

In September, the financial markets did not calm down and stayed extremely volatile. Uncertain situation around European debt crisis deepened the nervousness and sales continued on all markets. The delay of the next tranche of Greek financial aid (worth 8 billion €) as well as Italian credit rating downgrade did not bring much rest for the investors.

Our portfolio avoided the biggest drops mainly thanks to our hedging strategy. Our short positions and positions in precious metals proved themselves useful, even though gold experienced some of the biggest intraday drops in history. Ironically, the single positive piece of news - the upgrade of Turkey's credit rating by S&P was left out of the focus of global media. Consequently, our Turkish positions outperformed.

We do not see any major improvements in the future and maintain cautious stance. Europe will continue to struggle finding solutions to its indebtedness and economic slowdown.

### 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

02-Jun-09

#### Location

Prague

#### Fund Currency

EUR

#### Share Price

€ 1 434.7

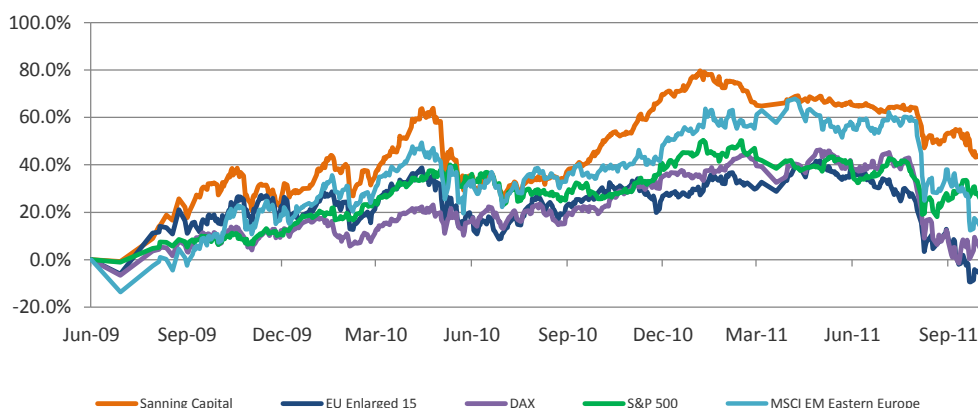
#### Performance Fee

20% HWM

#### Management Fee

2% p.a.

### Fund vs. Indices



### Cumulative Performance

Period	Sanning*	EU Enlarged	DAX	S&P 500**	MSCI
1 month	-6.2%	-15.7%	-4.9%	-0.1%	-16.0%
3 months	-12.0%	-28.2%	-25.4%	-7.1%	-25.8%
12 months	-1.0%	-25.6%	-11.4%	0.9%	-14.5%
3 years	---	---	---	---	---
5 years	---	---	---	---	---
Since inception (2.6.2009)	<b>43.5%</b>	-4.8%	7.0%	27.8%	16.0%

\* Net off mgt fees, \*\*S&P 500 Euro denominated

### Further Characteristics

Beta relative to:				
EU Enlarged 15	<b>0.49</b>	Volatility*	<b>39.3%</b>	
DAX	<b>0.51</b>	Alpha**	<b>0.21</b>	
		* 3 years' annualized standard deviation		
		** annualized vs. EU Enlarged 15 Index		