

**EVEREST CAPITAL GLOBAL LTD.**

**Financial Statements**  
(With Independent Auditors' Report Thereon)

Year Ended December 31, 2010



**EVEREST CAPITAL GLOBAL LTD.**

**CORPORATE INFORMATION**

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**Directors**

Malcolm Stott  
Everest Capital LLC  
2601 South Bayshore Drive  
Suite 1700  
Miami, FL  
U.S.A.

Kathryn R. Siggins  
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Bermuda

Ian Pilgrim  
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Smiths FL 04  
Bermuda

**Principal Office**

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Hamilton HM 08  
Bermuda

**Investment Manager**

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Fax: 305-666-1919  
Contact: Jennifer Mead

**Administrator**

Citco Fund Services (Bermuda) Limited  
Mintflower Place  
8 Par-la-Ville Road, 4<sup>th</sup> Floor  
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Bermuda  
Phone: 441-295-7149  
Fax: 441-295-0992  
Contact: Alan Farrell

**Auditors**

KPMG  
Chartered Accountants  
Crown House  
4 Par-la-Ville Road  
Hamilton HM 08  
Bermuda  
Phone: 441-295-5063  
Fax: 441-295-9132  
Contact: Todd Kearns

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**KPMG**

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**INDEPENDENT AUDITORS' REPORT**

The Board of Directors and Shareholders of  
Everest Capital Global Ltd.

We have audited the accompanying statement of assets and liabilities of Everest Capital Global Ltd. (the "Fund") as of December 31, 2010 and the related statements of operations and changes in net assets for the year then ended. These financial statements are the responsibility of the Fund's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Everest Capital Global Ltd. as of December 31, 2010 and the results of its operations and changes in its net assets for the year then ended in conformity with U.S. generally accepted accounting principles.

Chartered Accountants  
Hamilton, Bermuda  
April 18, 2011

**EVEREST CAPITAL GLOBAL LTD.**

Statement of Assets and Liabilities

December 31, 2010

*(Expressed in thousands of United States Dollars)*

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**Assets**

Investment in Everest Capital Global Fund, L.P. (the "Partnership") (Note 2(b))	\$	458,258
Capital withdrawals receivable from the Partnership		6,211
Other assets		<u>3,530</u>
Total assets		<u>467,999</u>

**Liabilities**

Management fee payable (Note 3)		1,726
Solicitation fees payable (Note 3)		366
Redemptions payable		6,211
Other liabilities		<u>3,532</u>
Total liabilities		<u>11,835</u>

<b>Net assets</b> (Note 4)	\$	<u><u>456,164</u></u>
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Net asset value per share (Note 4)

*See accompanying notes to financial statements*

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**EVEREST CAPITAL GLOBAL LTD.**

## Statement of Operations

Year Ended December 31, 2010

*(Expressed in thousands of United States Dollars)*

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<b>Net investment income allocated from the Partnership</b>	
Interest income	\$ 522
Dividends (net of withholding taxes of \$448)	5,532
Interest expense	(1,579)
Dividends on securities sold short	(1,300)
Other expenses	<u>(1,131)</u>
Net investment income allocated from the Partnership	2,044
	<hr/>
<b>Expenses</b>	
Management fee (Note 3)	(5,738)
Solicitation fees (Note 3)	<u>(672)</u>
Total expenses	(6,410)
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Net investment expense	(4,366)
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<b>Realized and unrealized gains and losses on investments allocated from the Partnership</b>	
Net realized gains on sale of investments	6,701
Net change in unrealized gains and losses on investments	<u>38,536</u>
Net realized and unrealized gains and losses on investments allocated from the Partnership	45,237
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Incentive allocation (Note 3)	(533)
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<b>Net increase in net assets from operations</b>	\$ <u>40,338</u>

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*See accompanying notes to financial statements*

**EVEREST CAPITAL GLOBAL LTD.**

## Statement of Changes in Net Assets

Year Ended December 31, 2010

*(Expressed in thousands of United States Dollars)*

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<b>Net increase in net assets from operations</b>	
Net investment expense	\$ (4,366)
Net realized gains on sale of investments allocated from the Partnership	6,701
Net change in unrealized gains and losses on investments allocated from the Partnership	38,536
Incentive allocation	<u>(533)</u>
Net increase in net assets from operations	40,338
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<b>Capital share transactions</b> (Note 4)	
Proceeds from issue of Class A Shares	33,835
Proceeds from issue of Class A1 Shares	23,692
Proceeds from issue of Class B Shares	6,354
Proceeds from issue of Class B1 Shares	21
Proceeds from issue of Class D Shares	400
Proceeds from issue of Class E Shares	1,597
Proceeds from issue of Class F Shares	35
Payment on redemption of Class A Shares	(6,554)
Payment on redemption of Class A1 Shares	(482)
Payment on redemption of Class B1 Shares	(300)
Payment on redemption of Class E Shares	(33,007)
Payment on redemption of Class F Shares	<u>(84)</u>
Net increase in net assets from capital share transactions	25,507
	<hr/>
<b>Net increase in net assets</b>	65,845
<b>Net assets at beginning of year</b>	<u>390,319</u>
<b>Net assets at end of year</b>	<u><u>\$ 456,164</u></u>

*See accompanying notes to financial statements*

## **EVEREST CAPITAL GLOBAL LTD.**

Notes to Financial Statements

December 31, 2010

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### **1. Organization and description of business**

Everest Capital Global Ltd. (the “Fund”) is a corporation formed under the laws of the British Virgin Islands on September 26, 1991, which commenced business on January 1, 1992. On January 1, 2006, the Fund changed its name from Everest Capital International Ltd. to Everest Capital Global Ltd.

The Fund seeks to achieve its investment objective by investing substantially all of its investable assets in Everest Capital Global Fund, L.P. (the “Partnership”) a limited partnership formed under the laws of the Cayman Islands. The investment objective of the Fund and the Partnership is to achieve capital appreciation by investing across a global investment spectrum as described in Note 1 of the Partnership’s financial statements.

Effective January 1, 2010, Everest Capital LLC, a Delaware limited liability company, replaced Everest Capital Limited as the Fund’s investment manager (the “Investment Manager”) and also the general partner of the Partnership in which capacity it is responsible for all investment decisions relating to the Partnership. The Investment Manager is assisted by Everest Capital Pte. Ltd., a corporation headquartered in Singapore, Everest China Research Ltd., a corporation headquartered in Shanghai, Republic of China, and Everest Capital S.A., a corporation headquartered in Geneva, Switzerland (collectively with the Investment Manager, the “Everest Capital Group”). The compensation of the Investment Manager is described in Note 3. Malcolm Stott, a Director of the Fund, is also the Chief Operating Officer of the Investment Manager.

The financial statements of the Fund should be read in conjunction with those of the Partnership because its performance is directly affected by that of the Partnership.

### **2. Significant accounting policies**

The following are the significant accounting policies adopted by the Fund:

#### *(a) Basis of presentation*

The accompanying financial statements are prepared in accordance with U.S. generally accepted accounting principles.

#### *(b) Fair value measurement*

Accounting standards over fair value measurements defines fair value, establishes a framework for measuring fair value using a three-tier hierarchy of inputs to value the Fund’s investments, and requires additional disclosure about fair value. Additional required disclosures are found in the financial statements of the Partnership.

The value of the investment in the Partnership reflects the balance of the Fund’s capital account in Everest Capital Global Fund, L.P. as at December 31, 2010. The balance of each partner’s capital account reflects its proportionate share of the net asset value of the Partnership. As of December 31, 2010, the Fund’s capital account in the Partnership represents 67.4% of the Partnership’s capital. The Partnership’s investments are valued as described in Note 2 of its financial statements.

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## EVEREST CAPITAL GLOBAL LTD.

Notes to Financial Statements

December 31, 2010

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### 2. **Significant accounting policies** (continued)

#### (c) *Partnership allocations*

The expenses of the Fund are borne by the Partnership except for management and solicitation fees as described in Note 3. The components of net investment income or expense and net realized and unrealized gains and losses on investments of the Partnership are allocated to its partners in accordance with Note 2(e) of its financial statements.

#### (d) *Allocation of income and expenses*

Income and expenses of the Fund are allocated to each share class and to each series within each class, if applicable, in proportion to their relative gross asset value of each share class and series at the beginning of the month after subscriptions or redemptions, if any, at that date. The incentive fee, if any, is calculated based on the performance of each series of each class. Realized and unrealized gains and losses on new issue securities are allocated as described in Note 4.

#### (e) *Use of estimates*

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of increases and decreases in net assets from operations during the reporting period. Actual results could differ from those estimates.

### 3. **Compensation of Investment Manager and Solicitation Agents**

The incentive fee payable to the Investment Manager of the Fund is 20% of net profits, if any, allocable to each share of common stock, excluding Class E and Class F Shares (Note 4). No incentive fee is charged to a share until all losses previously allocated to the share have been recouped.

In addition, the Investment Manager is entitled to receive quarterly, in arrears, a management fee equal to  $\frac{1}{4}$  of 2.0% (1.5% prior to February 1, 2006) per annum of the net assets of the Fund on the last day of each calendar quarter, excluding Class E and Class F Shares (Note 4). Special grandfathering provisions are in place that apply to shareholders admitted on or before January 1, 2006 ("Prior Shareholders") or shareholders that have transferred from other funds managed by the Investment Manager that were subject to the same grandfathering provisions. Under these provisions, the Prior Shareholders will continue to be charged a management fee of 1.5% per annum. These special grandfathering provisions are in effect as long as Prior Shareholders remain invested in the Fund.

The fees payable in the Fund are reduced to the extent that corresponding fees or allocations are due or allocable to any member of the Everest Capital Group by the Partnership or Fund or to the extent that amounts are due to third parties who are instrumental in the sale of shares in the Fund ("Solicitation Agents") in order to avoid double charging the incentive fee and management fee.

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## EVEREST CAPITAL GLOBAL LTD.

Notes to Financial Statements

December 31, 2010

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### 4. Share capital

The Fund is authorized to issue a maximum of 100,000,000 no par value common shares divided into ten classes designated as Class A, Class A1, Class B, Class B1, Class E and Class F voting common shares (the "Voting Shares"), and Class C, Class C1, Class D and Class D1 non-voting common shares (the "Non-Voting Shares"). All shares have equal dividend, distribution and liquidation rights. Class E and Class F Shares are not charged an incentive fee or management fee and are issued to affiliated feeder funds. The incentive fees and management fees are charged in the respective feeder funds to avoid double charging of such fees.

Effective February 1, 2006, all issued common shares of Class A, Class B, Class C and Class D shares were re-designated as Class A1, Class B1, Class C1 and Class D1 common shares, respectively (the "Pre-Existing Shares") and are no longer offered. The only exception to this is when shareholders have transferred from other funds managed by the Investment Manager that were subject to the same grandfathering provisions as discussed in Note 3 above. With effect from February 1, 2006, the Fund has created and will issue Class A, Class B, Class C and Class D common shares (the "Available Shares") and continues to offer Class E and Class F common shares. Each class of the Available Shares and its corresponding class of the Pre-Existing Shares are identical except for different management fee arrangements (Note 3).

Class A, Class C and Class E Shares are issued to investors who are considered Unrestricted Persons and Class B, Class D and Class F Shares are issued to investors who are considered Restricted Persons. The profits and losses with respect to new issues will generally be allocated to investors in the Fund that are Unrestricted Persons. The Fund may, however, avail itself of a *de minimis* exemption, according to the Rules of FINRA, pursuant to which a portion of any new issue profits and losses may be allocated to Restricted Persons.

Shares of common stock of each class are generally issued monthly in series. The shares in the first series of each class issued are generally designated as the "Series One" shares of that class. Following the end of each fiscal year, the Fund may consolidate series within each class (with the exception of any series that has a loss carry-forward outstanding) into the Series One shares of the respective class, or if Series One shares have a loss carry-forward outstanding, into the earliest series of shares paying an incentive fee within that class.

Upon written notice of 60 days to the Investment Manager, shareholders may redeem up to 50% of their shares as of the first business day of each calendar quarter at the net asset value as of the last day of the prior calendar month. Any amount requested for redemption in excess of 50% will be paid as of the beginning of the subsequent calendar quarter. Such redemptions, to be paid at the net asset value as of March 31, 2011 amounted to \$3,354,383 based on the net asset value as of December 31, 2010, are not recorded on the statement of assets and liabilities. The Directors and Investment Manager, in their sole discretion, may waive or modify any terms related to redemptions for a shareholder.

At the discretion of the Investment Manager, shareholders who have transferred from other funds managed by the Investment Manager, or transferred within the Fund, that have a loss carry-forward associated with their investment, will carry-forward their prior high watermark and will be issued a sub-series of shares if an existing series of shares exist for that class of shares.

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**EVEREST CAPITAL GLOBAL LTD.**

Notes to Financial Statements

December 31, 2010

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**4. Share capital (continued)**

The net assets (expressed in thousands), net asset value (“NAV”) per share and number of shares in issue of each class and series of shares at December 31, 2010 were as follows:

<u>Share class and series</u>	<u>Number of shares</u>	<u>NAV per share</u>	<u>Net assets of class at December 31, 2010</u>
<u>Class A Shares</u>			
Class A Series 1	87,084.693	\$ 665.44	\$ 57,950
Class A Series 1 2010	1,333.650	654.20	872
Class A Series 2	64.413	665.43	43
Class A Series 3	12,014.477	664.27	7,981
Class A Series 4	653.603	665.44	435
Class A Series 4 2010	2,429.868	651.70	1,584
Class A Series 5	533.697	665.40	355
Class A Series 5 2010	40,967.488	654.27	26,804
Class A Series 6	318.694	665.37	212
Class A Series 6 2010	2,745.442	641.57	1,761
Class A Series 7 2009	6,524.423	665.43	4,342
Class A Series 7A 2009	4,400.439	665.43	2,928
Class A Series 8	69.157	665.31	46
Class A Series 8 2009	84.930	649.83	55
Class A Series 8 2010	927.431	665.54	617
Class A Series 8A	1,024.350	665.31	682
Class A Series 10	6,043.000	665.44	4,021
Class A Series 10 2009	327.316	654.55	214
Class A Series 10 2010	3,640.112	665.43	2,422
Class A Series 11 2007	159.418	656.43	105
Class A Series 11 2009	88.652	646.57	57
Class A Series 11 2010	1,685.090	651.15	1,097
Class A Series 12 2007	<u>1,203.789</u>	665.27	<u>801</u>
Total Class A Shares	<u>174,324.132</u>		<u>\$ 115,384</u>

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**EVEREST CAPITAL GLOBAL LTD.**

Notes to Financial Statements

December 31, 2010

4. **Share capital** (continued)

<u>Share class and series</u>	<u>Number of shares</u>	<u>NAV per share</u>	<u>Net assets of class at December 31, 2010</u>
<u>Class A1 Shares</u>			
Class A1 Series 1	406,151.617	\$ 681.19	\$ 276,666
Class A1 Series 4	6,442.208	681.18	4,388
Class A1 Series 4A	8.052	681.24	6
Class A1 Series 4B	8.062	674.57	6
Class A1 Series 4C	8.042	681.23	6
Class A1 Series 7 2009	5,723.484	681.18	3,899
Class A1 Series 7A 2009	185.655	681.18	127
Class A1 Series 10 2010	33,099.531	681.19	22,547
Class A1 Series 10A 2010	41.320	681.20	28
Class A1 Series 10B 2010	41.370	681.19	28
Class A1 Series 10C 2010	41.409	681.20	28
Total Class A1 Shares	451,750.750		\$ 307,729
<u>Class B Shares</u>			
Class B Series 1	160.864	\$ 665.45	\$ 107
Class B Series 1 2010	10,429.645	654.20	6,823
Class B Series 7 2009	2,596.832	665.43	1,728
Total Class B Shares	13,187.341		\$ 8,658
<u>Class B1 Shares</u>			
Class B1 Series 1	18,741.566	\$ 681.19	\$ 12,767
<u>Class D Shares</u>			
Class D Series 3 2010	536.480	\$ 637.07	\$ 342
Class D Series 4 2010	169.851	642.88	109
Class D Series 11 2007	557.214	656.43	366
Total Class D Shares	1,263.545		\$ 817
<u>Class E Shares</u>			
Class E	12,465.230	\$ 844.92	\$ 10,532

**EVEREST CAPITAL GLOBAL LTD.**

Notes to Financial Statements

December 31, 2010

4. **Share capital** (continued)

<u>Share class and series</u>	<u>Number of shares</u>	<u>NAV per share</u>	<u>Net assets of class at December 31, 2010</u>
<u>Class F Shares</u>			
Class F	327.992	\$ 844.91	\$ 277
Net assets			\$ 456,164

As of December 31, 2010, a shareholder unrelated to the Fund held shares representing 67.4% of the net assets of the Fund.

Details of the number of shares issued and redeemed by class and series for the year ended December 31, 2010 were as follows:

<u>Share class and series</u>	<u>Shares at Dec 31, 2009</u>	<u>Shares issued</u>	<u>Shares redeemed</u>	<u>Consolidation/ conversion of shares</u>	<u>Shares at Dec 31, 2010</u>
<u>Class A Shares</u>					
Class A Series 1	90,505.989	21.776	(3,443.072)	–	87,084.693
Class A Series 1 2010	–	1,333.650	–	–	1,333.650
Class A Series 2	64.413	–	–	–	64.413
Class A Series 3	15,370.141	–	(3,355.664)	–	12,014.477
Class A Series 4	1,307.206	–	(653.603)	–	653.603
Class A Series 4 2010	–	4,859.737	(2,429.869)	–	2,429.868
Class A Series 5	533.697	–	–	–	533.697
Class A Series 5 2010	–	40,967.488	–	–	40,967.488
Class A Series 6	318.694	–	–	–	318.694
Class A Series 6 2010	–	2,745.442	–	–	2,745.442
Class A Series 7 2009	6,668.541	–	(144.118)	–	6,524.423
Class A Series 7A 2009	4,400.439	–	–	–	4,400.439
Class A Series 8	69.157	–	–	–	69.157
Class A Series 8 2009	84.930	–	–	–	84.930
Class A Series 8 2010	–	927.431	–	–	927.431
Class A Series 8A	1,024.350	–	–	–	1,024.350
Class A Series 10	6,043.000	–	–	–	6,043.000
Class A Series 10 2009	327.316	–	–	–	327.316
Class A Series 10 2010	–	3,640.112	–	–	3,640.112
Class A Series 11 2007	215.139	–	(55.721)	–	159.418
Class A Series 11 2009	87.607	1.045	–	–	88.652
Class A Series 11 2010	–	1,685.090	–	–	1,685.090
Class A Series 12 2007	1,203.789	–	–	–	1,203.789
Total Class A Shares	128,224.408	56,181.771	(10,082.047)	–	174,324.132

**EVEREST CAPITAL GLOBAL LTD.**

Notes to Financial Statements

December 31, 2010

4. **Share capital** (continued)

<u>Share class and series</u>	<u>Shares at Dec 31, 2009</u>	<u>Shares issued</u>	<u>Shares redeemed</u>	<u>Consolidation/ conversion of shares</u>	<u>Shares at Dec 31, 2010</u>
<u>Class A1 Shares</u>					
Class A1 Series 1	406,917.076	1.474	(766.933)	–	406,151.617
Class A1 Series 4	–	6,442.208	–	–	6,442.208
Class A1 Series 4A	–	8.052	–	–	8.052
Class A1 Series 4B	–	8.062	–	–	8.062
Class A1 Series 4C	–	8.042	–	–	8.042
Class A1 Series 7 2009	5,723.484	–	–	–	5,723.484
Class A1 Series 7A 2009	185.655	–	–	–	185.655
Class A1 Series 10 2010	–	33,099.531	–	–	33,099.531
Class A1 Series 10A 2010	–	41.320	–	–	41.320
Class A1 Series 10B 2010	–	41.370	–	–	41.370
Class A1 Series 10C 2010	–	41.409	–	–	41.409
Total Class A1 Shares	412,826.215	39,691.468	(766.933)	–	451,750.750
<u>Class B Shares</u>					
Class B Series 1	160.864	–	–	–	160.864
Class B Series 1 2010	–	10,429.645	–	–	10,429.645
Class B Series 7 2009	2,596.832	–	–	–	2,596.832
Total Class B Shares	2,757.696	10,429.645	–	–	13,187.341
<u>Class B1 Shares</u>					
Class B1 Series 1	19,147.324	34.648	(440.406)	–	18,741.566
<u>Class D Shares</u>					
Class D Series 3 2010	–	536.480	–	–	536.480
Class B Series 4 2010	–	169.851	–	–	169.851
Class D Series 11 2007	557.214	–	–	–	557.214
Total Class D Shares	557.214	706.331	–	–	1,263.545
<u>Class E Shares</u>					
Class E	55,284.412	2,341.825	(45,161.007)	–	12,465.230
<u>Class F Shares</u>					
Class F	393.996	49.692	(115.696)	–	327.992

**EVEREST CAPITAL GLOBAL LTD.**

Notes to Financial Statements

December 31, 2010

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5. **Administrator**

Under the terms of the agreement between Citco Fund Services (Bermuda) Limited (the “Administrator”) and the Fund, the Administrator provides accounting and administration services to the Fund and receives an annual fee based on the net assets of the Partnership, calculated and payable, by the Partnership, monthly in arrears.

6. **Taxation**

Under current British Virgin Islands legislation, there is no income tax, capital gains or withholding tax, estate duty or inheritance tax payable by the Fund. Because the Fund is not subject to taxation in the British Virgin Islands and it is management’s opinion that its method of operations does not result in it being subject to United States or other foreign income taxes, no provision for taxes has been made in these financial statements.

7. **Subsequent events**

Effective April 1, 2011, shareholders may redeem 100% of their shares as of the first business day of each calendar quarter at the net asset value as of the last day of the prior calendar month.

The Directors have assessed and evaluated all subsequent events arising from the date of the statement of assets and liabilities up until April 18, 2011 and have concluded that, apart from the above, no additional disclosure is required.

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**EVEREST CAPITAL GLOBAL LTD.**

Notes to Financial Statements

December 31, 2010

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**8. Financial highlights**Financial highlights of the Fund<sup>1</sup> are as follows:

	Class A Series 1 <u>Shares</u>	Class A1 Series 1 <u>Shares</u>	Class B Series 1 <u>Shares</u>	Class B1 Series 1 <u>Shares</u>	Class D Series 11 2007 <u>Shares</u>	Class E <u>Shares</u>	Class F <u>Shares</u>
Per Share Operating Performance:							
Net asset value per share, at beginning of year	\$ 609.23	\$ 620.44	\$ 609.23	\$ 620.44	\$ 600.98	\$ 757.77	\$ 757.77
From investment operations <sup>2</sup>							
Net investment income (expense)	(8.76)	(5.90)	(8.75)	(5.90)	(8.64)	3.96	3.95
Net realized and unrealized gains and losses on investments	<u>64.97</u>	<u>66.65</u>	<u>64.97</u>	<u>66.65</u>	<u>64.09</u>	<u>83.19</u>	<u>83.19</u>
Total income from investment operations	<u>56.21</u>	<u>60.75</u>	<u>56.22</u>	<u>60.75</u>	<u>55.45</u>	<u>87.15</u>	<u>87.14</u>
Net asset value per share, at end of year	<u>\$ 665.44</u>	<u>\$ 681.19</u>	<u>\$ 665.45</u>	<u>\$ 681.19</u>	<u>\$ 656.43</u>	<u>\$ 844.92</u>	<u>\$ 844.91</u>

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**EVEREST CAPITAL GLOBAL LTD.**

Notes to Financial Statements

December 31, 2010

**8. Financial highlights** (continued)

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	Class A Series 1 <u>Shares</u>	Class A1 Series 1 <u>Shares</u>	Class B Series 1 <u>Shares</u>	Class B1 Series 1 <u>Shares</u>	Class D Series 11 2007 <u>Shares</u>	Class E <u>Shares</u>	Class F <u>Shares</u>
	<u>%</u>	<u>%</u>	<u>%</u>	<u>%</u>	<u>%</u>	<u>%</u>	<u>%</u>
Total return	<u>9.23</u>	<u>9.79</u>	<u>9.23</u>	<u>9.79</u>	<u>9.23</u>	<u>11.50</u>	<u>11.50</u>
Ratios to average net assets <sup>2</sup>							
Total investment income	1.56	1.56	1.56	1.56	1.56	1.66	1.54
Operating expenses <sup>3</sup>	<u>(3.08)</u>	<u>(2.57)</u>	<u>(3.08)</u>	<u>(2.57)</u>	<u>(3.08)</u>	<u>(0.94)</u>	<u>(1.00)</u>
Net investment income (expense)	<u>(1.52)</u>	<u>(1.01)</u>	<u>(1.52)</u>	<u>(1.01)</u>	<u>(1.52)</u>	<u>0.72</u>	<u>0.54</u>

<sup>1</sup> Total return and ratios are calculated for the year based on Series One Shares of each class except for Class E and F Shares which have been calculated for the class as a whole. An investor's results may vary from the total return and ratios shown above due to different management and incentive fee arrangements (as applicable), the existence of loss carry-forwards and the starting date of a series.

<sup>2</sup> The per share amounts and ratios reflect income and expenses allocated from the Partnership.

<sup>3</sup> Includes dividend and interest expense.

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**EVEREST CAPITAL GLOBAL FUND, L.P.**

**Consolidated Financial Statements**  
(With Independent Auditors' Report Thereon)

Year Ended December 31, 2010





**KPMG**

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**INDEPENDENT AUDITORS' REPORT**

The General and Limited Partners of  
Everest Capital Global Fund, L.P.

We have audited the accompanying consolidated statement of assets and liabilities of Everest Capital Global Fund, L.P. and its subsidiaries (the "Partnership"), including the consolidated condensed schedule of investments, as of December 31, 2010, and the related consolidated statements of operations, changes in partners' capital and cash flows for the year then ended. These financial statements are the responsibility of the general partner. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Partnership's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by the general partner, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Everest Capital Global Fund, L.P. and its subsidiaries as of December 31, 2010, the results of their operations, changes in partners' capital and cash flows for the year then ended in conformity with U.S. generally accepted accounting principles.

Chartered Accountants  
Hamilton, Bermuda  
March 31, 2011

**EVEREST CAPITAL GLOBAL FUND, L.P.**

Consolidated Statement of Assets and Liabilities

December 31, 2010

*(Expressed in thousands of United States Dollars)*

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<b>Assets</b>	
Investments in securities, at fair value (cost \$675,939) (Notes 1, 4, 5, 6 and 9)	\$ 713,395
Unrealized gains on open derivative financial instruments (Notes 5, 6 and 9)	19,796
Cash and cash equivalents (Notes 3 and 9)	90,160
Receivable for investments sold	38,099
Dividends and interest receivable	211
Other assets	<u>4,894</u>
Total assets	<u>866,555</u>
<b>Liabilities</b>	
Securities sold short, at fair value (proceeds \$101,432) (Notes 5 and 6)	101,440
Unrealized losses on open derivative financial instruments (Notes 5 and 6)	10,072
Due to brokers	51,568
Payable for investments purchased	264
Dividends on securities sold short and interest payable	192
Capital withdrawals payable	21,242
Accounts payable and accrued liabilities (Note 2(j))	<u>2,331</u>
Total liabilities	<u>187,109</u>
<b>Partners' capital</b>	<u>\$ 679,446</u>

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*See accompanying notes to consolidated financial statements*

**EVEREST CAPITAL GLOBAL FUND, L.P.**

## Consolidated Condensed Schedule of Investments

December 31, 2010

*(Expressed in thousands of United States Dollars)*

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<u>Description</u>	<u>% of Partners' Capital</u>	<u>Fair Value</u>
<b>Investments in securities</b>		
<b>Common stock</b>		
<b>Africa and Middle East</b>		
Basic materials sector	1.32	\$ 8,942
Consumer, cyclical sector	0.00	4
Consumer, non-cyclical sector	0.03	170
Energy sector	0.00	26
Financial sector	0.09	645
Total for Africa and Middle East (cost \$10,775)	<u>1.44</u>	<u>9,787</u>
<b>Asia</b>		
Basic materials sector	4.70	31,891
Communications sector	5.31	36,100
Consumer, cyclical sector	5.35	36,337
Consumer, non-cyclical sector	0.02	131
Energy sector	1.61	10,946
Financial sector	8.91	60,469
Funds	0.02	115
Industrial sector	4.31	29,286
Technology sector	4.04	27,483
Total for Asia (cost \$213,853)	<u>34.27</u>	<u>232,758</u>
<b>Emerging Europe</b>		
Basic materials sector	8.07	54,846
Consumer, non-cyclical sector	0.04	252
Financial sector	1.40	9,518
Total for Emerging Europe (cost \$52,928)	<u>9.51</u>	<u>64,616</u>
<b>Europe</b>		
Consumer, cyclical sector	5.65	38,389
Diversified sector	1.04	7,035
Total for Europe (cost \$29,269)	<u>6.69</u>	<u>45,424</u>
<b>Latin America</b>		
Basic materials sector	3.28	22,266
Energy sector	0.05	351
Financial sector	1.06	7,185
Funds	0.02	126
Total for Latin America (cost \$30,046)	<u>4.41</u>	<u>29,928</u>

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*See accompanying notes to consolidated financial statements*

**EVEREST CAPITAL GLOBAL FUND, L.P.**

Consolidated Condensed Schedule of Investments (continued)

December 31, 2010

*(Expressed in thousands of United States Dollars)*

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<u>Description</u>	<u>Number of shares</u>	<u>% of Partners' Capital</u>	<u>Fair Value</u>
<b>Investments in securities (continued)</b>			
<b>Common stock (continued)</b>			
<b>North America</b>			
Basic materials sector			
Lyondellbasell	1,023,400	5.18	\$ 35,205
Others		6.52	44,275
Total basic materials sector		11.70	79,480
Communications sector		0.39	2,667
Consumer, cyclical sector		12.18	82,726
Consumer, non-cyclical sector		1.64	11,167
Energy sector		0.75	5,124
Financial sector		9.89	67,210
Funds		0.36	2,436
Industrial sector		0.40	2,711
Technology sector		0.19	1,313
Utilities sector		0.63	4,288
Total for North America (cost \$227,722)		38.13	259,122
Total common stock (cost \$564,593)		94.45	641,635
<b>Commodity futures options (cost \$3,737)</b>		0.53	3,582
<b>Common stock options</b>			
<b>North America</b>			
Financial sector (cost \$2,787)		0.02	139
<b>Equity index options</b>			
<b>Asia</b> (cost \$8,154)		1.45	9,867
<b>Australia and New Zealand</b> (cost \$214)		0.03	188
<b>North America</b> (cost \$6,135)		0.96	6,501
Total equity index options (cost \$14,503)		2.44	16,556
<b>Foreign currency exchange options (cost \$2,148)</b>		0.31	2,126
<b>Government bonds</b>			
<b>Latin America</b>			
Government sector (amortized cost \$8,867)		1.57	10,670
<b>Investments in other investment partnerships (Note 1)</b>			
<b>Asia</b> (cost \$11,572)		2.75	18,689

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*See accompanying notes to consolidated financial statements*

**EVEREST CAPITAL GLOBAL FUND, L.P.**

Consolidated Condensed Schedule of Investments (continued)

December 31, 2010

*(Expressed in thousands of United States Dollars)*

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<u>Description</u>	<u>% of Partners' Capital</u>	<u>Fair Value</u>
<b>Investments in securities</b> (continued)		
<b>Participation notes</b>		
<b>Asia</b>		
Energy sector	0.00	\$ 28
Financial sector	<u>0.01</u>	<u>29</u>
Total participation notes (cost \$58)	<u>0.01</u>	<u>57</u>
<b>Private placements</b>		
<b>Africa and Middle East</b>		
Basic materials sector (cost \$1,403)	<u>0.04</u>	<u>292</u>
<b>Asia</b>		
Consumer, cyclical sector (cost \$8,596)	<u>0.42</u>	<u>2,885</u>
<b>Europe</b>		
Technology sector (cost \$7,675)	<u>1.15</u>	<u>7,804</u>
<b>North America</b>		
Energy sector (cost \$50,000)	<u>1.15</u>	<u>7,853</u>
Total private placements (cost \$67,674)	<u>2.76</u>	<u>18,834</u>
<b>Rights</b>		
<b>Asia</b>		
Basic materials sector	<u>0.16</u>	<u>1,107</u>
<b>Total investments in securities</b> (cost \$675,939)	<u>105.00</u>	<u>\$ 713,395</u>
<b>Securities sold short</b>		
<b>Common stock</b>		
<b>Asia</b>		
Financial sector (proceeds \$26,920)	<u>(3.81)</u>	<u>\$ (25,897)</u>
<b>Europe</b>		
Energy sector	(0.26)	(1,734)
Utilities sector	<u>(2.39)</u>	<u>(16,242)</u>
Total for Europe (proceeds \$18,001)	<u>(2.65)</u>	<u>(17,976)</u>
<b>Latin America</b>		
Communications (proceeds \$5,134)	<u>(0.75)</u>	<u>(5,092)</u>
<b>North America</b>		
Funds	(6.12)	(41,595)
Industrial sector	<u>(1.60)</u>	<u>(10,880)</u>
Total for North America (proceeds \$51,377)	<u>(7.72)</u>	<u>(52,475)</u>
Total common stock (proceeds \$101,432)	<u>(14.93)</u>	<u>(101,440)</u>
<b>Total securities sold short</b> (proceeds \$101,432)	<u>(14.93)</u>	<u>\$ (101,440)</u>

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*See accompanying notes to consolidated financial statements*

**EVEREST CAPITAL GLOBAL FUND, L.P.**

Consolidated Condensed Schedule of Investments (continued)

December 31, 2010

*(Expressed in thousands of United States Dollars)*

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<u>Description</u>	<u>% of Partners' Capital</u>	<u>Fair Value</u>
<b>Unrealized gains on open derivative financial instruments</b>		
<b>Unrealized gains on open commodity futures contracts</b>	<u>2.10</u>	<u>\$ 14,298</u>
<b>Unrealized gains on open forward foreign currency     exchange contracts</b>	<u>0.00</u>	<u>19</u>
<b>Unrealized gains on open swap contracts</b>		
<b>Swaps on common stock</b>		
<b>Africa and Middle East</b>		
Basic materials sector	0.01	62
Communications sector	0.00	5
Consumer, non-cyclical sector	0.01	36
Diversified sector	0.00	14
Energy sector	0.00	28
Financial sector	0.01	74
Total for Africa and Middle East	<u>0.03</u>	<u>219</u>
<b>Asia</b>		
Consumer, cyclical sector	0.02	127
Technology sector	0.00	21
Total for Asia	<u>0.02</u>	<u>148</u>
<b>Australia and New Zealand</b>		
Financial sector	<u>0.01</u>	<u>38</u>
<b>Emerging Europe</b>		
Basic materials sector	<u>0.01</u>	<u>37</u>
<b>Europe</b>		
Consumer, cyclical sector	<u>0.41</u>	<u>2,810</u>
<b>Latin America</b>		
Basic materials sector	0.29	1,948
Financial sector	0.04	279
Total for Latin America	<u>0.33</u>	<u>2,227</u>
Total swaps on common stock	<u>0.81</u>	<u>5,479</u>
<b>Total unrealized gains on open swap contracts</b>	<u>0.81</u>	<u>5,479</u>
<b>Total unrealized gains on open derivative financial instruments</b>	<u>2.91</u>	<u>\$ 19,796</u>

*See accompanying notes to consolidated financial statements*

**EVEREST CAPITAL GLOBAL FUND, L.P.**

Consolidated Condensed Schedule of Investments (continued)

December 31, 2010

*(Expressed in thousands of United States Dollars)*

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<u>Description</u>	<u>% of Partners' Capital</u>	<u>Fair Value</u>
<b>Unrealized losses on open derivative financial instruments</b>		
<b>Unrealized losses on open forward foreign currency     exchange contracts</b>	<u>(1.22)</u>	\$ <u>(8,320)</u>
<b>Unrealized losses on open swap contracts</b>		
<b>Swaps on common stock</b>		
<b>Africa and Middle East</b>		
Consumer, non-cyclical sector	(0.01)	(29)
Diversified sector	(0.00)	(5)
Financial sector	(0.00)	(1)
Industrial sector	(0.00)	(17)
Total for Africa and Middle East	<u>(0.01)</u>	<u>(52)</u>
<b>Asia</b>		
Consumer, cyclical sector	(0.00)	(36)
Financial sector	(0.03)	(192)
Industrial sector	(0.01)	(50)
Total for Asia	<u>(0.04)</u>	<u>(278)</u>
<b>Australia and New Zealand</b>		
Consumer, cyclical sector	<u>(0.01)</u>	<u>(86)</u>
<b>Emerging Europe</b>		
Financial sector	<u>(0.00)</u>	<u>(0)</u>
<b>Latin America</b>		
Consumer, cyclical sector	<u>(0.02)</u>	<u>(112)</u>
Total swaps on common stock	<u>(0.08)</u>	<u>(528)</u>
<b>Swaps on equity indices</b>		
<b>Asia</b>		
Financial sector	<u>(0.08)</u>	<u>(540)</u>
<b>Latin America</b>	<u>(0.10)</u>	<u>(684)</u>
Total swaps on equity indices	<u>(0.18)</u>	<u>(1,224)</u>
<b>Total unrealized losses on open swap contracts</b>	<u>(0.26)</u>	<u>(1,752)</u>
<b>Total unrealized losses on open derivative financial instruments</b>	<u>(1.48)</u>	\$ <u>(10,072)</u>

*See accompanying notes to consolidated financial statements*



**EVEREST CAPITAL GLOBAL FUND, L.P.**

Consolidated Statement of Operations

Year Ended December 31, 2010

*(Expressed in thousands of United States Dollars)*

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**Investment income**

Interest (Note 5)	\$ 803
Dividends (net of withholding taxes of \$650) (Note 5)	<u>8,581</u>

Total investment income	<u>9,384</u>
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**Expenses**

Interest (Note 5)	2,428
Dividends on securities sold short (Note 5)	1,985
Investment expenses (Note 2(j))	523
Professional fees	415
Administration fee (Note 8)	<u>791</u>

Total expenses	<u>6,142</u>
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Net investment income	<u>3,242</u>
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**Realized and unrealized gains and losses on investments**

Net realized gains on sale of investments (Note 5)	8,864
Net change in unrealized gains and losses on investments (Note 5)	<u>60,026</u>

Net realized and unrealized gains and losses	<u>68,890</u>
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<b>Net increase in partners' capital from operations</b>	<u><u>\$ 72,132</u></u>
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*See accompanying notes to consolidated financial statements*

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**EVEREST CAPITAL GLOBAL FUND, L.P.**

## Consolidated Statement of Changes in Partners' Capital

Year Ended December 31, 2010

*(Expressed in thousands of United States Dollars)*

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	<u>General Partner</u>	<u>Limited Partners</u>	<u>Total</u>
<b>Partners' capital - December 31, 2009</b> (Note 1)	\$ 5,871	\$ 609,466	\$ 615,337
<b>Net increase in partners' capital from operations</b>	12	72,120	72,132
Incentive allocation to general partner (Note 7)	483	(483)	-
<b>Capital transactions</b>			
Capital contributions	-	60,383	60,383
Capital withdrawals	<u>(5,772)</u>	<u>(62,634)</u>	<u>(68,406)</u>
Capital transactions, net	<u>(5,772)</u>	<u>(2,251)</u>	<u>(8,023)</u>
<b>Partners' capital - December 31, 2010</b>	<u>\$ 594</u>	<u>\$ 678,852</u>	<u>\$ 679,446</u>

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*See accompanying notes to consolidated financial statements*

**EVEREST CAPITAL GLOBAL FUND, L.P.**

## Consolidated Statement of Cash Flows

Year Ended December 31, 2010

*(Expressed in thousands of United States Dollars)***Cash flows from operating activities**

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Net increase in partners' capital from operations	\$ 72,132
Adjustments to reconcile net increase in partners' capital from operations to net cash used in operating activities:	
Net realized losses on sale of investments	(8,864)
Net change in unrealized gains and losses on investments	(60,026)
Amortization of premiums and discounts on debt securities	(32)
Purchases of investments in securities	(3,055,546)
Purchases to cover securities sold short	(1,299,622)
Proceeds from sale of investments in securities	2,841,582
Proceeds from securities sold short	1,366,243
Net proceeds from settlement of derivative financial instruments	16,573
Changes in net assets and liabilities:	
Receivable for investments sold	(34,959)
Dividends and interest receivable	73
Other assets	(542)
Due to brokers	51,568
Payable for investments purchased	(6,814)
Dividends on securities sold short and interest payable	62
Accounts payable and accrued liabilities	(553)
Net cash used in operating activities	(118,725)

**Cash flows from financing activities**

Capital contributions	60,383
Capital withdrawals	(54,169)
Net cash provided by financing activities	6,214

**Net decrease in cash and cash equivalents** (112,511)

**Cash and cash equivalents at beginning of year** 202,671

**Cash and cash equivalents at end of year** (Note 3) \$ 90,160

**Supplementary cash flow information**

Interest paid \$ 2,507

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*See accompanying notes to consolidated financial statements*

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## EVEREST CAPITAL GLOBAL FUND, L.P.

Notes to Consolidated Financial Statements

December 31, 2010

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### 1. **Organization and description of business**

Everest Capital Global Fund, L.P. (the “Partnership”), a Cayman Islands limited partnership, was formed on January 17, 1997 and commenced operations on August 1, 1997. On January 16, 2006, the Partnership changed its name from Everest Capital Master Fund, L.P. to Everest Capital Global Fund, L.P. The Partnership is a master fund in which three feeder funds, Everest Capital Global Ltd. (primarily non-US investors), Everest Capital Global, L.P. (US investors) and Everest Capital Alpha Fund, L.P. (the “Feeder Funds”) invest. All of the investable assets of these three Feeder Funds are invested in the Partnership, with the exception of Everest Capital Alpha Fund, L.P., which retains a portion of its assets for hedging purposes.

The investment objective of the Partnership is to achieve capital appreciation by investing across a global investment spectrum. The general partner employs a thematic investment strategy that combines top-down and bottom-up approaches to investing in developed and developing markets worldwide. The general partner invests opportunistically to exploit growth and value opportunities, investment themes and secular trends throughout these markets by investing in a variety of instruments including equities, currencies, commodities and debt as well as warrants, rights, options, swaps, preferred stocks, convertible securities, and money market obligations.

Effective January 1, 2010, Everest Capital LLC, a Delaware limited liability company, replaced Everest Capital Limited as the general partner of the Partnership and the prior year’s ending capital balance was transferred to the new general partner. The general partner is responsible for all of the Partnership’s investment decisions. The general partner is assisted by Everest Capital Pte. Ltd., a corporation headquartered in Singapore, Everest China Research Ltd., a corporation headquartered in Shanghai, Republic of China, and Everest Capital S.A., a corporation headquartered in Geneva, Switzerland (collectively with the general partner, the “Everest Capital Group”). The compensation of the general partner is described in Note 7.

As at December 31, 2010, the Partnership is carrying an investment of \$18,689,341 (2.75% of partners’ capital) in Everest Capital Asia Fund, L.P., an investment partnership managed by the general partner with an investment objective to achieve capital appreciation by investing in the Asia Pacific region and in other countries that it believes will be impacted by specific trends and growth opportunities in the Asia Pacific region. Upon written notice of 60 days to the general partner of Everest Capital Asia Fund, L.P. (unless waived by its general partner), the Partnership may withdraw all or a part of its investment as of the first business day of each calendar quarter.

### 2. **Significant accounting policies**

The following are the significant accounting policies adopted by the Partnership:

#### (a) *Basis of presentation*

The accompanying financial statements are prepared in accordance with U.S. generally accepted accounting principles. The consolidated financial statements include the assets, liabilities and results of operations of the Partnership and its five wholly owned subsidiaries, which are special purpose investment companies that were dormant in the year ended December 31, 2010. All intercompany balances and transactions have been eliminated upon consolidation.

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## EVEREST CAPITAL GLOBAL FUND, L.P.

Notes to Consolidated Financial Statements

December 31, 2010

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### 2. Significant accounting policies (continued)

#### (b) Investment valuation

Accounting standards over fair value measurements defines fair value, establishes a framework for measuring fair value using a three-tier hierarchy of inputs to value the Partnership's investments, and requires additional disclosure about fair value. The hierarchy of inputs is summarized below:

Level 1 – quoted prices in active markets for identical investments

Level 2 – other significant observable inputs (including quoted prices for similar investments, interest rates, prepayment speeds, credit risk, etc.)

Level 3 – significant unobservable inputs (including the general partner's own assumptions in determining the fair value of investments)

The availability of observable inputs can vary from security to security and is affected by a wide variety of factors, including, for example, the type of security, the liquidity of markets, and other characteristics particular to the security. To the extent that valuation is based on models or inputs that are less observable or unobservable in the market, the determination of fair value requires more judgment. Accordingly, the degree of judgment exercised in determining fair value is greatest for instruments categorized in level 3 of the fair value hierarchy. The level in the fair value hierarchy within which the fair value measurement falls is determined based on the lowest level input that is significant to the fair value measurement.

Investments in securities and derivative financial instruments are valued as follows:

- (i) Securities that are listed on a national securities exchange are valued at the last reported sale price on the last business day of the year. In the event that a sale does not occur on the last business day of the year, such securities are valued at the "bid" price if owned and the "asked" price if sold short as reported by the principal securities exchange on which such securities are traded. To the extent that these securities are actively traded, whether equity or listed derivatives, and valuation adjustments are not applied, they are categorized in level 1 of the fair value hierarchy. Preferred stock and other equities traded on inactive markets or valued by reference to similar instruments are categorized in level 2 of the fair value hierarchy.
  - (ii) Securities which are traded but for which prices are not available on a national exchange are valued at the last sale price on the last business day of the year, or, if no sales occurred on such day, are valued based upon representative "bid" quotations if owned, and "asked" quotations if sold short, obtained from brokers and national pricing services. Over-the-counter (OTC) bonds and derivative contracts such as forward, swap, participation notes and option contracts related to interest rates, foreign currencies, credit standing of reference entities, equity prices, or commodity prices are categorized in level 2 of the fair value hierarchy.
  - (iii) If the administrator, Citco Fund Services (Bermuda) Limited, in consultation with the general partner determines that the valuation of any security based upon the above procedures does not fairly represent market value then the administrator records such securities at their fair value as reasonably determined by the general partner.
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## EVEREST CAPITAL GLOBAL FUND, L.P.

Notes to Consolidated Financial Statements

December 31, 2010

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### 2. Significant accounting policies (continued)

#### (b) Investment valuation (continued)

- (iv) Investments in other investment partnerships are valued based on the reported net asset value as provided by the investment partnership's administrator. Because of the inherent uncertainty in the valuation of these investments, fair values may differ from the values that would have been used had a ready market for these investments existed. These investments are categorized in level 2 of the fair value hierarchy.
- (v) Securities for which market values are not readily available are valued at fair value as determined in good faith in consultation with the general partner. The general partner considers certain pertinent factors in determining fair value of these securities including the current economic and competitive environment, the characteristics of the instrument, the financial condition and operating results of the issuer since the date of purchase and the sales price of the security in recent private placements, if any. Therefore, the fair value cannot be determined with precision, cannot be substantiated by comparison to quoted prices in active markets and may not be realized in a current sale or immediate settlement of the asset or liability. Additionally, due to the inherent uncertainty in the valuation, the estimates of fair values may differ significantly from the values that would have been used had a ready market existed for the securities, and the differences could be material. These securities are categorized in level 3 of the fair value hierarchy.

#### (c) Derivatives

The Partnership uses derivative financial instruments, such as forward foreign currency exchange contracts, futures contracts, options and swaps, which are recorded at fair value at the reporting date. Realized and unrealized changes in fair values are included in realized and unrealized gains and losses on investments in the consolidated statement of operations in the period in which the changes occur.

The fair value of derivative financial instruments at the reporting date generally reflects the amount that the Partnership would receive or pay to terminate the contract at the reporting date. Many of the derivative financial instruments used by the Partnership are exchange traded or are traded in the over-the-counter market where market values are readily obtainable. Some of the tailored derivative financial instruments used by the Partnership are valued based on prices supplied by US broker-dealers or other counterparties.

Unrealized gains or losses on open forward foreign currency exchange contracts are calculated as the difference between the contract rate and the applicable forward rate on the valuation date applied to the face amount of the forward contract.

Unrealized gains or losses on open futures contracts are calculated as the difference between the contract price at trade date and the contract's closing price on the valuation date as reported on the exchange on which the futures contracts are traded applied to the face amount of the futures contract.

Unrealized gains or losses on open swap and contract for difference transactions are calculated as the change in fair value of the underlying security, index, commodity, or basket of securities applied to the notional amount of the swap or contract for difference. The interest component of the swap or contract for difference is recorded as interest income or expense, as applicable, in the consolidated statement of operations and as interest payable or receivable, as applicable, in the consolidated statement of assets and liabilities.

Unrealized gains or losses on interest rate swap agreements are calculated as the difference between the present value of the future cash flows to be received and those to be paid pursuant to the agreements.

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## EVEREST CAPITAL GLOBAL FUND, L.P.

Notes to Consolidated Financial Statements

December 31, 2010

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### 2. Significant accounting policies (continued)

#### (d) *Securities transactions and related investment income*

Securities transactions are recorded on a trade date basis.

Dividend income is recorded on the ex-dividend date and is presented net of withholding taxes. Dividends declared on short positions held on the ex-dividend date are recorded as dividend expense.

Interest income and expense are recorded on the accruals basis, except for securities in default for which interest is recognized on the cash basis. Premiums and discounts on debt securities are amortized using the effective interest method.

Realized gains and losses are recorded when the security acquired is sold and unrealized gains and losses are recorded when the security is marked to market. The net realized gain or loss on sales of securities is determined on a first-in, first-out basis unless specifically identified.

As part of a work out or reorganization plan, securities owned by the Partnership may be converted into other types of securities of the same issuer. The cost basis of the security received as a result of these arrangements is equal to the cost basis of the security converted.

#### (e) *Allocation of Partnership net income/loss*

At the end of each Fiscal Period, net income or net losses, excluding profit and losses with respect to new issues, are allocated to the capital accounts of all the partners in the proportion that each partner's capital account as of the beginning of such Fiscal Period bore to the sum of the capital accounts of all the partners as of the beginning of such Fiscal Period. Profit and losses with respect to new issues will generally be allocated to partners in the Partnership that are Unrestricted Persons. The Partnership may, however avail itself of a *de minimis* exemption, according to the Rules of FINRA, pursuant to which a portion of any new issue profits and losses may be allocated to Restricted Persons. A Fiscal Period ("Fiscal Period") commences on the first day of each fiscal year, on each date of any capital contribution or any withdrawal of capital or retirement from the Partnership.

#### (f) *Repurchase and reverse repurchase agreements*

The Partnership enters into repurchase and reverse repurchase agreements. These agreements are accounted for as collateralized investment and financing transactions and are recorded at their contract amounts, which combined with accrued interest, approximates their fair value. Interest on repurchase and reverse repurchase agreements is accrued on a daily basis.

In connection with repurchase agreements, it is the Partnership's policy that its custodian take possession of the underlying collateral securities. If the seller defaults, and the fair value of the collateral declines, realization of the collateral by the Partnership may be delayed or insufficient.

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## EVEREST CAPITAL GLOBAL FUND, L.P.

Notes to Consolidated Financial Statements

December 31, 2010

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### 2. Significant accounting policies (continued)

#### (g) Translation of foreign currency security transactions

The fair value of non-US dollar denominated securities (“foreign currency securities”) and related balances are translated into US dollars at year end exchange rates. The cost of foreign currency securities and interest and dividend income or expense on these foreign currency securities are translated into US dollars at the transaction date exchange rate. Realized and unrealized gains and losses on investments and interest and dividend income or expense include exchange gains and losses on translation of foreign currency securities and from forward foreign currency exchange contracts.

#### (h) Income taxes

No provision has been made in the accompanying consolidated financial statements for United States federal or state income taxes, as any income tax liability arising from operations of the Partnership is the responsibility of the partners and not that of the Partnership.

#### (i) Cash and cash equivalents

For the purpose of the consolidated statement of cash flows, the Partnership considers all investments in money market funds and repurchase agreements with an original term of ninety days or less as equivalent to cash.

#### (j) Use of estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires the general partner to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of increases and decreases in partners’ capital from operations during the reporting period. Actual results could differ from those estimates.

The Partnership has made investments in the Chinese A-shares of companies listed in the People’s Republic of China (“PRC”) through the Qualified Foreign Institutional Investor program and in Chinese B-shares and H-shares. The PRC’s taxation of gains on these investments is presently unclear. The general partner has exercised its judgment regarding the likelihood and amount of the potential liability. However, uncertainties exist and the judgment of the general partner may prove incorrect as a result of future clarification by the PRC State Administration of Taxation.

At December 31, 2010, the tax provision included in accounts payable and accrued liabilities on the consolidated statement of assets and liabilities relating to Chinese A-shares amounted to \$1,470,276 (2009: \$1,570,133). The related expense in the year of \$(99,857) is included in investment expenses in the consolidated statement of operations. In the event a capital gains tax is not imposed, the effective date differs, or the tax rate applied is different than that which was assumed by the general partner, the tax payable may be greater or less than the provision amount.

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## EVEREST CAPITAL GLOBAL FUND, L.P.

Notes to Consolidated Financial Statements

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### 3. Cash and cash equivalents

Cash and cash equivalents (expressed in \$000's) at December 31, 2010 consist of the following:

Cash	\$	90,160
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At December 31, 2010, cash in the amount of \$52,952,067 was deposited with counterparties as collateral for positions held in derivative financial instruments and securities sold short (Notes 5 and 9).

### 4. Investments in securities

The Partnership has swap contracts in its name with an unrealized loss at December 31, 2010 of \$5,622,556 but has transferred beneficial ownership of these swap contracts to other funds managed by the general partner by participation agreements and are not reflected in the Partnership's financial statements. Likewise, Everest Capital Limited (Note 1) purchased and held securities in its name with a fair value at December 31, 2010 of \$1,187,794 and had transferred beneficial ownership of these securities to the Partnership by participation agreements and they are reflected in the financial statements of the Partnership. These securities were purchased by Everest Capital Limited due to high minimum purchase requirements and provided the Partnership and other funds managed by the general partner the ability to own these securities without each fund having to purchase the high minimum amount as well as to reduce transaction costs. Subsequent to December 31, 2010, these securities were transferred into the name of the Partnership.

### 5. Derivative financial instruments and risk

In the normal course of business the Partnership purchases and sells various derivative financial instruments to hedge its exposure to risk or to synthetically achieve or alter exposure to a market or segment thereof.

Generally these financial instruments represent future commitments to purchase or sell other financial instruments at specific terms at future dates. The derivative financial instruments may be traded on an exchange or negotiated between contracting parties (over-the-counter).

Derivative financial instruments may result in off-balance sheet market and credit risk.

Market risk is the possibility that future changes in market price may make a financial instrument less valuable or more onerous. If the markets should move against one or more positions that the Partnership holds the Partnership could incur losses greater than the unrealized amounts recorded in the consolidated statement of assets and liabilities.

The principal credit risk is that the counterparty will default and fail to fulfill the terms of the agreement. The Partnership's counterparties are either major US broker-dealers or international banks, both of which are regulated by various agencies and are subject to strict capital adequacy requirements.

The Partnership also sells securities short. Securities sold short are recorded as liabilities in the consolidated statement of assets and liabilities and have market risk to the extent that the Partnership, in satisfying its obligations, may have to purchase securities at a higher value than that recorded on the consolidated statement of assets and liabilities. The Partnership is required to maintain collateral with brokers to secure these short positions.

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## EVEREST CAPITAL GLOBAL FUND, L.P.

Notes to Consolidated Financial Statements

December 31, 2010

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### 5. **Derivative financial instruments and risk** (continued)

The derivative financial instruments held by the Partnership, and how they are used to achieve the various objectives of the Partnership, are described in the following paragraphs.

#### Forward foreign currency exchange contracts

The Partnership uses forward foreign currency exchange contracts to hedge against the effect of adverse movements in foreign exchange rates on security positions and for investment purposes.

#### Futures contracts

The Partnership uses futures contracts to hedge portfolio market risk and for investment purposes. Upon entering into a futures contract, the Partnership is required to provide initial margin which is a deposit of either cash or securities in an amount equal to a certain percentage of the contract value. The initial margin is adjusted to reflect changes in the value of the futures contract which is marked to market on a daily basis. The Partnership recognizes a realized gain or loss when the contract is closed. Futures contracts expose the Partnership to market and liquidity risks. The Partnership is exposed to market risk to the extent that adverse changes occur in the market values of the underlying securities or indices. The market risk may be in excess of the unrealized amount recognized on the consolidated statement of assets and liabilities. Liquidity risk represents the possibility that the Partnership may not be able to rapidly adjust the size of its futures position in times of high volatility and financial stress at a reasonable price.

#### Options

The Partnership uses options on specific securities, baskets of specific securities, currencies, commodities and stock exchange indices to hedge market risks and for investment purposes.

Option contracts provide the option purchaser, for a premium payment, with the right but not obligation to buy or sell a financial instrument at a predetermined exercise price during a specified period.

As a purchaser of an option contract the Partnership is subject to credit risk since the counterparty is obligated to make payments or to deliver the financial instrument under the terms of the contract if the Partnership exercises the option. The Partnership is also exposed to market risk because the value of the option varies with the value of the reference financial instrument. As a writer of an option contract, the Partnership is not subject to credit risk but is subject to market risk since the Partnership is obligated to make payments or to deliver the financial instrument under the terms of the option contract if exercised by the purchaser of the option.

#### Swap and contract for difference transactions (collectively “swap”)

The Partnership may enter into swap arrangements to synthetically achieve or alter the Partnership's exposure to a market or segment thereof or to hedge portfolio market risk.

Swap transactions involve the exchange by the Partnership with a counterparty of their respective commitments to pay or receive a net amount based on the change in the market value of a particular bond, equity, commodity or index and a specified notional holding.

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## EVEREST CAPITAL GLOBAL FUND, L.P.

Notes to Consolidated Financial Statements

December 31, 2010

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### 5. Derivative financial instruments and risk (continued)

#### Swap and contract for difference transactions (collectively "swap") (continued)

Interest rate swap agreements involve the exchange by the Partnership with another party of their respective commitments to pay or receive interest (e.g. an exchange of floating rate payments for fixed rate payments) with respect to a notional amount of principal.

In addition, the Partnership enters into credit default swaps whereby one counterparty (the "Protection Buyer") pays a periodic fee, which is expressed in basis points on the notional amount, in return for a payment by the seller of the credit default swap (the "Protection Seller") that results if a credit event as defined in the swap agreement occurs, such as a default by the reference entity.

Swap transactions expose the Partnership to (or reduce) market risk equivalent to actually holding the notional amount but typically involve little capital commitment relative to the exposure achieved (or reduced). The Partnership's gains or losses may therefore be magnified compared to the capital commitment.

The terms of certain of the Partnership's swap agreements issued under the ISDA Master Agreement protocol contain provisions that grant the Partnership's counterparty the right to terminate the swap transactions and demand settlement if either the Partnership's capital falls by a specified percentage or below a specified value.

At December 31, 2010, the notional amount of the Partnership's derivative financial instruments is as follows (expressed in \$000's):

#### **Long exposure**

Commodity futures contracts	\$	139,777
Commodity futures options		171,001
Equity index options		934,806
Equity options		25,274
Equity swap contracts		40,545
Forward foreign currency exchange contracts		<u>9,892</u>
	\$	<u>1,321,295</u>

#### **Short exposure**

Commodity futures options	\$	38,817
Equity index options		199,228
Equity index swap contracts		49,159
Equity swap contracts		20,970
Foreign currency exchange options		393,000
Forward foreign currency exchange contracts		<u>411,511</u>
	\$	<u>1,112,685</u>

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**EVEREST CAPITAL GLOBAL FUND, L.P.**

Notes to Consolidated Financial Statements

December 31, 2010

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**5. Derivative financial instruments and risk** (continued)

The locations on the consolidated statement of assets and liabilities of the Partnership's derivative positions by type of derivative, all of which are not accounted for as hedging instruments are as follows (expressed in \$000's):

<u>Location on the consolidated statement of assets and liabilities</u>	<u>Derivative assets</u>	<u>Derivative liabilities</u>
Unrealized gains (losses) on open derivative financial instruments		
Commodity futures contracts	\$ 14,298	\$ —
Equity index swap contracts	—	(1,224)
Equity swap contracts	5,479	(528)
Forward foreign currency exchange contracts	<u>19</u>	<u>(8,320)</u>
Total unrealized gains (losses) on open derivative financial instruments	<u>\$ 19,796</u>	<u>\$ (10,072)</u>
Investments in securities, at fair value		
Commodity futures options	\$ 3,582	\$ —
Equity index options	16,556	—
Equity options	139	—
Foreign currency exchange options	<u>2,126</u>	<u>—</u>
Total investments in securities, at fair value	<u>\$ 22,403</u>	<u>\$ —</u>

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**EVEREST CAPITAL GLOBAL FUND, L.P.**

Notes to Consolidated Financial Statements

December 31, 2010

**5. Derivative financial instruments and risk** (continued)

The following is a summary of the net realized and change in unrealized gains and losses on investments and net interest and dividend income and expense attributable to derivative financial instruments for the year ended December 31, 2010 (expressed in \$000's):

	Net realized gains (losses)	Net change in unrealized gains (losses)	Total
<b>Derivative financial instruments</b>			
Commodity futures contracts	\$ 13,752	\$ 12,243	\$ 25,995
Commodity futures options	(4,999)	1,854	(3,145)
Equity index futures contracts	(2,400)	(13)	(2,413)
Equity index options	9,446	3,421	12,867
Equity index swap contracts	7,297	(1,138)	6,159
Equity options	634	1,275	1,909
Equity swap contracts	(24)	(5,333)	(5,357)
Foreign currency exchange options	(16,540)	(1,178)	(17,718)
Forward foreign currency exchange contracts	(1,188)	(10,926)	(12,114)
Interest rate futures contracts	(864)	—	(864)
	\$ 5,114	\$ 205	\$ 5,319

	Net interest income (expense)	Net dividend income (expense)
<b>Derivative financial instruments</b>		
Equity index swap contracts	\$ (1,043)	\$ 1,446
Equity swap contracts	(14)	(316)
	\$ (1,057)	\$ 1,130

**EVEREST CAPITAL GLOBAL FUND, L.P.**

Notes to Consolidated Financial Statements

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**6. Fair value of financial instruments**

The following is a summary of the inputs used in valuing the Partnership's investments carried at fair value (expressed in \$000's):

	<u>Total</u>	<u>Quoted Prices (Level 1)</u>	<u>Other Significant Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
<b>Assets</b>				
Common stock*	\$ 641,635	\$ 641,635	\$ —	\$ —
Commodity futures contracts	14,298	14,298	—	—
Commodity futures options	3,582	3,582	—	—
Equity index options	16,556	6,552	10,004	—
Equity options	139	139	—	—
Equity swap contracts	5,479	—	5,479	—
Foreign currency exchange options	2,126	—	2,126	—
Forward foreign currency exchange contracts	19	—	19	—
Government bonds	10,670	—	10,670	—
Investments in other investment partnerships	18,689	—	18,689	—
Participation notes	57	—	57	—
Private placements	18,834	—	—	18,834
Rights	1,107	1,107	—	—
	<u>\$ 733,191</u>	<u>\$ 667,313</u>	<u>\$ 47,044</u>	<u>\$ 18,834</u>

\* All securities classified as common stock fall within level 1 of the fair value hierarchy, therefore the sector analysis breakdown has not been included above as the required breakdown is disclosed in the consolidated condensed schedule of investments.

**EVEREST CAPITAL GLOBAL FUND, L.P.**

Notes to Consolidated Financial Statements

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6. **Fair value of financial instruments** (continued)

	<u>Total</u>	<u>Quoted Prices (Level 1)</u>	<u>Other Significant Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
<b>Liabilities</b>				
Common stock sold short*	\$ 101,440	\$ 101,440	\$ –	–
Equity index swap contracts	1,224	–	1,224	–
Equity swap contracts	528	–	528	–
Forward foreign currency exchange contracts	<u>8,320</u>	<u>–</u>	<u>8,320</u>	<u>–</u>
	<u>\$ 111,512</u>	<u>\$ 101,440</u>	<u>\$ 10,072</u>	<u>–</u>

\* All securities classified as common stock sold short fall within level 1 of the fair value hierarchy, therefore the sector analysis breakdown has not been included above as the required breakdown is disclosed in the consolidated condensed schedule of investments.

The following is a reconciliation of the Partnership's investments for which significant unobservable inputs (level 3) were used to determine fair value (expressed in \$000's):

<u>Instrument</u>	<u>Balance at Dec 31, 2009</u>	<u>Capital Distributions</u>	<u>Included in Net Realized and Net Change in Unrealized Gains and Losses on Investments</u>	<u>Purchases</u>	<u>Sales</u>	<u>Balance at Dec 31, 2010</u>
Loan participations	\$ –	\$ –	\$ (1,800)	\$ 1,800	\$ –	–
Private placements	11,815	(3,111)	2,456	7,674	–	18,834
<b>Total</b>	<u>\$ 11,815</u>	<u>\$ (3,111)</u>	<u>\$ 656</u>	<u>\$ 9,474</u>	<u>\$ –</u>	<u>\$ 18,834</u>

The net change in unrealized gains and losses in the consolidated statement of operations attributable to level 3 investments still held at December 31, 2010 (expressed in \$000's) includes:

Private placements	<u>\$ 2,456</u>
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The Partnership's policy is to recognize transfers into and out of the various levels of the fair value hierarchy as at the actual date of the event or change in circumstances that caused the transfer. No transfers were made during the year ended December 31, 2010.

## **EVEREST CAPITAL GLOBAL FUND, L.P.**

Notes to Consolidated Financial Statements

December 31, 2010

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### **7. General partner's compensation**

The Partnership pays a quarterly management fee of 2.0% per annum of net assets to the general partner.

Special grandfathering provisions are in place that apply to limited partners admitted on or before January 1, 2006 ("Prior Limited Partners"). Under these provisions, the Prior Limited Partners will continue to be charged a management fee of 1.5% per annum. These special grandfathering provisions are in effect as long as Prior Limited Partners remain invested in the Partnership.

The partnership agreement provides that up to 20% of net profits, as defined, relating to all limited partnership interests shall be credited to the general partner or to certain limited partners as may be designated by the general partner, at its sole discretion, in such proportions as the general partner shall agree. This amount is, in effect, incentive compensation paid to the general partner for profitable performance. Incentive compensation is recorded by the Partnership as a reallocation of capital from the limited partners to the general partner (or certain limited partners, as applicable) in the consolidated statement of changes in partners' capital. During the year ended December 31, 2010, the general partner designated a portion of the incentive allocation to a limited partner.

The management fee and incentive compensation due to the general partner is reduced to the extent that corresponding amounts are payable or allocable to any member of the Everest Capital Group by the Partnership or in the Feeders Funds or to the extent that amounts are due to third parties who are instrumental in the sale of interests in the Feeder Funds.

### **8. Administration fee**

Under the terms of the agreement between Citco Fund Services (Bermuda) Limited (the "Administrator") and the Partnership, the Administrator provides accounting and administration services to the Partnership and receives an annual fee based on the net assets of the Partnership, calculated and payable in arrears.

### **9. Prime broker**

The Partnership utilizes a number of prime brokers (each a "Prime Broker"). Under each Prime Brokerage Agreement, all assets of the Partnership held by the respective Prime Broker and each of the Prime Broker's affiliated companies are subject to a general lien and a continuing first priority perfected security interest in favor of the Prime Broker and therefore constitute collateral security for the Partnership's obligations and liabilities to each Prime Broker.

### **10. Taxation**

Under current Cayman Islands law, the Partnership is not required to pay any taxes on income, profits or capital gains. On February 23, 1999, the Partnership obtained an undertaking from the Cayman Islands' authorities exempting it from such taxes for a period of 50 years from the date such undertaking was issued.

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## EVEREST CAPITAL GLOBAL FUND, L.P.

Notes to Consolidated Financial Statements

December 31, 2010

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### 11. Financial highlights

Financial highlights for the Partnership are as follows:

	<u>%</u>
Total return	
Total return for the year before incentive allocation	11.48
Incentive allocation	<u>(0.08)</u>
Total return for the year after incentive allocation	<u>11.40</u>
Ratios to average partners' capital	
Total investment income	1.56
Net investment income excluding incentive allocation	0.54
Operating expenses <sup>2</sup>	1.02
Incentive allocation	<u>0.08</u>
Total operating expenses and incentive allocation	<u>1.10</u>

<sup>1</sup> Total return and ratios are calculated based on the limited partners' interest in the Partnership. Individual Feeder Fund returns and ratios are shown in the attached Feeder Fund financial statements. An investor's results may vary from the total return and ratios shown above due to the investor's eligibility to participate in new issues, different management and incentive fee arrangements (as applicable), the existence of loss carry-forwards and the timing of capital transactions.

<sup>2</sup> Includes dividend and interest expense.

### 12. Subsequent events

The general partner has assessed and evaluated all subsequent events arising from the date of the consolidated statement of assets and liabilities up until March 31, 2011 and has concluded that no additional disclosure is required.

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