

TI Explicit Alpha Fund

Monthly Letter

November 2006

The TI Explicit Alpha Fund is a global equity fund that seeks to exceed unhedged global sharemarket returns, using stock-picking to establish investments and offsetting short sales in selected companies. Implementation is by way of a global equity index base combined with TechInvest's active market-neutral TI Intercept Capital Fund.

The Fund recorded a post-fee return of +2.2% for the month of November 2006. Since inception on 25 July 2006, the Fund has produced a post-fee return of +8.8% (not annualised) compared with the return from global shares in Australian dollars terms of +7.2% over the same period.

Performance and Structure

The Fund returned +2.17% (after fees) during the month of November 2006, compared with a +0.66% return for global shares (\$A terms). The following table summarises the Fund's holdings.

	% of Net Asset Value
Global Equity Index Securities	96.1%
Cash	3.9%
Intercept Capital Fund	41.7%
Total	141.7%

Note: While total investments exceed the Net Asset Value of the Fund, the market-neutral nature of TI ICF means the effective net exposure of the Fund is approximately 100%.

Intercept Capital Fund Investment

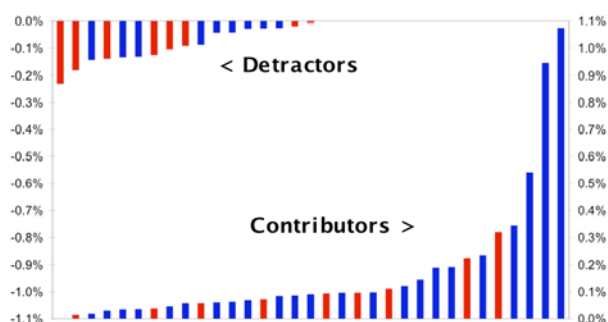
Portfolio Composition

At end November, 90% of the TI Intercept Capital Fund was invested in 32 companies the manager identified as being undervalued. The Fund also included short sales, on a beta adjusted basis, in 18 companies that the manager believed were overvalued which along with an index security, totalled 81% of the Fund.

Security Selection

Putting aside the index position in place to achieve the Fund's target leverage, contributors outweighed detractors this month. Kos Pharmaceuticals Inc (long) a developer of products for the treatment of chronic cardiovascular, metabolic and respiratory diseases was subject to a takeover bid and Juniper Networks Inc (long) a provider of Internet protocol (IP) network solutions and Pharmanet Development Group Inc (long) a global drug development services company all made significant contributions. There were fewer detractors in the month. The largest detractor was Novellus Systems Inc (short) which develops, manufactures, sells and supports equipment used in the fabrication of integrated circuits (commonly called microchips or chips). The graph below shows contributors to and detractors from performance on a % of NAV basis, excluding the impact of currency, with shorts shown in red and longs in blue.

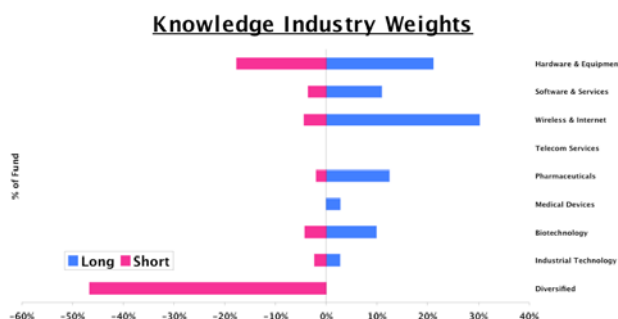
Contribution (% of NAV)



Note: 1. Not all holdings in chart held for entire month.
2. Excludes contribution from any index positions.

Industry Structure

In November, the portfolio favoured Wireless & Internet and Pharmaceuticals, with lesser exposure to, Software & Services, Biotechnology and Hardware & Equipment. A sizable index short position was held during the month. The following table summarises the structure as at 30 November 2006:



Outlook

Sharemarkets continued to advance strongly in November, underpinned by merger and acquisition activity, including by private equity funds. According to the Bank Credit Analyst, earnings per share for the S&P500 grew 20% pa in the third quarter, although revenue growth has slowed pointing to slowing profit growth in the year ahead.

The Semiconductor Industry Association has forecast 9% per annum growth in chip sales, a leading indicator in the computing industry, over the next 3 years.

Among health care companies, boutique pharmaceutical firms outperformed their larger counterparts.

Nintendo sold 600,000 units of its new Wii video game console in the first 8 days of release in the US. At \$250 it is priced at half that of Sony's PlayStation3 which was launched 2 days before the Wii. Both are competing with Microsoft's Xbox 360s which has sold more than 6 million units since its launch a year ago.

Unit Prices

	Application Price	Net Tangible Assets	Redemption Price
30-Nov 2006	\$1.0915	\$1.0883	\$1.0850
31 Oct 2006	\$1.0684	\$1.0652	\$1.0620
30 Sep 2006	\$1.0593	\$1.0561	\$1.0529
31 Aug 2006	\$1.0299	\$1.0268	\$1.0238
31 Jul 2006	\$1.0054	\$1.0024	\$0.9994
25 Jul 2006	\$1.0030	\$1.0000	\$0.9970

Enquiries

A copy of the Fund's Product Disclosure Statement is available at www.techinvest.com.au or by contacting the Fund's Responsible Entity, Equity Trustees Limited, on (03) 8623 5000. Registry enquiries should be made to Computershare on 1300 553 481 or via email to TechInvest@computershare.com.au.