

Intercept Capital Fund

Monthly Letter

March 2008

Intercept Capital recorded a post-fee return of +1.9% for the month of March 2008, taking the 12 month return to a +17.0%. This compares well with the 12 month UBS Australia Bank Bill Index return of +7%. Since inception on 31 March 2004, the Fund has produced an annualised post-fee return of +10.8% compared with an annualised return from the UBS Australia Bank Bill Index of +6.1%.

Performance

The Fund returned +1.87% (after fees) during the month of March 2008. This compares with a benchmark rate of return of +0.67% for the month (UBS Australia Bank Bill Index).

Portfolio Composition

At end March, 85% of the Fund was invested in 26 companies the manager identified as being undervalued. The Fund also included short sales in 28 companies that the manager believed were overvalued which, in addition to small index short position, totalled 81% of the Fund.

	Based on Net Asset Value ¹	Based on Gross Asset Value ²
Long Investments	85.4%	32.7%
Short Sales	(80.6%) ³	30.9%
Cash	95.2%	36.4%
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. A 4.5% index short position was held at month end.

Security Selection

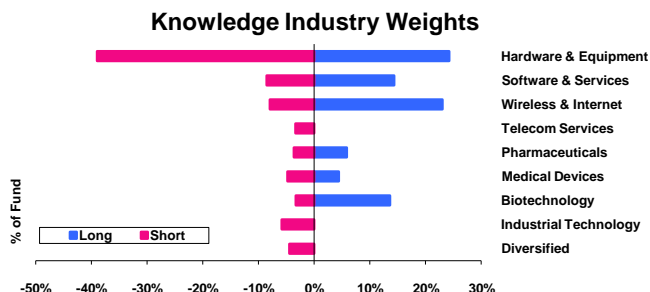
While there were two large detractors, contributors outweighed detractors. Contributors for the month included; the online auction company eBay Inc (long), maker of computers, music devices and other computer equipment, Apple Inc (long) and global consulting firm, FTI Consulting Inc (long).

Main detractors for the month were U.S security systems provider, Diebold Inc (short), Rambus Inc (short), a provider of high-speed interface technology and biopharmaceutical company, Millennium Pharmaceuticals Inc (short).

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.

Industry Structure

In March, the portfolio favoured Wireless & Internet and Biotechnology with small net positive weights in Software & Services and Pharmaceuticals. Net short positions were held in Hardware & Equipment, Industrial Technology, Telecom Services, Medical Devices and Diversified Technology. The following chart summarises the structure as at 31 March 2008:



Industry Overview

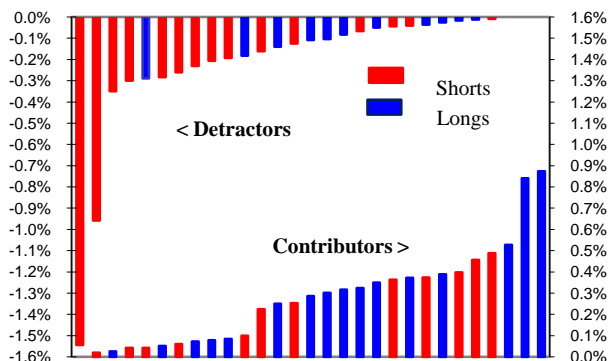
Global share markets continued to decline for the fifth consecutive month. Primary drivers of weakness were the ongoing credit crisis, rising oil prices and the resultant US economic slowdown. Bear Stearns, a major US Investment Bank, was purchased by rival bank JPMorgan after falling victim to the 'global credit crunch'.

The US Federal Reserve's cut in the official cash rate from 3% to 2.25% did little to support the sharemarket. The NASDAQ Composite Index rose by 0.3%. Computing stocks outperformed the index while Biotechnology and Telecoms underperformed.

The New Zealand government approved a plan to carve Telecom New Zealand into three pieces, ending the once state-owned company's virtual telecoms monopoly.

CeBIT, the world's largest computer expo held in Hannover is over for another year. Areas of high energy this year were computer gaming and global positioning technology. Interest in network equipment and services was also strong.

Contribution (% of NAV)



Note:

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

Unit Prices (Inception 31 Mar 2004)

	Application Price	Net Tangible Assets	Redemption Price	Distribution
31 Mar 2008	\$1.0863	\$1.0831	\$1.0799	
31 Dec 2007	\$1.0158	\$1.0127	\$1.0097	
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 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.

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 TI Intercept Capital Fund.