

Intercept Capital Fund

Monthly Letter

April 2008

Intercept Capital recorded a post-fee return of -3.9% for the month of April 2008, taking the 12 month return to +12.7%. This compares with the 12 month UBS Australia Bank Bill Index return of +7.1%. Since inception on 31 March 2004, the Fund has produced an annualised post-fee return of +9.5% compared with an annualised return from the UBS Australia Bank Bill Index of +6.2%.

Performance

The Fund returned -3.91% (after fees) during the month of April 2008. This compares with a benchmark rate of return of +0.65% for the month (UBS Australia Bank Bill Index).

Portfolio Composition

At month end, 91% of the Fund was invested in 26 companies the manager identified as being undervalued as well as a small index position. The Fund also included short sales in 28 companies that the manager believed were overvalued, totalling 90% of the Fund.

	Based on Net Asset Value ¹	Based on Gross Asset Value ²
Long Investments	90.6%	32.3%
Short Sales	(90.4%) ³	32.2%
Cash	99.8%	35.5%
Total	100.0%	100.0%

Note:

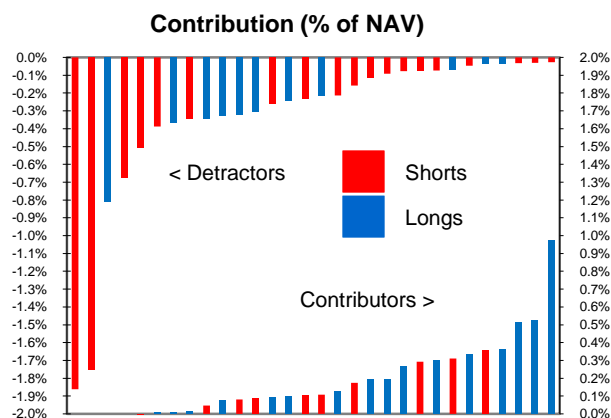
1. Net Asset Value basis shows long and short positions as being offsetting from a market risk perspective.
2. Gross Asset Value basis shows long and short positions as being additive from a market risk perspective.
3. A 1.8% index long position was held at month end.

Security Selection

Detractors outweighed contributors during the month. Contributors for the month included Apple Inc (long), the maker of computers, music devices and other computer equipment, NetApp (long) the enterprise storage and data management solutions provider and business intelligence software provider MicroStrategy Inc (long).

Main detractors for the month were U.S biopharmaceuticals company, Millennium Pharmaceuticals Inc (short) which was the subject of a takeover, music content company Warner Music Group Corp (short) and LSI Corp (short), which designs, develops and markets semiconductors and storage systems.

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.

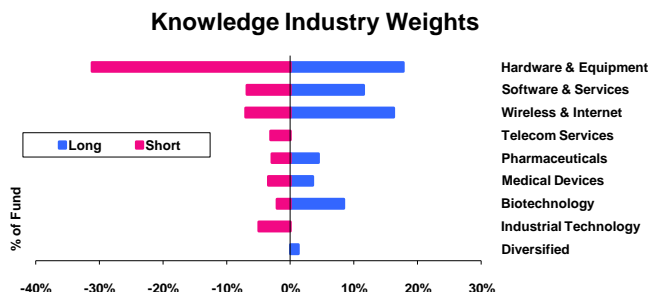


Note:

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

Industry Structure

During the month, the portfolio favoured Wireless & Internet, Biotechnology and Software & Services with small net positive weights in Pharmaceuticals, Diversified Technology and Medical Devices. Net short positions were held in Hardware & Equipment, Telecom Services and Industrial Technology. The following chart summarises the structure as at 30 April 2008:



Industry Overview

Global sharemarkets had a welcome bounce in April, although there was little improvement in the economic backdrop that provided the source of recent sharemarket weakness. Within the knowledge industries, computing and telecom stocks outperformed while biotechnology stocks underperformed.

The International Monetary Fund cut its 2008 global growth forecast to 3.7%, citing the worst financial crisis in the US since the 1930's Great Depression. The stress induced by the financial crisis has been compounded by growing food and energy shortages and a resulting rise in prices.

The OECD reports that in Japan, where broadband is a national priority, download speeds are hitting 61-megabits per second, while the average in the US is only 1.9-megabits per second. The Australian Government announced a \$4.7 billion national broadband project in its 2008/09 budget that aims to deliver high-speed internet services to 98 per cent of Australians.

German company, Q-Cells, surpassed Sharp last year to become the world's largest maker of photovoltaic solar cell systems, which convert sunlight into electricity.

Unit Prices (Inception 31 Mar 2004)

	Application Price	Net Tangible Assets	Redemption Price	Distribution
30 April 2008	\$1.0439	\$1.0408	\$1.0377	
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.