

**Trigon Russia Top Picks Fund**
**Fact Sheet | May 2019**
**Overview**

Trigon Russia Top Picks Fund invests into securities traded on the global regulated markets with a Russian market focus. The Fund's portfolio consists of approximately 25 different securities that are deemed as most attractively valued by our investment team.

When making our investments, we seek a beneficial risk-return relationship, taking into account fundamental indicators as well as opportunities based on technical analysis and the inefficiencies of the region's stock markets.

**Fund Facts**

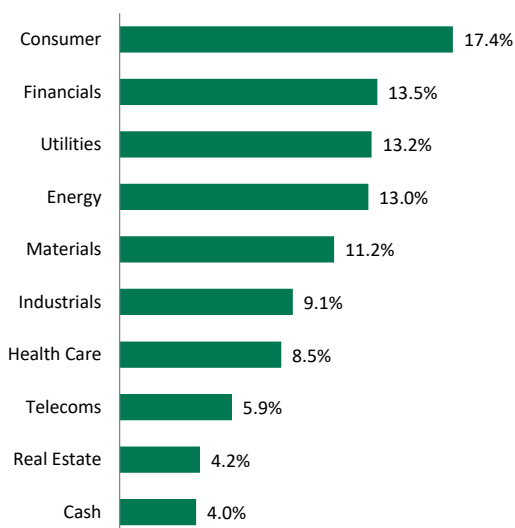
<b>Fund AUM:</b>	€4.4 mil
<b>Positions:</b>	22
<b>UCITS IV:</b>	Yes
<b>Auditor:</b>	PwC
<b>Depository:</b>	Swedbank
<b>Dealing:</b>	Daily
<b>Domicile:</b>	Estonia
<b>Launch:</b>	Feb 14, 2006

**Fund Manager's Comments**

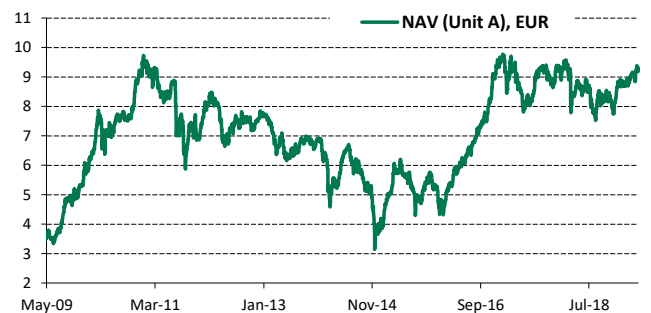
Global markets around the world sold off sharply in May as risk of escalation of a trade war has become real. MSCI World TR and MSCI EM TR indices were down by -5.3% and -6.7% respectively. Russian market outperformed most of its peers with MSCI Russia TR rising +4.1% and Trigon Russia Top Picks Fund +1.0%. In May 2019, Trigon Russia Top Picks Fund celebrated its 10-year anniversary. The Fund is up by 155.8%, strongly outperforming the benchmark by 72.3%.

Russian rouble corrected -0.7% in May, but remained +8.7% YTD against euro, offering one of the strongest performances this year. May had a historic event for the Russian stock market in general, as Russia's one of the largest and cheapest companies Gazprom was re-rated by 30.6%. Gazprom rallied on a surprisingly high dividend recommendation for 2018, as well as company's intention to change the dividend policy to gradually increase the dividend pay-out to the 50% target of IFRS net income. The market has also repriced the corporate governance risk in the company. We have been expecting the news, as Gazprom's huge capex programme was ending with 3 pipelines ready at the end of 2019. Also management changes hinted on some efficiency measures going on. The Fund held Gazprom at close to allowed 10% level and had to decrease the weight because of the stock rally. Gazprom's high weighting in the index (18%) was the main reason for the index strong rally.

Looking forward, Russian market looks particularly compelling given its underperformance, value, and the current oil price level. Russian stocks retain one of the highest dividend yields and lowest P/E ratios of any major emerging market. Russian companies have substantially increased their dividend pay-outs over time from 15% to current 45-50%. MSCI Russia's estimated P/E ratio for 2019 is now 5.3x and dividend yield of 6.9%. Trigon Russia Top Picks Fund portfolio is trading at a weighted average of 5.9x expected earnings for 2019 and 9.0% dividend yield.

**Sector allocation**

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

EUR



31-May-19	Unit A	Unit D	Benchmark*
Year-to-Date	18.5%	18.6%	24.1%
1 month	1.0%	1.0%	4.1%
3 months	5.4%	5.5%	10.8%
6 months	9.4%	9.6%	18.6%
1 year	6.6%	6.9%	22.9%
2 years	7.4%	8.2%	42.9%
3 years	52.7%	48.5%	66.1%
5 years	47.9%	40.3%	49.3%
Since launch	43.7%	15.4%	10.3%
Launch of unit	14-Feb-06	31-Aug-11	14-Feb-06

Fund Details	Unit A	Unit D
<b>NAV in EUR</b>	<b>9.1848</b>	<b>11.5394</b>
12 months High	9.3841	11.7891
12 months Low	7.5287	9.4406
Management fee, annual	Up to 1%	0.75%
Performance fee	none	20% of return exceeding the Benchmark*
Subscription fee**	none	none
Redemption fee	none	none
Stock code/ISIN	EE3600080297	EE3600109336
Bloomberg code	TRINETP ET	TRINETD ET
Minimum subscription	€1 mil	No min.

Sharpe ratio (5 years)	0.33
Daily volatility (1year)	16.3%

(Detailed information about Unit C can be found on the next page.)

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).

**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.

\* Benchmark Index: MSCI Russia Daily Net TR EUR. Source: Bloomberg.

\*\* D units can be subscribed to as of August 8th, 2011. Calculation of the performance fee has commenced after the launch of D unit at a nominal price of 10 EUR per share. As of September 1st, 2017 it is again 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)

## Trigon Russia Top Picks Fund

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## Monthly Performance (Unit A)

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Annual	CAGR*		
2019	13.6%	-1.0%	-0.1%	4.5%	1.0%											
2018	6.0%	1.1%	-3.4%	-7.6%	2.3%	-0.6%	1.9%	-9.7%	8.0%	-1.9%	0.5%	-7.6%	-12.0%			
2017	4.0%	-3.3%	3.5%	-0.7%	-9.1%	-6.5%	0.3%	10.8%	4.6%	-0.7%	-3.6%	-1.0%	-3.2%			
2016	-6.5%	1.9%	9.8%	8.2%	2.7%	4.5%	2.9%	7.3%	5.3%	4.7%	8.2%	10.0%	75.9%			
2015	6.4%	24.3%	7.2%	10.5%	4.7%	-5.7%	-6.2%	-6.9%	-1.6%	12.2%	4.3%	-8.9%	41.7%			
2014	-10.1%	-5.6%	-7.4%	-2.6%	17.1%	5.5%	-7.1%	-4.2%	-2.0%	-5.4%	-9.2%	-25.6%	-47.3%			
2013	0.6%	-1.2%	-6.0%	-6.6%	-0.1%	-5.0%	0.1%	2.3%	4.7%	2.0%	-2.5%	3.2%	-8.8%	2 years	-7.7%	
2012	14.5%	5.5%	-3.0%	-1.6%	-13.9%	2.1%	5.4%	-1.0%	2.9%	-0.8%	-2.6%	4.3%	9.8%	3 years	14.4%	
2011	3.3%	-0.6%	-0.7%	-7.6%	-0.2%	-1.9%	5.0%	-13.9%	-15.0%	14.7%	1.6%	-7.2%	-23.4%	5 years	2.3%	
2010	10.4%	5.9%	13.0%	7.1%	-5.2%	2.8%	2.6%	1.2%	0.7%	-0.4%	14.7%	3.3%	70.0%			
2009	-8.7%	-9.1%	7.2%	15.7%	7.2%	-2.1%	4.3%	11.0%	19.4%	-2.5%	4.7%	7.1%	63.2%			
2008	-13.9%	-0.9%	-0.6%	-5.7%	2.1%	-7.2%	-0.1%	-1.9%	-25.5%	-29.9%	-1.4%	-4.8%	-63.6%			
2007	0.4%	3.6%	7.6%	5.4%	3.8%	5.4%	0.2%	0.4%	-1.7%	3.7%	-10.8%	3.4%	22.3%			
2006	-	1.2%	1.7%	2.4%	-9.0%	3.0%	7.1%	-1.1%	2.9%	4.2%	1.5%	0.5%	-			

\*Performance net of fees

\* Compound annual growth rate, i.e. average annualized performance of calendar

## Risk Management Report (Unit A)

	1M	3M	6M	1Y	2Y
Volatility (daily)	14.3%	11.6%	13.3%	16.3%	18.2%
Volatility (monthly)				21.5%	19.5%

## Downside Risk Analysis

Negative months / total	72/160	45%
Worst calendar month	-29.9%	
Worst calendar quarter	-36.2%	

## Upside Risk Analysis

Positive months / total	88/160	55%
Best calendar month	24.3%	
Best calendar quarter	41.9%	

## Market Cap Allocation

Micro Cap (up to 150m EUR)	0.0%
Small Cap I (150 - 500m EUR)	16.8%
Small Cap II (500m - 1bn EUR)	13.8%
Mid Cap (1 - 3bn EUR)	22.5%
Blue Chip (more than 3bn EUR)	42.9%

## Monthly Return Contribution Analysis (Unit A)

Russia	1.1%	Energy	2.2%
Kazakhstan	0.0%	Utilities	0.4%
		Health Care	0.2%
		Consumer	0.2%
		Real Estate	0.1%
		Telecoms	0.0%
		Financials	-0.1%
		Industrials	-0.8%
		Materials	-1.1%
			0.0%

Gross Performance 1.1% 1.1%

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## Geographic Allocation

	May-19	Nov-18	May-18
Russia	93.7%	94.1%	98.7%
Kazakhstan	2.3%	-	-
Cash	4.0%	5.9%	1.3%

## Sector Allocation

	May-19	Nov-18	May-18
Consumer	17.4%	18.0%	18.4%
Financials	13.5%	17.5%	16.5%
Utilities	13.2%	11.6%	11.5%
Energy	13.0%	8.3%	4.6%
Materials	11.2%	16.3%	20.3%
Industrials	9.1%	9.2%	9.4%
Health Care	8.5%	4.5%	2.9%
Telecoms	5.9%	5.1%	10.5%
Real Estate	4.2%	3.6%	4.6%
Cash	4.0%	5.9%	1.3%

## Performance (net of fees)

31-May-19	Unit A	Unit C	Unit D
Year-to-Date	18.5%	18.0%	18.6%
1 month	1.0%	0.9%	1.0%
3 months	5.4%	5.2%	5.5%
6 months	9.4%	8.9%	9.6%
1 year	6.6%	5.5%	6.9%
2 years	7.4%	6.2%	8.2%
3 years	52.7%	51.1%	48.5%
5 years	47.9%	46.3%	40.3%
Since launch	43.7%	148.2%	15.4%
Launch of unit	14-Feb-06	15-Apr-09	31-Aug-11

C units can be subscribed to as of April 6th, 2009. Calculation of the performance fee has commenced after the launch of C unit at a nominal price of 10 EUR per share. D units can be subscribed to as of August 8th, 2011. Calculation of the performance fee has commenced after the launch of D unit at a nominal price of 10 EUR per share.

Fund Details	Unit C	Unit E (USD)
NAV	24.8225	-
12 months High	25.3677	-
12 months Low	20.4958	-
Management fee, annual	Up to 2%	0.75%
Performance fee	none	20% of return exceeding the Benchmark*
Subscription fee**	none	none
Redemption fee	none	none
Stock code/ISIN	EE3600102380	EE3600109468
Bloomberg code	TRINETC ET	TRINETU ET
Minimum subscription	none	none

\*E unit: 20% of return that exceeds MSCI Russia Daily Net TR USD YTD performance.

\*\*C units can be subscribed to as of April 6th, 2009. E units can be subscribed to as of September 1st, 2017.

Signatory of:



**Important Legal Information**

Management Company: AS Trigon Asset Management

**Disclaimer**

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**MSCI Benchmark Indices**

MSCI indices' pricing data source: MSCI.

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