

ABA CAB Sàrl

Auditors Business Association CABnet



PANCURRI INVESTMENTS LIMITED

Directors' Report For 2013

Financial Statements As Of March 31, 2013

Together With Auditors' Report

231, Val des Bons-Malades L-2121 Luxembourg

Tel : (352) 42 44 35 - Fax : (352) 43 52 90

TVA 1995 2403 225 -- LU16347369

R.C.S. (Luxembourg) B 50 797

Société à Responsabilité Limitée au capital de 12.394,68 €

REPORT OF THE REVISEUR D'ENTREPRISES AGREE

To the Shareholders of
PANCURRI INVESTMENTS LIMITED:

Report on the annual accounts

Following our appointment, we have audited the accompanying financial statements of PANCURRI INVESTMENTS LIMITED (a mutual fund established under the laws of Bermuda) which comprise the statement of net assets as at March 31st, 2013 and the related statements of income and retained earnings and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Board of Directors' responsibility for the financial statements

The Board of Directors is responsible for the preparation and fair presentation of these financial statements in accordance with Accounting Principles as defined under Note 1 and regulatory requirements relating to the preparation of the financial statements. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Responsibility of the réviseur d'entreprises agréé

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing as adopted for Luxembourg by the Commission de Surveillance du Secteur Financier. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

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An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the judgment of the réviseur d'entreprises agréé, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the réviseur d'entreprises agréé considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

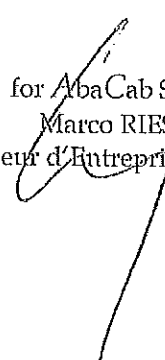
An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the board of directors, as well as evaluating the overall presentation of the annual accounts.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of PANCURRI INVESTMENTS LIMITED as of March 31st, 2013 and of the results of its operations and its cash flows for the year then ended in accordance with Accounting Principles as defined under Note 1.

for Alba Cab Sàrl
Marco RIES
Réviseur d'Entreprises Agréé



June 14th, 2013

PANCURRI INVESTMENTS LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED MARCH 31, 2013

The Directors present the financial statements, together with the auditors' report, on the affairs of the Company for the year ended March 31, 2013.

PRINCIPAL ACTIVITIES

The Company is primarily engaged in transactions in foreign currencies and commodity futures contracts.

RESULTS FOR THE YEAR

The Company had a net loss of \$ 72,045.15

DIRECTORS

The Directors of the Company from April 1, 2012 to March 31, 2013 were as follows:

- Clarendon (Hal) Masters
46 Pitts Bay Road
Pembroke HM 06
Bermuda
- James Michael Keyes
Mercury House
101 Front Street
Hamilton HM 12
Bermuda
- Paul Stevenson
6 Hilton Drive
Paget PG 04
Bermuda

In accordance with the Bye-laws of the Company all the Directors retire at the date of the Annual General Meeting and, being eligible, offer themselves for re-election.

COUNTRY OF DOMICILIATION

The Company is domiciled in Bermuda.

PANCURRI INVESTMENTS LIMITED
DIRECTORS' REPORT
FOR THE YEAR ENDED March 31, 2013 -2-

AUDITORS

A resolution will be raised at the Annual General Meeting of the shareholders for the (re)appointment of the auditors in accordance with the provisions of the Company's By-laws.



Director

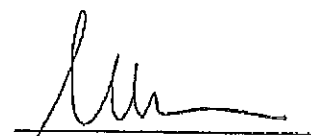
Registered Office:
28 Burnaby Street
Hamilton HM 11
Bermuda

PANCURRI INVESTMENTS LIMITED

STATEMENT OF NET ASSETS AS OF MARCH 31, 2013

(Currency -- U.S. Dollars)

	<u>Notes</u>	<u>31.03.2013</u>	<u>31.03.2012</u>
<u>ASSETS AND LIABILITIES</u>			
CURRENT ASSETS:			
Deposits with brokers	2	103.023.112,84	108.761.203,93
Prepaid expenses and other receivables		54.703,42	50.446,75
		<u>103.077.816,26</u>	<u>108.811.650,68</u>
CURRENT LIABILITIES:			
Accounts payable and accrued liabilities	3	<u>-199.288,53</u>	<u>-208.953,77</u>
NET ASSETS			
		<u>102.878.527,73</u>	<u>108.602.696,91</u>
Represented by:			
<u>SHAREHOLDERS' INVESTMENT:</u>			
Share capital	4	95.645,89	100.983,46
Share premium		0,00	456.769,08
Retained earnings		<u>102.782.881,84</u>	<u>108.044.944,37</u>
		<u>102.878.527,73</u>	<u>108.602.696,91</u>



Director



Director

The accompanying notes are an integral part
of these statements.

PANCURRI INVESTMENTS LIMITED

STATEMENT OF INCOME AND RETAINED EARNINGS

FOR THE YEAR ENDED MARCH 31, 2013

(Currency -- U.S. Dollars)

	<u>Notes</u>	<u>2013</u>	<u>2012</u>
INCOME:			
Gain on trading, net	5	5.184.382,62	0,00
Interest and similar income	6	124.040,95	212.621,79
Change in unrealized gain on exchange		294.042,25	0,00
Change in unrealized gain on investments		0,00	182.058,21
		<u>5.602.465,82</u>	<u>394.680,00</u>
EXPENSES:			
Management fees	8	-2.065.756,89	-2.367.189,65
Change in unrealized loss on investments		-3.430.701,59	0,00
General and administrative expenses		-178.052,49	-154.513,56
Loss on trading, net	5	0,00	-11.099.705,75
Change in unrealized loss on exchange		0,00	-1.127.326,22
		<u>-5.674.510,97</u>	<u>-14.748.735,18</u>
NET RESULT FOR THE YEAR		-72.045,15	-14.354.055,18
RETAINED EARNINGS			
Beginning of the year		108.044.944,37	122.398.999,55
Redemption		<u>-5.190.017,38</u>	<u>0,00</u>
RETAINED EARNINGS			
End of the year		<u>102.782.881,84</u>	<u>108.044.944,37</u>

The accompanying notes are an integral part
of these statements.

PANCURRI INVESTMENTS LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED MARCH 31, 2013

(Currency -- U.S. Dollars)

	<u>2013</u>	<u>2012</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
<i>Net result for the year</i>	-72.045,15	-14.354.055,18
Adjustments to reconcile net income of the year to net cash provided by operating activities:		
Changes in unrealized gain on investments	-294.042,25	-182.058,21
Changes in unrealized loss on investments	3.430.701,59	1.127.326,22
Increase / Decrease in prepaid expenses and other receivables	-4.256,67	51.463,54
Decrease / Increase in accounts payable and accrued liabilities	-9.665,24	-1.332.311,55
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>3.050.692,28</u>	<u>-14.689.635,18</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Decrease / Increase in deposits with brokers	2.601.431,75	17.000.073,24
NET CASH FROM INVESTING ACTIVITIES	<u>2.601.431,75</u>	<u>17.000.073,24</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Variation in shareholders' investment, net:		
Decrease / Increase in share capital	-5.337,57	-2.019,57
Decrease / Increase in share premium	-456.769,08	-2.308.418,49
Redemption fees against retained results	-5.190.017,38	0,00
NET CASH FROM FINANCING ACTIVITIES	<u>-5.652.124,03</u>	<u>-2.310.438,06</u>
NET CHANGE IN CASH POSITION	0,00	0,00
CASH AT BEGINNING OF THE YEAR	<u>0,00</u>	<u>0,00</u>
CASH AT END OF THE YEAR	<u>0,00</u>	<u>0,00</u>

The accompanying notes are an integral part
of these statements.

PANCURRI INVESTMENTS LIMITED

STATEMENT OF SHAREHOLDERS' INVESTMENT

FOR THE YEAR ENDED MARCH 31, 2013

(Currency -- U.S. Dollars)

	Share capital	Share premium	Retained results	Result of the year
Balances as of March 31, 2011	103,003,03	2,765,187,57	122,398,999,55	0,00
Subscription of shares	1,982,73	2,414,830,46	0,00	0,00
Redemption of shares	-4,002,30	-4,723,248,95	0,00	0,00
Result of the year	0,00	0,00	0,00	-14,354,055,18
Allocation of the result	0,00	0,00	-14,354,055,18	14,354,055,18
Balances as of March 31, 2012	100,983,46	456,769,08	108,044,944,37	0,00
Subscription of shares	31,71	33,412,73	0,00	0,00
Redemption of shares	-5,369,28	-490,181,81	-5,190,017,38	0,00
Result of the year	0,00	0,00	0,00	-72,045,15
Allocation of the result	0,00	0,00	-72,045,15	72,045,15
Balances as of March 31, 2013	95,645,89	0,00	102,782,881,84	0,00

The accompanying notes are an integral part of these statements.

PANCURRI INVESTMENTS LIMITED

NOTES AS OF MARCH 31, 2013

(Currency -- U.S. Dollars)

1. ORGANISATION AND SIGNIFICANT ACCOUNTING POLICIES

PANCURRI INVESTMENTS LIMITED (the Company) is a mutual fund established and discontinued under the laws of Panama and continued under the laws of Bermuda on February 9th, 2005. The Company is primarily engaged in transactions on bonds, shares, foreign currencies and commodity futures contracts. The investor services and the corporate secretarial work are administered by Butterfield Fulcrum Group (Bermuda) Limited incorporated in Bermuda.

The books and records are maintained in U.S. Dollars. The financial statements have been prepared in conformity with accounting standards including the following significant accounting policies:

a) Valuation of Assets and Liabilities

The value of any cash on hand or on deposit, bills and demand notes and accounts receivable, prepaid expenses, cash dividends and interest declared or accrued or not yet received shall be marked to market and deemed to be the full amount thereof, unless the same is unlikely to be paid or received in full, in which case the value thereof shall be arrived at after making such discount as the Company may consider appropriate in such case to reflect the true value of the asset.

The liquidating value of futures, forward and option contracts shall be based upon the settlement prices on the futures exchanges on which the particular futures, forward or option contracts are traded by the Company. Provided that if a contract could not be liquidated on the day with respect to which net assets are being determined, the basis for determining the liquidating value of such contract shall be such value as the Board of Directors may deem fair and reasonable.

The value of all transferable securities which are listed or dealt in on any stock exchange is based on the last available price on the stock exchange which is normally the principal market for such assets.

In the event that any assets are not listed or dealt in on any stock exchange or on any other regulated market, or if, with respect of assets listed or dealt in on any stock exchange, or other market as aforesaid, the price as determined pursuant to paragraph 2., 3. or 4. is not representative of the fair market value of the relevant assets, the value of such assets will be based on the reasonably foreseeable sales price determined prudently and in good faith.

The Directors, in their discretion, may permit some other method of valuation to be used if they consider that such valuation better reflects the fair value of any asset. The Directors may rely upon confirmation from the clearing broker and its affiliates in determining the value of assets held for the Company.

b) Gains and Losses on Trading

Gains and losses on trading are netted in the statement of income and retained earnings. Net gains or losses on trading are stated after deduction of commissions to brokers.

c) Trade and other receivables

Trade and other receivables are stated at cost less value adjustments for losses.

d) Trade and other payables

Trade and other payables are recorded at cost.

e) Foreign Currency Translation

Assets and liabilities denominated in currencies other than U.S. Dollars have been translated at exchange rates prevailing as of year-end. Transactions denominated in currencies other than U.S Dollars have been translated at exchange rates prevailing at the date of the transactions. Exchange gains and losses are recorded in the statements of income and retained earnings under gain/loss on trading, net and under change in unrealized gain/loss on investments.

As of March 31st, 2012 the Company has used the following significant exchange rates:

<u>Currency</u>		<u>March 31st, 2013</u>	<u>March 31st, 2012</u>
1 EURO	=	USD 1,2830	USD 1,3324
1 GBP	=	USD 1,5172	USD 1,5978
1 CHF	=	USD 1,0552	USD 1,1073
1 CAD	=	USD 1,0166	USD 0,9988
1 HKD	=	USD 0,7769	USD 0,7763

2. DEPOSITS WITH BROKERS

As of March 31st, 2013 the deposits with brokers consisted of the following:

	<u>2013</u>	<u>2012</u>
Currencies:		
Bank deposits and current accounts	75.810.307,84	77.741.862,27
Open contracts	-297.229,35	-830.597,59
Provision	-204.027,00	-244.832,40
TOTAL CURRENCIES	<u>75.309.051,49</u>	<u>76.666.432,28</u>
Securities:		
Shares	27.658.922,40	30.563.464,24
Bonds	55.138,95	1.531.307,41
Treasury products	0,00	0,00
TOTAL SECURITIES	<u>27.714.061,35</u>	<u>32.094.771,65</u>
	<u>103.023.112,84</u>	<u>108.761.203,93</u>

Following the move into administration of MF Global (UK) Ltd, the directors of PANCURRI INVESTMENTS LIMITED have considered it appropriate to make a provision for 50% of the outstanding claim on monies held by MF Global.

3. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

As of March 31st, 2013 the accounts payable and accrued liabilities consisted of the following:

	<u>2013</u>	<u>2012</u>
Management fee payable	171.463,53	181.003,77
Administrative charges	27.825,00	27.950,00
Brokers payable	0,00	0,00
	<u>199.288,53</u>	<u>208.953,77</u>

4. SHAREHOLDERS' INVESTMENT

	<u>Number of shares</u>
Authorized (at nominal value of U.S. Dollar 1,00 each)	1.200.000,00
Issued and fully-paid at March 31 st , 2013	95.645,89

Pursuant to the Bye-laws the shares may be issued at the discretion of the Directors. The Company may increase or reduce its authorized but un-issued share capital.

Sales Charge

A sales charge of up to 5% of the total dollar amount subscribed may be imposed on any subscription at the Company's discretion. All or part of any such initial subscription charge may be paid to authorized dealers, placement agents including the Manager or connected companies, or independent third parties, for services provided in connection with the solicitation of subscriptions. Any applicable subscription charge will be deducted from the subscribers' subscription payment for the purposes of determining the net amount available for investment in shares.

Redemption Charge

A redemption charge of up to 2% of the redemption price may be imposed on any redemption at the Company's discretion. The charge will include a redemption fee and such sum as the Directors may consider represents the appropriate allowance for fiscal and sale charges in relation to the assets of the Company. Such amounts are to be retained by the Company.

Movements in Shareholders' Investment Accounts

	<u>Share capital</u>	<u>Share premium</u>	<u>Retained earnings</u>
Opening balance April 1 st , 2012	100.983,46	456.769,08	108.044.944,37
Subscription	31,71	33.412,73	0,00
Redemption	-5.369,28	-490.181,81	-5.190.017,38
Closing Balance March 31 st , 2013	<u>95.645,89</u>	<u>0,00</u>	<u>102.854.926,99</u>

5. LOSS/GAIN ON TRADING

The gain/loss on trading consisted of the following:

	<u>2013</u>	<u>2012</u>
Gain/Loss on foreign exchange	3.800.409,95	-10.062.825,28
Loss on futures, forwards and options	-627.574,59	-1.791.205,80
Gain on sales of investments (shares, bonds)	2.011.547,26	754.325,33
	<u>5.184.382,62</u>	<u>-11.099.705,75</u>

6. INTEREST AND SIMILAR INCOME

Interest and similar income consisted of the following :

	<u>2013</u>	<u>2012</u>
Interest income on bank accounts	84.281,56	112.738,60
Interest income on bonds	17.028,29	41.511,17
Dividend income	22.731,10	58.372,02
	<u>124.040,95</u>	<u>212.621,79</u>

7. INCOME TAXES

The Company received from the Minister of Finance of Bermuda under the Exempted Undertakings Tax Protection Act 1996 an assurance that, in the event of there being enacted in Bermuda any legislation imposing tax computed on profits or income, or computed on any capital assets, gain or appreciation or any tax in the nature of estate duty or inheritance tax, such tax shall not until 31st March, 2035 be applicable to the Company or to any of its operations, or to the shares, debentures or other obligations of the Company except in so far as such tax applies to persons ordinarily resident in Bermuda and holding such shares, debentures or other obligations of the Company or any land leased or let to the Company. As an exempted company, the Company is liable to pay in Bermuda a registration fee based upon its authorized and issued par value share capital. The current government fee payable by the Company for the full year 2013 is 6.275,00 (6.275,00 for 2012).

8. MANAGEMENT FEES AND OTHER EXPENSES

Management Fees

The Company will pay the Manager a fee of 2% of the Net Asset Value of the Company, payable monthly in arrears. For the year ended March 31st, 2013 management fees of an amount of 2,065,756,89 (2012 - 2,367,189,65) have been expensed.

Other Fees and Expenses

The Custodian, Co-Custodian, Administrator and the Registrar will be entitled to receive fees from the Company. The fees, which are accrued monthly and payable monthly in arrears are levied at commercial rates. In addition, the Custodian, Co-Custodian, Registrar and Administrator are entitled to receive reasonable out of pocket expenses. Any Sub-Custodian appointed may receive fees from the Custodian.

9. NET ASSET VALUE

The net asset value per share is expressed in U.S. Dollar and is determined on each valuation date, which is the last business day of the month, by dividing the net assets by the number of shares, deducting the shares held in treasury shares.

The evolution of the net asset value per share has been as follows:

June 30 th , 2004	639,64
June 30 th , 2005	649,72
December 31 st , 2005 (unaudited)	676,88
June 30 th , 2006	759,28
September 30 th , 2006 (unaudited)	716,49
March 31 st , 2007	764,86
September 30 th , 2007 (unaudited)	819,88
March 31 st , 2008	943,16
September 30 th , 2008 (unaudited)	868,04
March 31 st , 2009	917,79
September 30 th , 2009 (unaudited)	1.027,56
March 31 st , 2010	1.066,31
September 30 th , 2010 (unaudited)	1.133,61
March 31 st , 2011	1.216,15
September 30 th , 2011 (unaudited)	1.157,48
March 31 st , 2012	1.075,45
September 30 th , 2012 (unaudited)	1.060,41
March 31 st , 2013	1.075,62

10. RELATED-PARTY TRANSACTIONS

A number of banking transactions are entered into with related parties in the normal course of business. These transactions were carried out on commercial terms and at market rates.

11. POST BALANCE SHEET EVENTS

There are no post balance sheet events.

12. OFF-BALANCE SHEET

	<u>2013</u>	<u>2012</u>
Forward exchange contracts	229.050,60	873.710,09
Futures	272.205,75	201.719,90