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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

Second Quarter 2011 Report for the six months ended 31 October 2010

i Capital Global Fund

Second Quarter 2011 Report of the Fund Manager for the six months ended 31 October 2010

Performance

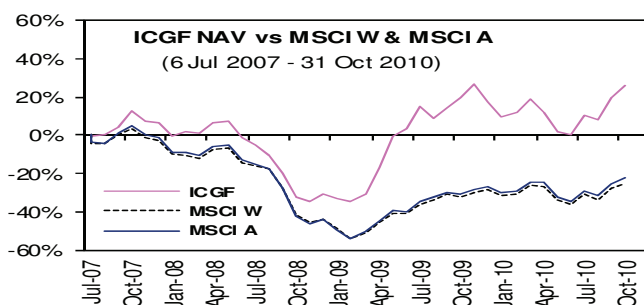
This is the second quarterly report of the *i* Capital Global Fund for the financial year ended 30 April 2011.

In the six months ended 31 October 2010, the net asset value (NAV) of the *i* Capital Global Fund rose 12.42% or US\$139.025 from US\$1,119.740 to US\$1,258.765 per share. In the same period, the MSCI World Index ⁽¹⁾ rose 1.97% and the MSCI All Country Index ⁽²⁾ gained 2.80%.

Between 6 July 2007 and 31 October 2010, the NAV of your Fund gained 25.88% or US\$258.765 from US\$1,000.000 to US\$1,258.765 per share. In the same period, the MSCI World Index plunged 25.08% and the MSCI All Country Index slumped 22.55%.

Figure 1 shows the NAV of the *i* Capital Global Fund against the performance of the two MSCI benchmark indices since its launch which was just before the financial markets and economies were seriously affected by the 2008 US-led financial crisis. Since then, your Fund has consistently outperformed the two MSCI benchmark indices.

Figure 1



In the three months ending 31 October 2010, your Fund purchased 540,997 shares of Skilled Group Ltd, a provider for contract labour services to industry, commerce and government, in Australia and New Zealand.

The portfolio of your Fund is spread across 13 companies that are engaged in various business activities – see the Schedule of Securities in page 7. The top 5 investments as at 31 October 2010 are PT Jasa Marga (Persero), Rexlot Holdings Ltd, Beijing Capital Land Ltd, Australia and New Zealand Banking Group Ltd, and Tesco Plc. They make up 62.66% of the total assets. At the end of October 2010, your Fund had 9.94% of its NAV in cash.

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

Strategy

Since the last quarterly report, global economic conditions have, in the broad sense, not improved. Investors who have been reading our commentaries accompanying the Fund's monthly NAV reports would know that the global turbulence has persisted and shifted. In fact, a key feature of the last few years is that the turbulence around the world has expressed itself in the form of many unprecedented events and developments. Unusual natural disasters and weather conditions, economic catastrophes and calamities, and political upheavals and paralysis abound.

As 2011 draws to a close, is the end to the global turbulence near? Unfortunately, the epicentre of global turbulence has decisively shifted, at least for now, from the United States to debt stricken Europe. To be sure, inflation rates in key emerging economies are coming down and China seems set for a soft landing. For the US, the Federal Reserve has so far been able to prevent a second recession. Nevertheless, all eyes are on the Eurozone now.

Even though Greece, Italy and Spain have seen new prime ministers put in place, the European debt and fiscal crisis has taken a turn for the worst. Investors may be aware that Italy had had 38 prime ministers in the last 60 years. Despite purchases by the European Central Bank, yields on the Spanish and Italian bonds have surged to critical levels, and spread between the French bond and German Bund has widened to record levels.

Since the last quarterly report, Capital Dynamics (S) Pte Ltd has been increasing the cash level of the *i* Capital Global Fund and this has since then remained relatively high. A cautious course of action may in the present circumstances be wise and your Fund has been intentionally positioned to successfully weather the many unexpected risks and developments that seem to be the norm rather than the exception nowadays. As your fund manager, we are also at the same time mindful of the many investing opportunities that lie ahead.

Tan Teng Boo
Capital Dynamics (S) Pte Ltd
21 November 2011

(1): This index comprises prices from 23 developed countries.

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

INCOME STATEMENT (UNAUDITED)

For the six months ended 31 October 2010

	For the six months ended 31/10/10 US\$
Income	
Dividend income	538,593
Interest income	493
Net foreign exchange gain	72,283
Other net changes on financial assets and financial liabilities at fair value through profit or loss	5,353,303
Total income	5,964,672
Expenses:	
Performance fees	-
Management fees	342,047
Administrative & Custodian fees	48,728
Audit fees	9,353
Other operating expenses	6,126
Total operating expenses	406,254
Operating profit	5,558,418
Interest expense	-
Total finance costs	-
Profit/(loss) before tax	5,558,418
Withholding tax on dividends and other investment income	(53,237)
Increase in net assets attributable to holders of participating shares from operations (at bid market prices)	5,505,181
Adjustment from bid market prices to last traded market prices	(71,196)
Increase in net assets attributable to holders of participating shares from operations (at last traded market prices)	5,433,985

i CAPITAL GLOBAL FUND

BALANCE SHEET (UNAUDITED)

As at 31 October 2010

	US\$
ASSETS	
Current Assets	
Financial assets at fair value through profit or loss	47,719,967
Other receivables	42,604
Cash and cash equivalents	5,084,602
Total Assets	52,847,173
Equity	
Management shares	10
Total Equity	10
LIABILITIES	
Current Liabilities	
Due to broker	377,452
Accrued expenses and other payables	1,333,439
Liabilities (excluding net assets attributable to holders of participating shares)	1,710,891
Net assets attributable to holders of participating shares (at bid market prices)	51,136,272
Represented by:	
Net assets attributable to holders of participating shares (at last traded market prices)	51,200,562
Adjustment from last traded market prices to bid market prices	(64,290)
Net assets attributable to holders of participating shares (at bid market prices)	51,136,272
Net assets value per holders of participating shares at bid market prices, based on 40,675 shares (2010: 42,158 shares) outstanding	1,257.19

i CAPITAL GLOBAL FUND

STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

For the six months ended 31 October 2010

	Share Capital		Other reserves US\$	Total US\$
	Number of shares	US\$		
Equity at beginning of the period	10	10	(135,486)	(135,476)
Adjustment from last traded market prices to bid market prices attributable to holders of participating shares	-	-	71,196	71,196
Equity at end of financial period	10	10	(64,290)	(64,280)

i CAPITAL GLOBAL FUND

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

For the six months ended 31 October 2010

	Number of shares	US\$
Net assets attributable to holders of participating shares at the beginning of the period (at last traded market prices)	42,158	47,206,161
Issue of participating shares during the period	403	499,934
Redemption of participating shares during the period	(1,886)	(1,939,518)
Net decrease from share transactions	(1,483)	(1,439,584)
Increase in net assets attributable to holders of participating shares from operations (at last traded market prices)	-	5,433,985
Net assets attributable to holders of participating shares at end of the period (at last traded market prices)	40,675	51,200,562

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CASH FLOW STATEMENT (UNAUDITED)

For the six months ended 31 October 2010

	US\$
Cash flows from operating activities	
Increase in net assets attributable to holders of participating shares from operations (at last traded market prices)	5,433,985
Adjustment for:	
Last traded market prices to bid market prices	71,196
Dividend income	(538,593)
Interest income	(493)
Tax expense	53,237
Operating cash flow before working capital changes	5,019,332
Changes in operating assets and liabilities	
Net increase in financial assets at fair value through profit or loss	(11,208,453)
Net increase in other assets	(673)
Net increase in other liabilities	(6,671,341)
Cash used in operations	(12,861,135)
Dividend received, net of withholding tax	836,933
Interest received	493
Net cash used in operating activities	(12,023,709)
Cash flows from financing activities	
Proceeds from participating shares issued	499,934
Redemption of participating shares	(1,939,518)
Net cash used in financing activities	(1,439,584)
Net decrease in cash and cash equivalents held	(13,463,293)
Cash and cash equivalents at the beginning of the financial period	18,547,895
Cash and cash equivalents at the end of the financial period	5,084,602

SCHEDULE OF SECURITIES

As at 31 October 2010

	Holdings as at 31/10/2010 No. of Shares	Fair Value as at 31/10/2010 USD	Percentage of total net assets attributable to unitholders at 31/10/2010 %
AUTOS & TRUCKS			
PORSCHE PFD NPV	55,000	2,817,744	5.51
BUILDING / CONSTRUCTION MATERIALS			
JASA MARGA (PERSERO) NPV (DEMAT)	25,000,000	10,489,511	20.51
DEPARTMENT STORES			
NEW WORLD DEPARTMENT STORE	1,270,000	1,176,244	2.30
FINANCE			
AUSTRALIA AND NZ BANKING GROUP LTD NPV	200,000	4,863,752	9.51
REXLOT HOLDINGS LTD	76,875,000	7,139,817	13.96
ST GALLER KANTONALBANK	6,527	3,062,746	5.99
FOODS			
TESCO PLC	600,000	4,092,768	8.01
INVESTMENT			
K GREEN TRUST	100,000	83,446	0.16
MISCELLANEOUS			
SHANGHAI ASIA HLDGS LTD	1,535,000	207,553	0.41
REAL ESTATE			
BEIJING CAPITAL LAND LTD H SHR	15,000,000	5,456,445	10.67
SERVICES			
SKILLED GROUP LTD	540,997	776,868	1.52
SHIPBUILDING			
KEPPEL CORP LTD	500,000	3,843,925	7.52
TRANSPORT - SHIP			
MERMAID MARINE AUSTRALIA LTD NPV	1,332,420	3,709,148	7.25
		47,719,967	93.32

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 October 2010, the *i* Capital Global Fund's performance is 7.18% per annum, as opposed to -8.33% per annum for the MSCI World Index (MSCI W) and -7.41% per annum for the MSCI All Country World Index (MSCI A). From 1 January 2007 to 31 October 2010, funds under CDPL's management achieved a return of 10.17% per annum, outperforming the MSCI W and MSCI A which in that period recorded -4.93% and -3.89% per annum respectively.

The Fund's performance for the *i* Capital Global Fund as at 31 October 2010 is shown below:

Performance as at 31 Oct 2010 (%)			
(US\$)	ICGF	MSCI W	MSCI A
Cumulative*	25.88%	-25.08%	-22.55%
Annualised Return	7.18%	-8.33%	-7.41%

*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 October 2010, CDAM achieved a net compound return of 21.15% per annum and has substantially outperformed the Kuala Lumpur Composite Index every year, which gained 7.34% 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 started 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 31 October 2010)