

PENSATO CAPITAL FUNDS PLC
(the “Company”)

FIRST ADDENDUM DATED 17 FEBRUARY, 2014
(the “Addendum”)

This Addendum forms part of and should be read in the context of and in conjunction with the Prospectus for the Company dated 14 May, 2013 (the “Prospectus”) and the Supplement for Pensato Europa Absolute Return Fund dated 14 May, 2013 (the “Supplement”). All capitalised terms herein contained shall have the same meaning in this Addendum as in the Prospectus unless otherwise indicated. All information contained in the Prospectus and Supplement is deemed to be incorporated herein.

The directors of the Company (the “Directors”) accept responsibility for the information contained in this Addendum. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case) the information contained in the Prospectus and this Addendum is in accordance with the facts and does not omit anything likely to affect the import of such information. The Directors accept responsibility accordingly.

Prospective investors should not construe the contents of this document as legal, investment, tax or other advice. Each prospective investor must rely upon his or her own representatives, including his or her own legal counsel and accountants, as to legal, economic, tax and related aspects of the investment described herein and as to its suitability for such investor.

The Directors wish to advise Shareholders and prospective investors of the following changes to the Prospectus and Supplement (where relevant):

AMENDMENT TO APPENDIX 3 TO THE PROSPECTUS ENTITLED “FINANCIAL DERIVATIVE INSTRUMENTS AND EFFICIENT PORTFOLIO MANAGEMENT” (“APPENDIX “3”)

Within the section entitled “Financial Derivative Instruments” in Appendix 3 the following paragraph(s) shall be added after the second paragraph:

“Counterparties

Investors should be aware that when a Fund enters into FDI-related agreements, any associated operational costs and/or fees shall be deducted from the revenue delivered to the Fund. Such fees and costs may include financing fees or brokerage fees. One of the considerations taken into account by the Investment Manager when selecting brokers and counterparties to derivatives transactions on behalf of a Fund is that any such costs and/or fees that are deducted from the revenue delivered to the Fund shall be at normal commercial rates and shall not include any

hidden revenue. Such direct or indirect costs and fees will be paid to the relevant broker or counterparty to the derivatives transaction, which, in the case of derivatives used for share class currency hedging purposes, may include the Custodian or entities related to the Custodian. All revenues generated through the use of derivatives for efficient portfolio management, net of direct and indirect operational costs and fees, will be returned to the Fund. Subject to compliance with these conditions and those described in the Prospectus section entitled “Particular Risks of OTC Derivatives” and “Counterparty Risk” and elsewhere in the prospectus, the Investment Manager has full discretion as to the appointment of counterparties when entering into derivatives in furtherance of the Fund’s investment objective and policies. It is not possible to list comprehensively all of the counterparties that the portfolios may have, as they will change from time to time. However, details of the relevant counterparties will be advised in the annual accounts of the Company.

Financial Indices

As an alternative to direct investment, exposure to instruments or markets may be obtained through the use of derivative instruments the returns on which are referenced to the performance of financial indices provided the indices in question are sufficiently diversified, represent an adequate benchmark for the instruments or markets to which they refer, are published in an appropriate manner and, where required, have been cleared in advance by the Central Bank.

Financial indices to which exposures are taken must satisfy the criteria set down in the UCITS Notices. Subject to compliance with those conditions, the Investment Manager has full discretion as to which financial indices to take exposure to in furtherance of a Fund’s investment objectives and policies. It is not possible to list comprehensively the actual indices to which exposure may be taken, as they will change from time to time.

Financial indices to which a Fund may gain exposure will be rebalanced/adjusted on a periodic basis (e.g., on a weekly, monthly, quarterly, semi-annual or annual basis). The costs associated with gaining exposure to a financial index may be impacted by the frequency with which the relevant financial index is rebalanced, as an index may pass on rebalancing costs by including them in the price of the index. Where the weighting of a particular constituent in a financial index exceeds a Fund’s investment restrictions, the Investment Manager will, as a priority objective, look to remedy the situation in a reasonable time frame, taking into account the interests of the Fund and Shareholders.

Total Return Swaps

While it is not currently the intention of the Investment Manager to enter into total return swaps in the Fund, the ability to hold these instruments are currently set out in Supplement. In the event that a Fund were to hold total return swaps the counterparties to any such swaps shall be entities which satisfy the OTC counterparty criteria set down by the Central Bank in the UCITS Notices and shall specialise in such transactions.

The failure of a counterparty to a swap transaction may have a negative impact on the return for Shareholders. The Investment Manager would seek to minimise counterparty performance risk by only selecting counterparties with a good credit rating and by monitoring any changes in those counterparties' ratings. Additionally, these transactions would only be concluded on the basis of standardised framework agreements (ISDAs).

Total return swaps may be held for the same purposes described in the sections below. For example, if the Investment Manager wishes to gain exposure to a section of the market that is not readily tradable via the derivatives set out below such as futures or option contracts then it may be desirable to hold a total return swap which provides exposure to a bespoke basket of securities.

As the Fund does not currently enter into any total return swaps, it is not possible to list the counterparties. However, the counterparty to any total return swap entered into by the Fund would not assume any discretion over the composition or management of the investment portfolio of the Fund or of the underlying of the total return swap.

Dated: 17 February, 2014