

The mood on July markets was swinging from calm to very nervous again. The beginning of the month was calmed by the temporary resolution of the Greek sovereign debt crisis. Towards the end of the month, the markets refocused on the US debt situation, otherwise known for years, but turned into crisis by the political uncertainty regarding the US debt ceiling. This drove most global share indices down and buoyed gold to its all-time high.

In July, we slowly invested our free cash. Altogether, despite the steep downswing at the end of the month, we ended the month in profit. In addition to positions in precious metals, our best picks this month were among Turkish banks which gained nearly ten percent and among specialty mining companies with profits over eight percent.

There were, however, a few small disappointments such as Fortuna, a Czech betting company but these were mitigated by our, now quite heavy, hedge.

Fund Data

Investment Style

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

Fund Manager

Jan Pravda

Launch Date

2.6.09

Location

Prague

Fund Currency

EUR

Share Price

€ 1 641.6

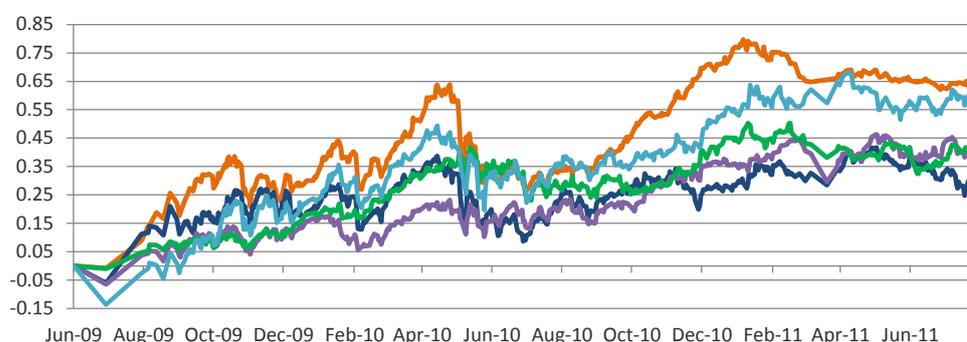
Performance Fee

20% HWM

Management Fee

2% p.a.

Fund vs. Indices



— Sanning Capital — EU Enlarged 15 — DAX — S&P 500 — MSCI EM Eastern Europe

Cumulative Performance

| Period | Sanning [*] | EU Enlarged | DAX | S&P 500 ^{**} | MSCI |
|----------------------------|----------------------|-------------|-------|-----------------------|-------|
| 1 month | 0.7% | -4.0% | -1.4% | 0.3% | 2.5% |
| 3 months | -2.3% | -10.2% | -3.8% | -1.1% | -0.7% |
| 12 months | 23.2% | 4.9% | 17.0% | 7.7% | 17.6% |
| 3 years | --- | --- | --- | --- | --- |
| 5 years | --- | --- | --- | --- | --- |
| Since inception (2.6.2009) | 64.2% | 27.2% | 39.8% | 37.5% | 60.1% |

^{*} Net of mgt fees, ^{**}S&P 500 Euro denominated

Further Characteristics

| | | | |
|-------------------|-------------|-------------|--------------|
| Beta relative to: | | | |
| EU Enlarged 15 | 0.45 | Volatility* | 39.5% |
| DAX | 0.49 | Alpha** | 0.23 |

* 3 years' annualized standard deviation

** annualized vs. EU Enlarged 15 Index