

# ***i* Capital Global Fund**

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**Annual Report  
for the period 6 February 2007  
to 30 April 2008**

**i CAPITAL GLOBAL FUND**  
*(Incorporated in the Cayman Islands)*

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***i* CAPITAL GLOBAL FUND**

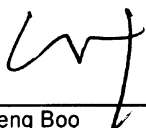
**STATEMENT BY DIRECTORS**

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In the opinion of the directors,


- (a) the financial statements of *i* Capital Global Fund (the "Fund") as set out on pages 3 to 16 are drawn up so as to give a true and fair view of the state of affairs of the Fund at 30 April 2008 and of the results of the business, changes in equity, changes in net assets attributable to holders of participating shares and cash flows of the Fund for the financial period from 6 February 2007 (date of incorporation) to 30 April 2008; 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,



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Tan Teng Boo  
Director



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Sim Biow Ming Myra  
Director

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**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 16 which comprise the balance sheet as of 30 April 2008 and the income statement, statement of changes in equity, statement of changes in net assets attributable to holders of participating shares and cash flow statement for the financial period 6 February 2007 (date of incorporation) to 30 April 2008 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*

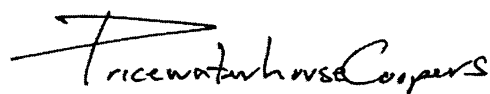
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether 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 accompanying financial statements give a true and fair view of the financial position of the Fund as of 30 April 2008, and of its financial performance and its cash flows for financial period from 6 February 2007 (date of incorporation) to 30 April 2008 in accordance with International Financial Reporting Standards.



16 September 2008

**i CAPITAL GLOBAL FUND****Income Statement**

For the financial period from 6 February 2007 (date of incorporation) to 30 April 2008

	Note	For the financial period from 6 February 2007 (date of incorporation) to 30 April 2008 US\$
<b>Income</b>		
Dividend income		435,146
Interest income	4	588,390
Net foreign exchange gain		533,539
Other net changes on financial assets at fair value through profit or loss	6	1,201,681
<b>Total income</b>		<u>2,758,756</u>
<b>Expenses:</b>		
Performance fees	11	299,199
Management fees	11	414,961
Administrative & Custodian fees	11	47,961
Audit fees		17,886
Other operating expenses		69,773
<b>Total operating expenses</b>		<u>849,780</u>
<b>Operating profit</b>		1,908,976
Interest expense		(258)
<b>Total finance costs</b>		<u>(258)</u>
<b>Profit before tax</b>		1,908,718
Withholding tax on dividends and other investment income		(71,763)
<b>Increase in net assets attributable to holders of participating shares from operations (at bid market prices)</b>		<u>1,836,955</u>
Adjustment from bid market prices to last traded market prices	12	31,809
<b>Increase in net assets attributable to holders of participating shares from operations (at last traded market prices)</b>		<u>1,868,764</u>

**i CAPITAL GLOBAL FUND**

**Balance Sheet**

As at 30 April 2008

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	Note	30 April 2008
		US\$
<b>ASSETS</b>		
<b>Current Assets</b>		
Financial assets at fair value through profit or loss	5	28,084,042
Other receivables	8	53,143
Cash and cash equivalents	7	<u>11,870,972</u>
<b>Total Assets</b>		<u><b>40,008,157</b></u>
<b>EQUITY</b>		
Management shares	10	<u>10</u>
<b>Total Equity</b>		<u><b>10</b></u>
<b>LIABILITIES</b>		
<b>Current Liabilities</b>		
Accrued expenses and other payables	9	<u>85,318</u>
<b>Liabilities (excluding net assets attributable to holders of participating shares)</b>		<u><b>85,318</b></u>
<b>Net assets attributable to holders of participating shares (at bid market prices)</b>	<b>12</b>	<u><b>39,922,829</b></u>
<b>Represented by:</b>		
Net assets attributable to holders of participating shares (at last traded market prices)		39,954,638
Adjustment from bid market prices to last traded market prices	12	<u>(31,809)</u>
<b>Net assets attributable to holders of participating shares (at bid market prices)</b>		<u><b>39,922,829</b></u>
Net assets value per holders of participating shares at bid market prices, based on 37,559 shares outstanding		<u><b>1,062.94</b></u>

**i CAPITAL GLOBAL FUND**

**STATEMENT OF CHANGES IN EQUITY**

For the financial period from 6 February 2007 (date of incorporation) to 30 April 2008

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	<b>For the financial period from 6 February 2007 (date of incorporation) to 30 April 2008</b>	
Note	<b>Number of shares</b>	<b>US\$</b>
Equity at 6 February 2007 (date of incorporation)	1	1
Issue of management shares	9	9
<b>Equity at end of financial period</b>	<b>10</b>	<b>10</b>

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**i CAPITAL GLOBAL FUND**

**STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF PARTICIPATING SHARES**

For the financial period from 6 February 2007 (date of incorporation) to 30 April 2008

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	<b>For the financial period from 6 February 2007 (date of incorporation) to 30 April 2008</b>	
	<b>Number of shares</b>	<b>US\$</b>
<b>Net assets attributable to holders of participating shares at inception</b>	-	-
Issue of participating shares during the period	37,559	38,085,874
Net increase from shares transactions	<u>37,559</u>	<u>38,085,874</u>
Increase in net assets attributable to holders of participating shares from operations (at last traded market prices)	-	1,868,764
<b>Net assets attributable to holders of participating shares at 30 April 2008 (at last traded market prices)</b>	<u><b>37,559</b></u>	<u><b>39,954,638</b></u>



**i CAPITAL GLOBAL FUND**

**CASH FLOW STATEMENT**

For the financial period from 6 February 2007 (date of incorporation) to 30 April 2008

	<b>Note</b>	<b>For the financial period from 6 February 2007 (date of incorporation) to 30 April 2008 US\$</b>
<b>Cash flows from operating activities</b>		
Increase in net assets attributable to holders of participating shares from operations (at last traded market prices)		1,868,764
Adjustment for:		
Bid market prices to last traded market prices		(31,809)
Dividend income		(435,146)
Interest income		(588,390)
Tax expense		71,763
Interest expense		258
<b>Operating cash flow before working capital changes</b>		<b>885,440</b>
Changes in operating assets and liabilities		
Net increase in financial assets at fair value through profit or loss		(28,084,042)
Net increase in other assets		(10)
Net increase in other liabilities		85,318
<b>Cash used in operations</b>		<b>(27,113,294)</b>
Dividend received, net of withholding tax		311,341
Interest received		587,299
<b>Net cash used in operating activities</b>		<b>(26,214,654)</b>
<b>Cash flows from financing activities</b>		
		(258)
Proceeds from participating shares issued		38,085,874
Proceeds from management shares issued		10
<b>Net cash provided by financing activities</b>		<b>38,085,626</b>
<b>Net increase in cash and cash equivalents held</b>		<b>11,870,972</b>
Cash and cash equivalents at the beginning of the financial period		-
<b>Cash and cash equivalents at the end of the financial period</b>	<b>7</b>	<b>11,870,972</b>

**i CAPITAL GLOBAL FUND**

**NOTES TO THE FINANCIAL STATEMENTS**

*For the financial period from 6 February 2007 (date of incorporation) to 30 April 2008*

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, and may be revised by the Investment Manager at its discretion from time to time.

Countries that the Fund will be investing in

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

The Fund Manager 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 Strathvale House North Church Street George Town Grand Cayman KY1-1106, Cayman Islands.

The financial statements were authorised for issue by the directors on 16 September 2008.

**NOTES TO THE FINANCIAL STATEMENTS**

For the financial period from 6 February 2007 (date of incorporation) to 30 April 2008

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**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. There were no significant assumptions and estimates made by the Directors for the preparation of the financial statements for the financial period ended 30 April 2008.

**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 period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement. Translation differences on non-monetary financial assets and liabilities such as equities at fair value through profit or loss are recognised in the income statement within the fair value net gain or loss.

**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.

**NOTES TO THE FINANCIAL STATEMENTS**

*For the financial period from 6 February 2007 (date of incorporation) to 30 April 2008*

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**2. Summary of significant accounting policies (continued)**

(c) Measurement

Financial assets at fair value through profit or loss are initially recognised at fair value. Transaction costs are expensed in the income statement. 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 income statement in the period in which they arise. Interest income from financial assets at fair value through profit or loss is recognised in the income statement within interest income using the effective interest method. Dividend income from financial assets at fair value through profit or loss is recognised in the income statement 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 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.

**2.8 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 income statement.

**NOTES TO THE FINANCIAL STATEMENTS**

For the financial period from 6 February 2007 (date of incorporation) to 30 April 2008

**2. Summary of significant accounting policies (continued)**

**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, as per the Fund's articles of association.

**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.

**2.15 Comparatives**

There are no comparative figures as this is the first set of financial statements prepared for the Fund since its incorporation.

**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 Placement Memorandum. 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.

	<u>2008</u>
	<u>% of net assets valued at bid market price</u>
Fair value US\$	
Securities designated at fair value through profit or loss	<u>28,084,042</u> <u>70.35</u>

The largest single holding accounts for 23% of the fair value above and relates to an investment in the shares of an automobile company.

## NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 6 February 2007 (date of incorporation) to 30 April 2008

## 3. Financial risk management (continued)

## 3.2 Market price risk (continued)

## Sensitivity Analysis

At 30 April 2008, the overall net market exposure of the Fund's securities investments are as follows:

	2008	
	Fair value US\$	% of net assets valued at bid market price
Australia	3,377,412	8.46
Singapore	281,931	0.71
Germany	6,456,905	16.17
Great Britain	3,153,881	7.90
Hong Kong	11,680,987	29.26
Switzerland	1,878,826	4.71
United States of America	1,254,100	3.14
	<u>28,084,042</u>	<u>70.35</u>

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 and the historical correlation of the securities comprising the portfolio to the respective indices. The composition of the Fund's investment portfolio and the correlation thereof to the respective indices, is expected to change over time. Accordingly, the sensitivity analysis prepared as of 30 April 2008 is not necessarily indicative of the effect on the Fund's net assets of future movements in the level of the indices.

At 30 April 2008, had the prices for equity securities listed in the major above indices moved, taking into consideration the volatility of the equity securities to the respective indices which is also known as "beta coefficient", with all other variables held constant, the net assets attributable to the holders of redeemable shares will increase / decrease by:

	Indices, average monthly fluctuation as at 30 April 2008	Changes in net assets attributable to participating shareholders		
		Fair value	If the index goes up	If the index goes down
		US\$	US\$	US\$
Australia	AS51 Index, +3%/-3%	3,377,412	84,977	(84,977)
Germany	Dax Index, +1.5%/-1.5%	6,456,905	111,866	(111,866)
Great Britain	UKX Index, +1.5%/-1.5%	3,153,881	39,593	(39,593)
Hong Kong	HSI Index, +15%/-15%	11,680,987	1,709,738	(1,709,738)

## 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\$
<b>At 30 April 2008</b>			
<b>Assets</b>			
Financial assets at fair value through profit or loss	-	28,084,042	28,084,042
Other receivables	-	53,143	53,143
Cash and cash equivalents	11,870,972	-	11,870,972
<b>Total assets</b>	<u>11,870,972</u>	<u>28,137,185</u>	<u>40,008,157</u>
<b>Liabilities</b>			
Accrued expenses and other payables	-	85,318	85,318
<b>Total liabilities (excluding net assets attributable to holders of participating shares)</b>	<u>-</u>	<u>85,318</u>	<u>85,318</u>
<b>Total interest sensitivity gap</b>	<u>11,870,972</u>	<u>28,051,867</u>	<u>39,922,839</u>

## NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 6 February 2007 (date of incorporation) to 30 April 2008

## 3. Financial risk management (continued)

## 3.3 Interest rate risk (continued)

As at 30 April 2008, total interest income from cash and cash equivalents represents 21%, which is at market interest rate, of the total revenue of the Fund. Interest income does not constitute the principal income sources of the Fund and any interest rate shift will not significantly affect the Fund's income.

The cash and cash equivalents invested at short-term market interest rates are mainly denominated in Euro. If the Euro interest rate increase/decrease by 0.5% with all other variables held constant, the net assets attributable to participating shareholders will be higher/ lower by US\$50,765 as a result of higher/lower short-term market interest rates.

## 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 risk 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 counterparties. Financial assets are securities which are listed with reputable stock exchanges. 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 as period end was AA-.

## 3.5 Liquidity risk

The Fund is exposed to quarterly cash redemptions of redeemable 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 an active market 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 analysis 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 amounts in the table are the contractual undiscounted cash flows. Balances due within 12 months are equal to their carrying balances, as the impact of discounting is not significant.

	1 - 3 months US\$	3 - 12 months US\$	Total US\$
<b>At 30 April 2008</b>			
Accrued expenses and other payables	85,318		85,318
Net assets attributable to holders of participating shares	29,274,254	10,680,385	39,954,638

## 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.

## Concentration of assets and liabilities

	As at 30 April 2008						
	USD US\$	HKD US\$	EUR US\$	AUD US\$	GBP US\$	Other US\$	Total US\$
<b>Assets</b>							
Financial assets at fair value through profit or loss	1,254,100	11,680,987	6,456,905	3,377,412	3,153,881	2,160,757	28,084,042
Other receivables	9,635	-	1,091	-	42,417	-	53,143
Cash at bank	1,433,867	87,688	10,221,210	38,065	24,976	65,166	11,870,972
<b>Total assets</b>	<b>2,697,602</b>	<b>11,768,675</b>	<b>16,679,206</b>	<b>3,415,477</b>	<b>3,221,274</b>	<b>2,225,923</b>	<b>40,008,157</b>
<b>Liabilities</b>							
Accrued expenses and other payables	70,519	-	-	-	-	14,799	85,318
<b>Total liabilities (excluding net assets attributable to holders of participating shares)</b>	<b>70,519</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>14,799</b>	<b>85,318</b>

**NOTES TO THE FINANCIAL STATEMENTS**

For the financial period from 6 February 2007 (date of incorporation) to 30 April 2008

**3. Financial risk management (continued)**

**3.6 Currency risk (continued)**

*Sensitivity Analysis*

At 30 April 2008, 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.

<u>Exchange rate, average monthly fluctuation as at end April 2008</u>	<b>Changes in net assets attributable to participating shareholders</b>	
	<b>Assets US\$</b>	<b>US\$</b>
Hong Kong Dollar, 0.0100	11,768,675	1,177
Euro, 1.2440	16,679,206	207,489
Australian Dollar, 1.3320	3,415,477	45,494
British Pound, 0.0487	3,221,274	1,568

**3.7 Off-balance sheet risk**

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

**4. Interest income**

	<b>For the financial period from 6 February 2007 (date of incorporation) US\$</b>
Interest from cash held at bank and in trading accounts	<u>588,390</u>

**5. Financial assets at fair value through profit or loss**

	<b>2008 US\$</b>
Designated at fair value through profit or loss:	
- Listed equity securities	<u>28,084,042</u>
<b>Total financial assets at fair value through profit or loss</b>	<u>28,084,042</u>

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

	<b>For the financial period from 6 February 2007 (date of incorporation) US\$</b>
Other net changes on financial assets and liabilities at fair value through profit or loss	
- realised	7,154
- unrealised	<u>1,194,527</u>
	<u>1,201,681</u>



**i CAPITAL GLOBAL FUND**

**NOTES TO THE FINANCIAL STATEMENTS**

For the financial period from 6 February 2007 (date of incorporation) to 30 April 2008

**7. Cash and cash equivalents**

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

	<b>2008 US\$</b>
Cash held at bank	1,717,906
Fixed deposits	10,153,066
Total cash and cash equivalents	<u>11,870,972</u>

**8. Other receivables**

	<b>2008 US\$</b>
Interest receivable	1,091
Dividend receivable	52,042
Other receivables	10
	<u>53,143</u>

**9. Accrued expenses and other payables**

	<b>2008 US\$</b>
Management fee payable	49,019
Administrative and custodian fee payable	13,971
Audit fee payable	18,693
Other operating expenses	3,635
	<u>85,318</u>

**10. 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. Ordinary 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 ordinary shares is recognised in the income statement as finance costs. The participating shares can be put back to the Fund in a manner described in the Private Placing Memorandum for cash equal to a proportionate share of the Fund's net asset value. The ordinary 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.

