

**Trigon New Europe Fund**
**Fact Sheet | March 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**

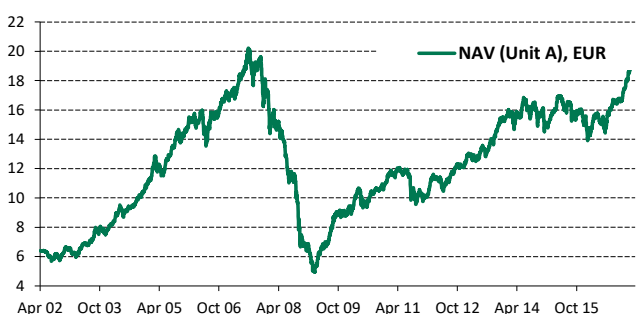
**Fund AUM:** €93.5 mil  
**Positions:** 43  
**UCITS IV:** Yes  
**Auditor:** PwC  
**Depository:** Swedbank  
**Dealing:** Daily (EUR)  
**Domicile:** Estonia  
**Launch:** Apr 10, 2002

**Fund Manager's Comments**

March was a 4th consecutive positive month for the Fund's performance. While the regional benchmark consolidated after strong rally in previous months, offering 0.1% return in March, the New Europe Fund gained 1.6%. In YTD terms the Fund is up by 10.1% compared to the benchmark index return of 11.6%. In 5-year terms the Fund has offered 69.6% return compared to 29.3% gain of the benchmark. The Fund trades at weighted average 2016E EV/EBITDA of 6.4x and the average dividend yield for both 2016E and 2017E is 4.9%.

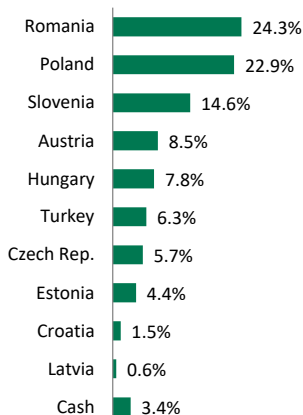
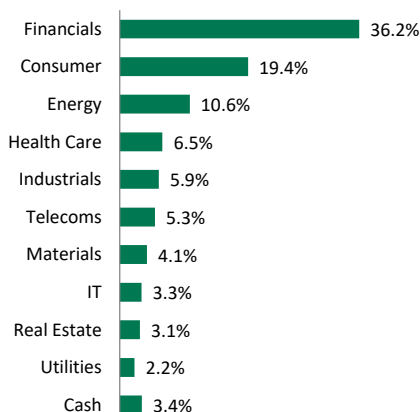
Economic sentiment in the region remains vibrant. ESI (Economic Sentiment Index) increased in three out of the CEE-4 economies in March. Polish ESI reached 6-year high backed by consumer confidence and industrial sector. That suggests possible upside to the 3% 2017E GDP growth forecast by the European Commission. ESI improved as well in Romania and Hungary, mainly also supported by strong consumption. In fact consumer confidence in Romania reached historical high in March. Considering 1Q data, Romania is well on track to deliver one of the highest growth rates in the region of 4.5% in 2017. Only market where ESI dropped was Czech Republic, where strong consumer reading could not make up for the declining sentiment in manufacturing sector. Despite of that, we currently see limited risk for the 2.7% GDP growth to be delivered in 2017.

The Romanian investment case which we have been highlighting for many years has started to play out in the beginning of 2017. Romanian BET Index is up 13.7% in EUR terms, second best performing country in the region after Poland. Romanian banks, but especially BRD bank, offer strong earning dynamics in coming years backed by ongoing CoR reduction and improving loan volumes. Also yield curve steepening is helpful, offering possible NIM improvement in foreseeable future. Non-banking exposure in Romania is trading at one of the lowest EV/EBITDA multiples in the world at 3.1x as at the end of March 2017. That is mainly due to the huge cash-piles that most of the state-owned companies keep on their balance-sheets. In March, Romanian parliament approved an extraordinary ordinance, allowing these companies to pay one-off dividends to improve their balance-sheet structure. The exact amounts demanded by the main shareholder remains unknown as of now, but theoretically the dividend yields could be increased from the current proposed range of 4.8% - 14.8% to the range of 15% - 58% of the market cap. Romania is the most over-weighted country in our portfolio.

**Performance (net of fees)**
**EUR**


31-Mar-17	Unit A	Unit C	Benchmark*
Year-to-Date	10.1%	10.0%	11.6%
1 month	1.6%	1.6%	0.1%
3 months	10.1%	10.0%	11.6%
6 months	17.1%	16.8%	20.5%
1 year	23.1%	22.4%	17.9%
2 years	20.3%	19.0%	7.4%
3 years	24.3%	22.4%	13.1%
5 years	69.6%	65.3%	29.3%
Since launch	202.6%	207.3%	n/a*
Launch of unit	10-Apr-02	08-Apr-09	n/a*

Fund Details	Unit A	Unit C
NAV in EUR	19.3345	30.7265
12 months High	19.5676	31.1017
12 months Low	14.4300	23.0203
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)	1.08	
Daily volatility (1 year)	10.3%	

**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.

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).

\*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*	
2017	5.7%	2.5%	1.6%												
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)	6.9%	7.3%	6.9%	10.3%	11.3%
Volatility (monthly)				9.4%	11.9%

**Downside Risk Analysis**

Negative months/total	70/180	39%			
Worst calendar month	-27.7%				
Worst calendar quarter	-34.2%				

**Upside Risk Analysis**

Positive months / total	110/180	61%			
Best calendar month	15.9%				
Best calendar quarter	29.9%				

**Market Cap Allocation**

Micro Cap (up to 150m EUR)	3.0%
Small Cap I (150 - 500m EUR)	20.2%
Small Cap II (500m - 1bn EUR)	10.8%
Mid Cap (1 - 3 bn EUR)	39.4%
Blue Chip (more than 3bn EUR)	23.1%

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

Romania	1.1%	Energy	0.5%
Austria	0.5%	Financials	0.4%
Turkey	0.3%	Consumer	0.2%
Poland	0.2%	Materials	0.2%
Czech Rep.	0.0%	Real Estate	0.1%
Latvia	0.0%	IT	0.1%
Estonia	0.0%	Utilities	0.1%
Croatia	-0.1%	Health Care	0.1%
Slovenia	-0.1%	Industrials	0.0%
Hungary	-0.1%	Telecoms	-0.1%

**Gross Performance** 1.8% 1.8%

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**Geographic Allocation**

	Mar-17	Sep-16	Mar-16
Romania	24.3%	22.4%	24.9%
Poland	22.9%	29.2%	24.3%
Slovenia	14.6%	12.7%	7.5%
Austria	8.5%	10.4%	10.2%
Hungary	7.8%	7.0%	8.1%
Turkey	6.3%	-	-
Czech Rep.	5.7%	7.7%	13.0%
Estonia	4.4%	6.5%	7.8%
Croatia	1.5%	-	-
Latvia	0.6%	-	-
Serbia	-	-	1.5%
Bulgaria	-	-	0.2%
Cash	3.4%	4.1%	2.2%

**Sector Allocation**

	Mar-17	Sep-16	Mar-16
Financials	36.2%	36.7%	39.6%
Consumer	19.4%	19.4%	8.1%
Energy	10.6%	11.3%	10.2%
Health Care	6.5%	4.4%	4.3%
Industrials	5.9%	6.1%	13.4%
Telecoms	5.3%	9.2%	4.3%
Materials	4.1%	2.2%	-
IT	3.3%	2.4%	3.8%
Real estate	3.1%	-	1.4%
Utilities	2.2%	4.3%	12.7%
Cash	3.4%	4.1%	2.2%


**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](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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