i Capital Global Fund

Annual Report
for the financial year ended
30 April 2010

***i* Capital Global Fund**
(Incorporated in the Cayman Islands)

ANNUAL REPORT
For the financial year ended 30 April 2010

Content

i Capital Global Fund

Annual Report of the Fund Manager
for the financial year ended 30 April 2010

Performance

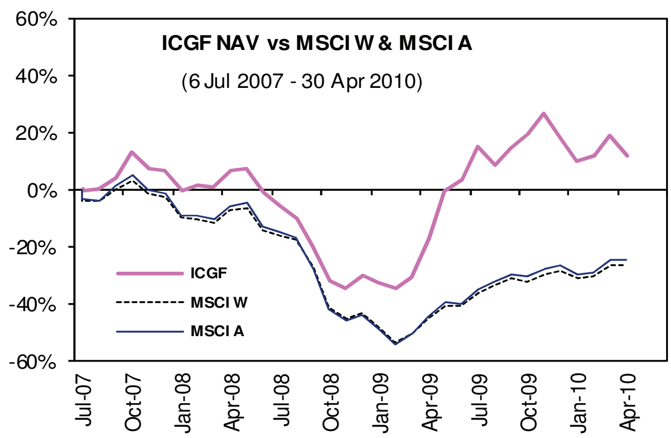
This is the 4th Quarterly and Annual Report of the *i* Capital Global Fund for the financial year ended 30 April 2010. We sincerely apologise for the delay of this annual report.

In the twelve months ended 30 April 2010, the net asset value (NAV) of the *i* Capital Global Fund jumped 34.83% or US$289.259 from US$830.481 to US$1,119.740 per share, nett of all expenses. In the same period, the Morgan Stanley World Index (1) surged 34.21% and the Morgan Stanley All Country Index (2) jumped 36.45%.

Between 6 July 2007 and 30 April 2010, the net asset value (NAV) of the *i* Capital Global Fund rose 11.97% or US$119.740 from US$1,000.000 to US$1,119.740 per share. In the same period, the Morgan Stanley World Index (1) plunged 26.53% and the Morgan Stanley All Country Index (2) slumped 24.66%.

The performance of your Fund, since its inception in July 2007, is best seen visually. Figure 1 shows the NAV of the *i* Capital Global Fund against the performance of the two MSCI benchmark indices since its launch. As can be seen your Fund has consistently outperformed the two MSCI benchmark indices.

Figure 1



As you may be aware, your Fund was launched just before the global financial markets and economies were adversely affected by the US-led global financial crisis. Instead of expecting the global economy and financial markets to collapse, Capital Dynamics (S) Pte Ltd, as your fund manager, consistently took advantage of the panicky pessimism and irrational selling. As a result, by the beginning of this financial year, that is, from 1 May 2009 to 30 April 2010, your Fund had less than 5% of its total assets in cash.

By the end of September 2009, the cash level had dropped to below 1% and for most parts of the 2010 Financial Year, the cash level was consistently held at a low level. As you may recall, this changed in the last two months of the said financial year, as we were concerned with the adverse consequences of a full-fledged currency war between America and China. By 30 April 2010, your Fund had about 39.3% in cash or near cash. Common sense subsequently prevailed between the two most important economies in the world and your Fund subsequently reduced its cash holdings.

In the 2010 Financial Year, your Fund sold all its investments in Oil Search Ltd, an oil company listed on the ASX, China National Petroleum Corporation (CNPC) (HK), Chaoda Modern Agriculture, Bank of East Asia, Shanghai Industrial Holdings Ltd, all listed on the HKEX, Rolls Royce Group Plc, listed on the LSE and Keppel Corporation Ltd, listed on the SGX.

At the same time, in the same financial year, your Fund made four new investments. They were New World Department Store, owner and manager of departmental stores in China and listed on the Hong Kong stock exchange, PT Jasa Marga (Persero) Tbk, an operator of toll expressways in Indonesia and listed on the Jakarta stock exchange and Mermaid Marine Australia Ltd and Australia & New Zealand Banking Group Ltd, both listed on the ASX. Since 30 April 2009, your Fund has bought additional shares of Porsche Automobil Holdings.

The portfolio of your Fund was spread across 10 companies that are engaged in a wide range of business activities – see the Schedule of Securities on page 25. The top 5 investments as at 30 April 2010 were RexLot Holdings Ltd, PT Jasa Marga (Persero) Tbk, Beijing Capital Land Ltd, Tesco Plc, and Mermaid Marine Australia Ltd. They made up 57.2% of the total assets.

By 30 April 2010, the cash level was about 39.3% of your Fund's net asset value and its cash is held in a basket of currencies.

Strategy

As we look back at the twelve months from 1 May 2009 to 30 April 2010, that period was, without doubt, filled with great fears. There were heightened concerns that the policy responses and measures implemented by governments worldwide were not sufficient to prevent a serious economic catastrophe from happening. Yet the global stock markets rallied, confirming the old adage that the market climbs on a wall of worry. After April 2010, the global financial markets were hit by the debt and fiscal crisis that gripped Portugal, Ireland, Greece and Spain (PIGS). When it appeared that the worst was not going to happen, investors had to deal with another looming problem, this time, it was focused on China's booming property market and economy. Yet, in ways similar to the previous year, investors were able to take these worries in their stride and global stock markets were generally able to progress.

At the time of writing this report, the US economy has shown signs that it is finally entering a self-sustaining recovery. Even though the US housing market remains depressed, growth in consumer and business spending, employment and exports is ensuring that 2011 will be a good year for the US economy. The rise in the New York stock market in recent months confirms this sanguine view. However, major problems remain unsettled. Amongst the major "old" problems that remain unresolved as 2011 unfolds include the PIGS crisis and the question as to whether China will be able to soft land in 2011.

Besides some of the old problems extending into the new year, 2011 has witnessed new major problems of its own. Even though the crisis is already a few months old, the unprecedented political uprisings in North Africa and the Middle East show no signs of abating. Libya, a major oil producer, is in a civil war and countries like Syria and Yemen are grappling with widespread protests. Due to its proximity to Saudi Arabia and its strategic importance, the political uprisings in tiny Bahrain take on extra significance. For the global financial markets, the most important impact of these widespread political uprisings is the price of crude oil. As a result of the V-shaped global economic recovery, the price of crude oil was already rising. The unprecedented political uprisings in an intensely energy rich region are making the oil market highly nervous.

The other major unprecedented crisis in 2011 is the triple disasters (tri-disaster) arising from the M9 earthquake, the devastating tsunami and the overheating nuclear reactors in Japan. Like the political uprisings in North Africa and the Middle East, this tri-disaster is still unfolding. Like the political uprisings in North Africa and the Middle East where the eventual outcome is still very much open ended, the final outcome to the tri-disaster crisis remains unclear.

It has been three weeks since the earthquake occurred, yet the Japanese government and industries are still not sure how severely the Japanese economy will be affected by the tri-disaster. The after-effects of an earthquake, even one as mighty as the massive M9 earthquake, are relatively easy to deal with. Japan bounced back fast after the 1995 Kobe earthquake. It is the impact of the devastating tsunami, the overheating nuclear reactors combined with the M9 earthquake that is making the problem a lot more complicated than what was initially perceived. The Japanese manufacturers are facing a prolonged shortage of material supplies that will affect the production of many consumer goods. For example, domestic production capacity for zinc has plunged to only 30% of the pre-quake levels. Zinc is essential for galvanising steel sheets used for automobiles.

The overheating nuclear reactors are generating two major problems for Japan. One, food and water in many places and countries are affected by radioactive materials. This is causing a great deal of uncertainties. Two, due to the damaged Fukushima nuclear plant, Tokyo Electric Power Co has lost a substantial portion of its electricity generating capacity. As a result, industries that are not damaged by the earthquake and tsunami may not have the power to produce. The Japanese government is considering limiting the use of electricity to deal with anticipated power shortages this summer. At the same time, as the Fukushima nuclear plant will be out of service, demand for crude oil will have to rise to make up for this shortfall.

The other major worrying feature of the global economy is that inflation, even in the developed economies, has been rising. This was due to hefty rises in the prices of many commodities and at the time of writing this report, the factors contributing to the upward pressure remain. One, whether crude oil price will spike up or not is uncertain but due to the above supply and demand factors, crude oil price will stay at elevated levels. Two, prices of many commodities have been affected by numerous natural disasters. Three, the disruption in the global supply chain arising from Japan's tri-disaster is causing prices of many products to rise. Four, wages in China have been rising at fast pace. Finally, the largest economy in the world, the US, is gaining growth momentum, adding to demand for all kinds of goods and services. As a consequence, monetary policies globally are too loose and expansionary.

In the last few years, global economic conditions have been turbulent, marked by unusual volatility and seriously impacted by a seemingly endless flow of crisis of all types. In such a challenging period, it is easy for investors to suffer losses or miss the opportunities. While we will constantly be on the lookout for investing opportunities, on behalf of the *i* Capital Global Fund, as your fund manager, we are also mindful of the many risks that lie ahead.

Tan Teng Boo
Capital Dynamics (S) Pte Ltd
30 March 2011

(1): This index comprises prices from 23 developed countries.
(2): This index comprises prices from 48 countries, including China.

STATEMENT BY DIRECTORS

In the opinion of the directors,

(a) the financial statements of *i* Capital Global Fund (the "Fund") as set out on pages 3 to 22 are drawn up so as to give a true and fair view of the state of affairs of the Fund at 30 April 2010 and of the results of the business, changes in net assets attributable to holders of participating shares and cash flows of the Fund for the financial year ended 30 April 2010; and

(b) at the date of this statement, there are reasonable grounds to believe that the Fund will be able to pay its debts as and when they fall due.

On behalf of the directors,

Tan Teng Boo
Director

20 December 2010

pwc

Independent Auditor's Report

To the shareholders and Board of Directors of *i* Capital Global Fund

We have audited the accompanying financial statements of *i* Capital Global Fund (the "Fund") set out on pages 3 to 22, which comprise the balance sheet as at 30 April 2010, and the statement of comprehensive income, statement of changes in equity, statement of changes in net assets attributable to holders of participating shares and cash flow statement for the year then ended and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of *i* Capital Global Fund as of 30 April 2010, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

PricewaterhouseCoopers

20 December 2010

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STATEMENT OF COMPREHENSIVE INCOME
For the financial year ended 30 April 2010

	Note	2010 US$	2009 US$
Income			
Dividend income		1,074,864	816,946
Interest income	5	7,799	56,975
Net foreign exchange gain/(loss)		22,518	(45,038)
Other net changes on financial assets and financial liabilities at fair value through profit or loss	7	16,982,485	(9,280,584)
Total income/(loss)		**18,087,666**	**(8,451,701)**
Expenses:			
Performance fees	12	4,560,825	-
Management fees	12	734,291	482,379
Administrative & Custodian fees	12	103,042	61,812
Audit fees		19,191	18,334
Other operating expenses		16,321	14,452
Total operating expenses		**5,433,670**	**576,977**
Operating profit/(loss)		**12,653,996**	**(9,028,678)**
Interest expense		-	(288)
Total finance costs		**-**	**(288)**
Profit/(loss) before tax		**12,653,996**	**(9,028,966)**
Withholding tax on dividends and other investment income		(121,060)	(54,530)
Increase/(decrease) in net assets attributable to holders of participating shares from operations (at bid market prices)		**12,532,936**	**(9,083,496)**
Adjustment from bid market prices to last traded market prices	13	(90,492)	194,169
Increase/(decrease) in net assets attributable to holders of participating shares from operations (at last traded market prices)		**12,442,444**	**(8,889,327)**

***i* CAPITAL GLOBAL FUND**

BALANCE SHEET
As at 30 April 2010

	Note	2010 US$	2009 US$
ASSETS			
Current Assets			
Financial assets at fair value through profit or loss	6	36,511,514	32,328,435
Other receivables	9	393,508	356,000
Cash and cash equivalents	8	18,547,895	2,649,043
Total Assets		**55,452,917**	**35,333,478**
Equity			
Management shares	11	10	10
Total Equity		**10**	**10**
LIABILITIES			
Current Liabilities			
Due to broker		4,554,227	-
Accrued expenses and other payables	10	3,828,005	241,829
Liabilities (excluding net assets attributable to holders of participating shares)		**8,382,232**	**241,829**
Net assets attributable to holders of participating shares (at bid market prices)	13	**47,070,675**	**35,091,639**
Represented by:			
Net assets attributable to holders of participating shares (at last traded market prices)		47,206,161	35,317,617
Adjustment from last traded market prices to bid market prices	13	(135,486)	(225,978)
Net assets attributable to holders of participating shares (at bid market prices)		47,070,675	35,091,639
Net assets value per holders of participating shares at bid market prices, based on 42,158 shares (2009: 42,527 shares) outstanding		1,116.53	825.17

***i* CAPITAL GLOBAL FUND**

STATEMENT OF CHANGES IN EQUITY
For the financial year ended 30 April 2010

		2010			
	Note	**Share Capital**			
		Number of shares	**US$**	**Other reserves US$**	**Total US$**
Equity at beginning of the year		10	10	(225,978)	(225,968)
Adjustment from bid market prices to last traded market prices attributable to holders of participating shares		-	-	90,492	90,492
Equity at end of financial year	**11**	**10**	**10**	**(135,486)**	**(135,476)**

		2009			
	Note	**Share Capital**			
		Number of shares	**US$**	**Other reserves US$**	**Total US$**
Equity at beginning of the year		10	10	(31,809)	(31,799)
Adjustment from bid market prices to last traded market prices attributable to holders of participating shares		-	-	(194,169)	(194,169)
Equity at end of financial year	**11**	**10**	**10**	**(225,978)**	**(225,968)**

i CAPITAL GLOBAL FUND

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF PARTICIPATING SHARES
For the financial year ended 30 April 2010

	2010		**2009**	
	Number of shares	**US$**	**Number of shares**	**US$**
Net assets attributable to holders of participating shares at the beginning of the year (at last traded market prices)	**42,527**	**35,317,617**	37,559	39,954,638
Issue of participating shares during the year	1,796	1,956,757	5,220	4,427,016
Redemption of participating shares during the year	(2,165)	(2,510,657)	(252)	(174,710)
Net (decrease)/increase from share transactions	(369)	(553,900)	4,968	4,252,306
Increase/(decrease) in net assets attributable to holders of participating shares from operations (at last traded market prices)	-	12,442,444	-	(8,889,327)
Net assets attributable to holders of participating shares at end of the year (at last traded market prices)	**42,158**	**47,206,161**	42,527	35,317,617

i **CAPITAL GLOBAL FUND**

CASH FLOW STATEMENT
For the financial year ended 30 April 2010

	Note	2010 US$	2009 US$
Cash flows from operating activities			
Increase/(decrease) in net assets attributable to holders of participating shares from operations (at last traded market prices)		12,442,444	(8,889,327)
Adjustment for:			
Last traded market prices to bid market prices		90,492	(194,169)
Dividend income		(1,074,864)	(816,946)
Interest income		(7,799)	(56,975)
Tax expense		121,060	54,530
Interest expense		-	288
Operating cash flow before working capital changes		**11,571,333**	**(9,902,599)**
Changes in operating assets and liabilities			
Net decrease in financial assets at fair value through profit or loss		(4,183,079)	(4,244,393)
Net increase in other liabilities		8,140,403	156,511
Cash provided by/(used in) operations		**15,528,657**	**(13,990,481)**
Dividend received, net of withholding tax		916,296	458,468
Interest received		7,799	58,066
Net cash provided by/(used in) operating activities		**16,452,752**	**(13,473,947)**
Cash flows from financing activities			
Interest paid		-	(288)
Proceeds from participating shares issued		1,956,757	4,427,016
Redemption of participating shares		(2,510,657)	(174,710)
Net cash (used in)/provided by financing activities		**(553,900)**	**4,252,018**
Net increase/(decrease) in cash and cash equivalents held		**15,898,852**	**(9,221,929)**
Cash and cash equivalents at the beginning of the financial year		2,649,043	11,870,972
Cash and cash equivalents at the end of the financial year	8	**18,547,895**	**2,649,043**

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1. General information

i Capital Global Fund (the "Fund") is an open-ended investment company incorporated as an exempt limited liability company under the Companies Law (Revised) of the Cayman Islands on 6 February 2007. The Fund commenced operations on 6 July 2007.

Investment objective

The primary objective of the Fund is long term capital appreciation of its investments, whilst dividend and/or interest income from these investments would be of secondary consideration.

The Fund will primarily invest in a managed portfolio of securities, which includes shares, stocks, warrants and bonds issued by companies listed in the stock markets of countries shown below, as the same may be revised by the Investment Manager at its discretion from time to time.

Countries that the Fund will be investing in

Oceania	North America	Asia	Europe	South America	Africa
Australia	Canada	China	Austria	Brazil	South Africa
New Zealand	Mexico	Hong Kong	Belgium	Chile	
	United States	India	Denmark		
		Indonesia	Finland		
		Japan	France		
		Korea(South)	Germany		
		Malaysia	Greece		
		Pakistan	Ireland		
		Phillippines	Italy		
		Russia	Luxembourg		
		Singapore	Netherlands		
		Sri Lanka	Norway		
		Taiwan	Portugal		
		Thailand	Spain		
		Turkey	Sweden		
		Vietnam	Switzerland		
			United Kingdom		

The Fund will select a company as an investee where there is a disparity between the company's market price and its intrinsic value. The Fund may also invest in cash deposits and/or in short term obligations in order to have funds available for general corporate purposes. The Fund will not invest in other collective investment vehicles.

The Fund's investment activities are managed by Capital Dynamics (S) Private Limited (the "Investment Manager"). The Fund's administration is delegated to HSBC Trustee (Cayman) Limited (the "Administrator"). The Administrator has retained HSBC Institutional Trust Services (Singapore) Limited as the Administrator's Agent. The registered office of the Fund is P.O. Box 484, HSBC House, 68 West Bay Road, Grand Cayman KY1-1106, Cayman Islands.

The financial statements were authorised for issue by the directors on 20 December 2010.

2. Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied, unless otherwise stated.

2.1 Basis of preparation

The accompanying financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"). These financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets at fair value through profit or loss.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires the Board of Directors to exercise its judgement in the process of applying the Fund's accounting policies. Significant assumptions and estimates made by the Directors for the preparation of the financial statements for the financial year ended 30 April 2010 and 2009 are disclosed in Note 4.

Standards and amendments to existing standards effective 1 January 2009

- International Accounting Standard 1 ("IAS 1") (revised), 'Presentation of financial statements'. The revised standard prohibits the presentation of items of income and expenses (that is, 'non-owner changes in equity') in the statement of changes in equity. It requires non-owner changes in equity to be presented separately from owner changes in equity. All non-owner changes in equity are required to be shown in a performance statement, but entities can choose whether to present one performance statement (the statement of comprehensive income) or two statements (the income statement and statement of comprehensive income). Where entities restate or reclassify comparative information, they are required to present a restated statement of financial position as at the beginning comparative period, in addition to the current requirement to present statements of financial position at the end of the current period and comparative period. The Fund has applied IAS 1 (revised) from 1 May 2009, and has elected to present solely a statement of comprehensive income. The adoption of this revised standard has not resulted in a significant change to the presentation of the Fund's performance statement, as the Fund has no elements of other comprehensive income.

- IAS 39 (amendment), 'Financial instruments: Recognition and measurement'. The amendment was part of the IASB's annual improvements project published in May 2008. The definition of financial asset or financial liability at fair value through profit or loss as it relates to items that are held for trading was amended. This clarifies that a financial asset or liability that is part of a portfolio of financial instruments managed together with evidence of an actual recent pattern of short term profit taking is included in such a portfolio on initial recognition. Adoption did not have a significant impact on the Fund's financial statements.

- IFRS 7 (amendment) 'Financial instruments: Disclosures. The amendment requires enhanced disclosures about fair value measurement and liquidity risk. In particular, the amendment requires disclosure of fair value measurements by level of a fair value measurement hierarchy. The adoption of the amendment results in additional disclosures but does not have an impact on the Fund's financial position or performance.

- IAS 32 (amendment), 'Financial instruments: Presentation', and IAS 1 (amendment), 'Presentation of financial statements' – 'Puttable financial instruments and obligations arising on liquidation' (effective from 1 January 2009) (the 'amendment'). The amendment requires puttable financial instruments that meet the definition of a financial liability to be classified as equity where certain strict criteria are met. Those criteria include: the puttable instruments must entitle the holder to a pro-rata share of net assets; the puttable instruments must be the most subordinated class and that class's features must be identical; there must be no contractual obligations to deliver cash or another financial asset other than the obligation on the issuer to repurchase; and the total expected cash flows from the puttable instrument over its life must be based substantially on the profit or loss of the issuer.

  As the Fund holds management shares that are classified as equity, the holders of the participating shares do not represent the most subordinate class of instruments. The adoption of these amendments has not therefore resulted in any changes in the classificaiton of the Fund's participating shares.

2. Summary of significant accounting policies (continued)

2.1 **Basis of preparation** (continued)

Standards, amendments and interpretations effective on 1 January 2009 but not relevant

The following standards, amendments and interpretations are mandatory for accounting periods beginning on or after 1 January 2009 but are not relevant to the Fund's operations:

- IAS 23 (amendment), 'Borrowing costs';
- IAS 39 and IFRIC 9 (amendments), 'Embedded derivatives' (effective for all periods ending on or after 30 June 2009);
- IAS 39 and IFRS 7 (amendments), 'Reclassification of financial assets';
- IFRS 1 (amendment), 'First-time adoption of IFRS', and IAS 27, 'Consolidated and separate financial statements';
- IFRS 2 (amendment), 'Share-based payment';
- IFRS 8, 'Operating segments'; and
- IFRIC 15, 'Agreements for construction of real estates'.

Standards, amendments and interpretations that are not yet effective

The following interpretations are mandatory for the Fund's accounting periods beginning on or after 1 July 2009 or later periods but are either not relevant for the Fund's operations or the Fund has not early adopted the standard:

- IAS 27 (revised), 'Consolidated and separate financial statements' (effective from 1 July 2009);
- IFRS 9, 'Financial instruments part 1: Classification and measurement';
- IAS 39 (amendment), 'Financial instruments: Recognition and measurement' (effective from 1 July 2009);
- IFRS 1 (amendments), 'Additional exemptions for first-time adopters' (effective from 1 January 2010);
- IFRS 2 (amendments), 'Group cash-settled share-based payment transactions' (effective from 1 January 2010);
- IFRS 3 (revised), 'Business combinations' (effective from 1 July 2009);
- IFRIC 17, 'Distributions of non-cash assets to owners' (effective from 1 July 2009); and
- IFRIC 18, 'Transfers of assets from customers' (effective from 1 July 2009).

'Improvements to IFRS' were issued in May 2008 and April 2009 respectively and contain numerous amendments to IFRS, which the IASB consider non-urgent but necessary. 'Improvements to IFRS' comprise amendments that result in accounting changes for presentation, recognition or measurement purposes as well as terminology or editorial amendments related to a variety of individual standards. Most of the amendments are effective for annual periods beginning on or after 1 January 2009 and 1 January 2010 respectively, with earlier application permitted. No material changes to accounting policies are expected as a result of these amendments.

2.2 **Foreign currency translation**

(a) Functional and presentation currency

The primary activity of the Fund is to invest in global equities which have strong fundamentals and good growth potential. The performance of the Fund is measured and reported to the investors in US Dollar. The Investment Manager considers the US Dollar as the currency which most faithfully represents the economic effects of the underlying transactions, events and conditions. The Fund's functional and presentation currency is the US Dollar.

(b) Transactions and balances

Foreign currency transactions are translated into the US Dollar using the exchange rates prevailing at the dates of the transactions. Foreign currency monetary assets and liabilities are translated into the US Dollar at the rates of exchange prevailing at the balance sheet date. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income. Translation differences on non-monetary financial assets and liabilities such as equities at fair value through profit or loss are recognised in the statement of comprehensive income within the fair value net gain or loss.

2. Summary of significant accounting policies (continued)

2.3 **Financial assets at fair value through profit or loss**

(a) Classification

The Fund classifies its investments in debt and equity securities as financial assets at fair value through profit or loss. These financial assets are designated by the Board of Directors at fair value through profit or loss at inception.

Financial assets designated at fair value through profit or loss at inception are those that are managed and their performance evaluated on a fair value basis in accordance with the Fund's documented investment strategy. The Fund's policy is for the Investment Manager and the Board of Directors to evaluate the information about these financial assets on a fair value basis together with other related financial information.

(b) Recognition/derecognition

Regular-way purchases and sales of investments are recognised on the trade date – the date on which the Fund commits to purchase or sell the investment. Investments are derecognised when the rights to receive cash flows from the investments have expired or the Fund has transferred substantially all risks and rewards of ownership.

(c) Measurement

Financial assets at fair value through profit or loss are initially recognised at fair value. Transaction costs are expensed in the statement of comprehensive income. Subsequent to initial recognition, all financial assets at fair value through profit or loss are measured at fair value. Gains and losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are presented in the statement of comprehensive income in the year in which they arise. Interest income from financial assets at fair value through profit or loss is recognised in the statement of comprehensive income within interest income using the effective interest method. Dividend income from financial assets at fair value through profit or loss is recognised in the statement of comprehensive income within dividend income when the Fund's right to receive payments is established.

(d) Fair value estimation

The fair value of financial instruments traded in active markets is based on quoted market prices as at the balance sheet date. The quoted market price used for financial assets held by the Fund is the current bid price.

2.4 **Offsetting financial instruments**

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

2.5 **Cash and cash equivalents**

Cash and cash equivalents include cash held with banks and fixed deposits.

2.6 **Receivables**

Receivables are recognised initially at fair value plus transaction costs that are directly attributable to their acquisition or origination. They are subsequently re-measured at amortised cost using the effective interest method, less provision for impairment.

2.7 **Payables**

Payables are recognised initially at fair value and subsequently stated at amortised cost. The difference between the proceeds and the amount payable is recognised over the period of the payable using the effective interest method.

2. Summary of significant accounting policies (continued)

2.8 **Provisions**

Provisions are recognised when the Fund has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made.

2.9 **Interest income and dividend income**

Interest income is recognised on a time proportion basis using the effective interest method.

Dividend income is recognised when the right to receive payment is established.

2.10 **Taxation**

The Fund is domiciled in the Cayman Islands. Under the current laws of the Cayman Islands, there is no income, estate, corporation, capital gains or other taxes payable by the Fund.

The Fund currently incurs withholding tax imposed by certain countries on investment income. Such income is recorded gross of withholding tax in the statement of comprehensive income.

2.11 **Participating shares**

The Fund issues participating shares, which may be redeemed by the holder serving notice on the Fund after the expiry of the holder's commitment period in the Fund, and are classified as financial liabilities. Participating shares can be put back to the Fund at any time for cash equal to a proportionate share of the Fund's net asset value. The participating share is carried at the redemption amount that is payable at the balance sheet date if the holder exercises the right to put the share back to the Fund.

Participating shares are issued and redeemed at the holder's option at prices based on the Fund's net assets value per share at the time of issue or redemption. The Fund's net asset value per share is calculated by dividing the net assets attributable to the holders of participating shares with the total number of outstanding participating shares. In accordance with the provisions of the Fund's regulations, investment positions are valued based on the last traded market price for the purpose of determining the net asset value per share for subscriptions and redemptions.

2.12 **Share Capital**

Management shares are not redeemable, do not participate in the net income or dividends of the fund and are classified as equity.

2.13 **Interest expense**

Interest expense is recognised on a time-proportionate basis using the effective interest method when the obligation to make payment is established.

2.14 **Net asset value per share**

The net asset value per share is calculated by dividing the net assets attributable to holders of participating shares of the Fund by the number of participating shares in issue at the balance sheet date.

3. Financial risk management

3.1 Strategy in using financial instruments

In the ordinary course of business, the Fund may be exposed to a variety of risks including but not limited to interest rate, market, currency, credit, concentration and liquidity risks as described more fully in the Private Placing Memorandum (the "PPM"). The Investment Manager attempts to minimise the risks by employing a detailed research based, fundamentally driven, bottom up research process.

3.2 Market price risk

The Fund trades in financial instruments, taking positions in traded instruments. The value of these investments may change adversely due to changes in market conditions such as volatility in the prices, thereby adversely affecting the Fund.

The Fund cannot engage in short sales and borrowings. Thus, losses from purchases cannot exceed the total amount invested.

	2010		2009	
	Fair value US$	**% of net assets valued at bid market price**	**Fair value US$**	**% of net assets valued at bid market price**
Securities designated at fair value through profit or loss	36,511,514	77.57	32,328,435	92.13

The largest single holding accounts for 25% (2009: 14%) of the fair value above and relates to an investment in the shares of a finance company (2009: finance company). As at 30 April 2010, 39% of securities designated at fair value through profit or loss are exposed to the financial sector. As at 30 April 2009, 22%, 14%, 13% and 11% of securities designated at fair value through profit or loss are exposed to the financial, oil and gas, conglomerate and ship building sectors respectively.

Sensitivity Analysis

At 30 April 2010 and 2009, the overall net market exposure of the Fund's securities investments are as follows:

	2010		2009	
	Fair value US$	**% of net assets values at bid market price**	**Fair value US$**	**% of net assets values at bid market price**
Australia	5,724,519	12.16	3,769,011	10.74
Germany	3,181,919	6.76	2,512,323	7.16
Great Britain	3,994,997	8.49	3,458,406	9.86
Hong Kong	14,855,648	31.56	16,533,544	47.12
Indonesia	5,685,600	12.08	-	-
Singapore	179,211	0.38	3,734,211	10.64
Switzerland	2,889,620	6.14	2,320,940	6.61
	36,511,514	77.57	32,328,435	92.13

The Investment Manager does not manage the Fund's investment strategy to track any particular index or external benchmark. The sensitivity analysis presented is based upon the portfolio composition as at 30 April 2010 and 2009, and the historical fluctuations in the price of the portfolio securities. The composition of the Fund's investment portfolio is expected to change over time. Accordingly, the sensitivity analysis prepared as of the balance sheet date is not necessarily indicative of the effect on the Fund's net assets due to future movements in the prices of the portfolio securities.

3. Financial risk management (continued)

3.2 **Market price risk** (continued)

At 30 April 2010 and 2009, had the prices of the portfolio securities moved by the reasonable possible percentage change, with all other variables held constant, the net assets attributable to the holders of participating shares will increase/decrease by:

30 April 2010	Reasonable possible percentage change in price of portfolio of securities	Fair value	Changes in net assets attributable to participating shareholders If the price goes up	 If the price goes down
		US$	US$	US$
Australia	+6%/-6%	5,724,519	343,471	(343,471)
Germany	+1%/-1%	3,181,919	31,819	(31,819)
Great Britain	+2%/-2%	3,994,997	79,900	(79,900)
Hong Kong	+5%/-5%	14,855,648	742,782	(742,782)
Singapore	+2%/-2%	179,211	3,584	(3,584)
Indonesia	+5%/-5%	5,685,600	284,280	(284,280)
Switzerland	+1%/-1%	2,889,620	28,896	(28,896)

30 April 2009	Reasonable possible percentage change in price of portfolio of securities	Fair value	Changes in net assets attributable to participating shareholders If the price goes up	 If the price goes down
		US$	US$	US$
Australia	+2%/-2%	3,769,011	75,380	(75,380)
Germany	+4%/-4%	2,512,323	100,493	(100,493)
Great Britain	+2%/-2%	3,458,406	69,168	(69,168)
Hong Kong	+3%/-3%	16,533,544	496,006	(496,006)
Singapore	+5%/-5%	3,734,211	186,710	(186,710)

3.3 **Interest rate risk**

The Fund may hold assets and liabilities that may be adversely affected by fluctuations in market interest rates. The Investment Manager monitors interest rate risk exposure from interest bearing products and the correlations of other investments with interest rates in order to evaluate the effect of interest rate changes on the investments. Any excess cash and cash equivalents are invested at short-term market interest rates.

	Up to 1 year US$	Non-interest bearing US$	Total US$
At 30 April 2010			
Assets			
Financial assets at fair value through profit or loss	-	36,511,514	36,511,514
Other receivables	-	393,508	393,508
Cash and cash equivalents	18,547,895	-	18,547,895
Total assets	**18,547,895**	**36,905,022**	**55,452,917**
Liabilities			
Due to broker	**-**	4,554,227	4,554,227
Accrued expenses and other payables	**-**	3,828,005	3,828,005
Total liabilities (excluding net assets attributable to holders of participating shares)	**-**	**8,382,232**	**8,382,232**
Total interest sensitivity gap	**18,547,895**	**28,522,790**	**47,070,685**

3. Financial risk management (continued)

3.3 **Interest rate risk** (continued)

	Up to 1 year US$	Non-interest bearing US$	Total US$
At 30 April 2009			
Assets			
Financial assets at fair value through profit or loss	-	32,328,435	32,328,435
Other receivables	-	356,000	356,000
Cash and cash equivalents	2,649,043	-	2,649,043
Total assets	**2,649,043**	**32,684,435**	**35,333,478**
Liabilities			
Accrued expenses and other payables	-	241,829	241,829
Total liabilities (excluding net assets attributable to holders of participating shares)	**-**	**241,829**	**241,829**
Total interest sensitivity gap	**2,649,043**	**32,442,606**	**35,091,649**

As at 30 April 2010, total interest income from cash and cash equivalents represents 0.4% (2009: 7%), which is at market interest rate, of the total revenue of the Fund. Interest income does not constitute the principal income source of the Fund and management's expected shift in interest rates will not have a material effect on the Fund's income source.

3.4 **Credit risk**

The Fund takes on exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due. The value of assets exposed to credit risks are disclosed in the balance sheet, and it applies to cash and cash equivalents and other receivables. For transactions in listed securities which are settled/paid for upon delivery using approved brokers, the risk of default is considered minimal as delivery of securities sold is only made once the broker has received payment. Payment is made on a purchase once the securities have been received by the broker. The trade will fail if either party fails to meet its obligation.

The Investment Manager structures the level of the Fund's credit risk by undertaking transactions with approved brokers and other reputable financial institutions. The Fund's financial assets are also held in custody with established and approved counter-parties. Financial assets are securities which are listed with reputable stock exchanges. The Investment Manager assesses the need to diversify the Fund's credit risk whilst considering the costs associated with maintaining multiple relationships with brokers and financial institutions. In this regard, the Investment Manager monitors the credit rating of the Fund's counter-parties to assess the costs and benefits associated with maintaining one or more counter-parties. As at the date of these financial statements, the Fund's financial assets at fair value through profit or loss and all the cash and cash equivalents are placed with the Hongkong and Shanghai Banking Corporation Limited, the custodian of the Fund. The S&P credit rating of the custodian at year end was AA (2009: AA-).

3. Financial risk management (continued)

3.5 Liquidity risk

The Fund is exposed to quarterly cash redemptions of participating shares after a commitment period of 12 months commencing from the date on which a shareholder is registered. The liquidity risk is managed by the Board's right to postpone redemptions if aggregating redemptions are more than 10 per cent of the total number of participating shares in issue.

The Fund invests in investments that are traded in active markets and can be readily disposed. These listed securities are considered readily realisable, as they are listed on official stock exchanges.

In accordance with the Fund's policy, the Investment Manager monitors the Fund's liquidity position on a daily basis, and the Board of Directors reviews it on a quarterly basis.

The table below analyses the Fund's financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The maturity grouping of net assets attributable to holders of participating shares is based on the date from which holders of participating shares may serve notice for redemption of their units as described in the Fund's PPM. The amounts in the table are the contractual undiscounted cash flows. Balances due within 12 months equal to their carrying balances, as the impact of discounting is not significant.

	1-3 months US$	3-12 months US$	Total US$
At 30 April 2010			
Due to broker	4,554,227	-	4,554,227
Accrued expenses and other payables	3,828,005	-	3,828,005
Net assets attributable to holders of participating shares	46,605,940	600,221	47,206,161

	1-3 months US$	3-12 months US$	Total US$
At 30 April 2009			
Accrued expenses and other payables	241,829	-	241,829
Net assets attributable to holders of participating shares	32,657,585	2,660,032	35,317,617

In order to manage the Fund's overall liquidity, the Fund has the ability to postpone or suspend redemption requests. The Fund will take all reasonable steps to end any such period of postponement or suspension as soon as may be possible.

3.6 Currency risk

Exposure to currencies other than US dollar in the Fund may adversely affect the Fund due to changes in currency rates versus the US dollar. As the Fund will be investing in 42 markets with various currencies, it provides a natural hedge against a particular currency fluctuating. In addition, the Fund also incorporates macro-economic analysis, in which economic growth, interest and inflation rates are some of the fundamental factors.

The table below summarises the Fund's exposure to currency risks.

3. Financial risk management (continued)

3.6 **Currency risk** (continued)

Concentration of assets and liabilities

	As at 30 April 2010								
	USD	HKD	IDR	EUR	AUD	GBP	SGD	Others	Total
	US$	US$	US$	US$	US$	US$	US$	US$	US$
Assets									
Financial assets at fair value through profit or loss	-	14,855,648	5,685,600	3,181,919	5,724,519	3,994,997	179,211	2,889,620	36,511,514
Other receivables	10	13,086	-	-	-	84,125	-	296,287	393,508
Cash at bank	11,604,117	-	-	-	37,212	837,324	6,069,242	-	18,547,895
Total assets	**11,604,127**	**14,868,734**	**5,685,600**	**3,181,919**	**5,761,731**	**4,916,446**	**6,248,453**	**3,185,907**	**55,452,917**
Liabilities									
Due to broker	2,295,387	-	-	-	2,258,839	-	-	-	4,554,227
Accrued expenses and other payables	3,813,380	-	-	-	-	31	14,594	-	3,828,005
Total Liabilities (excluding net assets attributable to holders of participating shares)	**6,108,767**	**-**	**-**	**-**	**2,258,839**	**31**	**14,594**	**-**	**8,382,232**
Net currency exposure	**5,495,360**	**14,868,734**	**5,685,600**	**3,181,919**	**3,502,892**	**4,916,415**	**6,233,859**	**3,185,907**	**47,070,685**

	As at 30 April 2009							
	USD	HKD	EUR	AUD	GBP	SGD	Others	Total
	US$	US$	US$	US$	US$	US$	US$	US$
Assets								
Financial assets at fair value through profit or loss	-	16,533,544	2,512,323	3,769,011	3,458,406	3,734,211	2,320,940	32,328,435
Other receivables	40,010	29,032	-	-	74,594	127,945	84,419	356,000
Cash at bank	2,478,697	510	92,195	45,496	31,962	-	183	2,649,043
Total assets	2,518,707	16,563,086	2,604,518	3,814,507	3,564,962	3,862,156	2,405,542	35,333,478
Liabilities								
Accrued expenses and other payables	228,260	-	-	-	30	13,539	-	241,829
Total Liabilities (excluding net assets attributable to holders of participating shares)	**228,260**	**-**	**-**	**-**	**30**	**13,539**	**-**	**241,829**
Net currency exposure	**2,290,447**	**16,563,086**	**2,604,518**	**3,814,507**	**3,564,932**	**3,848,617**	**2,405,542**	**35,091,649**

3. Financial risk management (continued)

3.6 **Currency risk** (continued)

Sensitivity Analysis

At 30 April 2010 and 2009, had the exchange rate between the USD and the major holding currencies moved, with all other variables held constant, net assets attributable to participating shareholders would have changed by the amounts shown below.

30 April 2010

Reasonable possible change in exchange rates	Net Assets	Changes in net assets attributable to participating shareholders
	US$	US$
Hong Kong dollar, 0.01%	14,868,734	1,487
Euro, 0.06%	3,181,919	1,909
Australian Dollar, 2.00%	3,502,892	70,058
British Pound, 0.50%	4,916,415	24,582
Singapore Dollar, 1.00%	6,233,859	62,339
Indonesian Rupiahs, 0.01%	5,685,600	569
Swiss Francs, 0.50%	2,889,620	14,448

30 April 2009

Reasonable possible change in exchange rates	Net Assets	Changes in net assets attributable to participating shareholders
	US$	US$
Hong Kong dollar, 0.05%	16,563,086	8,282
Euro, 1.00%	2,604,518	26,045
Australian Dollar, 1.50%	3,814,507	57,218
British Pound, 2.00%	3,564,931	71,299
Singapore Dollar, 1.00%	3,848,617	38,468

3.7 **Fair value measurement**

The fair value of financial assets traded in active markets (such as trading securities) are based on quoted market prices on the financial year end date. The quoted market price used for financial assets held by the Fund is the current bid price.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

The carrying value less impairment provision of other receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Fund for similar financial instruments.

The Fund classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

3. Financial risk management (continued)

3.7 **Fair value measurement** (continued)

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a level 3 measurement. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgement, considering factors specific to the asset or liability. At the balance sheet date, there were no investments categorised in Level 2 and Level 3 and there were no transfers between levels during the year.

Assets	**Level 1 US$**	**Level 2 US$**	**Level 3 US$**	**Total balance US$**
Financial assets at fair value through profit or loss:				
Designated as fair value through profit or loss				
- Listed equity securities	36,511,514	-	-	36,511,514

3.8 **Capital Management**

The Fund's capital is represented by the net assets attributable to holders of participating shares. The Fund strives to invest the subscriptions of redeemable participating shares in investments that meet the Fund's investment objectives while maintaining sufficient liquidity to meet shareholder redemptions.

3.9 **Off-balance sheet risk**

The Fund does not have exposure to financial instruments and agreements that are off-balance sheet.

4. Critical accounting estimates and judgments

The preparation of financial statements in conformation with IFRS requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Taxation

In preparing these financial statements, management has made certain assumptions and used various estimates concerning the tax exposure which is dependent on what might happen in the future. The resulting accounting estimates may not equal the actual results.

The Fund invests in securities issued by entities which are mostly domiciled in countries other than the Cayman Islands. Many of these foreign countries have tax laws which indicate that capital gains taxes may be applicable to non residents, such as the Fund. Typically, these capital gains taxes are required to be determined on a self assessment basis and, therefore, such taxes may not be deducted by the Fund's brokers on a "withholding" basis.

In accordance with IAS 12 - Income Taxes, The Fund is required to recognise a tax liability when it is probable that the tax laws of foreign countries require a tax liability to be assessed on the Fund's capital gains sourced from such foreign country, assuming the relevant taxing authorities have full knowledge of all the facts and circumstances. The tax liability is then measured at the amount expected to be paid to the relevant taxation authorities using the tax laws and rates that have been enacted or substantively enacted by the end of the reporting period. There is sometimes uncertainty about the way enacted tax law is applied to offshore investment funds. This creates uncertainty about whether or not a tax liability will ultimately be paid by the Fund. Therefore, when determining any uncertain tax liabilities, management considers all of the relevant facts and circumstances available at the time which could influence the likelihood of payment, including any formal or informal practices of the relevant tax authorities. As at 30 April 2010, the Fund has determined uncertain tax liabilities with respect to foreign capital gains taxes as nil (2009: nil).

5. Interest income

	2010 US$	2009 US$
Interest from cash held at bank and in trading accounts	7,799	56,975

6. Financial assets at fair value through profit or loss

	2010 US$	2009 US$
Designated at fair values through profit or loss		
- Listed equity securities	36,511,514	32,328,435
Total financial assets at fair value through profit or loss	36,511,514	32,328,435

7. Other net changes on financial assets and liabilities at fair value through profit or loss

	2010 US$	2009 US$
Other net changes on financial assets and liabilities at fair value through profit or loss		
- realised	5,676,081	312,395
- unrealised	11,306,404	(9,592,979)
	16,982,485	(9,280,584)

8. Cash and cash equivalents

For the purposes of the cash flow statement, cash and cash equivalents for the Fund comprised the following:

	2010 US$	2009 US$
Cash held at bank	18,547,895	2,649,043

9. Other receivables

	2010 US$	2009 US$
Dividend receivable	393,498	355,990
Other receivables	10	10
	393,508	356,000

10. Accrued expenses and other payables

	2010 US$	2009 US$
Management fee payable	240,885	43,906
Administrative and custodian fee payable	5,909	4,391
Audit fee payable	18,594	17,539
Due to unitholder	-	174,710
Performance fee payable	3,560,825	-
Other operating expenses	1,792	1,283
	3,828,005	241,829

11. Share capital

(a) Authorised share capital

The authorised share capital of the Fund is US$1,000,000 comprising 10 management shares of par value of US$1 and 99,999,000 participating shares of par value of US$0.01.

(b) Management shares

Management shares were issued to Tan Teng Boo, Director of the Fund. Management shares are not redeemable at the option of the holder. In the event of liquidation, holders of Management shares are entitled to the return of the nominal capital paid up on the Management Shares, after return of the nominal amounts paid-up on Participating Shares. Management Shares confer no other right to participate in the profits or assets of the Fund. Management shares are classified as equity in the Fund's balance sheet.

(c) Participating shares

Participating shares are voting and redeemable, after the commitment period of 12 months commencing from the date on which a shareholder is registered, at the shareholders' option. Participating shares are therefore classified as financial liabilities. The participating shares are entitled to dividends at the discretion of the Board of Directors. The distribution of these participating shares is recognised in the statement of comprehensive income as finance costs. The participating shares can be put back to the Fund in a manner described in the PPM for cash equal to a proportionate share of the Fund's net asset value. The participating shares are carried at the redemption amount that is payable at the balance sheet date if the shareholders exercised their right to redeem their shares to the Fund.

12. Related-party transactions

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions.

The Fund pays the following fees to the Investment Manager in accordance with and as described in the Fund's PPM.

	2010 **US$**	**2009** **US$**
Performance fees	4,560,825	-
Management fees	734,291	482,379
	5,295,116	482,379

(a) Performance fees

The Fund will pay to the Investment Manager a performance fee payable if the following two criteria are satisfied:

(1) the appreciation in NAV of the Fund at the end of any Performance Period when compared with the NAV of the Fund at the beginning of the relevant Performance Period is higher than the hurdle AROR; and

(2) the NAV of the Fund as at the end of any Performance Period is higher than the Benchmark NAV (as defined herein).

Such fee shall be equal to 20% of the difference between the NAV of the Fund as at the end of the Performance Period and the hurdle AROR of the fund in respect of the period in question.

As of 30 April 2010, the Fund's NAV per unit for subscriptions and redemptions purposes is 1,119,74. If 30 April 2010 were deemed to be the end of the relevant Performance Period, as defined by the Fund's PPM, no additional Performance Fee would be recognised.

"Performance Period" , as defined in the PPM, for each Participating Share is the period commencing on the initial date the Participating Share is issued and ending at the close of business on 31 December 2007, and thereafter, is each period commencing as of the day following the last day of the preceding Performance Period for the Participating Shares and ending as of the close of business on each 31 December. If the Investment Management Agreement is terminated before 31 December in any year, the Performance Fee in respect of the then Performance Period will be calculated and paid as though the date of termination were the end of the relevant Performance Period.

For purposes of this section:
"Hurdle AROR" is the notional appreciation in NAV of the Fund represented by multiplying the NAV of the Fund at the beginning of any performance Period by 6 per cent, but making adjustments to take into account the subscriptions and redemptions of the Fund during the relevant Performance Period.

"Benchmark NAV" is the notional NAV of the Fund calculated based on the NAV of the Fund as at the Initial Closing Date compounded by 6 per cent annually.

12. Related-party transactions (continued)

(b) Management fees

The Fund is managed by Capital Dynamics (S) Pte Ltd (the "Investment Manager"), a company incorporated with limited liability in Singapore. Under the terms of the Investment Management Agreement dated 25 April 2007 the Investment Manager receives from the Fund the management fees at 1.5% per annum on the monthly basis of the net asset values of the Fund as at last business day in each month ("Valuation Point") and payable quarterly in arrears.

(c) Administrative fees

The Fund has engaged the services of HSBC Trustee (Cayman) Limited to provide administration and custodian services. The administrative fees are charged at 0.10% per annum of the NAV subjected to a minimum amount of US$15,000. The custodian fees are charged at 0.05% per annum of the NAV subjected to a minimum amount of US$10,000. Administration fees paid by the Fund for the financial year 30 April 2010 was US$103,042 (30 April 2009: US$61,812).

13. Net assets attributable to holders of participating shares

In accordance with the provisions of the PPM of the Fund, the pricing for listed or quoted investments dealt on any exchange, or over-the-counter market will be made by reference to the last traded price for (or the official last traded price provided by the exchanges) the purpose of determining net asset value per participating share for subscriptions and redemptions and for various fee calculations. In accordance with the Fund's accounting policies detailed in note 2.3, based on the requirement of IFRS, long quoted investment positions have been re-valued based on the closing bid prices and short quoted investment positions have been re-valued based on the closing ask prices.

Applying the IFRS basis of valuation of investment positions resulted in reductions in value of investments of US$135,486 (2009:US$225,978), compared to valuing them on the basis of the PPM.

Net assets attributable to participating shares represent a liability in the balance sheet, carried at the redemption amount that would be payable at the balance sheet date if the shareholder exercised the right to redeem the participating shares to the Fund. Consequently, the carrying amount of net assets attributable to participating shares are therefore adjusted to reflect the amount payable on the basis of PPM valuation.

NOTES TO THE FINANCIAL STATEMENTS
As at 30 April 2010

Schedule of securities

	Holdings as at 30/04/2010 No. of Shares	Fair Value as at 30/04/2010 USD	Percentage of total net assets attributable to shareholders at 30/04/2010 %
AUTOS & TRUCKS			
PORSCHE PFD NPV	55,000	3,181,919	6.76
BUILDING / CONSTRUCTION MATERIALS			
JASA MARGA (PERSERO) NPV (DEMAT)	25,000,000	5,685,600	12.08
DEPARTMENT STORES			
NEW WORLD DEPPARTMENT STORE	1,270,000	1,087,777	2.31
FINANCE			
AUSTRALIA AND NZ BANKING GROUP LTD NPV	100,000	2,251,726	4.78
REXLOT HOLDINGS LTD	76,875,000	9,208,366	19.56
ST GALLER KANTONALBANK	6,527	2,889,620	6.14
FOODS			
TESCO PLC	600,000	3,994,997	8.49
MISCELLANEOUS			
SHANGHAI ASIA HLDGS LTD	1,535,000	179,211	0.38
REAL ESTATE			
BEIJING CAPITAL LAND LTD H SHR	15,000,000	4,559,505	9.69
TRANSPORT - SHIP			
MERMAID MARINE AUSTRALIA LTD NPV	1,332,420	3,472,793	7.38
		36,511,514	**77.57**

Other Information

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.

From its inception in July 2007 to April 2010, the *i* Capital Global Fund's performance is 4.09% per annum, as opposed to -10.35% per annum for the MSCI World Index (MSCI W) and -9.55% per annum for the MSCI All Country World Index (MSCI A). From 1 January 2007 to 30 April 2010, funds under CDPL's management achieved a return of 6.91% per annum, outperforming the MSCI W and MSCI A which in that period recorded -6.20% and -5.25% per annum respectively.

Capital Dynamics (Australia) Ltd (CDAL), a wholly owned subsidiary of CDPL, obtained its Australian Financial Services License (ASFL 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 July 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.

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 share price of icapital.biz Berhad consistently trades at a premium to its net asset value.

CDAM has been consistently reporting positive returns since its inception. Between 1998 and April 2010, CDAM achieved a net compound return of 21.12% per annum and has substantially outperformed the Kuala Lumpur Composite Index every year, which gained 6.65% per annum in the same period.

The Capital Dynamics group traces back to 1988, when its managing director, Tan Teng Boo, an experienced investment manager, founded Capital Dynamics S/B, 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 starting as far back as September 1991. Every portfolio has outperformed the market indices by a substantial margin.

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

The Capital Dynamics group is independent and is therefore not part of 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.

Directory for the Fund

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Walkers

Legal Advisers as to Singapore Law
Rajah & Tann

Auditors to the Fund
PricewaterhouseCoopers Cayman