

TI Explicit Alpha Fund

Monthly Letter

April 2008

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 +0.3% for the month of April 2008. Since inception on 25 July 2006, the Fund has produced a post-fee return of -2.8% per annum compared with a return of -2.5 % per annum from global shares in Australian dollars terms over the same period.

Performance and Structure

The Fund returned +0.26% (after fees) during the month of April 2008, compared with a +1.94% return for global shares (\$A terms). The following table summarises the Fund's holdings.

	% of Net Asset Value
Global Equity Index Securities	101.7%
Cash	-45.7%
TI Intercept Capital Fund	44.0%
Total	100.0%

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

Intercept Capital Fund Investment

Portfolio Composition

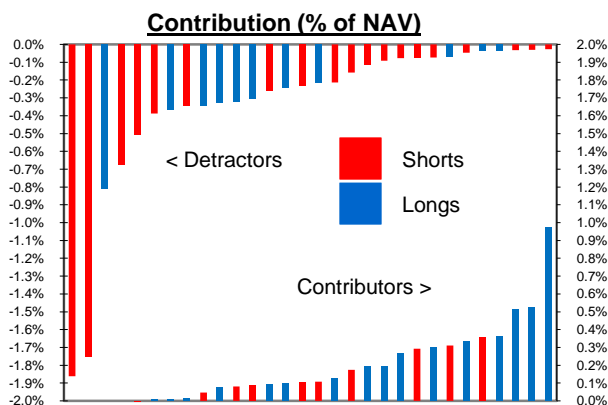
At month end, 91% of the Fund was invested in 26 companies the manager identified as being undervalued as well as a small index position. The Fund also included short sales in 28 companies that the manager believed were overvalued, totalling 90% of the Fund.

Security Selection

Detractors outweighed contributors during the month. Contributors for the month included Apple Inc (long), the maker of computers, music devices and other computer equipment, NetApp (long) the enterprise storage and data management solutions provider and business intelligence software provider MicroStrategy Inc (long).

Main detractors for the month were U.S biopharmaceuticals company, Millennium Pharmaceuticals Inc (short) which was the subject of a takeover, music content company Warner Music Group Corp (short) and LSI Corp (short), which designs, develops and markets semiconductors and storage systems.

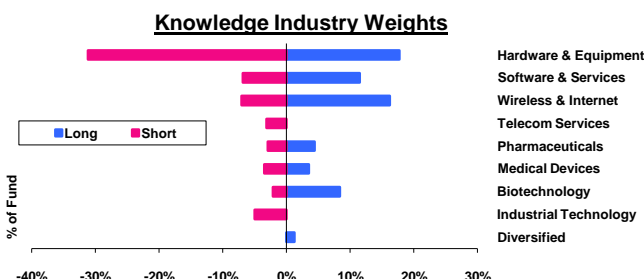
The graph below shows performance contributors and detractors on a % of NAV basis, excluding the impact of currency, with shorts shown in red and longs in blue.



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

Industry Structure

During the month, the portfolio favoured Wireless & Internet, Biotechnology and Software & Services with small net positive weights in Pharmaceuticals, Diversified Technology and Medical Devices. Net short positions were held in Hardware & Equipment, Telecom Services and Industrial Technology. The following chart summarises the structure as at 30 April 2008:



Outlook

Global sharemarkets had a welcome bounce in April, although there was little improvement in the economic backdrop that provided the source of recent sharemarket weakness. Within the knowledge industries, computing and telecom stocks outperformed while biotechnology stocks underperformed.

The International Monetary Fund cut its 2008 global growth forecast to 3.7%, citing the worst financial crisis in the US since the 1930's Great Depression. The stress induced by the financial crisis has been compounded by growing food and energy shortages and a resulting rise in prices.

The OECD reports that in Japan, where broadband is a national priority, download speeds are hitting 61-megabits per second, while the average in the US is only 1.9-megabits per second. The Australian Government announced a \$4.7 billion national broadband project in its 2008/09 budget that aims to deliver high-speed internet services to 98 per cent of Australians.

German company, Q-Cells, surpassed Sharp last year to become the world's largest maker of photovoltaic solar cell systems, which convert sunlight into electricity.

Unit Prices

	Application Price	Net Tangible Assets	Redemption Price	Distribution
30 April 2008	\$0.9454	\$0.9425	\$0.9397	
31 Dec 2007	\$1.0559	\$1.0527	\$1.0496	
30 Sep 2007	\$1.0740	\$1.0708	\$1.0676	
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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