

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.



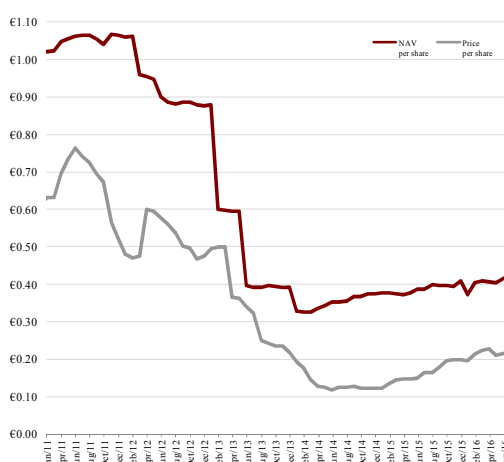
Statistics

NAV per share (€) - undiluted	0.4499
NAV per share (€) - fully diluted	0.3294
Total NAV (€ m) - undiluted	41.4
Total NAV (€ m) - fully diluted	50.9
Share price (€)	0.2275
Mk Cap (€ m)	20.9
# of shares (m) - undiluted	91.9
# of shares (m) - fully diluted	154.6
NAV return since inception†	-52.96%
12-month NAV CAGR†	12.72%
NAV annualized Return*†	-6.88%
NAV annualized Volatility*†	19.03%
Best month (NAV)†	15.60%
Worst month (NAV)†	-33.53%
# of months up (NAV)†	68
# of months down (NAV)†	59

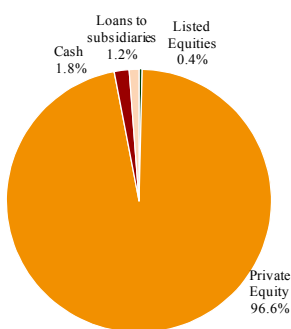
† undiluted basis * since inception

RC2 NAV returns (undiluted basis) Share price / undiluted NAV per share (€)

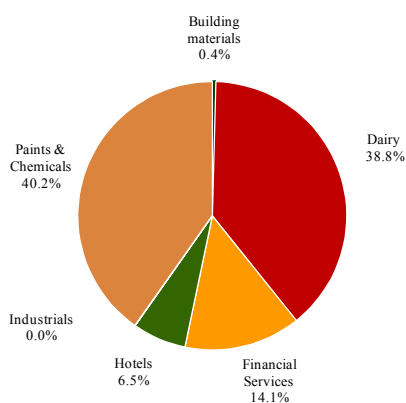
	2012	2013	2014	2015	2016
Jan	0.12%	-31.58%	-0.65%	-0.07%	8.03%
Feb	-9.69%	-0.51%	-0.34%	-0.34%	1.22%
Mar	-0.50%	-0.62%	2.94%	-0.70%	-0.66%
Apr	-0.66%	0.29%	2.73%	0.93%	-0.49%
May	-4.98%	-33.53%	2.70%	3.11%	3.09%
Jun	-1.47%	-0.85%	0.28%	-0.38%	1.18%
Jul	-0.73%	-0.28%	0.44%	3.24%	6.83%
Aug	0.61%	1.27%	3.23%	-0.85%	
Sep	0.01%	-0.69%	0.01%	0.31%	
Oct	-0.82%	-0.72%	1.87%	-0.35%	
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%	20.44%



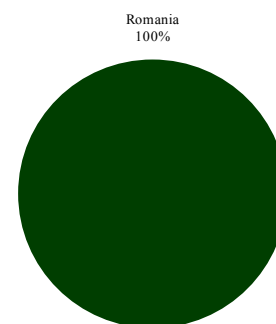
Portfolio Structure by Asset Class



Equity Portfolio Structure by Sector



Portfolio Structure by Geography



Commentary

RC2’s NAV per share grew from €0.4212 to €0.4499 on an undiluted basis over the month. This represents a 6.83% increase and is mainly the result of a 15.4% increase in Albalact’s share price in local currency terms as the announcement related to the voluntary tender offer to be initiated by Lactalis was published at the end of July.