

# TI Technology Investment Fund

## Monthly Letter

### August 2008



TIF posted an after-fee return of +13.2% for the month of August 2008, compared with a return of +11.8% for the NASDAQ Composite in Australian dollar terms. The Net Tangible Asset Backing of the Fund as at 31 August 2008 was \$0.5419 per unit.

#### Performance

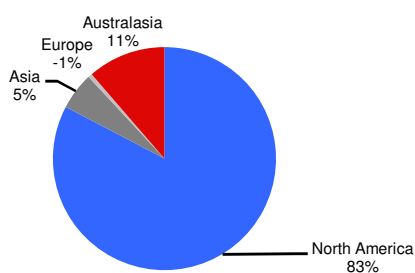
The Fund returned +13.23% (after fees) during the month of August 2008. This compares with a benchmark rate of return of +11.84% for the month (NASDAQ Composite in Australian dollar terms).

#### Portfolio Construction

As outlined in our letter to unitholders, from 31 December 2007 the fund will typically adopt a weighting of 120% invested, offset by 20% short sales. As at 31 August 2008 the fund was 115% invested in equities offset by 18% short sales. The largest ten listed investments in the portfolio as at the end of August 2008 are shown below:

Company	Sector
America Movil S.A.B de C.V	Wireless & Internet
Apple Inc	Hardware & Equipment
Bio-Reference Laboratories Inc	Pharmaceuticals
Cisco Systems Inc	Hardware & Equipment
eBay Inc	Wireless & Internet
FTI Consulting Inc	Software & Services
Intel Corp	Hardware & Equipment
NetApp Inc	Hardware & Equipment
ResMed Inc	Medical Devices
ViroPharma Inc	Biotechnology

#### Geographic Breakdown (% Equities)



#### Currency Breakdown

Currency	% of Portfolio
Australian dollar	11.9%
US dollar	88.1%
Total	100.0%

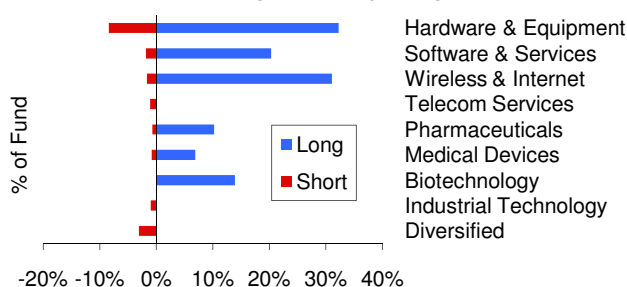
#### Enquiries

For enquiries relating to this communication or the Fund's investments please contact TechInvest on (02) 8965 0480 or via email, [info@techinvest.com.au](mailto:info@techinvest.com.au). For enquires relating to unitholdings and the processing of applications and redemptions please contact Computershare on 1300 553 481 or via email, [TechInvest@computershare.com.au](mailto:TechInvest@computershare.com.au).

#### Industry Breakdown

In August, the portfolio favoured Wireless & Internet, Hardware & Equipment, Software & Services and Biotechnology with lower net positive weights in Pharmaceuticals and Medical Devices. The Fund also carried small net short positions across a number of industries, particularly Diversified Technology, Telecom Services and Industrial Technology. The following table summarises the structure as at 31 August 2008:

#### Knowledge Industry Weights



#### Industry Overview

Global sharemarkets declined in August, although technology oriented indices increased, driven by relative strength in computing and telecommunications stocks. The Australian dollar fell 9% amid fears of weaker economic growth and likely falls in interest rates.

The US Department of Commerce reported US corporate pre-tax profits declined 2.4% in the second quarter after falling 1.1% in the first quarter and are down 7% since last year, the worst since 2001.

While the financial sector has clearly been hard hit, according to the Semiconductor Industry Association, semiconductor chip sales rose 8% over the year to July, driven by continuing demand for PC's and mobile phones. The value of flash memory sales have declined with continuing price erosion.

Google have announced the (beta) release of its new browser, Google Chrome, an open source competitor to Microsoft's Internet Explorer.

China Mobile, China's largest mobile phone operator, has reported adding an average 7.5 million customers a month in the six months to 30 June 2008, taking its subscriber base 415 million.

#### Unit Prices

	Buy Price	Net Tangible Assets	Sell Price
31 Aug 2008	\$0.5435	\$0.5419	\$0.5403
30 Jun 2008	\$0.4675	\$0.4661	\$0.4647
31 Dec 2007	\$0.5287	\$0.5271	\$0.5255
30 Jun 2007	\$0.5564	\$0.5548	\$0.5531
31 Dec 2006	\$0.5840	\$0.5823	\$0.5805
30 Jun 2006	\$0.5472	\$0.5455	\$0.5439
31 Dec 2005	\$0.5402	\$0.5386	\$0.5370
31 Jul 2005	\$0.5493	\$0.5477	\$0.5461

Note:

- The first available Fund unit prices following transition to an unlisted structure were dated 29 July 2005, the final business day of the month.
- The fund declared a nil distribution as at 30 June 2008.

**Important Information:** This report has been prepared by TechInvest Pty Limited (ABN 43 084 084 444) for information purposes only and is subject to change without notice. Although the information in the report has been obtained from sources believed to be reliable, TechInvest does not guarantee its accuracy or completeness. Past performance is not a reliable indicator of future performance.