

# **PENSATO CAPITAL FUNDS PLC**

**Condensed Interim Report and Unaudited Financial Statements  
for the six months ended 31 March 2013**

# PENSATO CAPITAL FUNDS PLC

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# PENSATO CAPITAL FUNDS PLC

## General Information

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<b>Directors:</b>	Paul Carroll Glen MacMullin Heinz Saner Paddy Shanahan David Watson Conor Walsh (appointed 1 January 2013)
<b>Investment Manager, Promoter and Distributor:</b>	Pensato Capital LLP Southwest House 11a Regent Street London SW1Y 4LR England
<b>Custodian:</b>	BNY Mellon Trust Company (Ireland) Limited Guild House Guild Street IFSC Dublin 1 Ireland
<b>Administrator:</b>	BNY Mellon Fund Services (Ireland) Limited Guild House Guild Street IFSC Dublin 1 Ireland
<b>Independent Auditors:</b>	Ernst & Young Chartered Accountants Harcourt Centre Harcourt Street Dublin 2 Ireland
<b>Legal Advisers as to matters of Irish Law:</b>	Dillon Eustace 33 Sir John Rogerson's Quay Dublin 2 Ireland
<b>Legal Advisers as to matters of English Law:</b>	Simmons & Simmons CityPoint One Ropemaker Street London EC2Y 9SS United Kingdom
<b>Secretary and Registered Office:</b>	Tudor Trust Limited 33 Sir John Rogerson's Quay Dublin 2 Ireland

# PENSATO CAPITAL FUNDS PLC

## **Investment Manager's Report for the six months ended 31 March 2013**

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The investment objective of the Pensato Europa Absolute Return Fund is to generate attractive risk adjusted returns primarily driven from stock picking. Investment performance for the six months to 31st March 2013 was +3.91% net to investors. In excess of 80% of the fund's gross return was sourced from successful stock picking with the market impact from our modest net long position contributing the remainder.

Over the six months to March 2013, the Euro Stoxx 600 Index appreciated by 10.7%. Stock markets continue to be buoyed by a number of positive factors: an unprecedented level of stimulus from central banks around the world, the perceived reduction in 'tail' risk, in the Eurozone, a pick up in leading economic indicators in some countries, notably the US and China and equity valuations that are attractive compared to bonds. However, investor expectations for corporate profits growth have been too optimistic both in the period under review and also over the course of 2012 as a whole. Although leading indicators, particularly in the US and China gave investors cause for optimism over the latter half of 2012, there are now signs that economic activity is weakening both in Western economies and in Emerging Markets. The crisis in Greece rumbles on and will undoubtedly do so for several more years. The bigger economies of Italy and Spain have been significantly impacted by austerity measures and growth has slowed markedly in France and Northern Europe. The United States has seen a solid recovery in economic activity, but the recent mini crisis over the potential fiscal cliff is a reminder that the government finances are far from solid. With this background we see no reason to change our view that activity in the economy is unlikely to change dramatically.

Indeed, the outlook for profits growth among European companies remains challenging. The fourth calendar quarter of 2012 saw earnings across the Euro Stoxx 600 revised downwards by over 2%. At the end of December 2012, bottom up analyst profit forecasts were for growth in earnings of over 9% in 2013. Yet over the first calendar quarter of 2013 we have seen greater than a 4% deterioration of earnings estimates, such that forecasts now predict 4-5% corporate profits growth in Europe. This figure is still higher than top down forecasts from many economists and may yet see further pressure as we go through the year.

Thus the strong performance of the equity market has not been driven by upward revisions to earnings expectations. Current forecast earnings for 2013 are broadly in line with profit levels achieved in 2011. Instead, stock valuations have expanded. The rolling forward 12m P/E of the market has risen by around 13% on average in the period and closer to 20% since the beginning of 2012. This has been driven in large part by the partial closing of the valuation gap between equities and bonds that has built up over the last few years. Since 2005 the yield on the equity market in Europe has been in line or slightly below that of German 10 year bonds. The collapse in bond yields since mid 2011 led to a gap of over 250bp by the middle of 2012. The sequel to the compressions in government bond yields seen in 2010-11 and credit and emerging market bond yields in 2012 has been a compression in equity yields and a consequent rise in stock prices and valuations despite the deterioration in profit expectations for many companies. Of course, it might plausibly be argued that the risk that is being mispriced here is on the credit side where assets some way along the curve are now valued at close to risk free levels. It remains to be seen how this valuation gap is closed, whether equity yields come down, or bond yields go up, or a combination of the two.

# **PENSATO CAPITAL FUNDS PLC**

## **Investment Manager's Report for the six months ended 31 March 2013 (continued)**

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We are mindful of the many macroeconomic factors that may still influence stock prices, but we continue to see excellent individual investment opportunities against this uncertain market backdrop. Our net exposure has been modest, averaging 10% net long and reflects the balance of ideas between the long and the short book. However, we have been operating with a gross exposure above 215% reflecting strong idea generation from the investment team and an attractive and broad opportunity set. The wide dispersion of stock price performance across the market and within individual sectors continues to be positive for our strategy, and rewards the competent stock picker allowing us to drive attractive “alpha” while minimising volatility and risk. As ever, our diversified portfolio construction and attention to detail on the risk characteristics of the fund will ensure that the investment performance continues to be driven by stock picking whilst remaining pragmatic and watchful for shifts in the economy, investment environment and investor risk appetites.

**Pensato Capital LLP**

**April 2013**

**PENSATO CAPITAL FUNDS PLC**

**Condensed Statement of Comprehensive Income  
for the six months ended 31 March 2013**

	Six months ended 31 March 2013 €	Year ended 30 September 2012 €	Six months ended 31 March 2012 €
<b>Income</b>			
Dividend income	1,211,930	2,204,966	466,334
Interest income	362	20,434	19,600
Net gain on financial assets and liabilities at fair value through profit or loss	9,971,146	12,727,879	7,598,562
<b>Total net income</b>	<b>11,183,438</b>	<b>14,953,279</b>	<b>8,084,496</b>
<b>Less expenses</b>			
Interest expense	665,437	681,419	299,803
Dividend expense on short CFD's	1,823,870	2,112,945	580,705
Withholding tax	157,243	369,308	-
Investment management fees	1,337,075	1,289,185	547,259
Administration fees	77,713	111,506	53,253
Legal fees	70,195	112,320	61,176
Performance fees	1,446,565	1,529,292	918,458
Trustee fees	16,176	19,841	10,153
Custodian fees	26,779	53,854	26,927
Audit fees	19,836	39,891	19,945
Directors' fees	29,517	40,000	28,441
Other professional fees	34,025	95,919	35,526
Transfer agency fees	2,480	4,987	2,493
Other expenses	45,639	30,835	1,701
<b>Total operating expenses</b>	<b>5,752,550</b>	<b>6,491,302</b>	<b>2,585,840</b>
<b>Increase in net assets from operations</b>	<b>5,430,888</b>	<b>8,461,977</b>	<b>5,498,656</b>

**PENSATO CAPITAL FUNDS PLC**

**Condensed Statement of Financial Position  
as at 31 March 2013**

	Note	31 March 2013 €	30 September 2012 €	31 March 2012 €
<b>Assets</b>				
Financial assets at fair value through profit or loss	3	137,433,322	89,628,387	55,286,251
Cash and cash equivalents		56,209,914	14,752,730	13,018,808
Receivable for securities sold		9,115,201	4,218,880	853,275
Amounts due from brokers		989,906	2,462,685	1,474,714
Dividends receivable		275,005	86,235	156,962
Other assets		-	69,717	98,567
<b>Total assets</b>		<u>204,023,348</u>	<u>111,218,634</u>	<u>70,888,577</u>
<b>Liabilities</b>				
Financial liabilities at fair value through profit or loss	3	1,038,654	514,653	449,456
Payable for securities purchased		4,786,776	1,640,067	677,401
Amounts due to brokers		-	5,139	-
Dividends payable on short CFD's		894,642	94,819	122,184
Performance fees accrued	4	1,444,051	1,529,292	918,458
Administration fees payable		86,029	8,316	13,314
Investment management fees payable	4	258,336	140,269	96,641
Interest payable		66,097	-	2,341
Accrued expenses		125,562	108,453	116,613
<b>Total liabilities</b>		<u>8,700,147</u>	<u>4,041,008</u>	<u>2,396,408</u>
<b>Net assets</b>		<u><u>195,323,201</u></u>	<u><u>107,177,626</u></u>	<u><u>68,492,169</u></u>

**PENSATO CAPITAL FUNDS PLC**

**Condensed Statement of Financial Position  
as at 31 March 2013 (continued)**

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	<b>31 March 2013</b>	<b>30 September 2012</b>	<b>31 March 2012</b>
<b>Shares in issue:</b>			
Class B (Euro) Shares (Reporting)	111,073.05	106,562.67	87,366.25
Class B (Euro) Shares (Non-Reporting)	1,236,535.52	713,287.74	465,202.72
Class B (GBP) Shares (Reporting)	90,932.78	100,433.16	57,954.11
Class B (USD) Shares (Non-Reporting)	307,770.56	16,372.31	8,940.55
(Euro) Management Shares (Reporting)	16,400.00	16,400.00	16,400.00
(GBP) Management Shares (Reporting)	1,780.00	1,780.00	-
(Euro) Management Shares (Non-Participating)	2.00	2.00	2.00
<b>Net Asset Value per share</b>			
Class B (Euro) Shares (Reporting)	€113.87	€109.58	€106.05
Class B (Euro) Shares (Non-Reporting)	€113.94	€109.65	€106.11
Class B (GBP) Shares (Reporting)	£114.39	£109.73	£106.17
Class B (USD) Shares (Non-Reporting)	\$114.02	\$109.64	\$106.00
(Euro) Management Shares (Reporting)	€117.84	€112.33	€107.86
(GBP) Management Shares (Reporting)	£104.29	£99.14	-
(Euro) Management Shares (Non-Participating)	€1.00	€1.00	€1.00



**PENSATO CAPITAL FUNDS PLC**

**Condensed Statement of Changes in Net Assets  
for the six months ended 31 March 2013**

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	<b>Six months ended 31 March 2013</b>	<b>Year ended 30 September 2012</b>	<b>Six months ended 31 March 2012</b>
<b>Net assets at beginning of period/year</b>	107,177,626	58,085,931	58,085,931
Increase in net assets from operations	5,430,888	8,461,977	5,498,656
Subscriptions during the period/year	113,584,330	50,009,830	8,622,852
Redemptions during the period/year	<u>(30,869,643)</u>	<u>(9,380,112)</u>	<u>(3,715,270)</u>
<b>Net assets at end of period/year</b>	<b><u><u>195,323,201</u></u></b>	<b><u><u>107,177,626</u></u></b>	<b><u><u>68,492,169</u></u></b>

**PENSATO CAPITAL FUNDS PLC**

**Condensed Statement of Cash Flows  
for the six months ended 31 March 2013**

	Six months ended 31 March 2013 €	Year ended 30 September 2012 €	Six months ended 31 March 2012 €
<b>Cash flows from operating activities</b>			
Increase in net assets from operations	5,430,888	8,461,977	5,498,656
<b>Adjustments for:</b>			
Net increase in financial assets and financial liabilities at fair value through profit or loss	(47,188,536)	(40,457,443)	(6,404,558)
Net derivative contracts	(92,398)	1,665	225,719
Increase in receivable for securities sold	(4,896,321)	(3,519,997)	(154,392)
Decrease/(increase) in amounts due from brokers	1,472,779	(1,606,444)	(618,473)
Increase in dividends receivable	(188,770)	(36,572)	(107,299)
Decrease in other assets	69,717	61,627	32,777
Increase/(decrease) in payable for securities purchased	3,146,709	135,741	(826,925)
Decrease in amounts due to brokers	(5,139)	(3,837)	(8,976)
Increase in dividends payable on short CFD's	799,823	32,697	909,519
(Decrease)/increase in performance fees accrued	(85,241)	1,520,353	60,062
Increase in administration fees payable	77,713	2,689	7,687
Increase in investment management fees payable	118,067	55,826	12,198
Increase in interest payable	66,097	-	2,341
Increase/(decrease) in accrued expenses	17,109	(37,620)	(29,460)
<b>Net cash outflow from operating activities</b>	<b>(41,257,503)</b>	<b>(35,389,338)</b>	<b>(1,401,124)</b>
<b>Cash flows from financing activities</b>			
Proceeds from issuance of shares	113,584,330	50,009,830	8,622,852
Payments for redemption of shares	(30,869,643)	(9,380,112)	(3,715,270)
<b>Net cash inflow from financing activities</b>	<b>82,714,687</b>	<b>40,629,718</b>	<b>4,907,582</b>
<b>Net increase in cash and cash equivalents</b>	<b>41,457,184</b>	<b>5,240,380</b>	<b>3,506,458</b>
Cash and cash equivalents at beginning of period/year	14,752,730	9,512,350	9,512,350
<b>Cash and cash equivalents at end of period/year</b>	<b>56,209,914</b>	<b>14,752,730</b>	<b>13,018,808</b>
<i>Supplementary Information on cash flows from operating activities:</i>			
Interest paid	599,340	681,419	297,462

**PENSATO CAPITAL FUNDS PLC**

**Analysis of the Portfolio as at 31 March 2013**

*\*The open derivative positions set out below have been marked to market as at 31 March 2013. Contracts for difference generally roll over on a periodic basis and settle in cash at the rollover date. Contracts with a nil fair value have rolled over and settled in cash on 31 March 2013 but are still open.*

	Fair Value	% of Net
	€	Assets
<b>Financial assets at fair value through profit and loss</b>		
<b>Investment in contracts for difference*</b>		
	<i>Underlying notional exposure</i>	
	€	
<b>Austria</b>		
Energy – short exposure	(8,714,704)	-
Industrials – short exposure	(3,741,106)	-
<b>Belgium</b>		
Industrials – short exposure	(1,941,164)	-
<b>Finland</b>		
Consumer Discretionary – short exposure	(1,720,772)	-
Industrials – short exposure	(9,029,229)	-
Information Technology – short exposure	(2,921,424)	-
Materials – short exposure	(6,236,826)	-
<b>France</b>		
Consumer Discretionary – long exposure	9,446,697	-
Consumer Discretionary – short exposure	(7,683,162)	-
Consumer Staples – long exposure	4,225,439	-
Energy – short exposure	(2,685,000)	-
Industrials – long exposure	14,113,006	-
Industrials – short exposure	(4,340,100)	-
Information Technology – long exposure	7,868,911	-
Information Technology – short exposure	(3,591,464)	-
Materials – long exposure	5,781,580	-
Materials – short exposure	(5,162,268)	-
<b>Germany</b>		
Consumer Discretionary – short exposure	(3,743,559)	-
Healthcare – short exposure	(5,033,740)	-
Industrials – short exposure	(7,311,275)	-
Materials – short exposure	(6,831,836)	-
<b>Ireland</b>		
Industrials – long exposure	3,997,853	-
Materials – short exposure	(4,971,413)	0.02
<b>Total Ireland</b>	37,662	0.02

PENSATO CAPITAL FUNDS PLC

Analysis of the Portfolio as at 31 March 2013 (continued)

		Fair Value €	% of Net Assets
<b>Financial assets at fair value through profit and loss (continued)</b>			
<b>Investment in contracts for difference* (continued)</b>	<i>Underlying notional exposure</i>		
	€		
<b>Italy</b>			
Consumer Discretionary – short exposure	(4,264,260)	-	-
Energy – short exposure	(3,848,031)		
Healthcare – short exposure	(3,211,490)	-	-
<b>Netherlands</b>			
Consumer Staples – short exposure	(2,990,576)	-	-
<b>Russia</b>			
Materials – short exposure	(1,977,520)	-	-
<b>Spain</b>			
Consumer Discretionary – short exposure	(3,132,040)	-	-
Consumer Staples – short exposure	(3,555,964)	-	-
Materials – short exposure	(2,710,688)	-	-
<b>Sweden</b>			
Consumer Discretionary – short exposure	(13,819,649)	-	-
Consumer Staples – short exposure	(7,081,446)	-	-
Industrials – short exposure	(13,830,874)	-	-
<b>Switzerland</b>			
Consumer Staples – short exposure	(3,434,692)	-	-
Healthcare – short exposure	(7,313,203)	-	-
Industrials – short exposure	(10,817,688)	-	-
Materials – short exposure	(3,073,418)	-	-
<b>United Kingdom</b>			
Consumer Discretionary – long exposure	13,525,751	228,320	0.12
Consumer Discretionary – short exposure	(1,263,055)	64,359	0.03
Consumer Staples – long exposure	7,785,746	39,734	0.02
Consumer Staples – short exposure	(2,889,545)	40,113	0.02
Financials – long exposure	5,914,329	239,770	0.12

**PENSATO CAPITAL FUNDS PLC**

**Analysis of the Portfolio as at 31 March 2013 (continued)**

	<b>Fair Value</b>	<b>% of Net</b>
	<b>€</b>	<b>Assets</b>
<b>Financial assets at fair value through profit and loss (continued)</b>		
<b>Investment in contracts for difference* (continued)</b>	<i>Underlying</i>	
	<i>notional exposure</i>	
<b>United Kingdom (continued)</b>	<b>€</b>	
Financials – short exposure	(4,511,430)	29,052      0.01
Industrials – long exposure	4,151,558	69,305      0.04
Materials – long exposure	3,010,346	43,258      0.02
Telecommunication services – long exposure	5,703,096	60,887      0.03
<b>Total United Kingdom</b>	<b>814,798</b>	<b>0.41</b>
<b>Total investment in contracts for difference</b>	<b>852,460</b>	<b>0.43</b>
<b>Investment in equities</b>		
<b>Belgium</b>		
Consumer Discretionary	3,834,015	1.96
	<b>3,834,015</b>	<b>1.96</b>
<b>Denmark</b>		
Consumer Staples	5,384,821	2.76
Healthcare	6,475,448	3.32
Materials	2,859,528	1.46
	<b>14,719,797</b>	<b>7.54</b>
<b>Finland</b>		
Energy	3,206,533	1.64
	<b>3,206,533</b>	<b>1.64</b>
<b>Germany</b>		
Financials	3,594,895	1.84
Healthcare	6,494,172	3.32
Industrials	1,536,399	0.79
Information Technology	8,606,188	4.41
	<b>20,231,654</b>	<b>10.36</b>
<b>Greece</b>		
Energy	2,850,209	1.46
	<b>2,850,209</b>	<b>1.46</b>

**PENSATO CAPITAL FUNDS PLC**

**Analysis of the Portfolio as at 31 March 2013 (continued)**

	Fair Value €	% of Net Assets
<b>Financial assets at fair value through profit and loss (continued)</b>		
<b>Investment in equities (continued)</b>		
<b>Israel</b>		
Information Technology	4,731,225	2.42
Materials	3,761,659	1.93
	<u>8,492,884</u>	<u>4.35</u>
<b>Italy</b>		
Consumer Discretionary	4,720,030	2.42
Industrials	1,678,650	0.86
	<u>6,398,680</u>	<u>3.28</u>
<b>Netherlands</b>		
Consumer Staples	5,551,805	2.84
Energy	4,826,705	2.47
Industrials	4,695,674	2.40
Information Technology	5,024,271	2.57
	<u>20,098,455</u>	<u>10.28</u>
<b>Norway</b>		
Consumer Staples	6,229,425	3.19
Energy	4,396,320	2.25
Materials	3,582,012	1.83
	<u>14,207,757</u>	<u>7.27</u>
<b>Sweden</b>		
Consumer Staples	3,337,674	1.71
Industrials	4,292,845	2.20
	<u>7,630,519</u>	<u>3.91</u>
<b>Switzerland</b>		
Consumer Discretionary	4,789,229	2.45
Healthcare	3,961,517	2.03
Industrials	3,077,768	1.58
Information Technology	3,110,768	1.59
Materials	5,081,330	2.60
	<u>20,020,612</u>	<u>10.25</u>
<b>Total investment in equities</b>	<u>121,691,115</u>	<u>62.30</u>

**PENSATO CAPITAL FUNDS PLC**

**Analysis of the Portfolio as at 31 March 2013 (continued)**

				Fair Value €	% of Net Assets
<b>Financial assets at fair value through profit and loss (continued)</b>					
<b>Investment in government bonds</b>					
<b>Germany</b>					
Financials					
				7,000,452	3.58
				<u>7,000,452</u>	<u>3.58</u>
<b>Total investment in government bonds</b>				<u>7,000,452</u>	<u>3.58</u>
<b>Investment in preferred stocks</b>					
<b>Germany</b>					
Consumer Discretionary					
				7,795,499	3.99
				<u>7,795,499</u>	<u>3.99</u>
<b>Total investment in preferred stocks</b>				<u>7,795,499</u>	<u>3.99</u>
<b>Forward currency contracts*</b>					
				<b>Unrealised gain</b>	<b>% of Net</b>
<b>Amount Receivable</b>	<b>Amount Payable</b>	<b>Maturity Date</b>	<b>Contracts</b>	<b>€</b>	<b>Assets</b>
<i>Class Specific</i>					
USD 34,950,000	€27,186,439	30 April 2013	1	25,447	0.01
GBP 12,410,254	€10,544,000	30 April 2013	2	53,633	0.03
<i>Non Class Specific</i>					
USD 10,454,301	SEK 68,000,000	30 April 2013	1	2,462	0.00
GBP 4,600,000	USD 6,967,942	30 April 2013	1	12,254	0.01
<b>Total unrealised gain on forward currency contracts</b>				<u>93,796</u>	<u>0.05</u>
<b>Total financial assets at fair value through profit or loss - trading</b>				<u>137,433,322</u>	<u>70.35</u>

PENSATO CAPITAL FUNDS PLC

Analysis of the Portfolio as at 31 March 2013 (continued)

		Fair Value €	% of Net Assets
<b>Financial liabilities at fair value through profit and loss (continued)</b>			
<b>Investment in contracts for difference* (continued)</b>	<i>Underlying notional exposure</i>		
	€		
<b>United Kingdom</b>			
Consumer Discretionary – long exposure	10,011,001	(274,946)	(0.14)
Consumer Discretionary – short exposure	(11,492,119)	(163,145)	(0.08)
Consumer Staples – short exposure	(10,606,633)	(151,663)	(0.08)
Energy – long exposure	3,722,266	(21,166)	(0.01)
Energy – short exposure	(1,899,172)	(27,832)	(0.01)
Financials – short exposure	(4,591,580)	(72,153)	(0.04)
Industrials – short exposure	(4,204,666)	(144,924)	(0.07)
Information Technology – long exposure	4,092,991	(18,121)	(0.01)
Materials – long exposure	3,200,289	(104,247)	(0.05)
<b>Total United Kingdom</b>		<b>(978,197)</b>	<b>(0.49)</b>
<b>Total investment in contracts for difference</b>		<b>(978,197)</b>	<b>(0.49)</b>
<b>Forward currency contracts*</b>			
		<b>Unrealised loss</b>	<b>% of Net Assets</b>
<b>Amount Receivable</b>	<b>Amount Payable</b>	<b>Maturity Date</b>	<b>Contracts</b>
			€
<i>Non Class Specific</i>			
€12,288,233	CHF 15,000,000	30 April 2013	1
€9,562,744	SEK 80,000,000	30 April 2013	1
<b>Total unrealised loss on forward currency contracts</b>			<b>(60,457)</b>
<b>Total financial liabilities at fair value through profit or loss - trading</b>		<b>(1,038,654)</b>	<b>(0.53)</b>
<b>Total financial assets at fair value through profit and loss</b>		137,433,322	70.35
<b>Total financial liabilities at fair value through profit and loss</b>		(1,038,654)	(0.53)
<b>Cash and cash equivalents</b>		56,209,914	28.79
<b>Other net assets</b>		2,718,619	1.39
<b>Net assets attributable to holders of redeemable participating shares</b>		<b>195,323,201</b>	<b>100.00</b>



## PENSATO CAPITAL FUNDS PLC

### Analysis of the Portfolio as at 31 March 2013 (continued)

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	<b>% of</b>
<b>Analysis of total assets</b>	<b>Total Assets</b>
Transferable securities admitted to an official stock exchange or traded on a regulated market	66.90
Contracts for difference	0.42
Cash and cash equivalents	27.55
Other assets	5.13
	<hr/> <u>100.00</u>

**Classifications:**

Other assets includes forward currency contracts

All other investments held at period end, other than contracts for difference, are transferable securities listed on an official stock exchange or traded on a regulated market

Analysis of Total Assets rather than Net Assets is required under UCITS Notice 8.2 appendix B.

# PENSATO CAPITAL FUNDS PLC

## Condensed Notes to the Financial Statements for the six months ended 31 March 2013

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### **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 33 Sir John Rogerson's Quay, 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 Central Bank of Ireland: 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. Accounting Policies**

The significant accounting policies and estimation techniques adopted by the Company for the six months ended 31 March 2013 are consistent with those adopted by the Company for the annual financial statements for the year ended 30 September 2012.

#### **Basis of Preparation**

This condensed interim financial information for the period ended 31 March 2013 has been prepared in accordance with IAS 34, 'Interim financial reporting' and Irish statute comprising the Companies Acts, 1963 to 2012, and all Regulations to be as construed as one with those Acts. The condensed interim report and unaudited financial statements should be read in conjunction with the annual financial statements for the year ended 30 September 2012.

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

Comparative figures are presented for the six months ended 31 March 2012 and for the year ended 30 September 2012. Some comparative figures may have been restated for consistency with current period presentation. The change in presentation has no effect on the results of the prior year/period.

**PENSATO CAPITAL FUNDS PLC**

**Notes to the Financial Statements  
for the six months ended 31 March 2013 (continued)**

**3. Financial Assets and Liabilities at Fair Value Through Profit or Loss**

The following tables summarize financial assets and liabilities at fair value through profit or loss as at 31 March 2013, 30 September 2012 and 31 March 2012:

	31 March 2013 Fair Value €	30 September 2012 Fair Value €	31 March 2012 Fair Value €
<b>Financial assets at fair value through profit or loss held for trading</b>			
<u>Equities and managed funds</u>			
Equity securities	121,691,115	76,209,402	46,068,044
Contracts for difference	852,460	514,592	182,368
Preferred stocks	7,795,499	6,900,731	3,994,890
<u>Total equities &amp; managed funds</u>	130,339,074	83,624,725	50,245,302
<u>Interest bearing securities</u>			
Government bonds	7,000,452	6,001,936	4,999,580
<u>Total interest bearing securities</u>	7,000,452	6,001,936	4,999,580
<u>Derivatives</u>			
Forward currency contracts	93,796	1,726	41,369
<u>Total derivatives</u>	93,796	1,726	41,369
<b>Total financial assets at fair value through profit or loss</b>	<b>137,433,322</b>	<b>89,628,387</b>	<b>55,286,251</b>
<b>Financial liabilities at fair value through profit or loss held for trading</b>			
<u>Equities &amp; Managed Funds</u>			
Contracts for difference	(978,197)	(391,442)	(396,008)
<u>Total equities &amp; managed funds</u>	(978,197)	(391,442)	(396,008)
<u>Derivatives</u>			
Forward currency contracts	(60,457)	(123,211)	(53,448)
<u>Total derivatives</u>	(60,457)	(123,211)	(53,448)
<b>Total financial liabilities at fair value through profit or loss</b>	<b>(1,038,654)</b>	<b>(514,653)</b>	<b>(449,456)</b>

# PENSATO CAPITAL FUNDS PLC

## Notes to the Financial Statements for the six months ended 31 March 2013 (continued)

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### 4. Investment Management and Performance Fees

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"), its custodial functions around the safekeeping of assets, trustee duties and the operation and maintenance of bank accounts to BNY Mellon Trust Company (Ireland) Limited (the "Custodian") and its distribution functions to Pensato Capital LLP (the "Distributor").

#### **Investment Management Fee**

The Investment Manager will receive from the Company, a monthly Investment Management Fee equal to the following:

- 1/12 of 2.25% per annum of the Net Asset Value of the A Shares (before deduction of that month's fees, expenses, borrowings and interest together with Value Added Tax, if any, on such an Investment Management Fee and before deduction for any accrued Performance Fees); and
- 1/12 of 1.75% per annum of the Net Asset Value of the B Shares and the Management Shares (before deduction of that month's fees, expenses, borrowings and interest together with Value Added Tax, if any, on such an Investment Management Fee and before deduction for any accrued Performance Fees).

Such fee is payable monthly and is accrued and calculated as at each Valuation Point.

The Directors may, with the consent of the Investment Manager, reduce the Investment Management Fee payable by any class of Shares.

Investment Management Fees of €1,219,008 (30 September 2012: €1,233,359, 31 March 2012: €535,061) were paid during the period and there were fees of €258,336 (30 September 2012: €140,269, 31 March 2012: €96,641) payable at the period end.

#### **Performance Fee**

The Investment Manager may be entitled to receive a Performance Fee payable out of a Fund's assets.

The Performance Fee will be calculated and accrued as at each Valuation Point. The Performance Fee will be calculated in respect of each financial year (a "Calculation Period"). However, the first Calculation Period in respect of any Class of Shares will be the year commencing on the Business Day immediately following the close of the Initial Offer Period for that Class and ending on 30 September in that same year. For each Calculation Period, the Performance Fee payable will be equal to 20% of any "New Net Appreciation" of each of the Class A Shares and the Class B Shares.

The New Net Appreciation shall equal the amount, if any, by which the Net Asset Value of the relevant Class as of the end of the relevant Calculation Period exceeds the High Water Mark.

The High Water Mark attributable to each Class is the greater of:

- (a) the Net Asset Value of the relevant Class as of the most recent 30 September at which a Performance Fee was paid by such relevant Class (after reduction for the Performance Fee then paid) and
- (b) if no Performance Fee has ever been paid, then the initial capital of the relevant Class immediately following the close of the Initial Offer Period.

The High Water Mark set out above in paragraphs (a) and (b) shall be increased when additional Subscriptions are made to the relevant Class, by an amount equal to such Subscriptions and shall be reduced proportionately whenever Redemptions are made from the relevant Class by being multiplied by the fraction, the numerator of which is the Net Asset Value of the relevant Class immediately after, and the denominator of which is the Net Asset Value of the relevant Class immediately prior to, any such redemption (the Net Asset Value of the relevant Class in each case to be calculated prior to deduction for any accrued Performance Fee).

# PENSATO CAPITAL FUNDS PLC

## Notes to the Financial Statements for the six months ended 31 March 2013 (continued)

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### **4. Investment Management and Performance Fees (continued)**

The Performance Fee will normally be payable to the Investment Manager in arrears within 20 Business Days of the end of each Calculation Period. However, in the case of Shares redeemed during a Calculation Period, the accrued Performance Fee in respect of those Shares will be payable within 20 Business Days after the date of redemption. Crystallised Performance Fees shall remain in the relevant Class (but shall not participate in subsequent gains and losses of the relevant Class) until paid to the Investment Manager, and shall not be used or made available to satisfy redemptions or pay any fees and expenses of the relevant Class.

The Investment Manager may from time to time and at its sole discretion and out of its own resources decide to rebate to Shareholders part or all of the Investment Management Fee and/or Performance Fee. Any such rebates may be applied in paying up additional Shares to be issued to the Shareholder, or may (at the discretion of the Investment Manager) be paid in cash.

Management share classes are not subject to performance fee as disclosed in the prospectus.

Performance Fees of €1,531,806 (30 September 2012: €Nil, 31 March 2012: €8,939) were paid during the period and there were fees of €1,444,051 (30 September 2012: €1,529,292, 31 March 2012: €918,458) payable at the period end.

### **5. Derivative Contracts**

The Company may engage in transactions in Financial Derivative Instruments on behalf of a Fund either for investment purposes or for the purposes of efficient portfolio management as more particularly disclosed in the Prospectus and the Supplement for the relevant Fund.

The primary derivative contracts that the Company engage in on behalf of the Fund relate to Contracts For Difference (“CFDs”). These represent agreements that obligate two parties to exchange cash flows at specified intervals based upon or calculated by reference to changes in specified prices or rates for a specified amount of an underlying asset or otherwise deemed notional amount. The payment flows are usually netted against each other, with the difference being paid by one party to the other. Therefore amounts required for the future satisfaction of the CFD may be greater or less than the amount recorded. The ultimate gain or loss depends upon the prices at which the underlying financial instruments of the CFD is valued at the CFDs settlement date and is included in the Condensed Statement of Comprehensive Income.

The Company employs a risk management process which enables it accurately to measure, monitor and manage the risks attached to financial derivative positions and details of this process have been provided to the Central Bank. The Company does not utilise financial derivatives which have not been included in the risk management process until such time as a revised risk management process has been submitted to and cleared by the Central Bank. The Company will provide on request to Shareholders supplementary information relating to the risk management methods employed by the Company including the quantitative limits that are applied and any recent developments in the risk and yield characteristics of the main categories of investments.

The Company may use forward currency contracts to hedge economically its non-functional currency investments and liabilities to Shareholders, although formal hedge accounting is not used. Forward contracts entered into by the Fund represent a firm commitment to buy or sell an underlying asset, or currency at a specified value and point in time based upon an agreed or contracted quantity. The realised/unrealised gain or loss is equal to the difference between the value of the contract at the commencement and the value of the contract at settlement date/year end date and are included in the Condensed Statement of Comprehensive Income.

# PENSATO CAPITAL FUNDS PLC

## Notes to the Financial Statements for the six months ended 31 March 2013 (continued)

### 6. 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.

The following share transactions took place during the period/year ending 31 March 2013, 30 September 2012 and 31 March 2012:

	Six months ended 31 March 2013	Year ended 30 September 2012	Six months ended 31 March 2012
<b>Participating Shares</b>			
<b>Class B (Euro) Shares (Reporting)</b>			
Opening balance at beginning of period/year	106,562.67	64,204.89	64,204.89
Shares issued	68,003.11	47,127.13	24,124.29
Shares redeemed	(63,492.73)	(4,769.35)	(962.93)
Closing balance at end of period/year	111,073.05	106,562.67	87,366.25
<b>Class B (Euro) Shares (Non-Reporting)</b>			
Opening balance at beginning of period/year	713,287.74	440,354.43	440,354.43
Shares issued	675,521.02	329,335.03	54,847.28
Shares redeemed	(152,273.24)	(56,401.72)	(29,998.99)
Closing balance at end of period/year	1,236,535.52	713,287.74	465,202.72
<b>Class B (GBP) Shares (Reporting)</b>			
Opening balance at beginning of period/year	100,433.16	53,239.11	53,239.11
Shares issued	35,581.95	49,995.05	5,100.00
Shares redeemed	(45,082.33)	(2,801.00)	(385.00)
Closing balance at end of period/year	90,932.78	100,433.16	57,954.11
<b>Class B (USD) Shares (Non-Reporting)</b>			
Opening balance at beginning of period/year	16,372.31	15,255.29	15,255.29
Shares issued	298,558.93	32,097.50	1,556.11
Shares redeemed	(7,160.68)	(30,980.48)	(7,870.85)
Closing balance at end of period/year	307,770.56	16,372.31	8,940.55
<b>(Euro) Management Shares (Reporting)</b>			
Opening balance at beginning of period/year	16,400.00	16,400.00	16,400.00
Shares issued	-	-	-
Shares redeemed	-	-	-
Closing balance at end of period/year	16,400.00	16,400.00	16,400.00

# PENSATO CAPITAL FUNDS PLC

## Notes to the Financial Statements for the six months ended 31 March 2013 (continued)

### 6. Share Capital (continued)

	Six months ended 31 March 2013	Year ended 30 September 2012	Six months ended 31 March 2012
<b>Participating Shares</b>			
<b>(GBP) Management Shares (Reporting)</b>			
Opening balance at beginning of period/year	1,780.00	-	-
Shares issued	-	1,780.00	-
Shares redeemed	-	-	-
Closing balance at end of period/year	<u>1,780.00</u>	<u>1,780.00</u>	<u>-</u>
<b>Non-Participating Shares</b>			
<b>(Euro) Management Shares (Non-Participating)</b>			
Opening balance at beginning of period/year	2.00	2.00	2.00
Shares issued	-	-	-
Shares redeemed	-	-	-
Closing balance at end of period/year	<u>2.00</u>	<u>2.00</u>	<u>2.00</u>

### 7. Related Party Transactions

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions.

The Company considers the Investment Manager and the Board of Directors as related parties.

David Watson and Paddy Shanahan are members of the Investment Manager, which will receive an Investment Managers 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.

As at 31 March 2013, David Watson had an interest with a holding of 1,780 (GBP) Management Shares (Reporting) and Sarah Mercedes Clapp, who is related to an employee of the Investment Manager, had an interest with a holding of 16,400 (Euro) Management Shares (Reporting) of the Company.

#### ***Investment Manager***

The Investment Manager receives a fee from the Company for managing the investment activities of the Company. Further details with respect to the fees paid to the Investment Manager during the period are included in Note 4 to these financial statements.

#### ***Directors' remuneration***

The listing of the members of the Board of Directors is shown on page 2 of the annual report.

Glen MacMullin, Heinz Saner, Paddy Shanahan, Paul Carroll and Conor Walsh are entitled to an annual fee of €15,000 per annum for the Fund and reimbursements for any expenses incurred in connection with carrying on their roles as Directors.

David Watson has agreed to waive his fee.

# PENSATO CAPITAL FUNDS PLC

## Notes to the Financial Statements for the six months ended 31 March 2013 (continued)

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### 7. Related Party Transactions (continued)

The Directors may also be paid all travelling, hotel and other expenses properly incurred by them in attending and returning from meetings of the Directors or any committee of the Directors or general meetings of the Fund, or in connection with the business of the Fund.

The Directors' fees for the period ended 31 March 2013 amounted to €29,517. The total payable at period end is €38,804.

### 8. Exchange Rates

The following exchange rates were used to translate assets and liabilities into Euro at 31 March 2013, 30 September 2012, and 31 March 2012.

	31 March 2013	30 September 2012	31 March 2012
Danish Krone	€1 = DKK7.45484	€1 = DKK7.45476	€1 = DKK7.43961
Hungarian Forint	€1 = HUF304.41400	N/A	N/A
Israeli Shekel	€1 = ILS4.66675	€1 = ILS5.04694	€1 = ILS4.93794
Norwegian Kroner	€1 = NOK7.48951	€1 = NOK7.36496	€1 = NOK7.59608
Pound Sterling	€1 = GBP0.84567	€1 = GBP0.79669	€1 = GBP0.83348
Swedish Krona	€1 = SEK8.34920	€1 = SEK8.43507	€1 = SEK8.83630
Swiss Franc	€1 = CHF1.21598	€1 = CHF1.20905	€1 = CHF1.20365
Turkish lira	€1 = TRY2.32358	€1 = TRY2.31004	€1 = TRY2.37429
US Dollar	€1 = US\$1.28410	€1 = US\$1.28650	€1 = US\$1.33170

### 9. Important Events since the Period End

Between 1 April 2013 and 15 May 2013, the Company received subscriptions totalling €28,799,426 and paid redemptions totalling €742,381.

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

### 10. Commitments and Contingent Liabilities

As at 31 March 2013, 30 September 2012 and 31 March 2012, the Company did not have any significant commitments or contingent liabilities.

### 11. Soft Commissions

There were no soft commissions paid during the period (year ended 30 September 2011: €Nil, period ended 31 March 2012: €Nil).

### 12. Dividends

There were no dividends paid during the period (year ended 30 September 2011: €Nil, period ended 31 March 2012: €Nil).

### 13. Approval of Financial Statements

The Directors approved the financial statements on 15 May 2013.



## PENSATO CAPITAL FUNDS PLC

### Statement of Portfolio Changes for the six months ended 31 March 2013

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The below schedule shows the largest 20 purchases for the six months ended 31 March 2013:

<b>Description</b>	<b>Nominal</b>	<b>Cost</b> €
Novo Nordisk A/S	43,888	5,578,181
The Swatch Group AG	10,550	4,768,832
Lottomatica Group SpA	257,503	4,555,705
Carlsberg A/S	58,277	4,442,078
German Treasury Bill 0% 13 February 2013	4,000,000	4,001,000
Lonza Group AG	78,200	3,771,969
Yara International ASA	101,389	3,750,634
Wincor Nixdorf AG	96,000	3,694,285
Modern Times Group AB	136,770	3,532,105
German Treasury Bill 0% 10 July 2013	3,000,000	3,000,480
Thales SA	106,464	2,944,562
Zodiac Aerospace	36,095	2,929,273
Novozymes A/S	108,100	2,802,279
Neste Oil OYJ	291,503	2,764,740
Stada Arzneimittel AG	116,508	2,663,050
SBM Offshore NV	224,700	2,650,358
Volkswagen AG	23,577	2,581,819
Syngenta AG	8,203	2,514,173
Nutreco NV	39,124	2,459,741
SAP AG	40,653	2,455,569

The Statement of Portfolio Changes for the period reflects the aggregate purchases of a security exceeding one per cent of the total value of purchases and aggregate disposals greater than one per cent of the total value of the sales for the period. At minimum the largest 20 purchases and 20 sales must be given or all purchases and all sales if less than 20.

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## PENSATO CAPITAL FUNDS PLC

### Statement of Portfolio Changes for the six months ended 31 March 2013 (continued)

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The below schedule shows the largest 20 sales for the six months ended 31 March 2013:

<b>Description</b>	<b>Nominal</b>	<b>Proceeds</b>
		€
Kone OYJ	(87,437)	(5,256,654)
Schneider Electric SA	(92,648)	(5,176,244)
German Treasury Bill 0% 14 November 2012	(5,000,000)	(4,999,500)
LVMH Moet Hennessy Louis Vuitton SA	(33,031)	(4,612,779)
Alstom	(4,402,394)	(4,262,879)
German Treasury Bill 0% 13 February 2013	(4,000,000)	(4,000,000)
Dassault Systemes SA	(45,051)	(3,781,192)
IPSOS	(119,917)	(3,375,664)
Remy Cointreau SA	(37,439)	(3,111,181)
Zodiac Aerospace	(36,095)	(3,010,684)
Ingenico	(69,221)	(2,993,116)
EVS Broadcast Equipment SA	(64,595)	(2,889,829)
Thales SA	(106,464)	(2,794,680)
GN Store Nord A/S	(248,062)	(2,688,876)
Henkel AG & Co KGaA	(41,548)	(2,630,570)
Subsea 7 SA	(2,670,885)	(2,528,395)
Carlsberg A/S	(32,400)	(2,514,385)
Wirecard AG	(131,769)	(2,449,173)
Nokian Renkaat OYJ	(79,223)	(2,411,610)
Fugro NV	(43,364)	(2,287,138)

The Statement of Portfolio Changes for the period reflects the aggregate purchases of a security exceeding one per cent of the total value of purchases and aggregate disposals greater than one per cent of the total value of the sales for the period. At minimum the largest 20 purchases and 20 sales must be given or all purchases and all sales if less than 20.