

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.

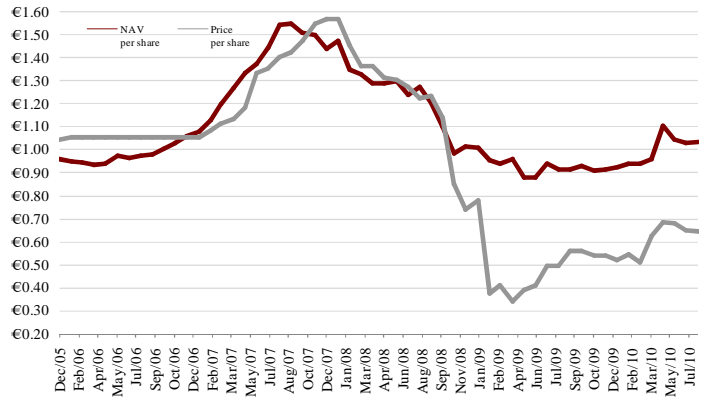


Statistics

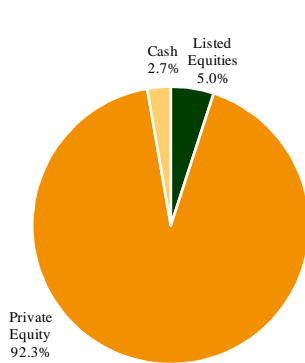
		RC2 NAV returns			
		2007	2008	2009	2010
NAV per share (€)	1.0348				
Share price (€)	0.6425	Jan 4.70%	-8.27%	-5.65%	1.36%
Total NAV (€ m)	103.5	Feb 6.17%	-1.48%	-1.51%	0.03%
Mk Cap (€ m)	64.3	Mar 5.90%	-3.03%	2.39%	2.07%
# of shares (m)	100.0	Apr 5.05%	-0.26%	-8.40%	15.60%
NAV return since inception	8.19%	May 3.08%	0.93%	-0.26%	-5.42%
12-month NAV CAGR	13.28%	Jun 5.19%	-4.75%	3.08%	-1.57%
NAV annualized Return*	1.73%	Jul 6.93%	2.85%	1.08%	0.53%
NAV annualized Volatility*	15.02%	Aug 0.22%	-5.55%	0.23%	-
Best month (NAV)	15.60%	Sep -2.50%	-8.34%	1.20%	-
Worst month (NAV)	-10.52%	Oct -0.69%	-10.52%	-1.79%	-
# of months up (NAV)	32	Nov -4.09%	3.03%	0.46%	-
# of months down (NAV)	23	Dec 2.46%	-0.60%	1.08%	-
		YTD 36.74%	-31.43%	-8.38%	11.98%

* since inception

Share price / NAV per share (€)

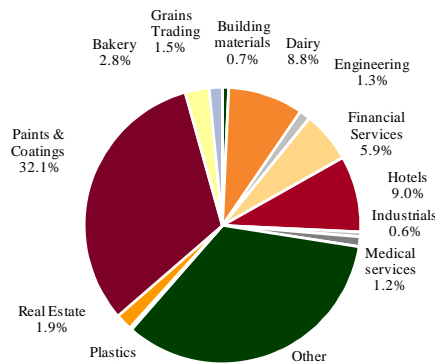


Portfolio Structure by Asset Class



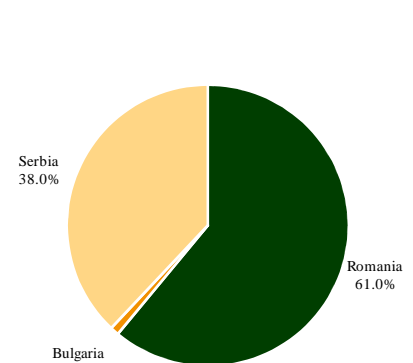
Note: Cash equivalents included under Cash

Equity Portfolio Structure by Sector



Note: EPH investment included under Other

Portfolio Structure by Geography



Note: EPH investment included under Serbia

Commentary

Please refer to the Quarterly Report for the period ended 30 June 2010 for market commentary and updates in respect of investee companies.



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