PENSATO CAPITAL FUNDS PLC

Annual Report and Audited Financial Statements
for the year ended 30 September 2011

PENSATO CAPITAL FUNDS PLC

Contents

General Information

Directors:	Paul Carroll Glen MacMullin Heinz Saner Paddy Shanahan David Watson
Investment Manager, Promoter and Distributor:	Pensato Capital LLP 5th 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 Chartered Accountants 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:	*From 1 October 2011* Tudor Trust Limited 33 Sir John Rogerson's Quay Dublin 2 Ireland *To 30 September 2011* Carne Global Financial Services Limited 2nd Floor, Block E Iveagh Court Harcourt Road Dublin 2 Ireland

Directors' Report for the year ended 30 September 2011

The Directors of Pensato Capital Funds plc (the "Company") herewith submit their annual report together with the audited financial statements for the year ended 30 September 2011.

Principal activities

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. The Company was authorised as an Undertaking for Collective Investment in Transferable Securities ("UCITS") on 16 September 2010 by the Central Bank of Ireland (the "Central Bank").

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

Results for the year and state of affairs at 30 September 2011

For a detailed commentary on the results for the year and the state of affairs of the Company at 30 September 2011, see the Investment Manager's Report on page 5, the Statement of Comprehensive Income on page 9 and the Statement of Financial Position on page 10. At the year end the Company's Net Assets amounted to €58,085,931 (2010: €300,000). All Classes of Redeemable Shares are together referred to as the "Shares".

The comparative figures presented in these financial statements cover the period from 17 February 2010 (date of incorporation) to 30 September 2010.

Principal risks and uncertainties

The principal risks and uncertainties facing the Company relate to the financial instruments held by it and are set out in Note 9 to the financial statements.

Dividends

It is not currently the intention of the Directors to declare a distribution in respect of any Shares.

Review of the development of the business and future developments

The Company will continue to pursue its investment objective as outlined in note 1 on page 18.

The Prospectus was issued on 16 September 2010.

There were no other significant events during the year.

Political contributions

The Company did not make any political contributions during the year.

Important events since the year end

With effect from 1 October 2011, Tudor Trust Limited replaced Carne Global Financial Services Limited as secretary of the Company. On that date the registered office of the Company changed to 33 Sir John Rogerson's Quay, Dublin 2, Ireland.

Between 1 October 2011 and 7 December 2011, the Company received subscriptions totalling €4,395,421 and paid redemptions totalling €2,866,807.

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

Directors

The names of the persons who are Directors of the Company at the date of this report are listed on page 2.

Directors' and Secretary's interests

None of the Directors or the Company Secretary had any interests in the Company at the beginning or end of the accounting year.

Directors' responsibilities

The Directors are responsible for preparing the Annual Report and financial statements in accordance with applicable Irish law and International Financial Reporting Standards ("IFRS").

Irish company law requires the Directors to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that year. In preparing those financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping proper books of account that disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Acts, 1963 to 2009. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Books of account

The Directors are responsible for ensuring that proper books and accounting records as outlined in Section 202 of the Companies Act, 1990 are kept by the Company. To achieve this, the Directors have appointed an experienced third party fund administrator to ensure that the requirements of Section 202 of the Companies Act, 1990 are complied with. The books and accounting records are maintained at Guild House, Guild Street, IFSC, Dublin 1, Ireland.

Independent auditors

Ernst & Young, Chartered Accountants, have indicated their willingness to continue in office in accordance with Section 160(2) of the Companies Act 1963.

On behalf of the Board

Director

Director

Date: 7 December 2011

Investment Manager's Report for the year ended 30 September 2011

The investment objective of the Pensato Europa Absolute Return Fund is to generate attractive risk adjusted returns primarily driven from stock picking. For the year in review, the stock market backdrop has been challenging for our strategy for two main reasons. Firstly, as a result of the macroeconomic backdrop being extremely uncertain, investors' appetite for risk assets has been poor and in capital terms over the period, the Euro Stoxx 600 index has fallen by 10%. Secondly, due to these uncertainties, there has been a high degree of correlation in the stock market, and low dispersion of returns, particularly within broad market sectors or in periods where the market exhibits dramatic falls. Investors have not tended to discriminate between the economic performance of companies, rather they have been taking more thematic views across sectors or the equity market as a whole. Stock performance has therefore largely been determined by macroeconomic news flow and short term swings in investor sentiment rather than stock specific changes in corporate profitability and performance.

The global economy has suffered from a series of challenges: the crisis over European sovereign debt and the ability of governments to finance budget deficits, particularly in the peripheral Eurozone countries such as Greece, Spain, Italy, Portugal and Ireland; concerns over the right fiscal and monetary strategy at both national and Eurozone level and the lack of a co-ordinated policy response to the Eurozone crisis; and major concerns over the health of the banking sector. Many European banks balance sheets remain underfunded from a capital perspective given the amount of leverage still inherent in the financial system. There have been considerable worries about systemic risk associated with this position and the potential exposure to peripheral Eurozone sovereign debt, either directly or through instruments such as Credit Default Swaps.

In the corporate world, there is both good news and bad news. On the positive front, corporate profits have rebounded strongly from the recession in 2009. Companies were quick to cut costs and, as demand stabilised and recovered aided by a restocking cycle in 2010, profit margins are back to record highs in some industries. Company balance sheets have been further bolstered by strong cash flows and merger activity has picked up. The concern for businesses that has been building since the middle of 2011 is regarding future growth prospects. Emerging markets have been key to driving aggregate global demand and corporate earnings as economic growth in the West has stagnated. However, monetary tightening in countries such as China and Brazil has caused the growth rates of their economies to slow, with the consequent threat to the earnings prospects of many European export led businesses.

Despite the tough backdrop for our strategy, and a fall in the stock market of around 10%, the fund produced a positive gross return over the period of 1.3%, and a net return to shareholders of -2.24%. Our net exposure, which is largely driven by the balance of long and short ideas in the portfolio, averaged approximately 30% net long. This resulted in performance from market exposure of -3.0%. However, this was more than compensated by a strong contribution from stock picking of +4.3%, despite the challenges of a highly correlated market mentioned above. Our gross exposure averaged 202% and did not vary significantly over the year remaining roughly in the middle of our normalised range. Maintaining a diversified portfolio of around 100-120 stocks across a wide range of businesses models, sectors and geographies allowed us to maintain our gross exposure, maximise our opportunity to drive stock picking returns and reduced fund volatility. Over the course of 2010/11, the fund's volatility (annualised standard deviation) was approximately 6% against a market volatility of around 20%.

Many of the issues that have caused considerable uncertainty and volatility in the stock market are yet to be resolved and indeed may not be for some time. Therefore we will continue to have a prudent approach to managing risk in the portfolio. However, the recent declines in asset prices and the recovery in corporate profits since 2009 have resulted in equities looking reasonable value relative to their history and compared with other asset classes. In addition, whereas 12 months ago investor expectations were too optimistic as regards the medium term prospects for profits growth, there is now a considerable amount of risk aversion and more pessimism about the economic outlook. This is a better position from which to be making fundamental investment decisions on stocks. The opportunities to drive returns by identifying stocks which are likely to outperform or disappoint relative to consensus expectations remain numerous and compelling.

Pensato Capital LLP
November 2011

PENSATO CAPITAL FUNDS PLC

Custodian's Report for the year ended 30 September 2011

We have enquired into the conduct of Pensato Capital Funds plc (the "Company") for the year ended 30 September 2011, in our capacity as Custodian to the Company.

This report including the opinion has been prepared for and solely for the shareholders in the Company, in accordance with the Central Bank's UCITS Notice 4, and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown.

Responsibilities of the Custodian

Our duties and responsibilities are outlined in the Central Bank's UCITS Notice 4. One of those duties is to enquire into the conduct of the Company in each annual accounting year and report thereon to the shareholders.

Our report shall state whether, in our opinion, the Company has been managed in that year in accordance with the provisions of the Company's Memorandum and Articles of Association and the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2003, as amended, (the "Regulations"). It is the overall responsibility of the Company to comply with these provisions. If the Company has not so complied, we as Custodian must state why this is the case and outline the steps which we have taken to rectify the situation.

Basis of Custodian Opinion

The Custodian conducts such reviews as it, in its reasonable opinion, considers necessary in order to comply with its duties as outlined in UCITS Notice 4 and to ensure that, in all material respects, the Company has been managed (i) in accordance with the limitations imposed on its investment and borrowing powers by the provisions of its constitutional documentation and the appropriate regulations and (ii) otherwise in accordance with the Company's constitutional documentation and the appropriate regulations.

Opinion

In our opinion, the Company has been managed during the period, in all material respects:

i) in accordance with the limitations imposed on the investment and borrowing powers of the Company by the Memorandum and Articles of Association and by the Regulations; and
ii) otherwise in accordance with the provisions of the Memorandum and Articles of Association and the Regulations.

BNY Mellon Trust Company (Ireland) Limited
Guild House
Guild Street
IFSC
Dublin 1
Ireland

Date: 7 December 2011

ERNST & YOUNG

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PENSATO CAPITAL FUNDS PLC

We have audited the financial statements of Pensato Capital Funds Plc for the year ended 30 September 2011 which comprise the statement of financial position, the statement of comprehensive income, the statement of changes in net assets attributable to holders of redeemable shares, the statement of cash flows and the related notes and the related notes 1 to 16. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 193 of the Companies Act, 1990. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors are responsible for the preparation of the financial statements in accordance with applicable Irish law and International Financial Reporting Standards (IFRSs) as adopted by the European Union as set out in the Statement of Directors' Responsibilities.

The directors are also responsible for preparing an analysis of portfolio in accordance with the requirements of the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011 and the UCITS Notices issued by the Central Bank of Ireland ("the Bank").

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and have been properly prepared in accordance with the Companies Act, 1963 to 2009 and the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011. We also report to you our opinion as to whether proper books of account have been kept by the company; and whether the information given in the Directors' Report is consistent with the financial statements. In addition, we state whether we have obtained all the information and explanations necessary for the purposes of our audit and whether the financial statements are in agreement with the books of account.

We also report to you if, in our opinion, any information specified by law regarding directors' remuneration and other transactions is not disclosed and, where practicable, include such information in our report.

We review whether the analysis of portfolio has been prepared in accordance with the requirements of the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011 and the UCITS Notices issued by the Bank and we report if it does not.

We read other information contained in the Annual Report and consider whether it is consistent with the audited financial statements. This other information comprises only the Directors' Report and the Investment Manager's Report. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

ERNST & YOUNG

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view, in accordance with IFRSs as adopted by the European Union, of the state of affairs of the company as at 30 September 2011 and of its loss for the year then ended and have been properly prepared in accordance with the provisions of the Companies Acts, 1963 to 2009, and the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011.

We have obtained all the information and explanations we consider necessary for the purposes of our audit. In our opinion proper books of account have been kept by the company. The financial statements are in agreement with the books of account.

In our opinion the information given in the Directors' Report is consistent with the financial statements.

Vincent Bergin for and on behalf of
Ernst & Young
Dublin

Date: 13 December 2011

PENSATO CAPITAL FUNDS PLC

Statement of Comprehensive Income for the year ended 30 September 2011

	Note	Year ended 30 September 2011 €	Period from 17 February 2010 to 30 September 2010 €
Income			
Net change in fair value of financial assets and financial liabilities at fair value through profit or loss	5	1,924	-
Total net income		**1,924**	**-**
Less expenses			
Management fees	4	915,649	-
Interest and dividends on short CFDs		401,806	-
Legal fees		125,256	-
Administration fees	4	104,825	-
Professional fees		59,960	-
Custodian fees	4	54,411	-
Audit fees		39,672	-
Directors' fees		39,672	-
Trustee fees		19,834	-
Performance fees	4	8,939	-
Other expenses		14,145	-
Total operating expenses		**1,784,169**	**-**
Decrease in net assets from operations		**(1,782,245)**	**-**

On behalf of the Board

Director

Director

Date: 7 December 2011

PENSATO CAPITAL FUNDS PLC

Statement of Financial Position as at 30 September 2011

	Note	30 September 2011 €	30 September 2010 €
Assets			
Financial assets at fair value through profit or loss	3	49,662,822	-
Cash and cash equivalents	2(g)	5,606,927	300,000
Receivable for securities sold		698,883	-
Amounts due from brokers		4,866,199	-
Other assets		131,344	-
Total assets		**60,966,175**	**300,000**
Liabilities			
Financial liabilities at fair value through profit or loss	3	1,004,866	-
Payable for securities purchased		1,504,326	-
Amounts due to brokers		113,511	-
Dividends payable on short CFDs		12,459	-
Accrued expenses	4	245,082	-
Total Liabilities		**2,880,244**	**-**
Net assets		**58,085,931**	**300,000**

Net asset value per share	**NAV per share**	**NAV per share**
Class B (€) Shares (Reporting) (64,204.89 shares) (2010: Nil)	€97.89	-
Class B (€) Shares (Non-Reporting) (440,354.43 shares) (2010: Nil)	€97.76	-
Class B (£) Shares (Reporting) (53,239.11 shares) (2010: Nil)	£97.69	-
Class B ($) Shares (Non-Reporting) (15,255.29 shares) (2010: Nil)	$97.36	-
Management (€) Shares (Reporting) (16,400 shares) (2010: Nil)	€97.99	-
Management (€) Shares (Non-Participating) (2 shares) (2010: 300,000.00 shares)	€1.00	€1.00

On behalf of the Board

Director

Director

Date: 7 December 2011

The accompanying notes form an integral part of these financial statements.

Statement of Changes in Net Assets Attributable to Holders of Redeemable Participating and Non-Participating Shares for the year ended 30 September 2011

	Year ended 30 September 2011 €	Period from 17 February 2010 to 30 September 2010 €
Net assets at beginning of year/period	300,000	-
Decrease in net assets from operations	(1,782,245)	-
Subscriptions	80,298,881	300,000
Redemptions	(20,730,705)	-
Net assets at end of year/period	**58,085,931**	**300,000**

The accompanying notes form an integral part of these financial statements.

Statement of Cash Flows for the year ended 30 September 2011

	Year ended 30 September 2011 €	Period from 17 February 2010 to 30 September 2010 €
Cash flows from operating activities		
Net decrease in net assets from operations	(1,782,245)	-
Adjustment to reconcile the net decrease in net assets resulting from operations to net cash inflow from operating activities		
Net increase in financial assets and liabilities at fair value through profit or loss	(48,657,956)	-
Increase in receivable for securities sold	(698,883)	-
Increase in amounts due from brokers	(4,866,199)	-
Increase in other assets	(131,344)	-
Increase in payable for securities purchased	1,504,326	-
Increase in amounts due to brokers	113,511	-
Increase in dividend payable	12,459	-
Increase in accrued expenses	245,082	-
Net cash outflow from operating activities	**(54,261,249)**	**-**
Cash flows from financing activities		
Proceeds from issuance of shares	80,298,881	300,000
Payments for redemption of shares	(20,730,705)	-
Net cash inflow from financing activities	**59,568,176**	**300,000**
Net increase in cash and cash equivalents	5,306,927	-
Cash and cash equivalents at the beginning of the year/period	300,000	-
Cash and cash equivalents at the end of the year/period	**5,606,927**	**300,000**
Supplementary information on cash flows from operating activities:		
Interest paid	81,996	-

Analysis of Portfolio as at 30 September 2011

		Fair Value	% of Net
		€	Assets
Financial assets at fair value through profit and loss			
Investment in contracts for difference	*Underlying notional exposure*		
United Kingdom	€		
Consumer Discretionary - short exposure	(2,916,310)	36,315	0.06
Consumer Staples - short exposure	(832,658)	11,392	0.02
Energy - short exposure	(2,023,884)	41,980	0.07
Industrials - short exposure	(1,457,225)	77,992	0.13
Information Technology - short exposure	(1,153,984)	100,751	0.17
		268,430	0.46
Total investment in contracts for difference		268,430	0.46
Investment in equities			
Belgium			
Consumer Discretionary		813,621	1.40
Materials		865,148	1.49
		1,678,769	2.89
Denmark			
Healthcare		1,014,461	1.75
		1,014,461	1.75
Finland			
Consumer Discretionary		982,471	1.69
Industrials		1,192,140	2.05
		2,174,611	3.74
France			
Consumer Discretionary		2,526,363	4.35
Industrials		1,448,511	2.49
Information Technology		3,990,852	6.87
		7,965,726	13.71
Germany			
Consumer Discretionary		257,763	0.44
Consumer Staples		2,871,247	4.94
Healthcare		1,290,806	2.22
Industrials		3,556,386	6.12
Information Technology		3,153,190	5.43
		11,129,392	19.15
Greece			
Energy		712,719	1.23
		712,719	1.23

Analysis of Portfolio as at 30 September 2011 (continued)

	Fair Value €	% of Net Assets
Financial assets at fair value through profit and loss (continued)		
Investment in equities (continued)		
Italy		
Healthcare	461,922	0.80
Industrials	628,247	1.08
	1,090,169	1.88
Netherlands		
Consumer Staples	2,382,382	4.10
Energy	2,170,112	3.74
Information Technology	1,566,260	2.70
	6,118,754	10.54
Norway		
Energy	2,746,899	4.73
	2,746,899	4.73
Russia		
Consumer Discretionary	626,900	1.08
	626,900	1.08
Sweden		
Industrials	2,452,046	4.22
	2,452,046	4.22
Switzerland		
Energy	502,549	0.87
Industrials	775,848	1.33
Information Technology	1,382,083	2.39
Materials	987,900	1.69
	3,648,380	6.29
Total investment in equities	41,358,826	71.20
Investment in government bonds		
Germany		
Financials	4,998,368	8.61
	4,998,368	8.61
Total investment in government bonds	4,998,368	8.61

Analysis of Portfolio as at 30 September 2011 (continued)

	Fair Value €	% of Net Assets
Financial assets at fair value through profit and loss (continued)		
Investment in preferred stocks		
Germany		
Consumer Discretionary	752,987	1.30
Consumer Staples	1,594,040	2.74
Materials	599,941	1.03
	2,946,968	5.07
Total investment in preferred stocks	2,946,968	5.07

Forward currency contracts

Non Class Specific

Amount Receivable	Amount Payable	Maturity Date	Contracts	Unrealised gain €	% of Net Assets
€3,717,310	SEK34,200,000	31 October 2011	1	11,273	0.02
€402,183	NOK3,150,000	31 October 2011	1	2,822	0.00
US$1,486,000	€1,090,578	31 October 2011	1	17,231	0.03
GBP5,205,000	€5,983,962	31 October 2011	1	58,904	0.10
Total unrealised gain on forward currency contracts				90,230	0.15
Total financial assets at fair value through profit or loss - trading				49,662,822	85.49

Analysis of Portfolio as at 30 September 2011 (continued)

Financial liabilities at fair value through profit and loss

Investment in contracts for difference	*Underlying notional exposure* €	**Fair Value €**	**% of Net Assets**
United Kingdom			
Consumer Discretionary - long exposure	6,225,934	(334,446)	(0.57)
Consumer Discretionary - short exposure	(560,031)	(453)	(0.00)
Consumer Staples - long exposure	4,165,617	(72,823)	(0.13)
Consumer Staples - short exposure	(2,807,879)	(31,639)	(0.05)
Energy - long exposure	3,281,269	(127,732)	(0.22)
Industrials - long exposure	4,013,042	(139,514)	(0.23)
Industrials - short exposure	(1,651,620)	(73,098)	(0.13)
Information Technology - long exposure	1,755,550	(55,196)	(0.10)
Materials - long exposure	2,684,512	(133,582)	(0.23)
		(968,483)	(1.66)
Total investment in contracts for difference		(968,483)	(1.66)

Forward currency contracts

Non Class Specific

Amount Receivable	**Amount Payable**	**Maturity Date**	**Contracts**	**Unrealised loss €**	**% of Net Assets**
€7,785,130	CHF9,500,000	31 October 2011	1	(16,622)	(0.03)
GBP3,000,000	US$4,698,450	31 October 2011	1	(19,761)	(0.03)

	Fair Value €	% of Net Assets
Total unrealised loss on forward currency contracts	(36,383)	(0.06)
Total financial liabilities at fair value through profit or loss - trading	(1,004,866)	(1.72)
Total financial assets at fair value through profit and loss	49,662,822	85.49
Total financial liabilities at fair value through profit and loss	(1,004,866)	(1.72)
Cash and cash equivalents	5,606,927	9.65
Other net assets	3,821,048	6.58
Net assets attributable to holders of redeemable participating shares	58,085,931	100.00

Analysis of Portfolio as at 30 September 2011 (continued)

Classifications:

Exchange traded derivative instruments: forward currency contracts
Contracts for difference
All other investments held at year end are transferable securities listed on an official stock exchange or traded on a regulated market.

Analysis of total assets	**% of Total Assets**
Transferable securities admitted to an official stock exchange or traded on a regulated market	80.87
Contracts for difference	0.44
Exchange traded financial derivative instruments	0.15
Cash and cash equivalents	9.20
Other assets	9.34
	100.00

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

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 as a UCITS pursuant to the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011 ("UCITS Regulations 2011").

The Company commenced its trading activity on 4 October 2010.

With effect from 1 October 2011, the registered office of the Company is 33 Sir John Rogerson's Quay, Dublin 2, Ireland. Prior to 1 October 2011 the registered office of the Company was 2nd Floor, Block E, Iveagh Court, Harcourt Road, 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 bank accounts.

At the date of these financial statements, the Company consists of the following Fund, which has been approved by the Central Bank: 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

Basis of Preparation

These financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS") and interpretations adopted by the International Accounting Standards Board (IASB) and the provision of the Companies Acts 1963 to 2009 and the UCITS Regulations 2011 as amended. The significant accounting policies have been applied consistently by the Company.

The financial statements have been prepared on a historical cost basis, except for financial instruments classified at fair value through profit or loss that have been measured at fair value.

The preparation of financial statements in accordance with IFRS 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 income and expenses during the year. Actual results could differ from those estimates.

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

2. Accounting Policies (continued)

Basis of preparation (continued)

(a) New standards and amendments to existing standards

The following standard was mandatory for the first time for the financial year beginning 1 October 2010 and relevant to the financial statements for the year ended 30 September 2011.

IAS 32 "Financial Instruments: Presentation": The objective of the standard is to establish principles for presenting financial instruments as liabilities or equity and for offsetting financial assets and financial liabilities. It applies to the classification of financial instruments, from the perspective of the issuer, into financial assets, financial liabilities and equity instruments; the classification of related interest, dividends, losses and gains; and the circumstances in which financial assets and financial liabilities should be offset. The principles in this Standard complement the principles for recognising and measuring financial assets and financial liabilities in IAS 39 Financial Instruments: Recognition and Measurement, and for disclosing information about them in IFRS 7 Financial Instruments: Disclosures. The adoption of this standard has not impacted the Statement of Financial Position as at 30 September 2011.

(b) Standards, amendments and interpretations not yet effective on 30 September 2011

The following interpretations are not yet mandatory for the Company's operations:

Description	***Effective Date (annual periods beginning on or after)***
IAS 24 *Related Party Disclosures (Amendment)*	January 1, 2011
IFRIC 14 Amendments to Pensions Accounting	January 1, 2011
IFRIC 19 'Extinguishing Financial Liabilities with Equity Instrument	July 1, 2011
IFRS 9 *Financial Instruments: Classification and Measurement*	January 1, 2013

The Directors expect that the adoption of the above pronouncements will have no material impact on the financial statements in the financial period of the initial application except for IFRS 9, as indicated below:

IFRS 9 *Financial instruments*

The standard is not expected to have an impact on the measurement basis of the financial assets since the majority of the Company's financial assets are measured at fair value through profit or loss.

IFRS 9 (2009) deals with classification and measurement of financial assets and its requirements represent a significant change from the existing requirements in IAS 39 in respect of financial assets. The standard contains two primary measurement categories for financial assets: at amortised cost and fair value. A financial asset would be measured at amortised cost if it is held within a business model whose objective is to hold assets in order to collect contractual cash flows, and the asset's contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding. All other financial assets would be measured at fair value. The standard eliminates the existing IAS 39 categories of *held to maturity, available for sale* and *loans and receivables.*

For an investment in an equity instrument that is not held for trading, the standard permits an irrevocable election, on initial recognition, on an individual share-by-share basis, to present all fair value changes from the investment in other comprehensive income. No amount recognised in other comprehensive income would ever be reclassified to profit or loss.

2. Accounting Policies (continued)

(b) Standards, amendments and interpretations not yet effective on 30 September 2011 (continued)

IFRS 9 *Financial instruments (continued)*

However, dividends on such investments are recognised in profit or loss, rather than other comprehensive income unless they clearly represent a partial recovery of the cost of the investment. Investments in equity instruments in respect of which an entity does not elect to present fair value changes in other comprehensive income would be measured at fair value with changes in fair value recognised in profit or loss.

The standard requires that derivatives embedded in contracts with a host that is a financial asset within the scope of the standard are not separated; instead the hybrid financial instrument is assessed in its entirety as to whether it should be measured at amortised cost or fair value.

The standard is effective for annual periods beginning on or after 1 January 2013. Earlier application is permitted. The Company does not plan to adopt this standard early.

(c) Revenue and Expense

Interest revenue and expense

Interest revenue and expense are recognised in the Statement of Comprehensive Income for all interest-bearing financial instruments using the effective interest method.

Dividend revenue and expense

Dividend revenue is recognised when the Fund's right to receive the payment is established. Dividend revenue is presented gross of any non-recoverable withholding taxes, which are disclosed separately in the Statement of Comprehensive Income. Dividend expense relating to equity securities sold short through contracts for difference ("CFDs") is recognised when the shareholders' right to receive the payment is established.

(d) Valuation of Investments

Financial assets and liabilities at fair value through profit or loss

The Company classifies its investments as financial assets and liabilities at fair value through profit or loss. This category has two sub-categories: (a) financial assets and liabilities held for trading; and (b) those designated by management at fair value through profit or loss at inception.

Financial assets or liabilities held for trading are acquired or incurred principally for the purpose of generating profit from short term fluctuation in price. Derivatives are also categorised as held for trading as the Company does not designate any derivatives as hedging for hedge accounting purpose.

Financial assets and financial liabilities designated at fair value through profit or loss at inception are financial instruments that are not classified as held for trading but are managed, and their performance is evaluated on a fair value basis in accordance with the Company's documented investment strategy as set out in the Company's offering document.

The Company's policy requires the Investment Manager and the Board of Directors to evaluate the information about these financial assets and liabilities on a fair value basis together with other related financial information.

2. Accounting Policies (continued)

(d) Valuation of Investments (continued)

Financial assets and liabilities at fair value through profit or loss (continued)

Regular-way purchases and sales of investments are recognised on the trade date, which is the date on which the Company commits to purchase or sell the asset. Investments are initially recognised at fair value. Investments are derecognised when the rights to receive cash flows from the investments have expired or the Company has transferred substantially all risks and rewards of ownership. Subsequent to initial recognition all financial assets at fair value through profit or loss are measured at fair value.

Gains and losses arising from changes in the fair value of the 'financial assets/liabilities at fair value through profit or loss' category are included in the Statement of Comprehensive Income in the period in which they arise.

The fair value of financial instruments traded in active markets is based on quoted market prices at the Statement of Financial Position date. The quoted market price used for financial instruments held by the Company is the last traded price for investments held long and for financial instruments held short. When the Company holds derivatives with offsetting market risks, it uses mid-market prices as a basis for establishing fair values for the offsetting risk positions and applies the bid or asking price to the net open position, as appropriate.

All financial assets and financial liabilities at fair value through profit or loss are initially recognised at fair value. Transaction costs are expensed in the Statement of Comprehensive Income.

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is a legally enforceable right to set-off the recognised amounts and there is an intention to settle on a net basis or realise the assets and settle the liability simultaneously.

(e) Realised and Unrealised Gains and Losses

All realised and unrealised gains and losses on securities are recognised as net gain/(loss) on financial assets and liabilities at fair value through profit or loss in the Statement of Comprehensive Income. The cost of securities sold is accounted for on a first-in first-out basis.

(f) Foreign Currency

Items included in the Company's financial statements are measured using the currency of the primary economic environment in which it operates (the "Functional Currency"). The Functional Currency is Euro (€) and the Company has also selected Euro as the currency in which it presents its financial statements reflecting the fact that the Company's redeemable shares are issued in Euro and transactions are denominated primarily in Euro.

Transactions during the period denominated in foreign currencies have been translated at the rates of exchange ruling at the dates of the transactions. Assets and liabilities denominated in foreign currencies are translated at the rates of exchange ruling at the Statement of Financial Position date. For foreign currency investment transactions and for foreign currency investments held at the period end the resulting profits or losses are recognised as a net gain/(loss) on financial assets and liabilities at fair value through profit or loss in the Statement of Comprehensive Income.

(g) Cash and Cash Equivalents

Cash and cash equivalents include cash in hand, demand deposits, time deposits and other short-term highly liquid investments with original maturities of three months or less.

2. Accounting Policies (continued)

(h) Redeemable Shares

Redeemable participating shares are redeemable at the holder's option and do not have identical rights. Redeemable non-participating shares do not entitle the holders thereof to any dividend and on a winding up entitle the holders thereof to receive the consideration paid up thereon but do not otherwise entitle them to participate in the assets of the Company. Such shares are classified as financial liabilities. Redeemable shares can be put back to the Company on a weekly basis for cash equal to a proportionate share of the Company's net asset value attributable to the share class. The redeemable shares are carried at the redemption amount that is payable at the Statement of Financial Position date if the holder exercises the right to put the share back to the Company.

(i) Taxation

Under current Irish law and practice the Company qualifies as an investment undertaking under Section 739B of the Taxes Consolidation Act, 1997 and is not therefore chargeable to Irish tax on its relevant income or relevant gains. No stamp, transfer or registration tax is payable in Ireland on the issue, redemption or transfer of Shares in the Company. Distributions and interest on securities issued in countries other than Ireland may be subject to taxes including withholding taxes imposed by such countries. The Company may not be able to benefit from a reduction in the rate of withholding tax by virtue of the double taxation agreement in operation between Ireland and other countries. The Company may not, therefore, be able to reclaim withholding tax suffered by it in particular countries.

To the extent that a chargeable event arises in respect of a Shareholder, the Company may be required to deduct tax in connection with that chargeable event and pay the tax to the Irish Revenue Commissioners. A chargeable event can include dividend payments to Shareholders, appropriation, cancellation, redemption, repurchase or transfer of shares, or a deemed disposal of Shares every 8 years beginning from the date of acquisition of those Shares. Certain exemptions can apply. To the extent that Shareholders have appropriate tax declarations in place with the Company there may be no requirement to deduct tax.

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 30 September 2011:

	2011 Fair Value	2010 Fair Value
Financial assets at fair value through profit or loss	**€**	**€**
held for trading:		
Equities and managed funds		
Equity securities	41,358,826	-
Contracts for difference	268,430	-
Preferred stocks	2,946,968	-
Total equities and managed funds	44,574,224	-
Interest bearing securities		
Government bonds	4,998,368	-
Total interest bearing securities	4,998,368	-
Derivatives		
Forward currency contracts	90,230	-
Total derivatives	90,230	-
Total financial assets at fair value through profit or loss	49,662,822	-

3. Financial Assets and Liabilities at Fair Value Through Profit or Loss (continued)

	2011 Fair Value €	2010 Fair Value €
Financial liabilities at fair value through profit or loss held for trading:		
Equities and managed funds		
Contracts for difference	(968,483)	-
Total equities and managed funds	(968,483)	-
Derivatives		
Forward currency contracts	(36,383)	-
Total derivatives	(36,383)	-
Total financial liabilities at fair value through profit or loss	(1,004,866)	-

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

The Company discloses the values of its investments in accordance with IFRS 7 - Financial Instruments: Disclosures ("IFRS 7"). This requires the Company to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

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

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety.

If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a level 3 measurement. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgement, considering factors specific to the asset or liability.

3. Financial Assets and Liabilities at Fair Value Through Profit or Loss (continued)

The following table analyses within the fair value hierarchy, the Company's financial assets and liabilities measured at fair value at 30 September 2011:

	Level 1	Level 2	Level 3	Total
	€	€	€	€
Financial assets at fair value through profit or loss held for trading:				
Equity securities	41,358,826	-	-	41,358,826
Contracts for difference	-	268,430	-	268,430
Government bonds	4,998,368	-	-	4,998,368
Preferred stocks	2,946,968	-	-	2,946,968
Forward currency contracts	-	90,230	-	90,230
	49,304,162	358,660	-	49,662,822
Financial liabilities at fair value through profit or loss held for trading:				
Contracts for difference	-	(968,483)	-	(968,483)
Forward currency contracts	-	(36,383)	-	(36,383)
	-	(1,004,866)	-	(1,004,866)

There were no transfers between Level 1, Level 2 and Level 3 of the fair value hierarchy during the year.

4. Investment Manager, Performance, Administration and Custody 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 Manager's 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 €831,206 were paid during the year and there were fees of €84,443 payable at the year end.

4. Investment Manager, Performance, Administration and Custody Fees (continued)

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, the Class B Shares and the Management 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).

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.

Performance Fees of €Nil were paid during the year and there were fees of €8,939 payable at the year end.

4. Investment Manager, Performance, Administration and Custody Fees (continued)

Administration and Custody fees

The Company shall pay the Administrator out of the assets of the Company an annual fee, accrued at each Valuation Point and payable monthly in arrears at a rate which shall not exceed 0.09 % of the first €250 million of the Net Asset Value of the Fund, 0.08 % of the Net Asset Value of the Fund on the next €250 million, 0.07 % of the Net Asset Value of the Fund on the next €250 million and 0.06 % of the Net Asset Value of the Fund thereafter (before deduction of any Management or Performance Fees), subject to an annual minimum fee of €90,000.

The Administrator shall also be entitled to be repaid out of the assets of the Company all of its reasonable out-of-pocket expenses incurred on behalf of the Company which shall include legal fees, couriers' fees and telecommunication costs and expenses together with VAT, if any, thereon.

Administration fees of €99,198 were paid during the year and there were fees of €5,627 payable at the year end.

The Custodian shall be entitled to receive out of the assets of the Company an annual trustee fee, accrued at each Valuation Point and payable monthly in arrears at a rate which shall not exceed 0.02 % of the Net Asset Value of the Company subject to an annual minimum fee of €20,000. The Custodian shall also be entitled to receive out of the assets of the Company an ad valorem custody fee based on the fees charged in each country where assets of the Fund are held in custody, subject to an annual minimum fee of €20,000.

The Custodian shall also be entitled to be repaid all of its out-of-pocket expenses out of the assets of the Company, including legal fees, couriers' fees and telecommunication costs and expenses, transaction charges and the fees, transaction charges and expenses of any sub-custodian appointed by it which shall be at normal commercial rates together with VAT, if any, thereon.

Custody fees of €43,875 were paid during the year and there were fees of €10,536 payable at the year end.

5. Net Change in Fair Value of Financial Assets and Financial Liabilities through Profit or Loss

	Year ended 30 September 2011 €	Period from 17 February 2010 to 30 September 2010 €
Realised loss on investments	(328,623)	-
Realised gain on derivative contracts	9,123,454	-
Realised loss on foreign currency	(17,437)	-
Change in unrealised depreciation on investments	(8,126,976)	-
Change in unrealised depreciation on derivative contracts	(646,207)	-
Change in unrealised depreciation on foreign currency	(2,287)	-
	1,924	-

6. 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.

6. Derivative Contracts (continued)

The primary derivative contracts that the Company engage in on behalf of the Fund relate to Contract For Differences ("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 settlement 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 economically hedge 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 Statement of Comprehensive Income.

7. 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. Non-participating Shares do not entitle the holders thereof to any dividend and on a winding up entitle the holders thereof to receive the consideration paid up thereon but do not otherwise entitle them to participate in the assets of the Company. The Directors have the power to allot Shares in the capital of the Company on such terms and in such manner as they may think fit.

The Shares of the fund are segregated by currency and class, i.e. Reporting, Non-Reporting and Management classes. The distinction between the Reporting and Non-Reporting classes arises in respect of the tax treatment of gains on the sale, redemption or disposal of shares made by the shareholders that are ordinarily resident in the UK. For Reporting classes the above gains are taxed as Capital Gains, while for Non-Reporting classes these gains are taxed as offshore income.

The rights attaching to the Shares issued in any Class may, whether or not the Company is being wound up, be varied or abrogated with the consent in writing of the Shareholders of three-quarters of the issued Shares of that Class, or with the sanction of an ordinary resolution passed at a general meeting of the Shareholders of that Class.

A resolution in writing signed by all the Shareholders and holders of non-participating shares for the time being entitled to attend and vote on such resolution at a general meeting of the Company shall be as valid and effective for all purposes as if the resolution had been passed at a general meeting of the Company duly convened and held and if described as a special resolution shall be deemed to be a special resolution. The rights attaching to the Shares shall not be deemed to be varied by the creation, allotment or issue of any further Shares ranking pari passu with Shares already in issue.

7. Share Capital (continued)

There are no rights of pre-emption upon the issue of Shares in the Company.

The following share transactions took place during the year:

	Year ended 30 September 2011	Period ended 30 September 2010
Participating Shares		
Class B (€) Shares (Reporting)		
Opening balance at beginning of year/period	-	-
Shares issued	72,676.92	-
Shares redeemed	(8,471.03)	-
Closing balance at end of year/period	64,204.89	-
Class B (€) Shares (Non-Reporting)		
Opening balance at beginning of year/period	-	-
Shares issued	585,891.87	-
Shares redeemed	(145,537.44)	-
Closing balance at end of year/period	440,354.43	-
Class B (£) Shares (Reporting)		
Opening balance at beginning of year/period	-	-
Shares issued	53,239.11	-
Shares redeemed	-	-
Closing balance at end of year/period	53,239.11	-
Class B ($) Shares (Non-Reporting)		
Opening balance at beginning of year/period	-	-
Shares issued	40,255.29	-
Shares redeemed	(25,000.00)	-
Closing balance at end of year/period	15,255.29	-
Management (€)Shares (Reporting)		
Opening balance at beginning of year/period	-	-
Shares issued	16,400.00	-
Shares redeemed	-	-
Closing balance at end of year/period	16,400.00	-
Non-Participating Shares		
Management (€) Shares (Non-Participating)		
Opening balance at beginning of year/period	300,000.00	-
Shares issued	-	300,000.00
Shares redeemed	(299,998.00)	-
Closing balance at end of year/period	2.00	300,000.00

8. Related Party Transactions

David Watson and Paddy Shanahan are members of the Investment Manager which has received an Investment Management Fee and 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. Sarah Clapp also held 16,400 Management (€) Shares (Reporting) at 30 September 2011.

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

9. Risks Associated with Financial Instruments

Principles of Risk Management

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

The Company is also exposed to operational risks such as settlement and custody risk. Custody risk is the risk of loss of financial assets and liabilities held in custody occasioned by the insolvency or negligence of the custodian. Although an appropriate legal framework is in place that reduces the risk of loss of value of the financial assets and liabilities held by the custodian in the event of its failure, the ability of the Company to transfer the financial assets and liabilities might be temporarily impaired.

The Company's overall risk management programme seeks to maximise the returns derived for the level of risk to which the Company is exposed and seeks to minimise potential adverse effects on the Company's financial performance. All investments present a risk of loss of capital. The maximum loss of capital on equity and debt securities is limited to the fair value of those positions. The maximum loss of capital on forward currency contracts is limited to the notional contract values of those positions. The maximum loss of capital on a contract for difference long position is limited to the total exposure of the position, while alternatively the maximum loss of capital on a contract for difference short position, due to the indefinite duration of the contract, is potentially unlimited.

The Company uses different methods to measure and manage the various types of risk to which it is exposed; these methods are explained below.

(a) Market Risk

Market risk embodies the potential for both losses and gains and includes price risk, currency risk and interest rate risk as detailed below.

i) Price Risk

Market price risk arises mainly from uncertainty about future prices of financial instruments held. It represents the potential profit or loss the Company might suffer through holding market positions in the face of price movements caused by factors specific to the individual investment or factors affecting all instruments traded in the market.

During the year ended 30 September 2011, the Company invested in equities which are susceptible to a market price risk arising from uncertainties about future prices of the financial instruments. All securities investments present a risk of loss of capital. The Investment Manager will seek to mitigate risk by diversification across sectors, countries and companies, and opportunities from across the market capitalisation spectrum.

9. Risks Associated with Financial Instruments (continued)

Principles of Risk Management (continued)

(a) Market Risk (continued)

i) Price Risk (continued)

There are no specific sectors weighting constraints as exposures will be driven by stock selection. Similarly, there are no country weighting constraints. The Company may also invest in equities and equity-related instruments located in emerging markets. In addition, market price risk may be hedged using derivative financial instruments such as forward foreign currency contracts or futures contracts.

The Company also entered into forward foreign currency contracts during the year ended 30 September 2011. Forward trading is substantially unregulated – there is no limitation on daily price movements and speculative position limits are not applicable. The principals who deal in the forward markets are not required to continue to make markets in the currencies they trade and these markets can experience periods of illiquidity, sometimes of significant duration. Disruptions can occur in any market traded by the Company due to unusually high trading volume, political intervention or other factors.

The maximum risk resulting from these financial instruments is determined by the fair value of the financial instruments. The Investment Manager manages market positions on a daily basis and seeks to mitigate this risk by applying the general "5/10/40" rule which requires that no more than 10% of a UCITS net assets may be invested in transferable securities or money market instruments issued by the same body, with an aggregate limitation of 40% of net assets on exposures of greater than 5% to single issuers.

In addition the Investment Manager regularly monitors its perception of the fair value of the investments in the portfolio and constantly reviews the trade-off between risk and reward.

The Company's overall market positions are monitored on a daily basis by the Investment Manager and on a quarterly basis by the Board of Directors.

VaR Calculation

VaR (Value at Risk) is a measure of the potential loss that may occur from adverse movement in asset prices. VaR is the cash amount that portfolio losses are not expected to exceed, given a certain confidence level, over a specified period of time.

The use of VaR for the measurement of portfolio market price risk:

- Assumes normal distribution of asset prices;
- Is based on historical volatilities and correlations which may not hold in the future;
- Is only an approximation and not an accurate value of loss predicted;
- Relies on accurate data being used;
- Does not account for losses that may occur beyond the 99% confidence level.

As a result of these limitations of VaR as an accurate measurement of portfolio risk, the Investment Manager regularly performs stress testing and scenario analysis on the Group's portfolio aiming to limit the maximum loss at any point to acceptable levels.

The Beta of a portfolio is a measure of volatility that records how much a portfolio moves in relation to an index. Beta thus provides an indication of the relative market price risk of a portfolio. As at 30 September 2011, the Beta of the Company against the MSCI Europe Index was 0.309. Based on these Beta values the expected sensitivity of the Company to movements in the MSCI Europe Index can be calculated. Such estimates assume that the relevant year end portfolio continues to be held, that foreign exchange rates are unchanged and that this portfolio moves as predicted by the calculated Beta. On this basis, the estimated effect on the net asset value of the Company of a 5% movement in the MSCI Europe Index is €751,765.

9. Risks Associated with Financial Instruments (continued)

Principles of Risk Management (continued)

(a) Market Risk (continued)

ii) Foreign Currency Risk

Foreign currency risk exists where assets and liabilities are denominated in currencies other than the currency of the share class. The Company may use forward currency contracts for the purpose of economically hedging its foreign currency risk exposure.

The Company may from time to time enter into currency exchange transactions either on a spot basis or by buying currency exchange forward foreign currency contracts. Neither spot transactions nor forward foreign currency contracts necessarily eliminate fluctuations in the prices of the Company's securities or in foreign exchange rates, or prevent loss if the prices of these securities should decline. Performance of the Company therefore may be materially influenced by movements in foreign exchange rates.

The Investment Manager manages currency risk on an ongoing basis recognising however that it is in the nature of the strategy of the Company to have exposure to assets denominated in currencies other than its functional currency.

The Company's overall currency risk is monitored on a weekly basis by the Investment Manager and on a periodic basis by the Board of Directors.

At year end the Company's exposure to currencies other than the Euro was as follows:

	€
Danish Krone	1,032,727
Hungarian Forint	515
Norwegian Krone	2,428,560
Pound Sterling	8,842,919
Swedish Krona	(1,165,029)
Swiss Franc	(4,608,056)
US Dollar	(2,042,221)
Total	**4,489,415**

Management's best estimate of the effect on net assets and profit due to a reasonably possible change in the value of non-Euro currencies held, with all other variables held constant as at 30 September 2011, is as follows:

	Change in exchange rate	**Effect on profit & net assets**
		€
Danish Krone	10% decrease	(103,273)
Hungarian Forint	10% decrease	(52)
Norwegian Krone	10% decrease	(242,856)
Pound Sterling	10% decrease	(884,292)
Swedish Krona	10% decrease	116,503
Swiss Franc	10% decrease	460,806
US Dollar	10% decrease	204,222
		(448,942)

A similar percentage increase in the value of non-Euro currencies would have resulted in an equal but opposite effect.

(In practice the actual trading results may differ from this change and the difference could be material).

9. Risks Associated with Financial Instruments (continued)

Principles of Risk Management (continued)

(a) Market Risk (continued)

iii) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The majority of the Company's financial assets and liabilities are non-interest bearing. The Company's cash and cash equivalents and investments in treasury bills are the only components of its financial assets and liabilities that expose it to risks associated with the effects of fluctuations in the prevailing levels of market interest rates on its financial position and cash flows.

As at 30 September 2011 cash and cash equivalents and investments in Government bonds comprised 10% and 9% (2010 Nil% and Nil%) respectively of net assets attributable to holders of redeemable shares. The Company is not subject to significant amounts of risk due to fluctuations in the prevailing levels of market interest rates as any excess cash and cash equivalents are invested at short-term market interest rates.

The Company's interest rate risk is managed on an ongoing basis by the Investment Manager and is monitored on a periodic basis by the Board of Directors.

(b) Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. The Company may invest in illiquid assets for which there is no established resale market. The Company might only be able to liquidate these assets at disadvantageous prices, should it become necessary. Illiquidity in certain assets could make it difficult for the Company to liquidate assets in favourable terms, thereby resulting in losses or a decrease in the Net Asset Value of the Company.

The Company's liquidity risk is managed in accordance with policies and procedures in place. The analysis and management of liquidity risks are monitored and assessed at all stages in the investment selection process. The Company's overall currency risk is monitored on a daily basis by the Investment Manager and on a regular basis by the Board of Directors.

The assets of the Company are considered to be readily realisable.

At 30 September 2011, the Company's financial assets and liabilities classified into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date were as follows:

	Less than 1 month	1 month to 1 year	Greater than 1 year	No stated maturity	Total
	€	€	€	€	€
Financial assets					
Financial assets at fair value through profit and loss					
Contracts for difference	-	-	-	268,430	268,430
Equity securities	-	-	-	41,358,826	41,358,826
Government bonds	-	4,998,368	-	-	4,998,368
Preferred stocks	-	-	-	2,946,968	2,946,968

9. Risks Associated with Financial Instruments (continued)

Principles of Risk Management (continued)

(b) Liquidity Risk (continued)

	Less than 1 month	1 month to 1 year	Greater than 1 year	No stated maturity	Total
	€	€	€	€	€
Financial assets (continued)					
Financial assets at fair value through profit and loss (continued)					
Unrealised appreciation on forward currency contracts	-	90,230		-	90,230
Cash and cash equivalents	5,606,927	-		-	5,606,927
Receivable for securities sold	698,883	-	-	-	698,883
Due from brokers	4,866,199	-	-	-	4,866,199
Other assets	131,344	-		-	131,344
Total Assets	11,303,353	5,088,598	-	44,574,224	60,966,175
Financial liabilities					
Financial liabilities at fair value through profit and loss					
Unrealised depreciation on forward currency contracts	-	36,383	-	-	36,383
Contract for difference	-	-	-	968,483	968,483
Payable for securities purchased	1,504,326	-	-	-	1,504,326
Due to brokers	113,511	-	-	-	113,511
Accrued expenses	245,082	-	-	-	245,082
Dividends payable	12,459	-	-	-	12,459
Total liabilities	1,875,378	36,383	-	968,483	2,880,244
Redeemable participating shares	58,085,931	-	-	-	58,085,931
Liquidity exposure	59,961,309	36,383	-	968,483	60,966,175

(c) Credit Risk

The Company is exposed to credit/counterparty risk on parties with whom it trades and bears the risk of settlement default. Credit risk is the risk that the counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Company. It also represents the financial risk associated with a security issuer failing to discharge an obligation or commitment, or filing for bankruptcy.

Financial assets which potentially expose the Company to counterparty credit risk consist principally of investments in loans, cash balances and deposits with and receivables from brokers and other receivables.

The extent of the Company’s exposure to counterparty credit risk in respect of these financial assets approximates their carrying value as recorded in the Company's Statement of Financial Position.

9. Risks Associated with Financial Instruments (continued)

Principles of Risk Management (continued)

(c) Credit Risk (continued)

The Company minimises concentration of credit risk by undertaking transactions with counterparties on recognised markets. Credit risk arising on transactions with brokers relates to transactions awaiting settlement. Risks relating to unsettled transactions are considered small due to the short settlement period involved and the high credit quality of the brokers used. Broker balances are primarily due from large reputable institutions and are thus considered at minimal risk for default. As delivery versus payment is the standard procedure for trade settlements, there is no significant credit risk arising from transactions settlements.

Substantially all of the assets of the Company are held by BNY Mellon Trust Company (Ireland) Limited (the "Custodian") as at 30 September 2011. Bankruptcy or insolvency of the Custodian may cause the Company's rights with respect to securities held by the Custodian to be delayed or limited. This custodian is considered by the Company to be a reputable institution and thus the credit risk exposure is not considered to be significant.

The carrying amount of financial assets best represents the maximum credit risk exposure at the balance sheet date. At 30 September 2011, €5,606,927 of the Company's cash balance was held with BNY Mellon International Bank Limited. The credit ratings for BNY Mellon International Bank Limited's parent company, Bank of New York Mellon Corp as at 30 September 2011 were as follows:

	Bank of New York Mellon Corp
Moody's Rating	Aa2
S&P Rating	AA-
Fitch Rating	AA-

10. Cash and Cash Equivalents

Cash and cash equivalents balances at the year end were held at The Bank of New York Mellon, London, Goldman Sachs International, Credit Suisse Securities (Europe) Limited and Deutsche Bank AG.

11. Exchange Rates

The following exchange rates were used to translate assets and liabilities into Euro at 30 September:

	30 September 2011	**30 September 2010**
Danish Krone	€1 = DKK7.44120	€1 = DKK7.45222
Hungarian Forint	€1 = HUF293.40004	€1= HUF276.52524
Norwegian Kroner	€1 = NOK7.87712	€1 = NOK7.99489
Pound Sterling	€1 = GBP0.86127	€1 = GBP0.86635
Swedish Krona	€1 = SEK9.21506	€1 = SEK9.18855
Swiss Franc	€1 = CHF1.21866	€1 = CHF1.33373
US Dollar	€1 = US$1.34170	€1 = US$1.36520

12. Directors' Fees

The Articles of the Company provide that the remuneration of the Directors shall be determined by a resolution of the Directors. Currently, the Directors are entitled to an annual fee of €10,000 each. David Watson has agreed to waive his entitlement to receive a fee.

No Directors' fees were paid during the year and there were fees payable of €39,672 at the year end.

13. Important Events since the Year End

With effect from 1 October 2011, Tudor Trust Limited replaced Carne Global Financial Services Limited as secretary of the Company. On that date the registered office of the Company changed to 33 Sir John Rogerson's Quay, Dublin 2, Ireland.

Between 1 October 2011 and 7 December 2011, the Company received subscriptions totalling €4,395,421 and paid redemptions totalling €2,866,807.

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

14. Principal accountant fees and services

We enter into agreements with our principal auditors, Ernst & Young to audit annual financial statements year ending 30 September.
Those agreements are signed annually. The last agreement – for the audit of 2011 - has been signed on 30 August 2010.

The following table presents a summary of accountant fees and services for the twelve months ended 30 September 2011:

(Euro €)	2011	2010
Auditors fees regarding annual report (1)	39,672	-
Auditors fees regarding other approval services	-	-
Auditors fees for tax advisory	17,519	-
Auditors fees for other services	-	-
Total fees	**57,191**	**-**

(1) Positions in the table include fees and expenses for certain services (i.e. in relation to reviews and audits of financial statements) for the periods covered by the fiscal year, notwithstanding when the fees and expenses were billed.

15. Soft Commissions

There were no soft commissions paid during the year.

16. Approval of Financial Statements

The Directors approved the financial statements on 7 December 2011.

Statement of Portfolio Changes for the year ended 30 September 2011 (unaudited)

The below schedule shows the aggregate purchases exceeding 1% of the total value of purchases for the year ended 30 September 2011:

Description	Nominal	Cost €
German Treasury Bill 0% 29 June 2011	9,750,000	9,728,523
German Treasury Bill 0% 16 March 2011	9,250,000	9,241,340
German Treasury Bill 0% 09 November 2011	5,000,000	4,997,452
German Treasury Bill 0% 28 September 2011	4,000,000	3,988,254
German Treasury Bill 0% 27 July 2011	3,000,000	2,991,560
Temenos Group AG	110,578	2,478,618
Henkel AG & Company KGaA	53,451	2,460,083
Suedzucker AG	117,202	2,399,901
Sandvik AB NPV	184,447	2,397,117
SAP AG	57,500	2,330,048
ASML Holding N.V	84,526	2,326,961
TGS Nopec Geophysical Company ASA	159,698	2,305,549
Neopost SA	36,257	2,198,798
Beiersdorf AG	48,132	2,104,719
Faurecia	87,032	2,101,568
MTU Aero Engines Holdings	42,328	2,008,895
SBM Offshore NV	120,171	1,977,476
Schindler Holding-Part	23,805	1,961,666
Vestas Wind Systems A/S	81,378	1,952,959
Atlas Copco AB	109,470	1,929,455

The Statement of Portfolio Changes for the year 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 year. At minimum the largest 20 purchases and 20 sales must be given or all purchases and all sales if less than 20.

Statement of Portfolio Changes for the year ended 30 September 2011 (unaudited) (continued)

The below schedule shows the aggregate sales exceeding 1% of the total value of sales for the year ended 30 September 2011:

Description	Nominal	Proceeds €
German Treasury Bill 0% 29 June 2011	(9,750,000)	9,742,070
German Treasury Bill 0% 16 March 2011	(9,250,000)	9,245,863
German Treasury Bill 0% 28 September 2011	(4,000,000)	3,998,737
German Treasury Bill 0% 27 July 2011	(3,000,000)	2,998,986
Schindler Holding AG	(23,805)	2,035,874
Assa Abloy	(88,040)	1,720,371
Panalpina Welttransport Holding	(17,807)	1,660,977
Seadrill Limited	(63,997)	1,596,119
Continental AG	(23,412)	1,547,054
Modern Times Group	(29,507)	1,436,616
Suedzucker AG	(60,315)	1,390,099
Volkwagen AG	(10,768)	1,389,702
Vestas Wind Systems A/S	(81,378)	1,337,911
Azimut Holdind SPA	(165,572)	1,303,264
PPR S.A	(12,199)	1,299,264
Mayr-Melnhof Karton AG	(15,776)	1,285,510
Bekaert NV	(15,100)	1,264,836
Deutsche Lufthansa-AG	(78,507)	1,242,018
CFAO	(44,900)	1,225,013
Vossloh AS	(12,198)	1,146,366

The Statement of Portfolio Changes for the year 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 year. At minimum the largest 20 purchases and 20 sales must be given or all purchases and all sales if less than 20.