

Market Commentary: June

June saw the markets undergo a significant sell-off as investors were extremely sensitive to news indicative of Europe's worsening sovereign debt situation. This occurred despite the fact that hard economic data and macro news were generally positive: continued positive trend in German industrial production, encouraging corporate quarterly results and the appreciation of the Chinese Yuan. With the exception being a sharp fall in the US Housing Sales by 33% since May last year.

In Central Europe, worries surrounding the state of Hungarian and Romanian public finances sent European markets tumbling with the EU Enlarged 8.4% down. The worst hit were regional titles, namely banks, partially due to the banking tax levy in both Hungary and Romania (OTP Bank -17.5%, Banca Transilvania -7.5%). On the positive side, the quarterly corporate reports were encouraging, led by Voestalpine and TMK. Sanning's best pick was Kapsch +8.2% and the worst performer in the portfolio was CME closing - 22.0% in June.

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 and private investors.

Fund Managers

Jan Pravda
Katerina Zychova

Launch Date

2-Jun-09

Location

Prague, London

Fund Currency

EUR

Share Price

€ 1 287.5

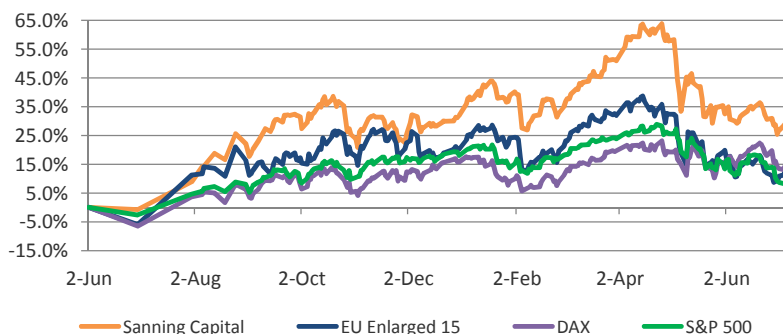
Performance Fee

20%

Management Fee

2%

Fund Performance



Cumulative Performance

Period	Sanning	EU Enlarged	DAX	S&P 500
1 month	-4.9%	-7.9%	0.3%	-1.4%
3 months	-14.7%	-16.9%	-3.1%	-8.1%
12 months	29.7%	16.7%	24.1%	16.9%
3 years	---	---	---	---
5 years	---	---	---	---
Since inception (2.6.2009)	28.8%	9.7%	16.0%	13.7%

Further Characteristics

Beta relative to:			
MSCI EM Europe 10/40	0.44	Volatility*	33.8%
EU Enlarged 15	0.59	Alpha**	0.11%
DAX	0.61		

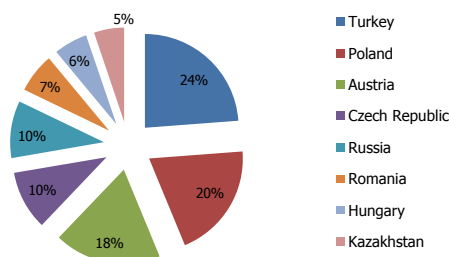
* 3 years' annualized standard deviation
** Benchmark - EU Enlarged 15 Index

Portfolio Analysis

Top 10 Holdings

Kapsch	10.0%
Akenerji	10.0%
LPP	7.4%
Semperit	6.9%
Netia	6.7%
OTP	5.8%
Zhaikmunai	5.2%
Fondul Proprietatea	5.1%
Integra	5.1%
Turkish Airlines	4.8%

Breakdown By Country



Breakdown By Sector

