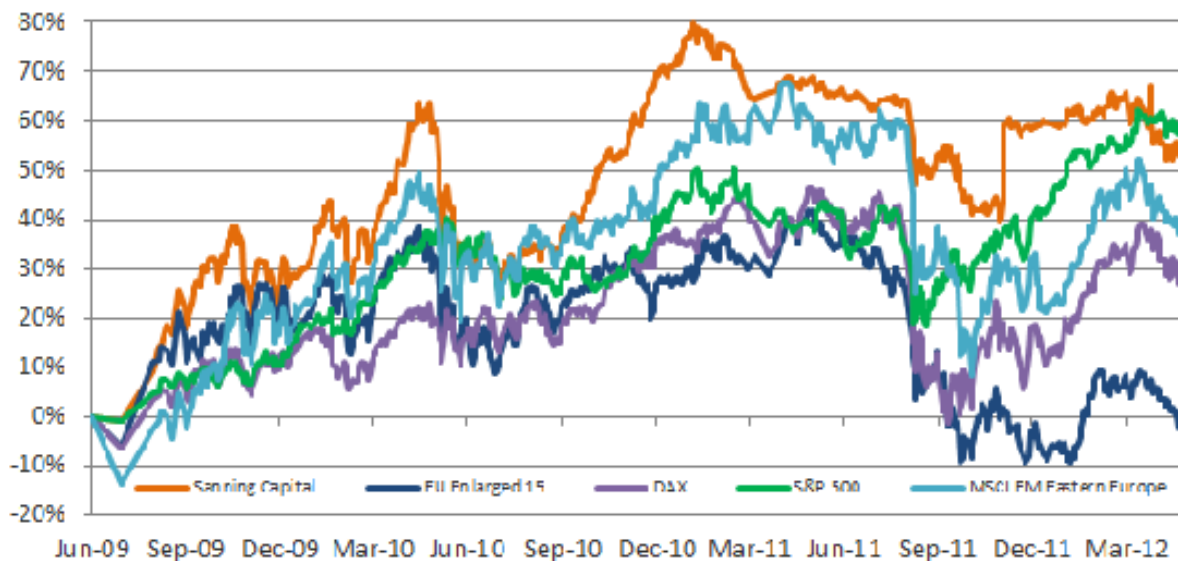


## April – month without significant macro drivers

Markets started with negative direction in April due to increasing fears that Euro sovereign crisis is coming back. Spanish government bonds yields exceeded 6% and reached maximum since November 2011 (see chart below). Demand for government bonds weakened since banks probably run out of cash from LTRO launched by ECB in early December 2011. The 2<sup>nd</sup> half of the month was more positive, driven by start of the result season, where majority of companies delivered or even exceeded market expectations. There was also regional news in the end of April such as Hungarian stocks and Forint strengthened as Hungary came closer to an agreement on the loan with IMF. On the other hand, bad news came from Romania, where local government failed. The same happened in Netherlands. Czech government faced a no-confidence vote as well, but it survived and the re-shaped coalition can continue its mid-right oriented program. When it comes to our portfolio, we gained 0.5% and therefore outperformed all our benchmark, most of which lost a few %. Stocks in our region performed better than Western European peers and we also benefited from hedging of our positions, which partially mitigated losses from the beginning of April.



Fund		Cumulative Performance				
Manager	Period	Sanning*	EU Enlarged	DAX	S&P 500**	MSCI EM EE
Pravda Capital	1 month	0.5%	-2.4%	-2.7%	0.1%	-1.8%
	3 months	-2.8%	-2.5%	4.7%	5.2%	-0.4%
	12 months	-6.7%	-27.2%	-10.0%	14.7%	-13.5%
Launch Date	3 years	---	---	---	---	---
2.6.09	5 years	---	---	---	---	---
Location	Since inception (2.6.2009)	<b>56.8%</b>	2.8%	31.5%	59.8%	39.2%
Prague	* Net off mgt fees, **S&P 500 Euro denominated					
Fund		Further Characteristics				
Currency	Beta relative to:					
EUR	EU Enlarged 15	<b>0.43</b>		Volatility*	<b>38.4%</b>	
Share Price				Alpha**	<b>0.19</b>	
€ 1 568.3	DAX	<b>0.41</b>		* 3 years' annualized standard deviation		
Performance Fee				** annualized vs. EU Enlarged 15 Index		
20 % HWM						
Management Fee						
2% p.a.						

**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.

[follow on Twitter](#) | [Visit our website](#) | [forward to a friend](#)

Copyright © 2012 Sanning Capital Limited, All rights reserved.

**Our address:**

Sanning Capital Limited  
Opletalova 1417/25  
Prague 11000  
Czech Republic

[Add us to your address book](#)

[Subscribe to our mailing list](#) | [Unsubscribe from our mailing list](#)