

Trigon New Europe Fund
Fact Sheet | February 2019
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 30-40 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: €117.3 mil
Positions: 40
UCITS IV: Yes
Auditor: PwC
Depository: DZ PRIVATBANK
Dealing: Daily
Domicile: Luxembourg
Launch: Apr 10, 2002

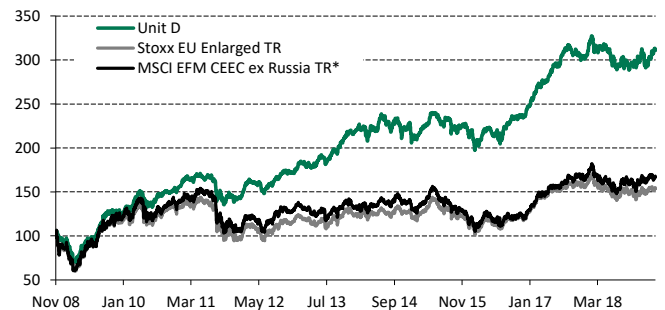
Fund Manager's Comments

In February, world markets continued in a positive mood, backed by the hopes of US-China trade deal and decreasing "risk" of rate hikes by the FED in 2019. Markets in New Europe region were less enthusiastic – regional index declined by 1.3% in euro terms, partially driven by drop in Polish financials. Trigon New Europe Fund performed much better, advancing by 2.9% during the month, 412 bps ahead of the regional benchmark. In YTD terms, the Fund is up by 6.1% vs 3.1% of the index return. In 5 and 10 years, the Fund has outperformed the benchmark index by 20.9% and 172.6%.

The tax saga in Romania took a more positive turn in February. New sector taxes that were planned with the extraordinary ordinance at the end of 2018, are being reviewed and potentially softened significantly. For example, latest news on the banking tax implies possibly 75% cut in the tax compared to the initial version. If true, BRD bank, the top holding in the Fund would be trading at 6.0x 2019 earnings multiple and offer 12.0% dividend yield. Based on 2018 earnings, which were released in February and beat analyst's forecasts 3rd year in a row by a wide margin, the bank is trading at 4.8x earnings and will pay 14.5% dividend yield in early May. In February, we spent one week in Romania, meeting company managements and industry specialists in order to form a better opinion on the possible tax implications. We are on the opinion that Romania continues to offer one of the best value in the region. The Fund had 22.2% allocation to Romania at the end of February, up by 2.0% compared to end of the January levels.

GDP growth showed strong resilience in Q4 2018 despite of strong headwinds from Western European neighbours, including Germany, the largest trade partner for our region. GDP growth was strong in Hungary and Czech Republic, coming respectively at 5.1% (5.1% in 3Q 2018) and 2.8% (2.5%) in yoy terms. In Poland, Romania and Slovenia yoy growth levels deteriorated from high base, in Poland to 4.9% from 5.1%, in Romania to 4.1% from 4.2% and in Slovenia to 4.1% from 4.8% level a quarter before.

Trigon New Europe Fund's portfolio trades on a weighted average of 10.4x 2019E earnings and 6.1x EV/EBITDA 2018E, multiples that cannot be considered demanding at current interest rate environment. Fund holdings offer a weighted average dividend yield of 6.4% on 2018E earnings backed by double-digit free cash-flow generation and over-capitalized balance-sheets.

Performance (%) since strategy launch (net of fees)


28-Feb-19	Unit D	Unit E	Benchmark*
Year-to-Date	6.1%	6.0%	3.1%
1 month	2.9%	2.8%	-1.3%
3 months	0.6%	0.5%	0.8%
6 months	4.5%	4.3%	0.8%
1 year	-1.1%	-0.8%	-0.8%
2 years	15.4%	13.5%	13.5%
3 years	49.0%	45.6%	42.6%
5 years	38.9%	35.7%	18.0%
Since launch	243.5%	246.1%	15.0%
Launch of unit	10.04.02	08.04.09	n/a*

Fund Details	Unit B	Unit D	Unit E
NAV	98.2400	21.9500	34.6100
12 months High	100.2000	22.4100	35.5500
12 months Low	90.7600	20.3700	32.1700
Management fee	0.75%	Up to 1.5%	Up to 2%
Performance fee	15% of return exceeding the Benchmark*	none	none
Subscription fee**	none	none	none
Redemption fee	none	none	none
ISIN	LU1687402633	LU1687403102	LU1687403367
Bloomberg code	TRICLBE LX	TRICLDE LX	TRICLEE LX
Lipper code	68481936	68481091	68481092
Min. subscription	€5 mil	€1 mil	No min.
Sharpe ratio (5 years)	0.66		
Daily volatility (1 year)	10.4%		

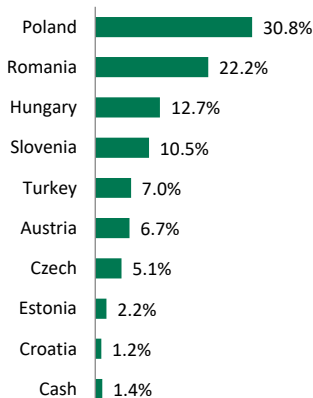
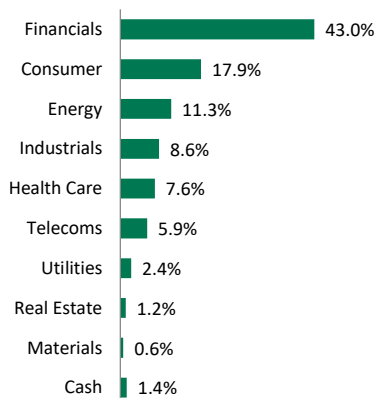
To receive the breakdown of the Fund's holdings or any other additional information, please send a request to funds@trigoncapital.com.

28-Feb-19	Unit A (EUR)	Unit A (USD)	Unit B
Year-to-Date	6.2%	-	5.8%
1 month	2.9%	2.1%	2.5%
3 months	-	-	0.7%
6 months	-	-	4.6%
1 year	-	-	-
2 years	-	-	-
3 years	-	-	-
5 years	-	-	-
Since launch	-0.4%	2.1%	-1.8%
Launch of unit	05.12.18	31.01.19	18.04.18

*The benchmark index, MSCI EFM CEEC ex Russia TR (EUR), was created on February 2nd, 2008.

**E units (old C unit) can be subscribed to as of April 6th, 2009. D units (old A unit) are again available as of September 1st, 2017.

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

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. Please refer to the important legal notice on the last page of this report.

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Monthly Performance (Unit D)

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Annual	CAGR*	
2019	3.2%	2.9%													
2018	4.1%	-2.7%	-1.1%	-0.5%	-5.3%	0.0%	2.9%	-1.3%	-0.6%	-1.0%	5.6%	-5.2%	-5.7%		
2017	5.7%	2.5%	1.6%	2.9%	4.2%	-0.2%	5.4%	2.2%	-2.7%	0.3%	-1.6%	2.5%	24.9%		
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	8.5%
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	9.9%
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	5.9%
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 D)

	1M	3M	6M	1Y	2Y
Volatility (daily)	8.8%	11.5%	10.4%	10.4%	9.1%
Volatility (monthly)				11.3%	10.5%

Downside Risk Analysis

Negative months/total	82/203	40%
Worst calendar month	-27.7%	
Worst calendar quarter	-34.2%	

Upside Risk Analysis

Positive months / total	121/203	60%
Best calendar month	15.9%	
Best calendar quarter	29.9%	

Market Cap Allocation

Micro Cap (up to 150m EUR)	1.1%
Small Cap I (150 - 500m EUR)	12.7%
Small Cap II (500m - 1bn EUR)	9.0%
Mid Cap (1 - 3 bn EUR)	32.2%
Blue Chip (more than 3bn EUR)	43.4%


Geographic Allocation

	Feb-19	Aug-18	Feb-18
Poland	30.8%	27.5%	26.7%
Romania	22.2%	27.7%	20.5%
Hungary	12.7%	11.6%	6.8%
Slovenia	10.5%	11.2%	12.0%
Turkey	7.0%	6.7%	9.1%
Austria	6.7%	3.2%	5.3%
Czech	5.1%	-	6.9%
Estonia	2.2%	4.9%	3.7%
Croatia	1.2%	1.6%	1.6%
Latvia	-	-	0.4%
Cash	1.4%	5.7%	7.0%

Sector Allocation

	Feb-19	Aug-18	Feb-18
Financials	43.0%	45.8%	43.0%
Consumer	17.9%	12.4%	6.5%
Energy	11.3%	13.2%	11.8%
Industrials	8.6%	3.3%	6.0%
Health Care	7.6%	10.3%	4.6%
Telecoms	5.9%	4.4%	4.3%
Utilities	2.4%	2.1%	1.9%
Real estate	1.2%	-	2.5%
Materials	0.6%	2.8%	8.6%
Other	0.2%	-0.1%	-
IT	-	-	3.6%
Cash	1.4%	5.7%	7.0%

Fund Details	Unit A (EUR)	Unit A (USD)
NAV	99.5900	102.1400
12 months High	100.3500	102.5500
12 months Low	93.1700	93.1700
Management fee	0.80%	0.80%
Performance fee	none	none
Subscription fee**	none	none
Redemption fee	none	none
ISIN	LU1687402393	LU1687402476
Bloomberg code	TRICLAE LX	TRICLAU LX
Lipper code	68481933	68481934
Min. subscription	€15 mil	\$15 mil

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Signatory of:



Important Legal Information

Fund Manager: 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. Further information as well as contacts for local representatives/agents in the countries where the Fund has Public marketing license can be obtained from the Company.

Additional information for Swiss clients: The extract prospectus (edition for Switzerland), the Key Investors Information Documents, the annual and semi-annual report, in German, and further information can be obtained free of charge from the representative in Switzerland: IPConcept (Schweiz) AG, Münsterhof 12, Postfach, CH-8022 Zurich, Switzerland, tel.: + 41 44 224 32 00, fax: + 41 44 224 32 28, web: www.ipconcept.com. The Swiss paying agent is: DZ PRIVATBANK (Schweiz) AG, Münsterhof 12, Postfach, CH-8022 Zürich.

The fund manager is supervised by Estonian Financial Supervision Authority.

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