

TI Intercept Capital Fund

Monthly Letter

November 2009

TI Intercept Capital recorded a post-fee return of +4.4% for the month of November 2009. 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 +5.9%. At month end, the Fund was 76% invested in selected investments expected to outperform, offset by 76% short sales of companies expected to underperform.

Performance

The Fund returned +4.39% (after fees) during the month of November 2009. This compares with a benchmark rate of return of +0.31% for the month (UBS Australia Bank Bill Index).

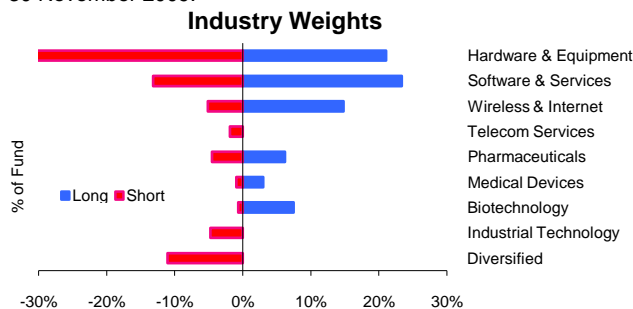
Portfolio Composition

The Fund increased exposure towards its typical investment structure of being fully invested, offset by short sales.

At month end, 76% of the Fund was invested in 28 companies the manager identified as likely outperformers. The Fund also included short sales in 31 companies that the manager expected to underperform which, together with an index position, totalled 76% of the Fund. The mix of long and short portfolios was designed to achieve market neutrality.

Industry Structure

By month end, the portfolio favoured Software & Services, Wireless & Internet and Biotechnology, 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 November 2009:



	Based on Net Asset Value ¹	Based on Gross Asset Value ²
Long Investments	75.8%	30.0%
Short Sales	(76.4%)	30.2%
Cash	100.6%	39.8%
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.

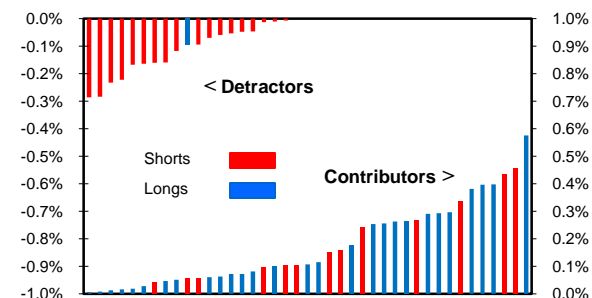
Security Selection

Contributors, both long and short, dominated the month' return.

Main contributors for the month were **Synaptics Inc** (long), a provider of user interface solutions in mobile computing, communications, entertainment and other electronic devices, **Diebold Inc** (short) a provider of self-service transaction systems, electronic and physical security systems, software and various products used to equip bank facilities and voting equipment and **Hitachi Ltd** (short), a company that delivers a diversified product mix ranging from electricity generation systems to consumer products and electronic devices.

Main detractors were **Merck & Co Inc** (short) a global pharmaceutical company that develops, manufactures and markets a range of health products, **OmniVision Technologies Inc** (short), a maker of semiconductor image-sensor devices and **United Technologies Inc** (short), which provides high technology products and services to the building systems and aerospace industries.

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 Overview

Sharemarkets resumed their upward trend in November 2009. New home sales in the US rose in October, to be higher than the previous corresponding month for the first time since 2005. Elsewhere, economic fundamentals showed little improvement. The broader unemployment measure U6, which includes underemployed, was 17.5% in October, the highest level since the Great Depression. Bankruptcy filings for the year to September 2009 were up 34.5%.

The default by Dubai World, which has developed some of the world's most extravagant real estate projects, has raised the risk of a broader set-back in financial markets; the company owes more than \$US22 billion and the government of Dubai \$US80 billion.

Gartner projects semiconductor sales will rise 13% in 2010 after falling 11.4% in 2009. Shipments of computer processors rose 23% in the September quarter compared with the June quarter, driven by popularity of Netbooks; Intel has retained market share dominance with 81% share.

SustainableBusiness.com reports that the Spanish wind power industry is now the primary generation source on the Spanish electrical grid.

The Global Carbon Project reported in Nature Geoscience that CO₂ emissions rose by 29% between 2000 and 2008. Per capita generation of carbon has increased from 1.1 tonnes in 2000 to 1.3 tonnes in 2008. New data from NASA indicates that Antarctica is losing around 190 billion tonnes of ice a year.

One of the casualties of the global financial crisis is Chrysler's commitment to electric car development. Reuter's reports that the development team in its Fiat division has been abolished and it has dropped its target for the production of battery powered cars.

Performance:

	1 Month	1 Year	3 Years	Inception 31/3/2004
TI Intercept Capital Fund	+4.39%	+8.25%	+8.40% p.a.	+9.75% p.a.
UBS Australia Bank Bill Index	+0.31%	+3.61%	+5.99% p.a.	+5.89% 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 via email to Registry@maccoul.com.au or phone 1300 553 481.

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* The Morningstar Rating is an assessment of a fund's past performance – based on both risk and return – which shows how similar investments compare with their competitors. A high rating alone is insufficient basis for an investment decision. Please refer to Morningstar's Financial Services Guide for more information at www.morningstar.com.au/afsg.pdf.