

**Trigon New Europe Fund**

Fact Sheet | April 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**

<b>Fund AUM:</b>	€111.5 mil
<b>Positions:</b>	37
<b>UCITS IV:</b>	Yes
<b>Auditor:</b>	PwC
<b>Depository:</b>	DZ PRIVATBANK
<b>Dealing:</b>	Daily
<b>Domicile:</b>	Luxembourg
<b>Launch:</b>	Apr 10, 2002

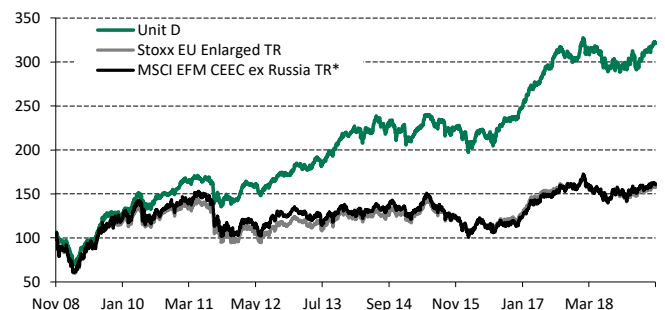
**Fund Manager's Comments**

In April, Eastern European markets had another month of lacklustre performance compared to world markets. Fund's previous, more broad based benchmark (Stoxx EU Enlarged TR Index) was up by 1.3% 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 3.8%. Trigon New Europe Fund strongly outperformed its regional benchmark, adding 3.4% in euro terms in the month despite of having exposure to Turkey, where index lost 3.5% in euro terms. In YTD terms, the Fund is up by 9.7%, 491 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 23.4% and 162.3%.

Another day, another discussion over special bank tax. This time it is in Czech Republic. As a reminder, banks have some sort of sector specific taxes already in place in Hungary, Austria, Poland, Estonia, Latvia, Slovakia, Slovenia and Romania. Introduction of a bank tax has been voiced in Czech Republic over a number of years, but till recently, Czech Prime Minister Babis strongly opposed the idea. Now, spearheaded by its junior coalition partner Social Democrats, this idea seems to be back on the table. As all major banks are owned by foreigners, budget financing need is on the rise, and Babis might need to please Social Democrats in order to keep the coalition together, the risk for an additional tax has never been higher. The Fund has 3.7% exposure to Kommerční Banka, which trades at 11.5x earnings and offers 5.8% dividend yield.

Dividend season in Eastern Europe started in April and will peak in coming two month period. Our Fund holdings will pay a weighted average of 6.5% dividend yield on 2018 earnings, which should highlight the attractiveness of the region and our investment portfolio. Highest dividends are offered by Romanian holdings, which will deliver close to 12% dividend yield.

Trigon New Europe Fund's portfolio trades on a weighted average of 10.7x 2019E earnings (pre-dividend) and 5.6x EV/EBITDA 2019E, multiples that cannot be considered demanding at current interest rate environment. Fund holdings offer a weighted average dividend yield of 6.5% on 2018 earnings backed by double-digit free cash-flow generation and strong balance-sheets.

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


30-Apr-19	Unit D	Unit E	Benchmark*
Year-to-Date	9.7%	9.5%	4.8%
1 month	3.4%	3.4%	1.3%
3 months	6.3%	6.2%	0.4%
6 months	9.8%	9.5%	9.1%
1 year	3.8%	3.5%	3.2%
2 years	14.0%	13.1%	8.4%
3 years	46.6%	44.7%	37.0%
5 years	45.3%	41.9%	21.8%
Since launch	255.1%	257.5%	16.9%
Launch of unit	10.04.02	08.04.09	n/a*

Fund Details	Unit B	Unit D	Unit E
<b>NAV</b>	<b>101.5600</b>	<b>22.6900</b>	<b>35.7500</b>
12 months High	102.2500	22.8200	35.9600
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)	0.75		
Daily volatility (1 year)	10.1%		

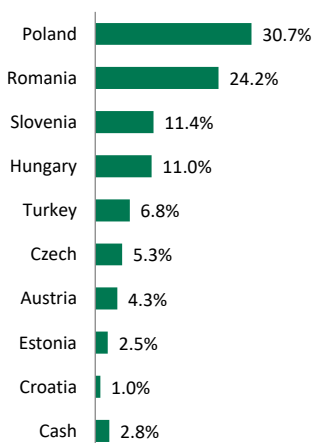
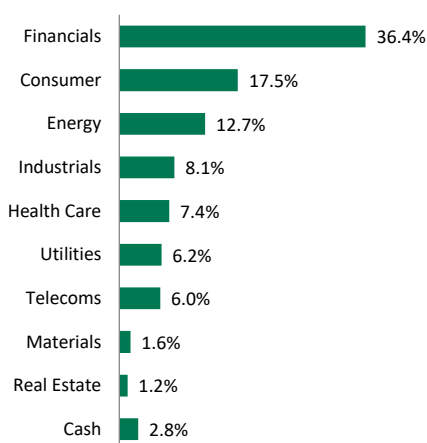
To receive the breakdown of the Fund's holdings or any other additional information, please send a request to [funds@trigoncapital.com](mailto:funds@trigoncapital.com).

30-Apr-19	Unit A (EUR)	Unit A (USD)	Unit B
Year-to-Date	9.9%	-	9.4%
1 month	3.4%	3.6%	3.3%
3 months	6.5%	4.3%	6.0%
6 months	-	-	10.2%
1 year	-	-	4.2%
2 years	-	-	-
3 years	-	-	-
5 years	-	-	-
Since launch	3.0%	4.3%	1.6%
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.

## Trigon New Europe Fund

Fact Sheet | April 2019

## 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%	3.4%											
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)	6.2%	7.3%	9.9%	10.1%	9.1%
Volatility (monthly)				11.7%	10.5%

## Downside Risk Analysis

Negative months/total	83/205	40%
Worst calendar month	-27.7%	
Worst calendar quarter	-34.2%	

## Upside Risk Analysis

Positive months / total	122/205	60%
Best calendar month	15.9%	
Best calendar quarter	29.9%	

## Market Cap Allocation

Micro Cap (up to 150m EUR)	1.2%
Small Cap I (150 - 500m EUR)	12.2%
Small Cap II (500m - 1bn EUR)	9.1%
Mid Cap (1 - 3 bn EUR)	35.1%
Blue Chip (more than 3bn EUR)	39.5%



## Geographic Allocation

	Apr-19	Oct-18	Apr-18
Poland	30.7%	31.4%	32.5%
Romania	24.2%	23.8%	23.5%
Slovenia	11.4%	9.8%	10.7%
Hungary	11.0%	14.3%	8.6%
Turkey	6.8%	7.1%	4.5%
Czech	5.3%	-	2.8%
Austria	4.3%	3.9%	3.9%
Estonia	2.5%	2.1%	3.2%
Croatia	1.0%	1.4%	1.4%
Cash	2.8%	6.2%	8.9%

## Sector Allocation

	Apr-19	Oct-18	Apr-18
Financials	36.4%	45.4%	45.5%
Consumer	17.5%	16.0%	6.2%
Energy	12.7%	10.3%	14.1%
Industrials	8.1%	3.9%	3.0%
Health Care	7.4%	9.3%	6.6%
Utilities	6.2%	1.9%	2.7%
Telecoms	6.0%	4.4%	3.8%
Materials	1.6%	2.7%	6.4%
Real estate	1.2%	-	-
Other	-	0.0%	-
IT	-	-	2.8%
Cash	2.8%	6.2%	8.9%

Fund Details	Unit A (EUR)	Unit A (USD)
NAV	103.0400	104.3000
12 months High	103.6200	105.0100
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.

**Contact Information**

AS Trigon Asset Management  
Pärnu mnt. 18  
Tallinn 10141  
Estonia

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

