

Key Information Document



Purpose

This document provides you with key information about this investment product. It is not marketing material. The information is required by law to help you understand the nature, risks, costs, potential gains and losses of this product and to help you compare it with other products.

Reconstruction Capital II Limited, (KYG741521028)

<https://www.reconstructioncapital2.com/>

Call +40 (0) 21 316 7680 for more information

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You are about to purchase a product that is not simple and may be difficult to understand.

What is this product?

Type The ordinary shares of Reconstruction Capital II Limited (“the Company”) are traded on the AIM Market of the London Stock Exchange. As decided by a general shareholder meeting on 21 February 2018, the Company’s life has been extended so that the next vote to continue the life of the Company would be held in 2023 (and then every two years thereafter). There is no recommended holding period for the ordinary shares. Typically, at any given time on any given day, the price you pay for a share will be higher than the price at which you could sell it. The price at which you can sell your shares will vary depending on market conditions and will not necessarily reflect the net asset value of the Company.

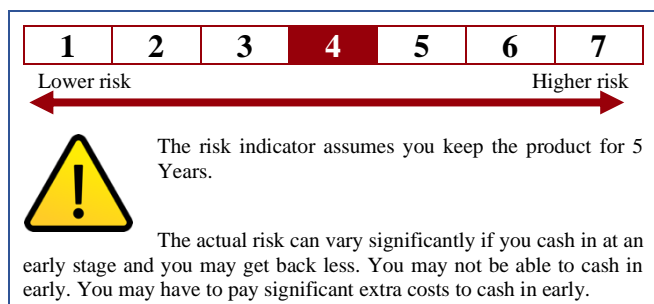
Objectives

Intended retail investor The shares of the Company are intended only for investors that are capable of evaluating the risks of such an investment, who understand the potential risk of capital loss, for whom an investment in the ordinary shares constitutes part of a diversified investment portfolio and who are willing to accept they can lose the entire invested capital.

Term The product has no maturity date.

What are the risks and what could I get in return?

Risk Indicator



The summary risk indicator is a guide to the level of risk of this product compared to other products. It shows how likely it is that the product will lose money because of movements in the markets or because we are not able to pay you.

We have classified this product as 4 out of 7, which is a medium risk class. This rates the potential losses from future performance at a medium level, and poor market conditions could impact the capacity to pay you.

Investment performance information

Future returns will be primarily determined by the performance of the Fund’s Investee Companies. Such performance may be positive or negative depending on a number of factors such as the evolution of market, economic, political, regulatory and social developments especially in the jurisdictions where the investee companies are operating or at a regional and global level.

As the Fund is listed on the AIM market of the London Stock Exchange, general market movements may impact the price performance of the product.

- Historical data may not be a reliable indication for the future.
- Currency risk: You may receive payments in a different currency from your currency, the final return being dependent on the exchange rate between the two currencies.
- Unusual market conditions or large unpredictable events can amplify the Company’s associated risk and trigger other risks such as counterparty, liquidity, and operational risks.
- Liquidity Risk: The market in the Company’s shares is highly illiquid and you may not be able to dispose of them, even at significant discount to their net asset value.
- High portfolio concentration: The Company’s investment portfolio being highly concentrated, its performance will be highly dependent of the performance of its remaining investments.

This product does not include any protection from future market performance so you could lose some or all of your investment.

If we are not able to pay you what is owed, you could lose your entire investment.

What could affect my return positively?

The conditions that would be conducive to the Fund generating returns would be positive developments at the level of investee companies, a positive macroeconomic outlook for the European economies, lower interest rates and political stability.

What could affect my return negatively?

The conditions that would be conducive to the Fund generating lower returns or even losses would be underperformance of investee companies, the deterioration of the outlook for the European economies, higher interest rates and negative political developments.

What happens if is unable to pay out?

As a shareholder of the Company you would not be able to make a claim to the Financial Services Compensation Scheme/other compensation body in relation to the Company in the event that the Company were unable to make any distributions or other returns it may elect to pay from time to time, or if it were unable to pay any amounts due to you on a winding up at the end of its life. If you sell your shares on the AIM Market of the London Stock Exchange/other market, your bank or stockbroker will receive cash on delivery of your shares and should pass that to you.

What are the costs?

The Reduction in Yield (RIY) shows what impact the total costs you pay will have on the investment return you might get. The total costs take into account one-off, ongoing and incidental costs.

The amounts shown here are the cumulative costs of the product itself, for three different holding periods.

They include potential early exit penalties. The figures assume you invest 10 000 EUR. The figures are estimates and may change in the future.

Costs over time

Investment EUR 10 000

Scenarios	If you cash in after 1 Year	If you cash in after 3 Years	If you cash in after 5 Years
Total costs	288.01	878.12	1 502.33
Impact on return (RIY) per year	2.88%	2.85%	2.84%

Composition of costs

The table below shows the impact each year of the different types of costs on the investment return you might get at the end of the recommended holding period and the meaning of the different cost categories.

This table shows the impact on return per year

One-off costs	Entry costs	0.00%	The impact of the costs you pay when entering your investment. This is the most you will pay, and you could pay less.
	Exit costs	0.00%	The impact of the costs of exiting your investment when it matures.
Ongoing costs	Portfolio transaction costs	0.00%	The impact of the costs of us buying and selling underlying investments for the product.
	Other ongoing costs	3.26%	The impact of the costs that we take each year for managing your investments.
Incidental costs	Performance fees	0.00%	The impact of the performance fee.
	Carried interests	0.00%	The impact of carried interests.

How long should I hold it and can I take my money out early?**Recommended holding period: 5 Years**

There is no required minimum holding period for the product, with investors being able to sell their investment in the Company's shares at will on the AIM Market of the London Stock Exchange, subject to liquidity, but you may be required to pay your bank or stockbroker's dealing charges. The recommended holding period in this document is for illustrative purposes only. The Company is not obliged to buy-back any of the Company's shares.

How can I complain?

If you have any complaints about the Company, you may lodge your complaint at bucharest@neweuropecapital.com.

Other relevant information

The Company has shareholders' approval which allows it to borrow up to 30% of its gross assets. We are required to provide you with further documentation such as the Company's AIM Admission document, annual and interim reports, quarterly reports and net asset value statements. These documents and other information relating to the Company are available online at www.reconstructioncapital2.com. The past performance of the Company is not a guide to future performance. The price of the Company's shares can go down as well as up.