

AIP increases engagement in MCI shares

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Alternative Investment Partners, a company controlled by Tomasz Czechowicz, informed about acquiring 6k shares in the MCI fund on the stock exchange. AIP declares that due to the significant undervaluation of the stock, it will continue to buy back from the market. Should the discount persist, within 12 months AIP may increase its shareholding by acquiring up to 5% more shares.

Tomasz Czechowicz with AIP is the largest shareholder of MCI and on September 3, 2012, held 45.66% shares in MCI. In spite of increasingly better results of the fund, its stock price has been locked in a sideways trend for over year. According to the main investor, the stock price does not correctly reflect the valuation of the company.

The value of the fund's net assets is about 550 million PLN. The stock market valuation is 280 million PLN, which means around 9 PLN per share. With the current stock price between 4.3 - 4.5 PLN, MCI is undervalued at least twofold - emphasizes Tomasz Czechowicz. I believe it is a great moment to repurchase the shares from the market. If the share price remains at such significant discount, AIP will continue to increase its engagement.

Insider buyback is limited by legal regulations, among others connected with closed periods.

However, in the next two months nothing stands in their way to repurchase MCI shares.

After the first half of this year, the MCI Capital Group recorded net profit of 30 million PLN and record-breaking liquidity (over 250 million PLN). Also in this period, the group recorded the highest ever exit level (over 160 million PLN; exit/NAV = 30%, while the benchmark is somewhere between 10 - 15%). The company can also boast about its strong balance sheet, where the debt to capital ratio is 15%.