

Trigon New Europe Fund

Fact Sheet | September 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

Fund AUM:	€156.1 mil
Positions:	41
UCITS IV:	Yes
Auditor:	PwC
Depository:	Swedbank
Dealing:	Daily
Domicile:	Estonia
Launch:	Apr 10, 2002

Fund Manager's Comments

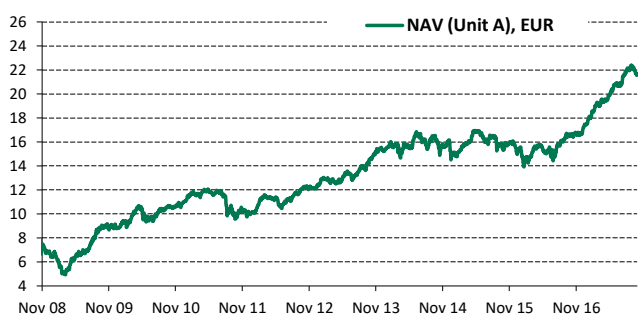
September brought a healthy consolidation to New Europe markets with Stoxx EU Enlarged Index dropping by 2.6% in the month, while Eurostoxx 600 Index, representing developed Europe, advanced by 3.8%. The Trigon New Europe Fund also gave up 2.7% of its yearly gains, taking the Fund's YTD performance to 23.5%, 150 bps ahead of the benchmark performance. In 5 and 7 year terms, the Fund has offered 77.8% and 104.2% return respectively, compared to the index return of 35.9% and 20.0% for the same periods. The Fund has a 5-star rating from Morningstar for its 5 and 10 year performance.

Politics continued to impact the markets in September. Western Europe got boosted by "no-change" vote in Germany, while Catalan referendum has so far been ignored by the markets. Kurdish independence vote at the same time had strong negative impact on the Turkish equities' sentiment; market dropped by 8.5% in euro terms in the month. In Romania, planned changes to the second pillar pension system together with rumours about the bank tax continued to weigh on the market sentiment. That was partially eased by the unexpected request for additional dividends from a number of state-controlled companies. We are on the opinion that current low valuations of Romanian assets already reflect these risks in full, and even with negative scenarios materializing, are trading at discount to our fair value levels.

In September we spent a week in Turkey, where we had 24 on-site company visits, including 6 plant tours, and managed to peek at the distance Erdogan's new palace. We got further proof that the government is doing all it takes to keep the economy going at least till next presidential elections, while imbalances and leverage in the system will continue to expand. That confirmed our view to stick with the companies with strong balance sheets and export-led growth models.

The Fund holdings trade at an average P/E of 11.5x for 2017E and 10.8x for 2018E. Expected EV/EBITDA is 5.3x for 2017 and expected dividend yield of 5.5% on 2017 earnings. Trailing P/B ratio for the Fund assets is at 1.4x with ROE of 13%.

Performance since strategy launch (net of fees) EUR



30-Sep-17	Unit A	Unit C	Benchmark*
Year-to-Date	23.5%	23.0%	22.0%
1 month	-2.7%	-2.7%	-2.6%
3 months	4.8%	4.7%	3.2%
6 months	12.2%	11.9%	9.3%
1 year	31.3%	30.7%	31.7%
2 years	40.9%	39.5%	29.6%
3 years	33.9%	31.9%	17.5%
5 years	77.8%	73.3%	35.9%
Since launch	239.4%	243.8%	n/a*
Launch of unit	10-Apr-02	08-Apr-09	n/a*

Fund Details	Unit A	Unit C	Unit E (USD)
NAV	21.6857	34.3763	-
12 months High	22.4070	35.5354	-
12 months Low	16.3901	26.1082	-
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)	1.23
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.

Geographic allocation

Poland	26.8%
Romania	18.2%
Slovenia	10.6%
Turkey	9.7%
Austria	8.7%
Hungary	6.6%
Czech Rep.	6.4%
Estonia	3.2%
Croatia	2.1%
Latvia	0.5%
Cash	7.2%

Sector allocation

Financials	38.3%
Energy	10.4%
Consumer	9.4%
Materials	8.5%
Telecoms	7.9%
Industrials	7.2%
Health Care	4.2%
IT	3.3%
Real Estate	2.9%
Utilities	0.8%
Cash	7.2%

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. 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, 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%	-2.7%						
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)	6.1%	6.2%	6.6%	6.8%	10.0%
Volatility (monthly)				8.9%	10.8%

Downside Risk Analysis

Negative months/total	72/186	39%
Worst calendar month	-27.7%	
Worst calendar quarter	-34.2%	

Upside Risk Analysis

Positive months / total	114/186	61%
Best calendar month	15.9%	
Best calendar quarter	29.9%	

Geographic Allocation

	Sep-17	Mar-17	Sep-16
Poland	26.8%	22.9%	29.2%
Romania	18.2%	24.3%	22.4%
Slovenia	10.6%	14.6%	12.7%
Turkey	9.7%	6.3%	-
Austria	8.7%	8.5%	10.4%
Hungary	6.6%	7.8%	7.0%
Czech Rep.	6.4%	5.7%	7.7%
Estonia	3.2%	4.4%	6.5%
Croatia	2.1%	1.5%	-
Latvia	0.5%	0.6%	-

Cash	7.2%	3.4%	4.1%
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Market Cap Allocation

Micro Cap (up to 150m EUR)	2.3%
Small Cap I (150 - 500m EUR)	15.6%
Small Cap II (500m - 1bn EUR)	15.3%
Mid Cap (1 - 3 bn EUR)	36.0%
Blue Chip (more than 3bn EUR)	23.6%

Monthly Return Contribution Analysis (Unit A)

Czech Rep.	0.0%	Utilities	0.0%
Latvia	0.0%	Real Estate	-0.1%
Austria	-0.1%	Energy	-0.1%
Hungary	-0.1%	IT	-0.1%
Estonia	-0.2%	Health Care	-0.1%
Croatia	-0.2%	Industrials	-0.3%
Slovenia	-0.2%	Consumer	-0.3%
Romania	-0.4%	Materials	-0.5%
Poland	-0.6%	Financials	-0.6%
Turkey	-0.8%	Telecoms	-0.6%

Gross Performance	-2.5%	-2.5%
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Sector Allocation

	Sep-17	Mar-17	Sep-16
Financials	38.3%	36.2%	36.7%
Energy	10.4%	10.6%	11.3%
Consumer	9.4%	19.4%	19.4%
Materials	8.5%	4.1%	2.2%
Telecoms	7.9%	5.3%	9.2%
Industrials	7.2%	5.9%	6.1%
Health Care	4.2%	6.5%	4.4%
IT	3.3%	3.3%	2.4%
Real estate	2.9%	3.1%	-
Utilities	0.8%	2.2%	4.3%
Other	-	-	-0.1%

Cash	7.2%	3.4%	4.1%
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Best Emerging
Europe Equity Fund
over 3 & 5 years



Best Emerging
Europe Equity Fund
over 3 & 5 years



Best Emerging
Europe Equity Fund
over 3 & 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. 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. The Swiss paying agent is: Banque Cantonale de Genève, 17, quai de l'Île, CH-1204 Geneva.

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