

i Capital Global Fund

**Annual Report
for the financial year ended
30 April 2012**

i Capital Global Fund
(Incorporated in the Cayman Islands)

ANNUAL REPORT

For the financial year ended 30 April 2012

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i Capital Global Fund

Annual report of the Fund Manager
For the financial year ended 30 April 2012

Performance

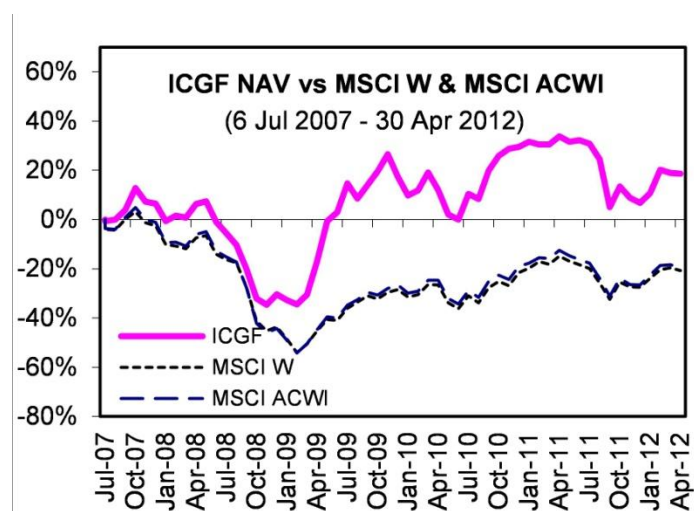
This is the fourth Quarterly and Annual Report of the *i Capital Global Fund* for the financial year ended 30 April 2012.

In the twelve months ended 30 April 2012, the net asset value (NAV) of the *i Capital Global Fund* dropped 11.31% or US\$151.370 from US\$1,337.908 to US\$1,186.538 per share. In the same period, the MSCI World Index⁽¹⁾ fell 6.81% and the MSCI ACWI Index⁽²⁾ declined 7.91%.

Between 6 July 2007 and 30 April 2012, the NAV of the *i Capital Global Fund* gained 18.65% or US\$186.538 from US\$1,000.000 to US\$1,186.538 per share. In the same period, the MSCI World Index plunged 20.68% and the MSCI ACWI Index slumped 19.44%.

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



The portfolio of your Fund is spread across 12 companies that are engaged in a wide range of business activities – see the Schedule of Securities in page 31.

The top 5 investments as at 30 April 2012 are Rexlot Holdings Ltd, Petra Diamonds Ltd, Mermaid Marine Australia Ltd Npv, Beijing Capital Land Ltd and Porsche Automobil Holding SE PFD. They make up 54.36% of the total assets. At the end of April 2012, your Fund had 26.26% of its NAV in cash.

Strategy

In our strategy commentary for the financial year ending 30 April 2011, we wrote extensively about the dismissal of Bo Xilai as party secretary of Chongqing. We said at that time that most commentators viewed his dismissal as a serious event, which would deepen China's power struggle and disrupt China's political stability. At that time, Capital Dynamics (S) Pte Ltd said that it thought that these "experts" read too much from the event and the implications of the dismissal were being blown out of proportions. The advice from Capital Dynamics (S) Pte Ltd has turned out to be correct as the once-in-a-decade leadership change in China has been successfully concluded. Politically, the other major event in 2012 was the US presidential election. As it turned out, the 2012 US presidential election has also turned out to be a non-event.

In 2009, China defied predictions that she would implode. In 2012, China has successfully soft landed and her leaders, which the Western media has described as colourless, have done it again. In the embattled Eurozone, slow the progress may be but the crisis is certainly abating. The major worry left for 2012 is the US fiscal cliff. The adverse consequences of the fiscal cliff in the US are hotly debated but chances are that the US politicians would muddle through this crisis again. The fiscal cliff is a self-inflicted wound and surely the American politicians have enough sense and courage to get pass this fiscal crisis.

The Year of The Dragon has not been as auspicious as investors have hoped for. As investors now get ready for the Year of the Snake, there are, however, signs that for the first time in 5 years, the global economy and equity markets may be finally turning the corner that has long deluded the investing community.

In addition, the recent falls in your Fund's NAV were already anticipated in the 2012 Gathering held in Kuala Lumpur on 19 May. More importantly, we had expected the fall to be only temporary. As such, we had advised investors then to be ready and to take advantage of this drop. As your fund manager, Capital Dynamics (S) Pte Ltd has been continuously searching for attractive investments. It has recently bought into a China consumer related group. The cash level of your fund has fallen further. As Sun Tzu counselled many thousands of years ago, in times of war, prepare for peace. Investors should heed this advice.

Best wishes.

Tan Teng Boo
Managing Director
Capital Dynamics (S) Pte Ltd
3 December 2012

(1): MSCI World Index: A free float-adjusted market capitalisation weighted index which consists of 24 developed markets.

(2): 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.

i CAPITAL GLOBAL FUND

STATEMENT BY DIRECTORS

For the financial year ended 30 April 2012


In the opinion of the directors,

- (a) the financial statements of *i Capital Global Fund* (the "Fund") as set out on pages 5 to 30 are drawn up so as to give a true and fair view of the state of affairs of the Fund at 30 April 2012 and of the results of the business, changes in net assets attributable to holders of participating shares and cash flows of the Fund for the financial year ended 30 April 2012; and
- (b) at the date of this statement, there are reasonable grounds to believe that the Fund will be able to pay its debts as and when they fall due.

On behalf of the directors,



Tan Teng Boo
Director



Chew Poh Imm, Claudine
Director

12 October 2012



Independent Auditor's Report

To the shareholders of *i* Capital Global Fund

We have audited the accompanying financial statements of *i* Capital Global Fund (the "Fund") set out on pages 5 to 30, which comprise the statement of financial position as at 30 April 2012, and the statements of comprehensive income, changes in equity, changes in net assets attributable to holders of participating shares and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view 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.

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 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 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 of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Fund as at 30 April 2012, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

12 October 2012

i CAPITAL GLOBAL FUND

STATEMENT OF COMPREHENSIVE INCOME

For the financial year ended 30 April 2012

	Note	2012 US\$	2011 US\$
Income			
Dividend income		828,588	1,413,022
Interest income	5	4,945	6,387
Net foreign exchange (loss)/gain		(2,404,785)	318,758
Other net changes on financial assets at fair value through profit or loss	7	(3,339,719)	8,495,487
Total net (loss)/income		(4,910,971)	10,233,654
Expenses			
Performance fees	12	-	523,600
Management fees	12	683,707	735,612
Administrative & custodian fees	12	84,811	101,765
Transaction expenses		58,223	112,114
Audit fees		25,218	17,645
Other operating expenses		20,003	23,901
Total operating expenses		871,962	1,514,637
(Loss)/profit before tax		(5,782,933)	8,719,017
Withholding tax on dividends and other investment income		(71,394)	(141,961)
(Decrease)/increase in net assets attributable to holders of participating shares from operations (at bid market prices)		(5,854,327)	8,577,056
Adjustment from bid market prices to last traded market prices	13	(1,744)	4,404
(Decrease)/increase in net assets attributable to holders of participating shares from operations (at last traded market prices)		(5,856,071)	8,581,460

The accompanying notes form an integral part of these financial statements.

i CAPITAL GLOBAL FUND

STATEMENT OF FINANCIAL POSITION

As at 30 April 2012

	Note	2012 US\$	2011 US\$
ASSETS			
Current assets			
Financial assets at fair value through profit or loss	6	31,853,677	33,033,855
Other receivables	9	483,190	617,761
Cash and cash equivalents	8	11,533,346	18,414,064
Total assets		43,870,213	52,065,680
EQUITY			
Management shares	11	10	10
Total equity		10	10
LIABILITIES			
Current liabilities			
Accrued expenses and other payables	10	81,614	293,225
Liabilities (excluding net assets attributable to holders of participating shares)		81,614	293,225
Net assets attributable to holders of participating shares (at bid market prices)	13	43,788,589	51,772,445
Represented by:			
Net assets attributable to holders of participating shares (at last traded market prices)		43,926,735	51,912,335
Adjustment from last traded market prices to bid market prices	13	(138,146)	(139,890)
Net assets attributable to holders of participating shares (at bid market prices)		43,788,589	51,772,445
Net assets value per share attributable to holders of participating shares at bid market prices, based on 37,020 shares (2011: 38,801 shares) outstanding		1,182.83	1,334.30

The accompanying notes form an integral part of these financial statements.

i CAPITAL GLOBAL FUND

STATEMENT OF CHANGES IN EQUITY

For the financial year ended 30 April 2012

	Note	<u>Share Capital</u>		<u>Other Reserves</u>	<u>Total</u>
		Number of shares	US\$	US\$	US\$
2012					
Equity at beginning of financial year		10	10	(139,890)	(139,880)
Adjustment from bid market prices to last traded market prices attributable to holders of participating shares		-	-	1,744	1,744
Equity at end of financial year	11	10	10	(138,146)	(138,136)
		<u>Share Capital</u>		<u>Other Reserves</u>	<u>Total</u>
		Number of shares	US\$	US\$	US\$
2011					
Equity at beginning of financial year		10	10	(135,486)	(135,476)
Adjustment from bid market prices to last traded market prices attributable to holders of participating shares		-	-	(4,404)	(4,404)
Equity at end of financial year	11	10	10	(139,890)	(139,880)

The accompanying notes form an integral part of these financial statements.

i CAPITAL GLOBAL FUND**STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF PARTICIPATING SHARES**
For the financial year ended 30 April 2012

	<u>2012</u>		<u>2011</u>	
	Number of shares	US\$	Number of shares	US\$
Net assets attributable to holders of participating shares at the beginning of the year (at last traded market prices)	38,801	51,912,335	42,158	47,206,161
Issue of participating shares during the year	698	849,872	710	899,933
Redemption of participating shares during the year	(2,479)	(2,979,401)	(4,067)	(4,775,219)
Net decrease from share transactions	(1,781)	(2,129,529)	(3,357)	(3,875,286)
(Decrease)/increase in net assets attributable to holders of participating shares from operations (at last traded market prices)	-	(5,856,071)	-	8,581,460
Net assets attributable to holders of participating shares at end of the year (at last traded market prices)	37,020	43,926,735	38,801	51,912,335

The accompanying notes form an integral part of these financial statements.

i CAPITAL GLOBAL FUND

STATEMENT OF CASH FLOWS

For the financial year ended 30 April 2012

	Note	2012 US\$	2011 US\$
Cash flows from operating activities			
(Decrease)/increase in net assets attributable to holders of participating shares from operations (at last traded market prices)		(5,856,071)	8,581,460
Adjustment for:			
Last traded market prices to bid market prices		1,744	(4,404)
Dividend income		(828,588)	(1,413,022)
Interest income		(4,945)	(6,387)
Tax expense		71,394	141,961
Unrealised currency translation loss/(gain)		120,875	(370,580)
Operating cash flow before working capital changes		(6,495,591)	6,929,028
Changes in operating assets and liabilities			
Net change in financial assets at fair value through profit or loss		1,180,178	3,477,659
Net change in other receivables		22,442	(52,695)
Net change in due to broker		-	(4,554,227)
Net change in other liabilities		(211,611)	(3,534,780)
Net cash (used in)/provided by operations		(5,504,582)	2,264,985
Dividend received, net of withholding tax		869,323	1,099,503
Interest received		4,945	6,387
Net cash (used in)/provided by operating activities		(4,630,314)	3,370,875
Cash flows from financing activities			
Proceeds from participating shares issued		849,872	899,933
Redemption of participating shares		(2,979,401)	(4,775,219)
Net cash used in financing activities		(2,129,529)	(3,875,286)
Net decrease in cash and cash equivalents		(6,759,843)	(504,411)
Cash and cash equivalents at the beginning of the financial year		18,414,064	18,547,895
Effects of currency translation on cash and cash equivalents		(120,875)	370,580
Cash and cash equivalents at the end of the financial year	8	11,533,346	18,414,064

The accompanying notes form an integral part of these financial statements.

***i* CAPITAL GLOBAL FUND**

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 April 2012

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 to generate long term capital appreciation of its investments, whilst dividend and/or interest income from these investments would be of secondary consideration.

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

Countries that the Fund will be investing in

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 April 2012

1. Investment objective (continued)

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

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

The financial statements were authorised for issue by the directors on 12 October 2012.

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 financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"). The 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 these 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. The areas involving a higher degree of judgement or complexity, or areas where estimates and assumptions are significant to the financial statements for the financial year ended 30 April 2012 and 2011 are disclosed in Note 3.

Standards and amendments to existing standards effective 1 January 2011

- The amendments to IAS 24, 'Related party disclosures', clarifies the definitions of a related party. The new definition clarifies in which circumstances persons and key management personnel affect related party relationships of an entity. The amendment also introduces an exemption from the general related-party disclosure requirements for transactions with a government and entities that are controlled, jointly controlled or significantly influenced by the same government as the reporting entity. The adoption of the amendment did not have any impact on the financial position or performance of the Fund.
- IFRS 7 (amendment) 'Financial instruments: Disclosures'. This amendment was part of the IASB's annual improvement project published in May 2010. The amendment emphasises the interaction between quantitative and qualitative disclosures about the nature and extent of risks associated with financial instruments. Adoption of this amendment did not have a significant impact on the Fund's financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 April 2012

2. Summary of significant accounting policies (continued)

2.1 Basis of preparation (continued)

Standards and amendments to existing standards effective 1 January 2011 (continued)

- There are no other standards, interpretations or amendments to existing standards that are effective that would be expected to have a significant impact on the Fund.
- 'Improvements to IFRS' were issued in May 2010 and contain several amendments to IFRS, which the IASB considers non-urgent but necessary. 'Improvements to IFRS' comprise amendments that result in accounting changes for presentation, recognition or measurement purposes, as well as terminology or editorial amendments related to a variety of individual standards. Most of the amendments are effective for annual periods beginning on or after 1 January 2011. No material changes to accounting policies are expected as a result of these amendments.

New standards, amendments and interpretations issued but not effective for the financial year beginning 1 January 2011 and not early adopted.

- IFRS 9, 'Financial instruments', effective for annual periods beginning on or after 1 January 2015, specifies how an entity should classify and measure financial assets and liabilities, including some hybrid contracts. The standard improves and simplifies the approach for classification and measurement of financial assets compared with the requirements of IAS 39. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward unchanged. The standard applies a consistent approach to classifying financial assets and replaces the numerous categories of financial assets in IAS 39, each of which had its own classification criteria. The standard is not expected to have a significant impact on the Fund's financial position or performance, as it is expected that the Fund will continue to classify its financial assets and financial liabilities as being at fair value through profit or loss.
- IFRS 10, 'Consolidated financial statements', effective for annual periods beginning on or after 1 January 2013, builds on existing principles by identifying the concept of control as the determining factor in whether an entity should be included within the consolidated financial statements of the parent company. The standard provides additional guidance to assist in the determination of control where this is difficult to assess. The new standard is not expected to have any impact on the Fund's financial position or performance.
- IFRS 12, 'Disclosures of interests in other entities', effective for annual periods beginning on or after 1 January 2013, includes the disclosure requirements for all forms of interests in other entities, including joint arrangements, associates, special purpose vehicles and other off balance sheet vehicles. The new standard is not expected to have any impact on the Fund's financial position or performance.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 April 2012

2. Summary of significant accounting policies (continued)

2.1 Basis of preparation (continued)

New standards, amendments and interpretations issued but not effective for the financial year beginning 1 January 2011 and not early adopted (continued)

- IFRS 13, 'Fair value measurement', effective for annual periods beginning on or after 1 January 2013, has not been early adopted. 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 will change its valuation inputs for listed financial assets and liabilities to last traded 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 is recognised as a standard pricing convention within the industry. The change in valuation inputs will be considered to be a change in estimate in accordance with IAS 8.
- There are no other standards, interpretations or amendments to existing standards that are not yet effective that would be expected to have a significant impact on the Fund.

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 end of the reporting period. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income. Translation differences on non-monetary financial assets and liabilities such as equities at fair value through profit or loss are recognised in the statement of comprehensive income within the fair value net gain or loss.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 April 2012

2. Summary of significant accounting policies (continued)

2.3 Financial assets at fair value through profit or loss

(a) Classification

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

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

(b) Recognition/derecognition

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

(c) Measurement

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

(d) Fair value estimation

The fair value of financial instruments traded in active markets is based on quoted market prices as at the end of the reporting period. 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 statement of financial position when there is a legally enforceable right to offset and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 April 2012

2. Summary of significant accounting policies (continued)

2.5 Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents include cash held with banks.

2.6 Other receivables

Other 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 Other payables

Other 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 statement of comprehensive income.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 April 2012

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 end of the reporting period if the holder exercises the right to put the share back to the Fund.

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

2.12 Share capital

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

2.13 Interest expense

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

2.14 Net asset value per share

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

3. Critical accounting estimates and judgments

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

Taxation

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 April 2012

3. Critical accounting estimates and judgments (continued)

Taxation (continued)

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

In accordance with IAS 12 - Income Taxes, the Fund is required to recognise a tax liability when it is probable that the tax laws of foreign countries require a tax liability to be assessed on the Fund's capital gains sourced from such foreign country, assuming the relevant taxing authorities have full knowledge of all the facts and circumstances. The tax liability is then measured at the amount expected to be paid to the relevant taxation authorities using the tax laws and rates that have been enacted or substantively enacted by the end of the reporting period. There is sometimes uncertainty about the way enacted tax law is applied to offshore investment funds. This creates uncertainty about whether or not a tax liability will ultimately be paid by the Fund. Therefore, when determining any uncertain tax liabilities, management considers all of the relevant facts and circumstances available at the time which could influence the likelihood of payment, including any formal or informal practices of the relevant tax authorities. As at 30 April 2012, the Fund has determined uncertain tax liabilities with respect to foreign capital gains taxes as nil (2011: nil).

4. Financial risk management

4.1 Strategy in using financial instruments

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

4.2 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.

	2012	2011
	Fair value US\$	Fair value US\$
	% of net assets valued at bid market price	% of net assets valued at bid market price
Securities designated at fair value through profit or loss	31,853,677	33,033,855
	72.74	63.81

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 April 2012

4. Financial risk management (continued)

4.2 Market price risk (continued)

The largest single holding accounts for 21% (2011: 23%) of the fair value above and relates to an investment in the shares of a finance company (2011: finance company). As at 30 April 2012, 27%, 16% and 14% of securities designated at fair value through profit or loss are exposed to the financial, consumer and transport-shipping sectors respectively. As at 30 April 2011, 34% and 23% of securities designated at fair value through profit or loss are exposed to the financial and real estate sector, respectively.

Sensitivity Analysis

At 30 April 2012 and 2011, the overall net market exposure of the Fund's securities investments are as follows:

	2012		2011	
	Fair value US\$	% of net assets values at bid market price	Fair value US\$	% of net assets values at bid market price
Australia	4,424,899	10.11	4,505,634	8.70
Germany	3,365,324	7.69	3,983,206	7.69
Great Britain	6,685,391	15.26	6,640,609	12.83
Hong Kong	14,534,626	33.19	13,963,181	26.97
Singapore	300,438	0.68	311,147	0.61
Switzerland	1,847,339	4.22	3,630,078	7.01
United States	695,660	1.59	-	-
	<u>31,853,677</u>	<u>72.74</u>	<u>33,033,855</u>	<u>63.81</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 2012 and 2011, and the historical fluctuations in the price of the portfolio securities. Specifically, for the current reporting period, the average absolute monthly price change for each security over the last 12 months. For the prior period, the directional fluctuation in prices was incorporated in determining the average monthly price change. The composition of the Fund's investment portfolio is expected to change over time. Accordingly, the sensitivity analysis prepared as of the end of the reporting period is not necessarily indicative of the effect on the Fund's net assets due to future movements in the prices of the portfolio securities.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 April 2012

4. Financial risk management (continued)

4.2 Market price risk (continued)

Sensitivity Analysis (continued)

At 30 April 2012 and 2011, had the prices of the portfolio securities moved by the reasonable possible percentage change, with all other variables held constant, the net assets attributable to the holders of participating shares will increase/(decrease) by:

30 April 2012	Reasonable possible percentage change in price of portfolio of securities	Fair value	Changes in net assets attributable to participating shareholders	
			If the price goes up	If the price goes down
		US\$	US\$	US\$
Australia	+4%/-4%	4,424,899	176,996	(176,996)
Germany	+10%/-10%	3,365,324	336,532	(336,532)
Great Britain	+11%/-11%	6,685,391	735,393	(735,393)
Hong Kong	+11%/-11%	14,534,626	1,598,809	(1,598,809)
Singapore	+4%/-4%	300,438	12,017	(12,017)
Switzerland	+5%/-5%	1,847,339	92,367	(92,367)
United States	+6%/-6%	695,660	41,740	(41,740)

30 April 2011	Reasonable possible percentage change in price of portfolio of securities	Fair value	Changes in net assets attributable to participating shareholders	
			If the price goes up	If the price goes down
		US\$	US\$	US\$
Australia	+5%/-5%	4,505,634	225,282	(225,282)
Germany	+13%/-13%	3,983,206	517,817	(517,817)
Great Britain	+5%/-5%	6,640,609	332,030	(332,030)
Hong Kong	+8%/-8%	13,963,181	1,117,454	(1,117,454)
Singapore	+4%/-4%	311,147	12,446	(12,446)
Switzerland	+2%/-2%	3,630,078	72,601	(72,601)

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 April 2012

4. Financial risk management (continued)

4.3 Interest rate risk

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

	Up to 1 year US\$	Non-interest bearing US\$	Total US\$
At 30 April 2012			
Assets			
Financial assets at fair value through profit or loss	-	31,853,677	31,853,677
Other receivables	-	483,190	483,190
Cash and cash equivalents	11,533,346	-	11,533,346
Total assets	11,533,346	32,336,867	43,870,213
Liabilities			
Accrued expenses and other payables	-	81,614	81,614
Total liabilities (excluding net assets attributable to holders of participating shares)	-	81,614	81,614
Total interest sensitivity gap	11,533,346	32,255,253	43,788,599
	Up to 1 year US\$	Non-interest bearing US\$	Total US\$
At 30 April 2011			
Assets			
Financial assets at fair value through profit or loss	-	33,033,855	33,033,855
Other receivables	-	617,761	617,761
Cash and cash equivalents	18,414,064	-	18,414,064
Total assets	18,414,064	33,651,616	52,065,680
Liabilities			
Accrued expenses and other payables	-	293,225	293,225
Total liabilities (excluding net assets attributable to holders of participating shares)	-	293,225	293,225
Total interest sensitivity gap	18,414,064	33,358,391	51,772,455

As at 30 April 2012 and 2011, total interest income from cash and cash equivalents is not significant to the overall performance of the Fund. Interest income does not constitute the principal income source of the Fund and management's expected shift in interest rates will not have a material effect on the Fund's income source. Therefore, a sensitivity analysis is not prepared.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 April 2012

4. Financial risk management (continued)

4.4 Credit risk

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

The Investment Manager structures the level of the Fund's credit risk by undertaking transactions with approved brokers and other reputable financial institutions. The Fund's financial assets are also held in custody with established and approved counter-parties. Financial assets are securities which are listed with reputable stock exchanges. The Investment Manager assesses the need to diversify the Fund's credit risk whilst considering the costs associated with maintaining multiple relationships with brokers and financial institutions. In this regard, the Investment Manager monitors the credit rating of the Fund's counter-parties to assess the costs and benefits associated with maintaining one or more counter-parties. As at the date of these financial statements, the Fund's financial assets at fair value through profit or loss and all the cash and cash equivalents are placed with the Hongkong and Shanghai Banking Corporation Limited, the custodian of the Fund. The S&P credit rating of the custodian at year end was AA (2011: AA).

4.5 Liquidity risk

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

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

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

i CAPITAL GLOBAL FUND

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 April 2012

4. Financial risk management (continued)

4.5 Liquidity risk (continued)

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

	1 – 3 months US\$	3 – 12 months US\$	Total US\$
At 30 April 2012			
Accrued expenses and other payables	81,614	-	81,614
Net assets attributable to holders of participating shares	<u>43,476,811</u>	<u>449,924</u>	<u>43,926,735</u>
At 30 April 2011			
Accrued expenses and other payables	293,225	-	293,225
Net assets attributable to holders of participating shares	<u>51,042,402</u>	<u>869,933</u>	<u>51,912,335</u>

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

4.6 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. In addition, the Fund also incorporates macro-economic analysis, in which economic growth, interest and inflation rates are some of the fundamental factors.

i CAPITAL GLOBAL FUND

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 April 2012

4. Financial risk management (continued)

4.6 Currency risk (continued)

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

Concentration of assets and liabilities

	USD US\$	HKD US\$	EUR US\$	AUD US\$	GBP US\$	SGD US\$	CHF US\$	Total US\$
As at 30 April 2012								
Assets								
Financial assets at fair value through profit or loss	695,660	14,534,626	3,365,324	4,424,899	6,685,391	300,438	1,847,339	31,853,677
Other receivables	10	423,440	-	10	-	-	59,730	483,190
Cash at bank	11,387,000	-	-	140,042	-	6,304	-	11,533,346
Total assets	12,082,670	14,958,066	3,365,324	4,564,951	6,685,391	306,742	1,907,069	43,870,213
Liabilities								
Accrued expenses and other payables	65,418	-	-	-	32	16,164	-	81,614
Total liabilities (excluding net assets attributable to shareholders of participating shares)	65,418	-	-	-	32	16,164	-	81,614
Net currency exposure	12,017,252	14,958,066	3,365,324	4,564,951	6,685,359	290,578	1,907,069	43,788,599
	USD US\$	HKD US\$	EUR US\$	AUD US\$	GBP US\$	SGD US\$	CHF US\$	Total US\$
As at 30 April 2011								
Assets								
Financial assets at fair value through profit or loss	-	13,963,181	3,983,206	4,505,634	6,640,609	311,147	3,630,078	33,033,855
Other receivables	95	387,791	-	-	123,528	-	106,347	617,761
Cash at bank	11,911,754	46,027	494,554	1,323,404	-	4,638,325	-	18,414,064
Total assets	11,911,849	14,396,999	4,477,760	5,829,038	6,764,137	4,949,472	3,736,425	52,065,680
Liabilities								
Accrued expenses and other payables	276,814	-	48	-	-	16,363	-	293,225
Total liabilities (excluding net assets attributable to shareholders of participating shares)	276,814	-	48	-	-	16,363	-	293,225
Net currency exposure	11,635,035	14,396,999	4,477,712	5,829,038	6,764,137	4,933,109	3,736,425	51,772,455

i CAPITAL GLOBAL FUND

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 April 2012

4. Financial risk management (continued)

4.6 Currency risk (continued)

Sensitivity analysis

When formulating its view on the reasonable possible shift in foreign exchange rates, the Investment Manager considers historical movements in such rates. For the purposes of the sensitivity analysis, the Investment Manager applied the average monthly shift in foreign exchange rates over the last 12 months. This analysis represents the Investment Manager's best estimates as to the reasonable possible change in foreign exchange rates and is not the maximum possible change that may actually occur.

At 30 April 2012 and 2011, had the exchange rate between the USD and the major holding currencies moved, with all other variables held constant, net assets attributable to participating shareholders would have changed by the amounts shown below.

30 April 2012

Reasonable possible change in exchange rates	Net Assets US\$	Changes in net assets attributable to participating shareholders US\$
Hong Kong Dollar, 0.1%	14,958,066	14,958
Euro, 2%	3,365,324	67,306
Australian Dollar, 3%	4,564,951	136,949
British Pound, 2%	6,685,359	133,707
Singapore Dollar, 2%	290,578	5,812
Swiss Francs, 3%	1,907,069	57,121

30 April 2011

Reasonable possible change in exchange rates	Net Assets US\$	Changes in net assets attributable to participating shareholders US\$
Hong Kong Dollar, 0.2%	14,396,999	28,794
Euro, 4%	4,477,712	179,109
Australian Dollar, 4%	5,829,038	233,162
British Pound, 3%	6,764,137	202,924
Singapore Dollar, 2%	4,933,109	98,662
Swiss Francs, 3%	3,736,425	112,093

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 April 2012

4. Financial risk management (continued)

4.7 Fair value measurement

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

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

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

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

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

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

i CAPITAL GLOBAL FUND

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 April 2012

4. Financial risk management (continued)

4.7 Fair value measurement (continued)

2012

	Level 1	Level 2	Level 3	Total balance
Assets	US\$	US\$	US\$	US\$

Financial assets at fair value through profit or loss

Designated as fair value through profit or loss

- Listed equity securities	31,853,677	-	-	31,853,677
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2011

	Level 1	Level 2	Level 3	Total balance
Assets	US\$	US\$	US\$	US\$

Financial assets at fair value through profit or loss

Designated as fair value through profit or loss

- Listed equity securities	33,033,855	-	-	33,033,855
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4.8 Capital management

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

5. Interest income

	2012 US\$	2011 US\$
Interest from cash held at bank and in trading accounts	4,945	6,387

6. Financial assets at fair value through profit or loss

	2012 US\$	2011 US\$
Designated at fair values through profit or loss		
- Listed equity securities	31,853,677	33,033,855
Total financial assets at fair value through profit or loss	31,853,677	33,033,855

i CAPITAL GLOBAL FUND

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 April 2012

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

	2012 US\$	2011 US\$
Other net changes on financial assets and liabilities at fair value through profit or loss		
- realised	(354,992)	6,956,279
- unrealised	(2,984,727)	1,539,208
	<u>(3,339,719)</u>	<u>8,495,487</u>

8. Cash and cash equivalents

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

	2012 US\$	2011 US\$
Cash held at bank	<u>11,533,346</u>	<u>18,414,064</u>

9. Other receivables

	2012 US\$	2011 US\$
Dividend receivable	452,927	565,056
Interest receivable	10	-
Other receivables	30,253	52,705
	<u>483,190</u>	<u>617,761</u>

10. Accrued expenses and other payables

	2012 US\$	2011 US\$
Management fee payable	54,984	261,152
Administrative and custodian fee payable	5,498	6,498
Audit fee payable	20,164	24,363
Other operating expenses	968	1,212
	<u>81,614</u>	<u>293,225</u>

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 April 2012

11. Share capital

(a) Authorised share capital

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

(b) Management shares

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

(c) Participating shares

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

12. Related-party transactions

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

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

	2012	2011
	US\$	US\$
Performance fees	-	523,600
Management fees	683,707	735,612
	683,707	1,259,212

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 April 2012

12. Related-party transactions (continued)

(a) Performance fees

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

- (1) the appreciation in NAV of the Fund at the end of any Performance Period when compared with the NAV of the Fund at the beginning of the relevant Performance Period is higher than the hurdle Annualised Rate of Return ("AROR"); and
- (2) the NAV of the Fund as at the end of any Performance Period is higher than the Benchmark NAV (as defined herein).

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

"Performance Period", as defined in the PPM, for each Participating Share is the period commencing on the initial date the Participating Share is issued and ending at the close of business on 31 December 2007, and thereafter, is each period commencing as of the day following the last day of the preceding Performance Period for the Participating Shares and ending as of the close of business on each 31 December. If the Investment Management Agreement is terminated before 31 December in any year, the Performance Fee in respect of the then Performance Period will be calculated and paid as though the date of termination were the end of the relevant Performance Period. The Fund's NAV per share as at 31 December 2011 is US\$1,067.81 (31 December 2010: US\$1,295.46).

As of 30 April 2012, the Fund's NAV per share for subscriptions and redemptions purposes is US\$1,186.57 (2011: US\$1,337.90). If 30 April 2012 were deemed to be the end of the relevant Performance Period, as defined by the Fund's PPM, the performance fee to be recognised would be nil (2011: US\$132,000).

For purposes of this section:

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 April 2012

12. Related-party transactions (continued)

(b) Management fees

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

(c) Administrative fees

The Fund has engaged the services of HSBC Trustee (Cayman) Limited to provide administration and custodian services. The administrative fees are charged at 0.10% per annum of the NAV subjected to a minimum amount of US\$15,000. The custodian fees are charged at 0.05% per annum of the NAV subjected to a minimum amount of US\$10,000. Administration and custodian fees paid by the Fund for the financial year 30 April 2012 was US\$84,811 (30 April 2011: US\$101,765).

13. Net assets attributable to holders of participating shares

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

Applying the IFRS basis of valuation of investment positions resulted in reductions in value of investments of US\$138,146 (2011:US\$139,890), compared to valuing them on the basis of the PPM.

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

14. Authorisation of financial statements

These financial statements were authorised for issue in accordance with a resolution of the Board of Directors of i Capital Global Fund on 12 October 2012.

i CAPITAL GLOBAL FUND**SCHEDULE OF SECURITIES***As at 30 April 2012*

	Holdings as at 30/04/2012 No. of Shares	Fair Value as at 30/04/2012 USD	Percentage of total net assets attributable to shareholders at 30/04/2012 %
AUTOS & TRUCKS			
PORSCHE AUTOMOBIL HOLDING SE PFD	55,000	3,365,324	7.69
CONSUMER			
PETRA DIAMONDS LTD	2,000,000	5,037,183	11.50
DEPARTMENT STORES			
NEW WORLD DEPARTMENT STORE	1,270,000	867,648	1.98
ENTERTAINMENT			
DISCOVERY COMMUNICATION INC COM	14,000	695,660	1.59
FINANCE			
REXLOT HOLDINGS LTD	76,875,000	6,837,517	15.61
ST GALLER KANTONALBANK	4,575	1,847,339	4.22
INVESTMENT			
K GREEN TRUST	100,000	79,610	0.18
MISCELLANEOUS			
IP GROUP PLC	700,000	1,648,208	3.76
SHANGHAI ASIA HLDGS LTD	1,535,000	220,828	0.50
UTILITY - ELECTRIC			
CHINA WINDPOWER GROUP LTD	64,250,000	2,691,663	6.15
REAL ESTATE			
BEIJING CAPITAL LAND LTD H SHR	15,000,000	4,137,798	9.45
TRANSPORT - SHIP			
MERMAID MARINE AUSTRALIA LTD NPV	1,332,420	4,424,899	10.11
		31,853,677	72.74

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 2012, the *i* Capital Global Fund performance is 3.61% per annum, as opposed to -4.69% per annum for the MSCI World Index (MSCI W) and -4.38% per annum for the MSCI ACWI Index (MSCI ACWI). From 1 January 2007 to 30 April 2012, funds under CDPL's management achieved a return of 4.90% per annum, outperforming the MSCI W and MSCI ACWI which in that period recorded -2.53% and -2.09% per annum respectively.

The Fund's performance for the *i* Capital Global Fund as at 30 April 2012 is shown below:

Performance as at 30 April 2012 (%)			
(US\$)	ICGF	MSCI W	MSCI ACWI
Cumulative *	18.65	-20.68	-19.44
Annualised Return	3.61	-4.69	-4.38

*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 2012, CDAM achieved a net compound return of 19.62% per annum and has substantially outperformed the Kuala Lumpur Composite Index every year, which gained 6.85% 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 2012.)

Directory for the Fund

Directors of the Fund

Tan Teng Boo
Chew Poh Imm, Claudine

Investment Manager

Capital Dynamics (S) Private Limited
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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