

PENSATO CAPITAL FUNDS PLC

**Condensed Interim Report and Unaudited Financial Statements
for the six months ended 31 March 2011**

PENSATO CAPITAL FUNDS PLC

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PENSATO CAPITAL FUNDS PLC

General Information

Directors:	Paul Carroll Glen MacMullin Heinz Saner Paddy Shanahan David Watson
Investment Manager, Promoter and Distributor:	Pensato Capital LLP 5 th Floor, Pollen House 10-12 Cork Street London W1S 3NP England
Custodian:	BNY Mellon Trust Company (Ireland) Limited Guild House Guild Street IFSC Dublin 1 Ireland
Administrator:	BNY Mellon Fund Services (Ireland) Limited Guild House Guild Street IFSC Dublin 1 Ireland
Independent Auditors:	Ernst & Young Harcourt Centre Harcourt Street Dublin 2 Ireland
Legal Advisers as to matters of Irish Law:	Dillon Eustace 33 Sir John Rogerson's Quay Dublin 2 Ireland
Legal Advisers as to matters of English Law:	Simmons & Simmons CityPoint One Ropemaker Street London EC2Y 9SS United Kingdom
Secretary and Registered Office:	Carne Global Financial Services Limited 15/16 Fitzwilliam Place Dublin 2 Ireland

PENSATO CAPITAL FUNDS PLC

Investment Manager's Report for the period ended 31 March 2011

Pensato Capital Funds plc (the "Company") was incorporated in Ireland on 17 February 2010 as an investment company with variable capital, structured as an umbrella fund with segregated liability between sub-funds.

The Prospectus was issued on 16 September 2010 and trading activity commenced on 4 October 2010.

The Company seeks to achieve its objective by investing primarily in a portfolio of direct and synthetic long and synthetic short equity positions (which will be achieved through the use of financial derivative instruments) in companies operating principally in Europe where, in the opinion of the Investment Manager, the economic fundamentals of the businesses are not reflected by the prevailing market valuation.

Between 1 April 2011 and 18 May 2011, the Company received subscriptions totalling €2,192,640 and paid redemptions of €3,079,718.

Pensato Capital LLP

May 2011

PENSATO CAPITAL FUNDS PLC

Condensed Statement of Comprehensive Income for the period ended 31 March 2011

	Period ended 31 March 2011	Period from 17 February 2010 to 30 September 2010
	€	€
Income		
Interest income	2,557	-
Net gain on financial assets and liabilities at fair value through profit or loss	<u>1,262,136</u>	<u>-</u>
Total net income	<u>1,264,693</u>	<u>-</u>
Less expenses		
Interest and dividends	74,645	-
Investment managers fees	361,741	-
Administration fees	56,211	-
Legal fees	25,649	-
Performance fees	177,447	-
Trustee fees	9,807	-
Custodian fees	10,903	-
Audit fees	19,617	-
Directors' fees	25,503	-
Other expenses	<u>48,252</u>	<u>-</u>
Total operating expenses	<u>809,775</u>	<u>-</u>
Increase in net assets from operations	<u>454,918</u>	<u>-</u>

The fund commenced trading on 4 October 2010 and, as such, there are no comparatives presented for the period ended 31 March 2010.

PENSATO CAPITAL FUNDS PLC

**Condensed Statement of Financial Position
as at 31 March 2011**

	31 March 2011	30 September 2010
	€	€
Assets		
Financial assets at fair value through profit or loss	55,782,492	-
Unrealised appreciation on derivative contracts	1,761,679	-
Cash and cash equivalents	6,154,394	300,000
Receivable for securities sold	600,362	-
Amounts due from brokers	4,963,754	-
Other assets	280,441	-
Total assets	<u>69,543,122</u>	<u>300,000</u>
Liabilities		
Unrealised depreciation on derivative contracts	61,480	-
Payable for securities purchased	4,434,872	-
Amounts due to brokers	235,685	-
Accrued expenses	431,347	-
Total Liabilities	<u>5,163,384</u>	<u>-</u>
Net assets	<u><u>64,379,738</u></u>	<u><u>300,000</u></u>
	NAV	NAV
Net asset value per share	per share	per share
Class B (Euro) Shares (Reporting) (7,175.40 shares) (2010: Nil)	€101.71	-
Class B (Euro) Shares (Non-Reporting) (522,885.39 shares) (2010: Nil)	€101.66	-
Class B (GBP) Shares (Reporting) (51,674.00 shares) (2010: Nil)	£101.74	-
Class B (USD) Shares (Non-Reporting) (40,255.29 shares) (2010: Nil)	\$101.76	-
(Euro) Management Shares (Reporting) (16,400.00 shares) (2010 Nil)	€101.71	-
(Euro) Management Shares (Non-Reporting) (2 shares) (2010 300,000.00 shares)	€1.00	€1.00

PENSATO CAPITAL FUNDS PLC

**Condensed Statement of Changes in Net Assets
for the period ended 31 March 2011**

	Period ended 31 March 2011	Period from 17 February 2010 to 30 September 2010
	€	€
Net assets at beginning of period	300,000	-
Increase in net assets from operations	454,918	-
Subscriptions during the period	64,592,818	300,000
Redemptions during the period	<u>(967,998)</u>	<u>-</u>
Net assets at end of period	<u>64,379,738</u>	<u>300,000</u>

The fund commenced trading on 4 October 2010 and, as such, there are no comparatives presented for the period ended 31 March 2010.

PENSATO CAPITAL FUNDS PLC

Condensed Statement of Cash Flows for the period ended 31 March 2011

	Period ended 31 March 2011 €	Period from 17 February 2010 to 30 September 2010 €
Cash flows from operating activities		
Increase in net assets from operations	454,918	-
Adjustment for:		
Net increase in financial assets at fair value through profit or loss	(55,782,492)	-
Net derivative contracts	(1,700,199)	-
Increase in receivable for securities sold	(600,362)	-
Increase in amounts due from brokers	(4,963,754)	-
Increase in other assets	(280,441)	-
Increase in payable for securities purchased	4,434,872	-
Increase in amounts due to brokers	235,685	-
Increase in accrued expenses	431,347	-
	<hr/>	<hr/>
Net cash outflow from operating activities	(57,770,426)	-
Cash flows from financing activities		
Proceeds from issuance of shares	64,592,818	300,000
Payments for redemption of shares	(967,998)	-
	<hr/>	<hr/>
Net increase in cash and cash equivalents	5,854,394	300,000
Cash and cash equivalents at the beginning of the period	300,000	-
	<hr/>	<hr/>
Cash and cash equivalents at the end of the period	6,154,394	300,000
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The fund commenced trading on 4 October 2010 and, as such, there are no comparatives presented for the period ended 31 March 2010.

PENSATO CAPITAL FUNDS PLC

Condensed Notes to the Financial Statements for the period ended 31 March 2011

1. Corporate Information

Pensato Capital Funds plc (the "Company") was incorporated in Ireland on 17 February 2010 as an investment company with variable capital, structured as an umbrella fund with segregated liability between sub-funds and with limited liability under registration number 481027. The Company is authorised by the Central Bank of Ireland as an Undertaking for Collective Investment in Transferrable Securities ("UCITS") pursuant to the UCITS Regulations. The Company commenced its trading activity on 4 October 2010.

The registered office of the Company is 15/16 Fitzwilliam Place, Dublin 2, Ireland

The Company has appointed Pensato Capital LLP (the "Investment Manager") as Investment Manager to the Company. The Company has delegated its administration and share registration functions to BNY Mellon Fund Services (Ireland) Limited (the "Administrator"). The Company has appointed BNY Mellon Trust Company (Ireland) Limited (the "Custodian") to carry out the custodial functions of the Company including the safekeeping of assets, trustee duties and the operation and maintenance of certain of the Company's bank accounts.

At the date of these financial statements, the Company consists of the following Fund, which has been approved by the Financial Regulator: Pensato Europa Absolute Return Fund (the "Fund")

The investment objective of the Company is to seek to achieve absolute returns and capital appreciation on a risk adjusted basis.

The Company seeks to achieve its objective by investing primarily in a portfolio of direct and synthetic long and synthetic short equity positions (which will be achieved through the use of financial derivative instruments) in companies operating principally in Europe where, in the opinion of the Investment Manager, the economic fundamentals of the businesses are not reflected by the prevailing market valuation.

2. Significant Accounting Policies

The significant accounting policies and estimation techniques adopted by the Company for the six months ended 31 March 2011 are consistent with those adopted by the Company for the annual financial statements for the period ended 30 September 2010.

Basis of Preparation

This condensed interim financial information for the half year ended 31 March 2011 has been prepared in accordance with IAS 34, 'Interim financial reporting' and Irish statute comprising the Companies Acts, 1963 to 2009, and all Regulations to be as construed as one with those Acts. The interim condensed financial report should be read in conjunction with the annual financial statements for the period ended 30 September 2010.

The financial statements are presented in Euro, which is the functional currency of the Company.

3. Share Capital

The authorised share capital of the Company is 499,999,700,000 Shares of no par value and 300,000 redeemable non-participating shares of no par value issued at €1.00 each.

PENSATO CAPITAL FUNDS PLC

**Condensed Notes to the Financial Statements
for the period ended 31 March 2011 (continued)**

3. Share Capital (continued)

The following share transactions took place during the periods ended 31 March 2011 and 30 September 2010:

	Period ended 31 March 2011	Period ended 30 September 2010
Participating Shares		
Class B (Euro) Shares (Reporting)		
Opening balance at beginning of period	-	-
Shares issued	7,175.40	-
Shares redeemed	-	-
Closing balance at end of period	7,175.40	-
Class B (Euro) Shares (Non-Reporting)		
Opening balance at beginning of period	-	-
Shares issued	529,514.56	-
Shares redeemed	(6,629.17)	-
Closing balance at end of period	522,885.39	-
Class B (GBP) Shares (Reporting)		
Opening balance at beginning of period	-	-
Shares issued	51,674.00	-
Shares redeemed	-	-
Closing balance at end of period	51,674.00	-
Class B (USD) Shares (Non-Reporting)		
Opening balance at beginning of period	-	-
Shares issued	40,255.29	-
Shares redeemed	-	-
Closing balance at end of period	40,255.29	-
(Euro) Management Shares (Participating)		
Opening balance at beginning of period	-	-
Shares issued	16,400.00	-
Shares redeemed	-	-
Closing balance at end of period	16,400.00	-
Non-Participating Shares		
(Euro) Management Shares (Non-Participating)		
Opening balance at beginning of period	300,000.00	-
Shares issued	-	300,000.00
Shares redeemed	(299,998.00)	-
Closing balance at end of period	2.00	300,000.00

PENSATO CAPITAL FUNDS PLC

Condensed Notes to the Financial Statements for the period ended 31 March 2011 (continued)

4. Related Party Transactions

David Watson and Paddy Shanahan are members of the Investment Manager which will receive an Investment Management Fee and may receive a Performance Fee in respect of its services to the Company and are also members of Pensato Cayman LP, a Cayman partnership which holds an indirect interest in the Investment Manager. David Watson and Paddy Shanahan are directors of Pensato Cayman Limited GP, the general partner of Pensato Cayman LP and of Pensato Cayman Limited, a Cayman company with an indirect interest in the Investment Manager.

The redeemable non-participating shares were subscribed by Sarah Clapp, the wife of Graham Clapp, who is the managing partner of Pensato Capital LLP.

There were no other related party transactions incurred during the period.

5. Important Events since the Period End

Between 1 April 2011 and 18 May 2011, the Company received subscriptions totalling €2,192,640 and paid redemptions of €3,079,718.

There were no other important events affecting the Company since the period end.

6. Commitments and Contingent Liabilities

At 31 March 2011 the Company did not have any significant commitments or contingent liabilities that were not included in the Condensed Statement of Financial Position.

7. Soft Commissions

There were no soft commissions paid during the period.

8. Approval of Financial Statements

The Directors approved the financial statements on 18 May 2011.