

TI Explicit Alpha Fund

Monthly Letter

July 2007

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 -3.9% for the month of July 2007. Since inception on 25 July 2006, the Fund has produced a post-fee return of +4.0% (not annualised) compared with the return from global shares in Australian dollars terms of +6.7% over the same period.

Performance and Structure

The Fund returned -3.92% (after fees) during the month of July 2007, compared with a -3.18% return for global shares (\$A terms). The following table summarises the Fund's holdings.

	% of Net Asset Value
Global Equity Index Securities	100.1%
Cash	-41.6%
TI Intercept Capital Fund	41.7%
Total	100.0%

Note: Cash includes the liability associated with investing in the TI Intercept Capital Fund.

Intercept Capital Fund Investment

Portfolio Composition

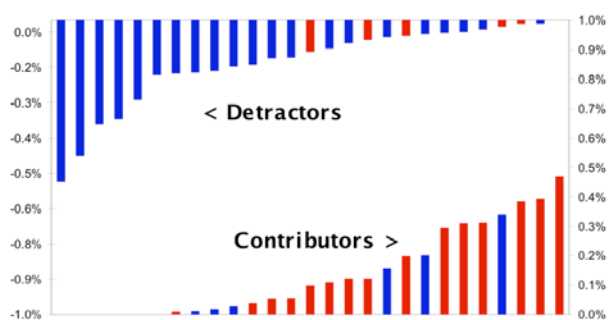
At end July, 69% of the Fund was invested in 27 companies the manager identified as being undervalued. The Fund also included short sales, on a beta adjusted basis, in 20 companies that the manager believed were overvalued which along with index securities, totalled 68% of the Fund.

Security Selection

Short sales dominated contributors for the month including; Alcatel-Lucent, a provider of voice, data and video communication services, Warner Music Group Corp, a music content company and Boston Scientific Corp a developer, manufacturer and marketer of medical devices. Long investments generally detracted; Sepracor Inc, a research-based pharmaceutical company engaged in providing products prescribed principally by primary care physicians, QLogic Corp, a supplier of storage networking solutions and network infrastructure solutions and King Pharmaceuticals Inc, a developer, manufacturer, and distributor of branded prescription pharmaceutical products.

The graph below shows performance contributors and detractors on a % of NAV basis, excluding the impact of currency, with shorts shown in red and longs in blue.

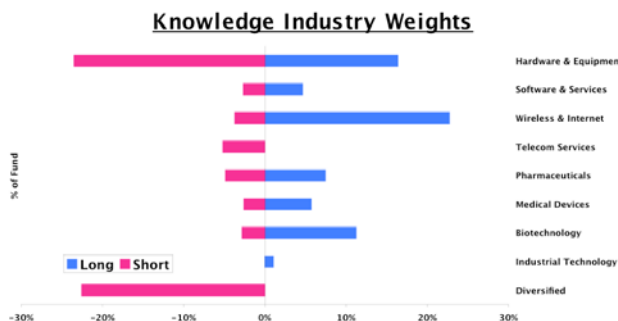
Contribution (% of NAV)



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

Industry Structure

In July, the portfolio favoured Wireless & Internet, with lesser net exposure to Biotechnology, Medical Devices, Pharmaceuticals, Software & Services and Industrial Technology. A sizable index short position was held, as well as net short positions in Hardware & Equipment and Telecom Services. The following chart summarises the structure as at 31 July 2007:



Outlook

World sharemarkets have been unsettled by a widening of credit spreads emanating from losses on US sub-prime mortgages. Investment products relying on illiquid securities and employing leverage have been particularly hard hit.

According to DRAMeXchange flash memory chips bound for Apple's iPods and iPhones will account for 25 percent of the world's total flash memory output in the third quarter of 2007.

Innovators in the month include phone maker Ooma that is offering free, unlimited domestic phone calls for homes, broadband Internet, a free second line, conference calling, voice mail service and voice mail in an e-mail format. Also, computer maker Zonbu plans to sell a Linux-based PC for US\$99 with a US\$12.95 subscription charge. Operating with flash memory rather than a hard disk and fan, it draws just 15-watts rather than standard 200-watts.

Unit Prices

	Application Price	Net Tangible Assets	Redemption Price	Distribution
31 July 2007	\$1.0368	\$1.0337	\$1.0306	
30-Jun 2007	\$1.0791	\$1.0759	\$1.0727	\$0.0097
31-Mar 2007	\$1.0834	\$1.0801	\$1.0769	
31-Dec 2006	\$1.1088	\$1.1055	\$1.1021	
30 Sep 2006	\$1.0593	\$1.0561	\$1.0529	
25 Jul 2006	\$1.0030	\$1.0000	\$0.9970	

Note: June prices are after impact of annual distribution

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.

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