

TI Intercept Capital Fund

Monthly Letter

July 2009

TI Intercept Capital recorded a post-fee return of +0.7% for the month of July 2009. Since inception on 31 March 2004, the Fund has produced an annualised post-fee return of +9.2% compared with an annualised return from the UBS Australia Bank Bill Index of +6.1%. At month end, the Fund was 59% invested in selected investments expected to outperform, offset by 56% short sales of companies expected to underperform.

Performance

The Fund returned +0.74% (after fees) during the month of July 2009. This compares with a benchmark rate of return of +0.27% for the month (UBS Australia Bank Bill Index).

Portfolio Composition

The Fund remains below its typical investment structure of being fully invested, offset by short sales.

At month end, 58.7% of the Fund was invested in 31 companies the manager identified as being undervalued. The Fund also included short sales in 28 companies that the manager believed were overvalued which, together with an index position, totalled 56.3% of the Fund. The mix of long and short portfolios was designed to achieve market neutrality.

| | Based on Net Asset Value ¹ | Based on Gross Asset Value ² |
|------------------|---------------------------------------|---|
| Long Investments | 58.7% | 27.6% |
| Short Sales | (56.3%) | 26.5% |
| Cash | 97.6% | 45.9% |
| 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.

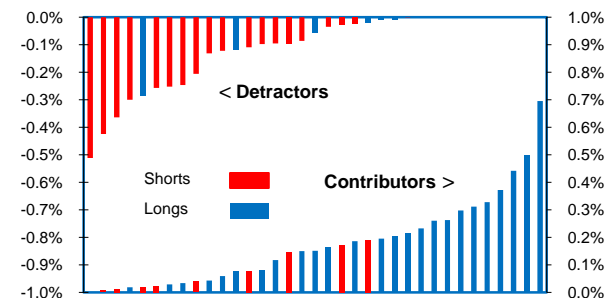
Security Selection

Against the background of a rising sharemarket, most contributors were long and most detractors were short.

The main contributors for the month were long positions that have been held in portfolio for some time; eBay Inc (long), an online auction house, Apple Inc (long) a maker of computers, music devices and other computer equipment and Salesforce.com Inc (long) a provider of customer relationship software on demand.

Main detractors were Xerox Corp (short), a company engaged in providing a range of document equipment, software, solutions and services, Rovi Corp (short) which provides business solutions to protect, enable and distribute digital goods to consumers and Hewlett Packard Company (short), a maker of computers and printers and provider of other technology services.

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.



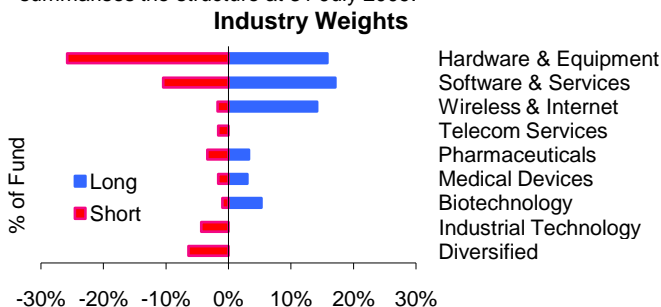
Note:
 1. Not all holdings in chart were held for entire month.
 2. Excludes contributions from any index positions

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 and Software & Services, with small net positive positions in Biotechnology, Medical Devices and Pharmaceuticals. A Diversified short position was held, together with small net short positions in Hardware & Equipment, Industrial Technology, Telecom Services and Pharmaceuticals. The following chart summarises the structure at 31 July 2009:



Industry Overview

Global sharemarkets rallied strongly in July in a broad market advance that reflected confidence that the worst of the global financial crisis has passed. However, substantial uncertainties remain.

Gartner reports that Microsoft's share of the mobile phone operating system market has fallen to 9% from 24% in 2004. The market leader is Symbian with 51%, RIM 19% and Apple 13%. In August, Microsoft and Nokia announced an alliance to bring business software such as Microsoft Office to smartphones in a bid to better compete with new generation Apple and Google smartphone operating systems.

Yahoo announced a 10 year search engine revenue sharing deal with Microsoft, effectively removing Yahoo as a competitor to Microsoft's struggling Bing search engine.

Sony and Adobe are seeking a common e-book standard to avoid a replay of Apple's domination of the digital music business. Amazon, which has its popular Kindle, is not proposing to adopt the standards.

According to cnet news, video game sales fell for the fifth month in a row to be 29% lower than a year earlier. Games hardware sales fell 37% from a year earlier with Wii's outselling Xboxes and PS3's.

Bloomberg reports the number of first time venture capital investments dropped to a 15 year low in Q2 2009, with the amount invested 51% below a year ago.

ExxonMobil will invest \$300 million over 5 to 6 years in Synthetic Genomics founded by Craig Venter; the company plans to use algae to generate fuel at an efficiency rate close to petroleum.

Unit Prices (Inception 31 Mar 2004)

| | Application Price | Net Tangible Assets | Redemption Price | Distribution |
|-------------|-------------------|---------------------|------------------|--------------|
| 31 Jul 2009 | \$0.8895 | \$0.8868 | \$0.8842 | |
| 30 Jun 2009 | \$0.8830 | \$0.8803 | \$0.8777 | \$0.2305 |
| 30 Jun 2008 | \$1.0053 | \$1.0023 | \$0.9993 | \$0.0297 |
| 30 Jun 2007 | \$0.9307 | \$0.9278 | \$0.9250 | \$0.0431 |
| 30 Jun 2006 | \$0.9161 | \$0.9134 | \$0.9107 | \$0.0185 |
| 30 Jun 2005 | \$0.9568 | \$0.9525 | \$0.9482 | \$0.0000 |
| 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.