nabInvest

Capital International

NCP-Capital International Emerging Markets Equity Trust

Monthly Investment Report

31 January 2010

Market Review

• Steps toward monetary tightening by China sent global stock markets sharply lower, hitting emerging markets equities particularly hard. The EM Index dropped amid worries about a potential relapse in emerging economies. Commodity prices weakened across the board and most emerging markets currencies retreated against the US dollar, with the Brazilian real down 7%.
• On 12 January China announced it was raising the capital reserve requirement ratio for banks by 0.5% to 16%. A further rise of 0.5% was applied on firms that had participated most actively in a surge of lending in the first two weeks of the year. These institutions were required to adopt the higher rates ahead of their peers, leading a number of banks to stop lending altogether during the second half of the month.
• Efforts to curb loan growth came amid further concerns that China's economy, which has driven the recent global economic recovery, was overheating. Fourth-quarter GDP expanded, matching the country's pre-crisis growth rates, and industrial production, retail sales and trade data for December were robust.
• A number of property developers, consumer discretionary companies and energy producers also suffered double-digit losses.
• Markets throughout the world tumbled following the actions of China's central bank. In Asia, Taiwan and South Korean markets dropped amid a worldwide souring of sentiment on Information Technology stocks. Shares of the world's largest semiconductor manufacturer, TSMC and Samsung Electronics declined 5% and 2%, in US dollar terms, despite strong profits and higher sales in the fourth quarter. Both companies also announced plans to increase capital spending to cope with rising demand.
• Indian stocks fell on expectations the country would follow China in trying to slow economic growth. The Reserve Bank of India raised its GDP forecast for the year to the end of March, but warned that inflation would also be higher than expected. In an effort to reduce inflationary pressures, the central bank increased capital reserve requirements by 0.75% to 5.75%. Indian real estate companies suffered especially sharp losses.
• Indonesia, one of last year's market leaders, gained 3% in US dollar terms, the only Asian market not to fall.
• Brazil pulled back as fears that a potential deceleration of growth in China - the largest importer of Brazilian commodities - would reduce demand for the country's natural resources.

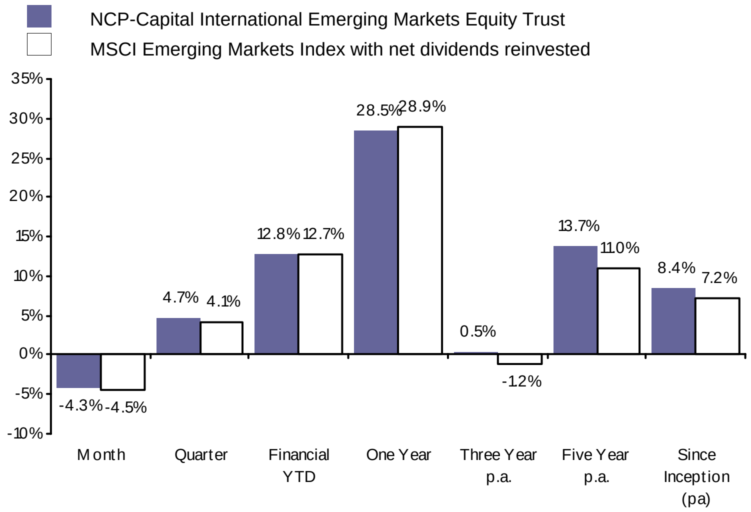
Fund Results

Performance in AUD

	Month
NCP-Capital International Emerging Markets Equity Trust	-4.31%
MSCI Emerging Markets Index with net dividends reinvested	-4.46%
Value Added	**0.15%**

Contributors
• Stock selection in Consumer Staples (Marfrig)
• Overweight exposure to Telecommunication Services

Detractors
• Stock selection in Financials (Sberbank, HDFC, ICBC)
• Stock selection in Information Technology (BYD)
• Underweight exposure to Health Care



Risk Information (4)

Standard Deviation (%)	17.64
Tracking Error (%)	4.35
Information Ratio	0.37

(1) Market value of the investment as at month end was $387.45 Million

(2) Inception date is 31 October 1997. All returns are Gross.
(3) Benchmark = MSCI Emerging Markets Index with net dividends reinvested.
(4) Calculations based on monthly calculations over rolling 3 year periods
(5) This portfolio does not allow hedging and has a maximum cash weighting of 5%

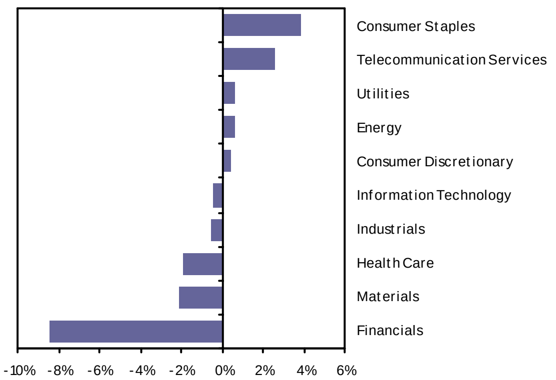
Fund Composition

Top 10 Holdings

	Sector	Country	%
Reliance Industries	Energy	India	4.8
Samsung Electronics	Information Technology	South Korea	3.5
America Movil	Telecommunication Services	Mexico	2.5
Gazprom	Energy	Russia	2.5
China Shenhua Energy	Energy	China	2.3
Sasol	Energy	South Africa	2.1
HDFC Bank	Financials	India	2.0
LG Chem	Materials	South Korea	1.6
Vale SA	Materials	Brazil	1.6
Ind & Com Bank of China	Financials	China	1.5

Sector Diversification

- Underweights / Overweights versus MSCI World



	Monthly Sector Returns
Consumer Staples	-3.4%
Telecommunication Services	-0.9%
Utilities	-0.2%
Energy	-5.5%
Consumer Discretionary	-7.4%
Information Technology	-4.5%
Industrials	-2.5%
Health Care	0.9%
Materials	-5.8%
Financials	-5.5%

Index Return: **-4.5%**

For further information please contact either Katie Orsini +612 8274 4832 or Adam Fischbeck +612 8274 4830