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INVESTMENTS LIMITED

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February 2005 NTA and Monthly Investment Update

The Company was listed on the Australian Stock Exchange on 8 April 2004.

As at 28 February 2005, 99.8% of the portfolio was invested in natural resource companies in accordance with the Investment Strategy of the Investment Manager, Merrill Lynch Investment Managers Limited. The balance of the portfolio is held in cash in US$.

The NTA before tax as at 28 February 2005 was $1.24 (31 January $1.14 per share) and the NTA after allowing for tax on unrealised gains was $1.17 (31 January $1.09 per share).

GMI has also issued Options to subscribe for shares at an exercise price of $1.00 on or before 30 November 2006. If all options had been exercised as at 28 February 2005, the diluted NTA before tax would have been $1.12, and $1.08 after allowing for tax on unrealised gains.

(NTA figures are unaudited)

Investment Manager Commentary

Summary

Following on from the mixed performance in January mining shares enjoyed a strong month in February as base metal prices moved higher and record price increases were announced for iron ore. Since inception the performance of the portfolio is now up 31.0% versus an 18.2% rise in the Benchmark.

Performance Table

	Starting Value	Value 28/2/05	% Change 1 month	% Change 3 months	% Change 6 months	% Change Since Launch
GMI Assets US$m	56.9	78.2	11.5%	12.5%	38.1%	36.6%
HSBC US$	226.5	275.65	12.6%	10.5%	30.4%	23.1%
GMI Assets A$m	75.2	98.5	9.7%	9.8%	22.8%	31.0%
HSBC A$	293.9	347.2	9.9%	7.9%	16.0%	18.2%

*Note performance numbers are unaudited and sourced from BONYE valuation report as at 28th February 2005. They reflect the performance of the funds made available to MLIM, the investment manager, on the launch date of GMI 8th April 2004. Australian dollar FX rate used in Index conversion sourced from Bloomberg. Differences will occur versus the audited report due to management fees, other expenses, dividends, interest and tax.

Metal Prices

During the month metal prices moved higher with performance varying from -5% for lead to +10% for nickel. Metal prices as measured by the MG Base Metal Price Index were up 2.3% on the month. The key development during the period was the announcement first by CVRD and then Rio Tinto of new price levels for supplying iron ore during the next 12 month period. The two iron ore heavy weights announced price increases of 71.5% for iron ore to customers in Japan and China.

Share Prices

As the above increase were well ahead of expectations (consensus was for a 20% to 40% rise) they caused a rally in the main producers; CVRD (9.8% of the portfolio) rose 9.6% during the month and Rio Tinto (8.9% of the portfolio) was up 8.3%. We believe there might be more development to come in iron ore, as it appears that BHP Billiton, in not announcing new price levels with the others, might be holding out for a higher price. We will have to wait and see if it is successful but with BHP Billiton the largest holding in the portfolio (11.2%) we are well positioned.

Another star performer this month has been the small but profitable holding in Southern Peru Copper (0.3% of the portfolio). Southern Peru has been going through a restructuring with its parent company Grupo Mexico (1.1% of the portfolio). This involved Grupo Mexico selling its mining assets to Southern Peru in return for increased ownership in the latter. The deal was agreed by US regulators during the last week of February and now that the restructure is to go ahead it has allowed prices of the shares in both Companies to move higher with Southern Peru up 29% and Grupo Mexico up 10.3%. This has left the parent at a serious discount to the subsidiary and we expect over time for this valuation anomaly to close hence our larger holding in the parent.

In South Africa the continuing battle between Gold Fields and Harmony raged on. However by month end it seems that the delay to a final ruling by the South African Competition Tribunal might scupper the bid as its ruling will now be released in May which is after Harmony's deal with Norilsk expires. This is clearly bad news for Harmony and the company has said that it will make a decision by March 18 on whether to continue with its bid for Goldfields. We remain hopeful of a swift end to what has been a valuing destructive exercise for both parties so far.

Further results were released during the month with Anglo American (2.6% of the portfolio) the major news story. The company reported a 59% increase in headline earnings, driven primarily by higher commodity prices. The best performing divisions were Base Metals, which saw a blistering 406% increase in year on year earnings, and the Ferrous Metals & Industries division which saw an equally impressive 349% earnings increase. In both cases, strong production performances meant the divisions were able to fully benefit from the high commodity price environment. The company also announced a 30% dividend increase over 2003, which was higher than market expectations and compared favourably to Rio Tinto's 20% dividend increase. This is a strong reflection of Anglo's confidence in the future and that commodity markets are likely to stay "stronger for longer".

Portfolio Movements

During the month the portfolio continued to take profits and reinvest these in new opportunities or to bolster holdings in companies whose share prices have lagged the recent strong run in the market.

As in January profits were taken in WMC Resources, CVRD and Anglo Pacific. In addition profits were also taken in BHP Billiton, Vedanta, Xstrata and on the gold side Peter Hambro Mining.

Holdings in First Quantum, Aricom, Alcoa, Bolivar, Penoles, Harmony and Grupo Mexico were increased.

New holdings in two unquoted companies were also added, Silver Bear Resources and Serabi Mining. The total amount of the portfolio invested in unlisted positions was 0.7% at month end. We continue to evaluate two unquoted deals which have the potential to be considerably larger than those already made. In addition we have subscribed for two deals in listed companies which do not settle until early March.

Top Twenty Holdings as at 28th February 2005 (% of gross assets including cash)

	% Held	Country	Commodity
BHP Limited	11.2	Global	Diversified
CVRD	9.8	Brazil	Diversified
Rio Tinto Ltd	8.9	Global	Diversified
Xstrata Plc	5.4	Global	Diversified
Impala Platinum Holdings Ltd	5.1	South Africa	Platinum
Alumina Ltd	4.7	Australia	Alumina
Cia De Minas Buenaventura - ADR	4.0	Peru	Gold
Alcoa Inc.	3.3	Nth America	Aluminium
Vedanta Resources Plc	3.3	India	Diversified
Alcan Inc	3.1	Canada	Aluminium
Anglo American Plc	2.5	Global	Diversified
Teck Cominco Ltd	2.4	Nth America	Diversified
Zinifex Ltd	2.2	Australia	Zinc
Iluka Resources Ltd	2.0	Australia	Industrial Minerals
First Quantum Minerals Ltd	2.0	Africa	Copper
Newcrest Mining Ltd	1.8	Australia	Gold
Antofagasta Plc	1.7	Latin America	Copper
Falconbridge Ltd	1.7	Nth America	Nickel
Peter Hambro Mining Plc	1.5	Russia	Gold
Aber Diamond Corp	1.5	Nth America	Diamonds
	78.1		

Commodity Allocation as at 28th February 2005

	GMI	HSBC Global Mining Index
Diversified	47.4%	50.5%
Gold	13.1%	15.4%
Aluminium	11.2%	10.4%
Copper	8.7%	6.4%
Platinum	5.1%	3.5%
Nickel	3.6%	2.9%
Industrial Minerals	3.0%	1.4%
Zinc	2.8%	0.7%
Diamonds	2.7%	0.4%
Other	1.6%	8.3%
Cash	0.8%	-
	100%	100%

Outlook

We remain optimistic that 2005 will be another year of strong performance for the mining companies. Following on from the large price increases announced in coking coal last month we now have extraordinary price increases for iron ore as well. Base metal prices continue to trade well ahead of consensus forecasts and this should provide for further earnings upgrades as the year matures.