

ACCESS PCP LIMITED

**REPORT OF THE DIRECTORS
AND FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 30 SEPTEMBER 2011



ACCESS
Investment Management



RANKIN BERKOWER (CAYMAN) LTD
Certified Public Accountants and Consultants

AN AFFILIATE FIRM OF ACQUAVELLA, CHIARELLI, SHUSTER, BERKOWER & CO., LLP

NEW YORK

NEW JERSEY

ACCESS PCP LIMITED

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REPORT OF THE DIRECTORS

The directors submit herewith their report together with the audited financial statements of Access PCP Limited (the "Company") for the year ended 30 September 2011.

Principal activity

The Company is an open-ended investment company which was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law of the Cayman Islands on 11 March 1985. It is a registered mutual fund under The Mutual Funds Law in the Cayman Islands. The Company has different classes of participating shares. A separate underlying fund is established and maintained for each class of participating shares. During the year, the Company had two underlying Funds, namely Global Balanced Portfolio and Global Opportunities Portfolio (the "Funds").

The Company has been authorised by the Securities and Futures Commission as an authorised fund in Hong Kong.

The Company is exempted from tax on profits, income or gains in the Cayman Islands for a period of 20 years from 14 February 2006 in accordance with section 6 of the Tax Concession Law (Revised) in the Cayman Islands. The Company is also exempted from tax on income and capital gains under section 26A(1A) of the Inland Revenue Ordinance in Hong Kong and the Company meets all the profit tax exemption conditions in accordance with Departmental Interpretation and Practice Note 43 issued by The Hong Kong Inland Revenue Department and the Revenue (Profits Tax Exemption for Offshore Funds) Ordinance 2006.

The Company's objective is to provide investors with the benefits of professionally managed portfolios of investments in unit trusts and/or collective investment schemes.

Results

Costs incurred in connection with the operations of the Company are charged to the underlying Funds on a pro rata basis. As a result, the Company does not prepare a revenue statement.

The results of the underlying Funds for the year ended 30 September 2011 are set out in the Funds' revenue statement on page 9.

Dividends

With effect from 16 May 2002, the directors proposed not to distribute any dividends to the shareholders. No distribution was made to the holders of the participating shares of Global Balanced Portfolio and Global Opportunities Portfolio for the year ended 30 September 2011.

Directors

The directors in office during the financial year and up to the date of this report were:

C.M. Liu

R.H.L. Thomas

S.W. God

(Appointed on 2 December 2010 as the alternate director to Mr. R.H.L. Thomas)

T.F. Mahony

(Resigned on 2 December 2010 as the alternate director to Mr. R.H.L. Thomas)

In accordance with Article 94 of the Company's Articles of Association, all directors will retire at the forthcoming Annual General Meeting and, being eligible, offer themselves for re-election.

REPORT OF THE DIRECTORS (CONTINUED)**Directors' interests in contracts**

The Company entered into a number of agreements in which the following directors are interested:

- (a) Private Capital Portfolio Management Limited (the "Manager") is entitled to receive remuneration from the Company for its services as the manager of the Company. Messrs. C.M. Liu and R.H.L. Thomas are directors of the Manager.
- (b) Messrs. C.M. Liu and R.H.L. Thomas are directors of Access Investment Management (H.K.) Limited, which is entitled to receive remuneration from the Manager for services rendered in its capacities as the Investment Manager and Hong Kong Representative of the Company.

Other than as disclosed above, no contract of significance, to which the Company was a party and in which a director of the Company had a material interest, whether directly or indirectly, existed at the end of the year or at any time during the year.

Directors' interest in shares

None of the directors have any interests in the shares of the Company as at 30 September 2011.

Directors' rights to acquire shares and debentures

At no time during the year was the Company a party to any arrangements to enable the directors of the Company to acquire benefits by means of acquisition of shares in, or debentures of, the Company or any other body corporate.

Auditors

Messrs. Rankin Berkower (Cayman) Ltd retire and, being eligible, offer themselves for re-appointment.

On behalf of the Board



x LCM(S)

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Director

Hong Kong, 18 January 2012
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PERFORMANCE TABLE

For the year ended 30 September 2011 (in US Dollars)

	<u>Global Balanced Portfolio</u>		<u>Global Opportunities Portfolio</u>	
	<u>Net asset value of the portfolio</u>	<u>Net asset value per share</u>	<u>Net asset value of the portfolio</u>	<u>Net asset value per share</u>
At				
30 September 2009	2,485,494	7.81	1,949,200	7.61
30 September 2010	2,578,171	8.37	2,052,140	8.04
30 September 2011	2,330,675	7.93	1,843,706	7.30
	<u>Highest offer</u>	<u>Lowest bid</u>	<u>Highest offer</u>	<u>Lowest bid</u>
Financial year ended				
30 September 2002	5.55	4.60	5.53	4.11
30 September 2003	6.09	4.56	5.63	3.98
30 September 2004	7.08	5.88	6.84	5.46
30 September 2005	8.07	6.54	7.76	6.08
30 September 2006	9.26	7.38	9.18	6.95
30 September 2007	10.37	8.35	10.77	7.99
30 September 2008	10.67	7.64	11.13	7.22
30 September 2009	8.22	5.45	8.04	4.75
30 September 2010	8.75	7.24	8.43	6.88
30 September 2011	9.84	7.95	9.64	7.26

STATEMENT OF MOVEMENTS IN PORTFOLIO HOLDINGS

For the year ended 30 September 2011

ANALYSIS BY INVESTMENTS

		Percentage holdings of net assets	
		<u>2011</u>	<u>2010</u>
1.	Global Balanced Portfolio		
	Equity funds	75.8%	48.4%
	Bond funds	16.3%	35.4%
	Other net assets	7.9%	16.2%
		<hr/>	<hr/>
		100.0%	100.0%
		<hr/> <hr/>	<hr/> <hr/>
2.	Global Opportunities Portfolio		
	Equity funds	89.6%	80.9%
	Other net assets	10.4%	19.1%
		<hr/>	<hr/>
		100.0%	100.0%
		<hr/> <hr/>	<hr/> <hr/>

INVESTMENT PORTFOLIOS

At 30 September 2011

	<u>Place of Incorporation</u>	<u>Holdings Unit/Share</u>	<u>Valuation US\$</u>	<u>% of Net Assets</u>
GLOBAL BALANCED PORTFOLIO				
<u>EQUITY FUNDS</u>				
United States				
First State Global Emerging Markets Leaders Fund	Ireland	6,500	114,075	4.89%
HSBC Index Tracker Investment Funds - American Index Fund *	United Kingdom	48,500	121,441	5.21%
iShares S&P 500 Index Fund *#	United States	1,120	126,750	5.44%
Schroder International Selection Fund US Small & Mid- Cap Equity	Luxembourg	800	105,480	4.53%
Universe, The CMI Global Network Fund US Equity Index Tracking *#	Luxembourg	4,500	147,376	6.32%
Asia Pacific				
First State Global Umbrella PLC - Asian Growth Fund *	Ireland	4,000	112,520	4.83%
HSBC Index Tracker Investment Funds - Pacific Index Fund	United Kingdom	44,178	114,406	4.91%
SPDR Gold Trust *	United States	1,200	189,930	8.15%
Lim Asia Multi-Strategy Fund #	British Virgin Islands	6,500	223,470	9.59%
Europe				
Baring Europe Select Trust	United Kingdom	7,669	170,485	7.31%
CF Odey Investment Funds - Continental European Fund - Accumulated shares #	United Kingdom	30,000	225,481	9.67%
Other				
JP Morgan Funds - Global Natural Resources Fund	Luxembourg	8,000	116,240	4.99%
<u>BOND FUNDS</u>				
Ashmore Emerging Markets Liquid Investment Portfolio - Units Incentive Group 31 Aug 2010 #	Guernsey	18,537	195,070	8.37%
Ashmore Emerging Markets Liquid Investment Portfolio - Units Series 31 December 2009 #	Guernsey	1,463	15,396	0.66%
Franklin Templeton Investment Funds - Templeton Global Bond Fund Class A *	Luxembourg	9,000	168,480	7.23%
TOTAL VALUE OF INVESTMENTS, AT FAIR VALUE			2,146,600	92.10%
OTHER NET ASSETS			184,075	7.90%
TOTAL NET ASSETS			2,330,675	100.00%
TOTAL INVESTMENTS, AT COST			1,821,178	

* Listed Investments

Not authorised in Hong Kong and not available to Hong Kong Residents

INVESTMENT PORTFOLIOS (CONTINUED)

At 30 September 2011

	<u>Place of Incorporation</u>	<u>Holdings Unit/Share</u>	<u>Valuation US\$</u>	<u>% of Net Assets</u>
GLOBAL OPPORTUNITIES PORTFOLIO				
<u>EQUITY FUNDS</u>				
United States				
First State Global Emerging Markets Leaders Fund	Ireland	6,000	105,300	5.71%
HSBC Index Tracker Investment Funds				
- American Index Fund *	United Kingdom	38,800	97,153	5.27%
iShares S&P 500 Index Fund *#	United States	1,500	169,755	9.21%
Schroder International Selection Fund - US Small & Mid Cap Equity	Luxembourg	770	101,525	5.51%
Universe, The CMI Global Network Fund- US Equity Index Tracking *#	Luxembourg	4,457	145,968	7.92%
Asia Pacific				
Aberdeen Global SICAV - Emerging Markets Fund				
- A2 Capitalisation	Luxembourg	2,800	88,956	4.82%
First State Global Umbrella PLC - Asian Growth Fund *	Ireland	3,300	92,829	5.03%
HSBC Index Tracker Investment Funds				
- Pacific Index Fund	United Kingdom	34,703	89,869	4.87%
SPDR Gold Trust *	United States	1,000	158,276	8.59%
Europe				
Baring Europe Select Trust	United Kingdom	6,941	154,313	8.37%
CF Odey Investment Funds - Continental European Fund - Accumulated shares #	United Kingdom	22,000	165,353	8.97%
Other				
Aberdeen Global - Emerging Markets Fund				
- A2 Capitalisation	Luxembourg	2,000	106,840	5.80%
CF Junior Oils Trust Fund #	United Kingdom	30,000	80,966	4.39%
JP Morgan Funds - Global Natural Resources Fund	Luxembourg	6,562	95,341	5.17%
TOTAL VALUE OF INVESTMENTS, AT FAIR VALUE			1,652,444	89.63%
OTHER NET ASSETS			191,262	10.37%
TOTAL NET ASSETS			1,843,706	100.00%
TOTAL INVESTMENTS, AT COST			1,512,163	

* Listed Investments

Not authorised in Hong Kong and not available to Hong Kong Residents

CUSTODIAN'S REPORT

**TO THE SHAREHOLDERS OF
ACCESS PCP LIMITED (the "Company")**
(Incorporated in the Cayman Islands with limited liability)

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We hereby confirm that, in our opinion, the Manager has, in all material respects, managed the Company in accordance with the provisions of the constitutive documents during the year ended 30 September 2011.



**SUNNY TANG
AS ATTORNEY**

Butterfield Fulcrum Group (Cayman) Limited
Custodian
18 January 2012



Resident Members:
Philip A. Rankin, CPA
Maurice Berkower, CPA

Tel: (345) 949-7818
Fax: (345) 946-0751
E-mail: rankinco@candw.ky

**INDEPENDENT AUDITORS' REPORT
TO THE BOARD OF DIRECTORS OF
ACCESS PCP LIMITED**

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(Incorporated in the Cayman Islands with limited liability)

Report on the financial statements

We have audited the financial statements of Access PCP Limited (the "Company") set out on pages 9 to 40, which comprise the statement of assets and liabilities as at 30 September 2011, and the revenue statement, statement of movements in capital and reserve attributable to participating shareholders and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Directors' responsibility for the financial statements

The directors of the company are responsible for the preparation of financial statements that give a true and fair view in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants and are responsible for ensuring that the financial statements have been properly prepared in accordance with the relevant disclosure provisions of the Code on Unit Trusts and Mutual Funds issued by the Securities and Futures Commission of Hong Kong, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit and to report our opinion solely to you, as a body, in accordance with our agreed terms of engagements, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. 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 auditors' 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 auditors consider 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 the directors, 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 Company as at 30 September 2011, and of its transactions and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards.

Report on other legal and regulatory disclosure requirements

We report that the financial statements have been properly prepared, in all material respects, in accordance with the relevant disclosure provisions of the Code on Unit Trusts and Mutual Funds issued by the Securities and Futures Commission of Hong Kong.

Rankin Berkower (Cayman) Ltd
Certified Public Accountants
18 January 2012

REVENUE STATEMENT

For the year ended 30 September 2011 (in US Dollars)

		Global Balanced Portfolio		Global Opportunities Portfolio	
	Note	2011	2010	2011	2010
INCOME					
Dividends from investments		29,671	38,765	2,497	4,878
Net exchange (loss)/gain		(3,174)	570	(3,412)	(9,290)
Fair value changes on financial assets at fair value through profit or loss	5	(77,346)	200,903	(122,475)	173,107
		(50,849)	240,238	(123,390)	168,695
EXPENSES					
Auditors' remuneration		7,090	6,218	7,090	6,218
Bank charges		-	27	-	46
Custodian and registrar's fees	7	13,165	13,000	13,090	13,000
Manager's fee	8	40,217	37,021	32,372	29,130
Sub-custodian fee		168	224	179	199
Sundry expenses		12,358	11,071	11,720	10,818
		72,998	67,561	64,451	59,411
NET (LOSS)/PROFIT FOR THE YEAR					
		(123,847)	172,677	(187,841)	109,284
Adjustment from bid market prices to last traded market prices	6	2,652	2,926	1,377	764
(Decrease)/increase in net assets attributable to shareholders		(121,195)	175,603	(186,464)	110,048
AMOUNT TRANSFERRED TO CAPITAL RESERVE					
	10	121,195	(175,603)	186,464	(110,048)
		-	-	-	-

The Company had no components of comprehensive income other than net (loss)/profit for the years presented. Accordingly, no separate statement of comprehensive income is presented as the Company's total comprehensive income was the same as net (loss)/profit for the year in both years.

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

STATEMENT OF ASSETS AND LIABILITIES

At 30 September 2011 (in US Dollars)

	Note	Founders' Fund		Global Balanced Portfolio		Global Opportunities Portfolio	
		2011	2010	2011	2010	2011	2010
ASSETS							
Current assets							
Investments	5	-	-	2,146,600	2,158,848	1,652,444	1,660,182
Amounts receivable on sales		-	-	-	292,848	-	133,382
Prepayment and other receivables		-	-	1,844	1,217	1,674	1,217
Cash and cash equivalents		100	100	199,582	141,069	204,735	271,473
Total assets		100	100	2,348,026	2,593,982	1,858,853	2,066,254
LIABILITIES							
Current liabilities							
Accruals and other payables		-	-	18,247	16,835	16,070	14,878
Amounts payable on redemption		-	-	1,756	1,902	454	-
Total liabilities		-	-	20,003	18,737	16,524	14,878
NET ASSETS		100	100	2,328,023	2,575,245	1,842,329	2,051,376
Adjustment from bid market prices to last traded market prices	6	-	-	2,652	2,926	1,377	764
Net assets attributable to shareholders		100	100	2,330,675	2,578,171	1,843,706	2,052,140
CAPITAL AND RESERVE							
Share capital	9	100	100	2,940	3,081	2,527	2,554
Capital reserve	10	-	-	2,327,735	2,575,090	1,841,179	2,049,586
TOTAL CAPITAL AND RESERVE		100	100	2,330,675	2,578,171	1,843,706	2,052,140
NUMBER OF PARTICIPATING SHARES IN ISSUE							
	9			293,994	308,076	252,684	255,349
NET ASSET VALUE PER PARTICIPATING SHARE							
				7.93	8.37	7.30	8.04

The financial statements on pages 9 to 40 were approved and authorised for issue by the Board of Directors on 18 January 2012 and are signed on its behalf by:



Director

X L O W I C S S



Director

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

STATEMENT OF MOVEMENTS IN CAPITAL AND RESERVE

For the year ended 30 September 2011 (in US Dollars)

	<u>Founders' Fund</u>		<u>Global Balanced Portfolio</u>		<u>Global Opportunities Portfolio</u>	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Proceeds on allotment of participating shares	-	-	71,692	20,598	-	-
Payments on redemption of participating shares	-	-	(197,993)	(103,524)	(21,970)	(7,108)
Net redemption	-	-	(126,301)	(82,926)	(21,970)	(7,108)
Amount transferred (to)/from revenue statement	-	-	(121,195)	175,603	(186,464)	110,048
	-	-	(247,496)	92,677	(208,434)	102,940
BALANCE BROUGHT FORWARD	100	100	2,578,171	2,485,494	2,052,140	1,949,200
BALANCE CARRIED FORWARD	100	100	2,330,675	2,578,171	1,843,706	2,052,140

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

STATEMENT OF CASH FLOWS

For the year ended 30 September 2011 (in US Dollars)

	Global Balanced Portfolio		Global Opportunities Portfolio	
	2011	2010	2011	2010
Cash flows from operating activities				
(Decrease)/increase in net assets				
attributable to shareholders	(121,195)	175,603	(186,464)	110,048
Adjustments for:				
Fair value changes on financial assets				
at fair value through profit or loss	77,346	(200,903)	122,475	(173,107)
Dividends from investments	(29,671)	(38,765)	(2,497)	(4,878)
Adjustment from bid market prices				
to last traded market prices	(2,652)	(2,926)	(1,377)	(764)
Operating loss before working capital changes	(76,172)	(66,991)	(67,863)	(68,701)
Decrease/(increase) in prepayment and other receivables	10	(113)	10	(113)
Increase/(decrease) in accruals and other payables	1,412	(433)	1,192	(214)
Cash used in operations	(74,750)	(67,537)	(66,661)	(69,028)
Dividends received	29,034	38,765	2,030	4,878
Net cash used in operating activities	(45,716)	(28,772)	(64,631)	(64,150)
Cash flows from financing activities				
Proceeds from issuance of shares	71,692	20,598	-	-
Payment for redemption of shares	(198,139)	(189,159)	(21,516)	(7,108)
Net cash used in financing activities	(126,447)	(168,561)	(21,516)	(7,108)
Cash flows from investing activities				
Payment for purchase of investments	(631,858)	(1,631,106)	(556,509)	(1,550,615)
Proceeds from disposal of investments	862,534	1,823,803	575,918	1,873,107
Net cash generated from investing activities	230,676	192,697	19,409	322,492
Net increase/(decrease) in cash and cash equivalents	58,513	(4,636)	(66,738)	251,234
Cash and cash equivalents at the beginning of the year	141,069	145,705	271,473	20,239
Cash and cash equivalents at the end of the year	199,582	141,069	204,735	271,473
Analysis of the balances of cash and cash equivalents				
Cash and short term deposits	199,582	141,069	204,735	271,473

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2011 (in US Dollars)

1. GENERAL INFORMATION

The Company is an open-ended investment company which was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law of the Cayman Islands on 11 March 1985. It is a registered mutual fund under The Mutual Funds Law in the Cayman Islands. The Company has different classes of participating shares. A separate underlying fund is established and maintained for each class of participating shares. During the year, the Company had two underlying Funds, namely Global Balanced Portfolio and Global Opportunities Portfolio (the "Funds").

The Company has been authorised by the Securities and Futures Commission as an authorised fund in Hong Kong.

The Company has been exempted from tax on profits, income or gains in the Cayman Islands for a period of 20 years from 14 February 2006 in accordance with section 6 of the Tax Concession Law (Revised) in the Cayman Islands. The Company is also exempt from tax on income and capital gains under section 26A(1A) of the Inland Revenue Ordinance in Hong Kong and the Company meets all the profits tax exemption conditions in accordance with Departmental Interpretation and Practice Note 43 issued by The Hong Kong Inland Revenue Department and the Revenue (Profits Tax Exemption for offshore Funds) Ordinance 2006.

The Company's objective is to provide investors with the benefits of professionally managed portfolios of investments in unit trusts and/or collective investment schemes.

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 to all the years presented, unless otherwise stated.

(a) Basis of preparation

The financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRS") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). The financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss.

The preparation of financial statements in conformity with HKFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 4.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 September 2011 (in US Dollars)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**(a) Basis of preparation (continued)**

The following new standards and amendments to standards (“new and revised HKFRS”) are mandatory for the first time for the financial year beginning 1 October 2010:

HKFRS (Amendments)	Improvements to HKFRS issued in 2010 in relation to the amendments to HKFRS 3 and transition requirements for amendments arising as a result of HKAS 27
HKFRS (Amendment)	Improvements to HKFRS 2009
HKFRS 1 (Amendment)	Additional Exemptions for First-time Adopters
HKFRS 1 (Amendment)	Limited Exemptions from Comparative HKFRS 7 Disclosures for First-time Adopters
HKFRS 2 (Amendments)	Group Cash-settled Share-based Payment Transactions
HKAS 17 (Amendments)	Lease
HKAS 32 (Amendments)	Classification of Rights Issues
HK(IFRIC) - Int 11	Amendments to HKFRS 2 Share-based Payment - Group Cash-settled Payment Transactions
HK (IFRIC) - Int 19	Extinguishing Financial Liabilities with Equity Instruments
HK - Int 4 (Revised in December 2009)	Determination of the Length of Lease Term in respect of Hong Kong Land Leases
HK - Int 5	Presentation of Financial Statements - Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause

The application of these new and revised HKFRS in the current year has had no material effect on the amounts reported in these financial statements and/or disclosures set out in these financial statements.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 September 2011 (in US Dollars)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(a) Basis of preparation (continued)

The Company has not early applied the following new and revised Standards, Amendments and Interpretation that have been issued but are not yet effective.

HKFRS (Amendments)	Improvements to HKFRS issued in 2010 in relation to amendments to HKFRS 7, HKAS 1, HKAS 34 and HK (IFRIC) – Int 13 ¹
HKFRS 7 (Amendments)	Disclosures – Transfers of Financial Assets ²
HKFRS 9	Financial Instruments ⁶
HKFRS 10	Consolidated Financial Statements ³
HKFRS 11	Joint Arrangements ³
HKFRS 12	Disclosure of Interests in Other Entities ³
HKFRS 13	Fair Value Measurement ³
HKAS 1 (Amendments)	Presentation of Items of Other Comprehensive Income ⁵
HKAS 12 (Amendments)	Deferred Tax: Recovery of Underlying Assets ⁴
HKAS 19 (Revised 2011)	Employee Benefits ³
HKAS 24 (Revised 2009)	Related Party Disclosures ¹
HKAS 27 (Revised 2011)	Separate Financial Statements ³
HKAS 28 (Revised 2011)	Investments in Associates and Joint Ventures ³
HK (IFRIC) – Int 14 (Amendments)	Prepayments of a Minimum Funding Requirement ¹
HK (IFRIC) – Int 20	Stripping Costs in the Production Phase of a Surface Mine ³

¹ Effective for annual periods beginning on or after 1 January 2011

² Effective for annual periods beginning on or after 1 July 2011

³ Effective for annual periods beginning on or after 1 January 2013

⁴ Effective for annual periods beginning on or after 1 January 2012

⁵ Effective for annual periods beginning on or after 1 July 2012

⁶ Effective for annual periods beginning on or after 1 January 2015

HKFRS 9 “Financial Instruments” (as issued in November 2009) introduces new requirements for the classification and measurement of financial assets. HKFRS 9 “Financial Instruments” (as revised in November 2010) adds requirements for financial liabilities and for derecognition.

Under HKFRS 9, all recognised financial assets that are within the scope of HKAS 39 “Financial Instruments: Recognition and Measurement” are subsequently measured at either amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. All other debt investments and equity investments are measured at their fair values at the end of subsequent accounting periods.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 September 2011 (in US Dollars)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**(a) Basis of preparation (continued)**

In relation to financial liabilities, the significant change relates to financial liabilities that are designated as at fair value through profit or loss. Specifically, under HKFRS 9, for financial liabilities that are designated as at fair value through profit or loss, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the presentation of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss. Previously, under HKAS 39, the entire amount of the change in the fair value of the financial liability designated as at fair value through profit or loss was presented in profit or loss.

HKFRS 9 is effective for annual periods beginning on or after 1 January 2015, with earlier application permitted. The adoption of HKFRS 9 may have an impact on amounts reported in respect of the Company's financial assets in the Company's financial statements but not on financial liabilities.

The Company is in the process of making an assessment of the impact of these new and revised HKFRS upon initial application. So far, the Company considers that these new and revised HKFRS are unlikely to have a significant impact on the Company's results of operations and financial position.

(b) Revenue recognition

Dividend income from investments is recognised when the right to receive payment is established.

(c) Investments

All investments are classified as "financial assets at fair value through profit or loss" at inception.

Investments that are listed or traded on an exchange are fair valued based on quoted bid prices.

Investments in unlisted investment funds are valued at their closing bid prices as provided by the administrators of such funds.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 September 2011 (in US Dollars)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**(d) Financial assets***Classification*

The Company classifies its financial assets in the following categories: at fair value through profit or loss and loans and receivables. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short-term. Derivatives are also categorised as held for trading unless they are designated as hedges. Assets in this category are classified as current assets if expected to be settled within 12 months; otherwise, they are classified as non-current.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets. The Company's loans and receivables comprise "amount receivable on sales", "other receivables" and "cash and cash equivalents" in the statement of assets and liabilities.

Recognition and measurement

Regular purchases and sales of financial assets are recognised on the trade-date – the date on which the Company commits to purchase or sell the asset. Financial assets carried at fair value through profit or loss are initially recognised at fair value, and transaction costs are expensed in the revenue statement. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership. Financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables are subsequently carried at amortised cost using the effective interest method.

Gains or losses arising from changes in the fair value of the "financial assets at fair value through profit or loss" category are presented in the revenue statement in the period in which they arise. Dividend income from financial assets at fair value through profit or loss is recognised in the revenue statement when the Company's right to receive payments is established.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 September 2011 (in US Dollars)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**(e) Offsetting financial instruments**

Financial assets and liabilities are offset and the net amount reported in the statement of assets and liabilities when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

(f) Impairment of financial assets*Assets carried at amortised cost*

The Company assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

The criteria that the Company uses to determine that there is objective evidence of an impairment loss include:

- Significant financial difficulty of the issuer or obligor;
- A breach of contract, such as a default or delinquency in interest or principal payments;
- The Company, for economic or legal reasons relating to the borrower's financial difficulty, granting to the borrower a concession that the lender would not otherwise consider;
- It becomes probable that the borrower will enter bankruptcy or other financial reorganisation;
- The disappearance of an active market for that financial asset because of financial difficulties; or
- Observable data indicating that there is a measurable decrease in the estimated future cash flows from a portfolio of financial assets since the initial recognition of those assets, although the decrease cannot yet be identified with the individual financial assets in the portfolio, including:
 - (i) adverse changes in the payment status of borrowers in the portfolio;
 - (ii) national or local economic conditions that correlate with defaults on the assets in the portfolio.

The Company first assesses whether objective evidence of impairment exists.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 September 2011 (in US Dollars)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**(f) Impairment of financial assets (continued)***Assets carried at amortised cost (continued)*

For loans and receivables category, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The asset's carrying amount of the asset is reduced and the amount of the loss is recognised in the revenue statement. If a loan or held-to-maturity investment has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. As a practical expedient, the Company may measure impairment on the basis of an instrument's fair value using an observable market price.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in the revenue statement.

(g) Accrued expenses and payables

Accrued expenses and 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.

(h) Foreign currency translation*(i) Functional and presentation currency*

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates (the "functional currency"). The financial statements are presented in United States dollars ("US\$") which is the Company's functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of assets and liabilities denominated in foreign currencies are recognised in the revenue statement.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 September 2011 (in US Dollars)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**(i) Cash and cash equivalents**

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

(j) Subscription and redemption of shares

Proceeds and payments on the subscription and redemption of shares recorded in the statement of movements in capital and reserve exclude any entry or exit fees payable with respect to the subscription and redemption of shares in the Company. Redemptions from the Company are recorded gross of any exit fees payable after the redemption of shares. The price at which shares are subscribed or redeemed is calculated by reference to the net asset value per share as at the close of business on the relevant dealing day. The basis adopted by the Company in arriving at the net asset value per share for subscription and redemption purposes during the period may not be the same as the accounting principles adopted for the preparation of these financial statements.

(k) Related parties

For the purposes of these financial statements, a party is considered to be related to the Company if:

- (i) the party has the ability, directly or indirectly through one or more intermediaries, to control the Company or exercise significant influence over the Company in making financial and operating policy decisions, or has joint control over the Company;
- (ii) the Company and the party are subject to common control;
- (iii) the party is a subsidiary, an associate of the Company or a joint venture in which the Company are venturers;
- (iv) the party is a member of key management personnel of the Company, or a close family member of such an individual, or is an entity under the control, joint control or significant influence of such individuals; or
- (v) the party is a close family member of a party referred to in (i) or is an entity under the control, joint control or significant influence of such individuals. Close family members of an individual are those family members who may be expected to influence, or be influenced by, that individual in their dealings with the Company.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 September 2011 (in US Dollars)

3. FINANCIAL RISK MANAGEMENT

The Funds' activities expose them to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk.

The Funds are exposed to various risks which are discussed below.

(a) Market price risk

Market price risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to the individual instrument or factors affecting all instruments in the market.

All securities investments present a risk of loss of capital. Each Fund's market price risk is managed through (i) deliberate securities selection, and (ii) diversification of the investment portfolio. The Manager monitors the Funds' market positions on a daily basis.

At the end of the reporting period, the overall market exposures for the Funds were as follows:

	<u>2011</u>		<u>2010</u>	
	Fair value	% of net assets	Fair value	% of net assets
<u>Global Balanced Portfolio</u>				
- Equity funds				
- United States	615,122	26.39%	273,500	10.61%
- Asia Pacific	640,326	27.48%	387,615	15.03%
- Europe	395,966	16.98%	442,712	17.17%
- Other	116,240	4.99%	142,960	5.55%
- Bond funds	378,946	16.26%	912,061	35.38%
	2,146,600	92.10%	2,158,848	83.74%

	<u>2011</u>		<u>2010</u>	
	Fair value	% of net assets	Fair value	% of net assets
<u>Global Opportunities Portfolio</u>				
- Equity funds				
- United States	619,701	33.62%	389,532	18.98%
- Asia Pacific	429,930	23.31%	279,242	13.62%
- Europe	319,666	17.34%	550,933	26.84%
- Other	283,147	15.36%	440,475	21.46%
	1,652,444	89.63%	1,660,182	80.90%

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 September 2011 (in US Dollars)

3. FINANCIAL RISK MANAGEMENT (CONTINUED)**(a) Market price risk (continued)**

The table below shows increase/decrease of net asset attributable to holders of participating shares which based on the assumption that the price of the investments had increased/decreased by 5% with all other variables held constant. The assumption is based on the historical experience and various other factors that are believed to be reasonable.

	<u>2011</u>	<u>2010</u>
	Estimated impact increase/ decrease	Estimated impact increase/ decrease
Global Balanced Portfolio	107,330	107,942
Global Opportunities Portfolio	82,622	83,009

The Manager has used its view of what would be a “reasonable shift” in each key market to estimate the change for use in the market sensitivity analysis above.

Disclosures above are shown in absolute terms, changes and impacts could be positive or negative.

(b) Interest rate risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates.

The majority of the Funds’ financial assets are non-interest bearing. As a result, the Funds are not subject to significant amounts of risk due to fluctuations in the prevailing levels of market interest rates. Any excess cash and cash equivalents are invested at short-term market interest rates.

At 30 September 2011, Global Balanced Portfolio and Global Opportunities Portfolio had cash and cash equivalents of \$199,582 and \$204,735 (2010: \$141,069 and \$271,473) respectively and are therefore exposed to interest rate risk on these cash and cash equivalents.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 September 2011 (in US Dollars)

3. FINANCIAL RISK MANAGEMENT (CONTINUED)**(c) Credit risk**

Credit risk is the risk that an issuer or counterparty will be unable or unwilling to pay amounts in full when due and cause the other party to incur a financial loss.

The Funds' financial assets which are potentially subject to concentrations of credit risk consist principally of bank deposits and assets held with the sub-custodian.

The Funds limit their exposure to credit risk by transacting with well-established broker-dealers and banks with high credit ratings. Impairment provisions are provided for losses that have been incurred by the end of the reporting period, if any.

Financial assets which potentially subject the Funds to concentrations of credit risk consist principally of deposits placed with the sub-custodian and investments held by the sub-custodian. The Funds' deposits are placed with RBC Dexia Investor Services Bank S.A. and investments are placed with RBC Dexia Trust Services Hong Kong Limited, all of which are high credit quality financial institutions.

The Fund manager monitors the credit rating of these banks on an ongoing basis.

The Fund manager considers that the Funds' exposure to credit risk at 30 September 2011 and 2010 is/was minimal.

(d) Liquidity risk

Liquidity risk is the risk that an enterprise will encounter difficulty in settling a liability, including a redemption request, or selling a financial asset quickly at close to its fair value.

The Funds' activities expose them to weekly cash redemptions of units in the Funds. The Funds invest the majority of their assets in investments that are traded in an active market and can be readily disposed of. The Manager monitors the Funds' liquidity positions on a daily basis.

The table below analyses the Funds' financial liabilities into relevant maturity groupings based on the remaining period at the year end date to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 September 2011 (in US Dollars)

3. FINANCIAL RISK MANAGEMENT (CONTINUED)

(d) Liquidity risk (continued)

At 30 September 2011

Global Balanced Portfolio	<u>Less than 3 months</u>	<u>No stated maturity</u>
Accruals and other payables	18,247	-
Amounts payable on redemption	1,756	-
Net assets attributable to shareholders (at last traded market price)	-	<u>2,330,675</u>
	<u>20,003</u>	<u>2,330,675</u>

Global Opportunities Portfolio

Accruals and other payables	16,070	-
Amounts payable on redemption	454	-
Net assets attributable to shareholders (at last traded market price)	-	<u>1,843,706</u>
	<u>16,524</u>	<u>1,843,706</u>

At 30 September 2010

Global Balanced Portfolio

Accruals and other payables	16,835	-
Amounts payable on redemption	1,902	-
Net assets attributable to shareholders (at last traded market price)	-	<u>2,578,171</u>
	<u>18,737</u>	<u>2,578,171</u>

Global Opportunities Portfolio

Accruals and other payables	14,878	-
Net assets attributable to shareholders (at last traded market price)	-	<u>2,052,140</u>
	<u>14,878</u>	<u>2,052,140</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 September 2011 (in US Dollars)

3. FINANCIAL RISK MANAGEMENT (CONTINUED)

(e) Currency risk

Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates.

The Funds hold assets denominated in currencies other than their functional currencies and are therefore exposed to currency risk. The Manager monitors the Funds' currency positions on a daily basis.

The following tables summarise the Funds' on-balance sheet exposure to currency risk.

At 30 September 2011

Global Balanced Portfolio	USD US\$	EUR US\$	GBP US\$	HKD US\$	Total
Assets					
Cash at bank	47,309	-	144,851	7,422	199,582
Investments	1,324,857	170,485	461,328	189,930	2,146,600
Other assets	1,207	-	637	-	1,844
Total assets	1,373,373	170,485	606,816	197,352	2,348,026
Liabilities (excluding net assets attributable to shareholders)					
Accruals and other payables	(18,247)	-	-	-	(18,247)
Amounts payable on redemption	(1,756)	-	-	-	(1,756)
Total liabilities	(20,003)	-	-	-	(20,003)
Adjustments from bid market prices to last traded market prices	2,498	-	-	154	2,652
Net assets attributable to shareholders (at last traded market prices)	1,355,868	170,485	606,816	197,506	2,330,675

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 September 2011 (in US Dollars)

3. FINANCIAL RISK MANAGEMENT (CONTINUED)

(e) Currency risk (continued)

At 30 September 2011

Global Opportunities Portfolio	USD US\$	EUR US\$	GBP US\$	HKD US\$	Total
Assets					
Cash at bank	48,618	-	128,155	27,962	204,735
Investments	906,515	154,313	433,341	158,275	1,652,444
Other assets	1,207	-	467	-	1,674
Total assets	956,340	154,313	561,963	186,237	1,858,853
Liabilities (excluding net assets attributable to shareholders)					
Accruals and other payables	(16,070)	-	-	-	(16,070)
Amounts payable on redemption	(454)	-	-	-	(454)
Total liabilities	(16,524)	-	-	-	(16,524)
Adjustments from bid market prices to last traded market prices	1,249	-	-	128	1,377
Net assets attributable to shareholders (at last traded market prices)	941,065	154,313	561,963	186,365	1,843,706

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 September 2011 (in US Dollars)

3. FINANCIAL RISK MANAGEMENT (CONTINUED)

(e) Currency risk (continued)

At 30 September 2010

Global Balanced Portfolio	USD US\$	EUR US\$	GBP US\$	HKD US\$	Total
Assets					
Cash at bank	128,025	-	12,911	133	141,069
Investments	1,175,697	189,410	406,125	387,616	2,158,848
Amounts receivable on sales	292,848	-	-	-	292,848
Other assets	1,217	-	-	-	1,217
Total assets	1,597,787	189,410	419,036	387,749	2,593,982
Liabilities (excluding net assets attributable to shareholders)					
Accruals and other payables	(16,835)	-	-	-	(16,835)
Amounts payable on redemption	(1,902)	-	-	-	(1,902)
Total liabilities	(18,737)	-	-	-	(18,737)
Adjustments from bid market prices to last traded market prices	2,771	-	-	155	2,926
Net assets attributable to shareholders (at last traded market prices)	1,581,821	189,410	419,036	387,904	2,578,171

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 September 2011 (in US Dollars)

3. FINANCIAL RISK MANAGEMENT (CONTINUED)**(e) Currency risk (continued)****At 30 September 2010**

Global Opportunities Portfolio	USD US\$	EUR US\$	GBP US\$	HKD US\$	Total
Assets					
Cash at bank	267,706	-	1,458	2,309	271,473
Investments	686,129	171,442	523,368	279,243	1,660,182
Amounts receivables on sales	133,382	-	-	-	133,382
Other assets	1,217	-	-	-	1,217
Total assets	1,088,434	171,442	524,826	281,552	2,066,254
Liabilities (excluding net assets attributable to shareholders)					
Accruals and other payables	(14,878)	-	-	-	(14,878)
Adjustments from bid market prices to last traded market prices	764	-	-	-	764
Net assets attributable to shareholders (at last traded market prices)	1,074,320	171,442	524,826	281,552	2,052,140

The Funds' net exposure to each currency other than Hong Kong dollars ("HK\$") and US\$ at the date of the statement of assets and liabilities and their estimated impact to net assets attributable to shareholders had the HK\$ and US\$ weakened by 5% (2010:5%) are illustrated below. The analysis was performed on the same basis as 2010.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 September 2011 (in US Dollars)

3. FINANCIAL RISK MANAGEMENT (CONTINUED)**(e) Currency risk (continued)**

	<u>2011</u>	<u>2010</u>
Global Balanced Portfolio		
Euro	8,524	9,471
Pound Sterling	30,341	20,952
	<hr/> <hr/>	<hr/> <hr/>
Global Opportunities Portfolio		
Euro	7,716	8,572
Pound Sterling	28,098	26,241
	<hr/> <hr/>	<hr/> <hr/>

As HK\$ is pledged to US\$, the Funds do not expect any significant movement in HK\$/US\$ exchange rate. A 5% appreciation of HK\$ against the above currencies would have resulted in an equal but opposite effect on the financial statements, on the basis that all other variables remain constant.

(f) Capital risk management

The primary objective of the Funds' capital management is to safeguard the Funds' ability to continue as a going concern and to maintain healthy capital ratios in order to support its business and maximise shareholders value. To maintain or adjust the capital structure, the Manager may adjust the investments held. The overall objectives of the capital risk management process did not change during the year ended 30 September 2010 and 2011. The Manager defines capital as the net assets attributable to shareholders of participating shares.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 September 2011 (in US Dollars)

3. FINANCIAL RISK MANAGEMENT (CONTINUED)

(g) Categories of financial instruments

The carrying amounts of each of the categories of financial instruments as at the end of the reporting period are as follows:

	Global Balanced Portfolio		Global Opportunities Portfolio	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
<u>Financial assets</u>				
<i>Financial assets at fair value through profit or loss</i>				
- Investments				
- Equity funds	1,767,654	1,246,787	1,652,444	1,660,182
- Bond funds	378,946	912,061	-	-
<i>Loans and receivables</i>				
- Amounts receivable on sales	-	292,848	-	133,382
- Other receivables	637	-	467	-
- Cash and short term deposits	199,582	141,069	204,735	271,473
<u>Financial liabilities</u>				
<i>Amortised costs</i>				
- Accruals and other payables	18,247	16,835	16,070	14,878
- Amounts payable on redemption	1,756	1,902	454	-

(h) Fair value estimation

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- 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).

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 September 2011 (in US Dollars)

3. FINANCIAL RISK MANAGEMENT (CONTINUED)

(h) Fair value estimation (continued)

The following table presents the Funds' assets and liabilities that are measured at fair value at 30 September 2011.

At 30 September 2011

Global Balanced Portfolio

<u>Assets</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<i>Financial assets at fair value through profit or loss</i>				
- Investments				
- Equity funds	698,017	1,069,637	-	1,767,654
- Bond funds	168,480	210,466	-	378,946
	866,497	1,280,103	-	2,146,600

Global Opportunities Portfolio

<u>Assets</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<i>Financial assets at fair value through profit or loss</i>				
- Investments				
- Equity funds	663,981	988,463	-	1,652,444

At 30 September 2010

Global Balanced Portfolio

<u>Assets</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<i>Financial assets at fair value through profit or loss</i>				
- Investments				
- Equity funds	515,810	730,977	-	1,246,787
- Bond funds	-	912,061	-	912,061
	515,810	1,643,038	-	2,158,848

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 September 2011 (in US Dollars)

3. FINANCIAL RISK MANAGEMENT (CONTINUED)

(h) Fair value estimation (continued)

At 30 September 2010 (continued)

Global Opportunities Portfolio

<u>Assets</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<i>Financial assets at fair value through profit or loss</i>				
- Investments				
- Equity funds	450,932	1,209,250	-	1,660,182

The fair value of financial instruments traded in active markets is based on quoted market prices at the end of the reporting period. A market is regarded as active 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 quoted market price used for financial assets held by the Funds is the current bid price. These instruments are included in level 1.

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2. The fair value of level 2 investments is valued at their closing bid prices as provided by the administrators of such funds.

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. The Funds had no investments that would be classified as level 3.

During the year, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3.

The Managers consider that the carrying amounts of other financial assets and financial liabilities recorded at amortised cost in the financial statements approximate their fair values.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 September 2011 (in US Dollars)

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Funds make estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions may have a risk of causing an adjustment to the carrying amounts of assets and liabilities during the year.

5. INVESTMENTS**Global Balanced Portfolio**

	<u>2011</u>	<u>2010</u>
<u>Equity funds</u>		
At cost	1,604,196	1,089,349
Unrealised gain	<u>163,458</u>	<u>157,438</u>
	<u>1,767,654</u>	1,246,787
<u>Bond funds</u>		
At cost	216,982	559,874
Unrealised gain	<u>161,964</u>	<u>352,187</u>
	<u>378,946</u>	912,061
Total investments, at fair value	<u>2,146,600</u>	<u>2,158,848</u>

Fair value changes on financial assets at fair value through profit or loss:

- Realised gain/(loss)	109,783	(97,404)
- Change in unrealised (loss)/gain	<u>(187,129)</u>	<u>298,307</u>
Total (loss)/gain	<u>(77,346)</u>	200,903

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 September 2011 (in US Dollars)

5. INVESTMENTS (CONTINUED)

Global Opportunities Portfolio

	<u>2011</u>	<u>2010</u>
<u>Equity funds</u>		
At cost	1,512,163	1,321,896
Unrealised gain	140,281	338,286
Total investments, at fair value	1,652,444	1,660,182

Fair value changes on financial assets at fair value through profit or loss:

- Realised gain	76,294	62,704
- Change in unrealised (loss)/gain	(198,769)	110,403
Total (loss)/gain	(122,475)	173,107

6. ADJUSTMENT FROM BID MARKET PRICES TO LAST TRADED MARKET PRICES

In accordance with the Company's Articles of Association, the value of any investments quoted, listed or normally dealt in any stock exchange and over the counter shall be stated at the last traded price on such market on the valuation day for the purpose of determining net asset value per share for subscriptions and redemptions and for various fee calculations. However, as stated in note 2(c) the accounting policy of the Company for the purpose of financial statements preparation in compliance with HKFRSs is to value its investments at the relevant bid market prices on the year end date. The difference between the valuations of these investment positions as prescribed by HKFRS and as disclosed in note 2(c), and the valuation methodology indicated in the Company's Articles of Association results in a decrease in value of investments of the Funds as follows:

	<u>2011</u>	<u>2010</u>
Global Balanced Portfolio	(2,652)	(2,926)
Global Opportunities Portfolio	(1,377)	(764)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 September 2011 (in US Dollars)

7. CUSTODIAN AND REGISTRAR'S FEES

The Company has engaged the services of Butterfield Fulcrum Group (Cayman) Limited to act as Custodian and Registrar for a fee. Butterfield Fulcrum Group (Cayman) Limited is a wholly owned subsidiary of Butterfield Fulcrum Group (Holdings) Limited.

With effect from 1 October 2009, the custodian fee is payable monthly in arrears and is calculated at 0.05% per annum on the each underlying Fund's net asset value, subject to a minimum annual charge of \$10,000.

The registrar's fee is charged at \$3,000 per annum per underlying Fund.

8. MANAGER'S FEE

The Manager, Private Capital Portfolio Management Limited, is entitled to receive a fee which is calculated at 1.5% per annum of the net asset value of each underlying Fund.

Total management fees of the Global Balanced Portfolio and Global Opportunities Portfolio for the year ended 30 September 2011 amounted to \$40,217 and \$32,372 (2010: \$37,021 and \$29,130) respectively, with \$9,904 and \$7,967 (2010: \$9,281 and \$7,328) respectively in outstanding accrued fees due to the Manager at the end of the reporting period.

9. SHARE CAPITAL

	<u>2011</u>	<u>2010</u>
Authorised:		
100 founders' shares of \$1 each	100	100
89,990,000 unclassified redeemable preference shares of \$0.01 each	<u>899,900</u>	<u>899,900</u>
	<u>900,000</u>	<u>900,000</u>
Issued and fully paid:		
100 founders' shares of \$1 each	<u>100</u>	<u>100</u>
546,678 (2010: 563,425) participating shares of \$0.01 each	<u>5,467</u>	<u>5,635</u>

The founders' shares have been issued to the Manager at par. They have no dividend rights but entitle the holder to vote at the general meetings of the Company. The proceeds of the issued shares are represented by a separate Founders' Fund which is included in share capital.

Unclassified redeemable preference shares may be issued as either participating shares or as nominal shares. Nominal shares may be converted into participating shares by the Manager.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 September 2011 (in US Dollars)

9. SHARE CAPITAL (CONTINUED)

Participating shares are allotted or redeemed on any subscription date at the respective issue price or redemption price prevailing for the participating shares of the relevant class. Both the issue and redemption prices are calculated in accordance with the provisions of the Articles of Association of the Company. Participating shares carry full dividend and voting rights.

Participating shares have been issued in the following classes:

	Number of shares				Nominal value of shares			
	Global Balanced Portfolio		Global Opportunities Portfolio		Global Balanced Portfolio		Global Opportunities Portfolio	
	2011	2010	2011	2010	2011	2010	2011	2010
At beginning of the year	308,076	318,167	255,349	256,282	3,081	3,182	2,554	2,563
Issued during the year	8,176	2,750	-	-	82	27	-	-
Redeemed during the year	(22,258)	(12,841)	(2,665)	(933)	(223)	(128)	(27)	(9)
At end of the year	293,994	308,076	252,684	255,349	2,940	3,081	2,527	2,554

10. CAPITAL RESERVE

	Global Balanced Portfolio		Global Opportunities Portfolio	
	2011	2010	2011	2010
	At beginning of the year	2,575,090	2,482,312	2,049,586
Net redemption during the year	(126,160)	(82,825)	(21,943)	(7,099)
Net (loss)/profit for the year transferred from revenue statement	(121,195)	175,603	(186,464)	110,048
At end of the year	2,327,735	2,575,090	1,841,179	2,049,586

11. SUMMARY OF SIGNIFICANT TRANSACTIONS WITH CONNECTED PERSONS

The following is a summary of significant transactions entered into during the year between the Funds and the connected persons of the Manager. All such transactions were entered into in the ordinary course of business.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 September 2011 (in US Dollars)

11. SUMMARY OF SIGNIFICANT TRANSACTIONS WITH CONNECTED PERSONS (CONTINUED)

- (a) During the year, the Funds utilised the brokerage services of Platinum Broking Company Limited, an associate of the Manager of the Funds. Details of the transactions effected through the associate were as follows:

	Global Balanced Portfolio		Global Opportunities Portfolio	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Aggregate value of transactions of the Funds during the year	1,201,544	3,733,388	999,045	3,467,358
Aggregate value of transactions effected through associate	255,990	354,442	162,038	255,388
Transactions with associate as a percentage of total transactions of the Funds during the year	21.31%	9.49%	16.22%	7.37%
Total brokerage commission in respect of the Funds	922	1,803	583	1,727
Total brokerage commission paid to associate	640	886	405	638
Total brokerage commission paid to associate as a percentage of total brokerage commission in respect of the Funds	69.41%	49.14%	69.47%	36.94%

- (b) Average rate of commission at 0.25% subject to a minimum charge of \$13 (2010: \$13) per Hong Kong equity transaction.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 September 2011 (in US Dollars)

11. SUMMARY OF SIGNIFICANT TRANSACTIONS WITH CONNECTED PERSONS (CONTINUED)

(c) The participating shares held by connected person were as follows:

Global Balanced Portfolio

For the year ended 30 September 2011

	Number of shares at the start of year	Number of shares acquired in the year	Number of shares redeemed in the year	Number of shares at year end	Number of shares at year end at %
<u>Associate of the Manager of the Funds</u>					
Platinum Broking Company Limited	110,750	7,950	-	118,700	40.37%

For the year ended 30 September 2010

<u>Associate of the Manager of the Funds</u>					
Platinum Broking Company Limited	108,000	2,750	-	110,750	35.95%

Global Opportunities Portfolio

For the year ended 30 September 2011

	Number of shares at the start of year	Number of shares acquired in the year	Number of shares redeemed in the year	Number of shares at year end	Number of shares at year end at %
<u>Associate of the Manager of the Funds</u>					
Platinum Broking Company Limited	106,000	-	-	106,000	41.95%

For the year ended 30 September 2010

<u>Associate of the Manager of the Funds</u>					
Platinum Broking Company Limited	106,000	-	-	106,000	41.51%

(d) All of the above transactions with associates have been entered into in the ordinary course of business and on normal commercial terms.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 September 2011 (in US Dollars)

11. SUMMARY OF SIGNIFICANT TRANSACTIONS WITH CONNECTED PERSONS (CONTINUED)

- (e) For the year ended 30 September 2011, the income accruing to the Manager relating to allotments and redemptions in the Company's participating shares amounted to \$1,111 (2010: \$551).
- (f) The Manager is entitled to receive remuneration from the Company for its services as the Manager of the Company. Messrs. C.M. Liu and R.H.L. Thomas are directors of the Manager.

The Manager is required to pay remuneration to Access Investment Management (H.K.) Limited ("Access HK") for its services as the Investment Manager and Hong Kong Representative of the Company. Messrs. C.M. Liu and R.H.L. Thomas are directors of Access HK.

Compensation of key management personnel

The key management personnel of the Company are the directors.

For the years ended 30 September 2011 and 2010, no remuneration was paid to Messrs. C.M. Liu and R. H. L. Thomas.

12. SOFT COMMISSION ARRANGEMENTS

There were no soft commission arrangements in connection with directing transactions of the Company through a broker or dealer for the years ended 30 September 2011 and 2010.

13. BANK LOANS, OVERDRAFTS AND OTHER BORROWINGS

The Company had no bank loans, overdrafts or other borrowings at 30 September 2011 (2010: Nil).

14. SECURITY LENDING ARRANGEMENTS

At 30 September 2011, the Company did not enter into any security lending arrangements (2010: Nil).

15. NEGOTIABILITY OF ASSETS

At 30 September 2011, there was no statutory or contractual requirement restricting the negotiability of the assets of the Company (2010: Nil).

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 September 2011 (in US Dollars)

16. COMMITMENTS

The Company had no material commitments at 30 September 2011 (2010: Nil).

17. CONTINGENT LIABILITIES

The Company had no material contingent liabilities at 30 September 2011 (2010: Nil).

18. DISTRIBUTIONS

No distribution was made during the year (2010: Nil).

19. EVENTS AFTER THE REPORTING PERIOD

Subsequent to the end of the reporting period on 30 September 2011, the unaudited net asset value of Global Balanced Portfolio and Global Opportunities Portfolio, as referred to the management accounts of the Funds was \$2,464,852 and \$1,939,687 respectively as at 10 January 2012. The unaudited net asset value per participating share was \$8.40 and \$7.69 respectively as at 10 January 2012.

20. INFORMATION ACCOMPANYING INDEPENDENT AUDITORS' REPORT AND FINANCIAL STATEMENTS (pages one to seven)

The information accompanying the Independent Auditors' Report and Financial Statements contains unaudited information except as noted or referenced on pages 8 to 40.

----- End of Notes -----

ADMINISTRATOR AND OTHER PARTIES
(For information only)Manager

Private Capital Portfolio Management Limited
Rosebank Centre
11 Bermudiana Road
Pembroke
Bermuda

Custodian, Registrar and Principal Office

Butterfield Fulcrum Group (Cayman) Limited
Butterfield House
68 Fort Street
P.O. Box 609
George Town Grand Cayman
Cayman Islands

Investment Manager and Hong Kong Representative

Access Investment Management
(H.K.) Limited
22/F Standard Chartered Bank Building
4 Des Voeux Road Central
Hong Kong

Sub-Registrar

RBC Dexia Corporate Services
Hong Kong Limited
51/F Central Plaza
18 Harbour Road
Wanchai
Hong Kong

Sub-Custodian and Hong Kong Distribution Agent

RBC Dexia Trust Services
Hong Kong Limited
51/F Central Plaza
18 Harbour Road
Wanchai
Hong Kong

Independent Auditors

Rankin Berkower (Cayman) Ltd
Cororate Plaza, 1st Floor
24 Howard Street, George Town
P.O. Box 30349,
Grand Cayman KY1-1202,
Cayman Islands

Secretary

Fund Secretaries Limited (Appointed on
18 May 2011)
Butterfield House
68 Fort Street
P.O. Box 609
Grand Cayman KY1-1107
Cayman Islands

Directors of the Company

R.H.L. Thomas
C.M. Liu
S.W. God (Alternate director to
Mr. R.H.L. Thomas)

Field Secretaries (Cayman) Limited (Resigned
on 18 May 2011)
Butterfield House
68 Fort Street
P.O. Box 705
George Town Grand Cayman
Cayman Islands

Registered Office

Butterfield House
68 Fort Street
P.O. Box 609
Grand Cayman KY1-1107
Cayman Islands

