

Description

Reconstruction Capital II (“RC2” or the “Fund”) is a closed-ended, absolute return driven investment fund, incorporated in the Cayman Islands. The fund invests in Private Equity & Listed Securities in South-East Europe. RC2 was admitted to the AIM market of the London Stock Exchange in December 2005 raising €24m initially, with two follow-on offerings in May-06 and Dec-07 raising a further €40m and €71m net of expenses respectively. New Europe Capital Ltd (London) is the investment manager to RC2. New Europe Capital SRL (Bucharest) and New Europe Capital DOO (Belgrade) are the investment advisers to RC2.

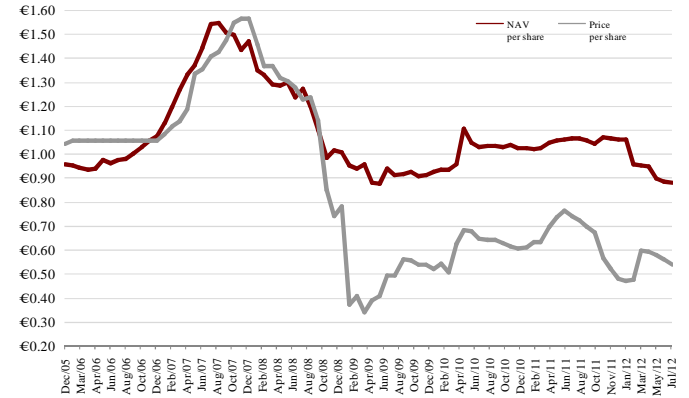


Statistics

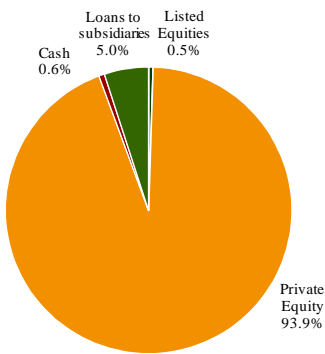
NAV per share (€)	0.8808	2008	2009	2010	2011	2012	
Share price (€)	0.5375	Jan	-8.27%	-5.65%	1.36%	-0.54%	0.11%
Total NAV (€ m)	88.1	Feb	-1.48%	-1.51%	0.03%	0.24%	-9.68%
Mk Cap (€ m)	53.8	Mar	-3.03%	2.39%	2.07%	2.48%	-0.51%
# of shares (m)	100.0	Apr	-0.26%	-8.40%	15.60%	0.70%	-0.65%
NAV return since inception	-7.91%	May	0.93%	-0.26%	-5.42%	0.25%	-1.48%
12-month NAV CAGR	-17.37%	Jun	-4.75%	3.08%	-1.57%	0.25%	-1.48%
NAV annualized Return*	-1.24%	Jul	2.85%	1.08%	0.53%	0.13%	-0.73%
NAV annualized Volatility*	13.36%	Aug	-5.55%	0.23%	0.07%	-1.10%	
Best month (NAV)	15.60%	Sep	-8.34%	1.20%	-0.62%	-1.25%	
Worst month (NAV)	-10.52%	Oct	-10.52%	-1.79%	0.96%	2.63%	
# of months up (NAV)	42	Nov	3.03%	0.46%	-1.15%	-0.25%	
# of months down (NAV)	37	Dec	-0.60%	1.08%	-0.06%	-0.49%	
* since inception		YTD	-31.43%	-8.38%	11.07%	3.32%	-16.94%

RC2 NAV returns

Share price / NAV per share (€)

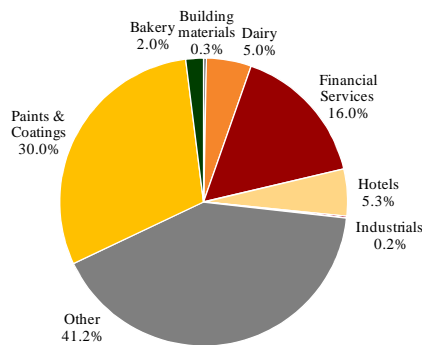


Portfolio Structure by Asset Class



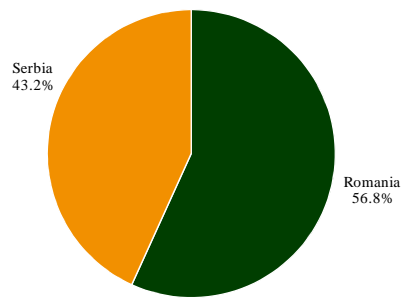
Note: EPH investment included under

Equity Portfolio Structure by Sector



Note: EPH investment included under Other

Portfolio Structure by Geography



Note: EPH investment included under Serbia

Commentary

Please refer to the Quarterly Report for the period ended 30 June 2012 for market commentary and updates in respect of investee companies.



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