

## 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 SRL (Bucharest) is the adviser to RC2.



## Statistics

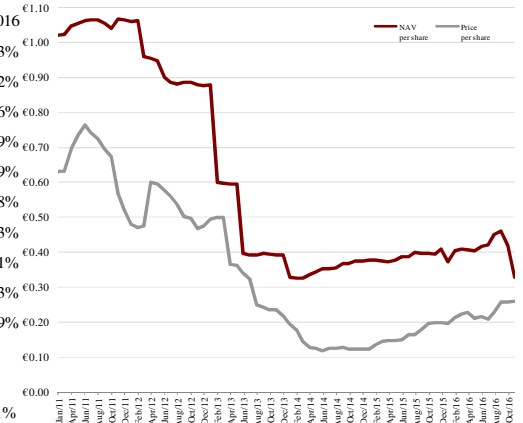
NAV per share (€)	0.3283
Total NAV (€ m)	48.5
Share price (€)	0.2600
Mk Cap (€ m)	38.4
# of shares (m)	147.6
NAV return since inception	-65.67%
12-month NAV CAGR	-17.01%
NAV annualized Return*	-9.40%
NAV annualized Volatility*	20.06%
Best month (NAV)	15.60%
Worst month (NAV)	-33.53%
# of months up (NAV)	69
# of months down (NAV)	61

\* since inception

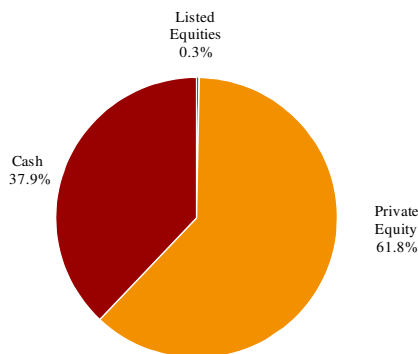
## RC2 NAV returns

	2012	2013	2014	2015	2016
Jan	0.12%	-31.58%	-0.65%	-0.07%	8.03%
Feb	-9.69%	-0.51%	-0.34%	-0.34%	1.22%
Mar	-0.50%	-0.62%	2.94%	-0.70%	-0.66%
Apr	-0.66%	0.29%	2.73%	0.93%	-0.49%
May	-4.98%	-33.53%	2.70%	3.11%	3.09%
Jun	-1.47%	-0.85%	0.28%	-0.38%	1.18%
Jul	-0.73%	-0.28%	0.44%	3.24%	6.83%
Aug	0.61%	1.27%	3.23%	-0.85%	2.11%
Sep	0.01%	-0.69%	0.01%	0.31%	-8.63%
Oct	-0.82%	-0.72%	1.87%	-0.35%	-21.79%
Nov	-0.36%	0.43%	0.15%	3.17%	
Dec	0.29%	-16.44%	0.73%	-8.47%	
YTD	-17.17%	-62.64%	14.91%	-0.94%	-12.11%

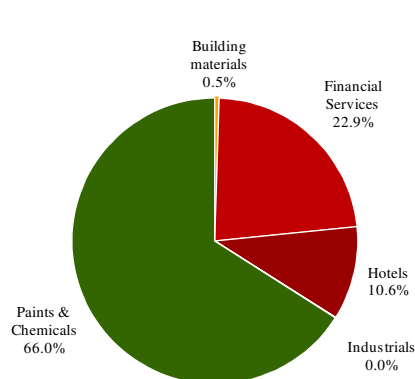
## Share price / NAV per share (€)



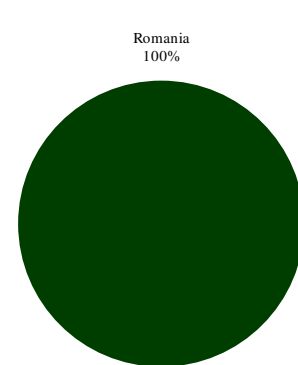
## Portfolio Structure by Asset Class



## Equity Portfolio Structure by Sector



## Portfolio Structure by Geography



## Commentary

During October, the outstanding €7.0m of convertible loan notes were converted into ordinary shares at a rate of 7.41 shares to every €1 of convertible loan note, resulting in 52,107,120 new shares being issued.

On 12 October, the Company repurchased 3 million shares at a price of €0.26 per share. The shares were subsequently cancelled.

Pursuant to the above transactions, the total number of shares in issue at the end of the month was 147,622,267. As all the convertible loan notes have now been converted into equity, the NAV is no longer presented both diluted and undiluted.