NCP-Capital International Global Equity Trust

Quarterly Investment Report
31 March 2010

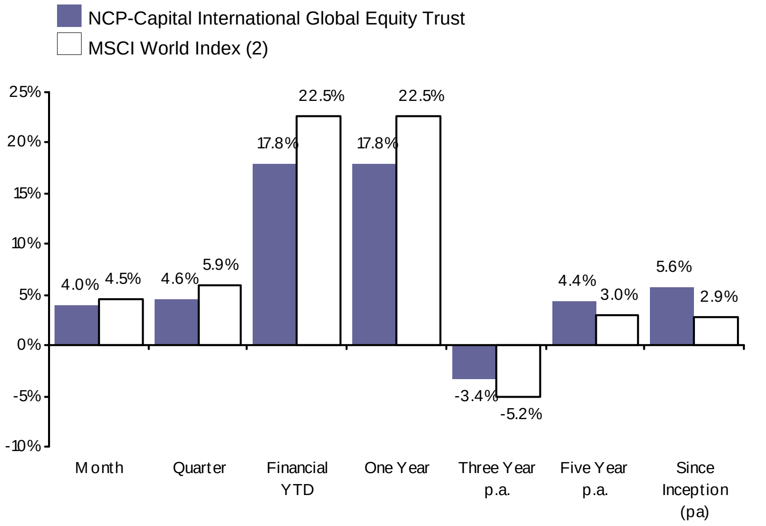
Fund Results

Performance in NZD

	Quarter
NCP-Capital International Global Equity Trust	4.56%
MSCI World Index (2)	5.91%
Value Added	**-1.35%**

Contributors
- Underweight exposure to Utilities
- Stock selection in Materials
- Stock selection in Health Care

Detractors
- Stock selection in Financials
- Stock selection in Consumer Discretionary
- Stock selection in Consumer Staples
- Stock selection in Energy



Risk Information (4)

Standard Deviation (%)	15.97
Tracking Error (%)	2.80
Information Ratio	0.63

(1) Market value of the investment as at month end was $2,121.03 Million
(2) Inception date is 31 October 1997. All returns are Gross.
(3) Benchmark = MSCI World ex Australia Index with net dividends reinvested (converted to NZD) until 30 June 2001. MSCI World Index with net dividends reinvested (converted to NZD) thereafter.
(4) Calculations based on monthly calculations over rolling 3 year periods
(5) FYTD is the New Zealand financial year which runs from 1 April to 31 March.
(6) This portfolio does not allowed hedging and has a maximum cash weighting of 5%

Performance Review

Summary

The March quarter again saw markets strengthen as the global economy and corporate profitability showed signs of improvement. After a difficult start to the quarter with markets impacted by China's measure to tighten credit and Obama's struggles with health reform the following two months saw markets rebound significantly to end the period in positive territory. Unlike prior quarters, Financials held the portfolio back during the three months to March with stock selection being particularly negative. The Australian dollar continued to rise against the USD this quarter with the USD closing the period at just under 92 US cents, up approximately 2.1%. The MSCI World Index was up 1.2% over this same period. Against this backdrop the NCP-Capital International Global Equity Trust closed down 0.1%, underperforming the index by approximately 129 basis points. The key drivers of this underperformance were stock selection in Financials, Consumer Discretionary, Consumer Staples. On the positive side, underweight exposure to Utilities and stock selection in Materials contributed to performance somewhat.

Financials

The Financials sector represented the biggest drag on portfolio performance for the March quarter. Stock selection was particularly negative during the period with HSBC (UK), the portfolio's tenth largest holding, down 5% for the quarter. Particularly hurting portfolio performance in the Financials sector were stocks not actually held. Bank of America (US) delivered solid gains for the quarter - up 19% whilst Citigroup (US) and Wells Fargo (US) were up 22% and 16% respectively. Toronto Dominion Bank (Canada) also had a solid quarter, up 16%. Goldman Sachs ended the quarter in slightly positive territory, up 1%.

Consumer Discretionary

Consumer Discretionary again held back portfolio performance, specifically stock selection. French media company Vivendi closed the quarter down 5%. Suzuki Motor Corporation (Japan) fell 10%. Sony Corporation (Japan) posted strong results for the quarter, up 34%, however it was not held in the portfolio and therefore detracted from relative performance. Toyota Motor Corporation also hurt performance, closing down 4% for the quarter. On the positive side, Scripps Networks (US) rose by 34% to March whilst Time Warner Cable (US) was also up by 30%.

Consumer Staples

Stock selection in Consumer Staples was a detractor from portfolio performance over the March quarter. Major international retailer Tesco (UK) was down 2% for the quarter. Imperial Tobacco (UK) fell 5% for the period whilst French personal products group L'Oreal closed the quarter flat. The portfolio's largest individual holding - Procter & Gamble (US) was up 5% but still marginally underperformed the sector over the same period. It wasn't all bad news however with Philip Morris up 9%.

Materials

Overall, the portfolio's materials holdings were positive contributors to performance for the March quarter with stock selection contributing to relative returns. Allegheny Technologies (US) was a particularly strong performer over the period, up 21%. Metals and Mining group Cliffs Natural Resources (US) closed the quarter 40% higher whilst Canadian gold miner Centerra Gold was up nearly 23% to March. On the negative side Monsanto (US) was down 12% for the quarter whilst Barrick Gold (Canada) was down 6%. Construction Materials groups Lafarge (France) and Vulcan Materials (US) were both down 10% for the same period.

Health Care

Stock selection in the Health Care sector was generally positive for the portfolio during the quarter. Two of the main contributors to performance were actually pharmaceutical companies not held in the portfolio. Pfizer (US), was down 5% and Glaxosmithkline (UK) was down 3%. Shire Pharmaceuticals (UK) was up 21% over the quarter whilst US Biotechnology stock Celgene closed the period up over 11%. Top 10 holding Roche (Switzerland) had a flat quarter which lagged the Sector and hampered portfolio performance.

✓ What Helped	✗ What Hurt
Cliffs Natural Resources	Google
Allegheny Tech	Cameco
Juniper Networks	HSBC
Nintendo	Weatherford International
Mitsui OSK	Monsanto
Fedex	General Electric
Telefonica	Tesco
Time Warner Cable	KPN

Note: all stock and index returns are quoted in AU$

Market Review

• Stocks rose amid signs of a strengthening global economy and rising corporate profitability.
• Several central banks began to unwind unconventional monetary measures that had been introduced at the height of the financial crisis. Nevertheless, authorities indicated that official interest rates would likely be kept low for an extended period as unemployment remained high in the major economies and inflationary pressures were subdued.
• Equity markets in North America ended the period substantially higher. Earnings reports were generally stronger than expected despite muted revenue growth, while economic data was mostly positive.
• The Federal Reserve lent support to capital markets by indicating it was in no hurry to raise interest rates.
• Market returns were pushed up by Industrials, Financials and Consumer stocks. Manufacturing expanded in February for the seventh consecutive month, while durable goods orders rose and factory orders increased. Not all stocks participated in the surge, Telecommunication Services and Utilities declined while Energy stocks were up slightly.
• The Bank of Canada maintained its benchmark interest rate at 0.25% at both rate-setting meetings in the quarter but reiterated its expectations to begin raising rates in the second half of 2010.
• Economic data indicated Canada was emerging from recession quickly, with unemployment falling and wages and job growth rising in both January and February.
• European stocks recouped earlier losses to finishe the quarter higher as Greece's fiscal problems took centre stage. After much debate, a consensus finally emerged around a plan to provide the country with conditional financial support in the event of 'very serious difficulties', but it was unclear whether it would sufficiently improve the situation in Greece or other heavily indebted nations, such as Spain and Portugal.
• As Greece and Portugal enacted austerity measures to cut spending, France and Germany tried to agree on a plan to support their weaker EU counterparts.
• Pacific stocks gained during the quarter. Japan - which lagged most other major markets in 2009 - rose the most, as investors found value in the market and exports surged.
• Hong Kong stocks rose, led by Telecommunication Services and Consumer Discretionary stocks.
• In Australia, the Materials sector rose roughly in line with the market as investors shrugged off concerns about China's steps to tighten credit and the potential impact on commodities demand.

Outlook and Strategy

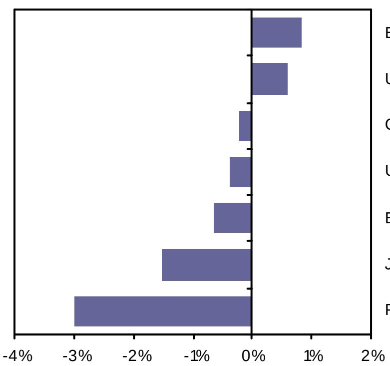
The sharp rebound in economic activity and corporate earnings seen since the first quarter of 2009 appears likely to give way to a period of more moderate growth. While the worst of the financial crisis may have passed, lingering concerns about the financial positions of several European countries highlight the challenges the global economy still faces in making the transition to a self-sustaining recovery as monetary and fiscal support is withdrawn.

As the withdrawal of stimulus measures may create uncertainty for economically sensitive stocks that have risen sharply in recent months, Capital have been pursuing investments in companies that are less dependent on the business cycle for revenue and profit growth. Capital also continue to focus on companies with organic and sustainable growth prospects, strong balance sheets and cash flow, and leadership in fast-growing markets.

Fund Composition

Country Diversification

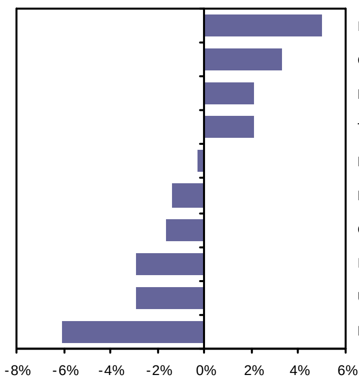
- Underweights / Overweights versus MSCI World



	Quarterly Region Returns
Emerging Markets	4.8%
United Kingdom	17%
Canada	8.4%
United States	7.7%
Europe Ex. UK	-0.1%
Japan	10.7%
Pacific ex. Japan	4.4%
Index Return:	**5.9%**

Sector Diversification

- Underweights / Overweights versus MSCI World



	Quarterly Sector Returns
Information Technology	6.1%
Consumer Staples	6.4%
Materials	4.7%
Telecommunication Services	-15%
Health Care	3.9%
Energy	12%
Consumer Discretionary	9.4%
Industrials	11.5%
Utilities	-15%
Financials	6.8%
Index Return:	**5.9%**

Top 10 Holdings

	Sector	Country	%	Description
Procter & Gamble	Consumer Staples	United States	2.8	Global manufacturer of household and personal care products.
Roche Hldg	Health Care	Switzerland	2.2	A world leader in phamaceuticals and diagnostic research.
Google Inc	Information Technology	United States	1.9	One of the most frequently used website search engines in the world.
Cisco Systems	Information Technology	United States	1.8	The leading maker of equipment used in Internet networking.
Juniper Networks	Information Technology	United States	1.7	Provides networking systems to help Internet service providers increase performance and speed.
Tesco	Consumer Staples	United Kingdom	1.6	Major international retailer based in the United Kingdom
Softbank	Telecommunication Services	Japan	1.6	The world's largest investor in Internet companies, including Yahoo! and E*TRADE.
Philip Morris International	Consumer Staples	United States	1.5	One of the world's largest international tobacco companies.
Allegheny Tech	Materials	United States	1.5	Specialty metal producer focused on high-performance metals, flat-rolled products and engineered products.
HSBC Holdings	Financials	United Kingdom	1.5	One of the world's largest international banking and financial services organisations.

In Focus - Energy

As the world's need for energy increases, massive structural changes are underway that will produce meaningful opportunities for companies that can add value to the energy supply chain – from enhancing extraction/generation to reducing consumption. As these transformations occur, Capital's investment professionals are actively identifying companies that will benefit by satisfying tomorrow's energy demand in the following four areas:

Prime property owners
Location matters in oil exploration and production. Companies that can continually find new and productive pockets of oil and gas will likely benefit from the continued growth in energy demand.

Technological advances have made shale gas a viable venture. Pioneer Natural Resources is tapping into large deposits found in North America, many of whom have long reserve lives.

Chevron Corp has been successful in bringing on new reserves in the Gulf of Mexico and Western Africa, which should translate into the highest production growth rate among its peers over the next 3-5 years.

BG Group owns an impressive portfolio of gas projects ranging from coal seam projects in Australia, shale in North America to deepwater gas deposits off the shore of Brazil.

Oil service innovators
Oil service innovators provide two basic services which are important in today's energy environment: 1) increasing throughput of existing reserves; and 2) extracting oil and gas from more difficult-to-access sites.

Schlumberger is an industry leader who has the capability to locate, and devise ways to extract, harder-to-find oil and gas reserves. Their technological prowess leads them to be increasingly relied upon by clients as resource extraction become more and more intense.

An increasing proportion of the oil found today lies in deep waters. Seadrill is one of a few ultra deep sea drilling specialists that can provide the equipment and expertise necessary to access deep water oil and gas.

Alternatives
As concern about carbon emissions has consolidated the position of alternate sources of energy, clean energy producers have been able to increase production and/or capture increasing scalability.

In spite of cutbacks to domestic subsidies, First Solar's business model appears solid as they remain one of the lowest cost module producers and as expansion continues outside of Germany into large-scale projects in the US and China.

As nuclear power re-emerges as an increasingly attractive option for the carbon-conscious, higher uranium prices appear to be an inevitability and Cameco stands to benefit. The 97 net new reactors scheduled to come on-line globally by 2020 (on base of 436) will represent a 50% increase in uranium needs, and Cameco is looking to increase uranium production from 20 – 30 million pounds by 2014 and to 40 million by 2018.

Consumption innovators
Efficiency in energy consumption has also emerged as a priority for businesses and governments alike as they look to improve their carbon footprint and drive down energy costs.

Edison International is transforming the role of the traditional utility by facilitating both green energy generation and aiming to reduce energy expenditures among consumers with the installation of smart meters in certain regions.

Emerson Electric has a wide span of businesses that are focused on providing more energy-efficient solutions to their customers through a range of products from cooling systems to the smart grid.

IBM, along with other technology companies, has also emerged as a force in this area with efficiency-maximising software and hardware.

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