

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.



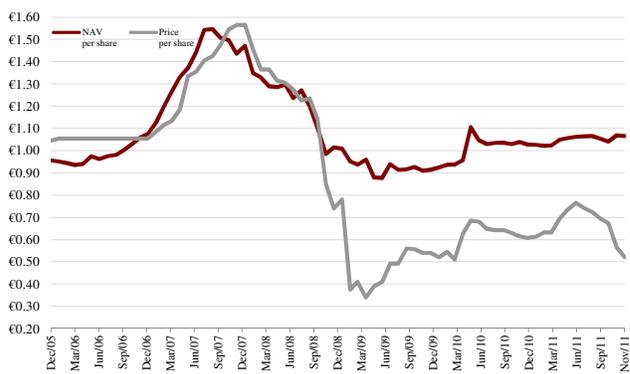
Statistics

NAV per share (€)	1.0657
Share price (€)	0.5213
Total NAV (€m)	106.6
Mk Cap (€m)	52.1
# of shares (m)	100.0
NAV return since inception	11.42%
12-month NAV CAGR	3.77%
NAV annualized Return*	1.84%
NAV annualized Volatility*	13.31%
Best month (NAV)	15.60%
Worst month (NAV)	-10.52%
# of months up (NAV)	41
# of months down (NAV)	30
*since inception	

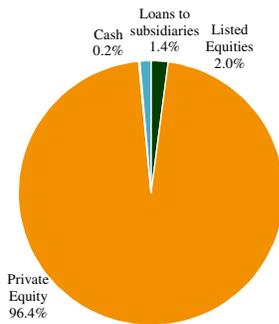
RC2 NAV returns

	2007	2008	2009	2010	2011
Jan	4.70%	-8.27%	-5.65%	1.36%	-0.54%
Feb	6.17%	-1.48%	-1.51%	0.03%	0.24%
Mar	5.90%	-3.03%	2.39%	2.07%	2.48%
Apr	5.05%	-0.26%	-8.40%	15.60%	0.70%
May	3.08%	0.93%	-0.26%	-5.42%	0.55%
Jun	5.19%	-4.75%	3.08%	-1.57%	0.25%
Jul	6.93%	2.85%	1.08%	0.53%	0.13%
Aug	0.22%	-5.55%	0.23%	0.07%	-1.10%
Sep	-2.50%	-8.34%	1.20%	-0.62%	-1.25%
Oct	-0.69%	-10.52%	-1.79%	0.96%	2.63%
Nov	-4.09%	3.03%	0.46%	-1.15%	-0.25%
Dec	2.46%	-0.60%	1.08%	-0.06%	
YTD	36.74%	-31.43%	-8.38%	11.07%	3.83%

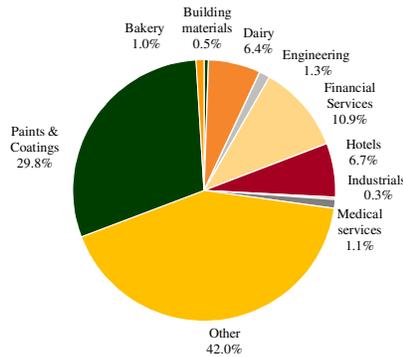
Share price / NAV per share (€)



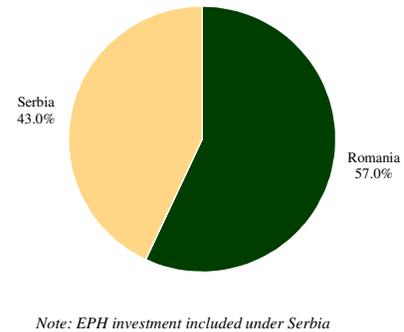
Portfolio Structure by Asset Class



Equity Portfolio Structure by Sector



Portfolio Structure by Geography



Investment update

The Top Factoring Group acquired a telecoms portfolio at the end of November and is currently in the process of finalizing the acquisition of another telecoms package. The two packages comprise 140,000 cases with a total nominal value of €39m.



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