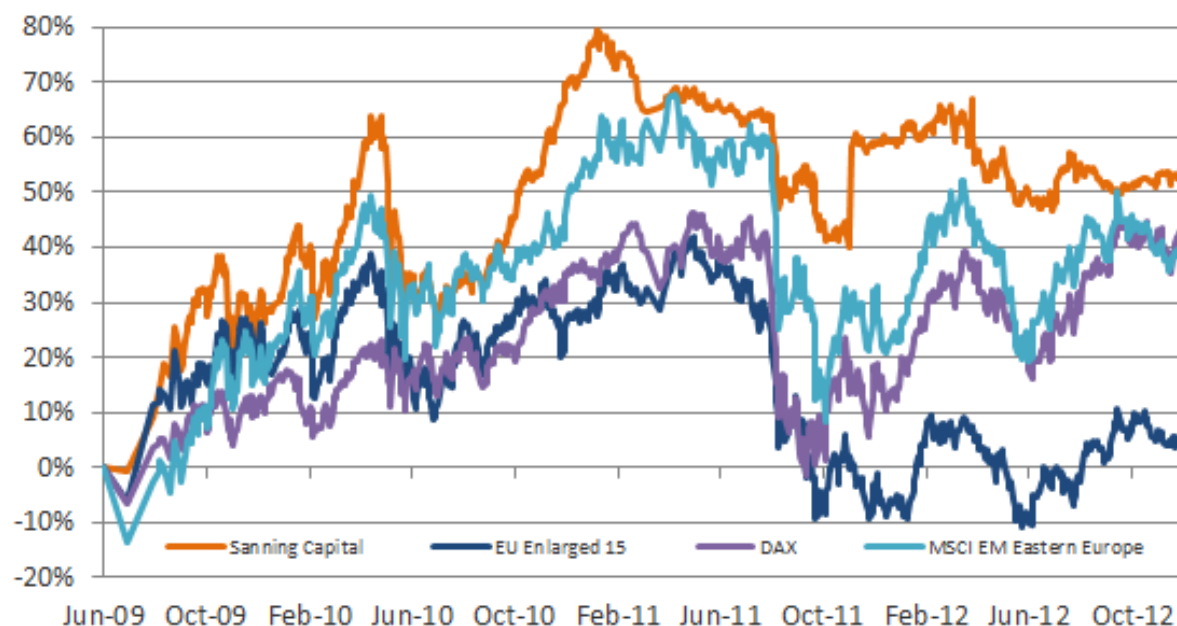


November, Greek and US Fiscal Cliff Sandwich cont'd.

Barack Obama won the American presidential elections on the 7th November 7.11. The markets responded negatively as he may not be able to address the Fiscal Cliff issue in time. On 8th November the European Union stated (again) that the next tranche for Greece would be sent after approval by the "troika ". Greece has repeatedly solved this delay by issuing one to three months' treasury bills. The Greek Parliament approved the 2013 state budget containing budget cuts and taxes increase. On the 12 and 13th the Eurozone Finance Ministers failed to achieve any agreement on the Greek situation. The Euro group met again on the 26 and 27th where they finally reached a very complicated agreement (one is tempted to think that it is complicated on purpose so the public on both sides does not understand the more money is given and more money needs to be printed) on reducing the Greek debt burden aiming to bring the debt ratio to 124% by 2020. The agreement involves a combination of several debt-reducing measures, such as: 1. buyback of privately held debt, 2. cut in interest rates on bilateral loans, 3. cut in EFSF fees, etc. The formal decision is postponed to 13th December to allow several countries' parliaments to approve the proposal. When we look back at our portfolio in November, we successfully participated in the SPO of Turkish Halk Bank and two bond issues of Zhaikmunai and Czech Leo Express. When looking at the Eurozone (and/or finance ministers) meetings we decided to invest more outside the Euro area and increase our positions in Turkey, Russia and the US. We continue to hold position in Google and added position in Tesla Motor Co as we believe that both of these companies will revolutionize their respective sectors and make money along the way. Looking forward, we will be watching the Romanian elections on the 9th December and stand ready to increase our position in Fondul Proprietatea and Gabriel Resources a gold mine in Romania, both of which should respond positively to a clear win in Romanian Elections.



Fund Manager	Cumulative Performance				
	Period	Sanning*	EU Enlarged	DAX	MSCI
Jan Pravda	1 month	1.8%	0.0%	2.0%	0.4%
Launch Date	3 months	1.8%	3.4%	6.2%	1.4%
2.6.09	12 months	-2.6%	8.5%	21.6%	5.5%
Location	3 years	26.1%	-12.4%	31.6%	19.6%
Prague	5 years	---	---	---	---
Fund Currency	Since inception (2.6.2009)	54.5%	5.3%	44.0%	39.4%
EUR	* Net off mgt fees				
Share Price	Further Characteristics				
€ 1544.7	Beta relative to:				
Performance Fee	EU Enlarged 15	0.39	Volatility*	35.6%	
20 % HWM			Alpha**	0.14	
Management Fee	DAX	0.36	* 3 years' annualized standard deviation		
2% p.a.			** annualized vs. EU Enlarged 15 Index		

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

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