Pelargos Asia Alpha Fund

UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE PERIOD
FROM 1 JANUARY 2013 TO 30 JUNE 2013

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FUND INFORMATION

REGISTERED OFFICE	WTC Tower E 7th Floor Prinses Margrietplantsoen 43 2595 AM The Hague The Netherlands www.pelargoscapital.com
INVESTMENT MANAGER	Pelargos Capital B.V. WTC, Tower E 7th Floor Prinses Margrietplantsoen 43 2595 AM The Hague The Netherlands
TRUSTEE	Stichting Bewaarder Pelargos Asia Alpha Fund c/o: ANT Trust & Corporate Services N.V. Claude Debussylaan 24 1082 MD Amsterdam The Netherlands
FUND ADMINISTRATOR	Citibank Europe plc 1 North Wall Quay Dublin 1 Ireland
PRIME BROKER	UBS AG 1 Finsbury Avenue London EC2M 2PP United Kingdom Goldman Sachs International Peterborough Court 133 Fleet Street London EC4A 2BB United Kingdom
LEGAL ADVISOR	De Brauw Blackstone Westbroek N.V. Tripolis Claude Debussylaan 80 1082 MD Amsterdam The Netherlands
COMPLIANCE	CLCS B.V. Keizersgracht 433 1017 DJ Amsterdam The Netherlands
INDEPENDENT AUDITORS	Ernst & Young Accountants LLP Wassenaarseweg 80 2596 CZ The Hague The Netherlands

FUND PROFILE

Pelargos Asia Alpha Fund
The Fund is an open-ended investment fund. Issue and redemption of units of participation is possible at the instigation of the Participant as described in the Prospectus. Date of commencement of NAV calculation was 20 June 2008.

Key Features Document ("Essentiële Beleggersinformatie") and Prospectus
For this financial product a Key Features Document applies containing Fund information related to its costs and risks. The Key Features Document and Prospectus are available on www.pelargoscapital.com.

Investment objective
The Fund's objective is to achieve absolute returns in the long term which have a modest volatility and a low correlation with share indices in the region. Assets can be invested in a wide range of financial instruments. The Fund makes use of combinations of long and short positions in equities, as well as derivative positions. The Fund may also use leverage to achieve the return targets or for liquidity reasons in case units of participation are redeemed. Assets will predominantly be invested in Asian securities. Pelargos Capital B.V. has defined a Socially Responsible Investing policy with reference to the investments held by the Fund, implying that some specific companies can be excluded from the investment universe.

Dividend
In principle the Fund does not pay dividends. The Investment Manager is, however, authorised to pay part of the profit available for distribution to the Participants.

Investment Manager
Pelargos Capital B.V. is the Investment Manager of the Fund and as such is responsible for implementing the investment policy. Pelargos Capital B.V. is registered at The Netherlands Authority of the Financial Markets (AFM). The Pelargos Asia Alpha Fund does not employ any personnel, as all services are provided by the Investment Manager.

Pelargos Capital B.V. was incorporated on 4 March, 2008 and has its registered office in The Hague. The directors of Pelargos Capital B.V. are Orange Dragon Company B.V. (represented by R.A. Dingemans), Emphi B.V. (represented by P.P.J. van de Laar) and Limare B.V. (represented by P.C. Rigter).

Trustee
The Trustee is Stichting Bewaarder Pelargos Asia Alpha Fund. The manager of the "Stichting" is ANT Custody B.V.

Administrator and Prime Broker
The Fund is administered by Citibank Europe plc. The Prime Brokers of the Fund are UBS AG, London, United Kingdom and Goldman Sachs International, London, United Kingdom.

INVESTMENT MANAGER'S REPORT

For the period from 1 January 2013 to 30 June 2013

2013	Jan	Feb	Mar	Apr	May	Jun	YTD
Class A	2.39	1.53	1.16	0.37	-0.79	-3.32	1.25
Class B	2.44	1.58	1.20	0.41	-0.75	-3.28	1.51

Performance
Over the first six months of 2013 the Pelargos Asia Alpha Fund Class A shares realized a 1.3% return. The return for Class B shares, which have a different fee structure, is 1.5%.

The assets under management of the fund on June 30th 2013 amounted Euro 166mln.

Review of first half 2013
The equity markets in the Asia-Pacific region showed a disappointing 7% correction in US-dollars during the first half of 2013.
The carry-over from the positive market sentiment at the end of 2012 did only last a few trading days into 2013, after which the regional equity markets consolidated till mid-May. This consolidation period was followed by a 15% correction. A 5% rebound in the last three trading days in June limited the damage for the regional markets to the mentioned 7%. In the correction the markets gave back all the gains made since September last year.

Asian equity markets, like other emerging markets, significantly underperformed developed equity markets, which saw a reverse trading pattern, moving up 7% during the first half the year. In Asia, investors reacted negatively to fears over Fed tapering as a well as over a hard landing in China. As a result investors made a large shift in their allocations from Asia to developed markets including neighboring Japan.

A potentially continued rise in global interest rates in case of Fed tapering has a negative effect on liquidity in emerging markets. Tapering fears made investors increasingly risk averse, more so because Asian currencies weakened against the US-dollar. This strengthened the preference for developed markets further. The shift in preference away from emerging markets was also fed by positive economic surprises in the developed world. This increasing room for optimism in developed market earnings is in contrast with the recent acceleration in downward earnings adjustments visible in the Asia-Pacific (ex Japan).

In June, the regional market sentiment took another hit when China's central bank surprised the financial markets with a severe tightening of liquidity in the interbank markets, leading to a dramatic rise in the Shanghai interbank rates (SHIBOR). Chinese policymakers target to choke off excess credit demand, which indicates that the new leadership in China starts to address the real problem: misallocation of credit in China. It becomes increasingly clear that the new leaders are accepting lower structural economic growth rates than financial markets estimated thus far, while it seeks to restructure the economy and to transform China's investment-driven growth model into a consumer-driven economy.

Concerns over weaker than expected economic growth levels in combination with ongoing tightening liquidity made China the weakest Asia-Pacific market in the first half of 2013. The MSCI China index dropped 13%. The other markets showed diverging trends. The ASEAN markets remained in favour till mid May, but suffered strongly as crowded trades were unwound during the market sell off. In spite of some 2% currency weakness against the US-dollar in the correction the ASEAN-markets could still end the six month period in positive territory in US-dollar terms. Taiwan surprised on the upside, ending the reporting period marginally positive. The market was supported by optimism over cross straits developments with China and the acceptance of a Capital Gains tax law, that did not impact retail investors as much as feared. The contrast with Korea was large, down 7% in Korean won (14% in US-dollars). Korea took the brunt of regional foreign selling pressure as yen weakness was expected to hurt Korean competitiveness. The Korean IT sector suffered from the perception that smartphones were reaching maturity stage.

Thanks to a better performing Taiwanese IT-sector losses for the regional IT-sector (3% in US-dollars) did not deviate much from the performance of the defensive sectors. Industrials, Energy and Materials were the worst hit sectors with declines between 10% and 22% in US-dollars.

Investment policy and attribution
Early in the year we found the Asian equity markets had run ahead of themselves, which lead to greater selectivity in our long holdings. By realizing profits in long position in Chinese banks, in Chinese and ASEAN property companies and in smartphones related IT companies we took the net exposure down from 28% early 2013 to around 20% at the end of February.

From March till mid May we became slightly more positive as the global outlook showed some signs of improvement. In that period we maintained a clear cyclical tilt in the portfolio largely on valuation grounds. We diversified our long cyclical exposure to reduce the net long focus on financials and IT companies adding to undervalued consumer discretionary and industrial companies. As we did increasingly see bottom up stock picking opportunities we also added shorts in both cyclicals, where we saw earnings risk (e.g. in mining related companies), as well as in overvalued defensives in health care, consumer staples and utilities. During this period we steadily increased the net exposure again to 28%.

From the second half of May the Fed tapering discussions and indications of acceptance by Chinese policymakers of a growth slowdown made us more cautious over the market outlook. This view was strengthened by renewed earnings downgrades. We reduced portfolio risk largely by trimming the long net exposure in addition to increases in our cyclical as well as defensive shorts. Due to the growing uncertainties in the Chinese macro environment most risk reduction trades were done through a reduction of the net exposure in China and Hong Kong. At the end of June the net exposure has been taken down substantially to 6%.

During the first half of 2013 we held the gross exposure relatively stable between 85% and 100%.

The risk reduction was in hindsight not fast enough to avoid a relatively large negative performance in June, in which month we gave up most of the performance achieved earlier in the year. The first half 2013 return was 1.3% for the A shares and 1.5% for the B shares.

Both the long and short book were performance wise a mixed bag. Both books delivered relatively large positive and negative returns. In line with the downward market movement over the reporting period most of the positive returns were realized in the short book, while the negative returns came to a large extent from the long book. In the first half of 2013 the value style of the portfolio did not work in our favor.

Mining sector related shorts (coal miner Yanzhou Coal and mining service company Boart Longyear) delivered the largest positive contributions to the fund. Both longs and shorts in the property sector showed very decent returns as well (longs in Indonesian Alam Sutera and Surya Semesta and Amata from Thailand, shorts in Chinese Evergrande and Singaporean City Development). Longs in the banking sector also served us well: Metropolitan Bank from the Philippines and China Minsheng Bank. We can also highlight two positives in IT-sector: Varitronix (Hong Kong) and Hermes Microvision from Taiwan.

The largest negative contribution came from gold miner Medusa Mining. Chinese cyclical longs delivered another major negative: IT provider Digital China, cement company CNBM, paper company Nine Dragons and IT retailer Skyworth all suffered from the less positive outlook in China. Three shorts that should be mentioned here because they moved against us: Korean shipyard Hyundai Mipo and two expensive defensives: Chinese hygiene product manufacturer Hengan and Taiwanese retailer President Chain Store.

Outlook

Fed tapering concerns will continue to limit the upside for Asian equity markets also after the recent sell off, as it puts upward pressure on interest rates and will reduce market liquidity in the Asia-Pacific. Economic growth estimates will probably have to be trimmed slightly, while room for monetary easing will be more limited than before due to the need to contain the risk of currency weakness.

The additional negative factor that impacted the markets in June, monetary tightening in China, will also continue to be a negative for the markets. The concerns over incremental reining in credit growth at a time when global and domestic aggregate demand remains weak could put further downward pressure on the Chinese economy. The Chinese government indicated it will not stimulate the economy via fresh rounds of policy measures. The expected growth slowdown in Asia's locomotive will dampen the outlook for exports from Asian economies into China, while global exports are only showing weak growth. This will weigh on markets like Australia, Hong Kong, Korea and Taiwan.

Apart from the negative macro and liquidity environment, Asia Pacific equity markets will probably also have to face headwinds from a difficult earnings season as consensus earnings are still too positive. However, valuation support will limit the market downside risk.

The Hague, 26 August 2013

Kees Rigter,
on behalf of Limare B.V.
Director Pelargos Capital B.V.

STATEMENT OF FINANCIAL POSITION

As at 30 June 2013

	Note	30 June 2013	31 December 2012
		€	€
Assets			
Cash and cash equivalents	4	163,110,069	122,737,191
Financial assets at fair value through profit or loss	3,9	58,899,476	73,526,062
Amounts due from brokers	5	685,035	-
Dividends receivable		241,024	89,615
Interest receivable		7,045	12,544
Total assets		**222,942,649**	**196,365,412**
Liabilities			
Financial liabilities at fair value through profit or loss	3,9	54,077,305	42,025,852
Amounts due to brokers	5	2,521,868	-
Dividends payable		310,861	25,982
Management fee payable	6	127,340	130,702
Interest payable		117,425	71,098
Accrued expenses	7	34,193	44,529
Total liabilities		**57,188,992**	**42,298,163**
Net assets attributable to holders of redeemable units of participation		**165,753,657**	**154,067,249**

Net asset value per unit of participation

Class A	**30 June 2013**	**31 December 2012**	**31 December 2011**
Number of units of participation (Note 11)	242.63	242.63	242.63
Net asset value per unit of participation	€956.25	€944.42	€987.61

Class B	**30 June 2013**	**31 December 2012**	**31 December 2011**
Number of units of participation (Note 11)	177,987.92	167,916.20	141,729.20
Net asset value per unit of participation	€929.96	€916.16	€953.18
Total Net Asset Value	**€165,753,657**	**€154,067,249**	**€135,333,623**

See notes to the financial statements

STATEMENT OF COMPREHENSIVE INCOME

For the period from 1 January 2013 to 30 June 2013

	Note	1 January 2013 to 30 June 2013 €	1 January 2012 to 30 June 2012 €
Income			
Interest income	8	70,997	159,367
Gross dividend income		932,720	871,661
Net gain/(loss) on financial assets and liabilities at fair value through profit or loss	3	4,814,225	(5,697,135)
Net foreign exchange loss		(1,079,466)	(993,542)
Total investment income/(expense)		**4,738,476**	**(5,659,649)**
Expenses			
Dividend expense on securities sold short		(945,863)	(633,411)
Management fees	6	(826,351)	(731,478)
Interest expense	8	(607,364)	(441,592)
Administration fee	6	(50,705)	(41,949)
Trustee's fee	6	(15,500)	(12,674)
Audit fees	6	(9,000)	(9,319)
Other expenses	6	(1,952)	(13,074)
Advisory fee	6	(6,000)	-
Legal fee	6	(5,000)	(19,569)
Total operating expenses		**(2,467,735)**	**(1,903,066)**
Withholding taxes		(36,789)	(73,149)
Increase/(decrease) attributable to holders of redeemable units of participation		**2,233,952**	**(7,635,864)**

See notes to the financial statements

STATEMENT OF CASH FLOWS

For the period from 1 January 2013 to 30 June 2013

	1 January 2013 to 30 June 2013	1 January 2012 to 30 June 2012
	€	€
Cash flows from operating activities		
Increase/(decrease) attributable to holders of redeemable units of participation	2,233,952	(7,635,864)
Adjustments to reconcile increase/(decrease) attributable to holders of redeemable units of participation to net cash provided by/(used in) operating activities:		
Decrease/(increase) in financial assets at fair value through profit or loss	14,626,586	(16,958,252)
Increase in financial liabilities at fair value though profit or loss	12,051,453	9,224,832
Decrease in interest receivable	5,499	26,077
Increase in dividend receivable	(151,409)	(216,859)
Increase in dividend payable	284,879	-
Increase in amounts due to brokers	2,521,868	386,797
Increase in amounts due from brokers	(685,035)	(1,879,177)
(Decrease)/increase in management fee payable	(3,362)	4,478
Increase in interest payable	46,327	3,152
(Decrease)/increase in accrued expenses	(10,336)	25,904
Net cash provided by/(used in) operating activities	**30,920,422**	**(17,018,912)**
Cash flows from financing activities		
Proceeds from issue of redeemable units of participation	9,471,000	18,313,000
Payment from redemption of redeemable units of participation	-	(27,448)
Redemption related to equalisation deficit previous period	(18,544)	-
Net cash flow provided by financing activities	**9,452,456**	**18,285,552**
Net increase in cash and cash equivalents	40,372,878	1,266,640
Cash and cash equivalents at the beginning of the period	122,737,191	125,373,872
Cash and cash equivalents at the end of the period	**163,110,069**	**126,640,512**

See note 4 to the financial statements

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS OF PARTICIPATION

For the period from 1 January 2013 to 30 June 2013

	Note	Number of shares	1 January 2013 to 30 June 2013 €
Balance at the beginning of the period		**168,159**	**154,067,249**
Increase attributable to holders of redeemable units of participation resulting from operations for the period		-	2,233,952
Issue of redeemable units of participation during the period	11	10,092	9,471,000
Redemption related to equalisation deficit previous year	11	(20)	(18,544)
Net assets attributable to holders of redeemable units of participation at the end of the period		**178,231**	**165,753,657**

	Note	Number of shares	1 January 2012 to 30 June 2012 €
Balance at the beginning of the period		**141,972**	**135,333,623**
Decrease attributable to holders of redeemable units of participation resulting from operations for the period		-	(7,635,864)
Issue of redeemable units of participation during the period	11	19,399	18,313,000
Payments for redeemable units of participation during the period	11	(30)	(27,448)
Net assets attributable to holders of redeemable units of participation at the end of the period		**161,341**	**145,983,311**

See notes to the financial statements

NOTES TO THE FINANCIAL STATEMENTS

For the period from 1 January 2013 to 30 June 2013

1. FUND INFORMATION

Pelargos Asia Alpha Fund (the "Fund") is an open-ended investment fund incorporated on 17 June 2008. The first trade date for Class B units of participation was on 23 June 2008. Initial subscriptions for Class A units of participation were received on dealing date 27 January 2009. The Fund is not listed on any stock exchange. The units of participation are registered per investor.

The Fund will, under certain conditions, be able to issue and purchase units of participation. Issue and redemption of units of participation is possible on a dealing date, which is the first business day of each month. The Trustee holds the right to suspend redemptions in case of extreme market circumstances, when effectuating the lock up on Class B units of participation or in case of a significant size of the redeemed amount. The right to suspend redemptions is explained in more detail in the Prospectus of the Fund.

The Fund is a Fund for Joint Account, which means that there is a contractual obligation among the Investment Manager, the Trustee and the Participant. The Investment Manager was granted the license to manage investment funds under the Financial Supervision Act (Wft) as of 9 December 2010. As of 29 July 2011, the Fund has been registered under this license at The Netherlands Authority for the Financial Markets (AFM).

The Fund's objective is to achieve absolute returns in the long term which have a modest volatility and a low correlation with share indices in the region. Assets can be invested in a wide range of financial instruments. The Fund makes use of combinations of long and short positions in equities, as well as derivative positions. The Fund may use leverage to achieve the return targets or for liquidity reasons in case units of participation are redeemed. Assets will predominantly be invested in Asian securities.

Since its incorporation and until 30 June 2013, the Fund appointed Citibank Europe plc as Administrator. The Administrator provides fund administration and transfer agency services to the Fund. Citibank Europe plc is based in Ireland and adheres to Irish AML rules and regulations.

2. PRINCIPAL ACCOUNTING POLICIES

(a) Statement of compliance
The financial statements of the Fund have been prepared in accordance with International Financial Reporting Standards (IFRS) as endorsed by the European Union (EU), the Dutch Financial Supervision Act and Title 9 book 2 Dutch Civil Code.

(b) Accounting Policies
The significant accounting policies and estimation techniques adopted by the Fund for the six months ended 30 June 2013 are consistent with those adopted by the Fund for the annual financial statements for the year end 31 December 2012.

(c) Basis of preparation
The financial statements have been prepared on a historical cost basis, except for financial instruments classified at fair value through profit or loss which have been measured at fair value.

The financial statements are presented in Euro.

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Management believes that the estimates utilised in preparing its financial statements are reasonable and prudent. Actual results could differ from these estimates.

The Fund's functional and presentation currency is the euro. As most holders of Units of Participation, the Investment Manager and the Trustee are based and operate in Euro markets, the Fund's performance is evaluated and its liquidity is managed in euros.

New accounting standards adopted during the period

IFRS 13: Fair Value Measurement
On 12 May 2011, the International Accounting Standards Board ("IASB") issued IFRS 13 Fair Value Measurement. This standard defines fair value, provides guidance for fair value measurement and sets out disclosure requirements. IFRS 13 does not change when an entity is required to use fair value measurements but explains how to measure fair value when it is required by other IFRS's. Some of the disclosures required, including the fair value hierarchy, were already introduced in March 2009 through an amendment to IFRS 7 Financial Instruments: Disclosures. Those disclosures have been relocated to IFRS 13. The standard apply to annual periods beginning on or after 1 January 2013 and interim periods within those periods.

IFRS 7 Disclosures: Offsetting Financial Assets and Financial Liabilities
On 16 December 2011, the IASB and FASB issued common disclosure requirements that are intended to help investors and other users to better assess the effect or potential effect of offsetting arrangements on a company's financial position. The new requirements are set out

in Disclosures: Offsetting Financial Assets and Financial Liabilities (Amendments to IFRS 7). As part of that project the IASB also clarified aspects of IAS 32 Financial Instruments: Presentation. The amendments address inconsistencies in current practice when applying the requirements. The amendments to IFRS 7 apply to annual periods beginning on or after 1 January 2013 and interim periods within those periods.

IAS 1 - Financial Statement Presentation - Presentation of Items of Other Comprehensive Income (OCI)
The amendments to IAS 1 change the grouping of items presented in OCI. Items that could be reclassified (or 'recycled') to profit or loss at a future point in time (for example, upon derecognition or settlement) would be presented separately from items that will never be reclassified. The amendment affects presentation only and has no impact on the Protected Cell's financial position or performance. The amendment becomes effective for annual periods beginning on or after 1 July 2012.

New standards, amendments and interpretations to existing standards which are relevant to the Fund and not yet effective

IFRS 9 Financial Instruments: Classification and Measurement
IFRS 9 as issued reflects the first phase of the IASB's work on the replacement of IAS 39 and applies to classification and measurement of financial assets and financial liabilities as defined in IAS 39. The standard is effective for annual periods beginning on or after 1 January 2015. In subsequent phases, the IASB will address hedge accounting and impairment of financial asset. The adoption of the first phase of IFRS 9 will have an effect on the classification and measurement of the Fund's financial assets but will potentially have no impact on classification and measurements of financial liabilities. The Fund will quantify the effect in conjunction with the other phases, when issued, to present a comprehensive picture.

3. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

Movement schedule investments

Equity securities	**30 June 2013**	**31 December 2012**
	€	**€**
Beginning market value 1 January	31,682,134	8,074,745
Purchase	101,915,012	245,480,918
Sale	(133,294,056)	(219,000,802)
Revaluation	3,881,874	(2,872,727)
Ending market value at period end	**4,184,964**	**31,682,134**

Contracts for Difference	**30 June 2013**	**31 December 2012**
	€	**€**
Beginning market value 1 January	(279,714)	473,702
Purchase	275,666	168,234
Sale	(295,525)	(952,811)
Revaluation	932,351	31,161
Ending market value at period end	**632,778**	**(279,714)**

Futures	**30 June 2013**	**31 December 2012**
	€	**€**
Beginning market value 1 January	-	319,613
Purchase	-	(230,660)
Revaluation	-	(88,953)
Ending market value at period end	**-**	**-**

Movement schedule investments (Continued)

FX Forwards	30 June 2013	31 December 2012
	€	€
Beginning market value 1 January	97,790	(84,849)
Purchase	-	182,639
Sale	(93,361)	-
Ending market value at period end	**4,429**	**97,790**

Total	30 June 2013	31 December 2012
	€	€
Beginning market value 1 January	31,500,210	8,783,211
Purchase	102,190,678	245,601,131
Sale	(133,682,942)	(219,953,613)
Revaluation	4,814,225	(2,930,519)
Ending market value at period end	**4,822,171**	**31,500,210**

As at 30 June 2013 and 31 December 2012, listed equity securities at fair value through profit or loss are recorded at fair value based on quoted market prices in active markets.

	30 June 2013	31 December 2012
	€	€
Net gain or loss on financial assets and financial liabilities at fair value through profit or loss:		
Realised	7,372,768	(6,998,862)
Unrealised	(2,558,543)	4,068,343
Total	**4,814,225**	**(2,930,519)**

For CFD financial instruments, fair value is determined using a valuation technique. The Fund uses widely recognised valuation models for determining fair values of over-the-counter CFD derivatives. For CFD financial instruments, inputs into models are based on the price of the underlying financial instruments which are quoted in an active market and are therefore market observable. The fair value of a CFD equals the unrealised result of the underlying financial instrument.

Futures contracts are contractual agreements to buy or sell a specified financial instrument at a specific price and date in the future. Futures contracts are transacted in standardised amounts on regulated exchanges and are subject to daily cash margin requirements.

Forward contracts are valued by reference to the forward price at which a new forward contract of the same size and maturity could be undertaken at the valuation date. The underlying financial instrument is the currency being bought or sold forward.

4. CASH AND CASH EQUIVALENTS

Cash represents short-term funds available to the Fund.

	30 June 2013	31 December 2012
	€	€
Cash at broker	163,109,883	122,738,434
Margin accounts	186	(1,243)
	163,110,069	**122,737,191**

Cash at broker relates to cash balances with the Fund's Prime Broker. Margin accounts represent cash deposits with brokers, transferred as collateral against open futures or other securities.

The prime broker calculates the maximum amount to be lent on the basis of all long and short securities held at the prime broker; this is called the total margin requirement. The Fund does not provide individual securities as collateral for each individual short security transaction. The total short position is taken into account in the calculation of margin requirement. The total amount of margin requirements with the Fund's Prime Broker were €31,709,950 (31 December 2012: €30,870,751) at 30 June 2013.

5. AMOUNTS DUE FROM/(TO) BROKERS

Amounts receivable from and payable to brokers include cash balances with the Fund's Prime Broker and amounts receivable or payable for securities transactions that have not settled at the period end. Certain amounts of this cash results from the proceeds of trading securities sold short and may therefore be subject to withdrawal restrictions until such time as the securities are purchased by the Fund. The Fund has also purchased securities on margin and the related margin balances are secured on certain of the Fund's investments in securities.

	30 June 2013	31 December 2012
	€	€
Balances due from brokers	685,035	-
Balances due to brokers	(2,521,868)	-
Balances due (to)/from brokers	**(1,836,833)**	**-**

6. FEES AND EXPENSES

Management fee
The management fee is charged to the Fund and is credited to the Investment Manager. The management fee is levied once a month.

The management fee is set as an annual percentage of 1.5% of the gross asset value (GAV) for Class A units of participation and 1.0% of the GAV for Class B units of participation (before deduction of the accrued performance fee). The management fee is calculated each month as one twelfth (1/12) part of the annual management fee on the GAV of the Class in question on the last business day of each month. The fee is payable, in arrears following the completion and finalisation of each month end net asset value. Management fees of €826,351 (30 June 2012: €731,478) were incurred for the period ended 30 June 2013, of which €127,340 (31 December 2012: €130,702) was payable at 30 June 2013.

Performance fee
The performance fee is charged on a unit by unit basis and is credited to the Investment Manager. The performance fee is calculated and accrued for in each net asset calculation as at each month end.

The performance fee is equal to 20% of the annual increase in the net asset value of the capital of Class A units of participation. The performance fee is 15% of the annual increase in the net asset value of the capital of Class B units of participation. The performance fee will be calculated on the basis of an annual period from calendar year end to calendar year end. In a year of introduction of a new Class in a specific currency, the performance fee will be based on the period from introduction date to calendar year end. A high watermark applies.

There were no performance fees incurred or payable at period end 30 June 2013 and 2012.

Performance fee – Equalisation
The performance fee is calculated according to the "equalisation" method, which means that each Participant pays a fee that truly corresponds to the increase in value of the units of participation that he/she holds. Participations are subscribed to against the gross asset value per participation. If the subscription price exceeds the high water mark (HW) on a dealing day, an equalisation credit is granted to the participant. Following the date of grant, the value of the equalisation credit fluctuates with the increase and decrease of the NAV. The equalisation credit will at no time turn into a negative value, and it will not increase beyond the value at the time of issue. By issuing participations against the value of the Participant's equalisation credit at the ultimate valuation day of the financial year of the Fund, the credit will be finally settled.

Conversely, a participant that acquires participations at a time that the HW exceeds the NAV per participation, at which point in time the GAV equals the NAV as no performance fee is accrued, will build up an equalisation deficit from the moment that the NAV per participation exceeds the subscription price. Any deficit will be finally settled by way of mandatory redemption of the equalisation deficit bearing Participations. The Investment Manager is entitled to the ensuing claim. Redemption will take place per the ultimate dealing day of the financial year of the Fund, or at redemption during the period. The equalisation deficit as of 30 June 2013 amounted to €17,929 (31 December 2012: €18,544).

Other costs charged to the assets of the Fund

	1 January 2013 to 30 June 2013	1 January 2012 to 30 June 2012
	€	€
Administration fees	50,705	41,949
Legal and tax advice fees	5,000	19,569
Advisory fees	6,000	-
Audit fees	9,000	9,319
Trustee's fees	15,500	12,674
Other expenses	1,952	13,074
	88,157	**96,585**

Other expenses	**1 January 2013 to 30 June 2013**	**1 January 2012 to 30 June 2012**
	€	€
Printing and stationary	-	4,876
Miscellaneous expenses	1,500	2,926
Subtotal other expenses	1,500	7,802
Brokerage fees	452	5,272
Other expenses	**1,952**	**13,074**

Subscription and redemption fees
The Fund may upon issue and redemption of a unit of Participation charge a fee up to 1.0% of the subscription and redemption amount. These costs may be charged in order to cover the costs incurred in transactions related to subscription and/or redemption and are credited to the Fund. During the period from 1 January 2013 to 30 June 2013, the Fund did not charge any subscription or redemption fees.

Ongoing Charges Figure
The Ongoing Charges Figure (OCF) is a ratio of the total ongoing costs to the average net assets of the Fund. Ongoing costs include cost of investment management and administration, plus other costs of running the fund, such as fees for custodians, regulators and auditors. Transaction costs of investments, interest expenses and performance fee are excluded from the calculation. The OCF will be calculated once a year, the figure as of end of 2012 is as follow:

31 December 2012	**Share Class A**	**Share Class B**
Ongoing Charges Figure	1.6%	1.1%

Transaction costs
The costs charged by brokers in relation to the purchase or sale of financial instruments form the main component of the cost of a transaction. In addition, transaction-related taxes and duties such as registration tax and stamp duties may apply. Transaction costs incurred with an opening position in equities and CFD's (opening buy in case of a long position or opening sale in case of a short position) are included in the net consideration. Transaction costs incurred with the closing of a position in equities and CFD's (closing sale in case of a long position or closing buy in case of a short position) are included in the net consideration.

The transaction costs amounted to €841,566 in 2013 (30 June 2012: €1,109,773).

Soft dollar arrangement
The Investment Manager may chose to allocate transactions to brokers with whom the Investment Manager has concluded a commission sharing agreement (CSA). A CSA is concluded with a view to allowing the Investment Manager to provide a better level of service to the Fund, with the aim of improving the results. Pursuant to a CSA, the broker receives a commission for executing a transaction that is split ('unbundled') into: 1) execution and 2) research. The sum of money received by the broker that is related to research is entered into a separate account and may be used by the Investment Manager in order to pay for certain services rendered by either the broker or by a third party. The Investment Manager will, however, at all times aim for best execution. CSAs may be concluded with more than one broker.

The Fund has entered into a CSA with Merrill Lynch in order to facilitate the purchase of generic-, macro-economic-, technical- and company specific research services from TIS Group, Marc Faber, GMI, QAS, Elliot Wave and Starmine.

7. ACCRUED EXPENSES

Accrued expenses	30 June 2013	31 December 2012
	€	€
Administration fee	13,451	12,870
Legal and tax advice fees	(927)	4,800
Advisory fees	6,000	-
Audit fees	6,574	15,200
Trustee's fees	5,506	7,000
Other accrued expenses	3,589	4,659
	34,193	**44,529**

Other accrued expenses	30 June 2013	31 December 2012
	€	€
Printing and stationery	-	-
Miscellaneous expenses	3,589	4,659
	3,589	**4,659**

8. INTEREST INCOME/EXPENSE AND BORROWING FEE

	1 January 2013 to 30 June 2013	1 January 2012 to 30 June 2012
	€	€
Interest income	70,997	159,367
	70,997	**159,367**

	1 January 2013 to 30 June 2013	1 January 2012 to 30 June 2012
	€	€
Interest expense	292,521	275,957
Borrowing fee	314,843	165,635
	607,364	**441,592**

Borrowing fee at 30 June 2013 and 30 June 2012 is paid fee related to stock loan activities.

9. RISK ASSOCIATED WITH FINANCIAL INSTRUMENTS

Risk management is an integral part of the investment and the operational process. Financial risk management encompasses all elements of the investment process. A number of risk management systems allow us to notice any deviations from intended positioning and targets. Operational risk management encompasses the four areas of potential losses: processes, systems, people and external events.

The Fund's investment objective is to preserve capital and then achieve absolute returns for Participants by investing in securities of Asian Companies. The Fund aims to achieve strong risk adjusted returns without large exposure to the overall stock market and without taking high volatility single factor risks.

Financial instruments and associated risks
The Fund will primarily invest in a diversified portfolio consisting of long and short positions in listed equities. The Fund may utilise derivative financial instruments for the purpose of risk management and for potentially improving returns.

The nature and extent of the financial instruments outstanding at the Statement of Financial Position date and the risk management policies employed by the Fund are discussed below.

The Fund is exposed to market risk (which includes equity risk, currency risk and interest rate risk), credit risk and liquidity risk arising from the financial instruments it holds. Each type of risk is discussed in turn below and qualitative and quantitative analyses are provided where relevant to give the reader an understanding of the risk management methods used by the Investment Manager.

Fair Value Estimation
Investments measured and reported at fair value are classified and disclosed in one of the following fair value hierarchy levels based on the significance of the inputs used in measuring its fair value:

Level 1 inputs are unadjusted quoted prices in active markets for identical assets or liabilities that the Fund has the ability to access at the valuation date. An active market for the asset or liability is a market in which transactions for the asset or liability occur with sufficient frequency and volume to provide pricing information on an ongoing basis.

Level 2 inputs are inputs other than quoted prices in active markets included within Level 1 that are observable for the asset or liability, either directly or indirectly. Fair value is determined through the use of models or other valuation methodologies. Level 2 inputs include the following:

a. Quoted prices for similar assets or liabilities in active markets.
b. Quoted prices for identical or similar assets or liabilities in markets that are not active, that is, markets in which there are few transactions for the asset or liability, the prices are not current, or price quotations vary substantially either over time or among market makers, or in which little information is released publicly.
c. Inputs other than quoted prices that are observable for the asset or liability (e.g. interest rate and yield curves observable at commonly quoted intervals, volatilities, prepayment speeds, loss severities, credit risks and default rates).
d. Inputs that are derived principally from or corroborated by observable market data statistical by correlation or other means.

Level 3 inputs are unobservable inputs for the asset or liability. Unobservable inputs reflect the Fund's own assumptions about how market participants would be expected to value the asset or liability. Unobservable inputs are developed based on the best information available in the circumstances, other than market data obtained from sources independent of the Fund and might include the Fund's own data.

An investment is always categorised as level 1, 2 or 3 in its entirety. In certain cases, the fair value measurement for an investment may use a number of different inputs that fall into different levels of the fair value hierarchy. In such cases, an investment's level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement. The assessment of the significance of a particular input to the fair value measurement requires judgment and is specific to the investment.

The fair values of investments valued under Levels 1 to 3 are as follows:

Financial assets at fair value through profit or loss	30 June 2013 €	Level 1 €	Level 2 €	Level 3 €
Equity securities	57,452,834	57,452,834	-	-
Derivatives	1,446,642	-	1,446,642	-
Total	**58,899,476**	**57,452,834**	**1,446,642**	**-**

Financial liabilities at fair value through profit or loss	30 June 2013 €	Level 1 €	Level 2 €	Level 3 €
Equity securities sold short	(53,267,870)	(53,267,870)	-	-
Derivatives	(809,435)	-	(809,435)	-
Total	**(54,077,305)**	**(53,267,870)**	**(809,435)**	**-**

Financial assets at fair value through profit or loss	31 December 2012 €	Level 1 €	Level 2 €	Level 3 €
Equity securities	72,438,511	72,438,511	-	-
Derivatives	1,087,551	-	1,087,551	-
Total	**73,526,062**	**72,438,511**	**1,087,551**	**-**

Financial liabilities at fair value through profit or loss	31 December 2012 €	Level 1 €	Level 2 €	Level 3 €
Equity securities sold short	(40,756,377)	(40,756,377)	-	-
Derivatives	(1,269,475)	-	(1,269,475)	-
Total	**(42,025,852)**	**(40,756,377)**	**(1,269,475)**	**-**

Equity risk
Equity risk is the risk that the Fund is exposed to the volatility of the fair value of the equity securities it holds. The fair value of individual securities may fluctuate as a result of e.g. company specific news, broad market movements, interest rate risk or foreign currency movements. The Investment Manager continuously monitors the (potential) determinants of the value of the securities held and the total portfolio value. As such, risk management is an integral part of investment management which comprises security selection and portfolio construction. Frequently various stock, sector and country exposures are measured and managed against the norms which have been defined for those exposures. Further the overall portfolio is monitored using various (external) portfolio risk (optimizing) systems to monitor and manage market or style exposures.

Currency risk
Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Fund may invest in financial instruments and enter into transactions denominated in currencies other than its functional currency (Euro).

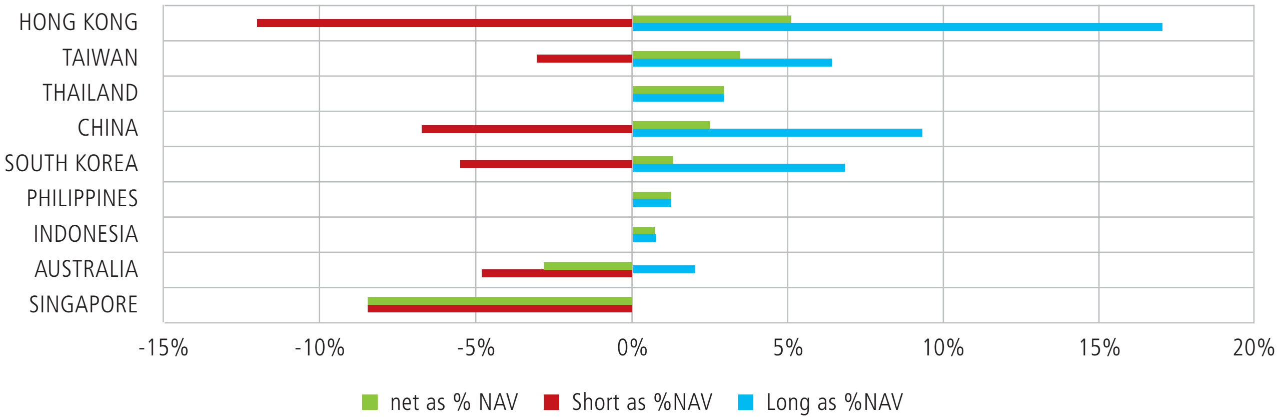
Consequently, the Fund is exposed to risks that the exchange rate of its currency relative to other foreign currencies may change in a manner that has an adverse affect on the value of that portion of the Fund’s assets or liabilities denominated in currencies other than the Euro.

The Fund has the possibility to hold and to manage currency exposures, but in principle will hedge significant exposures.

Concentration risk

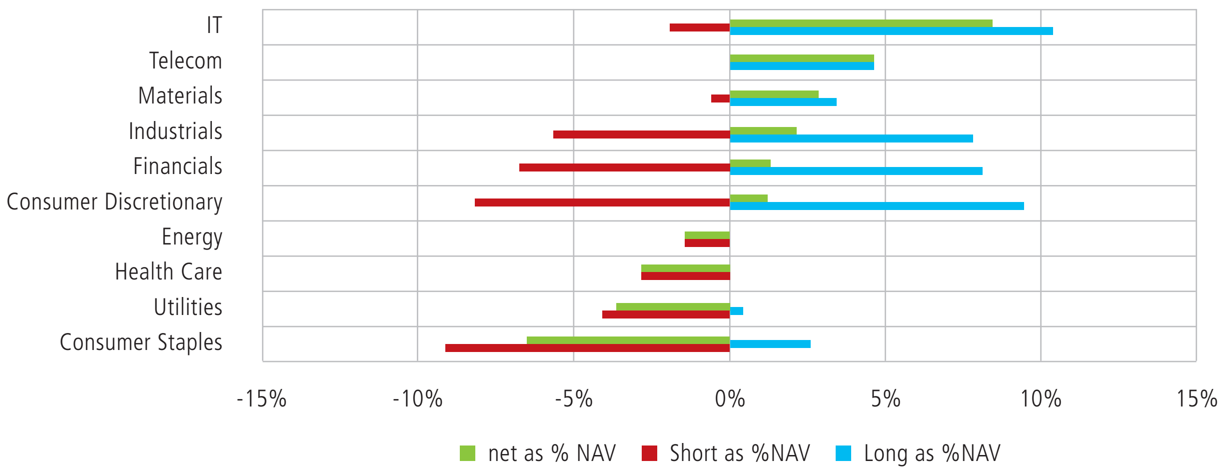
The country allocation (net exposure, long positions and short positions per country) as a percentage of the NAV at 30 June 2013 was as follows:

COUNTRY ALLOCATION PELARGOS ASIA ALPHA FUND



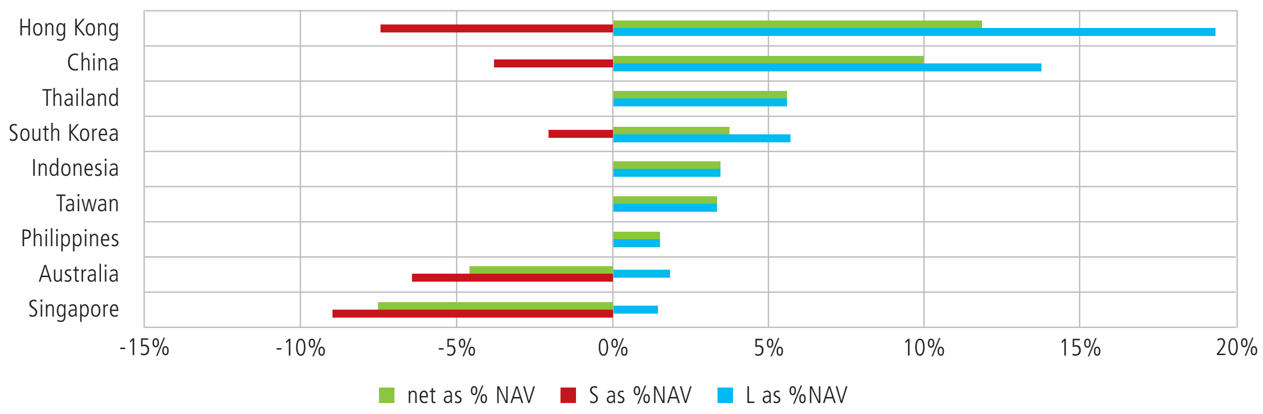
The sector allocation (net exposure, long positions and short positions per sector) as a percentage of the NAV at 30 June 2013 was as follows:

SECTOR ALLOCATION PELARGOS ASIA ALPHA FUND



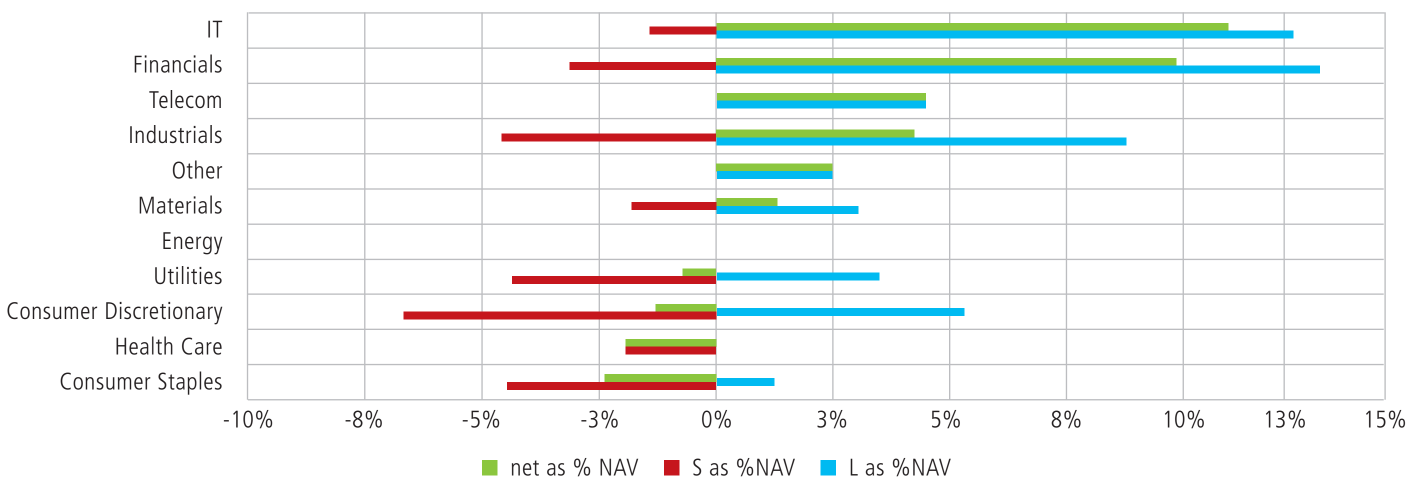
The country allocation (net exposure, long positions and short positions per country) as a percentage of the NAV at the end of 31 December 2012 was as follows:

COUNTRY ALLOCATION PELARGOS ASIA ALPHA FUND 2012



The sector allocation (net exposure, long positions and short positions per sector) as a percentage of the NAV at the end of 31 December 2012 was as follows:

SECTOR ALLOCATION PELARGOS ASIA ALPHA FUND 2012



The top long and top short positions as a percentage of the NAV at 30 June 2013 were as follows:

TOP LONG POSITIONS	As % NAV
TSMC	3.4%
Hutchison Whampoa	3.2%
Country Garden Holdings	3.0%
HKT Trust And HKT	2.2%
Haier Electronics Group	2.2%
Skyworth Digital Holdings	1.9%
Kia Motors Corporation	1.9%
Dongfeng Motor Group	1.7%
Digital China Holdings	1.7%
Cathay Pacific Airways	1.6%

TOP SHORT POSITIONS	As % NAV
CLP Holdings	3.4%
Cochlear	2.9%
Hyundai Mipo Dockyard	2.5%
Tingyi Holding	2.4%
Hong Kong Exchanges & Clear	2.4%
City Developments	2.3%
Singapore Press Holdings	2.3%
Hang Seng Bank	2.1%
China Resources Enterprise	2.0%
Synnex Technology Intl	1.9%

The top long and top short positions as a percentage of the NAV at the end of 31 December 2012 were as follows:

TOP LONG POSITIONS	As % NAV
Samsung Electronics Preferred	3.1%
Hutchison Whampoa	3.1%
Digital China Holdings	2.9%
Ind & Comm Bk Of China H share	2.9%
HKT Trust And HKT	2.4%
China Minsheng Banking H share	2.3%
Shin Corporation Foreign share	2.2%
TPK Holding	2.0%
Guangzhou R&F Properties H share	2.0%
Kia Motors Corporation	1.9%

TOP SHORT POSITIONS	As % NAV
City Developments	3.1%
CLP Holdings	2.9%
Cochlear	2.4%
Singapore Airlines	2.4%
Fortescue Metals Group	1.8%
Singapore Press Holdings	1.6%
Amorepacific Corp	1.4%
Genting Singapore	1.4%
Computershare	1.4%
Hong Kong & China Gas	1.3%

Interest Rate Risk
The majority of the Fund's financial assets are non-interest-bearing. At the Statement of Financial Position date the Fund has not invested in deposits or fixed income securities. As a result, the Fund is subject to limited direct exposure to interest rate risk due to fluctuations in the prevailing levels of market interest rates. Note that changing levels of interest rates may influence the value of equity securities held.

Credit risk
Credit risk refers to the potential loss arising if a counterparty is unable to fulfill its financial obligations when due. The Fund is exposed to credit risk in terms of cash deposited at banks or prime brokers, (rehypothecated) securities held at prime brokers and derivatives with other financial institutions as counterparties.

Most of the Fund's derivative contracts are listed or traded on one or more recognised exchanges where a Clearing House acts as regulator. As at 30 June 2013, OTC derivative transactions were only executed with the Fund's Prime Broker UBS AG.

To mitigate credit risk, two prime brokers have been legally appointed, allowing a transfer of securities and cash. Further, securities and cash are only held at, and derivatives are only executed with (investment grade) rated counterparties. Long term ratings for UBS AG at 30 June 2013 were A2 (2012: A2) at Moody's and A (2012: A) at S&P. Long term ratings for Goldman Sachs at 30 June 2013 were A3 (2012: A3) at Moody's and A- (2012: A-) at S&P.

The Prime Broker may acquire legal title to the Fund's assets up to an amount of more than 100% (max 140%) of the value of the (i) liabilities or (ii) net indebtedness, as the case may be, of the Fund towards the relevant Prime Broker (rehypothecation). The Fund will have a right to the redelivery of equivalent assets from the Prime Broker. In the event of an insolvency of either party, the obligation to redeliver will be given a cash value and will form part of a set off calculation against the amount the Fund owes the Prime Broker. To the extent that the Prime Broker has rehypothecated assets in excess of the amount that the Fund owes, the Fund ranks as a general creditor for the excess following the operation of set-off, with the risk that such excess may not be reclaimed. The Fund continuously monitors the creditworthiness of its Prime Broker and has appointed multiple Prime Brokers.

To enable to short securities, the Fund borrows securities. At 30 June 2013, the Fund borrowed securities for an amount of €67,313,080 (31 December 2012: €43,890,176).

Liquidity risk
Liquidity risk is the risk that the Fund will encounter difficulty in meeting obligations associated with financial liabilities.

The Fund is exposed to cash redemptions of redeemable units of participation for a monthly valuation day, with twenty business days previous notice. With regard to Class B units of participation this relates to redemption requests received after the one year lock up period. The Fund invests the majority of its assets in investments that are listed and traded in active markets and can be readily realisable as they are all listed on major Asian stock exchanges.

The Fund may invest limited amounts of the portfolio in derivative contracts traded over the counter, which are not traded on a regulated exchange and may be illiquid. As a result, the Fund may not be able to liquidate quickly its investments in these instruments at their fair value to meet its liquidity requirements. If OTC derivative contracts are used, the counterparties will be rigorously selected and monitored.

The liquidity of all securities is continuously monitored by the Investment Manager.

10. DERIVATIVE CONTRACTS

Typically, derivative contracts serve as components of the Fund's investment strategies and are utilised primarily to structure and hedge investments to enhance performance and reduce risk to the Fund. The derivative contracts that the Fund holds or issues are CFDs, futures contracts and forward contracts.

The Fund records its derivative activities on a mark-to-market basis. The Fund uses widely recognised valuation models for determining fair values of over-the-counter CFD derivatives. For CFD financial instruments, inputs into models are based on the price of the underlying financial instruments and are therefore market observable. Forward contracts are valued by reference to the forward price at which a new forward contract of the same size and maturity could be undertaken at the valuation date. Unrealised gains or losses are valued in accordance with the accounting policy adopted by the fund and the resulting movement in the unrealised gain or loss is recorded in the Statement of Comprehensive Income. The valuation of the future contracts is in accordance with the accounting policy adopted by the fund.

As of 30 June 2013 and 31 December 2012, the following derivative contracts were included in the Fund's Statement of Financial Position at fair value through profit or loss:

	Fair value assets 30 June 2013	**Fair value liabilities 30 June 2013**
	€	**€**
Forward foreign currency contracts	126,832	(122,403)
Contracts for difference	1,319,810	(687,032)
Total derivative contracts	**1,446,642**	**(809,435)**

	Fair value assets 31 December 2012	**Fair value liabilities 31 December 2012**
	€	**€**
Forward foreign currency contracts	110,282	(12,492)
Contracts for difference	977,269	(1,256,983)
Total derivative contracts	**1,087,551**	**(1,269,475)**

The table below details the total derivatives exposure at 30 June 2013 and 31 December 2012. Gross exposure is the sum of absolute market value of all long and short positions. Net exposure is the balance of market value of all long and short positions. At 30 June 2013 the Fund held long and short positions in CFDs.

30 June 2013	**Net exposure**	**Gross exposure**	**Gross as % of NAV**
Equity	4,184,100	110,719,841	67%
Contract for Difference	6,007,423	34,247,063	20%
Total exposure	10,191,523	144,966,904	
Total as % of NAV	**6%**	**87%**	**87%**

31 December 2012	**Net exposure**	**Gross exposure**	**Gross as % of NAV**
Equity	31,681,698	113,194,453	74%
Contract for Difference	10,838,328	17,123,611	11%
Total exposure	42,520,026	130,318,064	
Total as % of NAV	**28%**	**85%**	**85%**

CFDs represent agreements that obligate two parties to exchange a series of 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 determined 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 realised gain or loss depends upon the prices at which the underlying financial instruments of the CFD is valued at the CFD settlement date and is included in the Statement of Comprehensive Income.

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 onset and the value of the contract at settlement date/year-end date and are included in the Statement of Comprehensive Income.

A futures contract is an agreement between two parties to buy and sell a security, index or currency at a specific price or rate at a future date. Upon entering into a futures contract, the company is required to deposit with a broker an amount of cash or cash equivalents equal to a certain percentage of the contract amount. This is known as 'initial cash margin'. Subsequent payments ('variation margin') are made or received by the Funds each day, depending upon the daily fluctuation in the value of the contract. The daily changes in contract value are recorded as unrealised gains or losses and the Funds recognise a realised gain or loss when the contract is closed. Unrealised gains and losses on futures contracts are recognised in the Statement of Comprehensive Income.

11. REDEEMABLE UNITS OF PARTICIPATION

At inception of the Fund Class A and Class B units of participation were issued, both only in Euro. The (initial) investment required of a Participant in Class A is Euro 10,000. Subsequent subscriptions and redemptions have a minimum size of Euro 1,000.

Class B has a "lock up" of one year. For the minimum (initial) investment for the 'seeding' investor', employees and employees of directors is Euro 1,000 and for other Participants Euro 10,000. Subscriptions and redemptions have a minimum size of Euro 1,000.

Each participant is entitled to cast one vote for each unit of participation. One or more Participants who jointly hold at least 10% of the total number of Participations can request the Investment Manager to hold a meeting and can add topics to the agenda.

Transactions in units of participation for Class A and Class B for the period ended 30 June 2013 and period ended 30 June 2012 were as follows:

Class A	Number of units of participation 30 June 2013	Number of units of participation 30 June 2012
Units of participation balance at the beginning of the period	242.63	242.63
Issue of redeemable units of participation	-	-
Redemption of redeemable units of participation	-	-
Redemption related to equalisation deficit	-	-
Units of participation at the end of the period	**242.63**	**242.63**

Class B	Number of units of participation 30 June 2013	Number of units of participation 30 June 2012
Units of participation balance at the beginning of the period	167,916.20	141,729.20
Issue of redeemable units of participation	10,091.96	19,399.18
Redemption of redeemable units of participation	-	(29.84)
Redemption related to equalisation deficit	(20.24)	-
Units of participation at the end of the period	**177,987.92**	**161,098.54**

Capital management
As a result of the ability to issue and redeem shares, the capital of the Fund can vary depending on the demand for redemptions and subscriptions to the Fund. The Fund is not subject to externally imposed capital requirements and has no legal restrictions on the issue or redemption of redeemable shares beyond those included in the Fund's constitution.

The Fund's objectives for managing capital are:

1. To achieve long-term capital appreciation;
   The Fund aims for returns which have a low correlation with the returns of the market index. To achieve this objective the Fund uses investment instruments and applies an investment and risk management policy as described in the prospectus.
2. To maintain sufficient liquidity to meet redemption requests as they arise.

Note 9 'Risk associated with financial instruments' explains equity risk, currency risk, interest rate risk, credit risk and liquidity risk in more detail.

12. RELATED PARTY TRANSACTIONS

Employees of directors and employees of Pelargos Capital B.V. held jointly 123.87 (31 December 2012: 123.87) Units of Participation Class B in the Fund. Pelargos Capital B.V. held 143.13 Units of Participation Class A in the fund. AEGON Levensverzekering N.V. is a participant in the Fund with 14,850 (31 December 2012: 14,850) Units of Participation Class B. AEGON Levensverzekering N.V. is a 100% subsidiary of AEGON Nederland N.V., which is a 100% subsidiary of AEGON N.V.

AEGON Investment Management B.V. held on behalf of 4 investment funds 163,014.05 (31 December 2012: 152,942.33) Units of Participation Class B and 99.50 (31 December 2012: 99.50) Units of Participation Class A. AEGON Investment Management B.V. is a 100% subsidiary of AEGON Asset Management Holding B.V., which is a 100% subsidiary of AEGON N.V. AEGON N.V. holds 100% of the shares in AEGON Asset Management Holding B.V., which holds 68% (31 December 2012: 68%) of the shares in Pelargos Capital B.V.

13. SUBSEQUENT EVENTS

There are no subsequent events impacting the Fund subsequent to 30 June 2013.

Approved on behalf of the Trustee

Stichting Bewaarder
Pelargos Asia Alpha Fund

Date: 26 August 2013

Approved on behalf of the Investment Manager

Director
Pelargos Capital B.V

Date: 26 August 2013

OTHER NOTES

For the period from 1 January 2013 to 30 June 2013

1. DIVIDEND AND ALLOCATION OF RESULT

During the period from 1 January 2013 to 30 June 2013, The Fund did not pay dividends. The result is included in the Net assets attributable to holders of redeemable units of participation.

2. VOTING POLICY

The Fund does not pursue an active voting policy.

3. APPROVAL OF THE FINANCIAL STATEMENTS

The Trustee and the Investment Manager approved the financial statements on 26 August 2013.

The accompanying Statement of Financial Position as at 30 June 2013 and the Statement of Comprehensive Income and Statement of Changes in Net Assets Attributable to Holders of Redeemable Units of Participation for the period then ended have been compiled from the records of the Pelargos Asia Alpha Fund and from other information supplied to us by the Fund. There has not been an audit performed and consequently, there is not an opinion expressed on these accounts.

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