

**Trigon New Europe Fund**

Fact Sheet | July 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:** €118.8 mil  
**Positions:** 40  
**UCITS IV:** Yes  
**Auditor:** PwC  
**Depository:** DZ PRIVATBANK  
**Dealing:** Daily  
**Domicile:** Luxembourg  
**Launch:** Apr 10, 2002

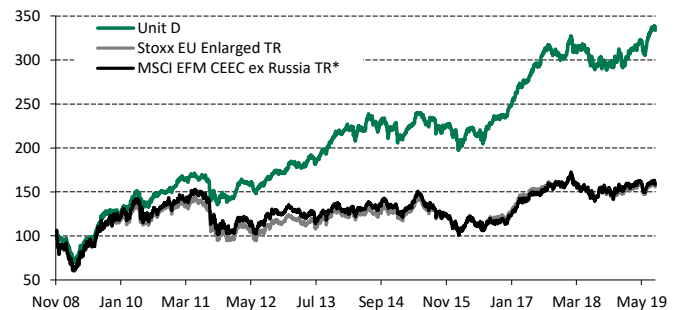
**Fund Manager's Comments**

In July, markets were consolidating after sharp rally in June. Markets in New Europe region were once again relatively weaker than in the rest of the world, with MSCI CEEC ex Russia Index falling by 0.8% in a month. Global emerging market index managed to offer 1.0% positive return and developed Europe 0.3% return in a month. Trigon New Europe Fund outperformed its regional benchmark 3rd month in a row and advanced by 1.0%. In YTD terms, the Fund is up by 14.9%, 10.1% ahead of its regional benchmark (MSCI EFM CEEC ex Russia TR Index). Eastern Europe region remains one of the laggards in the world scale this year as global emerging markets MSCI EM TR index is up by 12.1%, Western European Stoxx 600 TR index by 16.8% and US S&P 500 TR Index by 23.3%, all in euro terms. The Fund has outperformed its regional benchmark in 5 and 10 years by 28.0% and 158.9%.

The Fund's performance has been strongly supported by our stock picks in Romania. Our two top holdings in Romanian market, BRD bank and OMV Petrom, both reported strong Q2 results with operating earnings growth of 15% and 39%, respectively. In case of BRD bank, where net income was additionally supported by loan loss recoveries, taking the yearly increase to 42%, the net was 50% better than sell-side analyst's consensus. Analysts have been wrong on the name for more than 10 quarters in a row and should all be sacked in my modest opinion. BRD and OMV Petrom trade at 6.3x and 5.7x 2019E earnings and offer 12% and 7% dividend, respectively.

Polish market has been one of the worst performers in 2019. YTD performance of the WIG 20 Index (20 largest companies) is -1.6% and WIG40 (following 40 largest companies) is -4.1% in euro terms. GDP growth in Poland has been one of the strongest in the world this year, confirming a well-known fact that there is no short-term relationship between macro dynamics and market performance. That said, Polish companies are starting to show some good value opportunities in selective basis. The Fund's allocation to Poland has increased to almost 35%, which is the highest level since 2011.

Trigon New Europe Fund's portfolio trades on a weighted average of 10.8x 2019E earnings and 5.7x EV/EBITDA 2019E, multiples that cannot be considered demanding at current interest rate environment. Fund holdings offer a weighted average dividend yield of 5.9% on 2019E earnings backed by high single digit free cash-flow generation and strong balance-sheets.

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


31-Jul-19	Unit D	Unit E	Benchmark*
Year-to-Date	14.9%	14.6%	4.8%
1 month	1.0%	1.0%	-0.8%
3 months	4.7%	4.6%	0.0%
6 months	11.3%	11.1%	0.3%
1 year	11.7%	11.2%	3.9%
2 years	8.9%	8.0%	5.2%
3 years	50.6%	49.1%	39.8%
5 years	50.9%	47.6%	22.8%
Since launch	271.8%	274.0%	16.9%
Launch of unit	10.04.02	08.04.09	n/a*

Fund Details	Unit D	Unit E	Unit B
NAV	23.7600	37.4000	105.8100
12 months High	23.9200	37.6400	106.6200
12 months Low	20.3700	32.1700	91.1500
Management fee	Up to 1.5%	Up to 2%	0.75%
Performance fee	none	none	15% of return exceeding the Benchmark*
Subscription fee**	none	none	none
Redemption fee	none	none	none
ISIN	LU1687403102	LU1687403367	LU1687402633
Bloomberg code	TRICLDE LX	TRICLEE LX	TRICLBE LX
Lipper code	68481091	68481092	68481936
Min. subscription	€1 mil	No min.	€5 mil
Sharpe ratio (5 years)	0.85		
Daily volatility (1 year)	9.6%		

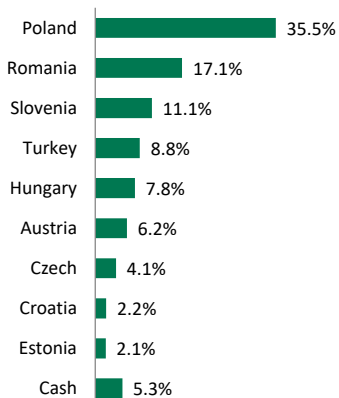
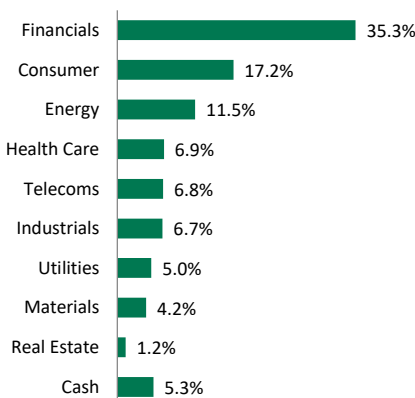
To receive the breakdown of the Fund's holdings or any other additional information, please send a request to [funds@trigoncapital.com](mailto:funds@trigoncapital.com).

31-Jul-19	Unit A (EUR)	Unit A (USD)	Unit B
Year-to-Date	15.3%	-	14.0%
1 month	1.1%	-1.2%	0.9%
3 months	4.9%	3.9%	4.2%
6 months	11.7%	8.4%	10.4%
1 year	-	-	11.2%
2 years	-	-	-
3 years	-	-	-
5 years	-	-	-
Since launch	8.1%	8.4%	5.8%
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](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%	3.4%	-1.7%	5.5%	1.0%								
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)	6.5%	8.0%	7.7%	9.6%	9.2%
Volatility (monthly)				11.1%	10.3%

**Downside Risk Analysis**

Negative months/total	84/208	40%
Worst calendar month	-27.7%	
Worst calendar quarter	-34.2%	

**Upside Risk Analysis**

Positive months / total	124/208	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)	14.2%
Small Cap II (500m - 1bn EUR)	6.9%
Mid Cap (1 - 3 bn EUR)	37.0%
Blue Chip (more than 3bn EUR)	35.4%


**Geographic Allocation**

	Jul-19	Jan-19	Jul-18
Poland	35.5%	32.9%	30.5%
Romania	17.1%	19.2%	25.1%
Slovenia	11.1%	10.5%	11.7%
Turkey	8.8%	7.2%	7.7%
Hungary	7.8%	13.0%	10.0%
Austria	6.2%	6.4%	3.7%
Czech	4.1%	4.8%	1.6%
Croatia	2.2%	1.1%	1.7%
Estonia	2.0%	2.2%	4.4%
Cash	5.3%	2.5%	3.7%

**Sector Allocation**

	Jul-19	Jan-19	Jul-18
Financials	35.3%	40.7%	46.2%
Consumer	17.2%	20.1%	12.4%
Energy	11.5%	10.9%	13.8%
Health Care	6.9%	7.9%	9.9%
Telecoms	6.8%	5.9%	3.6%
Industrials	6.7%	8.5%	3.1%
Utilities	5.0%	2.4%	2.5%
Materials	4.2%	0.5%	3.6%
Real estate	1.2%	0.6%	-
Other	-	0.2%	0.0%
IT	-	-	1.1%
Cash	5.3%	2.5%	3.7%

Fund Details	Unit A (EUR)	Unit A (USD)
NAV	108.0900	108.4000
12 months High	108.7600	110.0100
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.

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