

Intercept Capital Fund

Monthly Letter

January 2009

Intercept Capital recorded a post-fee return of -0.6% for the month of January 2009, taking the 12 month return to +10.8 %. This compares with the 12 month UBS Australia Bank Bill Index return of +7.4%. Since inception on 31 March 2004, the Fund has produced an annualised post-fee return of +9.8% compared with an annualised return from the UBS Australia Bank Bill Index of +6.4%.

Performance

The Fund returned -0.59% (after fees) during the month of January 2009. This compares with a benchmark rate of return of +0.39% for the month (UBS Australia Bank Bill Index).

Portfolio Composition

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

At month end, 46% of the Fund was invested in 34 companies the manager identified as being undervalued. The Fund also included short sales in 20 companies that the manager believed were overvalued which, together with an index position totalled, 39% of the Fund.

	Based on Net Asset Value ¹	Based on Gross Asset Value ²
Long Investments	46.3%	26.1%
Short Sales	(38.8%)	21.8%
Cash	92.5%	52.1%
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.

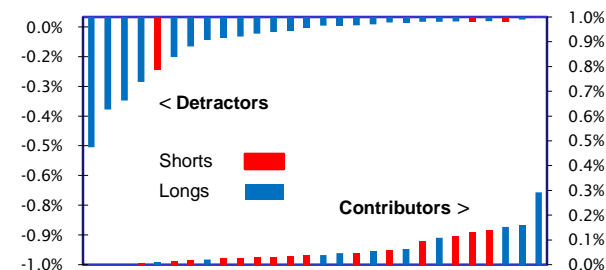
Security Selection

Against a backdrop of weak sharemarkets, a short index position provided a positive offset to the general decline in value of investments.

The main contributors for the month were Google Inc (long), an on-line search provider, Apple Inc (long), a maker of computers, music devices and other computer equipment and Amazon.com Inc (long) which provides a service to sellers of products and services on-line.

Main detractors were Salesforce.com Inc (long), a provider of customer relationship management software on demand, eBay Inc (long) an on-line auction maker and Nokia Corp (long), a maker of mobile phones and other mobile devices.

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.



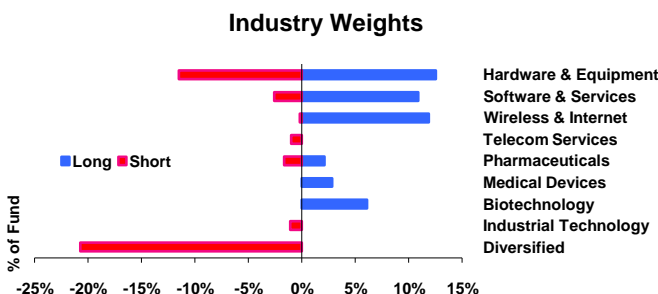
Note:
 1. Not all holdings in chart were held for entire month.
 2. Excludes contributions from any index positions

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.

Industry Structure

By month end, the portfolio favoured Wireless & Internet, Software & Services, Biotechnology with small net positive positions in Medical Devices, Hardware & Equipment 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 31 January 2009:



Industry Overview

Global sharemarkets fell sharply in January 2009, with healthcare and technology oriented sectors exhibiting defensive qualities and declining less than other industries.

A number of central banks cut official interest rates further in the face of weak economic data; the Bank of England cut official interest rates to 0.5 – 1.0%, the lowest rate since the Bank was founded in 1694, the ECB cut interest rates by -0.5% to a record low of 2.0% while the US Fed Funds rate is already targeted at near zero.

Although a lagging indicator, employment conditions have continued to deteriorate; in the US 598,000 jobs were lost in January following job losses of 524,000 in December and 584,000 in November.

The difficult financial environment has seen a surge in demand for low cost "netbooks" such as the ASUS Eee PC and the Archos 7 that typically rely on software via the web and carry minimal functionality at low prices.

2008 Q4 company profit reporting in the US has been marked by weaker operational results and increased write-offs. An exception to that trend was Amazon.com Inc which reported an 18% year-over-year increase in revenue and in-line guidance for 2009 Q1.

Unit Prices (Inception 31 Mar 2004)

	Application Price	Net Tangible Assets	Redemption Price	Distribution
31 Jan 2009	\$1.0989	\$1.0956	\$1.0923	
30 Dec 2008	\$1.1054	\$1.1021	\$1.0988	
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.

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