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iCapital[®]
BY Capital Dynamics

***i* Capital Global Fund
Annual Report**

For the financial year ended 30 April 2014

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Annual report of the Fund Manager for the financial year ended 30 April 2014

Performance

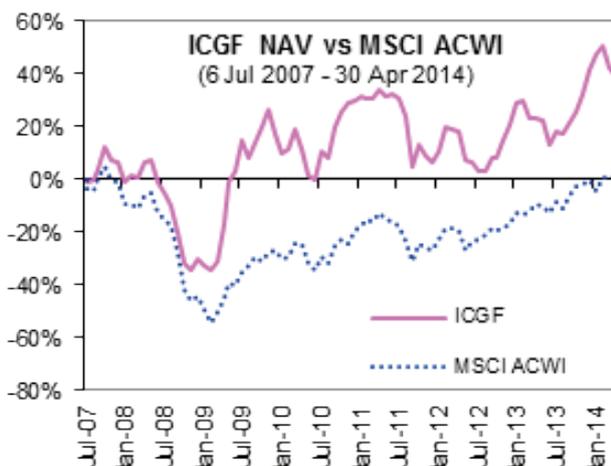
This is the fourth Quarterly and Annual Report of the *i* Capital Global Fund for the financial year ended 30 April 2014.

Between 6 July 2007 and 30 April 2014, the NAV of the *i* Capital Global Fund gained 39.18% or US\$391.824 from US\$1,000.000 to US\$1,391.824 per share. In the same period, the MSCI ACWI increased 1.50%.

Figure 1 shows the NAV of the *i* Capital Global Fund against the performance of the MSCI All Country World Index (MSCI ACWI) since its launch which was just before the financial markets and economies were seriously affected by the 2008 US-led financial crisis. Since then, our Fund has consistently outperformed the MSCI ACWI.

In the twelve months ended 30 April 2014, the net asset value (NAV) of the *i* Capital Global Fund increased 12.91% or US\$159.179 from US\$1,232.645 to US\$1,391.824 per share. In the same period, the MSCI ACWI (figure 1) increased 12.09%.

figure 1



The portfolio of your Fund is spread across 9 companies that are engaged in a wide range of business activities – see the Schedule of Securities in page 20.

The top 5 investments as at 30 April 2014 were Porsche Automobil Holding SE PFD, Rexlot Holdings Ltd, Petra Diamonds Ltd, China Wind Power International Corp. and Dah Chong Hong Holdings Ltd. They made up 45.89% of the total assets. At the end of April 2014, your Fund had 44.03% of its NAV in cash.

Strategy

So, the Federal Reserve is once again playing with words. Instead of seeking truth from facts, they are being twisted around and in the process confusing investors all over the world. The Federal Open Market Committee (FOMC) has been saying that its interest rate policy would mean zero interest rate for a long time to come, which resulted in the rally on the NYSE despite its overvaluation. Now, the FOMC has belatedly recognised the mistake of its monetary policy.

The FOMC minutes said, “*The concern was raised that the reference to ‘considerable time’ in the current forward guidance could be misunderstood as a commitment rather than as data dependent*”. The FOMC minutes reiterated that the current forward guidance for the federal funds rate was data dependent. The only problem with this is that the FOMC has also shifted the goal posts. In September 2014, the US labour market created more jobs than forecasted. July’s and August’s new jobs created were also revised upwards. And the US unemployment rate fell below 6% to 5.9%. Had the FOMC stuck to its original goal post, the federal funds rate would have been higher and the NYSE a lot lower by now.

Even after the latest clarification, the US monetary policy is still shrouded with uncertainties and opaqueness. The US economy has normalised and is actually ready for a new recession. Yet, the Federal Reserve is looking at the rear view mirror and ignoring the new asset bubble being formed on the NYSE and NASDAQ. Whatever the policy maybe, there is one fact – quantitative easing is ending this month.

What is worrying is that by allowing the federal funds rate to remain below its longer-run

normal level for a prolonged period, the Federal Reserve is solving present problems by creating future problems when the bubble on the NYSE and NASDAQ goes bust. Investors recognise this mismatch. Meanwhile, as *i Capital* warned in its publication dated 9th October 2014, “*even as Janet Yellen continues to yell buy, the market is selling. i Capital thinks that this change in response from investors is a game changer*”.

As at the time of writing this commentary, the cash level of *i Capital Global Value Fund*, as a

percentage of its NAV, has more than doubled from last year.

Best wishes.

Tan Teng Boo
Managing Director
Capital Dynamics (S) Pte Ltd
21 October 2014

(1): MSCI ACWI Index: A free float-adjusted market capitalisation weighted index which consists of 45 country indices, comprising 24 developed and 21 emerging market country indices. This includes the stock markets of China, which the ICGF cannot invest in at this time.

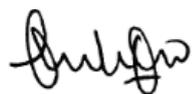
Statement by Directors

We, Tan Teng Boo and Chew Poh Imm, being the two directors of *i Capital Global Fund*, do hereby state that, in our opinion:

- (i) the accompanying statement of comprehensive income, statement of financial position, statement of changes in net assets attributable to holders of participating shares and statement of cash flows together with notes thereto are drawn up so as to give a true and fair view of the state of affairs of the Fund as at 30 April 2014 and 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 on that date; and
- (ii) 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.



Tan Teng Boo
DIRECTOR



Chew Poh Imm
DIRECTOR

Singapore
31 July 2014



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Independent Auditors' Report

THE BOARD OF DIRECTORS *i* CAPITAL GLOBAL FUND

We have audited the accompanying financial statements of *i* Capital Global Fund (the "Fund") which comprise the statement of financial position as at 30 April 2014, and the statement of comprehensive income, statement of changes in net assets attributable to holders of participating shares and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

This report is made solely to the directors, as a body. Our audit work has been undertaken so that we might state to the directors those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Fund and the directors as a body, for our audit work, for this report, or for the opinions we have formed.

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, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' 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 about 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 auditors' 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 accompanying financial statements present fairly, in all material respects, the financial position of *i* Capital Global Fund as at 30 April 2014, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards.

31 July 2014

Statement of Financial Position

AS AT 30 APRIL 2014

	Note	2014 US\$	2013 US\$
Assets			
Cash and cash equivalents		19,450,606	2,054,113
Investments in securities, at fair value (cost: US\$24,510,662; 2013: US\$40,625,098)	4	26,241,714	42,494,718
Dividends receivable		–	479,119
Due from broker	3	1,038,653	–
Other receivable		–	71
Total assets		46,730,973	45,028,021
Liabilities			
Management fee payable	5	58,381	231,785
Subscription received in advance		–	200,000
Other payables		31,932	97,196
Total liabilities		90,313	528,981
Net assets attributable to the shareholders of the Fund		46,640,660	44,499,040
Net assets attributable to :			
Participating shares		46,640,650	44,499,030
Management shares		10	10
Net assets attributable to the shareholders of the Fund		46,640,660	44,499,040
Net asset value (“NAV”) per participating share			
Based on 33,510 participating shares outstanding (2013: 36,242)		1,391.84	1,227.83

The accompanying accounting policies and explanatory information form an integral part of the financial statements.

Statement of Comprehensive Income

FOR THE YEAR ENDED 30 APRIL 2014

	Note	2014 US\$	2013 US\$
Investment income			
Dividend income		701,663	1,103,696
Interest income		672	2,449
Total investment income		702,335	1,106,145
Expenses			
Management fee	5	690,522	637,151
Transaction expenses		–	22,192
Administration and custodian fees	7	128,356	87,847
Withholding tax on dividend income		95,697	110,092
Professional fees		21,797	22,774
Other expenses		11,166	24,540
Total expenses		947,538	904,596
Net investment (expense)/income		(245,203)	201,549
Gain/(loss) on investments and foreign currency transactions			
Net realised gain on securities transactions		6,115,955	885,067
Net change in unrealised (loss)/gain on securities transactions		(138,568)	597,896
Net loss on foreign currency transactions		(7,730)	(4,157)
Net gain on investments and foreign currency transactions		5,969,657	1,478,806
Net change in net assets attributable to holders of participating shares resulting from operations		5,724,454	1,680,355

The accompanying accounting policies and explanatory information form an integral part of the financial statements.

Statement of Changes in Net Assets Attributable to Holders of Participating Shares

FOR THE YEAR ENDED 30 APRIL 2014

	2014	2013
	US\$	US\$
Net change in net assets attributable to holders of participating shares resulting from operations	5,724,454	1,680,355
Capital transactions		
Shares issued	730,000	954,890
Redemption of participating shares during the year	(4,312,834)	(1,924,804)
Net change in net assets attributable to holders of participating shares resulting from capital transactions	(3,582,834)	(969,914)
Net change in net assets attributable to holders of participating shares for the year	2,141,620	710,441
Net assets attributable to holders of participating shares at beginning of year	44,499,030	43,788,589
Net assets attributable to holders of participating shares at end of year	46,640,650	44,499,030

The accompanying accounting policies and explanatory information form an integral part of the financial statements.

Statement of Cash Flows

FOR THE YEAR ENDED 30 APRIL 2014

	2014 US\$	2013 US\$
Cash flows from operating activities		
Net change in net assets attributable to holders of participating shares resulting from operations	5,724,454	1,680,355
Adjustments to reconcile net change in net assets attributable to holders of participating shares resulting from operations to net cash generated from/(used in) operating activities :		
Changes in operating assets and liabilities :		
Investments in securities, at fair value	16,253,004	(10,641,041)
Dividend receivable	479,119	–
Due from broker	(1,038,653)	–
Other receivable	71	4,000
Management fee payable	(173,404)	176,801
Other payables	(65,264)	270,566
Net cash flows generated from/ (used in) operating activities	21,179,327	(8,509,319)
Cash flows from financing activities		
Proceeds from subscriptions of shares	530,000	954,890
Receipts from redemption of shares	(4,312,834)	(1,924,804)
Net cash flows used in financing activities	(3,782,834)	(969,914)
Net change in cash and cash equivalents for the year	17,396,493	(9,479,233)
Cash and cash equivalents at beginning of year	2,054,113	11,533,346
Cash and cash equivalents at end of year	19,450,606	2,054,113
Supplemental disclosure of cash flow information		
Dividends received	1,085,085	967,412
Interest received	672	2,449

The accompanying accounting policies and explanatory information form an integral part of the financial statements.

Notes to Financial Statements

FOR THE YEAR ENDED 30 APRIL 2014

1. The Fund Information

i Capital Global Fund (the “Fund”) was incorporated as an exempted company with limited liability under the companies law of Cayman Islands on 6 February 2007 and has been registered with CIMA pursuant to Section 4(3) of the Cayman Islands Mutual Fund Law. The Fund commenced operations on 6 July 2007. The Fund is registered as a regulated mutual fund under the Cayman Islands Mutual Funds Law.

The registered office of the Fund is located at P.O. Box 1984, Boundary Hall, Cricket Square, George Town, Grand Cayman KYI-1104, Cayman Islands.

The Fund’s investment manager is Capital Dynamics (S) Pte. Ltd. (the “Investment Manager”), a private limited company incorporated in Singapore.

The primary investment 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 has appointed Deutsche Bank AG Singapore as administrator (the “Administrator”) and custodian (the “Custodian”) to the Fund.

2. Summary of Significant Accounting Policies

BASIS OF PREPARATION

The financial statements of the Fund have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and are stated in United States dollar (“USD” or “US\$”), which is the Fund’s functional and presentation currency.

The financial statements have been prepared on a historical cost basis, except for financial instruments classified at fair value through profit or loss that have been measured at fair value. The following is a summary of the significant accounting and reporting policies used in preparing the financial statements.

NEW AND AMENDED STANDARDS

The accounting policies adopted are consistent with those of the previous year, except for the following new and amended International Accounting Standards (“IAS”) adopted in the year commencing below :

	Descriptions	Effective date (Annual periods beginning on or after)
IAS 1	Presentation of Items of Other Comprehensive Income - Amendments to IAS 1	1 July 2012
IAS 28	Investments in Associates and Joint Ventures (as revised in 2011) effective	1 January 2013
IFRS 7	Disclosures - Offsetting Financial Assets and Financial Liabilities - Amendments to IFRS 7	1 January 2013
IFRS 10	Consolidated Financial Statements, IAS 27 Separate Financial Statements	1 January 2013
IFRS 11	Joint Arrangements	1 January 2013
IFRS 12	Disclosures of Interests in Other Entities	1 January 2013
IFRS 13	Fair Value Measurement	1 January 2013
	Annual Improvements May 2012	1 January 2013
	- IFRS 1 First-time Adoption of International Financial Reporting Standards	

Descriptions	Effective date (Annual periods beginning on or after)
- IAS 1 Presentation of Financial Statements	
- IAS 32 Financial Instruments, Presentation	

Except for IFRS 13, the adoption of the other standards and interpretations will have no material impact on the financial statements for the year ended 30 April 2014. The nature of the changes in accounting policy on adoption of IFRS 13 is described below.

IFRS 13 Fair Value Measurement

The standard improves consistency and reduces complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across IFRSs. The requirements do not extend the use of fair value accounting but provide guidance on how it should be applied where its use is already required or permitted by other standards within IFRS. If an asset or a liability measured at fair value has a bid price and an ask price, the standard requires valuation to be based on a price within the bid-ask spread that is most representative of fair value and allows the use of mid-market pricing

or other pricing conventions that are used by market participants as a practical expedient for fair value measurement within a bid-ask spread. On adoption of the standard, the Fund changed its valuation inputs for financial assets and liabilities to last traded prices or mid of bid/ask prices to be consistent with the inputs prescribed in the Fund's offering document for the calculation of its per share trading value for subscriptions and redemptions. The use of last traded prices or mid prices is recognised as a standard pricing convention within the industry.

In the prior year, the Fund utilised bid and ask prices for its financial assets and liabilities in accordance with IAS 39.

IMPACT OF IAS AND IFRS ISSUED BUT NOT YET EFFECTIVE

The Fund has not yet adopted the following IAS and IFRS that have been issued but not yet effective :

Descriptions	Effective date (Annual periods beginning on or after)
IAS 32 Offsetting Financial Assets and Financial Liabilities - Amendments to IAS 32	1 January 2014
IAS 36 Impairment of Assets - Amendments Arising From Recoverable Amount Disclosures for Non-Financial Assets	1 January 2014
IAS 39 Financial Instruments: Recognition and Measurement - Amendments for Novations of Derivatives	1 January 2014
Investment Entities (Amendments to IFRS 10, IFRS 12 and IAS 27)	1 January 2014
IFRS 7 Disclosures - Amendments Related to Transition to IFRS 9	1 January 2015
IFRS 9 Financial Instruments: Classification and Measurement	-

Except for IAS 32, the directors expect that the adoption of the other standards above will have no material impact on the financial statements in the period of initial application. The nature of the impending changes in accounting policy on adoption of IAS 32 is described below.

IAS 32 Offsetting Financial Assets and Financial Liabilities - Amendments to IAS 32

These amendments clarify the meaning of "currently has a legally enforceable right to offset". The amendments also clarify the application of the IAS 32 offsetting criteria to

settlement systems (such as central clearing house systems) which apply gross settlement mechanisms that are not simultaneous. These amendments are not expected to impact the Fund's financial position or performance other than additional disclosures.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash on hand and demand deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and are subject to insignificant changes in value. All cash and cash equivalents are held by the Custodian as at 30 April 2014.

INVESTMENT TRANSACTIONS AND RELATED INVESTMENT INCOME

Investment transactions are accounted for on a trade date basis. Realised gains or losses from investment transactions are recorded on First-In-First-Out ("FIFO") method. Unrealised gains or losses are reflected in the statement of comprehensive income. Investment income represents dividends received from quoted investments and interest earned from deposit with banks and brokers. Dividends are recorded on the ex-dividend date. Interest is recorded on an accrual basis.

FINANCIAL ASSETS AND FINANCIAL LIABILITIES

All of the Fund's investments in securities are classified as financial assets at fair value through profit or loss with changes in fair value reflected in the statement of comprehensive income. The fair value of financial instruments which are listed or quoted on any securities exchange or similar electronic system are valued on their quoted price. Prior to 1 May 2013, the Fund uses bid price for long positions and ask price for short positions. The Fund adopted IFRS 13, 'Fair value measurement', from May 1, 2013 and changed its fair valuation input to utilise the last traded market price, where it falls within the bid-ask spread, or mid of bid-ask prices. This is consistent with the Fund's offering memorandum.

Loans and receivables are non-derivative financial assets that are not quoted in an active market. The Fund includes in this category amounts due from broker and dividends receivable.

The Fund includes management fee payable, subscriptions received in advance and other payables as other financial liabilities.

Loans and receivables and financial liabilities (other than those classified as at fair value through profit or loss) are measured initially at their fair values plus any directly attributable incremental costs of acquisition or issue.

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired. The Fund derecognises a financial liability when the obligation under the liability is discharged, cancelled or expired. Gains or losses are recognised in the statement of comprehensive income when the loans and receivables and financial liabilities are derecognised.

IMPAIRMENT OF FINANCIAL ASSETS

The Fund assesses at the end of each reporting period whether a financial asset classified as loans and receivables is impaired. Evidence of impairment may include indications that the debtor is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults. If there is objective evidence that an impairment loss has been incurred, the amount of the loss is measured as the differences between the asset's carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred) discounted using the asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in profit or loss as a 'Credit loss expense'.

FOREIGN CURRENCY TRANSLATION

Functional and presentation currency

The Fund's functional and presentation currency is USD, which is the currency of the primary economic environment in which it operates. The Fund's performance is evaluated and its liquidity is managed in USD. Therefore, the USD is considered as

the currency that most faithfully represents the economic effects of the underlying transactions, events and conditions.

Transactions and balances

Assets and liabilities denominated in currencies other than USD are translated at the prevailing rates of exchange at the date of the financial statements. Transactions in foreign currencies are translated at the rates of exchange prevailing at the time of the transaction. Exchange gains or losses are included in the statement of comprehensive income.

The Fund does not isolate that portion of the gains or losses on investments which is due to changes in foreign exchange rates from that which is due to changes in market prices of the investments. Such fluctuations are included in the net realised and unrealised gains or losses from investments.

PARTICIPATING SHARES

The Fund offers participating shares which are redeemable at the shareholders' option after the expiry of such shareholders' commitment period in the Fund and are classified as financial liabilities.

The liabilities arising from the participating shares are carried at the redemption amount being the Net Asset Value ("NAV") calculated in accordance with IFRS.

MANAGEMENT SHARES

Management shares are not redeemable, do not participate in the net income/(loss) or dividends of the Fund and are classified as equity.

RELATED PARTIES

A related party is defined as follows :

(a) A person or a close member of that person's family is related to the Fund if that person :

- (i) Has control or joint control over the Fund;
 - (ii) Has significant influence over the Fund;
- or

(iii) Is a member of the key management personnel of the Fund or of a parent of the Fund;

or

(b) An entity is related to the Fund if any of the following conditions applies :

- (i) The entity and the Fund are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);
- (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);
- (iii) Both entities are joint ventures of the same third party;
- (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity;
- (v) The entity is a post-employment benefit plan for the benefit of employees of either the Fund or an entity related to the Fund. If the Fund is itself such a plan, the sponsoring employers are also related to the Fund;
- (vi) The entity is controlled or jointly controlled by a person identified in (a);
or
- (vii) A person identified in (a) (i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Management believes that the estimates utilised in preparing its financial statements are reasonable and prudent. However actual results could differ from those estimates and the differences could be material.

Taxation

There is currently no taxation imposed on income or capital gains by the Government of the Cayman Islands. The only taxes payable by the Fund are withholding taxes applicable to certain investment income. As a result, no tax liability or expense has been recorded in the financial statements.

Going concern

The Directors have made an assessment of the Fund's ability to continue as a going concern and are satisfied that the Fund has the resources to continue in business for the foreseeable future. Furthermore, the Directors are not aware of any material uncertainties that may cast significant doubt upon the Fund's ability to continue as a going concern. Therefore, the financial statements continue to be prepared on the going concern basis.

3. Due From Broker

Due from broker includes amounts receivable for securities transactions that have not settled at the date of the financial statements. The Fund continuously monitors the credit standing of each broker with which it conducts business.

The Fund currently does not offset balances with the custodian and all due from broker balances are presented at gross in the statement of assets and liabilities.

4. Fair Value of Financial Instruments

IFRS 13 requires the Fund to classify 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 :

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

The Level in the fair value hierarchy within which the fair value measurements are categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurements in its entirety. For this purpose, the significance of an input is assessed against the fair value measurements 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 measurements in its entirety requires judgement, considering factors specific to the asset or liability.

The determination of what constitutes "observable" requires significant judgement by the Fund. The Fund considers observable data to be that market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary and provided by independent sources that are actively involved in the relevant market.

The following table analyses within the fair value hierarchy the Fund's financial instruments measured at fair value at April 30:

	Level 1	Level 2	Level 3	Total
	US\$	US\$	US\$	US\$
2014				
Financial assets at fair value through profit or loss :				
Investments in securities	26,241,714	–	–	26,241,714
2013				
Financial assets at fair value through profit or loss :				
Investments in securities	42,494,718	–	–	42,494,718

Investments whose values are based on quoted market prices in active markets, and therefore classified within Level 1, include active listed equity securities. The Fund does not adjust the quoted price for this instrument.

There is no investment classified under Level 2 and 3 and there is no transfer between the categories during the year.

The fair value of the Fund's assets and liabilities other than those fair value through profit or loss which qualify as financial instruments approximate the carrying amounts presented in the financial statements due to their short-term nature.

5. Related Party Transactions

Pursuant to an agreement between the investment Manager and the Fund, the Investment Manager is entitled to receive a management fee on a calendar quarter basis equal to one-quarter of 1.5% of the NAV of the Fund. Management fee is accrued on a monthly basis and will be payable by the Fund quarterly in arrears. During the year, the Fund recorded a total management fee of US\$690,522 (2013: US\$637,151) out of which, US\$58,381 (2013: US\$231,785) remains payable as at the end of the reporting period.

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

- (a) 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 Hurdle Annualised Rate of Return ("AROR"); and
- (b) the NAV of the Fund as at the end of any Performance Period is higher than the Benchmark NAV.

Such performance 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.

For purposes of this section the offering memorandum has the following definition:

"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.

"Performance Period" is the period commencing on the initial date the participating share is issued and ending at the close of business on each 31 December 2007, and thereafter, is each period commencing as of the day following the last day of the preceding Performance Period 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. The Fund's NAV per share as at 31 December 2013 is US\$1,419.35 (31 December 2012: US\$1,206.21).

If 30 April 2014 were deemed to be the end of the relevant Performance Period as defined in the Fund's offering memorandum, the performance fee to be recognised would be US\$Nil (2013: US\$Nil).

6. Share Capital

The authorised share capital of the Fund is US\$1,000,000 comprising of 10 Management Shares of a nominal or par value of US\$1.00 each and 99,999,000 Participating Shares of a nominal or par value of US\$0.01 each. The Fund has the right to reduce, increase its capital, consolidate its shares or any of them into smaller number of shares or cancel any shares not taken or agreed to be taken by any person from time-to-time.

The Management shares carrying voting rights, which do not participate in the profits or losses of the Fund and are not redeemable. The Management shares are held by the principal of the Investment Manager.

The Participating Shares were initially issued at US\$1,000 per share. Additional shares may be subscribed at the beginning of each month during the year, or at such other time as determined at the sole discretion of the Fund's Directors at the price equal to the NAV per share of the Fund as of the last business day of the prior month.

The Participating Shares are redeemable on the first business day of each calendar quarter or such other time as determined by the discretion of the Directors, upon 30 days prior written notice, after 12 months from the date of issuance of such shares at the NAV per share as of the close of the business day on the redemption date.

Participating share transactions for the year ended 30 April, were as follows :

	2014	2013
Shares outstanding at beginning of year	36,242	37,020
Shares issued	595	881
Shares redeemed	(3,327)	(1,659)
Shares outstanding at end of year	33,510	36,242

7. Administration and Custodian Fees

The Administrator is entitled to receive administrative fees in accordance to the administration agreement.

The administration and custodian fees are accrued and calculated as at each relevant valuation day and payable monthly in arrears. During the year the Fund recorded administration and custodian fees amounting to US\$128,356 (2013: US\$87,847) out of which, US\$6,000 (2013: US\$6,000) included in other payables remain unpaid as at the end of the reporting period.

8. Financial Risk Management Objectives and Policies

Risk arising from holding financial instruments is inherent in the Fund's activities and is managed through a process of ongoing identification,

measurement and monitoring. The Fund is exposed to credit risk, liquidity risk and market risk.

Financial instruments of the Fund comprise investments in financial assets for the purpose of generating a return on the investments made by the Fund, in addition to cash and cash equivalents, amounts due from broker, dividends receivable and other financial instruments such as management fee and other payables, which arise directly from its operation.

The Investment Manager is responsible for identifying and controlling the risks that arise from these financial instruments. The Investment Manager undertakes ongoing analysis of the risks of the portfolio in order to maintain a level of risk in the Fund that is compatible with the aim of producing positive absolute return on the Fund's investment portfolio in the long-term.

The risks are measured using a method that reflects the expected impact on the results and net assets attributable to shareholders of the Fund from reasonably possible changes in the relevant risk variables. Information about these risk exposures at the end of the reporting period, measured on this basis is disclosed below. Information about the total fair value of financial instruments exposed to risk, as well as compliance with established investment mandate limits is also monitored by the Investment Manager. These guidelines reflect the investment strategy and market environment of the Fund, as well as the level of risk that the Fund is willing to accept with additional emphasis on selected industries.

In order to avoid excessive concentrations of risk, the Fund monitors its exposure to ensure concentrations of risk remain within acceptable levels.

CREDIT RISK

Credit risk represents the risk that the counterparty to the financial instruments will fail to discharge an obligation and cause the Fund to incur a financial loss.

Financial assets which potentially expose the Fund to credit risk consist principally of cash and cash equivalents, due from brokers and dividends receivable. The Fund seeks to mitigate its exposure to credit risk by placing its

cash and cash equivalents with large financial institutions and monitoring the creditworthiness of such large financial institutions. The Fund limits its exposure to credit risk by undertaking transactions with reputable counterparties. The extent of the Fund's exposure to credit risk in respect of these financial assets approximates their carrying values as recorded in the Fund's statement of assets and liabilities.

The Fund holds no collateral as security or any other credit enhancements. There is no financial asset which is past due or impaired, or would otherwise be past due or impaired. Credit risk is not considered to be significant to the Fund.

The list below shows the percentage of financial assets held with major counterparties as at 30 April :

	Total assets %	
	2014	2013
Deutsche Bank AG Singapore	97.78	100.00

LIQUIDITY RISK

Liquidity risk is the risk that the Fund will encounter difficulty in meeting obligations associated with financial liabilities, including investor redemptions. The risk is controlled through the Fund's investments in financial instruments, which under normal market conditions are readily convertible to cash. In addition, the Fund maintains sufficient cash and cash equivalents to meet normal operating requirements.

Maturity analysis for financial liabilities

Financial liabilities of the Fund comprise management fee payable, other payables and net assets attributable to holders of participating shares. Administration fee payable, management fee payable, and other

payables are typically settled within 30 to 90 days from the transaction date.

MARKET RISK

Market risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as interest rates and foreign exchange rates. Market risk is managed and monitored using risk management strategies and analytical monitoring techniques and minimised through ensuring that all investment activities are undertaken in accordance with established mandate limits and investment strategies.

The Fund trades in listed equity 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.

The following risk analysis is for reporting at the end of the reporting period under IFRS 7 and does not guarantee future risk profile of the investment securities portfolio ("Portfolio"). The risk profile of the Portfolio will change depending upon market environment and strategic positioning. Consequently, the disclosed risk analysis does not necessarily reflect the risk position of the Portfolio at any time other than at the end of the reporting period. It demonstrates management's best estimate of sensitivity to reasonably possible changes in each of the indicated variables with all other variables held constant of the Fund's net assets and profit. In practice, the actual trading results may differ from the sensitivity analysis and difference could be material.

At the end of the reporting period the market exposure of the Fund's investments in securities by country and industry are as follows:

	Fair value as at 30 April 2014 US\$	% of NAV
By Country :		
Hong Kong	10,893,499	23.36
United Kingdom	6,492,184	13.92
Germany	6,051,687	12.97
Australia	2,804,344	6.01
	26,241,714	56.26
By Industry :		
Consumer	13,848,218	29.69
Resources	4,459,049	9.56
Financials	3,644,897	7.81
Utilities	3,096,969	6.64
Industrials	1,192,581	2.56
	26,241,714	56.26

	Fair value as at 30 April 2013 US\$	% of NAV
By Country :		
Hong Kong	16,056,871	36.08
United States	9,530,460	21.43
Australia	5,331,637	11.98
United Kingdom	5,084,845	11.43
Germany	4,299,905	9.66
Switzerland	1,986,134	4.46
Singapore	204,866	0.46
	42,494,718	95.50
By Industry :		
Consumer	23,756,871	53.39
Industrials	7,310,097	16.43
Financials	5,536,503	12.44
Resources	3,407,531	7.66
Utilities	2,483,716	5.58
	42,494,718	95.50

The Investment Manager does not manage the Fund's investment strategy to track any particular index or external benchmark. The country listing above reflects the country of the primary listing of each investment and may not reflect the geography of the underlying operations. The sensitivity analysis presented is based upon the portfolio composition and the historical fluctuations in the price of the portfolio securities.

INTEREST RATE RISK

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair value of financial instruments. At 30 April 2014, the majority of the Fund's financial assets and financial liabilities are non-interest bearing, as the Fund's investments are all listed equities. The Fund's cash and cash equivalents held with the custodian are exposed to interest rate risk which is considered by the Investment

Manager to be minimal as they are overnight and short-term instruments all with maturities of less than one month. Hence, the effect of a sensitivity analysis on the Fund's net profit and NAV would be negligible.

FOREIGN CURRENCY RISK

Foreign currency risk includes the risk that the fair values or future cash flows of a financial instrument will fluctuate due to changes in foreign currency exchange rates.

The Fund may invest in assets denominated in currencies other than its reporting and

functional currency, USD. Consequently, the Fund is exposed to risks that the exchange rate of USD relative to other currencies may change in a manner which has an adverse effect on the reported value of that portion of the Fund's assets which is denominated in currencies other than USD.

The table below indicates the currencies to which the Fund had significant exposure at the end of the reporting period on its monetary financial assets and liabilities:

Concentration of assets and liabilities								
2014	USD US\$	HKD US\$	EUR US\$	AUD US\$	GBP US\$	SGD US\$	CHF US\$	Total US\$
Assets								
Investments in securities at, fair value	–	10,893,499	6,051,687	2,804,344	6,492,184	–	–	26,241,714
Cash and cash equivalents	8,422,690	8,633,266	–	153,152	–	1,045,953	1,195,545	19,450,606
Due from broker	–	–	–	–	1,038,653	–	–	1,038,653
Total assets	8,422,690	19,526,765	6,051,687	2,957,496	7,530,837	1,045,953	1,195,545	46,730,973
Liabilities								
Management fee payable	58,381	–	–	–	–	–	–	58,381
Other payables	16,000	–	–	–	–	15,932	–	31,932
Total liabilities	74,381	–	–	–	–	15,932	–	90,313
Net currency exposure	8,348,309	19,526,765	6,051,687	2,957,496	7,530,837	1,030,021	1,195,545	46,640,660
2013	USD US\$	HKD US\$	EUR US\$	AUD US\$	GBP US\$	SGD US\$	CHF US\$	Total US\$
Assets								
Investments in securities at, fair value	9,530,460	16,056,871	4,299,905	5,331,637	5,084,845	204,866	1,986,134	42,494,718
Cash and cash equivalents	2,054,113	–	–	–	–	–	–	2,054,113
Other receivables	–	406,289	–	–	–	–	72,901	479,190
Total assets	11,584,573	16,463,160	4,299,905	5,331,637	5,084,845	204,866	2,059,035	45,028,021
Liabilities								
Management fee payable	231,785	–	–	–	–	–	–	231,785
Subscription received in advances	200,000	–	–	–	–	–	–	200,000
Other payables	16,125	38,849	–	–	–	16,305	25,917	97,196
Total liabilities	447,910	38,849	–	–	–	16,305	25,917	528,981
Net currency exposure	11,136,663	16,424,311	4,299,905	5,331,637	5,084,845	188,561	2,033,118	44,499,040

The analysis calculates the effect of a reasonably possible movement of the currency rate against the USD on the net profit and NAV, with all other

variables held constant. In practice, the actual results may differ from the below sensitivity analysis and the difference could be material :

Sensitivity analysis		
Currency	Appreciation (+)/ depreciation (-) of currency against USD	Change in NAV
	%	US\$
2014		
Hong Kong Dollar	+/-0.04	+/-7,811
Euro	+/-1.00	+/-60,517
Australia Dollar	+/-3.00	+/-88,725
British Pound	+/-1.00	+/-75,308
Singapore Dollar	+/-1.00	+/-10,300
Swiss Francs	+/-1.00	+/-11,955
2013		
Hong Kong Dollar	+/-0.04	+/-6,570
Euro	+/-2.00	+/-85,998
Australia Dollar	+/-2.00	+/-106,633
British Pound	+/-2.00	+/-101,697
Singapore Dollar	+/-1.00	+/-1,886
Swiss Francs	+/-2.00	+/-40,662

9. Capital Risk 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.

10. 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. For the financial year ended 30 April 2013, long quoted investment positions have been re-valued based on the

closing bid prices in accordance with the Fund's accounting policies as required by IFRS.

Applying the IFRS basis of valuation of investment positions resulted in reductions in value of investments of US\$174,623 as at 30 April 2013 as compared to valuing them on the basis of the PPM. No such valuation adjustment was made to the financial year ended 30 April 2014 due to adoption of IFRS13 as detailed in Note 2.

11. Subsequent Events

Subsequent to 30 April 2014, up to 31 July 2014 the Fund recorded no subscriptions and US\$2,330,305 of redemptions.

12. Approval of the Financial Statements

The financial statements of the Fund for the year ended 30 April 2014 were authorised for issue in accordance with a resolution of the Directors on 31 July 2014.

Schedule of Securities

FOR THE YEAR ENDED 30 APRIL 2014

Currency	Holdings as at 30/04/2014 No. of Shares	Fair Value as at 30/04/2014 USD	Percentage of total net assets attributable to shareholders at 30/04/2013 %
AUTOMOBILES PORSCHE AUTOMOBIL HLDG	55,000	6,051,687	12.98
CAPITAL MARKETS IP GROUP PLC	700,000	2,033,135	4.36
DISTRIBUTORS DAH CHONG HONG	3,300,000	2,098,414	4.50
HOTELS, RESTAURANTS & LEISURE REXLOT HOLDINGS LTD	53,875,000	5,698,117	12.22
INDEPENDENT POWER PRODUCERS & ENERGY TRADERS CHINA WINDPOWER GROUP LTD	47,080,000	3,096,969	6.64
INSURANCE QBE INSURANCE GROUP LTD	150,000	1,611,762	3.46
MARINE MERMAID MARINE AUSTRALIA LTD	600,583	1,192,581	2.56
METALS & MINING PETRA DIAMONDS LTD	1,620,000	4,459,049	9.56
		26,241,713.92	56.26

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 2014, the *i* Capital Global Fund performance is 4.97% per annum, as opposed to 0.22% per annum for the MSCI ACWI. From 30 Aug 2006 to 30 April 2014, funds under CDPL's management achieved a return of 4.97% per annum, outperforming the MSCI ACWI which in that period recorded 2.81% per annum.

The Fund's performance for the *i* Capital Global Fund as at 30 April 2014 is shown below:

Performance as at 30 April 2014 (%)		
(US\$)	ICGF	MSCI ACWI
Cumulative *	39.18	1.50
Annualised Return	4.97	0.22

*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 Sdn Bhd (CDAM), based in Kuala Lumpur, manages *icapital.biz* Berhad, a closed-end fund listed on Bursa Malaysia and discretionary accounts.

CDAM has been consistently reporting positive returns since its inception. Between April 1998 and April 2014, CDAM achieved a net compound return of 16.63% per annum and has substantially outperformed the Kuala Lumpur Composite Index every year, which gained 7.13% 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 Sdn Bhd, 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 is current as at 30 April 2014.)

Disclaimers: The information in this Annual 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 CDPL nor any of its related entities guarantees the performance of the Fund or any particular rate of return.

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INDEPENDENCE * INTELLIGENCE * INTEGRITY

Directors of the Fund

Tan Teng Boo
Chew Poh Imm, Claudine

Investment Manager

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Custodian of the Fund

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Walkers

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Rajah & Tann

Auditors to the Fund

Ernst & Young Cayman