

**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.

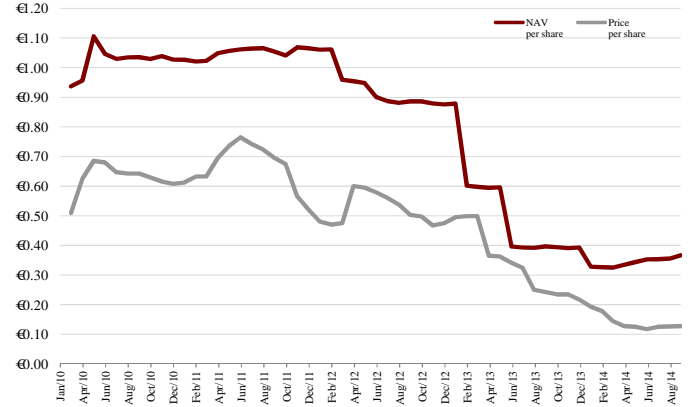


**Statistics**

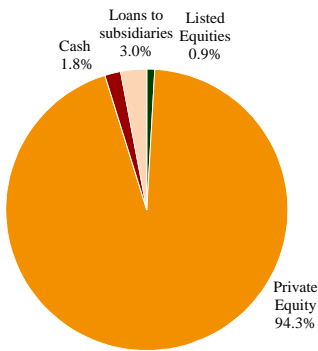
		RC2 NAV returns				
		2010	2011	2012	2013	2014
NAV per share (€)	0.3669					
Share price (€)	0.1275	Jan 1.36%	-0.54%	0.12%	-3.158%	-0.65%
Total NAV (€m)	36.7	Feb 0.03%	0.24%	-9.69%	-0.51%	-0.34%
Mk Cap (€m)	12.8	Mar 2.07%	2.48%	-0.50%	-0.62%	2.94%
# of shares (m)	100.0	Apr 15.60%	0.70%	-0.66%	0.29%	2.73%
NAV return since inception	-61.64%	May -5.42%	0.55%	-4.98%	-33.53%	2.70%
12-month NAV CAGR	-7.50%	Jun -1.57%	0.25%	-1.47%	-0.85%	0.28%
NAV annualized Return*	-10.47%	Jul 0.53%	0.13%	-0.73%	-0.28%	0.44%
NAV annualized Volatility*	20.30%	Aug 0.07%	-1.10%	0.61%	1.27%	3.23%
Best month (NAV)	15.60%	Sep -0.62%	-1.25%	0.01%	-0.69%	
Worst month (NAV)	-33.53%	Oct 0.96%	2.63%	-0.82%	-0.72%	
# of months up (NAV)	54	Nov -1.15%	-0.25%	-0.36%	0.43%	
# of months down (NAV)	50	Dec -0.06%	-0.49%	0.29%	-16.44%	
		YTD 11.07%	3.32%	-17.17%	-62.64%	11.79%

*\*since inception*

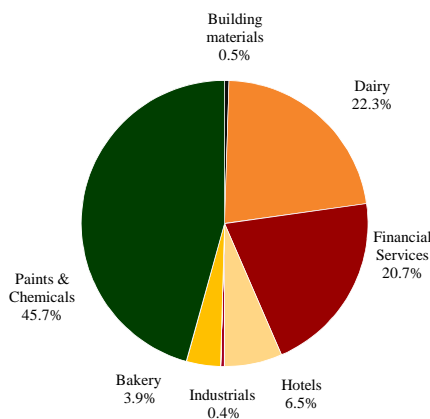
**Share price / NAV per share (€)**



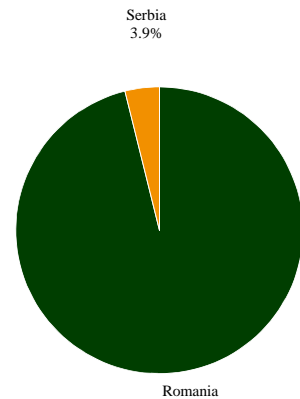
**Portfolio Structure by Asset Class**



**Equity Portfolio Structure by Sector**



**Portfolio Structure by Geography**



**Commentary**

Please refer to the Quarterly Report for the period ended 30 June 2014 for market commentary and updates in respect of investee companies



**Investment Manager**  
 New Europe Capital Ltd  
 33 Marloes Road  
 London W8 6LG  
 Tel +44 20 7244 0088  
 london@neweuropecapital.com

**Investment Adviser Romania & Bulgaria**  
 New Europe Capital SRL  
 Str. Tudor Arghezi nr.21, et.6  
 Bucuresti - Sector 2  
 Tel +40 21 316 7680  
 bucharest@neweuropecapital.com

**Investment Adviser Serbia**  
 New Europe Capital DOO  
 Francuska 12  
 11000 Beograd  
 Tel +381 11 715 1982  
 belgrade@neweuropecapital.com