

Fund Results

Performance in AUD

	Quarter
NCP-Capital International Global Equity Trust Currency Hedged	-11.41%
MSCI World Index A\$ Hedged with net dividends reinvested	-10.93%
Value Added	-0.48%

- The AUD weakened 7.98% against the USD during the June quarter. The AUD started the quarter just below 92 US cents and fell against the USD before ending the period at just under 84.5 US cents.
- For the quarter, the unhedged strategy outperformed the hedged strategy by approximately 7%, consistent with this weakening AUD.

Contributors

- Stock selection and overweight exposure to Telecomm Services
- Stock selection in Energy
- Stock selection in Consumer Staples

Detractors

- Stock selection in Information Technology
- Underweight exposure and stock selection in Utilities
- Stock selection in Materials

Risk Information (4)

Standard Deviation (%)	21.54
Tracking Error (%)	3.07
Information Ratio	-0.47

Performance Review
Summary

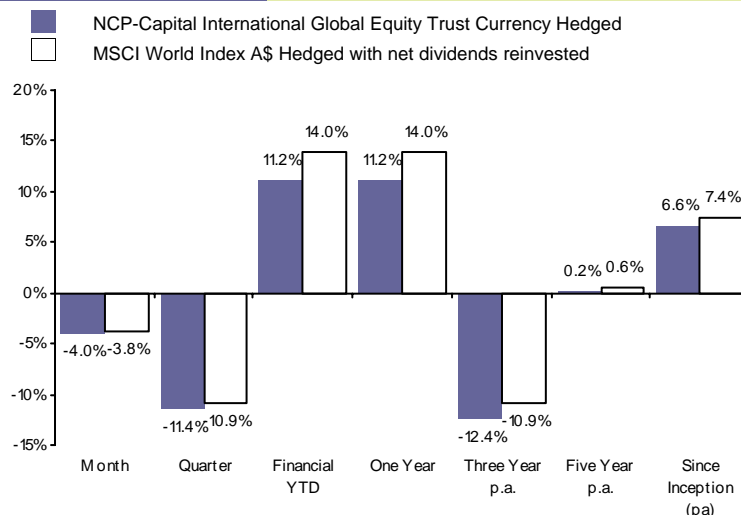
Markets weakened during the June quarter as Europe's sovereign debt crisis and credit tightening in China cast a shadow over the world's economic prospects. Although the European Union and the International Monetary Fund announced unprecedented financial rescue packages to prevent a sovereign debt default, investors appeared to fear that the measures might fail unless accompanied by far-reaching economic and institutional reform. The Australian dollar weakened quite significantly against the USD this quarter with the USD closing the period at just under 84.5 US cents, down approximately 8%. The MSCI World Hedged Index was down 10.9% over this same period. Against this backdrop the NCP-Capital International Global Equity Trust with Currency Hedged closed down 11.4%, underperforming the index by approximately 48 basis points. The key drivers of this outperformance were stock selection in Telecomm Services, Energy and Consumer Staples. Whilst on the negative side, the portfolio's holdings in Information Technology and Materials were a drag on performance largely held back by a decline in commodity prices, which fell following concerns that demand from emerging markets, such as China, could weaken.

Telecomm Services

As market volatility and investor uncertainty remained, defensive sectors such as Telecommunication Services performed quite well across most markets. The Telecommunications Services sector contributed the most to the portfolio's relative performance for the June quarter. Stock selection was particularly positive during the period with Softbank (Japan), the portfolio's second largest holding, up 18% for the quarter. As the exclusive provider of Apple's iPhone and iPad in Japan, some analysts are tipping Softbank's operating profits to overtake larger rival NTT DoCoMo' in three years. Also helping performance was American Wireless Telecom service provider, American Tower which was up 13% for the period.

Energy

Stock selection in Energy was positive largely as a result of the portfolio not holding BP (UK) which was down 46% for the period. The company being heavily rocked by the fallout from the oil spill in the Gulf of Mexico after the Deepwater Horizon rig exploded on April 20. The company said it would suspend its dividend and place US\$20 billion in a fund to cover spill-related costs. Pioneer Natural Resources, an American independent Oil & Gas exploration and production company performed well over the June quarter, gaining nearly 15%.



(1) Market value of the investment as at month end was \$291.10 Million

(2) Inception date is 7 March 2003. All returns are Gross.

(3) Benchmark = MSCI World Index A\$ Hedged with net dividends reinvested. The benchmark for the currency overlay is the physical exposure of the underlying equity holdings. As a consequence, this can cause differences in the relative performance of the portfolio when compared against its benchmark.

(4) Calculations based on monthly calculations over rolling 3 year periods

(5) This portfolio has a maximum cash weighting of 5%

Consumer Staples

Stock selection in Consumer Staples was a contributor to portfolio performance over the June quarter. Procter & Gamble (US), the portfolio's largest holding, was up 4% for the period. Altria Group (US) was up 7.7%. Other Consumer Staples holdings which also performed well for the portfolio during the quarter included L'Oreal (France) which was up 4% and Pernod Ricard (France) which also ended in marginally positive territory.

Information Technology

Stock selection in Information Technology was a drag on portfolio performance for the June quarter. Juniper Networks (US) was down 19% after delivering a quarterly result which analysts viewed as falling short of their expectations. Other Information Technology holdings which also had a rough quarter included Canada's Research in Motion, manufacturer of the popular Blackberry mobile phones, which was down 28% although earnings were up 40% compared to the year-earlier period. Visa (US) fell 15% partly due to a US Senate vote to limit credit and debit card fees whilst Nokia (Finland) fell 40% as the company issued two profit warnings and delayed the launch of phones it needs to compete with the iPhone and Blackberry in the fast-growing high end of the market.

Materials

Stock selection in Materials also weighed on portfolio performance during the period. In particular American stocks Monsanto and Cliffs Natural Resources, which were down by 29% and 28% respectively. Monsanto, a provider of agricultural products cut its 2010 outlook in late May, sending shares to their lowest levels in 3 years.

✓ What Helped	✗ What Hurt
Softbank	Juniper Networks
American Tower	Charles Schwab
Barrick Gold	Monsanto
Procter & Gamble	Cliffs Nat.Res.
Discovery Comms	Research in Motion
Pioneer Nat. Res.	FedEx
Altria	Visa
Denso	Apple

Market Review

- Stock prices began a downward slide in late April, resulting in markets ending significantly lower for the quarter as investors shunned risky assets as the strength and sustainability of the economic recovery was called into question.
- US economic data revealed a soft patch, but nonetheless was largely positive. Concerns grew, however, about global events and their potential to hamper US companies and attenuate domestic growth.
- As the US dollar rose and the strength of global demand came into question, industrial commodity prices declined and stocks in the Materials sector fell. Chemicals and metals and mining companies in the US had double-digit losses. With crude oil briefly dipping below US\$70 per barrel, a US moratorium on deepwater drilling and uncertainty over the political fallout from the ruptured Macondo oil well, Energy stocks also dropped.
- US Congress moved closer to passing a financial reform bill that would set tougher capital and liquidity standards, limit the derivatives business and proprietary trading of large financial firms and give broader powers to regulators.
- Despite Canadian stocks declining 3% over the quarter, Canada was among the world's stronger markets during the period. The Bank of Canada's April update stated that the economy was improving faster than had been projected in the Bank's January report.

- With inflation rising but still under its 2% target, the Bank of Canada raised the policy interest rate by 25 basis points to 0.50% at its June meeting, as had widely been expected.
- European stocks declined as the spreading sovereign debt crisis and deep budget cuts raised worries about the sustainability of the economic recovery, overshadowing mostly positive data. Financials were especially hard hit amid concerns about their debt exposure.
- As the debt crisis spread, the European Union and International Monetary Fund were forced to take action with bailout packages totalling 860 billion euros. Greece, Portugal and Spain also announced spending cuts and revenue raising schemes.
- Pacific markets fell amid the global market sell-off. Political changes in both Japan and Australia also weighed on regional markets. Growth in Japanese exports, on which the country's fragile economic recovery largely rests, slowed for a third consecutive month in May as the stronger yen reduced global competitiveness.
- Australian stocks slumped as Materials were damaged by steep falls in many commodity prices. Plans to introduce a hefty tax on mining profits initially dampened sentiment on the sector.
- Hong Kong fell as fears over monetary tightening in China weighed on the market.

Outlook and Strategy

Corporate balance sheets remain very strong, earnings growth can be expected to continue, and business investment appears set to gather momentum. The portfolio is positioned to capitalize on these developments.

Technology is a key theme in the portfolio: Capital have identified a number of companies that will benefit from a new product replacement cycle and increased capital spending as well as shifts in data use among both businesses and consumers.

During periods of economic uncertainty, Capital believe telecommunications companies represent a dependable source of

dividend income. As such, Capital continue to hold some large positions in the sector.

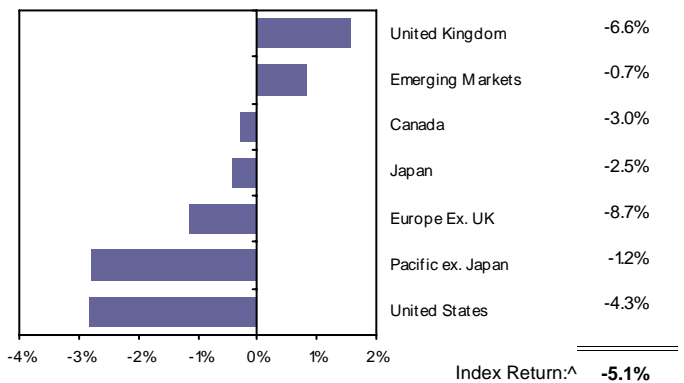
Capital have a narrow focus in the Financials sector. It is an area where regulatory scrutiny is intensifying and loan loss provisions among banks look likely to remain a burden for some time to come, particularly for those with large holdings of Southern European government debt.

Consumer Staples feature prominently in the portfolio, with managers attracted to the ability to increase profits during most phases of the business cycle. Capital have also increased investments in some Consumer Discretionary companies, particularly those with strong ties to fast-growing emerging markets.

Fund Composition

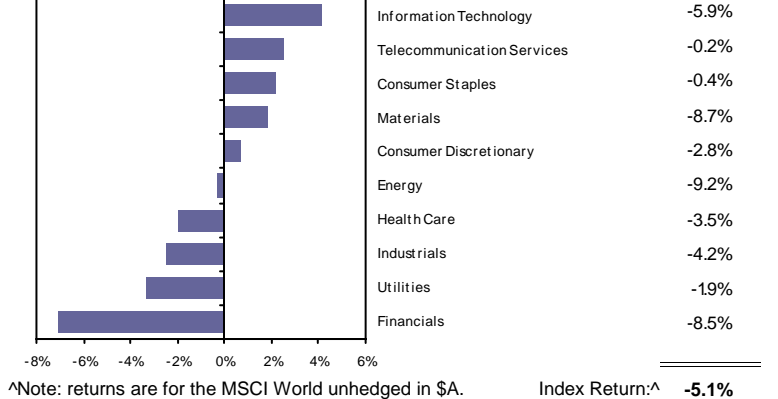
Country Diversification

- Underweights / Overweights versus MSCI World



Sector Diversification

- Underweights / Overweights versus MSCI World



Top 10 Holdings

	Sector	Country	%	Description
Procter & Gamble	Consumer Staples	United States	2.9	Global manufacturer of household and personal care products.
Softbank	Telecommunication Services	Japan	2.1	The world's largest investor in Internet companies, including Yahoo! and E*TRADE.
Philip Morris International	Consumer Staples	United States	1.8	One of the world's largest international tobacco companies.
Roche Hldg	Health Care	Switzerland	1.8	A world leader in pharmaceuticals and diagnostic research.
Tesco	Consumer Staples	United Kingdom	1.7	Major international retailer based in the United Kingdom
Cisco Systems	Information Technology	United States	1.7	The leading maker of equipment used in Internet networking.
Target Corp	Consumer Discretionary	United States	1.6	Operates Target, a major chain of general merchandise and food discount stores in the U.S.
American Tower Corp	Telecommunication Services	United States	1.6	Operates broadcast and communications towers in the U.S., Brazil and Mexico.
Schlumberger Ltd	Energy	United States	1.6	A leading provider of services and technology to the petroleum industry.
BG Group	Energy	United Kingdom	1.6	Explores for and produces natural gas, with operations around the world.

How demographics may shape future consumption

At Capital International, investment professionals are bottom up stock pickers. Capital's due diligence gives a holistic view of each investment opportunity. Demographics is one lens through which Capital can view an investment idea. By mapping out age-driven consumption patterns for a given population, regardless of the demographic trend, analysts are given macro insight into possible investment opportunities worthy of a closer look.

Here are three broad demographic trends and how Capital are reflecting them in the portfolio:

1. Global aging trend

For most of the developed world, the largest age group will be the baby boomers, 65 years and older. In places like Japan, the population is on the decline. Everywhere, people are living longer and consumers are changing their spending patterns. Consumers are increasing their expenditures in the Health Care and Financial Services sectors and leisure industries.

- SMC - Provides industrial manufacturing solutions to increase labour productivity. This is essential as fewer workers replace retirees.
- Prudential - A provider of life insurance as well as a number of investment products like variable annuities that cater to retirees looking for financial security.
- Medtronic - A medical technology company that provides lifelong solutions for people with chronic or degenerative diseases.

2. Baby 'boomlet' in the U.S.

Since the mid 1990's there has been a steady increase in the total number of births in the U.S. culminating in 2007 with the largest number of births on record at 4.3 million. Due to this 'boomlet', in 2015, 20-24 year-olds will represent the largest age group in the U.S. As this age cohort begins household formation, they will experience the highest rates of consumption with expenditures on items such as houses, cars, electronics and household goods.

- Target - A diversified discount retail outlet with a loyal following of shoppers. Target sells everything from clothes and electronics to toys and patio furniture.
- Visa - Offers branded payment platforms from which credit cards and debit cards are issued. Consumers of this age group take advantage of the ubiquitous use and flexible payment plans to finance everyday and big ticket purchases.
- Time Warner Cable - Is a cable TV operator that provides video on-demand, HD and DVR services. It also provides cable internet and other related services.

3. Youth movement in emerging markets

In emerging market countries like India, the largest age cohort is the 10-14 year-old age group. The rise of the middle class consumers has enabled more people to purchase more for their growing families than in any other prior generation. Therefore, spending from this cohort will not only focus on consumer staples but also discretionary items such as education and entertainment.

- PepsiCo - A global beverage and snack food maker that has made tremendous inroads in emerging markets with many youthful brands such as Pepsi and Doritos.
- McDonald's - A restaurant and food service chain that caters to younger consumers, operating in over 110 countries worldwide.
- Procter & Gamble - A diversified maker of personal hair care, skin care and health care products aimed at meeting the needs of the entire family.

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