Capital International℠

Capital International Global Equities Fund

Audited Annual Report 2011

For the year ended 30 June 2011

ARSN 128 860 355

Capital International Global Equities Fund

Audited Annual Report for the year ended 30 June 2011

Contents

This audited annual report covers the Capital International Global Equities Fund as an individual entity.

The Responsible Entity of Capital International Global Equities Fund is WHTM Capital Management Limited (ABN 29 082 494 362). The Responsible Entity's registered office is Level 38, 71 Eagle Street, Brisbane, QLD 4000.

A Message to Unitholders from Capital International

For the year ended 30 June 2011

The last 12 months have been marked by a shocking natural disaster in Japan, escalating unrest across the Middle East and North Africa, an ongoing debt crisis in Europe and uncertainty around the health of the U.S. economy. Clearly, recent events have shown the world remains an uncertain place.

Nevertheless, many long-term investors know well that surprise, change and the unexpected are the norm, not the exception. There has been no shortage of traumatic events over the past 50 years. But decade after decade, global markets have demonstrated their ability to climb a "wall of worry". In March 2009, while still in the midst of the global financial crisis, markets around the world rebounded strongly as companies began to produce solid earnings results.

Despite the fragile macroeconomic environment, well-managed companies in global industries are expanding to where they can find growth opportunities, including in the developing nations which are fueling world growth. Markets have learned that as the world becomes more integrated, where a company is domiciled is less important than where it does its business. And while economic and political events have commanded attention recently, the investment professionals at Capital International remain focused on investing in companies with sustainable growth prospects, strong cash flow and healthy balance sheets, wherever they are.

Uncertainty will always be a factor when investing. Nevertheless, investing in a globally diverse portfolio of some of the world's leading companies is a time-tested approach that has shown to reward patient investors over the long-term.

Directors' report

For the year ended 30 June 2011

The directors of WHTM Capital Management Limited (a wholly-owned subsidiary of Wilson HTM Investment Group Ltd), the Responsible Entity of the Capital International Global Equities Fund, present their report together with the financial statements of Capital International Global Equities Fund (the "Fund") for the year ended 30 June 2011.

Principal activities

The Fund is a registered managed investment scheme domiciled in Australia.

The Fund invests primarily in shares of companies listed on stock exchanges around the world, but will also have some exposure to cash. The Fund uses forward exchange contracts to facilitate settlement of stock purchases and to reduce currency risk on specific investments within the portfolio.

The investment objective of the Fund is to seek to achieve long-term capital growth through investment primarily in listed equities, researched and selected on a worldwide basis.

Capital International, Inc. is the Investment Manager of the Fund.

The Fund did not have any employees during the year.

There were no significant changes in the nature of the Fund's activities during the year.

Directors

The following persons held office as directors of WHTM Capital Management Limited during the year or since the end of the year and up to the date of this report:

Mr A Sweeney (resigned 17 December 2010, appointed 12 April 2011, resigned 6 May 2011)
Mr I Harrison (resigned 15 October 2010)
Ms K Penrose (appointed 30 April 2010)
Ms M Brady (appointed 15 October 2010)
Ms A Roberts (appointed 17 December 2010)
Mr D Holmes (appointed 21 January 2011, resigned 12 April 2011)

The Responsible Entity also has a Compliance Committee consisting of the General Manager and two independent persons. This Committee's role is to oversee the compliance requirements of the Fund operated by the Responsible Entity. This Committee met five times during the financial year under review.

Review and results of operations

There have been no significant changes to the operations of the Fund since the previous financial period. The Fund continued to invest funds in accordance with target asset allocations as set out in the governing documents of the Fund and in accordance with the provisions of the Fund Constitution.

The performance of the Fund, as represented by the results of its operations, was as follows for the year ended 30 June:

	2011	2010
Net operating profit before financing costs attributable to unitholders ($'000)	2,356	11,337
Distributions paid and payable ($'000)	3,693	12,254
Distributions (cents per unit)	0.7763	3.0997

Significant changes in state of affairs

During the financial year under review, the Responsible Entity appointed a new fund administrator beginning 7 February 2011.

In the opinion of the directors, there were no other significant changes in the state of affairs of the Fund that occurred during the financial year under review.

Matters subsequent to the end of the financial year

Except as disclosed in Note 15 in the financial statements, no other matter or circumstance has arisen since 30 June 2011 that has significantly affected, or may significantly affect:

- the operations of the Fund in future financial years, or
- the results of those operations in future financial years, or
- the state of affairs of the Fund in future financial years.

Likely developments and expected results of operations

The Fund will continue to be managed in accordance with the investment objectives and guidelines as set out in the governing documents of the Fund and in accordance with the provisions of the Product Disclosure Statement and the Fund Constitution.

The results of the Fund's operations will be affected by a number of factors, including the performance of investment markets in which the Fund invests. Investment performance is not guaranteed and future returns may differ from past returns. As investment conditions change over time, past returns should not be used to predict future returns.

Further information on likely developments in the operations of the Fund and the expected results of those operations have not been included in this report because the Responsible Entity believes it would be likely to result in unreasonable prejudice to the Fund.

Indemnification and insurance of officers and auditors

No insurance premiums are paid for out of the assets of the Fund in regards to insurance cover provided to either the officers of WHTM Capital Management Limited or the auditors of the Fund. So long as the officers of WHTM Capital Management Limited act in accordance with the Fund Constitution and the Law, the officers remain indemnified out of the assets of the Fund against losses incurred while acting on behalf of the Fund. The auditors of the Fund are in no way indemnified out of the assets of the Fund.

Fees paid and interests held in the Fund by the Responsible Entity or its associates

Fees paid to the Responsible Entity and its associates out of Fund property during the year are disclosed in Note 13 to the financial statements.

No fees were paid out of Fund property to the directors of the Responsible Entity during the year.

The number of interests in the Fund held by the Responsible Entity or its associates as at the end of the financial year are disclosed in Note 13 to the financial statements.

Interests in the Fund

The movement in units on issue in the Fund during the year is disclosed in Note 11 to the financial statements.

The value of the Fund's assets and liabilities is disclosed in the statement of financial position and derived using the basis set out in Note 2 to the financial statements.

Environmental regulation

The operations of the Fund are not subject to any particular or significant environmental regulations under either Commonwealth, State or Territory law.

Rounding of amounts to the nearest thousand dollars

The Fund is an entity of a kind referred to in Class Order 98/0100 (as amended), issued by the Australian Securities & Investments Commission relating to the "rounding off" of amounts in the directors' report and financial report. Amounts in the directors' report and financial statements have been rounded to the nearest thousand dollars in accordance with that Class Order, unless otherwise indicated.

Auditor's independence declaration

A copy of the Auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 6.

This report is made in accordance with a resolution of the directors.

Ms K Penrose
Director, WHTM Capital Management Limited

Brisbane
30 August 2011

Auditor's independence declaration

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As lead auditor for the audit of Capital International Global Equities Fund for the year ended 30 June 2011, I declare that to the best of my knowledge and belief, there have been:

a. no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

b. no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Capital International Global Equities Fund.

Craig Thomason
Partner
PricewaterhouseCoopers

Brisbane
30 August 2011

Statement of comprehensive income

For the year ended 30 June

	Notes	2011 $'000	2010 $'000
Investment income			
Interest income		1	15
Dividend and distribution income		8,159	6,953
Net gains on financial instruments held at fair value through profit or loss	4	1,378	9,364
Net losses on foreign exchange		(2,962)	(1,132)
Other operating income		2	17
Total investment income		**6,578**	**15,217**
Expenses			
Management fees	13	3,979	3,505
Transaction costs		117	372
Other operating expenses		126	3
Total expenses		**4,222**	**3,880**
Operating profit		**2,356**	**11,337**
Finance costs attributable to unitholders			
Distributions to unitholders	6	(3,693)	(12,254)
Decrease in net assets attributable to unitholders	11	1,337	917
Profit/(loss) for the year		**–**	**–**
Other comprehensive income		–	–
Total comprehensive income		**–**	**–**

The above statement of comprehensive income should be read in conjunction with the accompanying notes.

Statement of financial position

As at 30 June

	Notes	2011 $'000	2010 $'000
Assets			
Cash and cash equivalents	7	20,831	11,516
Receivables	9	2,869	5,014
Financial assets held at fair value through profit or loss	8	402,680	387,571
Total assets		**426,380**	**404,101**
Liabilities			
Distributions payable	6	3,309	12,254
Payables	10	3,472	2,205
Financial liabilities held at fair value through profit or loss	8	78	–
Total liabilities (excluding net assets attributable to unitholders)		**6,859**	**14,459**
Net assets attributable to unitholders – liability	**11**	**419,521**	**389,642**

The above statement of financial position should be read in conjunction with the accompanying notes.

Statement of changes in equity

For the year ended 30 June

	2011 $'000	2010 $'000
Total equity at the beginning of the financial year	**–**	**–**
Profit/(loss) for the year	–	–
Other comprehensive income	–	–
Total comprehensive income	–	–
Transactions with owners in their capacity as owners	–	–
Total equity at the end of the financial year	**–**	**–**

In accordance with AASB 132 'Financial Instruments: Presentation', net assets attributable to unitholders is classified as a liability rather than equity. As a result there was no equity at the start or end of the year.

Changes in net assets attributable to unitholders are disclosed in Note 11.

The above statement of changes in equity should be read in conjunction with the accompanying notes.

Statement of cash flows

For the year ended 30 June

	Notes	2011 $'000	2010 $'000
Cash flows from operating activities			
Proceeds from maturity/sales of financial instruments held at fair value through profit or loss		244,492	246,460
Purchase of financial instruments held at fair value through profit or loss		(253,935)	(348,258)
Transaction costs on financial instruments held at fair value through profit or loss		(117)	(372)
Dividend and distribution income received		8,204	6,336
Interest received		5	12
Other income received		2	17
Net cash settlement of forward foreign exchange contracts		(392)	3,173
Management fees paid		(3,953)	(2,764)
RITC paid		(2)	(25)
Operating expenses paid		(126)	(4)
Net cash outflow from operating activities	**14 (a)**	**(5,822)**	**(95,425)**
Cash flows from financing activities			
Proceeds from applications by unitholders		236,920	234,795
Payments for redemptions by unitholders		(217,551)	(135,731)
Distributions paid		(916)	(10)
Net cash inflow from financing activities		**18,453**	**99,054**
Net increase in cash and cash equivalents		**12,631**	**3,629**
Cash and cash equivalents at the beginning of the year		11,516	9,095
Effect of exchange rate fluctuations on cash		(3,316)	(1,208)
Cash and cash equivalents at the end of the year	**14 (b), 7**	**20,831**	**11,516**

The above statement of cash flows should be read in conjunction with the accompanying notes.

Notes to the financial statements

1) General information

These financial statements cover Capital International Global Equities Fund (the "Fund") as an individual entity and the financial statements are presented in Australian currency. The Fund was constituted on 7 December 2007 and commenced operations on 21 April 2009.

The Responsible Entity of the Fund is WHTM Capital Management Limited (the "Responsible Entity"). The Responsible Entity's registered office is Level 38, 71 Eagle Street, Brisbane, QLD 4000.

The Responsible Entity is incorporated and domiciled in Australia.

The Investment Manager of the Fund is Capital International, Inc.

The Fund invests primarily in shares of companies listed on stock exchanges around the world, but will also have some exposure to cash. The Fund uses forward exchange contracts to facilitate settlement of stock purchases and to reduce currency risk on specific investments within the portfolio.

The investment objective of the Fund is to seek to achieve long-term capital growth through investment primarily in listed equities, researched and selected on a worldwide basis.

The financial statements were authorised for issue by the directors on 30 August 2011. The directors of the Responsible Entity have the power to amend the financial statements after they have been issued.

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 the year presented, unless otherwise stated in the following text.

a. Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, Urgent Issues Group Interpretations and the *Corporations Act 2001* in Australia.

The financial statements are prepared on the basis of fair value measurement of assets and liabilities except where otherwise stated.

The statement of financial position is presented on a liquidity basis. Assets and liabilities are presented in decreasing order of liquidity and are not distinguished between current and non-current. All balances are generally expected to be recovered or settled within twelve months, except for investments in financial assets and net assets attributable to unitholders. The amount expected to be recovered or settled in relation to these balances cannot be reliably determined.

Financial statement presentation

The Fund has applied the revised AASB 101 *Presentation of Financial Statements* which became effective on 1 January 2009. The revised standard requires the separate presentation of a statement of comprehensive income and a statement of changes in equity. All non-owner changes in equity must now be presented in the statement of comprehensive income. As a consequence, the Fund had to change the presentation of its financial statements. Comparative information has been re-presented so that it is also in conformity with the revised standard.

Compliance with International Financial Reporting Standards (IFRS)
The financial statements of the Fund also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

b. Financial instruments

i. Classification

The Fund investments are categorised as at fair value through profit or loss. They comprise:

- Financial instruments designated at fair value through profit or loss upon initial recognition and relating to listed international equities
- Financial instruments held for trading and relating to forward foreign exchange contracts

Financial assets and financial liabilities designated at fair value through profit or loss at inception are those that are managed and their performance evaluated on a fair value basis in accordance with the Fund's documented investment strategy. The Fund's policy is for the Responsible Entity to evaluate the information about these financial assets on a fair value basis together with other related financial information.

The information on the fair value basis is provided internally to the Fund's key management personnel.

ii. Recognition/derecognition

The Fund recognises financial assets and financial liabilities on the date they become party to the contractual agreement (trade date) and recognises changes in fair value of the financial assets or financial liabilities from this date.

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised where:

- the rights to receive cash flows from the asset have expired;
- the Fund retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a, "pass through" agreement; or
- the Fund has transferred its rights to receive cash flows from the asset and either:
  a. has transferred substantially all the risks and rewards of the asset; or
  b. has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of asset.

Any gains or losses arising on derecognition of the asset (calculated as the difference between the disposal proceeds and the carrying amount of the asset) are included in the statement of comprehensive income in the year the asset is derecognised as realised gains or losses on financial instruments.

iii. Measurement

a. Financial assets and liabilities held at fair value through profit or loss

Financial assets and liabilities held at fair value through profit or loss are measured initially at fair value excluding any transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability. Transaction costs on financial assets and financial liabilities at fair value through profit or loss are expensed immediately. Subsequent to initial recognition, all instruments held at fair value through profit or loss are measured at fair value with changes in their fair value recognised in the statement of comprehensive income.

Fair value in an active market

The fair value of financial assets and liabilities traded in active markets is based on their quoted market prices at the reporting date without any deduction for estimated future selling costs. Financial assets are priced at current bid prices, while financial liabilities are priced at current asking prices.

b. Loans and receivables

Loan assets are measured initially at fair value plus transaction costs, if any, and amortised using the effective interest rate method, less impairment losses, if any. Such assets are reviewed at each reporting date to determine whether there is objective evidence of impairment, for example, when there has been a significant or prolonged decline in the fair value below cost.

If any such indication of impairment exists, an impairment loss is recognised in the statement of comprehensive income as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the original effective interest rate.

If in a subsequent period the amount of an impairment loss recognised on a financial asset carried at amortised cost decreases and the decrease can be linked objectively to an event occurring after the write-down, the write-down is reversed through the statement of comprehensive income.

iv. Derivative financial instruments

The Fund has forward foreign exchange contracts. In accordance with its investment strategy, the Fund holds derivative financial instruments for trading purposes.

Derivative financial instruments are recognised initially at cost. Subsequent to initial recognition, derivative financial instruments are stated at fair value. The gain or loss on re-measurement to fair value is recognised immediately in the statement of comprehensive income.

v. Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position 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.

c. Net assets attributable to unitholders

Units are redeemable at the unitholders' option and are therefore classified as financial liabilities due to mandatory distributions. The units can be put back to the Fund at any time for cash equal to a proportionate share of the Fund's net assets value. The fair value of redeemable units is measured at the redemption amount that is payable (based on the redemption unit price) at the end of reporting period if unitholders exercised their right to redeem units in the Fund.

d. Cash and cash equivalents

For statement of cash flows presentation purposes, cash and cash equivalents include cash on hand, deposits held at call with financial institutions, other short term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within liabilities in the statement of financial position.

Payments and receipts relating to the purchase and sale of investment securities are classified as cash flows from operating activities, as movements in the fair value of these securities represent the Fund's main income generating activity.

e. Investment income

Interest income and expenses are recognised in the statement of comprehensive income for all financial instruments that are not held at fair value through profit or loss using the effective interest method. Other changes in fair value for such instruments are recorded in accordance with the policies described in Note 2(b).

Trust distributions are recognised on an entitlements basis.

Dividend income is recognised on the ex-dividend date net of any related foreign withholding tax.

Net gains/(losses) on financial assets and financial liabilities held at fair value through profit or loss arising on a change in fair value are calculated as the difference between the fair value at year end and the fair value at the previous valuation point. Net gains/(losses) do not include interest or dividend income. Realised and unrealised gains/(losses) are shown in Note 4 to the financial statements.

f. Expenses

All expenses, including manager's fees, are recognised in the statement of comprehensive income on an accruals basis.

g. Income tax

Under current legislation, the Fund is not subject to income tax provided the taxable income of the Fund is fully distributed either by way of cash or reinvestment (i.e. unitholders are presently entitled to the income of the Fund).

Financial instruments held at fair value may include unrealised capital gains. Should such a gain be realised, that portion of the gain that is subject to capital gains tax will be distributed so that the Fund is not subject to capital gains tax.

Realised capital losses are not distributed to unitholders but are retained in the Fund to be offset against any realised capital gains. If realised capital gains exceed realised capital losses, the excess is distributed to unitholders.

The benefits of imputation credits and foreign tax paid are passed on to unitholders.

h. Distributions

In accordance with the Fund's Constitution, the Fund distributes its distributable (taxable) income, and any other amounts determined by the Responsible Entity, to unitholders by cash or reinvestment. The distributions are recognised in the statement of comprehensive income as finance costs attributable to unitholders.

i. Increase/(decrease) in net assets attributable to unitholders

Movements in net assets attributable to unitholders are recognised in the statement of comprehensive income as part of finance costs. The movements include undistributable income which may consist of undistributable unrealised changes in fair value of financial instruments held at fair value through profit or loss and derivative financial instruments; accrued income not yet assessable; expenses provided or accrued for which are not yet deductible; net capital losses; and tax free or tax deferred income. Net capital gains on the realisation of any financial instruments (including any adjustments for tax deferred income previously taken directly to net assets attributable to unitholders) and accrued income not yet assessable will be included in the determination of distributable income in the same year in which it becomes assessable for tax.

j. Due from/to brokers

Amounts due from/to brokers represent payables for securities purchased and receivables for securities sold that have been contracted for but not yet delivered by the end of the year. Trades are recorded on trade date, and normally settled on terms consistent with the applicable exchange through which the trade was conducted. A provision for impairment of amounts due from brokers is established when there is objective evidence that the Fund will not be able to collect all amounts due from the relevant broker. Significant financial difficulties of the broker, probability that the broker will enter bankruptcy or financial reorganisation, and default in payments are considered indicators that the amount due from brokers is impaired.

k. Receivables

Receivables may include amounts for dividends, interest, trust distributions and amounts due from brokers. Dividends and trust distributions are accrued when the right to receive payment is established. Interest is accrued at the reporting date from the time of last payment in accordance with the policy set out in Note 2(e) above. Amounts are generally received within 30 days of being recorded as receivables.

Receivables include such items as Reduced Input Tax Credits and application monies receivable from unitholders.

l. Payables

Payables include liability amounts due to brokers and accrued expenses owing by the Fund which are unpaid as at the end of the reporting period.

The distribution amount payable to unitholders as at the reporting date is recognised separately in the statement of financial position as unitholders are presently entitled to the distributable income as at 30 June 2011 under the Fund Constitution.

m. Applications and redemptions

Applications received for units in the Fund are recorded net of any entry fees payable prior to the issue of units in the Fund. Redemptions from the Fund are recorded gross of any exit fees payable after the cancellation of units redeemed.

Unit redemption prices are determined by reference to the net assets of the Fund divided by the number of units on issue.

n. Foreign currency translation

i. Functional and presentation currency

Items included in the Fund's financial statements are measured using the currency of the primary economic environment in which it operates (the "functional currency"). This is the Australian dollar, which reflects the currency of the economy in which the Fund competes for funds and is regulated. The Australian dollar is also the Fund's 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. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translations at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income.

o. Goods and Services Tax (GST)

The GST incurred on the costs of various services provided to the Fund by third parties such as audit fees, custodial services and investment management fees have been passed onto the Fund. The Fund qualifies for Reduced Input Tax Credits (RITC) at a rate of 75% hence investment management fees, custodial fees and other expenses have been recognised in the statement of comprehensive income net of the amount of GST recoverable from the Australian Taxation Office (ATO). Accounts payable are inclusive of GST. The net amount of GST recoverable from the ATO is included in receivables in the statement of financial position. Cash flows relating to GST are included in the statement of cash flows on a gross basis.

p. Use of estimates

The Fund makes estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year. Estimates 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.

For the majority of the Fund's financial instruments, quoted market prices are readily available. However, certain financial instruments, for example over-the-counter derivatives or unquoted securities, are fair valued using valuation techniques. Where valuation techniques (for example, pricing models) are used to determine fair values, they are validated and periodically reviewed by experienced personnel of the Responsible Entity, independent of the area that created them.

Models use observable data, to the extent practicable. However, areas such as credit risk (both own and counterparty), volatilities and correlations require management to make estimates. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

For certain other financial instruments, including amounts due from/to brokers, accounts payable and accrued expenses, the carrying amounts approximate fair value due to the immediate or short term nature of these financial instruments.

q. New accounting standards and interpretations

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2011 reporting periods. The directors' assessment of the impact of these new standards (to the extent relevant to the Fund) and interpretations is set out below:

i. AASB 9 *Financial Instruments* and AASB 2009-11 *Amendments to Australian Accounting Standards arising from AASB 9* (effective from 1 January 2013)

AASB 9 *Financial Instruments* addresses the classification and measurement of financial assets. The standard is not applicable until 1 January 2013 but is available for early adoption. AASB 9 only permits the recognition of fair value gains and losses in other comprehensive income if they relate to equity investments that are not traded. Fair value gains and losses on available-for-sale debt investments, for example, will therefore have to be recognised directly in profit or loss. The Fund has not yet decided when to adopt AASB 9. However, management does not expect this will have a significant impact on the Fund's financial statements as the Fund does not hold any available-for-sale investments.

ii. Revised AASB 124 *Related Party Disclosures* and AASB 2009-12 *Amendments to Australian Accounting Standards* (effective from 1 January 2011)

In December 2009 the AASB issued a revised AASB 124 *Related Party Disclosures*. It is effective for accounting periods beginning on or after 1 January 2011 and must be applied retrospectively. The amendment removes the requirement for government-related entities to disclose details of all transactions with the government and other government-related entities and clarifies and simplifies the definition of a related party. The Fund will apply the amended standard from 1 July 2011. When the amendments are applied, the Fund would need to disclose any transactions between its subsidiaries and its associates. However, as the Fund does not have any subsidiaries and associates, the amendment will not have any effect on the Fund's financial statements.

iii. AASB 2010-6 *Amendments to Australian Accounting Standards – Disclosures on Transfers of Financial Assets* (effective for annual reporting periods beginning on or after 1 July 2011)

In November 2010, the AASB issued AASB 2010-6 *Disclosures on Transfers of Financial Assets* which amends AASB 1 *First-time Adoption of Australian Accounting* and AASB 7 *Financial Instruments: Disclosures to introduce additional disclosures in respect of risk exposures arising from transferred financial assets*. The amendments will affect particularly entities that sell, factor, securitise, lend or otherwise transfer financial assets to other parties. The amendments will not have any impact on the Fund's disclosures. The Fund intends to apply the amendment from 1 July 2011.

iv. Amendments to AASB 2010-4 *Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project* (effective for annual reporting periods beginning on or after 1 July 2010 / 1 January 2011)

In June 2010, the AASB made a number of amendments to Australian Accounting Standards as a result of the IASB's annual improvements project. The Fund does not expect that any adjustments will be necessary as the result of applying the revised rules.

v. IFRS 13 *Fair value measurement* (effective 1 January 2013)

IFRS 13 was released in May 2011. The AASB is expected to issue an equivalent Australian standard shortly. IFRS 13 explains how to measure fair value and aims to enhance fair value disclosures. The group has yet to determine which, if any, of its current measurement techniques will have to change as a result of the new guidance. It is therefore not possible to state the impact, if any, of the new rules on any of the amounts recognised in the financial statements. However, application of the new standard will impact the type of information disclosed in the notes to the financial statements. The group does not intend to adopt the new standard before its operative date, which means that it would be first applied in the annual reporting period ending 30 June 2014.

r. Rounding of amounts

The Fund is an entity of a kind referred to in Class Order 98/0100, issued by the Australian Securities & Investments Commission, relating to the "rounding off" of amounts in the financial statements. Amounts in the financial report have been rounded off in accordance with that Class Order, unless otherwise stated.

3) Financial risk management

a. Objectives, strategies, policies and processes

The Fund's activities expose it to a variety of financial risks: market risk (including price risk, foreign exchange risk and interest rate risk), credit risk and liquidity risk.

The Fund's overall risk management programme focuses on ensuring compliance with the Fund's Product Disclosure Statement and seeks to maximise the returns derived for the level of risk to which the Fund is exposed. Financial risk management is carried out by the Investment Manager under policies approved by the Board of Directors of the Responsible Entity (the Board).

The Fund uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of price risk.

b. Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risks: price risk, foreign currency risk and interest rate risk. Market risk is managed and monitored using sensitivity analysis, and minimised through ensuring that all investment activities are undertaken in accordance with established mandates and investment strategies.

The market risk disclosures are prepared on the basis of the Fund's direct investments and not on a look-through basis for investments held in the Fund.

The sensitivity of the Fund's net assets attributable to unitholders (and net operating profit/(loss)) to price risk and interest rate risk is measured by the reasonably possible movements approach. This approach is determined based on management's best estimate, having regard to the historical level of changes in interest rates and the historical correlation of the Fund's investments with the relevant benchmarks and market volatility. However, actual movements in the risk variables may be greater or less than anticipated due to a number of factors, including unusually large market shocks resulting from changes in the performance of the economies, markets and securities in which the Fund invests. As a result, historic variations in the risk variables are not a definitive indicator of future variations in the risk variables.

i. Price risk

Equity price risk is the risk that the fair value of investments will fluctuate because of changes in market prices, whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

The Capital International Global Equities Fund is exposed to price risk due to the volatility of the market price of its investments in international equities.

The Investment Manager mitigates this risk by using research and analysis to keep abreast of these matters as best as it can.

The Fund's overall market positions are monitored on a daily basis by the Fund's Investment Manager and are reviewed at least quarterly by the Board.

Compliance with the Fund's Product Disclosure Statement is reported to the Board at least quarterly.

Net assets attributable to unitholders include investments in equity securities. The overall exposure was as follows as at 30 June:

	2011	**2010**
Securities designated at fair value through profit or loss ($'000)	402,672	387,571

At 30 June 2011, if the equity prices had increased by 10% (2010: 10%) with all other variables held constant, this would have increased net assets attributable to unitholders (and net operating profit/(loss)) by approximately $40,267,196 (2010: $38,696,998). Conversely, if the equity and derivative prices had decreased by 10% (2010: 10%), this would have decreased net assets attributable to unitholders (and net operating profit/(loss) by approximately $40,267,196 (2010: $38,696,998).

ii. Foreign exchange risk

The Fund is exposed to foreign exchange risk as its investments are denominated in foreign currencies.

The Fund's strategies on the management of currency risk are driven by the Fund's investment objectives. The Fund's currency risks are managed on a daily basis by the Investment Manager in accordance with the investment guidelines as outlined in the Fund's Product Disclosure Statement.

The Fund uses forward foreign exchange contracts to reduce currency risk on specific investments within the portfolio.

The table below indicates the effect of a reasonably possible movement of the currency rates against the Australian Dollar on the statement of comprehensive income, with all other variables held constant.

For the year ended 30 June		Effect on net profit attributable to unitholders	
		Increase/(decrease)	
	Change in currency rate	2011 $'000	2010 $'000
Canadian Dollars	10%/(10%)	(1,607)/1,964	(1,464)/1,789
Swiss Franc	10%/(10%)	(1,508)/1,843	(1,630)/1,992
Danish Krone	10%/(10%)	(245)/299	(123)/150
Euro	10%/(10%)	(5,819)/7,112	(5,142)/6,284
British Pound	10%/(10%)	(4,092)/5,001	(3,755)/4,589
Hong Kong Dollars	10%/(10%)	(1,220)/1,491	(872)/1,065
Japanese Yen	10%/(10%)	(3,235)/3,953	(3,602)/4,402
Norwegian Krone	10%/(10%)	(282)/344	(119)/145
Swedish Krone	10%/(10%)	(234)/286	(100)/122
Singapore Dollars	10%/(10%)	(1)/2	(75)/92
US Dollars	10%/(10%)	(18,545)/22,666	(19,656)/24,024
Brazilian Real	10%/(10%)	(337)/412	–
Taiwanese Dollar	10%/(10%)	(143)/175	–
Malaysian Ringgit	10%/(10%)	(141)/173	–
Polish Zloty	10%/(10%)	(73)/89	–
South Korean Won	10%/(10%)	(219)/267	–
		(37,701)/46,077	**(36,538)/44,654**

The table below summarises the contract value of foreign currency forward contracts in place at 30 June:

	2011	2010
Euro ($'000)	55	–
British Pound ($'000)	892	–
US Dollars ($'000)	4,827	11,600
	5,774	**11,600**

iii. Interest rate risk

The majority of the Fund's financial assets are non-interest-bearing. Interest-bearing financial assets and interest-bearing financial liabilities mature or reprice in the short-term, no longer than twelve months. As a result, the Fund is subject to limited exposure to fair value interest rate risk due to fluctuations in the prevailing levels of market interest rates. Any excess cash and cash equivalents of the Fund are invested in short-term commercial paper or reverse repurchase agreements with the term to maturity of up to three or six months.

The Fund's exposure to interest rate risk for classes of financial assets and financial liabilities is set out below:

As at 30 June 2011	Floating interest rate $'000	Non-interest bearing $'000	Total $'000
Financial assets			
Cash and cash equivalents	20,831	–	20,831
Receivables	–	2,869	2,869
Financial assets held at fair value through profit or loss	–	402,680	402,680
	20,831	**405,549**	**426,380**
Financial liabilities			
Distributions payable	–	3,309	3,309
Payables	–	3,472	3,472
Financial liabilities held at fair value through profit or loss	–	78	78
Net assets attributable to unitholders	–	419,521	419,521
	–	**426,380**	**426,380**

As at 30 June 2010	Floating interest rate $'000	Non-interest bearing $'000	Total $'000
Financial assets			
Cash and cash equivalents	11,516	–	11,516
Receivables	–	5,014	5,014
Financial assets held at fair value through profit or loss	–	387,571	387,571
	11,516	**392,585**	**404,101**
Financial liabilities			
Distributions payable	–	12,254	12,254
Payables	–	2,205	2,205
Net assets attributable to unitholders	–	389,642	389,642
	–	**404,101**	**404,101**

c. Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

The Fund holds no collateral as security or any other credit enhancements. There are no financial assets that are past due or impaired, or would otherwise be past due or impaired.

In accordance with the Fund's policies, the Investment Manager monitors the Fund's position on a daily basis, and the Board reviews them at least quarterly. Compliance with the Fund's policies is reported to the Board at least quarterly.

i. Settlement of securities transactions

All transactions in listed securities are settled/paid for upon delivery using approved brokers. The risk of default is considered low, as delivery of securities sold is only made once the broker has received payment. Payment is made on purchase of securities that have been delivered by the broker. The trade will fail if either party fails to meet its obligations.

ii. Cash and cash equivalents

The exposure to credit risk for cash and cash equivalents is low as all counterparties have a rating of AA (as determined by Moody's Investor Services) or higher.

In accordance with the Fund's policy, the Responsible Entity monitors the Fund's credit position on a daily basis, and the Board reviews it at least quarterly.

The Fund is not materially exposed to credit risk on other financial assets.

d. Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Fund maintains sufficient cash and cash equivalents to meet normal operating requirements.

The Fund's Constitution provides for the daily application and redemption of units and it is therefore exposed to the liquidity risk of meeting unitholder redemptions at any time.

In accordance with the Fund's policies, the Investment Manager monitors the Fund's liquidity position on a daily basis, and the Board reviews them at least quarterly. Compliance with the Fund's policies is reported to the Board at least quarterly.

Maturity analysis for financial liabilities

The table below analyses at 30 June 2011 the financial liabilities and net settled derivative financial liabilities of the Fund into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows.

As at 30 June 2011	Less than 1 month $'000	1-3 months $'000	3-12 months $'000	12-60 months $'000
Distributions payable	3,309	–	–	–
Due to brokers – payable for securities purchased	2,476	–	–	–
Management fees payable	996	–	–	–
Financial liabilities at fair value through profit and loss	78	–	–	–
Net assets attributable to unitholders	419,521	–	–	–
Total financial liabilities	**426,380**	**–**	**–**	**–**

As at 30 June 2010	Less than 1 month $'000	1-3 months $'000	3-12 months $'000	12-60 months $'000
Distributions payable	12,254	–	–	–
Due to brokers – payable for securities purchased	1,176	–	–	–
Management fees payable	970	–	–	–
Redemptions payable	59	–	–	–
Net assets attributable to unitholders	389,642	–	–	–
Total financial liabilities	**404,101**	**–**	**–**	**–**

e. Fair values of financial assets and financial liabilities

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

The table below presents the Fund's assets measured and recognised at fair value at 30 June 2011 by level of the following fair value measurement hierarchy:

Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities
Level 2 – inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices)
Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs)

As at 30 June 2011	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Assets				
Designated at fair value through profit or loss				
Listed equities	5,345	–	–	5,345
Listed international equities	397,327	–	–	397,327
Held for trading				
Derivatives (forward foreign exchange contract)	–	8	–	8
Total assets	**402,672**	**8**	–	**402,680**
Liabilities				
Held for trading				
Derivatives	–	78	–	78
Total	**–**	**78**	–	**78**

As at 30 June 2010	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Assets				
Designated at fair value through profit or loss				
Listed international equities	386,971	–	–	386,971
Held for trading				
Derivatives (forward foreign exchange contract)	–	600	–	600
Total assets	**386,971**	**600**	–	**387,571**

The fair value of financial instruments traded in active markets (publicly traded derivatives and trading securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Fund 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 (over-the-counter derivatives) is determined using valuation techniques. The Fund uses a variety of methods and makes assumptions that are based on market conditions existing at the end of each reporting period. The fair value of forward foreign exchange contracts is determined using forward exchange market rates at the end of the reporting period. Derivative financial instruments (forward foreign exchange contracts) are included in level 2.

The carrying amounts of trade receivables and payables are assumed to approximate their fair values due to their short-term nature. The fair value of financial assets and liabilities that are not traded in an active market is determined using valuation techniques. These include the use of recent arm's length market transactions, reference to the current fair value of a substantially similar other instrument, discounted cash flow techniques, option pricing models or any other valuation technique that provides a reliable estimate of prices obtained in actual market transactions.

4) Net gains on financial instruments held at fair value through profit or loss

For the year ended 30 June	2011 $'000	2010 $'000
Financial assets designated at fair value through profit or loss		
Net unrealised gain on financial assets designated at fair value through profit or loss	7,724	1,334
Net realised (loss)/gain on financial assets designated at fair value through profit or loss	(5,284)	4,278
Total net gain on financial assets designated at fair value through profit or loss	**2,440**	**5,612**
Financial assets held for trading		
Net unrealised (loss)/gain on financial assets held for trading	(592)	600
Net realised gain on financial assets held for trading	3,186	3,152
Total net gain on financial assets held for trading	**2,594**	**3,752**
Financial liabilities held for trading		
Net unrealised loss on financial assets held for trading	(78)	–
Net realised loss on financial assets held for trading	(3,578)	–
Total net loss on financial assets held for trading	**(3,656)**	**–**
Total net gains on financial instruments held at fair value through profit or loss	**1,378**	**9,364**

5) Auditor's remuneration

Fees for audit and non-audit services are paid by the Investment Manager out of the management fees that they earn.

6) Distributions to unitholders

For the year ended 30 June	2011 $'000	2011 CPU	2010 $'000	2010 CPU
9 May – Special Distribution	384	0.6652	–	–
30 June (payable)	3,309	0.7763	**12,254**	3.0997
	3,693		**12,254**	

7) Cash and cash equivalents

As at 30 June	2011	2010
Cash at bank ($'000)	20,831	11,516
	20,831	**11,516**

8) Financial assets/liabilities held at fair value through profit or loss

As at 30 June	2011 $'000	2010 $'000
Financial assets designated at fair value through profit or loss		
Listed equities	5,345	–
Listed international equities	397,327	386,971
Total financial assets designated at fair value through profit or loss	**402,672**	**386,971**
Financial assets held for trading		
Derivatives (Note 12)	8	600
Total financial assets held for trading	**8**	**600**
Total financial assets held at fair value through profit or loss	**402,680**	**387,571**
Financial liabilities held for trading		
Derivatives (Note 12)	78	–
Total financial liabilities held for trading	**78**	**–**
Total financial liabilities held at fair value through profit or loss	**78**	**–**

An overview of the risk exposures relating to financial assets/liabilities at fair value through profit or loss is included in Note 3.

9) Receivables

As at 30 June	2011 $'000	2010 $'000
Accrued income	630	780
Due from brokers – receivable for securities sold	1,805	3,969
Applications receivable	125	59
Withholding tax receivable	282	181
RITC receivable	27	25
Total receivables	**2,869**	**5,014**

10) Payables

As at 30 June	2011 $'000	2010 $'000
Management fees payable	996	970
Due to brokers – payable for securities purchased	2,476	1,176
Redemptions payable	–	59
Total payables	**3,472**	**2,205**

11) Net assets attributable to unitholders of the Fund

As stipulated within the Fund Constitution, each unit represents a right to an individual share in the Fund and does not extend to a right to the underlying assets of the Fund.

Movements in the number of units and net assets attributable to unitholders during the year were as follows:

For the year ended 30 June	2011 No. '000	2010 No. '000	2011 $'000	2010 $'000
Net assets attributable to unitholders				
Opening balance	395,337	299,109	389,642	291,148
Applications	235,587	226,549	236,986	234,288
Redemptions	(216,611)	(130,468)	(217,492)	(135,020)
Units issued upon reinvestment of distributions	11,880	147	11,722	143
Decrease in net assets attributable to unitholders	–	–	(1,337)	(917)
Closing balance	**426,193**	**395,337**	**419,521**	**389,642**

Capital risk management

The Fund manages its net assets attributable to unitholders as capital, notwithstanding net assets attributable to unitholders are classified as a liability. The amount of net assets attributable to unitholders can change significantly on a daily basis as the Fund is subject to daily applications and redemptions at the discretion of unitholders.

The Fund monitors the level of daily applications and redemptions relative to the liquid assets in the Fund. The Fund's strategy was to hold a certain portion of the net assets attributable to unitholders in liquid investments. Liquid assets include cash and cash equivalents, listed equities, listed unit trusts, listed property trusts, pooled development fund and warrants. Under the terms of the Fund's Constitution, the Responsible Entity has the discretion to reject an application for units and to defer or adjust a redemption of units, if the exercise of such discretion is in the best interests of unitholders.

12) Derivative financial instruments

In the normal course of business, the Fund may enter into transactions in various derivative financial instruments with certain risks. A derivative is a financial instrument or other contract which is settled at a future date whose value changes in response to a change in a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index or other variable.

Derivative financial instruments require no initial net investment or an initial net investment that is smaller than would be required for other types of contracts that would be expected to have a similar response to changes in market factors.

Derivative transactions include a wide assortment of instruments, such as forwards, futures and options. Derivatives are considered to be part of the investment process and the use of derivatives is an essential part of the Fund's portfolio management. Derivatives are not managed in isolation. Consequently, the use of derivatives is multifaceted and includes:

- hedging to protect an asset or liability of the Fund against a fluctuation in market values or to reduce volatility
- a substitution for trading of physical securities
- adjusting asset exposures within the parameters set in the investment strategy, and adjusting the duration of fixed interest portfolios or the weighted average maturity of cash portfolios.

While derivatives are used for trading purposes, they are not used to gear (leverage) a portfolio. Gearing a portfolio would occur if the level of exposure to the markets exceeds the underlying value of the Fund.

The Fund holds the following derivative instruments:

a. Forward currency contracts

Forward currency contracts are primarily used by the Fund to hedge against foreign currency exchange rate risks on its non-Australian dollar denominated trading securities. The Fund agrees to receive or deliver a fixed quantity of foreign currency for an agreed upon price on an agreed future date. Forward currency contracts are valued at the prevailing bid price at the end of each reporting period. The Fund recognises a gain or loss equal to the change in fair value at the end of each reporting period.

The Fund derivative financial instruments at year end are detailed below as at 30 June:

2011		Fair Values	
	Contract/Notional	**Assets**	**Liabilities**
Foreign currency forward contracts ($'000)	5,774	8	78

2010		Fair Values	
	Contract/Notional	**Assets**	**Liabilities**
Foreign currency forward contracts ($'000)	11,660	600	–

An overview of the risk exposures relating to derivatives is included in Note 3.

13) Related party transactions

Responsible entity

The Responsible Entity of Capital International Global Equities Fund is WHTM Capital Management Limited.

Capital International, Inc. is the Investment Manager of the Fund.

Wilson HTM Investment Group Ltd is the ultimate holding company of WHTM Capital Management Limited.

Key management personnel

Directors

Key management personnel includes persons who were directors of WHTM Capital Management Limited at any time during the financial year are as follows:

Mr A Sweeney (resigned 17 December 2010, appointed 12 April 2011, resigned 6 May 2011)
Mr I Harrison (resigned 15 October 2010)
Ms K Penrose (appointed 30 April 2010)
Ms M Brady (appointed 15 October 2010)
Ms A Roberts (appointed 17 December 2010)
Mr D Holmes (appointed 21 January 2011, resigned 12 April 2011)

Responsible Entity fees and other transactions

All related party transactions are conducted on normal commercial terms and conditions. The transactions during the year and amounts payable at year end between the Fund and the Responsible Entity were as follows for the year ended 30 June:

	2011	2010
Management fees	$ 3,979,164	$ 3,505,209
Aggregate amounts payable to the Investment Manager at the reporting date	$ 995,786	$ 970,312

The management fee is 0.96% per annum calculated on the gross asset value of the Fund and expressed as a percentage of the net asset value of the Fund, calculated and accrued daily and paid at the end of the quarter to the Responsible Entity.

Out of the management costs the Responsible Entity will retain its Responsible Entity fee and pay the other fees and costs associated with running the Fund, including Investment Manager fees, custody fees, audit fees, administration costs, legal costs and borrowing costs.

The Fund Constitution also allows the Responsible Entity to be reimbursed for abnormal expenses of the Fund, such as the cost of Unitholder meetings or defending or bringing legal proceedings.

Related party Fund's unitholdings

Parties related to the Fund (including WHTM Capital Management Limited, its related parties and other funds managed by WHTM Capital Management Limited) held units in the Fund as follows:

Year ended 30 June 2011

Number of units held

Unitholder	**Interest held (%)**	**Number of units held opening (Units)**	**Number of units acquired (Units)**	**Number of units disposed (Units)**	**Number of units held closing (Units)**
Capital International Global Equities Fund (Hedged)	48.58	190,449,448	70,007,936	53,418,402	207,038,982
Total	**48.58**	**190,449,448**	**70,007,936**	**53,418,402**	**207,038,982**

Fair value of investments held and distributions paid/payable by the Fund

Unitholder	**Fair value of investments**	**Distributions paid/payable by the Fund**
Capital International Global Equities Fund (Hedged)	203,726,358	1,607,256
Total	**203,726,358**	**1,607,256**

Year ended 30 June 2010

Number of units held

Unitholder	Interest held (%)	Number of units held opening (Units)	Number of units acquired (Units)	Number of units disposed (Units)	Number of units held closing (Units)
Capital International Global Equities Fund (Hedged)	48.2	234,269,800	80,878,719	124,699,071	190,449,448
Total	**48.2**	**234,269,800**	**80,878,719**	**124,699,071**	**190,449,448**

Fair value of investments held and distributions paid/payable by the Fund

Unitholder	Fair value of investments	Distributions paid/payable by the Fund
Capital International Global Equities Fund (Hedged)	187,649,841	5,903,292
Total	**187,649,841**	**5,903,292**

Key management personnel compensation

Key management personnel are paid by Wilson HTM Services Pty Ltd. Payments made from the Fund to WHTM Capital Management Limited do not include any amounts directly attributable to key management personnel remuneration.

Key management personnel loan disclosures

The Fund has not made, guaranteed or secured, directly or indirectly, any loans to the key management personnel or their personally related entities at any time during the reporting year.

Other transactions within the Fund

From time to time directors of WHTM Capital Management Limited, or their director-related entities, may invest in or withdraw from the Fund. These investments or withdrawals are on the same terms and conditions as those entered into by other Fund investors and are trivial in nature.

Apart from those details disclosed in this note, no key management personnel of the Responsible Entity have entered into a material contract with the Fund during the year and there were no material contracts involving directors' interests existing at year end.

14) Reconciliation of net operating profit/(loss) to net cash outflow from operating activities

For the year ended 30 June	2011 $'000	2010 $'000
(a) Reconciliation of operating profit/(loss) to net cash inflow/(outflow) from operating activities		
Net profit/(loss)	–	–
Decrease in net assets attributable to unitholders	(1,337)	(917)
Proceeds from maturity/sale of financial instruments held at fair value through profit or loss	244,492	246,460
Purchase of financial instruments held at fair value through profit or loss	(253,935)	(348,258)
Net loss/(gain) on financial instruments held at fair value through profit or loss	1,192	(5,080)
Distribution to unitholders	3,693	12,254
Net change in accrued income and prepaid expenses	47	(625)
Net change in accounts payable and accrued liabilities	26	741
Net cash outflow from operating activities	**(5,822)**	**(95,425)**
(b) Components of cash and cash equivalents		
Cash as at the end of the financial year as shown in the statement of cash flows is reconciled to the statement of financial position as follows:		
Cash and cash equivalents	**20,831**	**11,516**
(c) Non cash financing activities		
During the year, the following distribution payments were satisfied by the issue of units under the distribution reinvestment plan		
	11,722	**143**

15) Events occurring after the reporting date

Decline in market value of investments

The Fund holds investments in a portfolio of Australian and international listed equities and is consequently exposed to the market risk associated with these investments.

Since the balance date Australian and international share markets have experienced a period of significant falls, impacting on the valuation of the Fund's investment portfolio. In the period since 30 June up to 29 August 2011, the MSCI World ex Australia Index (in A$) has fallen by 13.95%.

As the investments are measured at their 30 June 2011 fair values in the financial report, these subsequent falls in value are not reflected in the statement of comprehensive income or the statement of financial position. As the Fund allocates all of its investment income to unitholders, the fall in value of investments have been reflected in the current unit price, resulting in a corresponding reduction in net assets attributable to unitholders.

16) Contingent assets, liabilities and commitments

There are no outstanding contingent assets, liabilities or commitments as at 30 June 2011 (2010: Nil).

Directors' declaration

For the year ended 30 June 2011

In the opinion of the Directors of the Responsible Entity:

a. the financial statements and notes set out on pages 7 to 29 are in accordance with the *Corporations Act 2001*, including:

   i. complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
   ii. giving a true and fair view of the Fund's financial position as at 30 June 2011 and of its performance, as represented by the results of its operations, changes in equity and its cash flows, for the financial year ended on that date.

b. there are reasonable grounds to believe that the Fund will be able to pay its debts as and when they become due and payable.

c. Note 2a confirms that the financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

This declaration is made in accordance with a resolution of the directors.

Ms K Penrose
Director, WHTM Capital Management Limited

Brisbane
30 August 2011

Independent auditor's report to the unitholders of Capital International Global Equities Fund

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Report on the financial report

We have audited the accompanying financial statements of the Capital International Global Equities Fund (the "Fund"), which comprise the statement of financial position as at 30 June 2011, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration.

Directors' responsibility for the financial report

The directors of the Responsible Entity are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. In Note 2(a), the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with *International Financial Reporting Standards*.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report 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 report.

Our procedures include reading the other information in the Annual Report to determine whether it contains any material inconsistencies with the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*.

Auditor's opinion

In our opinion:

a. the financial statements of Capital International Global Equities Fund are in accordance with the Corporation Act 2001, including:

   i. giving a true and fair view of the Fund's financial position at 30 June 2011 and of its performance for the year ended on that date; and

   ii. complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001; and

b. the financial report also complies with International Financial Reporting Standards as disclosed in Note 2(a).

Matters relating to the electronic presentation of the audited financial report

This auditor's report relates to the financial report of Capital International Global Equities Fund (the "Fund") for the year ended 30 June 2011 included on the Responsible Entity's web site. The Responsible Entity's directors are responsible for the integrity of the Responsible Entity's web site. We have not been engaged to report on the integrity of this web site. The auditor's report refers only to the financial report named above. It does not provide an opinion on any other information which may have been hyperlinked to/from the financial report. If users of this report are concerned with the inherent risks arising from electronic data communications they are advised to refer to the hard copy of the audited financial report to confirm the information included in the audited financial report presented on this web site.

PricewaterhouseCoopers

PricewaterhouseCoopers

Craig Thomason
Partner

Brisbane
30 August 2011

Liability limited by a scheme approved under Professional Standards Legislation

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