

## Trigon New Europe Fund

Fact Sheet | March 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

March saw a strong bounce in investor sentiment, while EM (emerging markets) outperformed DM (developed markets) by a wide margin. Global MSCI EM Index surged by a 8.0% in EUR terms compared to a meagre 1.9% increase in the S&P 500 and 1.1% increase in the DJ Stoxx 600. Emerging Europe was one of the strongest markets world-wide, posting a 9.9% jump in March. The Trigon New Europe Fund delivered a 6.6% return in the month, while continuing to underperform mainly due to lower commodity related equity exposure in the Fund. In one year terms, the Fund outperformed the benchmark index by 660 bps being down by 2.3% vs 8.9% drop in the index value.

After the recent rally and ahead of the dividend season, the weighted average dividend yield for the Fund portfolio stands at 5.7%. This includes two extraordinary dividend proposals, both from Romanian companies. If adjusted for these one-off dividends the average dividend yield would fall to 5.6% level. We feel comfortable with our highly cash-generative portfolio which offers a free cash-flow yield in the low double digit levels and we expect the segment to draw more attention in "dividend season".

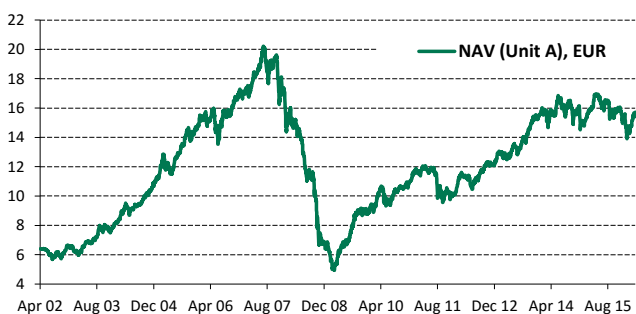
The New Europe region trades at an extremely wide 37% discount to Western Europe markets on P/B multiple basis, while mid-term ROE outlook is comparable. Also, the dividend yield that the regional equities offer is almost twice as high as in the Western Europe. The Trigon New Europe Fund's portfolio trades at 1.1x P/B value, 5.2x 2015E EV/EBITDA multiple and offers 5.8% dividend yield.

### Fund Facts

<b>Fund AUM:</b>	€55.3 mil
<b>Positions:</b>	33
<b>UCITS IV:</b>	Yes
<b>Auditor:</b>	PwC
<b>Depository:</b>	Swedbank
<b>Dealing:</b>	Daily (EUR)
<b>Domicile:</b>	Estonia
<b>Launch:</b>	Apr 10, 2002

### Performance (net of fees)

EUR



31-Mar-16	Unit A	Unit C	Benchmark*
Year-to-Date	0.8%	0.7%	5.6%
1 month	6.6%	6.6%	9.9%
3 months	0.8%	0.7%	5.6%
6 months	2.1%	1.8%	0.6%
1 year	-2.3%	-2.8%	-8.9%
2 years	1.0%	0.0%	-4.1%
3 years	24.6%	22.7%	6.1%
5 years	32.4%	29.1%	-11.4%
Since launch	145.9%	150.9%	n/a*
Launch of unit	10-Apr-02	08-Apr-09	n/a*

Fund Details	Unit A	Unit C
NAV in EUR	15.71	25.09
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)	0.51
Daily volatility (1 year)	12.2%

### 10 Largest Holdings

Company	Weight	Country	Sector
CEZ	7.8%	Czech Rep.	Utilities
Romgaz	6.0%	Romania	Energy
BRD	5.6%	Romania	Financials
PZU	4.8%	Poland	Financials
Erste Bank	4.7%	Austria	Financials
KRKA	4.3%	Slovenia	Health Care
Tallink	4.3%	Estonia	Industrials
Magyar Telekom	4.3%	Hungary	Telecom.
Vienna Insurance Group	4.2%	Austria	Financials
Opusse bond	3.9%	Hungary	Financials

### Geographic allocation

Romania	24.9%
Poland	24.3%
Czech Rep.	13.0%
Austria	10.2%
Hungary	8.1%
Estonia	7.8%
Slovenia	7.5%
Serbia	1.5%
Bulgaria	0.2%
Cash	2.2%

### Sector allocation

Financials	39.6%
Industrials	13.4%
Utilities	12.7%
Energy	10.2%
Consumer	8.1%
Health Care	4.3%
Telecoms	4.3%
IT	3.8%
Real Estate	1.4%
Cash	2.2%

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

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*	
2016	-5.7%	0.3%	6.6%												
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	0.1%
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	7.5%
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%	5 years	6.8%
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)	8.6%	14.8%	12.0%	12.2%	11.5%
Volatility (monthly)				13.5%	12.2%
<b>Downside Risk Analysis</b>					
Negative months/total	59/153	39%			
Worst calendar month	-27.7%				
Worst calendar quarter	-34.2%				
<b>Upside Risk Analysis</b>					
Positive months / total	94/153	61%			
Best calendar month	15.9%				
Best calendar quarter	29.9%				

## Geographic Allocation

	Mar-16	Sep-15	Mar-15
Romania	24.9%	24.0%	23.4%
Poland	24.3%	26.1%	27.3%
Czech Rep.	13.0%	5.5%	9.2%
Austria	10.2%	7.6%	-
Hungary	8.1%	16.3%	10.4%
Estonia	7.8%	6.7%	8.0%
Slovenia	7.5%	7.6%	8.0%
Serbia	1.5%	2.1%	2.0%
Bulgaria	0.2%	1.0%	1.5%
Croatia	-	1.1%	-
Lithuania	-	-	1.9%
Cash	2.2%	2.0%	8.4%

## Market Cap Allocation

Micro Cap (up to 150m EUR)	5.5%
Small Cap I (150 - 500m EUR)	17.9%
Small Cap II (500m - 1bn EUR)	10.7%
Mid Cap (1 - 3 bn EUR)	36.9%
Blue Chip (more than 3bn EUR)	26.7%

## Monthly Return Contribution Analysis (Unit A)

Poland	2.8%	Financials	2.0%
Czech Rep.	1.5%	Industrials	1.5%
Romania	1.5%	Utilities	1.2%
Estonia	0.4%	Energy	0.9%
Hungary	0.4%	Consumer	0.5%
Slovenia	0.3%	IT	0.4%
Serbia	0.1%	Telecoms	0.2%
Bulgaria	0.0%	Health Care	0.0%
Austria	-0.3%	Real Estate	0.0%

Gross Performance 6.8% 6.8%

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## Sector Allocation

	Mar-16	Sep-15	Mar-15
Financials	39.6%	36.0%	32.3%
Industrials	13.4%	8.7%	7.8%
Utilities	12.7%	13.3%	13.6%
Energy	10.2%	11.9%	11.7%
Consumer	8.1%	6.5%	11.1%
Health Care	4.3%	5.9%	4.1%
Telecoms	4.3%	5.0%	7.6%
IT	3.8%	2.7%	3.0%
Real estate	1.4%	4.2%	-
Materials	-	3.7%	0.5%
Cash	2.2%	2.0%	8.4%



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



Best Emerging  
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(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](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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