

i Capital International Value Fund

ARSN 134578180

Quarterly Investment Report For the period 1 January 2010 to 31 March 2010

i Capital International Value Fund

Interim Report of the Fund Manager
for the period 1 January 2010 to 31 March 2010

Fund Performance

This is the third quarterly report of *i Capital International Value Fund* for the nine months ended 31 March 2010.

For the period between 1 July 2009 and 31 March 2010, the net asset value (NAV) of *i Capital International Value Fund* rose by 0.07% or from AUD1.00 to AUD1.0007⁽¹⁾ per unit. This compares with a 8.61% rise in the MSCI World Index (AUD)⁽²⁾ and a 9.39% rise in the MSCI All Country Index (AUD)⁽³⁾ during the said period.

In the said period, your Fund's NAV has risen less than the benchmark indices because of the strong AUD. This is not surprising, as a currency analysis of your Fund's portfolio would show that the stocks held were skewed towards non-AUD denominated stocks. As an indication of the impact of this adverse currency movement, the total unrealised capital gain as at 31 March 2010 of AUD0.826 million was changed to an unrealised loss of AUD0.382 million, due to the unrealised currency loss of AUD1.209 million.

Table 1 shows the percentage gain or loss of each company held by your Fund as at 31 March 2010. This table assumes no impact from currency movements. **Table 2** shows the percentage gain or loss arising from currency movements as at 31 March 2010, assuming no change in stock prices.

- (1) Past performance is not a reliable indicator of future results.
- (2) This index comprises prices from 23 developed countries.
- (3) This index comprises prices from 48 countries, including China.

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for the period 1 January 2010 to 31 March 2010 (continued)

Fund Performance (continued)

Table 1 Shows the percentage gain or loss arising from stock price changes ^{(1) (2)}

Securities in Australian Dollars	Average Cost (A\$) [*]	Price (Mar 2010) A\$ [*]	% Change
BEIJING CAPITAL LAND LTD - H SHARES	0.56	0.49	-13.39
GALAXY ENTERTAINMENT GROUP LTD	0.55	0.50	-9.09
MERMAID MARINE AUSTRALIA LTD	2.96	2.74	-7.43
MERMAID MARITIME PCL	0.59	0.58	-1.69
NEW WORLD DEPT STORE CHINA	1.01	1.20	18.81
PORSCHE AUTOMOBIL HOLDING SE	90.73	76.60	-15.57
REXLOT HOLDINGS LTD	0.10	0.17	66.00
TESCO PLC ORD 5P	7.50	8.70	16.00

**Assume constant exchange rates.*

- (1) Past performance is not a reliable indicator of future results.
 (2) Please note numbers have been rounded to two decimals.

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for the period 1 January 2010 to 31 March 2010 (continued)

Fund Performance (continued)

Table 2 Shows the percentage gain or loss arising from currency movements ^{(1) (2)}

Securities in Australian Dollars	Average Cost (A\$) ^{**}	Price (Mar 2010) A\$ ^{**}	% Change
BEIJING CAPITAL LAND LTD - H SHARES	0.56	0.49	-11.79
GALAXY ENTERTAINMENT GROUP LTD	0.55	0.55	0.36
MERMAID MARINE AUSTRALIA LTD	2.96	2.96	0.00
MERMAID MARITIME PCL	0.59	0.55	-7.63
NEW WORLD DEPT STORE CHINA	1.01	0.89	-11.88
PORSCHE AUTOMOBIL HOLDING SE	90.73	78.90	-13.04
REXLOT HOLDINGS LTD	0.10	0.09	-6.00
TESCO PLC ORD 5P	7.50	6.19	-17.47

***Assume constant stock prices.*

- (1) Past performance is not a reliable indicator of future results.
 (2) Please note numbers have been rounded to two decimals.

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for the period 1 January 2010 to 31 March 2010 (continued)

Fund Performance (continued)

Table 3 Shows the percentage of assets held as cash ⁽¹⁾

	Cash	Equities
End of Jul 09	46.84%	53.16%
End of Aug 09	47.90%	52.10%
End of Sep 09	24.24%	75.76%
End of Oct 09	30.51%	69.49%
End of Nov 09	14.82%	85.18%
End of Dec 09	16.69%	83.31%
End of Jan 10	18.73%	81.27%
End of Feb 10	18.83%	81.17%
End of Mar 10	36.36%	63.64%

The portfolio of *i* Capital International Value Fund as at 31 March 2010 is spread across 8 companies, which are engaged in a wide range of business activities. The top five investments are Rexlot Holdings (HKEX), Mermaid Marine Australia (ASX), New World Department Store (HKEX), Mermaid Maritime PCL (SGX) and Galaxy Entertainment Group (HKEX). These 5 investments make up 47 % (see page 7) of the total assets. In the January to March 2010 period, your Fund sold Fraser and Neave Ltd, Keppel Corporation Ltd, Bank of East Asia Ltd and Yip's Chemicals Ltd. Subsequent to 31 March 2010, your Fund did not sell any stocks.

(1) Past performance is not a reliable indicator of future results.

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Interim Report of the Fund Manager

for the period 1 January 2010 to 31 March 2010 (continued)

Fund Performance (continued)

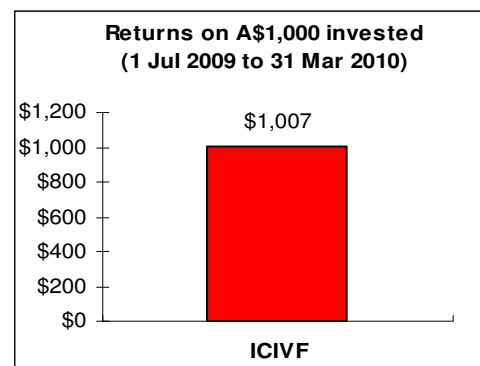


Figure 1

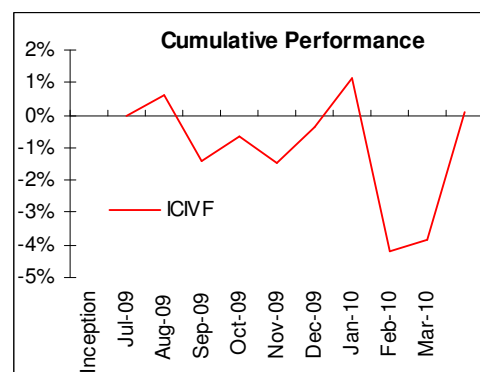


Figure 2

***i* Capital International Value Fund**

Interim Report of the Fund Manager

for the period 1 January 2010 to 31 March 2010 (continued)

Outlook and Strategy

Since our last quarter's report, there have been numerous adverse developments. There was the US-China currency spat, the Icelandic volcano eruption, the PIGS (Portugal, Ireland, Greece and Spain) debt and fiscal crises, worries over China's property market and economy heading towards a hard landing, heightened tension in the Korean peninsula and more. Although investors had plenty of reasons to sell stocks, the global equity markets have not spiralled out of control and the global economic recovery has remained resilient.

As reported earlier, around end March and early April, Capital Dynamics (Australia) Ltd sold all the Fund's holdings in Bank of East Asia, Fraser and Neave Ltd, Yip's Chemical and Keppel Corporation as a defensive measure against any unexpected trade war between the US and China. Subsequent to that, Capital Dynamics (Australia) Ltd has invested in ANZ Banking Group, Jasa Marga and Skilled Group.

At the time of writing this report, your Fund's cash level is below 6%. Since the *i* Capital International Value Fund was launched in July 2009, this is the first time that its cash holding has dropped to such a level.

As your fund manager, Capital Dynamics (Australia) Ltd takes a longer-term view and amidst the widespread pessimism, it is useful to remember that time in the stock market is more rewarding than timing the stock market.

Tan Teng Boo
Capital Dynamics (Australia) Limited
ABN 53 129 846 260 AFSL 326283
8 June 2010

***i* Capital International Value Fund**

Performance information

Quarter ended 31 March 2010

Top 5 out-performing stocks (in local currency)	Third Quarter 31 March 2010 (% of change)
Rexlot Holdings Ltd	28%
Keppel Corporation Limited	12%
Galaxy Entertainment Group Limited	12%
Fraser and Neave Limited	8%
Yip's Chemical Holdings Limited	5%

The table above presents the top 5 out-performing stocks your fund held at some time within the referenced quarter. The stocks do not necessarily need to be bought at the start of the quarter (i.e. 1 Jan 2010), and held till the end of the quarter (i.e. 31 Mar 2010). Stock performance will only be measured over the specific period that your fund held the stock in the referenced quarter. This means that, for example, if Keppel Corporation Limited was bought on 10 Feb 2010 and sold on 15 Mar 2010, its performance is only measured over that period and not over the full quarter of 1 Jan to 31 Mar 2010. Similarly, if Keppel Corporation Limited was bought on 20 Nov 2009 and sold on 15 Mar 2010, its performance is measured over the period 1 Jan to 15 Mar 2010.

Top 5 net assets attributable to unitholders at 31 March 2010 (in AUD)	47%
Rexlot Holdings Ltd	13%
Mermaid Marine Australia Limited	10%
New World Dept Store China	9%
Mermaid Maritime PCL	8%
Galaxy Entertainment Group Limited	7%

Country allocation for equities (in AUD)	100%
Hong Kong	56%
Singapore	13%
Australia	16%
Europe	9%
United Kingdom	6%

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About the Fund

Capital Dynamics (Australia) Ltd (CDAL), a wholly owned subsidiary of Capital Dynamics (S) Pte Ltd (CDPL), obtained its Australian Financial Services License (AFSL 326283) from the Australian Securities and Investments Commission in December 2008. This allows CDAL to provide funds management and financial advisory services to retail and wholesale investors.

Based in Sydney, CDAL was set up with the aim of providing investors with the proven investment success of the Capital Dynamics group through the launch of the *i* Capital International Value Fund (ARSN 134578180) and individually managed accounts.

Launched in June 2009, the *i* Capital International Value Fund invests in global equities and is managed with a focus on long term capital appreciation while providing distributions.

About the Group

Capital Dynamics (S) Pte Ltd (CDPL), a global fund manager based in Singapore, is the fund manager for the *i* Capital Global Fund.

CDPL commenced operations in June 2006 and is part of the established Capital Dynamics group, which provides fund management and investment advisory services to institutional and retail clients. As a global fund manager, CDPL manages the *i* Capital Global Fund, an open-end fund, and discretionary accounts.

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About the Group (continued)

Capital Dynamics Asset Management S/B (CDAM), based in Kuala Lumpur, manages icapital.biz Berhad, a closed-end fund listed on Bursa Malaysia, and discretionary accounts.

The Capital Dynamics group traces back to 1988, when its managing director, Tan Teng Boo, an experienced investment manager, founded Capital Dynamics Sdn Berhad, the first independent investment adviser in Malaysia. It provides top quality advice on investments through *i* Capital, its weekly report, and www.icapital.biz, the Internet edition. It supervises 5 portfolios with the oldest started as far back as Sep 1991.

The investment philosophy of the Capital Dynamics group (including that of CDAL) is guided by a sound and rigorous value-investing framework. Essentially, the Capital Dynamics group seeks low risk yet high return types of investment.

The Capital Dynamics group is independent and is therefore not affiliated to any financial institution or political or government organisation. Being owner-operated, the continuity and consistency of the investment approach adopted by the group is assured.

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Notes

Capital Dynamics (Australia) Limited (CDAL) is the responsible entity and issuer of *i* Capital International Value Fund ("Fund"). The Product Disclosure Statement dated 9 April 2009 ("PDS") is the current offer document for the Fund. You can obtain a copy of the PDS from CDAL's website www.capitaldynamics.com.au, or contact CDAL at 1300 798 655, or email CDAL at info@capitaldynamics.com.au.

Before making any investment decision you will need to consider your particular investment needs, objectives and financial circumstances. You should also consider the PDS in deciding whether to acquire, or continue to hold, units in the Fund.

Disclaimer: The information in this Quarterly Investment Report is not intended to provide advice. It has not been prepared taking into account any particular investor's or class of investor's investment objectives, financial situation or needs, and should not be used as the basis for making investment, financial or other decisions. To the extent permitted by law, no liability is accepted for any loss or damage as a result of any reliance on this information. None of CDAL nor any of its related entities guarantees the performance of the Fund or the repayment of capital or any particular rate of return or any distribution.

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Fund manager

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