

## Trigon New Europe Fund

Fact Sheet | June 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 30-35 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

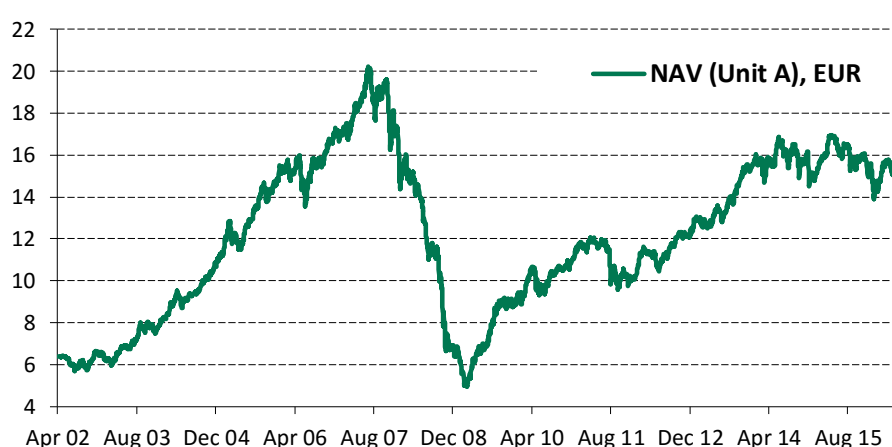
In June the unexpected happened. The willingness of the Brits to exit the European Union took financial markets by surprise and lead to a global sell-off in equities. The DJ EU Enlarged Index, a Benchmark for the New Europe region, declined by 2.2%, while the Trigon New Europe Fund lost 2.1%. The largest contributors to the Fund's negative performance were Austrian listed financials with CEE exposure. To put things into perspective, the Eurostoxx 600 Index slumped by 5.1% in June. In YTD terms, the Trigon New Europe Fund has lost 3.7% of its NAV.

The immediate impact from the Brexit vote to the Eastern Europe countries will be limited. The 10% slump in pound will have a negative impact on remittances and possibly lowers imports from the region, but the impact of this will be marginal. "Direct" exports to UK remains between 4-6% for CEE-4 countries (Poland, Hungary, Czech and Romania). Through remittances the most impacted country will be Poland with 650 000 expatriates working in UK as of Q4 2015, that is 4% of the country's working age population. Mid- and long-term impact remains highly uncertain subject to the new co-operation terms negotiated between Britain and EU, and also whether the funding gap for European transfers will be compensated by other programs, such as targeted infrastructure spending or something similar.

Despite the fact that Eastern European markets have outperformed Western European markets in YTD terms, the valuation gap remains at historically wide levels. New Europe region trades currently at a 37% discount to Western Europe markets on P/B multiple comparison, while the 10-year average discount is 27%. The lowest discount over the past 10 years has been 1%. The Trigon New Europe Fund portfolio offers a good value in current uncertain environment: trailing P/B of 1.0x, 2016E ROE of 11%, weighted average 2016E P/E ratio of 10.5x and 2016E EV/EBITDA of 5.1x. The weighted average dividend yield for the portfolio in 2016E and 2017E is 5.8% and 6.5%, respectively.

### Performance (net of fees)

EUR



30-Jun-16	Unit A	Unit C	Benchmark*
Year-to-Date	-3.7%	-4.0%	-3.8%
1 month	-2.1%	-2.1%	-2.2%
3 months	-4.5%	-4.7%	-8.8%
6 months	-3.7%	-4.0%	-3.8%
1 year	-6.6%	-7.1%	-15.0%
2 years	-9.3%	-10.2%	-13.3%
3 years	15.4%	13.6%	0.2%
5 years	26.6%	23.4%	-18.9%
Since launch	134.7%	139.2%	n/a*
Launch of unit	10-Apr-02	08-Apr-09	n/a*

Fund Details	Unit A	Unit C
NAV in EUR	14.9956	23.9215
12 months High	16.5728	26.5659
12 months Low	13.9155	22.2485
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)	13.9%

### 10 Largest Holdings

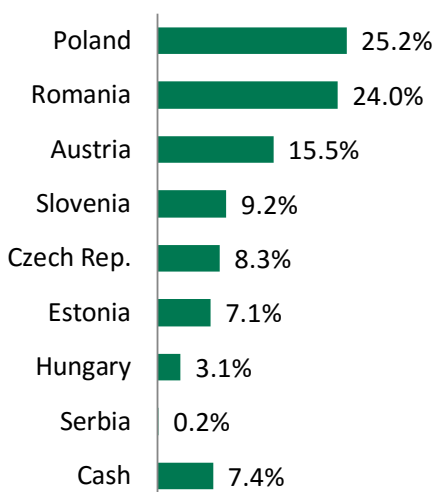
Company	Weight	Country	Sector
Erste Bank	6.9%	Austria	Financials
BRD	6.6%	Romania	Financials
PZU	6.1%	Poland	Financials
Romgaz	5.3%	Romania	Energy
Vienna Insurance Group	5.1%	Austria	Financials
Fondul Proprietatea	4.4%	Romania	Financials
KRKA	4.2%	Slovenia	Health Care
Luka Koper	4.1%	Slovenia	Industrials
Tallink	3.8%	Estonia	Consumer Discr.
Raiffeisen Bank	3.6%	Austria	Financials

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

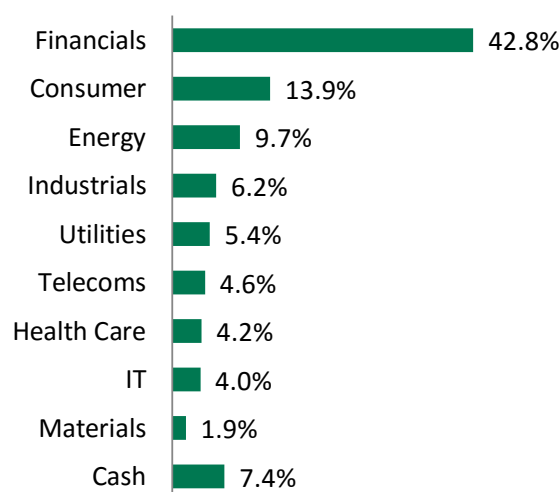
\*\*C units can be subscribed to as of April 6th, 2009. As of April 6th, 2009 it is not possible to subscribe to A units.

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

### 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.

**Trigon New Europe Fund**
**Fact Sheet | June 2016**
**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%	-1.5%	-1.1%	-2.1%									
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%	* Compound annual growth rate, i.e. average annualized performance of calendar years	
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%	-		
2001	-	-	-	-	-	-	-	-	-	-	-	-	-		

\*Performance net of fees

**Risk Management Report (Unit A)**

	1M	3M	6M	1Y	2Y
Volatility (daily)	26.3%	16.0%	15.4%	13.9%	12.4%
Volatility (monthly)				11.9%	11.7%
<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**

	Jun-16	Dec-15	Jun-15
Poland	25.2%	23.7%	21.6%
Romania	24.0%	21.2%	27.7%
Austria	15.5%	6.8%	5.6%
Slovenia	9.2%	7.2%	8.0%
Czech Rep.	8.3%	13.0%	11.9%
Estonia	7.1%	7.2%	6.8%
Hungary	3.1%	14.1%	12.8%
Serbia	0.2%	1.8%	2.1%
Bulgaria	-	0.8%	1.4%
Croatia	-	1.0%	1.3%
Cash	7.4%	3.5%	0.9%

**Market Cap Allocation**

Micro Cap (up to 150m EUR)	5.4%
Small Cap I (150 - 500m EUR)	18.6%
Small Cap II (500m - 1bn EUR)	15.1%
Mid Cap (1 - 3 bn EUR)	31.3%
Blue Chip (more than 3bn EUR)	22.2%

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

Romania	1.0%	Energy	0.5%
Bulgaria	0.0%	Utilities	0.3%
Serbia	0.0%	Telecoms	0.0%
Hungary	-0.1%	Consumer	-0.1%
Czech Rep.	-0.1%	IT	-0.1%
Estonia	-0.1%	Health Care	-0.1%
Slovenia	-0.1%	Industrials	-0.1%
Poland	-1.0%	Materials	-0.2%
Austria	-1.6%	Financials	-2.2%

**Gross Performance** -1.9% -1.9%

**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.

**Sector Allocation**

	Jun-16	Dec-15	Jun-15
Financials	42.8%	36.1%	36.2%
Consumer	13.9%	7.1%	9.0%
Energy	9.7%	15.5%	14.2%
Industrials	6.2%	8.5%	8.3%
Utilities	5.4%	14.6%	14.0%
Telecoms	4.6%	4.8%	5.0%
Health Care	4.2%	4.3%	5.3%
IT	4.0%	3.2%	2.9%
Materials	1.9%	-	0.5%
Real estate	-	2.4%	3.6%
Cash	7.4%	3.5%	0.9%


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

**Best Emerging Europe Equity Fund 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

**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 which the investors are expected to take into account are described in further detail in the prospectus of the fund. Information concerning the reference index or other reference basis of the fund is the basis for comparing the performance of the fund. It is advised to consult with professional tax and investment advisors, if necessary.

The report has been produced for informational purposes only. The information in this report is not an offer, recommendation or advice to conclude any transactions. The information can not be taken or interpreted as investment advice, investment recommendation or other investment or ancillary service. The information in this report is not an offer or invitation to buy or sell fund units or other securities and it can not be taken as legal or tax advice.

The information in this report reflects the best understanding of Trigon professionals at the time of composing the report. Upon changes in circumstances such understanding may change without any notification. The information contained in this report is, to the best knowledge and belief of Trigon professionals, correct and not misleading, however the information is largely based on the information disclosed by third parties who are, to the best knowledge of Trigon, reliable. Therefore Trigon, its employees and managers take no liability in case the information provided herein should appear to be incorrect or inaccurate. Certain statements in this report are forward-looking. Such forward looking statements and information are based on the personal beliefs or assumptions of Trigon professionals which are based on the information available to Trigon. Forward-looking statements reflect the views of Trigon professionals at the time of composing this report with respect to future events. Forward-looking statements are subject to certain risks, uncertainties and assumptions and many factors could cause the statements to change without any notification. Trigon does not guarantee that possible future events will come to pass. The information in this report is subject to changes without notice. Trigon assumes no liability as to any decisions made based on information contained in this report and as to any damages resulting from reliance on the information provided herein. Accordingly, undue reliance should not be placed by the investors on the information, incl forward-looking statements, contained herein.

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.

**Contact Information**

AS Trigon Funds  
Viru Square 2  
Tallinn 10111  
Estonia

Tel: +372 667 9200  
Fax: +372 667 9201  
[www.trigoncapital.com](http://www.trigoncapital.com)  
[funds@trigoncapital.com](mailto:funds@trigoncapital.com)

