

Fund	<b>Income</b>	Investment Geographic	<b>International</b>
Size (net)	<b>\$2,857,590.94</b>	Minimum Investment	<b>\$5,000; \$200 Month</b>
Fund Manager	<b>Socrates Fund Management</b>	Management Fees	<b>0.50%</b>
Fund Administrator	<b>MMc</b>	Performance Fees	<b>NIL</b>
Portfolio Manager	<b>Charles Drace</b>	Entry Fees	<b>2%</b>
Fund Type	<b>P.I.E. Unit Trust</b>	Investments	<b>Monthly</b>
Investment Strategy	<b>Commodity Bias International</b>	Redemptions	<b>Monthly; notify by the 15th</b>

Besides the currency and shorts being negative for the Income Unit Trust in October, our oil royalty securities went down as well. The currency had an approximate 3% negative effect which contributed to a -5.05% return for the month.

We sustained losses in September with many of our corporate bonds but they bounced back up nicely in October giving us gains to almost match the losses from our shorts.

Our cash might have helped but it was mostly in US dollars which went down over 5% against the Kiwi.

The only change in the Income Unit Trust portfolio in October was to switch the JyskeBank InvestLoan from mostly Euros to 50/50 US dollars/Euros. This is basically a neutral strategy and we use it when there is no direction to the currency markets.

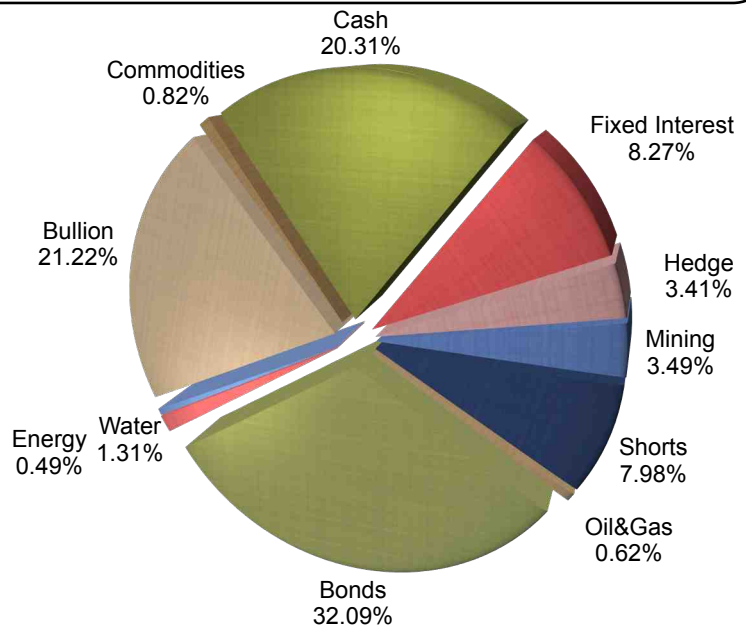
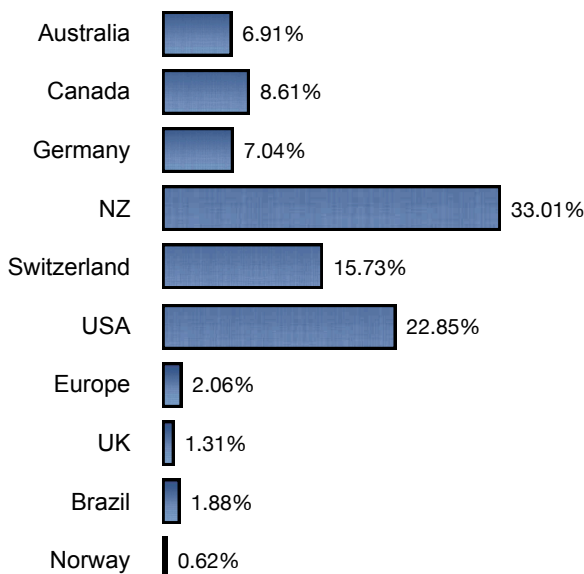
Mostly we sat on the sidelines during October as we didn't think the rally would last and were comfortable with the make up of our portfolios.

**Performance to October 31st 2011**  
*After Fees and Taxes*

Month to Date	<b>-5.05%</b>
12 Month Return	<b>-10.59%</b>
Since Inception (Annualised)	<b>-5.57%</b>

**Ten Largest Positions held in the fund**

Jyske Cash	Sprott Physical Gold Trust
NZ Post	Equitable Debentures
Craigs Cash	Prometheus
ETFS Gold Trust Physical Swiss Gold	Aust Govt Bond 15/04/2012
iShares eb.rexxi Government Ge	Auckland City Council 6.420%



Oct 2011	Sep 2011	Aug 2011	July 2011	June 2011	May 2011	Apr 2011	Mar 2011	Feb 2011	Jan 2011	Dec 2010	Nov 2010
\$0.7160	\$0.7541	\$0.7597	\$0.7501	\$0.7713	\$0.7824	\$0.8172	\$0.8152	\$0.8206	\$0.7875	\$0.8105	\$0.8269