

TI Explicit Alpha Fund

Monthly Letter

January 2009

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 -2.1% for the month of January 2009. Since inception on 25 July 2006, the Fund has produced a post-fee return of -8.2% per annum compared with a return of -8.5% per annum from global shares in Australian dollars terms over the same period.

Performance and Structure

The Fund returned -2.10% (after fees) during the month of January 2009, compared with a +0.32% return for global shares (\$A terms). The following table summarises the Fund's holdings.

	% of Net Asset Value
Global Equity Index Securities	99.5%
Cash	-52.5%
TI Intercept Capital Fund	52.0%
Total	100.0%

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

Intercept Capital Fund Investment

Portfolio Composition

Further investments and short sales were introduced during the month. The Fund remains below its typical investment structure of being fully invested, offset by short sales.

At month end, 46% of the Fund was invested in 34 companies the manager identified as being undervalued. The Fund also included short sales in 20 companies that the manager believed were overvalued which, together with an index position totalled, 39% of the Fund.

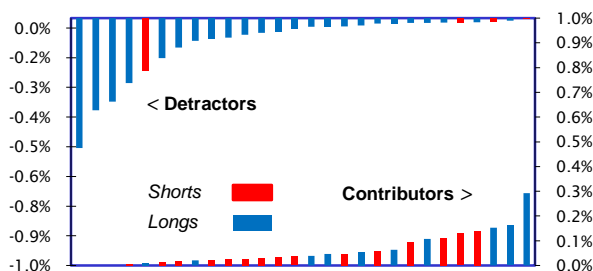
Security Selection

Against a backdrop of weak sharemarkets, a short index position provided a positive offset to the general decline in value of investments.

The main contributors for the month were Google Inc (long), an on-line search provider, Apple Inc (long), a maker of computers, music devices and other computer equipment and Amazon.com Inc (long) which provides a service to sellers of products and services on-line.

Main detractors were Salesforce.com Inc (long), a provider of customer relationship management software on demand, eBay Inc (long) an on-line auction maker and Nokia Corp (long), a maker of mobile phones and other mobile devices.

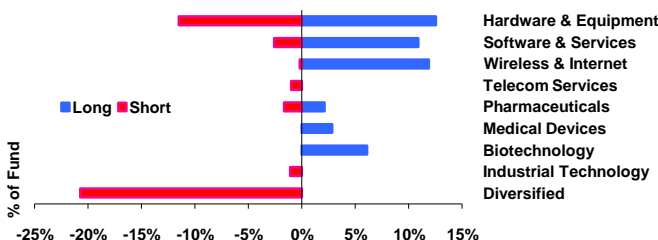
The graph below shows performance contributors and detractors on a % of NAV basis, excluding the impact of currency, with shorts shown in red and longs in blue.



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

Industry Structure

By month end, the portfolio favoured Wireless & Internet, Software & Services, Biotechnology with small net positive positions in Medical Devices, Hardware & Equipment and Pharmaceuticals. A large Diversified short position was held, together with small net short positions in Industrial Technology and Telecom Services. The following chart summarises the structure at 31 January 2009:



Outlook

Global sharemarkets fell sharply in January 2009, with healthcare and technology oriented sectors exhibiting defensive qualities and declining less than other industries.

A number of central banks cut official interest rates further in the face of weak economic data; the Bank of England cut official interest rates 0.5% to 1.0%, the lowest rate since the Bank was founded in 1694, the ECB cut interest rates by 0.5% to a record low of 2.0% while the US Fed Funds rate is already targeted at near zero.

Although a lagging indicator, employment conditions have continued to deteriorate; in the US 598,000 jobs were lost in January following job losses of 524,000 in December and 584,000 in November.

The difficult financial environment has seen a surge in demand for low cost "netbooks" such as the ASUS Eee PC and the Archos 7 that typically rely on software via the web and carry minimal functionality at low prices.

2008 Q4 company profit reporting in the US has been marked by weaker operational results and increased write-offs. An exception to that trend was Amazon.com Inc which reported an 18% year-over-year increase in revenue and in-line guidance for 2009 Q1.

Unit Prices

	Application Price	Net Tangible Assets	Redemption Price	Distribution
31 Jan 2009	\$0.8006	\$0.7982	\$0.7958	
31 Dec 2008	\$0.8178	\$0.8153	\$0.8129	
30 Jun 2008	\$0.8581	\$0.8555	\$0.8530	Nil
31 Dec 2007	\$1.0559	\$1.0527	\$1.0496	
30 Jun 2007	\$1.0791	\$1.0759	\$1.0727	\$0.0097
31 Dec 2006	\$1.1088	\$1.1055	\$1.1021	
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 MacKenzie Coultas Funds Administration Pty limited on 1300 553 481 or via email to Registry@maccoul.com.au.

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