

## Trigon New Europe Fund

Fact Sheet | August 2017

### 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

<b>Fund AUM:</b>	€161.1 mil
<b>Positions:</b>	44
<b>UCITS IV:</b>	Yes
<b>Auditor:</b>	PwC
<b>Depository:</b>	Swedbank
<b>Dealing:</b>	Daily
<b>Domicile:</b>	Estonia
<b>Launch:</b>	Apr 10, 2002

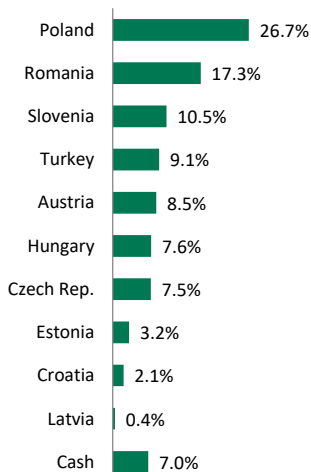
### Fund Manager's Comments

Markets in Emerging World and especially in New Europe continued to be well supported in August. Stoxx EU Enlarged Index advanced by 3.3%, while Trigon New Europe Fund gained 2.2% in the month. In YTD terms, the Fund has gained 26.9%, outperforming the benchmark by 170 bps. In 5 and 7 year terms, the Fund has offered 90.6% and 117.3% return, respectively, compared to the index return of 46.7% and 30.5% for the same periods. In 7 year terms, New Europe is still one of the worst performing regions in the world. 7 years performance for S&P 500 stands at 191.8%, for Eurostoxx 600 at 89.4% and for MSCI EM Index at 45.4% in EUR terms.

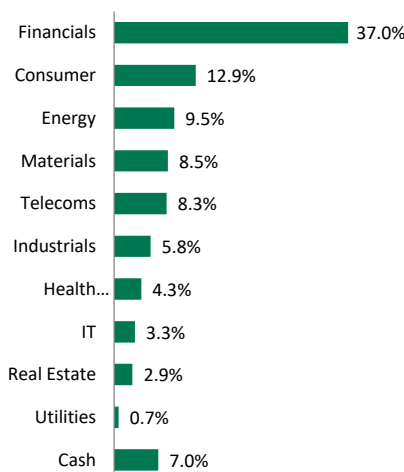
On top of relative valuation argument discussed in more detail in the previous monthly report, the increased interest towards the region is backed by solid macro dynamics. In 2Q17, GDP growth surprised strongly on the upside in Romania, Czech Republic and Estonia, YoY growth rates were respectively 5.9%, 4.5% and 5.7%. In Slovenia, Poland and Hungary the growth rates came in at 4.4%, 3.9% and 3.2% respectively, in line with market forecasts. The growth continues to be backed by strong consumer sentiment, which in turn is boosted by lowest ever unemployment levels, strong real salary growth and low interest rate environment. We believe the growth will remain well supported in the second half of the year thanks to private consumption, but also due to increasing corporate investments and government outlays.

The Fund holdings trade at weighted average 2017E P/E of 11.7x and 11.5x for 2018E. 2017E EV/EBITDA is 5.9x for 2017 and the weighted average expected dividend yield of 5.0% on 2017 earnings. Trailing P/B ratio for the Fund assets is at 1.4x with 2017E ROE of 13%.

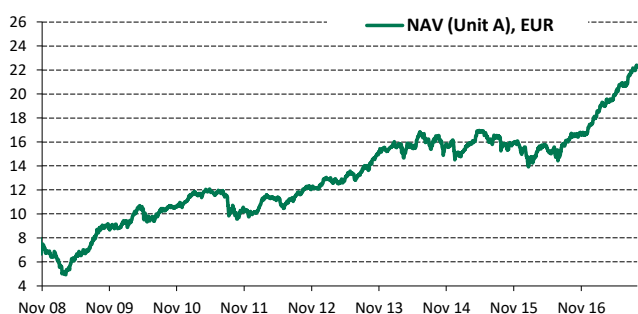
### Geographic allocation



### Sector allocation



### Performance since strategy launch (net of fees) EUR



31-Aug-17	Unit A	Unit C	Benchmark*
Year-to-Date	26.9%	26.4%	25.2%
1 month	2.2%	2.1%	3.3%
3 months	7.5%	7.3%	6.1%
6 months	17.1%	16.8%	12.3%
1 year	36.4%	35.7%	34.8%
2 years	41.2%	39.8%	28.7%
3 years	38.3%	36.2%	27.4%
5 years	90.6%	85.7%	46.7%
Since launch	248.6%	253.3%	n/a*
Launch of unit	10-Apr-02	08-Apr-09	n/a*

Fund Details	Unit A	Unit C	Unit E (USD)
NAV	22.2780	35.3293	-
12 months High	22.4070	35.5354	-
12 months Low	16.3170	26.0068	-
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	-
Minimum subscription	€1 mil	No min.	\$1 mil
Sharpe ratio (5 years)	1.38		
Daily volatility (1 year)	6.8%		

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).

**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*	
2017	5.7%	2.5%	1.6%	2.9%	4.2%	-0.2%	5.4%	2.2%							
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	7.8%
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	4.1%
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	11.6%
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

## Risk Management Report (Unit A)

	1M	3M	6M	1Y	2Y
Volatility (daily)	5.8%	6.7%	6.6%	6.8%	10.2%
Volatility (monthly)				7.3%	10.8%

## Downside Risk Analysis

Negative months/total	71/185	38%
Worst calendar month	-27.7%	
Worst calendar quarter	-34.2%	

## Upside Risk Analysis

Positive months / total	114/185	62%
Best calendar month	15.9%	
Best calendar quarter	29.9%	

## Geographic Allocation

	Aug-17	Feb-17	Aug-16
Poland	26.7%	25.9%	27.7%
Romania	17.3%	27.6%	23.7%
Slovenia	10.5%	15.9%	11.4%
Turkey	9.1%	5.4%	-
Austria	8.5%	4.2%	13.5%
Hungary	7.6%	7.6%	5.9%
Czech Rep.	7.5%	5.2%	6.6%
Estonia	3.2%	5.4%	6.3%
Croatia	2.1%	-	-
Latvia	0.4%	0.8%	-

Cash	7.0%	2.2%	5.0%
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## Market Cap Allocation

Micro Cap (up to 150m EUR)	2.3%
Small Cap I (150 - 500m EUR)	16.0%
Small Cap II (500m - 1bn EUR)	13.6%
Mid Cap (1 - 3 bn EUR)	37.2%
Blue Chip (more than 3bn EUR)	23.9%

## Monthly Return Contribution Analysis (Unit A)

Poland	1.7%	Consumer	1.1%
Austria	0.6%	Telecoms	0.4%
Hungary	0.6%	Financials	0.3%
Slovenia	0.1%	Energy	0.3%
Estonia	0.1%	Real Estate	0.2%
Croatia	0.0%	Health Care	0.1%
Turkey	0.0%	IT	0.0%
Czech Rep.	0.0%	Utilities	0.0%
Latvia	0.0%	Industrials	0.0%
Romania	-0.7%	Materials	-0.2%

Gross Performance	2.3%	2.3%
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## Sector Allocation

	Aug-17	Feb-17	Aug-16
Financials	37.0%	33.2%	41.3%
Consumer	12.9%	20.6%	16.6%
Energy	9.5%	13.3%	9.2%
Materials	8.5%	2.9%	2.4%
Telecoms	8.3%	6.5%	7.9%
Industrials	5.8%	7.3%	6.4%
Health Care	4.3%	5.5%	4.1%
IT	3.3%	3.9%	3.5%
Real estate	2.9%	1.4%	-
Utilities	0.7%	3.2%	3.5%

Cash	7.0%	2.2%	5.0%
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Best Emerging Europe Equity Fund over 3 &amp; 5 years



Best Emerging Europe Equity Fund over 3 &amp; 5 years



Best Emerging Europe Equity Fund over 3 &amp; 5 years



Best Emerging Europe Equity Fund over 3 years (2014)



Best Emerging Europe Equity Fund over 3 years



Best Emerging Europe Equity Fund over 3 years (2014)

**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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