

**Trigon New Europe Fund**
**Fact Sheet | February 2018**
**Overview**

Trigon New Europe Fund invests in listed equity securities of European Union new member states and accession countries. The Fund focuses on investments in Poland, the Czech Republic, Hungary, Romania, Slovenia, Austria (companies with CEE exposure), Serbia, Bulgaria, the Baltic countries and can invest in Turkey. The Fund does not invest in Russia.

The Fund includes around 35-40 thoroughly researched companies. The Fund's investment style is value investing, with active management and stock-picking used to identify attractively-valued equities. Trigon's investment team aims to visit all companies in which we invest, with a preference toward undervalued stocks with solid growth and good dividend yield.

**Fund Facts**

**Fund AUM:** €148.6 mil  
**Positions:** 39  
**UCITS IV:** Yes  
**Auditor:** PwC  
**Depository:** Swedbank  
**Dealing:** Daily  
**Domicile:** Estonia  
**Launch:** Apr 10, 2002

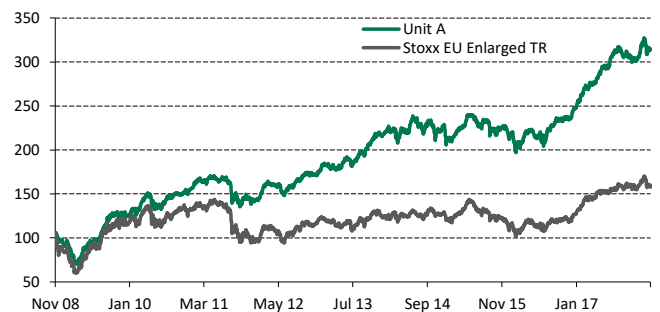
**Fund Manager's Comments**

Markets finally had a correction in February. Trigon New Europe Fund fared well in the correction, losing only -2.7% in the month. That compares well with the -5.9% return of the regional benchmark Stoxx EU Enlarged Index and -4.0% return of the Stoxx Europe 600 Index, a Western European broad based index. In YTD terms, the Fund is up by 1.3% in EUR terms vs -1.8% of the regional benchmark and -2.5% Western European index. In 5 and 7 year terms, the Fund has offered 41.6% and 73.5% alpha respectively compared to the regional benchmark index.

Fund's performance was supported by generally positive Q4 2017 results by a number of portfolio companies. BRD bank, the largest position in the Fund, delivered once again consensus beating results, backed by double digit NII growth and low CoR. BRD is a perfect example of a second-rate quality of research in our region, as the actual net profit came in roughly two times the level predicted by sell side analysts at the end of 2016. At the time of results release, BRD traded at 6.4x 2017 P/E and offered 13% dividend yield on 2017 earnings. Rather similar strong set of market beating results were also reported by other Romanian companies like Romgaz, OMV Petrom, Nuclearelectrica and Banca Transilvania. Dividend yields for these companies range from 6.6% to 14% on 2017 earnings. In line or better results were reported also by other major holdings in the Fund, including Pekao SA, Kommerčni Banka, Moneta and KRKA.

Our portfolio of companies trades on a weighted average of 10.5x 2018E earnings multiple and 5.3x EV/EBITDA multiple for 2017. Dividend yield of the portfolio remains high in absolute and relative terms, staying at 6.0% on 2017 earnings and 6.2% 2018E earnings. Trailing P/B multiple is at 1.4 with ROE generation of 14%.

Our aim is to offer a portfolio with solid risk-return parameters, meaning a portfolio that would protect itself well in the correction phases of the market, but would offer competitive returns in positive markets, as we managed to achieve over the past decade.

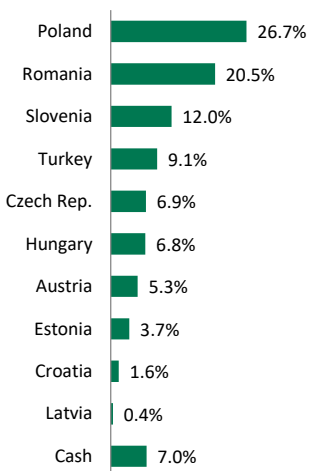
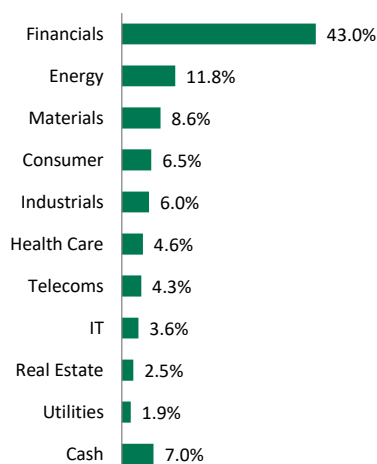
**Performance (%) since strategy launch (net of fees)**


	Unit A	Unit C	Unit E (USD)	Benchmark*
28-Feb-18	1.2%	1.2%	-	-1.8%
Year-to-Date	-2.7%	-2.8%	-5.1%	-5.9%
1 month	3.8%	3.7%	-	0.7%
3 months	-0.3%	-0.6%	-	-1.6%
6 months	16.7%	16.1%	-	10.4%
1 year	50.7%	49.2%	-	43.0%
2 years	40.3%	38.2%	-	22.5%
3 years	74.8%	70.4%	-	33.2%
5 years	247.5%	251.2%	0.2%	n/a*
Since launch	10.04.02	08.04.09	04.01.18	n/a*

Fund Details	Unit A	Unit C	Unit E (USD)
NAV	22.2027	35.1221	8.2327
12 months High	23.1299	36.6069	8.6264
12 months Low	18.9574	30.1364	8.1254
Management fee, annual	Up to 1.5%	Up to 2%	Up to 1.5%
Performance fee	none	none	none
Subscription fee**	none	none	none
Redemption fee	none	none	none
Stock code/ISIN	EE3600018602	EE3600102372	EE3600109468
Bloomberg code	TRICEAE ET	TRICEAC ET	TRICEAU ET
Lipper code	65006724	68011005	68450331
Minimum subscription	€1 mil	No min.	\$1 mil

Sharpe ratio (5 years) 1.17  
 Daily volatility (1 year) 7.6%

To receive the breakdown of the Fund's holdings or any other additional information, please send a request to [funds@trigoncapital.com](mailto:funds@trigoncapital.com).

**Geographic allocation**

**Sector allocation**


**Disclaimer:** Past performance of the fund does not guarantee or indicate future performance of the fund. The value of the fund units may increase and decrease over time, therefore there is no guarantee that the investors get back the amount invested in the fund. The risk factors of the fund are described in further detail in the prospectus of the fund available on the website [www.trigoncapital.com](http://www.trigoncapital.com). Please refer to the important legal notice on the last page of this report.

\*The benchmark index, Stoxx EU Enlarged TMI Total Return (EUR), was created on December 31st, 2002. Source: Bloomberg.

\*\*C units can be subscribed to as of April 6th, 2009. E units can be subscribed to as of September 1st, 2017. A units are again available as of September 1st, 2017.

NAV movements can be followed in: Bloomberg, [www.trigoncapital.com](http://www.trigoncapital.com), [www.morningstar.fi](http://www.morningstar.fi)

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**Monthly Performance (Unit A)**

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Annual	CAGR*	
2018	4.1%	-2.7%													
2017	5.7%	2.5%	1.6%	2.9%	4.2%	-0.2%	5.4%	2.2%	-2.7%	0.3%	-1.6%	2.5%	24.9%		
2016	-5.7%	0.3%	6.6%	-1.5%	-1.1%	-2.1%	5.2%	3.5%	1.1%	1.5%	-0.4%	5.2%	12.7%		
2015	0.5%	4.2%	1.6%	4.8%	-0.6%	-4.1%	2.9%	-4.6%	-2.4%	3.4%	-1.0%	-1.1%	3.2%		
2014	0.4%	1.1%	-1.6%	0.4%	5.4%	0.4%	-4.7%	2.3%	0.5%	-2.2%	1.4%	-5.9%	-3.0%		
2013	2.7%	-1.4%	-0.7%	2.4%	4.0%	-3.2%	4.0%	2.1%	5.5%	3.5%	3.2%	0.1%	24.0%		
2012	7.2%	5.9%	-0.9%	-0.3%	-6.9%	5.3%	2.1%	2.8%	4.3%	-0.1%	-0.4%	3.4%	24.0%	2 years	18.6%
2011	4.0%	0.5%	1.4%	1.2%	-2.6%	1.3%	-3.0%	-6.9%	-7.7%	4.0%	-1.9%	0.4%	-9.5%	3 years	13.2%
2010	4.9%	1.1%	9.5%	1.1%	-5.9%	-4.0%	7.9%	0.8%	3.6%	-0.5%	0.0%	5.9%	25.8%	5 years	11.8%
2009	-8.2%	-12.5%	7.3%	15.9%	1.6%	5.9%	11.8%	12.5%	3.2%	-1.5%	-0.1%	0.8%	38.3%		
2008	-11.5%	1.1%	-1.8%	-4.7%	-3.3%	-13.1%	-3.4%	-2.4%	-14.1%	-27.7%	-2.1%	-7.0%	-62.5%		
2007	-0.1%	-0.5%	4.0%	2.6%	3.8%	5.4%	-2.8%	-1.0%	-1.9%	4.1%	-9.6%	-2.7%	0.4%		
2006	3.3%	1.3%	-1.5%	2.9%	-7.6%	2.0%	7.2%	-1.5%	0.2%	4.9%	1.7%	2.3%	15.5%		
2005	3.6%	11.1%	-5.5%	-5.2%	3.7%	6.9%	3.7%	3.6%	5.6%	-3.6%	3.4%	2.2%	32.2%		
2004	4.4%	4.3%	5.2%	1.1%	-0.5%	2.8%	0.9%	1.5%	4.3%	2.9%	3.1%	5.4%	41.6%		
2003	-3.7%	-1.5%	0.7%	9.0%	2.8%	-2.2%	6.8%	8.8%	-4.5%	4.3%	-3.3%	4.3%	22.2%		
2002	-	-	-	0.1%	-1.2%	-5.0%	-1.6%	4.2%	-4.7%	4.8%	7.0%	-1.5%	-		

\*Performance net of fees

\* Compound annual growth rate, i.e. average annualized performance of calendar years

**Risk Management Report (Unit A)**

	1M	3M	6M	1Y	2Y
Volatility (daily)	12.3%	9.7%	8.4%	7.6%	9.1%
Volatility (monthly)				9.4%	9.9%

**Downside Risk Analysis**

Negative months/total	74/191	39%			
Worst calendar month	-27.7%				
Worst calendar quarter	-34.2%				

**Upside Risk Analysis**

Positive months / total	117/191	61%			
Best calendar month	15.9%				
Best calendar quarter	29.9%				

**Market Cap Allocation**

Micro Cap (up to 150m EUR)	1.9%
Small Cap I (150 - 500m EUR)	16.6%
Small Cap II (500m - 1bn EUR)	11.7%
Mid Cap (1 - 3 bn EUR)	34.7%
Blue Chip (more than 3bn EUR)	28.0%

**Monthly Return Contribution Analysis (Unit A)**

Romania	0.6%	Utilities	0.1%
Estonia	0.0%	Health Care	0.0%
Latvia	0.0%	Consumer	0.0%
Croatia	-0.1%	IT	-0.1%
Czech Rep.	-0.1%	Real Estate	-0.2%
Hungary	-0.4%	Industrials	-0.2%
Slovenia	-0.4%	Telecoms	-0.2%
Austria	-0.4%	Energy	-0.3%
Turkey	-0.5%	Materials	-0.6%
Poland	-1.4%	Financials	-1.1%
<b>Gross Performance</b>	<b>-2.6%</b>		<b>-2.6%</b>

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**Geographic Allocation**

	Feb-18	Aug-17	Feb-17
Poland	26.7%	26.7%	25.9%
Romania	20.5%	17.3%	27.6%
Slovenia	12.0%	10.5%	15.9%
Turkey	9.1%	9.1%	5.4%
Czech Rep.	6.9%	7.5%	5.2%
Hungary	6.8%	7.6%	7.6%
Austria	5.3%	8.5%	4.2%
Estonia	3.7%	3.2%	5.4%
Croatia	1.6%	2.1%	-
Latvia	0.4%	0.4%	0.8%

Cash	7.0%	7.0%	2.2%
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**Sector Allocation**

	Feb-18	Aug-17	Feb-17
Financials	43.0%	37.0%	33.2%
Energy	11.8%	9.5%	13.3%
Materials	8.6%	8.5%	2.9%
Consumer	6.5%	12.9%	20.6%
Industrials	6.0%	5.8%	7.3%
Health Care	4.6%	4.3%	5.5%
Telecoms	4.3%	8.3%	6.5%
IT	3.6%	3.3%	3.9%
Real estate	2.5%	2.9%	1.4%
Utilities	1.9%	0.7%	3.2%

Cash	7.0%	7.0%	2.2%
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**Best Emerging Europe Equity Fund over 3 & 5 years**

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**Important Legal Information**

Management Company: AS Trigon Asset Management

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Please see the prospectus, rules and other important information about the funds on the website [www.trigoncapital.com](http://www.trigoncapital.com). The fund management company is supervised by Estonian Financial Supervision Authority.

Additional information for Swiss clients: The extract prospectus (edition for Switzerland), the Key Investors Information Documents, the fund rules, the annual and semi-annual report, in German, and further information can be obtained free of charge from the representative in Switzerland: Carnegie Fund Services S.A., 11, rue du Général-Dufour, CH-1204 Geneva, Switzerland, tel.: + 41 22 7051177, fax: + 41 22 7051179, web: [www.carnegie-fund-services.ch](http://www.carnegie-fund-services.ch). The Swiss paying agent is: Banque Cantonale de Genève, 17, quai de l'Île, CH-1204 Geneva.

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