

**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.



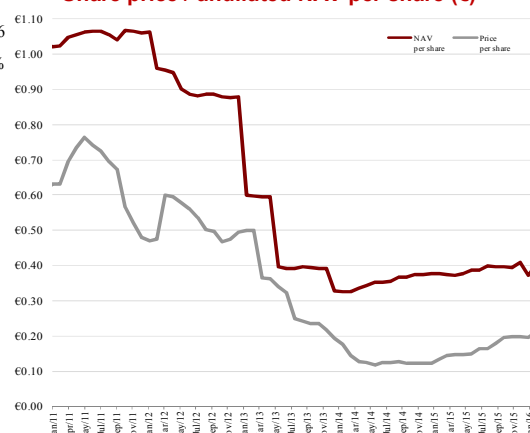
**Statistics**

NAV per share (€) - undiluted	0.4036
NAV per share (€) - fully diluted	0.3037
Total NAV (€m) - undiluted	40.4
Total NAV (€m) - fully diluted	49.4
Share price (€)	0.2138
Mk Cap (€m)	21.4
# of shares (m) - undiluted	100.0
# of shares (m) - fully diluted	162.6
NAV return since inception†	-57.81%
12-month NAV CAGR†	7.09%
NAV annualized Return*†	-8.20%
NAV annualized Volatility*†	19.31%
Best month (NAV)†	15.60%
Worst month (NAV)†	-33.53%
# of months up (NAV)†	64
# of months down (NAV)†	57

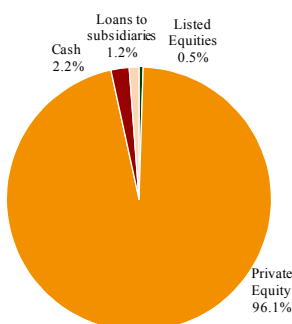
**RC2 NAV returns (undiluted basis)**

	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%	
Mar	-0.50%	-0.62%	2.94%	-0.70%	
Apr	-0.66%	0.29%	2.73%	0.93%	
May	-4.98%	-33.53%	2.70%	3.11%	
Jun	-1.47%	-0.85%	0.28%	-0.38%	
Jul	-0.73%	-0.28%	0.44%	3.24%	
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%	8.03%

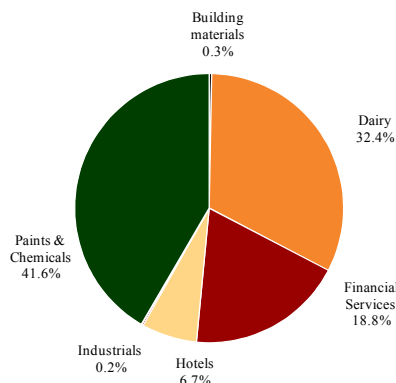
**Share price / undiluted NAV per share (€)**



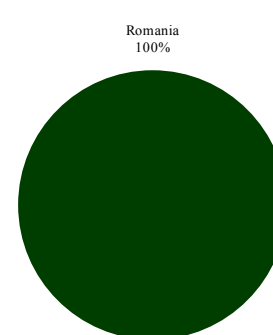
**Portfolio Structure by Asset Class**



**Equity Portfolio Structure by Sector**



**Portfolio Structure by Geography**



**Commentary**

On 27 January 2016, RC2 signed an agreement to sell its 25.4% fully-diluted interest in Albalact to Lactalis, a world leading dairy manufacturer. Details of the transaction were disclosed by the Fund in a separate announcement.