



Intercept Capital Fund

Monthly Letter

September 2006

Intercept Capital recorded a post-fee return of -0.6% for the month of September 2006 and +8.0% for the calendar year to date. Since inception on 31 March 2004, the Fund has produced an annualised post-fee return of +8.5% compared with an annualised return from the UBS Australia Bank Bill Index of +5.7%.

Performance

The Fund returned -0.56% (after fees) during the month of September 2006. This compares with a benchmark rate of return of +0.49% for the month (UBS Australia Bank Bill Index).

Portfolio Composition

At end September, 99% of the Fund was invested in 31 companies the manager identified as being undervalued. The Fund also included short sales, on a beta adjusted basis, in 12 companies that the manager believed were overvalued which along with an index security, totalled 77% of the Fund.

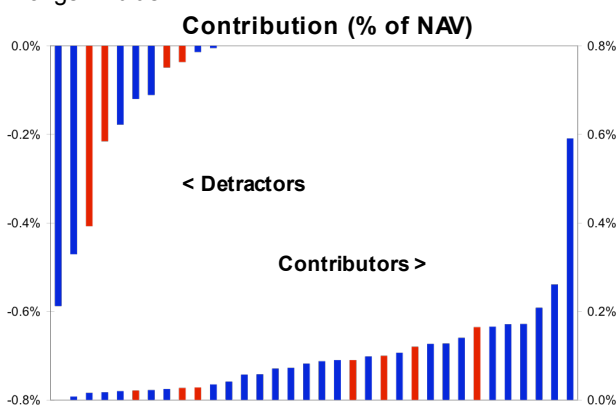
	Based on Net Asset Value ¹	Based on Gross Asset Value ²
Long Investments	99.0%	39.0%
Short Sales	(77.1%) ³	30.3%
Cash	78.1%	30.7%
Total	100.0%	100.0%

Note:

1. Net Asset Value basis shows long and short positions as being offsetting from a market risk perspective.
2. Gross Asset Value basis shows long and short positions as being additive from a market risk perspective
3. Includes an index short position of 52.9%

Security Selection

Putting aside the index position in place to achieve the Fund's target leverage, contributors outweighed detractors this month. Juniper Networks Inc (long), a provider of Internet protocol network solutions was the stand-out contributor, although its contribution was offset by Omnivision Technologies Inc (long), a provider of semiconductor image sensor devices. Komag Inc (long), a maker of media for disk drives detracted, although it has been a contributor in the past as did Symbol Technologies Inc (short), a provider of enterprise mobility solutions detracted following an above-market bid by Motorola. The graph below shows contributors to and detractors from performance on a % of NAV basis, excluding the impact of currency, with shorts shown in red and longs in blue.



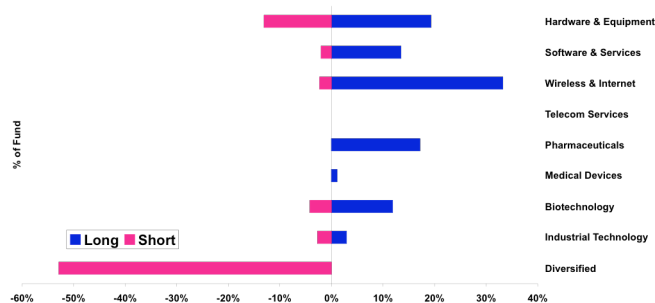
Note:

1. A number of holdings in the above chart were not held for the entire month.
2. Excludes negative contribution from index positions

Industry Structure

In September, the portfolio favoured Wireless & Internet, with lesser exposure to Pharmaceuticals, Software & Services, Biotechnology and Hardware & Equipment. A sizable index short position was held during the month. The following table summarises the structure as at 30 September 2006:

Knowledge Industry Weights



Industry Overview

Slower global economic growth and an easing in Middle East tensions has seen oil prices soften and commodity prices generally come off their highs. The Fed has stopped raising rates for now and long term interest rates have fallen. This has provided a positive backdrop for equity markets which have risen strongly from their recent lows in July.

Apple has announced its new iPod range and its proposed iTV, the set top box that will retrieve music and video from any Mac over a wireless network and play it on your TV, for shipment in early 2007. Microsoft responded with its Zune digital media player, pitched to compete with the iPod.

Continuing proof of Moore's Law, Intel has built a prototype processor with 80 floating-point cores that can exchange data at a terabyte per second.

Unit Prices (Inception 31 Mar 2004)

	Application Price	Net Tangible Assets	Redemption Price
30 Sep 2006 *	\$0.9268	\$0.9241	\$0.9213
30 Jun 2006 #	\$0.9347	\$0.9319	\$0.9291
30 Dec 2005	\$0.8758	\$0.8732	\$0.8706
30 Jun 2005	\$0.9568	\$0.9525	\$0.9482
31 Dec 2004	\$0.9180	\$0.9138	\$0.9097
30 Jun 2004	\$0.8943	\$0.8903	\$0.8863
31 Mar 2004	\$0.7706	\$0.7671	\$0.7637

Prices shown are pre distribution of \$0.018491

* Prices after 30 June 2006 are post-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 Computershare on 1300 553 481 or via email to TechInvest@computershare.com.au.