

**Trigon New Europe Fund**
**Fact Sheet | March 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:** €114.8 mil  
**Positions:** 40  
**UCITS IV:** Yes  
**Auditor:** PwC  
**Depository:** DZ PRIVATBANK  
**Dealing:** Daily  
**Domicile:** Luxembourg  
**Launch:** Apr 10, 2002

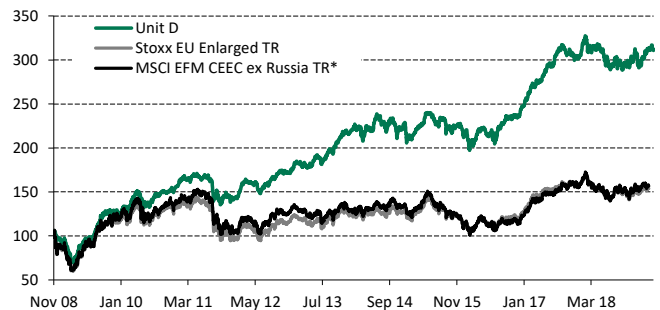
**Fund Manager's Comments**

In March, Eastern European markets continued to lag to the upbeat mood in the world markets. Fund's previous, more broad based benchmark (Stoxx EU Enlarged TR Index) was up by 0.4% in a month, less than the 2.3% return of the MSCI EM TR Index representing emerging markets and also less than the Stoxx Europe 600 TR Index (Western European markets) which gained 2.1%. Trigon New Europe Fund was flat during the month despite of being negatively impacted by its off-benchmark exposure to Turkey. Turkish index dropped by 12.9% in EUR in March, subject to volatility ahead of local elections. In YTD terms, the Fund is up by 6.1%, 270 bps ahead of its regional benchmark (MSCI EFM CEEC ex Russia TR Index). In 5 and 10 years, the Fund has outperformed the benchmark index by 21.2% and 165.8%.

In March, we spent one week in Turkey meeting with 27 companies from different sectors and industries. Economic downturn was visible with many residential projects seemingly halted and cranes standing idle next to construction sights. Majority of companies are focusing on deleveraging on the back of prevailing high interest rate environment and currency volatility in the country. A number of companies were also highlighting the need to pass the increased salary and energy costs to product prices, but only after municipality elections. That said, there are companies in Turkey with strong balance sheets and resilient business models which are indifferent to these issues or where stock prices seem to discount the domestic macro and political issues. We used the sharp sell-off triggered by municipality elections in March to add to our Turkish positions.

Trigon New Europe Fund offers exposure to one of the "cheapest" countries in the world: Slovenia, Romania and Turkey are all trading at single digit earnings multiple, respectively at 8.7x, 6.7x and 6.7x 2018 earnings. EV/EBITDA wise the same countries trade at 5.6x multiple in Turkey, 4.7x in Slovenia and 4.2x in Romania. Total exposure of the Fund to these countries is at 40.7% with the highest exposure to Romania.

Trigon New Europe Fund's portfolio trades on a weighted average of 10.3x 2019E earnings and 5.7x EV/EBITDA 2018E, multiples that cannot be considered demanding at current interest rate environment. Fund holdings offer a weighted average dividend yield of 6.5% on 2018E earnings backed by double-digit free cash-flow generation and over-capitalized balance-sheets.

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


	Unit D	Unit E	Benchmark*
<b>31-Mar-19</b>			
Year-to-Date	6.1%	6.0%	3.4%
1 month	0.0%	-0.1%	0.3%
3 months	6.1%	6.0%	3.4%
6 months	5.1%	4.9%	2.0%
1 year	-0.1%	-0.4%	4.2%
2 years	13.5%	12.6%	14.0%
3 years	39.7%	38.3%	28.2%
5 years	41.1%	36.4%	19.9%
Since launch	243.3%	245.9%	15.4%
Launch of unit	10.04.02	08.04.09	n/a*

Fund Details	Unit B	Unit D	Unit E
<b>NAV</b>	<b>98.2800</b>	<b>21.9400</b>	<b>34.5900</b>
12 months High	100.2800	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)	0.70		
Daily volatility (1 year)	10.3%		

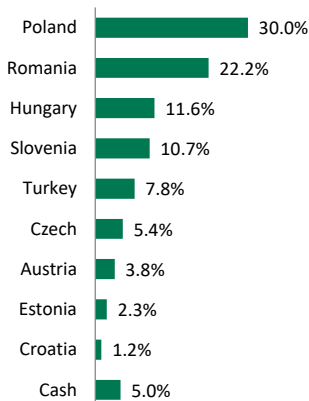
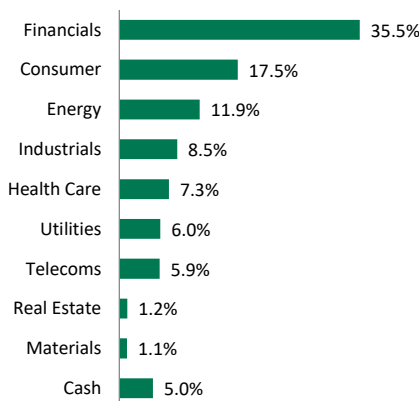
To receive the breakdown of the Fund's holdings or any other additional information, please send a request to [funds@trigoncapital.com](mailto:funds@trigoncapital.com).

	Unit A (EUR)	Unit A (USD)	Unit B
<b>31-Mar-19</b>			
Year-to-Date	6.2%	-	5.9%
1 month	0.0%	-1.4%	0.0%
3 months	6.2%	-	5.9%
6 months	-	-	5.2%
1 year	-	-	-
2 years	-	-	-
3 years	-	-	-
5 years	-	-	-
Since launch	-0.4%	0.7%	-1.7%
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](http://www.trigoncapital.com), [www.morningstar.fi](http://www.morningstar.fi), [www.ipconcept.com](http://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](http://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%	0.0%												
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)	7.0%	8.7%	10.2%	10.3%	9.1%
Volatility (monthly)				11.2%	10.4%

**Downside Risk Analysis**

Negative months/total	83/204	41%
Worst calendar month	-27.7%	
Worst calendar quarter	-34.2%	

**Upside Risk Analysis**

Positive months / total	121/204	59%
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)	13.1%
Small Cap II (500m - 1bn EUR)	6.2%
Mid Cap (1 - 3 bn EUR)	33.4%
Blue Chip (more than 3bn EUR)	41.2%


**Geographic Allocation**

	Mar-19	Sep-18	Mar-18
Poland	30.0%	27.8%	28.0%
Romania	22.2%	27.5%	21.4%
Hungary	11.6%	12.4%	7.7%
Slovenia	10.7%	10.5%	11.7%
Turkey	7.8%	6.5%	9.2%
Czech	5.4%	-	5.4%
Austria	3.8%	3.2%	5.9%
Estonia	2.3%	4.6%	3.5%
Croatia	1.2%	1.6%	1.6%
Cash	5.0%	5.8%	5.7%

**Sector Allocation**

	Mar-19	Sep-18	Mar-18
Financials	35.5%	44.5%	43.8%
Consumer	17.5%	12.9%	6.8%
Energy	11.9%	13.5%	13.1%
Industrials	8.5%	4.1%	4.1%
Health Care	7.3%	10.0%	5.5%
Utilities	6.0%	2.1%	2.8%
Telecoms	5.9%	4.4%	4.2%
Real estate	1.2%	-	2.2%
Materials	1.1%	2.7%	8.8%
Other	-	0.0%	-
IT	-	-	3.1%
Cash	5.0%	5.8%	5.7%

Fund Details	Unit A (EUR)	Unit A (USD)
NAV	99.6100	100.7200
12 months High	101.5500	103.8700
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](http://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](http://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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