

DIRECTORY FOR THE FUND

Directors of the Fund

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Administrator

HSBC Trustee (Cayman) Limited

Administrator's Delegate

HSBC Institutional Trust Services (Singapore)
Limited

Custodian of the Fund

HSBC Trustee (Cayman) Limited

Legal Advisers to Cayman Law

Walkers

Legal Advisers to Singapore Law

Rajah & Tann

Auditors to the Fund

PricewaterhouseCoopers Cayman

i Capital Global Fund

First Quarter 2011 Report for the three months ended 31 July 2010

i Capital Global Fund

First Quarter 2011 Report of the Fund Manager
for the three months ended 31 July 2010

Performance

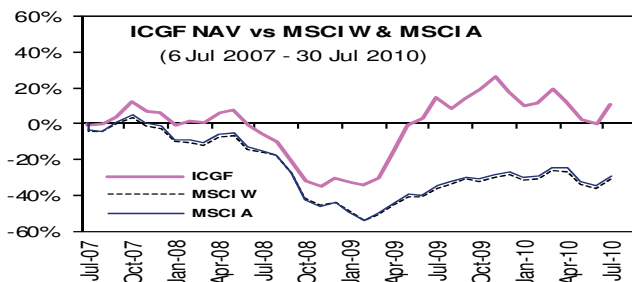
This is the first quarterly report of the *i Capital Global Fund* for the financial year ended 30 April 2011. As the annual report for the financial year ended 30 April 2010 was delayed, the report for the said quarter was affected as well.

In the three months ended 31 July 2010, the net asset value (NAV) of the *i Capital Global Fund* dropped 1.39% or US\$15.514 from US\$1,119.740 to US\$1,104.226 per share. In the same period, the MSCI World Index ⁽¹⁾ fell 6.15% and the MSCI All Country Index ⁽²⁾ lost 5.73%.

Between 6 July 2007 and 31 July 2010, the net asset value (NAV) of the *i Capital Global Fund* gained 10.42% or US\$104.226 from US\$1,000.000 to US\$1,104.226 per share. In the same period, the MSCI World Index plunged 31.05% and the MSCI All Country Index slumped 28.98%.

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



Although your Fund was launched just before the financial markets and economies were seriously affected by the US-led financial crisis, it has consistently outperformed the benchmark indices as Capital Dynamics (S) Pte Ltd had consistently taken advantage of the pessimism and selling. At the end of July 2010, your Fund had 15.20% of its NAV in cash.

In the three months ended 31 July 2010, your Fund increased its investment by purchasing 500,000 shares of Keppel Corporation Ltd and 200,000 of Australia and New Zealand Banking Group Ltd and an additional 10,000,000 shares of PT Jasa Marga (Persero) Tbk.

The portfolio of your Fund is spread across 14 companies that are engaged in a wide range of business activities – see the Schedule of Securities on page 7. The top 5 investments as at 31 July 2010 are PT Jasa Marga (Persero) Tbk, Rexlot Holdings Ltd, Beijing Capital Land Ltd, Australia and New Zealand Banking Group Ltd and Tesco Plc. They make up 59.92% of the total assets.

In the quarter from May to July 2010, your Fund did not sell any of its holdings.

Strategy

In our quarterly report dated 24 December 2009, Capital Dynamics (S) Pte Ltd highlighted the fact that one of the defining features of the *i Capital Long Boom* is volatility and that in the coming months and years, investors can be assured of this repeating. In the current environment, it is useful to remember this. Why?

Since the end of 2008/early 2009, the global economy has staged a dramatic V-shaped recovery. As explained in the annual Gathering of your Fund held on 21 May 2011, this has led to prices rising at many levels in many places.

First, the headline consumer price indices have been rising in both the developed and developing economies. For the emerging economies and the Eurozone, monetary policies need to be further tightened. For the US, the Federal Reserve should be doing so soon. Secondly, prices of many key commodities remain at elevated levels, often due to reasons beyond the control of any government. Thirdly, for the key emerging economies, prices of properties are still rising. Finally, stock prices have surged substantially as equity markets in most countries have enjoyed strong rallies since the end of 2008/early 2009.

At the same time, lurking in the background is the continuing political upheavals in North Africa and the Middle East, and the less than transparent handling of the tri-disaster in Japan by the authorities. In addition, we are of the view that the USD will be strengthening in the foreseeable future.

In the report dated 30 March 2011, we wrote:

*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.*

Capital Dynamics (S) Pte Ltd has been increasing your Fund's cash level. The turbulence of the last few years has taken the form of unprecedented events and developments. A cautious course of action may be wise in the present situation. Your Fund is well positioned for the many risks.

Tan Teng Boo
Capital Dynamics (S) Pte Ltd
31 May 2011

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

i CAPITAL GLOBAL FUND

INCOME STATEMENT (UNAUDITED)

For the three months ended 31 July 2010

	For the three months ended 31/07/2010 US\$
Income	
Dividend income	338,241
Interest income	130
Net foreign exchange gain/(loss)	20,562
Other net changes on financial assets and financial liabilities at fair value through profit or loss	(1,036,090)
Total income/(loss)	<u>(677,157)</u>
Expenses:	
Performance fees	-
Management fees	162,591
Administrative & Custodian fees	23,387
Audit fees	4,583
Other operating expenses	2,885
Total operating expenses	<u>193,446</u>
Operating profit/(loss)	(870,603)
Withholding tax on dividends and other investment income	(48,621)
Increase/(decrease) in net assets attributable to holders of participating shares from operations (at bid market prices)	<u>(919,224)</u>
Adjustment from bid market prices to last traded market prices	96,327
Increase/(decrease) in net assets attributable to holders of participating shares from operations (at last traded market prices)	<u>(822,897)</u>

i CAPITAL GLOBAL FUND

BALANCE SHEET (UNAUDITED)

As at 31 July 2010

	US\$
ASSETS	
Current Assets	
Financial assets at fair value through profit or loss	40,548,786
Other receivables	30,010
Cash and cash equivalents	6,803,363
Total Assets	<u>47,382,159</u>
Equity	
Management shares	10
Total Equity	<u>10</u>
LIABILITIES	
Current Liabilities	
Accrued expenses and other payables	2,812,372
Liabilities (excluding net assets attributable to holders of participating shares)	<u>2,812,372</u>
Net assets attributable to holders of participating shares (at bid market prices)	<u>44,569,777</u>
Represented by:	
Net assets attributable to holders of participating shares (at last traded market prices)	44,801,590
Adjustment from bid market prices to last traded market prices	<u>(231,813)</u>
Net assets attributable to holders of participating shares (at bid market prices)	<u>44,569,777</u>
Net assets value per holders of participating shares at bid market prices, based on 40,573 shares (2009: 42,527 shares) outstanding	<u>1,098.51</u>

i CAPITAL GLOBAL FUND

STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

For the three months ended 31 July 2010

	Number of shares	US\$
Equity at beginning of the period	10	10
Issue of management shares	-	-
Equity at end of financial period	10	10

i CAPITAL GLOBAL FUND

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF PARTICIPATING SHARES (UNAUDITED)

For the three months ended 31 July 2010

	Number of shares	US\$
Net assets attributable to holders of participating shares at the beginning of the period (at last traded market prices)	42,527	35,317,617
Issue of participating shares during the period	1,824	1,986,757
Redemption of participating shares during the period	(3,778)	(4,122,331)
Net increase from share transactions	(1,954)	(2,135,574)
Increase/(decrease) in net assets attributable to holders of participating shares from operations (at last traded market prices)	-	11,619,547
Net assets attributable to holders of participating shares at end of the period (at last traded market prices)	40,573	44,801,590

i CAPITAL GLOBAL FUND

CASH FLOW STATEMENT (UNAUDITED)

For the three months ended 31 July 2010

	US\$
Cash flows from operating activities	
Increase/(decrease) in net assets attributable to holders of participating shares from operations (at last traded market prices)	11,619,547
Adjustment for:	
Bid market prices to last traded market prices	(5,835)
Dividend income	(1,413,105)
Interest income	(7,929)
Tax expense	169,681
Operating cash flow before working capital changes	10,362,359
Changes in operating assets and liabilities	
Net increase in financial assets at fair value through profit or loss	(8,220,351)
Net increase in other liabilities	2,570,543
Cash provided by/(used in) operations	4,712,551
Dividend received, net of withholding tax	1,599,414
Interest received	(22,071)
Net cash provided by/(used in) operating activities	6,289,894
Cash flows from financing activities	
Proceeds from participating shares issued	1,986,757
Redemption of participating shares	(4,122,331)
Net cash (used in)/provided by financing activities	(2,135,574)
Net increase/(decrease) in cash and cash equivalents held	4,154,320
Cash and cash equivalents at the beginning of the financial period	2,649,043
Cash and cash equivalents at the end of the financial period	6,803,363

i CAPITAL GLOBAL FUND

SCHEDULE OF SECURITIES

As at 31 July 2010

	Holdings as at 31/07/2010 No. of Shares	Fair Value as at 31/07/2010 USD	Percentage of total net assets attributable to unitholders at 31/07/2010 %
AUTOS & TRUCKS			
PORSCHE PFD NPV	55,000	2,782,325	6.24
BUILDING / CONSTRUCTION MATERIALS			
JASA MARGA (PERSERO) NPV (DEMAT)	25,000,000	7,403,475	16.61
DEPARTMENT STORES			
NEW WORLD DEPARTMENT STORE	1,270,000	1,108,842	2.49
FINANCE			
AUSTRALIA AND NZ BANKING GROUP LTD NPV	200,000	4,171,392	9.36
REXLOT HOLDINGS LTD	76,875,000	6,632,788	14.88
ST GALLER KANTONALBANK	6,527	3,006,943	6.75
FOODS			
TESCO PLC	600,000	3,670,782	8.24
INVESTMENT			
K GREEN TRUST	100,000	83,851	0.19
MISCELLANEOUS			
SHANGHAI ASIA HLDGS LTD	1,535,000	175,002	0.39
REAL ESTATE			
BEIJING CAPITAL LAND LTD H SHR	15,000,000	4,829,114	10.83
SHIPBUILDING			
KEPPEL CORP LTD	500,000	3,427,605	7.69
TRANSPORT - SHIP			
MERMAID MARINE AUSTRALIA LTD NPV	1,332,420	3,256,667	7.31
		40,548,786	90.98

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 July 2010, the *i* Capital Global Fund's performance is 3.28% per annum, as opposed to -11.40% per annum for the MSCI World Index (MSCI W) and -10.54% per annum for the MSCI All Country World Index (MSCI A). From 1 January 2007 to 30 July 2010, funds under CDPL's management achieved a return of 7.13% per annum, outperforming the MSCI W and MSCI A which in that period recorded -7.44% and -6.44% per annum respectively.

The fund performance for the *i* Capital Global Fund as at 31 July 2010 is shown below:

Performance as at 31 July 2010 (%)			
(US\$)	ICGF	MSCI W	MSCI A
Cumulative*	10.42%	-31.05%	-28.98%
Annualised Return	3.28%	-11.40%	-10.54%

*Cumulative Returns are measured since inception.

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 April 1998 and July 2010, CDAM achieved a net compound return of 20.95% per annum and has substantially outperformed the Kuala Lumpur Composite Index every year, which gained 6.61% 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.

(Note: Information current as at 31 July 2010)