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|---------------------|-------------------------------------|-----------------------|------------------------------------|
| Fund | Income | Investment Geographic | International |
| Size (net) | \$3,228,336.22 | Minimum Investment | \$5,000; \$200 Month |
| Fund Manager | Socrates Fund Management | Management Fees | 0.50% |
| Fund Administrator | MMC | Performance Fees | NIL |
| Portfolio Manager | Charles Drace | Entry Fees | 2% |
| Fund Type | P.I.E. Unit Trust | Investments | Monthly |
| Investment Strategy | Commodity Bias International | Redemptions | Monthly; notify by the 15th |

In January we completed all the formalities for establishing a Jyske Bank InvestLoan program for the Income Unit Trust. As you know, previously we've only had that facility for the Performance Unit Trust, where it has continually been the best performing part of the portfolio. We've invested a portion of the Jyske portfolio in a range of high yielding bonds and the rest in Australian dollar cash while we await better buying opportunities for higher yielding commodity based shares - mainly oil and energy based.

The only other change in the Income Unit Trust portfolio was to sell the Australian physical gold ETF so as to reduce our gold holdings until this correction is over and then to shift the money into a Swiss based gold bullion ETF run by the Zurich Kantonal Bank.

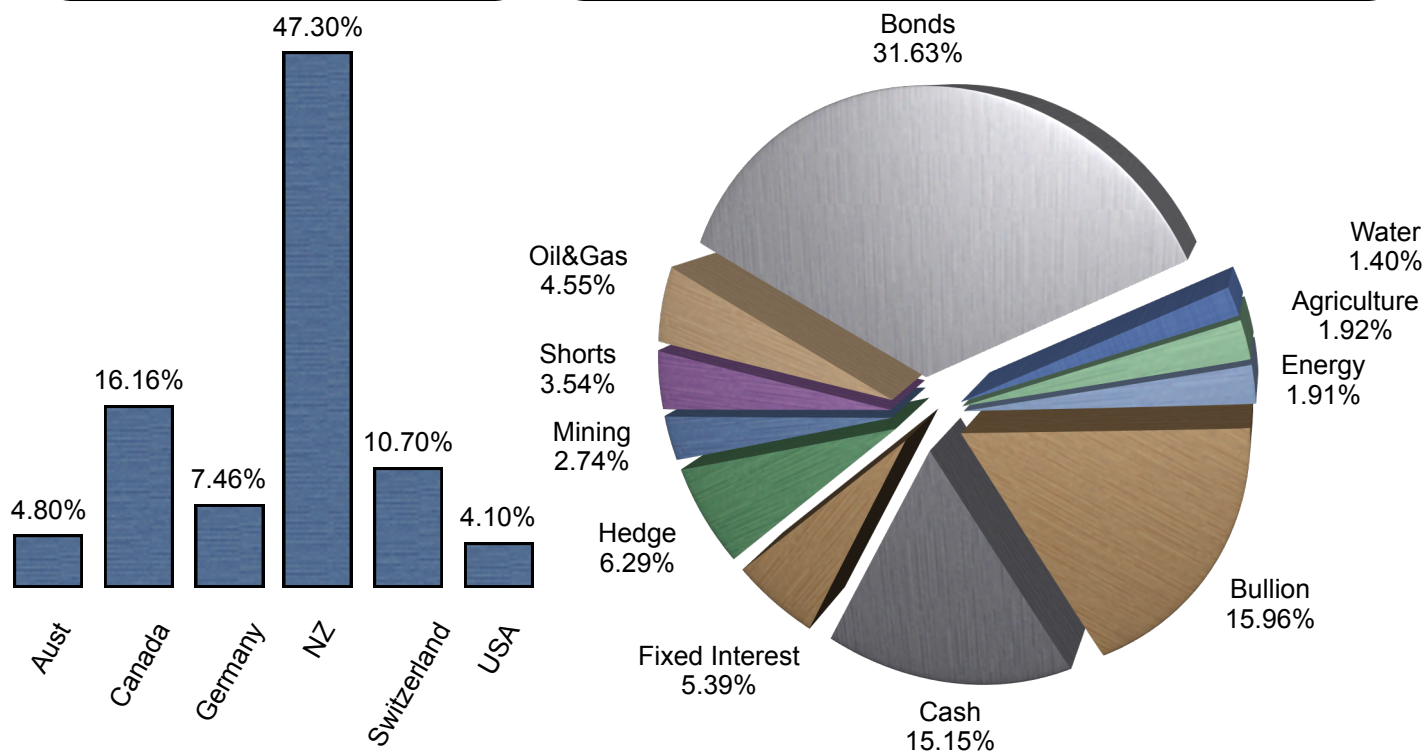
The losses we incurred in January were mainly from the fall of the prices of gold and silver and a .5% currency loss, as well as our protection strategy. Our income producing oil shares stayed flat throughout the month. Our food and agriculture holdings were also flat for the month.

Performance to January 31st 2011
After Fees and Taxes

| | |
|------------------------------|----------------|
| Month to Date | -2.84% |
| Quarter to date | -2.84% |
| Year to Date | -4.38% |
| 12 Month Return | -7.24% |
| 3 Year Return | -21.70% |
| Since Inception (Annualised) | -4.44% |

Ten Largest Positions held in the fund

| | |
|-------------------------------------|----------------------------|
| Craigs Cash | NZ Post |
| iShares eb.rexxi Government Ge | PureCapital |
| ETFs Gold Trust Physical Swiss Gold | Equitable Debentures |
| Proshares UltraShort Lehman 20+ | Sprott Physical Gold Trust |
| Australian Govt Bond | Auckland City Council |



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|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|
| Jan 2011 | Dec 2010 | Nov 2010 | Oct 2010 | Sep 2010 | Aug 2010 | Jul 2010 | Jun 2010 | May 2010 | Apr 2010 | Mar 2010 | Feb 2010 |
| \$0.7875 | \$0.8105 | \$0.8269 | \$0.8008 | \$0.8103 | \$0.8094 | \$0.7974 | \$0.8323 | \$0.8455 | \$0.8258 | \$0.8236 | \$0.8301 |