

TI Explicit Alpha Fund

Monthly Letter

March 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 +1.0% for the month of March 2009. Since inception on 25 July 2006, the Fund has produced a post-fee return of -11.6% per annum compared with a return of -12.3% per annum from global shares in Australian dollar terms over the same period.

Performance and Structure

The Fund returned +0.95% (after fees) during the month of March 2009, compared with a -0.50% return for global shares (\$A terms). The following table summarises the Fund's holdings.

	% of Net Asset Value
Global Equity Index Securities	98.8%
Cash	-59.0%
TI Intercept Capital Fund	60.2%
Total	100.0%

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

Intercept Capital Fund Investment

Portfolio Composition

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 33 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. The mix of long and short portfolios was designed to achieve market neutrality.

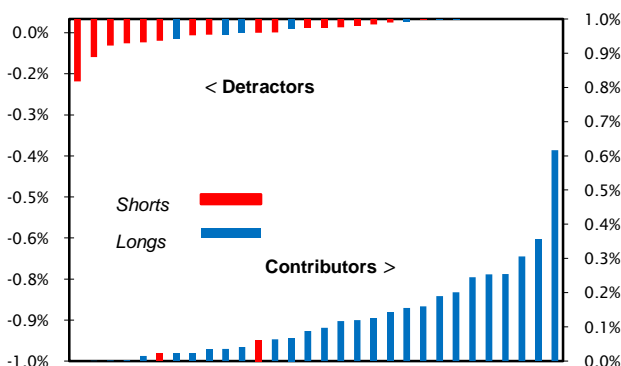
Security Selection

Against a backdrop of strong sharemarkets, the Fund's return was dominated by long investments, with detractions coming primarily from short sales, including a short index position.

The main contributors for the month were FTI Consulting Inc (long), a global consulting firm specialising in providing legal, financial and reputational solutions, Apple Inc (long), a maker of computers, music devices and other computer equipment, and Salesforce.com Inc (long), a provider of customer relationship management software on demand.

Main detractors were Hewlett-Packard Company (short), a maker of computers, printers and provider of other technology services, Dell Inc (short), a technology hardware company, and Electronic Arts Inc (short), a provider of video game software.

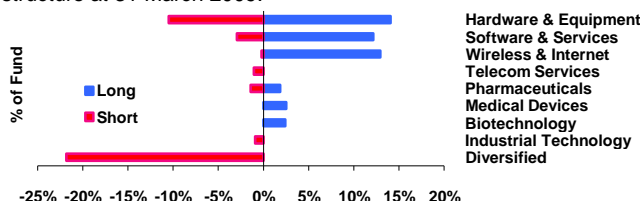
The graph below shows performance contributors and detractors on a % of NAV basis, excluding the impact of currency, with shorts shown in red and longs in blue.



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



Outlook

Global sharemarkets bounced sharply in March 2009 after a protracted period of weakness, with particular strength in the computing and telecommunications industries.

Economies continued to show signs of weakness however; US unemployment jumped to a 25 year high in March to 8.5% and S&P/Case-Shiller Home Price Index showed a 19% year on year decline in US city property prices for January.

In early April, the G20 met in London and showed a willingness to take further action to rescue the global economy, including defining a more prominent role for the IMF.

Roche Group completed its takeover of biotechnology giant Genentech Inc in a cash transaction valued at \$47 billion. The new company will generate \$17 billion in revenue and employ 17,500 people.

Gartner expects PC shipments to fall 12% in 2009, their sharpest fall ever, with sales in emerging markets falling for the first time; laptop shipments are expected to fall 32% and laptops rise 9%.

Open source software solution provider, Red Hat Inc reported revenue growth of 17.5% year over year to February and strong growth in subscription revenue of 14% year over year.

The CeBIT technology tradeshow in Hannover exhibited products from 4,300 companies from 69 countries and while visitor numbers were down 20% was still attended by over 400,000 people. Of note were developments in laptop technology, memory cards, e-book readers and navigation devices.

Unit Prices

	Application Price	Net Tangible Assets	Redemption Price	Distribution
31 Mar 2009	\$0.7175	\$0.7154	\$0.7132	
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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