

# Intercept Capital Fund

## Monthly Letter

### November 2007

Intercept Capital recorded a post-fee return of -1.0% for the month of November 2007. Since inception on 31 March 2004, the Fund has produced an annualised post-fee return of +8.8% compared with an annualised return from the UBS Australia Bank Bill Index of +6.0%.

#### Performance

The Fund returned -1.00% (after fees) during the month of November 2007. This compares with a benchmark rate of return of +0.56% for the month (UBS Australia Bank Bill Index).

#### Portfolio Composition

At end November, 81% of the Fund was invested in 26 companies the manager identified as being undervalued. The Fund also included short sales in 27 companies that the manager believed were overvalued which totalled 78% of the Fund.

	Based on Net Asset Value <sup>1</sup>	Based on Gross Asset Value <sup>2</sup>
Long Investments	81.0%	31.6%
Short Sales	(78.4%) <sup>3</sup>	30.5%
Cash	97.4%	37.9%
Total	100.0%	100.0%

Note:

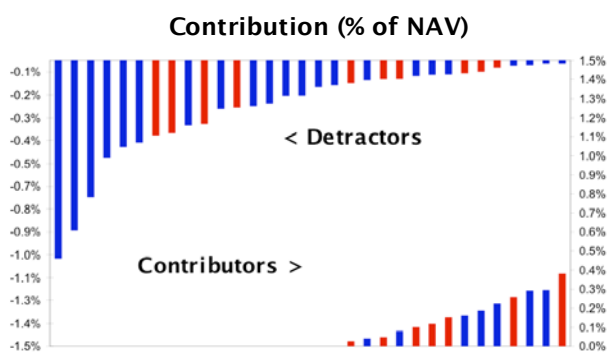
1. Net Asset Value basis shows long and short positions as being offsetting from a market risk perspective.
2. Gross Asset Value basis shows long and short positions as being additive from a market risk perspective.
3. No index short position was held at month end.

#### Security Selection

Detractors outweighed contributors in the month. The portfolio return was supported by a short index position held in the month. Contributors for the month included; Warner Music Group Corp (short), a music content company, Unisys Corp (short), a global technology services company and Diebold Inc (short), a provider of transaction, security and election systems and software.

Main detractors for the month were Millennium Pharmaceuticals Inc (short) a biopharmaceutical company that produces medicines for patients with cancer and inflammatory diseases, Priceline.com Inc (short) an on-line travel company and on-line broker E\*Trade Financial Corp (long).

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.

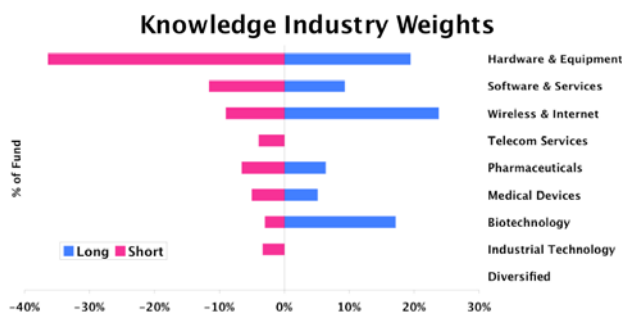


Note:

1. Not all holdings in chart were held for entire month.
2. Excludes contributions from any index positions

#### Industry Structure

In November, the portfolio favoured Wireless & Internet and Biotechnology and held a small net positive weight to Medical Devices. Net short positions were held in Hardware & Equipment, Telecom Services Industrial Technology, Software & Services and Pharmaceuticals. The following chart summarises the structure as at 30 November 2007:



#### Industry Overview

Difficulties in credit markets re-emerged in November, adversely impacting global sharemarkets. Weakness extended to technology companies, with relative outperformance amongst health care companies. For Australians investing overseas, returns were mitigated by a fall of 4.6% in the Australian dollar.

There is concern that inflation may be accelerating globally, driven by higher food and energy prices; the Economist's food price index is up one third in the past year. Higher inflation, if it persists, would warrant tighter monetary policy and risks slower economic activity and weaker sharemarkets.

Gartner are forecasting some slowing in global technology spending in 2008 to 5.5%, down from 8.0% in 2007.

With growing concerns about the adverse effects of climate change, there is continued interest in renewable energy initiatives. For example, in the US, Nellis Air Force Base in Nevada will host 70,000 solar-panels generating 15 megawatts, the largest such installation in North America.

#### Unit Prices (Inception 31 Mar 2004)

	Application Price	Net Tangible Assets	Redemption Price	Distribution
30 Nov 2007	\$0.9832	\$0.9802	\$0.9773	
30 Jun 2007	\$0.9307	\$0.9278	\$0.9250	\$0.0431
31 Dec 2006	\$0.9978	\$0.9948	\$0.9918	
30 Jun 2006	\$0.9161	\$0.9134	\$0.9107	\$0.0185
30 Dec 2005	\$0.8758	\$0.8732	\$0.8706	
30 Jun 2005	\$0.9568	\$0.9525	\$0.9482	\$0.0000
31 Dec 2004	\$0.9180	\$0.9138	\$0.9097	
30 Jun 2004	\$0.8943	\$0.8903	\$0.8863	\$0.0000
31 Mar 2004	\$0.7706	\$0.7671	\$0.7637	

Note: June prices are shown after impact of annual distribution.

#### Enquiries

A copy of the Fund's Product Disclosure Statement is available at [www.techinvest.com.au](http://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](mailto:TechInvest@computershare.com.au).

**Important Information.** Past performance is not a reliable indicator of future performance. This Monthly Letter does not constitute an offer or solicitation of an offer to purchase units in the Intercept Capital Fund.