella was up 6% yet Golden Rim was down 15.4%. In April, the reverse was seen (Ampella down 28% and Golden Rim up 5%). Ampella announced the intersection of multiple wide high-grade zones of gold mineralisation at Konkera and commenced pre-feasibility studies on the 2.2 million ounce Konkera resource. A strong gold anomaly was also identified at the new Wadaradoo prospect. We believe that Ampella will continue to announce positive results on its way to a first gold pour in Q4 2013. Golden Rim also announced encouraging exploration at its Galgouli South and Balogo permits in Burkina Faso.

The Fund added Kingsgate Consolidated to the portfolio after it finalised US\$100 million in funding enabling the expansion of its Chatree Mine in Thailand to over 5 million tonnes per annum of throughput. Kingsgate recently diversified itself through the acquisition of Dominion Mining where operations are focussed on the Challenger Mine in South Australia. The Fund exited its position in OM Holdings.

Extract and Lynas were the best performers in May up 17.8% and 13.4% respectively. Again, Extract's performance like Ampella and Golden Rim was in contrast to the prior month where it was one of the worst performers. Platinum Australia and Golden Rim were the worst performers during the month down 23.5% and 15.4% respectively. Our preferred commodity exposures are Oil & Gas, Coal, Iron Ore and Gold. Cash is currently 2.7% of the portfolio.

#### Performance Chart



<b>Fund type</b>	Australian Equities
<b>APIR Code</b>	PML0003AU
<b>Unit price</b>	\$1.1899
Entry Price	\$1.1932
Exit Price	\$1.1866
<b>Inception date</b>	16 August 2010
<b>Investment timeframe</b>	5 years
<b>Minimum Investment</b>	\$5,000
<b>Distributions</b>	Semi Annually
<b>Historic annual distribution (net of fees)</b>	-
<b>Management Fee (excl GST)</b>	0.95%
<b>Rating</b>	

Standard & Poor's



Zenith Investment Partners

#### Investment Strategy

To opportunistically invest in Australian resources stocks with exposure to a variety of commodities, geographic regions and life-cycle stages. **The Fund Objective** is to outperform the Reconstituted S&P/ASX 300 Resources Accumulation Index by investing in Australian listed or about to be listed Resources Stocks.

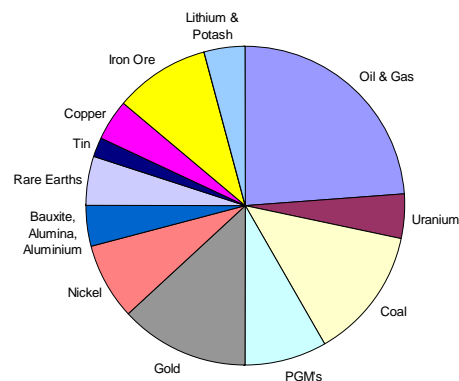
#### Asset Allocation

Materials	65.92%
Energy	31.37%
Cash	2.71%

#### Top 10 Security Holdings

Santos	9.7%
MacArthur Coal	9.7%
Fortescue Metals	5.8%
Woodside Petroleum	5.4%
Lynas Corporation	5.3%
Origin Energy	5.3%
Independence Group	5.3%
Newcrest Mining	4.9%
Aquarius Platinum	4.2%
Cockatoo Coal	4.1%

#### Commodity breakdown



#### Website

[www.patersonsam.com.au](http://www.patersonsam.com.au)

#### Client Services (toll free)

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