

Intercept Capital Fund

Monthly Letter

November 2008

Intercept Capital recorded a post-fee return of 0.0% for the month of November 2008, taking the 12 month return to +14.9%. This compares with the 12 month UBS Australia Bank Bill Index return of +7.8%. Since inception on 31 March 2004, the Fund has produced an annualised post-fee return of +10.1% compared with an annualised return from the UBS Australia Bank Bill Index of +6.4%.

Performance

The Fund returned -0.05% (after fees) during the month of November 2008. This compares with a benchmark rate of return of +0.52% for the month (UBS Australia Bank Bill Index).

Portfolio Composition

Further investments and short sales were introduced during the month, as political and regulatory risk lessened. The Fund remains below its typical investment structure of being fully invested, offset by short sales.

At month end, 32% of the Fund was invested in 32 companies the manager identified as being undervalued. The Fund also included short sales in 13 companies that the manager believed were overvalued which, together with an indexed position totalled, 27% of the Fund.

	Based on Net Asset Value ¹	Based on Gross Asset Value ²
Long Investments	32.3%	20.9%
Short Sales	(27.3%)	17.7%
Cash	95.0%	61.4%
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.

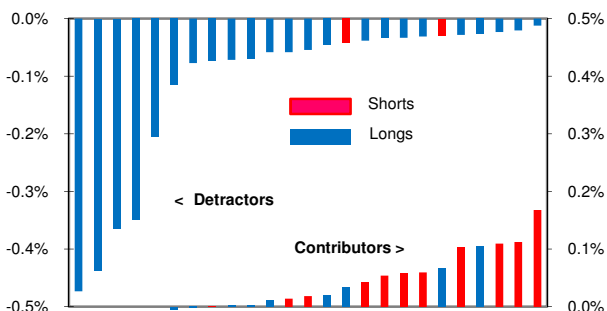
Security Selection

Against a backdrop of weaker sharemarkets, a short index position provided the main offset to the general decline in value of investments. Individual short sale positions generally contributed and investments generally detracted from investments returns.

The main contributors were Dell Inc (short), a technology hardware company, Unisys Corp (short) an information technology services and solutions company and LSI Corp (short) which designs, develops and markets semiconductors and storage systems.

Main detractors were Google Inc (long), an online search provider, Apple Inc (long), the maker of computers, music devices and other computer equipment and Applied Materials Inc (long), which provides nano-manufacturing technology solutions for the semiconductor, flat panel display, solar and related industries.

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.



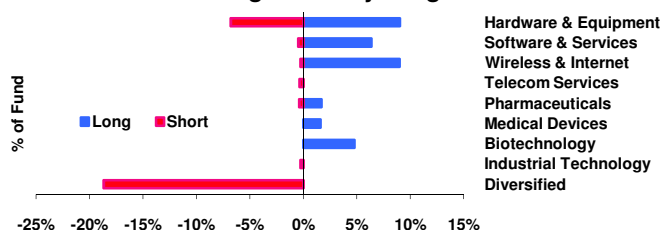
Note:

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

Industry Structure

By month end, the portfolio carried net positive positions in Wireless & Internet, Software & Services, Biotechnology and Hardware & Equipment, Medical Devices and Pharmaceuticals. A large Diversified short position was held, together with small net short positions in Industrial Technology and Telecom Services. The following chart summarises the structure at 30 November 2008:

Knowledge Industry Weights



Industry Overview

Global sharemarkets posted their sixth successive monthly decline in November, as the impact of the credit crisis grinds on.

Central banks extended interest rate reductions and a number of governments provided further stimulus in a bid to limit the depth of the economic downturn. China cut its one year policy rate by over 1% to 5.58%, after earlier announcing a US\$600 billion infrastructure stimulus package. The Bank of England easing in early December has the Bank Rate at 2%, the lowest since 1951.

The Semiconductor Industry Association reported chip sales in September just 1.6% higher than the same month last year, with a sharp 37.5% fall in flash memory sales in the month of September.

The NPD Group reported e-commerce sales growth moderated in September to 5% from a peak of 15% in April, although strong sales are still evident in video games, consoles and accessories (+60%), furniture, appliances and equipment (+52%) and sports and fitness (+40%).

NPD also reported slower mobile phone sales growth of 5% in the September quarter. The battle for dominance in this sector is heating up; Apple reported selling 6.9 million phones in the September quarter, pushing it ahead of the Razr V3 and RIM's BlackBerry Curve.

Unit Prices (Inception 31 Mar 2004)

	Application Price	Net Tangible Assets	Redemption Price	Distribution
30 Nov 2008	\$1.0971	\$1.0938	\$1.0905	
30 Jun 2008	\$1.0053	\$1.0023	\$0.9993	\$0.0297
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 Mackenzie Coultas Funds Administration Pty Limited on 1300 553 481 or via email to Registry@maccoul.com.au.

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