

i Capital Global Fund



Quarterly Investment Report
For the period 1 August 2020 to 30 October 2020

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ICGF AT A GLANCE

Investment Objective

The Fund's investment objective is to focus on long-term capital appreciation.

Who should invest?

Eligible Investors ^[1] seeking a value investing style and exposure to the global stock markets, who are able to adopt a long-term outlook and endure performance fluctuations

Buy / Sell Spread

Nil

Management Fee

1.5% p.a.

Performance Fee

Only chargeable if the following three criteria are met in the same period:

1. NAV exceeds 6% annual rate of return *and*
2. NAV exceeds 6% annual compound rate of return *and*
3. Both annual and annual compound returns must still be above 6% after the performance fee is charged

Inception Date

6 July 2007

Minimum Investment (USD)

\$200,000 minimum

Additional Investment (USD)

\$10,000 minimum

Directors of the Fund

Che Hui Shan
Ng Kian Teck

**Investment
Manager**

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**Registered Office of the
Fund**

Vistra (Cayman) Limited
P.O Box 31119
Grand Pavilion Commercial Centre
802 West Bay Road
Grand Cayman KY1-1205
Cayman Islands

Administrator

Standard Chartered Bank (Singapore) Limited

Custodian of the Fund

Standard Chartered Bank (Singapore) Limited

**Legal Advisers to
Cayman Law**

Walkers

**Legal Advisers to
Singapore Law**

Rajah & Tann

Auditors of the Fund

Ernst & Young, Cayman Islands

PERFORMANCE REVIEW

This is the second quarterly report of the *i* Capital Global Fund for the financial year ended 30 April 2021.

In the three months from 1 Aug to 30 Oct 2020, the net asset value (NAV) of the *i* Capital Global Fund (ICGF) increased US\$38.092 from US\$998.399 to US\$1,036.491, or a gain of 3.82%. In the same period, the MSCI All Country World Index (MSCI ACWI) decreased 0.16%.

For the first 10 months ending 31 Oct 2020, the Fund returned 1.39% after fees which compares with the MSCI ACWI falling 2.52%. As we have been throughout 2020, we remain confident that the NAV of *i* Capital Global Fund will continue to climb steadily from its low of US\$825.608 reached in March 2020. We are still recommending investors to subscribe for more ICGF shares.

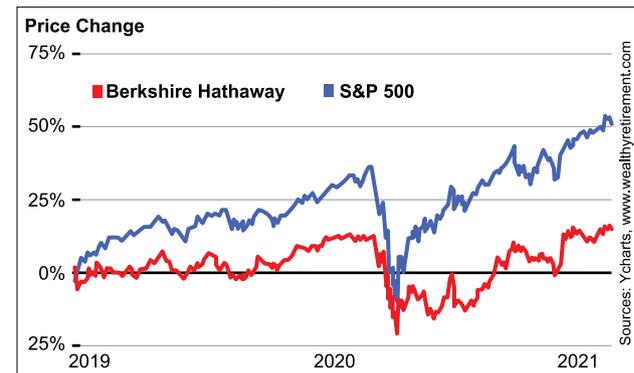
MARKET REVIEW AND OUTLOOK

A Better 2021?

The year 2020 saw many unusual events.

Top of the list is the Covid-19 pandemic. Related to this, the global community witnessed the remarkable Chinese economic recovery, courtesy of the superb management of said pandemic by the Chinese government. In the United States, the world looked in shock when Trump not only refused to accept defeat but the relatively young democracy was torn asunder when Trump led an attack on the Capitol, the meeting place of the United States Congress and the seat of the legislative branch of the US federal government. The former president became the only US president who has been impeached twice by the House of Representatives. Britain not only finally exited the EU but also experienced her worst recession in 300 years.

Figure 1 Berkshire Underperforms the S&P 500



On the investing front, the 2019-2020 two-year performance gap of 37% between Warren Buffett and the S&P 500 index was among the widest by which he has ever trailed (**figure 1**). This is one of the worst

two-year relative performance stretches in the history of Berkshire Hathaway.

The world closes 2020 with welcomed relief and starts 2021 with the hope that the Year of the Ox will see the Covid-19 pandemic being brought under control and that the pre-pandemic way of life will steadily creep back on all fronts.

In our next quarterly report, we will provide a detailed analysis of your Fund's performance since its inception. Meanwhile, we still strongly recommend investors to invest more. The NAV of *i* Capital Global Fund can be viewed at either www.capitaldynamics.com.sg or www.funds.icapital.biz.

Best wishes.

Handwritten signature in Chinese characters: 陳鼎武

Tan Teng Boo
Director
Capital Dynamics (S) Private Limited
15th February 2021

FUND PERFORMANCE 1

In some of our 2020 monthly commentaries, we have shared with our investors that there is a new phase, a new beginning for the *i* Capital Global Fund. What do we mean?

Figure 2 ICGF NAV vs MSCI ACWI (From Jan to Oct 2020)

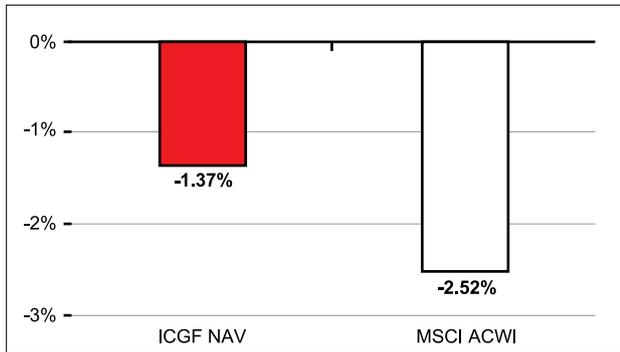
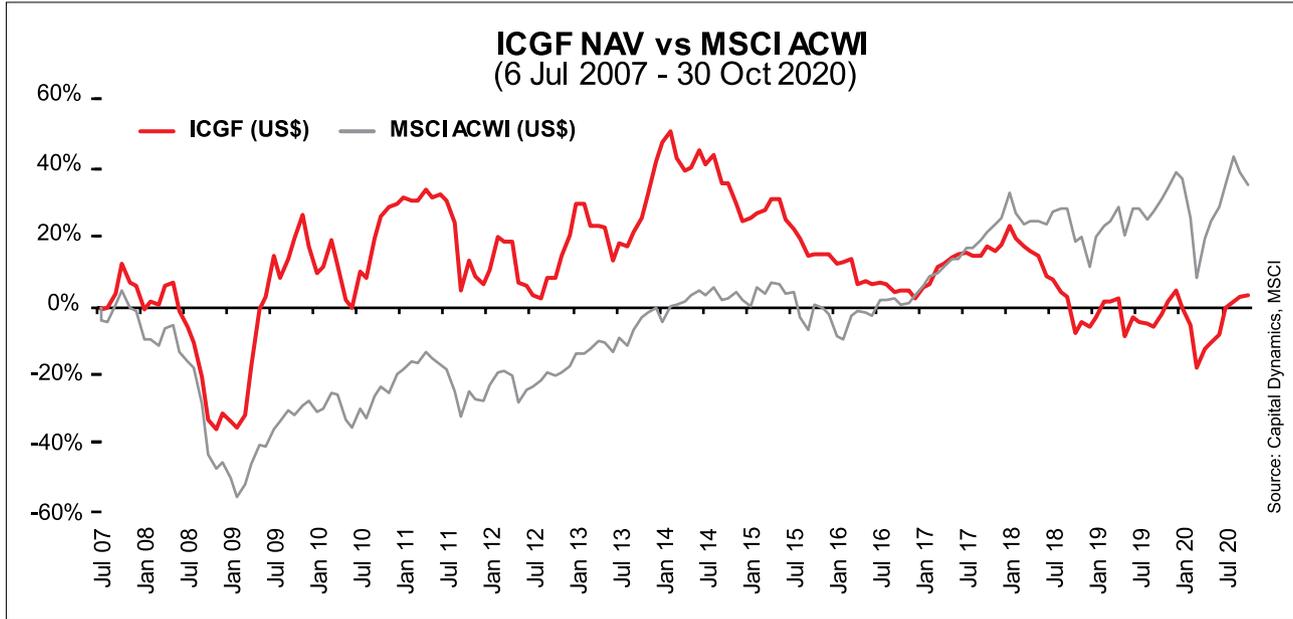


Figure 2 shows the NAV of the *i* Capital Global Fund against the performance of the MSCI ACWI in the January – October 2020 period. In this pandemic dominated phase, the NAV of your Fund fell only 1.37%, despite having low cash level, against a 2.52% decline in the MSCI ACWI. This superior performance of the *i* Capital Global Fund marks a welcome return to a time when your Fund was consistently outperforming the MSCI ACWI by a wide margin.

Figure 3 shows the NAV of the *i* Capital Global Fund against the performance of the MSCI ACWI since its launch which was just before the financial markets and economies were seriously affected by the 2008 US-led financial crisis. Between 6 July 2007 and 30 October 2020, the NAV of the *i* Capital Global Fund gain 3.65% from US\$1,000.000 to US\$1,036.491 per share. In the same period, the MSCI ACWI increased 35.06%.

Figure 3 ICGF NAV vs MSCI ACWI



In our next quarterly report ending 31st January 2021, we will provide a detailed analysis of your Fund’s performance since its inception.

Table 1 Cumulative Total Return and Compound Return

	Cumulative Total Return (%)			Compound Return (%)
	1-Year-Return	2-Year-Return	Since Inception	Since Inception
ICGF (US\$)	5.79%	11.96%	3.65%	0.27%
MSCI ACWI (US\$)	3.10%	13.71%	35.06%	2.28%

FUND PERFORMANCE 2

Table 2 Top 5 performing stocks in local currency.

	Quarter ending 30 October 2020 (% of change)
ALIBABA GROUP HOLDING	20.55%
ZHENGZHOU YUTONG BUS CO-A	16.53%
K2 ASSET MANAGEMENT HOLDINGS	14.89%
FORMFACTOR INC	7.17%
PICO FAR EAST HOLDINGS LTD	6.67%

The portfolio of your Fund is spread across 15 companies that are engaged in a wide range of business activities.

The top 5 investments as at 30 Oct 2020 were Alibaba Group Holding Ltd, Zhengzhou Yutong Bus Co Ltd, K2 Asset Management Holdings, Formfactor Inc, And Pico Far East Holdings Ltd. They made up 69.80% of the total assets. At the end of Oct 2020, your Fund had 11.53% of its NAV in cash.

The table above presents the top 5 performing stock your fund held at sometime within the referenced

quarter. The stocks do not necessarily need to be bought at the start of the quarter (i.e. 1 August 2020), and held till the end of the quarter (i.e. 30 October 2020). Stock performance will only be measured over the specific period that your fund held the stock in the referenced quarter. This means that, for example, if Alibaba Group Holding was bought on 21 August 2020 and sold on 30 October 2020, its performance is only measured over 21 August 2020 to 30 October 2020 and not over the full quarter. Similarly, if it was bought on 1 August 2020 and sold on 11 October 2020, its performance is measured over the period 1 August 2020 to 11 October 2020.

FUND PERFORMANCE 3

Table 3 shows the percentage gain or loss of each company held by your Fund as at 30 October 2020. This table assumes no impact from currency movements or constant exchange rates.

Table 3 Percentage gain or loss arising from stock price changes.

Security	Average Cost (US\$)	Price Oct 2020 (US\$)	% Change
Alibaba Group Holding	198.57	304.69	53.44%
China New Town Development	0.04	0.02	-61.53%
Concord New Energy Group Ltd	0.05	0.05	5.62%
Formfactor Inc	26.45	28.35	7.17%
Guangdong Provincial Expr-B	0.74	0.53	-28.58%
Hour Glass Ltd	0.61	0.52	-15.20%
IPG Photonics Corporation	142.79	185.96	30.23%
K2 Asset Management Holdings	0.20	0.04	-79.27%
Overseas Education Ltd	0.28	0.21	-27.15%
Panariagroup Industrie Ceram	3.56	0.90	-74.80%
Pan-United Corp Ltd	0.24	0.20	-16.18%
Pfeiffer Vacuum Technology	171.01	176.69	3.32%
Pico Far East Holdings Ltd	0.40	0.14	-63.89%
Rexlot Holding	0.04	0.00	-92.56%
Zhengzhou Yutong Bus Co-A	3.60	2.45	-31.83%

Table 4 shows the percentage gain or loss arising from currency movements as at 30 October 2020. This table assumes no change in stock prices or constant stock prices.

Table 4 Percentage gain or loss arising from currency movements.

Security	Average Cost (US\$)	Price Oct 2020 (US\$)	% Change
Alibaba Group Holding	198.57	198.57	0.00%
China New Town Development	0.04	0.04	0.10%
Concord New Energy Group Ltd	0.05	0.05	-0.06%
Formfactor Inc	26.45	26.45	0.00%
Guangdong Provincial Expr-B	0.74	0.74	0.21%
Hour Glass Ltd	0.61	0.60	-0.68%
IPG Photonics Corporation	142.79	142.79	0.00%
K2 Asset Management Holdings	0.20	0.18	-8.85%
Overseas Education Ltd	0.28	0.28	-0.12%
Panariagroup Industrie Ceram	3.56	3.48	-2.28%
Pan-United Corp Ltd	0.24	0.24	0.21%
Pfeiffer Vacuum Technology	171.01	176.32	3.11%
Pico Far East Holdings Ltd	0.40	0.40	0.41%
Rexlot Holding	0.04	0.04	0.00%
Zhengzhou Yutong Bus Co-A	3.60	3.50	-2.67%

Table 5 Percentage of assets held as cash.

	Equities (%)	Cash (%)	Other Liquidities (%)
End of Jul 20	94.48%	5.83%	-0.31%
End of Aug 20	94.20%	6.24%	-0.45%
End of Sep 20	92.26%	8.32%	-0.58%
End of Oct 20	88.84%	11.53%	-0.38%

Table 6 Top 5 holdings as at end of October 2020 (in US\$).

	69.83%
ALIBABA GROUP HOLDING	31.83%
ZHENGZHOU YUTONG BUS CO-A	13.03%
PFEIFFER VACUUM TECHNOLOGY	12.69%
IPG PHOTONICS CORPORATION	7.01%
OVERSEAS EDUCATION LTD	5.27%

Table 7 Portfolio breakdown for equities by region as at end of October 2020.

	100.00%
Hong Kong	14.71%
Australia	0.06%
Singapore	8.42%
China	14.66%
Europe	16.57%
United States	45.57%

STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

For the financial period ended 30 October 2020

For the financial
period from 1 August
2020 to 30 October
2020
US\$

Investment Income

Dividend income 106,102

Total investment income 106,102

Expenses

Management fees 67,256

Administrative & custodian fees 18,265

Professional fees 5,501

Other expenses 13,092

Total expenses 104,114

Net investment gain 1,988

Gain/(loss) on investment and foreign currency transactions

Net realised gain on securities transactions (640,354)

Net change in unrealised loss on securities transactions 1,307,505

Net loss on foreign currency transactions 5,062

Net loss on investment and foreign currency transactions 672,213

**Net change in net assets attributable to holders of participating shares
resulting from operations** 674,201

STATEMENT OF FINANCIAL POSITION (UNAUDITED)

As at 30 October 2020

	30 October 2020 US\$
Assets	
Cash and cash equivalents	1,987,577
Investments in securities, at fair value (cost US\$ 19,744,577)	15,308,919
Receivable from brokers	2,555
Other receivables	625
Total assets	<u>17,299,676</u>
Liabilities	
Management fee payable	21,566
Other payables	46,977
Total liabilities	<u>68,543</u>
Net assets attributable to the shareholders of the Fund	<u><u>17,231,133</u></u>
Net assets attributable to:	
Participating shares	17,231,123
Management shares	10
Net assets attributable to the shareholders of the Fund	<u><u>17,231,133</u></u>
Net asset value ("NAV") per participating share	
Based on 16,624 participating shares outstanding (October 20: 16,624)	<u><u>1,036.52</u></u>

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

For the financial period ended 30 October 2020

For the financial
period from 1
August 2020 to
30 October 2020
US\$

Net change in net assets attributable to holders of participating shares resulting from operations	674,201
Capital transactions	
Shares issued	-
Redemption of participating shares during the financial period	(1,225,109)
Net change in net assets attributable to holders of participating shares resulting from capital transactions	(1,225,109)
Net change in net assets attributable to holders of participating shares for the period	(550,908)
Net assets attributable to holders of participating shares at beginning of period	17,782,031
Net assets attributable to holders of participating shares at end of period	17,231,123

STATEMENT OF CASH FLOWS (UNAUDITED)

For the financial period ended 30 October 2020

For the financial period
from 1 August 2020 to
30 October 2020
US\$

Cash flows from operating activities

Net change in net assets attributable to holders of participating shares resulting from operations	674,201
Adjustment to reconcile net change in net assets attributable to holders of participating shares resulting from operations to net cash used in operating activities :	
Changes in operating assets and liabilities:	
Investments in securities, at fair value	1,491,621
Dividends receivable	6,087
Other receivables	938
Management fee payable	(689)
Other payables	4,361
Redemption payable	-
Net cash used in operating activities	2,176,519

Cash flows from financing activities

Redemption of participating shares	(1,225,109)
Net cash used in financing activities	(1,225,109)

Net change in cash and cash equivalents for the period

951,410

Cash and cash equivalents at the beginning of the period 1,036,167

Cash and cash equivalents at the end of the period

1,987,577

OTHER INFORMATION

About *i* Capital Global Fund

From its inception in July 2007 to October 2020, the *i* Capital Global Fund performance is 0.27% per annum, as opposed to 2.28% per annum for the MSCI ACWI. The performance for the *i* Capital Global Fund as at 30 October 2020 is shown below:

Performance as at 30 Oct 2020 (%)

(US\$)	ICGF	MSCI ACWI
Cumulative *	3.65	35.06
Annualised Return	0.27	2.28

* Cumulative Returns are measured since inception.
(Note: Information is current as at 30 Oct 2020.)

About the Group

Capital Dynamics is an independent global fund manager and investment adviser, not tied to any bank, insurer, stockbroker or political organisation.

Our managed funds and investment advisory services are all directly accessible by individual, corporate and institutional investors around the world, and we also offer individually managed accounts to wholesale investors. Currently we manage over US\$200 million, from our offices in Kuala Lumpur, Singapore, and Sydney. Our investment advisory service is provided via *i* Capital newsletter, a weekly publication, and www.icapital.biz. It is available in English and Chinese.

Capital Dynamics (S) Private Limited (CDPL), a global fund manager based in Singapore, is the investment 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.

Capital Dynamics (Australia) Limited (CDAL) 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 Oct 2020, CDAM achieved a net compound return of 10.87% per annum and has substantially

OTHER INFORMATION

outperformed the Kuala Lumpur Composite Index every year except in year 2005, 2009, 2012, 2013 and 2018 which gained 3.89% per annum in the same period.

Capital Dynamics Asset Management (HK) Private Limited holds a Type 9 (Asset Management) licence issued by the Securities and Futures Commission Hong Kong (SFC). Its principal activity is to provide asset management service to corporations, institutions and individual investors.

Besides providing discretionary investment management service for Professional Investors, we manage the *i* Capital China Fund, a retail unit trust fund authorised by the SFC.

Launched in January 2018, the *i* Capital China Fund aims to benefit from China's spectacular past and the magnificent boom that lay ahead. By primarily investing in equity securities issued by companies listed in Hong Kong, Shanghai and/or Shenzhen, their Capital China Fund targets at achieving attractive long-term capital appreciation.

Capital Dynamics China started off as a representative office in 2013. We quickly set up our Wholly Foreign Owned Enterprise (WFOE) and purchased an office in Shanghai, steadily growing our business in China and familiarising ourselves with the complexities of the country's economic, cultural, political and regulatory landscapes. Capital Dynamics China also conducts an annual China Immersion Programme. Please visit <http://www.cip-cn.com/> for more information.

Our Philosophies

Independence, intelligence and integrity drive all business and investment decisions at Capital Dynamics. Integrity is central to our corporate culture, and to our loyal clients of many years, our word has proven to be our bond. Capital Dynamics has some of the most stringent compliance policies in the industry.

As a global fund manager, our "Bamboo value investing" philosophy is unique, and has enabled Capital Dynamics to generate sustained superior returns. Based on long-term only investment principles, our value investing approach is given flexibility with the addition of macroeconomic factors and further investment intelligence from our team of fund managers and analysts. We go behind the commercial veneer of companies, travelling globally to research first hand.

[1] Eligible Investors

A person to whom the issue or transfer of, or where the holding of participating Shares:

- (i) would not constitute a breach of the laws of any jurisdiction; or
- (ii) would not be contrary to the regulations of any government authority; or
- (iii) would not give rise to circumstances (whether taken alone or conjunctively with other persons or any other circumstances appearing to the Directors to be relevant) which, in the opinion of the Directors, might result in the Fund and/or its Shareholders as a whole incurring any liability for taxation or suffering any other regulatory, pecuniary, legal or material administrative disadvantage that the Fund and/or its Shareholders might not otherwise have suffered or incurred; or
- (iv) would not give rise to circumstances which may cause the Fund to breach the terms of any license, registration or approval procured by it in relation to its investments; and
- (v) would satisfy the requirements set out in this section titled “Eligible Investors”.

Eligible Investors must also satisfy the requirements for an “accredited investor” or an “institutional investor” under the definition of the Securities and Futures Act.

[2] MSCI ACWI

A free float-adjusted market capitalisation weighted index which consists of 46 country indices, comprising 23 developed markets and 23 emerging market countries. This includes the stock markets of China, which ICGF cannot invest in at this time.

NOTES

Past performance is not a reliable indicator of future performance. Performance is calculated in US dollars, net of ongoing fees and expenses and assumes reinvestment of distributions.

Disclaimer: The information in this Quarterly Investment Report is not intended to provide advice and is being provided strictly for informational purposes only and does not constitute an advertisement. It has not been prepared taking into account any particular investor's or class of investor's investment objectives, financial situation or needs, and should not be used as the basis for making investment, financial or other decisions. To the extent permitted by law, no liability is accepted for any loss or damage as a result of any reliance on this information. None of CDPL nor any of its related entities guarantees the performance of the Fund or the repayment of capital or any particular rate of return or any distribution.

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INDEPENDENCE * INTELLIGENCE * INTEGRITY

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