

TI Intercept Capital Fund

Monthly Letter

September 2009

TI Intercept Capital recorded a post-fee return of +0.4% for the month of September 2009. Since inception on 31 March 2004, the Fund has produced an annualised post-fee return of +8.8% compared with an annualised return from the UBS Australia Bank Bill Index of +6.0%. At month end, the Fund was 61% invested in selected investments expected to outperform, offset by 67% short sales of companies expected to underperform.

Performance

The Fund returned +0.37% (after fees) during the month of September 2009. This compares with a benchmark rate of return of +0.28% 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, 61% of the Fund was invested in 27 companies the manager identified as likely outperformers. The Fund also included short sales in 32 companies that the manager expected to underperform which, together with an index position, totalled 67% 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	60.6%	25.9%
Short Sales	(66.9%)	28.6%
Cash	106.4%	45.5%
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 shows long and short positions as being additive from a market risk perspective.

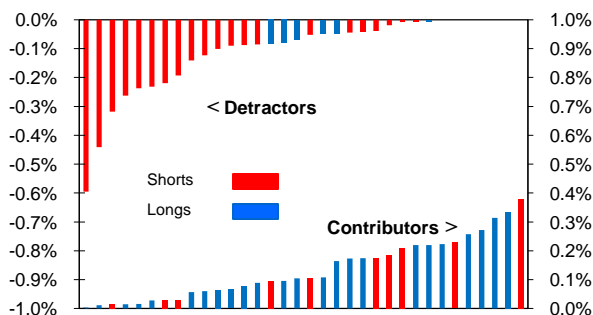
Security Selection

Reflecting the overall strength of sharemarkets in September, detractors were mainly shorts; the broader number of contributors over detractors ensured a positive month's return.

Main contributors for the month were Hitachi Ltd (short), a company that delivers a diversified product mix ranging from electricity generation systems to consumer products and electronic devices, Salesforce.com Inc (long) a provider of customer relationship software on demand and Apple Inc (long) a maker of computers, music devices and other computer equipment.

Main detractors were Warner Music Group Corp (short) a music content company, Biovail Corp (short) a specialty pharmaceutical company and Affiliated Computer Services Inc (short), a provider of business process outsourcing and information technology services to commercial and government clients.

The graph below shows performance contributors and detractors on a % of Net Asset Value basis, excluding the impact of currency, with shorts shown in red and longs in blue.



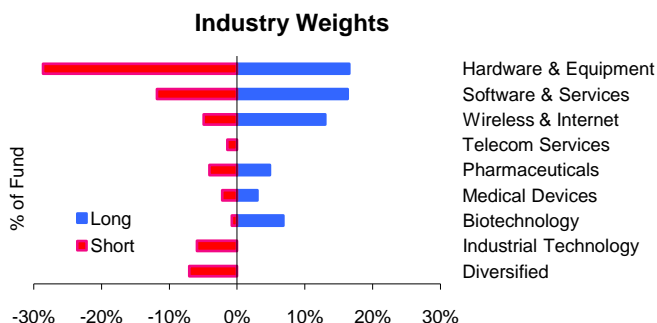
Note:

1. Not all holdings in chart were held for entire month.

2. Excludes contributions from any index positions

Industry Structure

By month end, the portfolio favoured Wireless & Internet, Biotechnology and Software & Services, with small net positive positions in Medical Devices and Pharmaceuticals. Net short positions were held in Hardware & Equipment, Diversified and Industrial Technology, together with a small net short position in Telecom Services. The following chart summarises the structure at 30 September 2009:



Industry Overview

Global sharemarkets continued to rally in September from their lows in February/March. For Australian investors, global sharemarket gains were offset by a rise in the Australian dollar.

The rally in sharemarkets has occurred despite persistent weakness in US economic data that threatens to stymie economic recovery. In September, light vehicles sales were lower than for each September over the past 5 years, employment continued to fall with 7.2 million jobs lost over 21 consecutive months of job losses and consumer credit declined for 7 consecutive months to be 41% lower than a year earlier.

The G20 meeting in Pittsburgh agreed to phase out fossil fuel subsidies to reduce global greenhouse gas emissions by 10% by 2050.

E.ON has put the world's largest wind farm into operation in Roscoe, Texas. With 627 turbines over 400km², it will generate 780 MW and power more than 230,000 homes.

The Northern Hemisphere flu season will test programs to control the H1N1 pandemic; so far there have been more than 300,000 confirmed cases and 3,917 deaths in 191 countries and territories.

With 14% market share in Q3, and benefiting from the popularity of low end notebooks, Gartner reported Acer became the world's second largest producer of personal computers behind Hewlett-Packard (20%) and surpassing Dell (13%).

Performance:

	1 Month	1 Year	3 Years	Inception 31/3/2004
TI Intercept Capital Fund	+0.37%	+0.70%	+8.94% p.a.	+8.76% p.a.
UBS Australia Bank Bill Index	+0.28%	+4.31%	+6.16% p.a.	+5.97% p.a.

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.