

Market Commentary May

In May we evidenced strong market volatility caused by uncertainty regarding the approval of the proposed E750 bn debt rescue package by IMF/EU for Greece. The later part of May showed continued investors' nervousness regarding the deteriorating European sovereign debt resulting into redemptions amounting up to E16bn in a week. Euro/USD dropped to 1.217 the lowest level since April 2006. Gold reached its new record 1,249.8 \$/oz as market saw a flight to safety.

Emerging markets and commodities were worst hit by the sell-off with MSCI closing down 8.1% and DJ UBS Commodity index - 8%. Sanning was not spared from the roller-coaster and closed the month at -14.2%. The best performers in the portfolio have been OMV and NG2 with -0.6% and -1.5%, respectively. The best performer overall has been Fondul Proprietatea, 38% up since February. Conversely, the worst performing stocks were KIT Digital and OTP, falling 23% and 19.6%, respectively.

Fund Data

Investment Style

SANNING CAPITAL is a bottom up equity fund based on fundamental research exploiting market inefficiencies in Central Europe. Sanning is unique in terms of its geographic focus. It is funded by the managers' own capital.

Fund Managers

Jan Pravda
Katerina Zychova

Launch Date

2-Jun-09

Location

Prague, London

Fund Currency

EUR

Share Price

€ 1 353.7

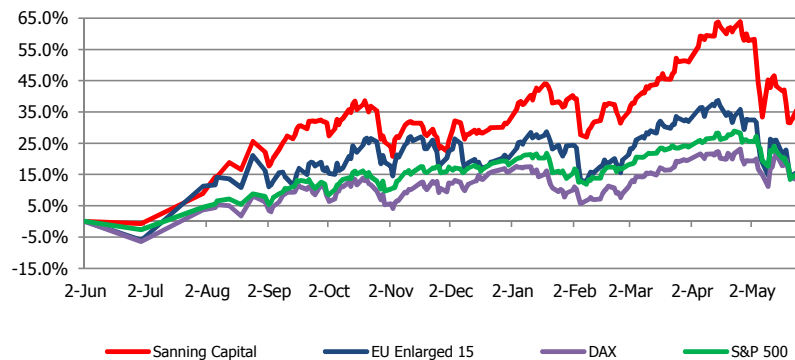
Performance Fee

20%

Management Fee

2%

Fund Performance



Cumulative Performance

Period	Sanning	EU Enlarged	DAX	S&P 500
1 month	-14.2%	-10.0%	-3.1%	-7.0%
3 months	2.0%	-0.3%	6.2%	-0.1%
12 months	---	---	---	---
3 years	---	---	---	---
5 years	---	---	---	---
Since inception (2.6.2009)	35.4%	19.2%	15.5%	16.8%

Further Characteristics

Beta relative to:

EU Enlarged 15

1.17

Volatility*

54.3%

DAX

1.24

Alpha**

0.15%

* 3 years' annualized standard deviation

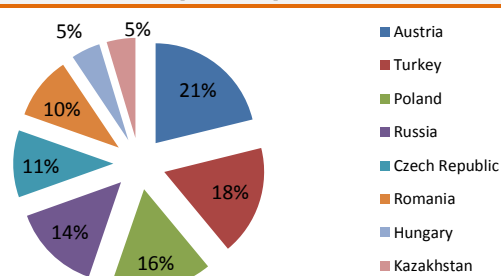
** Benchmark - EU Enlarged 15 Index

Portfolio Analysis

Top 10 Holdings

Akenerji	7.7%
Kapsch	7.4%
Fondul Proprietatea	6.0%
Integra	5.5%
OTP	4.8%
Netia	4.7%
Zhaikmunai	4.7%
Semperit	4.6%
NWR	4.6%
Erste	4.4%

Breakdown By Country



Breakdown By Sector

