



October 7, 2005

Dear Investor,

**RE: Oakland Investments (Aus) Limited
Company Managing Director's Report
July to September, 2005.**

I am pleased to be able to report to investors once again with positive news, in what is Oakland Investments (Aus) Limited's (Oakland Investments) first official quarterly report. Oakland Investments as a Company has enjoyed a sound and consistent performance since the beginning of the financial year, reporting a dividend return to investors during this period consisting of:

2.52% for A Class Shareholders and;

3.75% for C Class Shareholders

These returns are in line with the Directors' expected forecast returns and most importantly, are within the projected Management Expense Ratios for the quarter.

Funds Under Management (FUM) has grown by in excess of 250% during this period. Similar increases in growth are also expected over the next 3 to 4 months, given total FUM is still relatively small. The Directors do not foresee any challenges in managing asset allocation with this significant growth in FUM, particularly while the Company is in a strong growth phase.

Funds utilization for the first 3 months was greater than anticipated due to the availability of numerous quality and secure funding proposals presented to Oakland Investments. Contrary to some national press suggesting the property development industry has slowed in South East Queensland, activity in this area appears sound. It is clearly evident however, that this activity is primarily being driven by experienced and well seasoned developers.

Valuers are definitely erring on the side of caution, being careful not to over price securities as the market levels out. This certainly favours Oakland Investments, as it ensures the securities presented are valued at conservative levels and hence have a greater chance of retaining their value in the short-to-medium term.

Security being offered (equity to loan ratios) in each deal has been higher than anticipated, with a relatively low average Loan Value Ratio (LVR) per loan. This has added strength to the overall Loan Portfolio, with the average LVR being well under the required 75% LVR of both our Investment Criteria Model and that required by the Lloyd's of London Insurance Policy. This low average LVR is a testament to the quality of the projects Oakland Investments has invested in over its first full quarter of operation.

Overall, from the Lending Manager's point of view, it has been a satisfying start to the financial year and as we approach Christmas, the flow of quality proposals for Oakland Investments to consider, we believe will only continue to increase.



The expansion of our brokerage network throughout the east coast of Australia is aimed at substantiating the Company's current lending capacity beyond its expected inflows and hence maintain a consistently high utilisation rate over time.

Oakland Investments is looking to further strengthen this part of its business via the expansion of its Investment Advisory Board and the introduction of other key industry lending experience, over the next 6 months.

Please see below a summary of the Oakland Investments Loan Portfolio for the last quarter.

Table 1 – Lending Summary

Utilization Rate (Mortgage to Cash Ratio)	Average Loan Size	Average Loan to Value ratio
86.65%	\$123,684.21	64.33%

Oakland Investments expects to continue producing results reflective of the Loan Portfolio above, with growth in FUM and as a result, maintain sound investment returns and exceptional risk management for its investors.

I am looking forward to updating you further next quarter.

Regards,

Brook Monahan
Managing Director
Oakland Investments (Aus) Limited

"The performance figures listed above have not yet been audited by the Company's registered auditor at the time of this report. The next audited financials of the Company are not due to be conducted until the end of the June 2006 financial year. Thereafter, the Company's financial status will be audited every 6 months."