

Trigon New Europe Fund

Fact Sheet | February 2016

Overview

Trigon New Europe Fund invests in listed equity securities of European Union new member states and accession countries. The Fund focuses on lower volatility investments in Poland, the Czech Republic, Hungary, Romania, Slovenia and invests a smaller part of its assets into Austria, Serbia, Bulgaria and the Baltic countries. The Fund does not invest in Russia and Turkey.

The Fund includes around 30 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 Manager's Comments

February was an extremely volatile month with world markets heavily under pressure in the first half, followed by a strong technical recovery from oversold territories in the second half of the month. The largest beneficiaries in the bounce were recent under performers in sectors like basic materials, oil and gas, and to a lesser extent, financials. As we continue to hold an under-weight in commodity related sectors mainly due to corporate governance reasons, the Fund showed strong resilience in the first part of the month, although underperformed in the rally. All in all, the Fund finished the month up by 0.33% underperforming the benchmark DJ EU Enlarged TR index, which gained 1.85%. In one year terms, the Fund has outperformed the index by 746 bps, being down by -6.9% vs a -14.3% index return.

Despite volatility in the regional stock markets, which is mainly driven by continued fears about the global growth outlook, but also from the new imbalances created by low commodities prices, GDP growth in the region has remained intact. In Q4 2015, the CEE-4 countries (Poland, Hungary, Czech Republic and Romania) posted growth figures of 3.9%, 3.2%, 3.9% and 3.8% on y-o-y basis, respectively, exceeding market forecasts, backed by strong domestic demand and investments. GDP growth in 2016 is likely to soften due to a lower contribution from investments as EU funds dedicated for projects from 2007-13 period have been withdrawn and projects for the next funding period from 2014-20 have not yet started.

The New Europe region trades at an extremely wide 39% discount to Western Europe markets on P/B multiple basis, whilst mid-term ROE outlook is comparable. Also the dividend yield that the regional equities offer is almost twice as high as in Western Europe. The Trigon New Europe Fund's portfolio trades at 1.1x P/B value, 4.7x 2015E EV/EBITDA multiple and offers 5.9% dividend yield. Most of the companies in the region will distribute their dividends from March to June, which should create some additional investor interest towards the dividend paying stocks in coming months.

Geographic allocation

Romania	23.7%
Poland	23.7%
Czech Rep.	12.6%
Austria	10.5%
Hungary	9.2%
Estonia	7.9%
Slovenia	7.1%
Serbia	1.4%
Bulgaria	0.3%
Cash	3.4%

Sector allocation

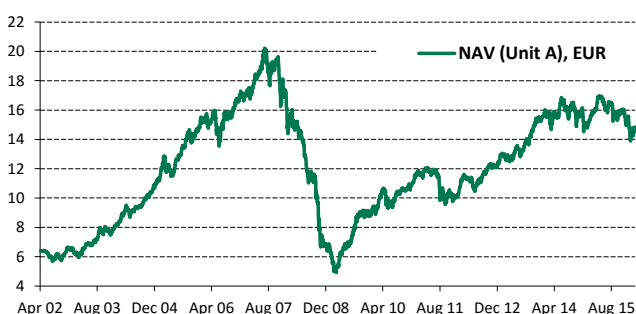
Financials	40.7%
Energy	13.1%
Utilities	12.3%
Industrials	9.0%
Consumer	7.9%
Health Care	4.3%
Telecoms	4.3%
IT	3.7%
Real Estate	1.4%
Cash	3.4%

Fund Facts

Fund AUM:	€51.9 mil
Positions:	34
UCITS IV:	Yes
Auditor:	PwC
Depository:	Swedbank
Dealing:	Daily (EUR)
Domicile:	Estonia
Launch:	Apr 10, 2002

Performance (net of fees)

EUR



	Unit A	Unit C	Benchmark*
29-Feb-16	-5.4%	-5.5%	-4.0%
Year-to-Date	-5.4%	-5.5%	-4.0%
1 month	0.3%	0.3%	1.8%
3 months	-6.5%	-6.6%	-6.7%
6 months	-6.6%	-6.8%	-11.5%
1 year	-6.9%	-7.3%	-14.3%
2 years	-6.7%	-7.7%	-14.3%
3 years	16.0%	14.2%	-6.8%
5 years	26.0%	22.8%	-18.6%
Since launch	130.6%	135.5%	n/a*
Launch of unit	10-Apr-02	08-Apr-09	n/a*

Fund Details	Unit A	Unit C
NAV in EUR	14.74	23.55
12 months High	16.96	27.21
12 months Low	13.92	22.25
Management fee, annual	Up to 1.5%	Up to 2%
Performance fee	none	none
Subscription fee**	n/a	Up to 2%
Redemption fee	Up to 1.5%	Up to 1.5%
Stock code/ISIN	EE3600018602	EE3600102372
Bloomberg code	TRICEAE ET	TRICEAC ET
Lipper code	65006724	68011005
Minimum subscription	n/a	none

Sharpe ratio (5 years)	0.43
Daily volatility (1 year)	12.0%

10 Largest Holdings

Company	Weight	Country	Sector
CEZ	7.2%	Czech Rep.	Utilities
Romgaz	6.3%	Romania	Energy
BRD	4.8%	Romania	Financials
PZU	4.6%	Poland	Financials
Alior Bank	4.6%	Poland	Financials
Tallink	4.4%	Estonia	Industrials
KRKA	4.3%	Slovenia	Health Care
Magyar Telekom	4.3%	Hungary	Telecom.
Erste Bank	4.1%	Austria	Financials
Opusse bond	4.0%	Hungary	Financials

*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. As of April 6th, 2009 it is not possible to subscribe to A units.

NAV movements can be followed in: Bloomberg, www.trigoncapital.com, www.morningstar.fi

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.

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Monthly Performance (Unit A)

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Annual	CAGR*	
2016	-5.7%	0.3%												2 years 0.1% 3 years 7.5% 5 years 6.8%	* Compound annual growth rate, i.e. average annualized performance of calendar years
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%		
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%		
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%		
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)	14.0%	14.6%	12.2%	12.0%	12.2%
Volatility (monthly)				11.5%	11.3%
Downside Risk Analysis					
Negative months/total	59/153	39%			
Worst calendar month	-27.7%				
Worst calendar quarter	-34.2%				
Upside Risk Analysis					
Positive months / total	94/153	61%			
Best calendar month	15.9%				
Best calendar quarter	29.9%				

Geographic Allocation

	Feb-16	Aug-15	Feb-15
Romania	23.7%	23.5%	23.8%
Poland	23.7%	26.0%	27.0%
Czech Rep.	12.6%	5.8%	9.5%
Austria	10.5%	7.5%	-
Hungary	9.2%	15.8%	9.7%
Estonia	7.9%	6.8%	9.3%
Slovenia	7.1%	7.7%	8.8%
Serbia	1.4%	2.0%	2.5%
Bulgaria	0.3%	1.0%	1.7%
Croatia	-	1.1%	-
Lithuania	-	-	2.2%
Cash	3.4%	2.9%	5.4%

Market Cap Allocation

Micro Cap (up to 150m EUR)	4.0%
Small Cap I (150 - 500m EUR)	14.1%
Small Cap II (500m - 1bn EUR)	15.5%
Mid Cap (1 - 3 bn EUR)	35.0%
Blue Chip (more than 3bn EUR)	28.0%

Monthly Return Contribution Analysis (Unit A)

Romania	0.8%	Energy	0.5%
Poland	0.7%	Telecoms	0.3%
Estonia	0.5%	Consumer	0.2%
Hungary	0.3%	IT	0.2%
Bulgaria	0.0%	Financials	0.1%
Serbia	-0.1%	Real Estate	0.1%
Austria	-0.2%	Industrials	0.0%
Slovenia	-0.3%	Health Care	0.0%
Czech Rep.	-1.2%	Utilities	-1.0%

Gross Performance 0.5% 0.5%

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Sector Allocation

	Feb-16	Aug-15	Feb-15
Financials	40.7%	34.2%	31.8%
Energy	13.1%	12.0%	12.2%
Utilities	12.3%	13.1%	14.8%
Industrials	9.0%	9.0%	8.3%
Consumer	7.9%	7.0%	14.4%
Health Care	4.3%	5.5%	4.6%
Telecoms	4.3%	5.0%	4.2%
IT	3.7%	2.6%	3.7%
Real estate	1.4%	4.4%	-
Materials	-	4.3%	0.5%
Cash	3.4%	2.9%	5.4%



Best Emerging
Europe Equity Fund
over 3 & 5 years
(2015)



Best Emerging
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over 3 & 5 years
(2015)



Best Emerging
Europe Equity Fund
over 3 & 5 years
(2015)



Best Emerging
Europe Equity Fund
over 3 years (2014)



Best Emerging
Europe Equity Fund
over 3 years
(2013 & 2014)



Best Emerging
Europe Equity Fund
over 3 years (2014)

Important Legal Information

Management Company: AS Trigon Funds

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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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