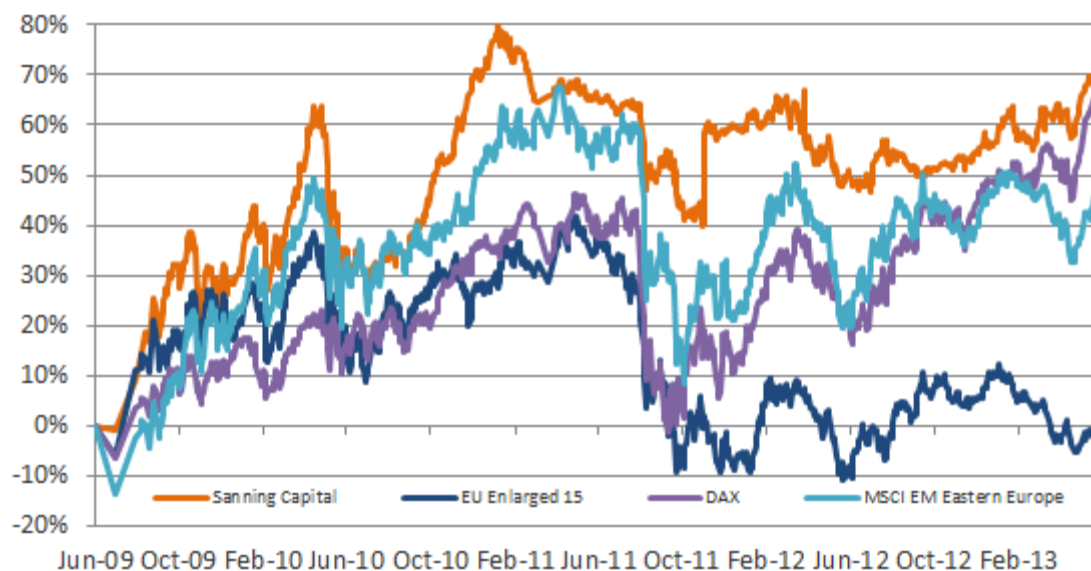


Sell in May and go away?

May 2013 was a rather turbulent month when it comes to our portfolio. We continued executing our strategy of focusing outside the European Union into efficiency related investments and reached 70% performance by mid-May, however some markets turned down and we ended the month with a 65% performance. First the Central Bank surprised markets by setting a cap on the interest rates charged to retail clients who defaulted on their credit payments. This had a very negative effect on the Turkish banks, which lost about 10% in two days, and the Turkish market in general. Another piece of negative news that came this month, Kernel, the Ukrainian agricultural company reported worse results, still suffering from last year's bad harvest season, we have a positive view on the company, but decided to sell our position completely and wait for this harvesting season, which looks very good at the moment. We are still successful in our US and efficiency oriented investments, such as Ameresco and Google. We also maintain our positions in Russian retail chains Dixy and Magnit.

We ended the month with +0.7 %, on the same level as MSCI Emerging Markets (+0.8 %) and underperformed Western European peers which did not suffer from the situation in Turkey. We remain cautious for the upcoming days and watch the situation in Turkey.

Fund vs. Indices



		Cumulative Performance				
Fund Manager	Jan Pravda					
Launch Date	2.6.09					
Location	Prague					
Fund Currency	EUR					
Share Price	€ 1647.9					
Performance Fee	20 % HWM					
Management Fee	2% p.a.					
		Period	Sanning*	EU Enlarged	DAX	MSCI
		1 month	0.7%	3.4%	5.5%	0.8%
		3 months	3.9%	-4.1%	7.8%	-5.1%
		12 months	9.6%	9.5%	33.3%	14.2%
		3 years	21.7%	-17.1%	40.0%	3.9%
		5 years	---	---	---	---
		Since inception (2.6.2009)	64.8%	-0.7%	62.3%	38.3%
			<small>* Net off mgt fees</small>			
		Further Characteristics				
		Beta relative to:		Volatility*	34.4%	
		EU Enlarged 15	0.39	Alpha**	0.15	
		DAX	0.36	<small>* 3 years' annualized standard deviation</small>		
				<small>** annualized vs. EU Enlarged 15 Index</small>		

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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