

Trigon Russia Top Picks Fund
Fact Sheet | December 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

Fund AUM:	€4.3 mil
Positions:	22
UCITS IV:	Yes
Auditor:	PwC
Depository:	Swedbank
Dealing:	Daily
Domicile:	Estonia
Launch:	Feb 14, 2006

Fund Manager's Comments

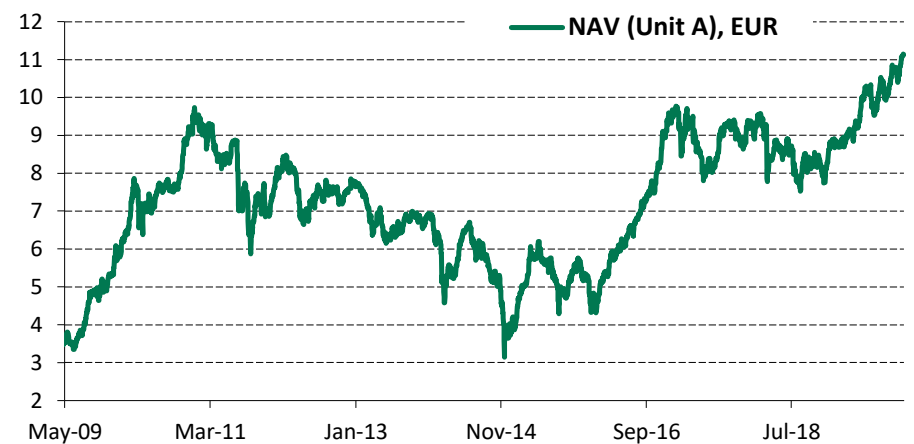
Global markets finished the year on a high note reacting to a phase one trade deal between US and China. MSCI Russia TR index rose 6.3% in December outperforming MSCI EM TR that was up 5.6%. MSCI Russia TR Index went up by 54.2% in 2019, outperforming MSCI EM TR from the low base after two bad years that returned 20.6%. Trigon Russia Top Picks Fund gained 5.6% in December and finished the year with 43.6% return.

The rouble appreciated by 2.1% versus EUR and was one of the best performing currencies YTD with 14.3% return, recovering from 2018 year weakness. Oil was up to 66 USD/bbl on OPEC+ deeper cuts and the recovery in the trade outlook. The Central Bank of Russia (CBR) cut the key rate by 25bp to 6.25%, which was largely expected by the market. Inflation remained low and the CBR has lowered the estimate to 2.9-3.2%. There is still room for the CBR to cut the rate further with equilibrium rate estimated at 5.5%.

Oil and gas sector was again the best performer in 2019, delivering 51% return. However, individual stock returns diverged significantly and were in the range of +20-120%. Although the Fund has underperformed due to being underweight during the year in the oil and gas sector versus benchmark, holding on average 13% in oil and gas names versus 60% for the benchmark, our stock selection in the sector has been better as they rallied 81%, outperforming the index names. In addition, given the size of individual large cap stocks in the index (Gazprom 16% and Lukoil 18%), it is impossible to be overweight and as such this detracted from performance.

The consumer sector has again delivered the worst result (19% for the index) for the second year in a row, while Fund's consumer picks have outperformed, delivering 44%. We expect the recovery in Russia's economic growth to support the consumers going forward. The consumer segment has already showed some improvement in October with real wage growing +3.8% and retail sales +2.3%.

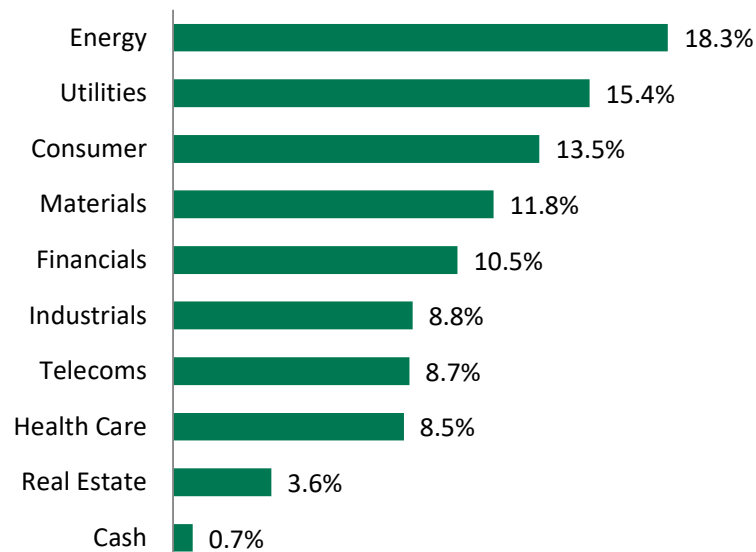
Despite ongoing sanctions, investors have been rediscovering Russian market, attracted by high dividend and bond yields. Russian companies have substantially increased their dividend pay-outs over time from 15% to current 45-50%. Looking forward, Russian market looks particularly compelling as a low-beta play within the EM universe due to strong fundamentals and prudent macro policies. MSCI Russia's estimated P/E ratio for 2020 is now 6.9x and dividend yield of 7.9%, well above the Russia Eurobond yield. Trigon Russia Top Picks Fund portfolio is trading at a weighted average of 6.0x expected earnings for 2020 and 8.6% dividend yield.

Performance since strategy launch (net of fees)
EUR


31-Dec-19	Unit A	Unit D	Benchmark*
Year-to-Date	43.6%	44.0%	54.2%
1 month	5.6%	5.6%	6.3%
3 months	8.3%	8.4%	13.4%
6 months	11.9%	12.1%	16.8%
1 year	43.6%	44.0%	54.2%
2 years	26.4%	27.4%	60.8%
3 years	22.3%	21.6%	48.6%
5 years	204.9%	189.9%	175.0%
Since launch	74.2%	40.1%	37.1%
Launch of unit	14-Feb-06	31-Aug-11	14-Feb-06

Fund Details	Unit A	Unit D
NAV in EUR	11.1331	14.0080
12 months High	11.1411	14.0177
12 months Low	7.7514	9.7270
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)		1.15
Daily volatility (1year)		12.4%

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

Sector allocation


To receive the breakdown of the Fund's holdings or any other additional information, please send a request to 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. 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, www.morningstar.fi

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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%	8.3%	3.9%	-4.3%	3.9%	1.0%	1.7%	5.6%	43.6%		
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	12.4%
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	6.9%
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	25.0%
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)	8.3%	10.0%	12.5%	12.4%	17.4%
Volatility (monthly)				16.1%	18.6%

Downside Risk Analysis

Negative months / total	73/167	44%
Worst calendar month	-29.9%	
Worst calendar quarter	-36.2%	

Upside Risk Analysis

Positive months / total	94/167	56%
Best calendar month	24.3%	
Best calendar quarter	41.9%	

Market Cap Allocation

Micro Cap (up to 150m EUR)	3.8%
Small Cap I (150 - 500m EUR)	13.3%
Small Cap II (500m - 1bn EUR)	13.7%
Mid Cap (1 - 3bn EUR)	19.3%
Blue Chip (more than 3bn EUR)	49.2%

Monthly Return Contribution Analysis (Unit A)

Russia	5.8%	Utilities	1.3%
Kazakhstan	-0.1%	Materials	1.1%
		Consumer	0.9%
		Health Care	0.6%
		Financials	0.6%
		Telecoms	0.5%
		Energy	0.5%
		Industrials	0.4%
		Real Estate	-0.3%

Gross Performance 5.7% 5.7%

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Geographic Allocation

	Dec-19	Jun-19	Dec-18
Russia	95.1%	87.9%	94.9%
Kazakhstan	4.2%	4.6%	-
Cash	0.7%	7.5%	5.1%

Sector Allocation

	Dec-19	Jun-19	Dec-18
Energy	18.3%	13.1%	8.9%
Utilities	15.4%	11.9%	11.1%
Consumer	13.5%	15.8%	18.4%
Materials	11.8%	10.6%	16.3%
Financials	10.5%	13.9%	17.0%
Industrials	8.8%	7.7%	9.8%
Telecoms	8.7%	7.9%	4.9%
Health Care	8.5%	7.7%	4.6%
Real Estate	3.6%	4.0%	3.9%
Cash	0.7%	7.5%	5.1%

Performance (net of fees)

31-Dec-19	Unit A	Unit C	Unit D
Year-to-Date	43.6%	42.2%	44.0%
1 month	5.6%	5.5%	5.6%
3 months	8.3%	8.1%	8.4%
6 months	11.9%	11.4%	12.1%
1 year	43.6%	42.2%	44.0%
2 years	26.4%	24.3%	27.4%
3 years	22.3%	20.3%	21.6%
5 years	204.9%	199.9%	189.9%
Since launch	74.2%	199.1%	40.1%
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	29.9128	-
12 months High	29.9368	-
12 months Low	21.0384	-
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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Please see the prospectus, rules and other important information about the funds on the website www.trigoncapital.com. The fund management company is supervised by Estonian Financial Supervision Authority.

MSCI Benchmark Indices

MSCI indices' pricing data source: MSCI.

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