

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

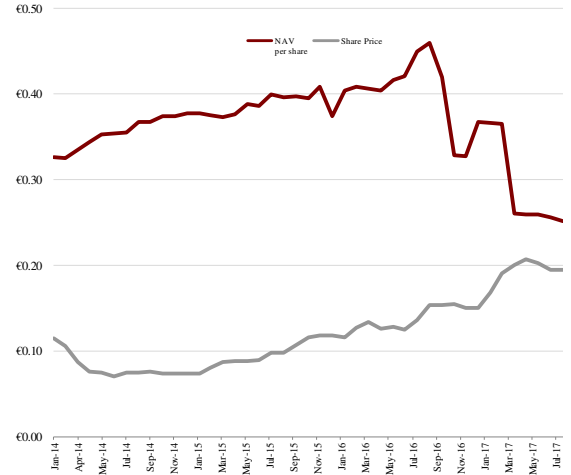
| | |
|-----------------------------------|---------|
| NAV per share (€) | 0.2515 |
| Total NAV (€ m) | 36.9 |
| Share price (€) | 0.1950 |
| Mk Cap (€ m) | 28.6 |
| # of shares (m) | 146.5 |
| NAV/share since inception† | -50.07% |
| 12-month NAV/share performance | -40.28% |
| NAV/share annualized Return*† | -5.82% |
| NAV/share annualized Volatility*† | 17.83% |
| Best month (NAV/share)*† | 13.98% |
| Worst month (NAV/share)*† | -28.27% |
| # of months up (NAV/share)*† | 72 |
| # of months down (NAV/share)*† | 67 |

** since inception † assumes pro-rata participation in the 2008 share buy-back and the 2017 return of capital*
 Note: € 17m returned to shareholders in 2017

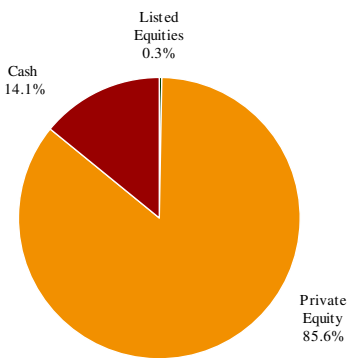
RC2 NAV per share returns

| | 2014 | 2015 | 2016 | 2017 |
|-----|--------|--------|---------|---------|
| Jan | -0.65% | -0.07% | 8.03% | -0.26% |
| Feb | -0.34% | -0.34% | 1.22% | -0.21% |
| Mar | 2.94% | -0.70% | -0.66% | -28.75% |
| Apr | 2.73% | 0.93% | -0.49% | -0.31% |
| May | 2.70% | 3.11% | 3.09% | -0.23% |
| Jun | 0.28% | -0.38% | 1.18% | -1.02% |
| Jul | 0.44% | 3.24% | 6.83% | -1.84% |
| Aug | 3.23% | -0.85% | 2.11% | |
| Sep | 0.01% | 0.31% | -8.63% | |
| Oct | 1.87% | -0.35% | -21.79% | |
| Nov | 0.15% | 3.17% | -0.24% | |
| Dec | 0.73% | -8.47% | 12.06% | |
| YTD | 14.91% | -0.94% | -1.75% | -31.47% |

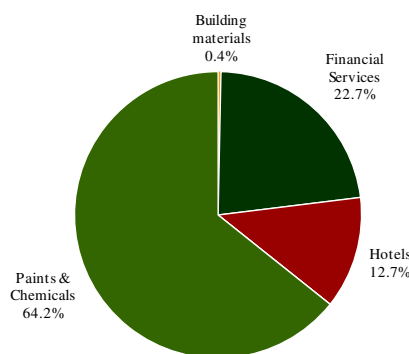
Share price / NAV per share (€)



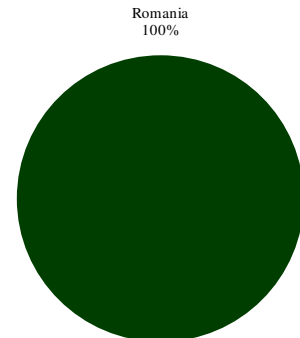
Portfolio Structure by Asset Class



Equity Portfolio Structure by Sector



Portfolio Structure by Geography



Commentary

Romania experienced the highest economic growth in the EU during the second quarter of 2017, with its GDP's increasing by 5.7% year-on-year, compared to average EU growth of 2.3%. Bulgaria's second quarter GDP grew by 3.6% year-on-year.