



CapitalDirect

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CAPITAL DIRECT I INCOME TRUST

For the Six Month Period Ended June 30, 2009

(Unaudited - Management Prepared)

CAPITAL DIRECT I INCOME TRUST

Statement of Net Assets

June 30, 2009 with comparative figures for December 31, 2008

(Unaudited - Management Prepared)

	Jun-30-09 (Unaudited)	Dec-31-08 (Audited)
ASSETS		
Current Assets		
Cash and cash equivalents	\$536,167	\$698,744
Investments (Notes 2,4,6)	\$4,805,480	\$3,355,351
	\$5,341,647	\$4,054,095
LIABILITIES		
Current Liabilities		
Accounts payable & Interest payable	\$123,602	\$98,161
Loan payable to related party (Note 5)	\$800,000	\$1,000,000
Deferred mortgage Discount Income	\$31,874	\$30,794
	\$955,476	\$1,128,955
Unitholders Equity		
Net Assets	\$4,386,171	\$2,925,140
	\$5,341,647	\$4,054,095

See accompanying notes to the financial statements.

Approved by the Board of Governors

"David Rally" Director
David Rally

"Derek Tripp" Director
Derek Tripp

CAPITAL DIRECT I INCOME TRUST

Statement of Change in Net Assets

For the three months ended June 30, 2009
with comparative figures for December 31 and June 30, 2008
(Unaudited - Management Prepared)

	Jun-30-09 (Unaudited)	Dec-31-08 (Audited)	Jun-30-08
Net assets - beginning of period	\$3,748,327	\$668,010	\$900,101
Net income from operations	\$100,919	\$231,023	\$46,040
	\$3,849,246	\$899,033	\$946,141
Distribution to unitholders	(\$90,820)	(\$192,478)	(\$36,832)
Distribution to the Managers	(\$10,099)	(\$38,545)	(\$9,208)
Capital transactions			
Subscriptions (Notes 8,9)	\$607,700	\$2,214,540	\$326,000
Reinvested distributions	\$30,144	\$105,133	\$25,012
Redemptions	\$0	(\$62,543)	\$0
Net assets - end of period	\$4,386,171	\$2,925,140	\$1,251,113

See accompanying notes to the financial statements.

CAPITAL DIRECT I INCOME TRUST

Statement of Operations

For the three months ended June 30, 2009 and 2008

(Unaudited - Management Prepared)

	Jun-30-09 (Unaudited)	Jun-30-08
INCOME		
Mortgage Interest Income	\$110,461	\$70,719
Mortgage Discount Income	\$15,272	\$12,312
Prepayment Income	\$14,183	\$0
Early Redemption Income	\$0	\$0
Sundry Mortgage Income	\$2,049	\$1,528
	\$141,965	\$84,559
EXPENSES		
Audit Fees	\$3,000	\$3,000
Bank Charges	\$116	\$467
Filing Fees	\$2,044	\$2,040
Interest Expense	\$14,000	\$17,501
Legal Expense	\$0	\$1,082
Management Fees	\$16,683	\$9,558
Provision for Loan Loss	\$4,282	\$1,000
Trustee Fees	\$0	\$3,871
Sundry Mortgage Expense	\$920	\$0
	\$41,046	\$38,519
Net Income from operations	\$100,919	\$46,040

See accompanying notes to the financial statements.

CAPITAL DIRECT I INCOME TRUST

Statement of Cash Flow

For the three months ended June 30, 2009 and 2008

(Unaudited - Management Prepared)

	Jun-30-09 (Unaudited)	Jun-30-08
Operating activities		
Net income from operations	\$100,919	\$46,040
Items not affecting cash:		
Distribution to unitholders and Manager	(\$100,919)	(\$46,040)
Reinvested distributions	\$0	\$0
	\$0	\$0
Changes in non-cash working capital:		
Account payable and Interest payable	\$26,137	\$35,065
Deferred mortgage discount income	(\$3,251)	\$3,615
	\$22,886	\$38,681
Cash flow from operating activities	\$22,886	\$38,681
Investing activity		
Purchase of investments, net	(\$438,001)	(\$219,125)
Cash flow used by investing activities	(\$438,001)	(\$219,125)
Financing activities		
Advances from related parties	\$0	\$0
Cash subscriptions	\$637,844	\$351,012
Redemptions	\$0	\$0
Cash flow from financing activities	\$637,844	\$351,012
Net change in cash and cash equivalents during the period	\$222,728	\$170,569
Cash and cash equivalents - beginning of period	\$313,439	\$21,914
Cash and cash equivalents - end of period	\$536,167	\$192,482
Cash flow supplementary information		
Interest paid	\$14,000	\$17,501

See accompanying notes to the financial statements.

NOTE: All investments carry risk, past performance is not an indication of future returns.

CAPITAL DIRECT I INCOME TRUST

Notes to Financial Statements

Six Month Period Ended June 30, 2009

(Unaudited - Management Prepared)

1. ORGANIZATION OF THE TRUST

The Capital Direct I Income Trust (the "Trust") is an open-ended investment trust established under the laws of the Province of Ontario pursuant to a Declaration of Trust dated June 23, 2006 by Capital Direct Management Ltd. (the "Manager"), as administrator of the Trust and Computershare Trust Company of Canada (the "Trustee")

The Trust is not a reporting issuer under securities legislation and therefore is relying on Part 2.11 of National Instrument 81-106 for exemption from the requirements to file financial statements with the applicable regulatory authorities.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Actual results could differ from those estimates.

Cash and Cash Equivalents

The Trust considers all cash and highly liquid investments purchased with an initial maturity of one year or less to be cash and cash equivalents.

Investments

Investments consist primarily of residential mortgages and are valued at the outstanding principal balance which approximates fair market value. The Manager based on reasonable discretion, may determine a value which more accurately reflects the fair market value of the investment.

Income Recognition

Income from cash equivalents and investments are recognized on an accrual basis. Gain or loss on investments is recognized in the period when sold or when the Manager determines that a permanent impairment in value has occurred. Mortgage discount income is deferred and recognized over the term of the underlying mortgages.

Loss Reserve

Management reviews, estimates and accrues the loss provision on a monthly basis consistent with the historical outcomes of mortgages originated by Capital Direct Lending Corp., parent company of the Manager.

CAPITAL DIRECT I INCOME TRUST

Notes to Financial Statements

Six Month Period Ended June 30, 2009

(Unaudited - Management Prepared)

3. FINANCIAL INSTRUMENTS

The Trust's financial instruments consist of cash and cash equivalents, investments, accounts payable and payable to a related party.

Credit Risk

It is the Manager's opinion that the Trust is exposed to credit risks on all investments. The credit risk is minimized as all investments are collateralized, there is no geographical concentration of investments and the Manager regularly reviews and monitors the fair value of each investment. Accordingly, it is the Manager's opinion that the Trust is not exposed to significant credit risk.

Fair Value

The Trust's carrying value of cash and cash equivalents, accounts payable and payable to a related party approximates its fair value due to the immediate or short term of these instruments.

Liquidity Risk

The Trust's investments are subject to liquidity risk due to the fact the investments are collateralized by real estate. As a result, the Trust may not be able to realize the full fair value of the investments in the event that these financial assets need to be sold quickly.

CAPITAL DIRECT I INCOME TRUST

Notes to Financial Statements

Six Month Period Ended June 30, 2009

(Unaudited - Management Prepared)

4. INVESTMENTS

Investments consist primarily of residential mortgages acquired from Capital Direct Lending Corp. The mortgages have a maturity ranging from 12 to 24 months and range in position of collateral from first to third. Interest rates on the mortgages vary as noted below:

LTV	Number of Loans	Fair Value
15% to 19.99%	2	\$291,538
20% to 24.99%	3	\$233,232
25% to 29.99%	1	\$24,799
30% to 34.99%	3	\$106,941
35% to 39.99%	2	\$221,704
40% to 44.99%	1	\$12,750
45% to 49.99%	2	\$305,091
50% to 54.99%	3	\$302,887
55% to 59.99%	6	\$974,738
60% to 64.99%	6	\$865,351
65% to 69.99%	4	\$611,482
70% to 74.99%	4	\$434,394
75% to 79.99%	5	\$306,660
80% to 84.99%	2	\$141,566
	44	\$4,833,134
Loan loss provision		(\$27,654)
		\$4,805,480

5. LOAN PAYABLE TO RELATED PARTY

The loan payable to Giroday Sawmills Ltd., a company controlled by a Director of the Manager, bears interest at the greater of 7% per annum or at the Royal Bank of Canada's prime rate of interest plus 1.5% per annum. The loan is secured by a general security agreement on all present and future Trust property. Payments against the principal are not required, but may be made at any time without penalty at the discretion of the Trust.

CAPITAL DIRECT I INCOME TRUST

Notes to Financial Statements

Six Month Period Ended June 30, 2009

(Unaudited - Management Prepared)

6. RELATED PARTY TRANSACTIONS

The Trust purchased 100% of its mortgages from Capital Direct Lending Corp., the parent company of the Manager. These transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

7. TAXATION

The Trust qualifies as a "Unit Trust" within the meaning of the Canadian Income Tax Act ("The Act"). The Trust is subject to applicable federal and provincial taxes on the amounts of its net income for tax purposes for the year, including net realizable taxable capital gains, except to the extent such amounts are distributed to unitholders. Losses incurred by the Trust cannot be allocated to unitholders, but may be deducted by the Trust in future years in accordance with The Act.

8. UNITHOLDER EQUITY

Pursuant to the Declaration of Trust, the Trust is authorized to issue an unlimited number of retractable, redeemable and transferable units, each of which represents and equal, undivided interest in any distributions made by the Trust and in the net assets of the Trust in the event of termination or windup. Each Unitholder is entitled to one vote for each whole unit held by such Unitholder.

Units are permitted to be retracted on June 30 or December 31 in any year by giving written notice to the Manager. The retraction proceeds payable for each unit is determined by a formula based on a percentage of net asset value per unit and the length of time since the unit was acquired.

For the three month period ended June 30, 2009 60,770 units were issued for a total subscription price of \$607,700.00.

Units outstanding, beginning of period	374,833
Units issued	60,770
Units issued on reinvestment	3,014
Units redeemed	0
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Units outstanding, end of period	438,617
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CAPITAL DIRECT I INCOME TRUST

Notes to Financial Statements

Six Month Period Ended June 30, 2009

(Unaudited - Management Prepared)

9. DISTRIBUTION TO UNITHOLDERS

The Trust distributes 80% of the net income from operations to the unitholders on a quarterly basis from investments held by the Trust. The quarterly distributions are paid in arrears on the 15th day following the first three calendar quarters and on March 31 following the fourth calendar quarter to which the distribution relates. Distributions by the Trust will be paid in cash unless the unitholder elects to receive distributions in the form of units.

10. MANAGEMENT FEES AND EXPENSES

Management fees

Pursuant to the Management Agreement between the Trust and the Manager, the Manager is to provide management, administration and investment advisory services to the Trust. For these services, the Manager will be entitled to receive a monthly fee (the "Manager's Fee") calculated and payable monthly in arrears based on an annual rate of 2% of the net asset value.

In addition, 20% of the net income from operations will be paid to the Manager on a quarterly basis.

All organization expenses and sales commission or fees paid to registered dealers in connection with the Offering will be paid by the Manager.

Expenses

All expenses or outlays relating to the Trust from inception including, but not limited to, the Manager's Fee, the Trustee's fee, offering expenses (other than organizational expenses and sales commissions on fees paid to registered dealers in connection with the offer and sale of units), taxes payable by the Trust, expenses related to Unitholders' meetings, brokerage, legal and other fees and disbursements relating to the implementation of transactions for Trust investments, if any, will be paid by the Trust.

11. ANNUALIZED RATE OF RETURN

Subscription Month	Net Asset Value	Weighted Average Net Asset Value Per Month	Net Income Allocated to Unitholders	Annualized Return
Initial subscription on settlement	\$10			
Apr-30-09	\$4,125,961	\$4,125,961	\$87,664.82	8.499%
May-31-09	\$185,300	\$123,533	\$2,624.73	8.499%
Jun-30-09	\$74,900	\$24,967	\$530.47	8.499%
	\$4,386,171	\$4,274,461	\$90,820.02	8.499%