

Trigon Russia Top Picks Fund

Fact Sheet | February 2020

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 Manager's Comments

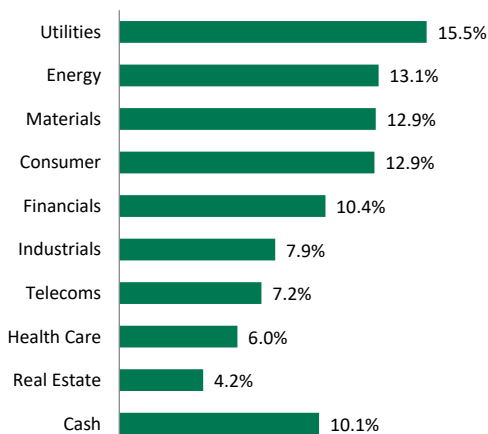
Pandemic concerns pushed global markets down in February. The Russian market followed the global headwinds with MSCI Russia TR index down -13.7%, while Trigon Russia Top Picks Fund lost -9.4% in one month. In YTD, the Fund was down -2.9% versus -15.2% for index.

The rouble depreciated by 3.5% versus EUR on overall markets slump. Oil was down to 51 USD/bbl in February on potential impact of coronavirus on oil demand. Oil and gas stocks were the main underperformers, pricing in the oil price drop. The Central Bank of Russia (CBR) cut its key rate 25bp to 6.00% as inflation dropped below the forecast to 2.4% level.

Most significant news that is hitting the markets at the moment is that Russia refused to join additional production cuts with OPEC+. From Russia's point of view, production cuts do help to support oil prices, but they also keep higher cost producers in business and US shale oil production is increasing. Saudi Arabia has announced about plans to raise its production and is now offering its crude at deep discounts. Russia will also probably increase production after previous constraints will finish in the end of March.

As a result, the CBR announced that they will stop buying foreign currency under budget rule for the next 30 days and will sell it on the market if oil price fall below 42.4USD/bbl, which is their budget price. As oil has collapsed below that level, one can assume that the Central Bank should already start selling the foreign currency to stabilize the rouble. Russia has 570bn USD FX reserves, almost reaching an all-time high. The value of liquid assets of the Sovereign Oil Wealth fund stands at 150bn USD or 9.2% of GDP. According to the Ministry of Finance, these funds are sufficient to cover the shortfall in budget revenue from falling oil prices to 25-30 USD/bbl for 6-10 years. Sustained oil price of below 40USD level seems unsustainable as we saw in 2014, but given reduced demand because of the virus, the rebound may take longer than anticipated.

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 2020 is now 5.9x and dividend yield of 9.5%, well above the Russia Eurobond yield. Trigon Russia Top Picks Fund portfolio is trading at a weighted average of 6.1x expected earnings for 2020 and 9.6% dividend yield.

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. Please refer to the important legal notice on the last page of this report.

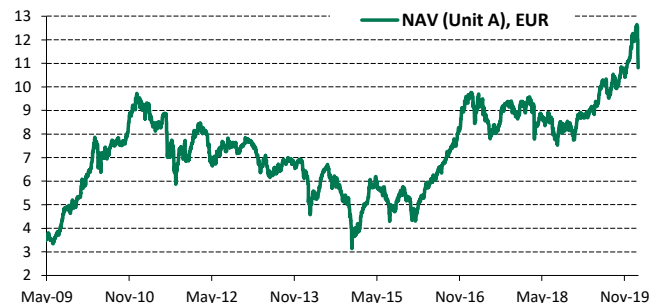
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Fund Facts

Fund AUM: €4.1 mil
Positions: 22
UCITS IV: Yes
Auditor: PwC
Depository: Swedbank
Dealing: Daily
Domicile: Estonia
Launch: Feb 14, 2006

Performance since strategy launch (net of fees)

EUR



	Unit A	Unit D	Benchmark*
29-Feb-20			
Year-to-Date	-2.9%	-4.4%	-15.2%
1 month	-9.4%	-9.3%	-13.7%
3 months	2.5%	0.9%	-9.8%
6 months	9.3%	7.6%	0.2%
1 year	24.1%	22.4%	16.8%
2 years	14.5%	13.4%	21.9%
3 years	18.1%	17.1%	35.9%
5 years	123.7%	109.6%	77.4%
Since launch	69.2%	33.9%	16.2%
Launch of unit	14-Feb-06	31-Aug-11	14-Feb-06

Fund Details	Unit A	Unit D
NAV in EUR	10.8114	13.3854
12 months High	12.6401	15.6277
12 months Low	8.6775	10.8955
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)		0.89
Daily volatility (1year)		15.3%

(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.

* 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*	
2020	7.1%	-9.4%													
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%	2 years	12.4%
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%	3 years	6.9%
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%	5 years	25.0%
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%		
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%		
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)	32.4%	21.9%	17.4%	15.3%	18.5%
Volatility (monthly)				17.1%	20.2%

Downside Risk Analysis

Negative months / total	74/169	44%
Worst calendar month	-29.9%	
Worst calendar quarter	-36.2%	

Upside Risk Analysis

Positive months / total	95/169	56%
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)	9.6%
Small Cap II (500m - 1bn EUR)	16.0%
Mid Cap (1 - 3bn EUR)	25.1%
Blue Chip (more than 3bn EUR)	39.2%

Monthly Return Contribution Analysis (Unit A)

Russia	-9.1%	Financials	-0.7%
Kazakhstan	-0.1%	Real Estate	-0.7%
		Health Care	-0.8%
		Telecoms	-0.8%
		Utilities	-0.8%
		Materials	-0.9%
		Industrials	-1.1%
		Consumer	-1.2%
		Energy	-2.3%

Gross Performance -9.3% -9.3%

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Geographic Allocation

	Feb-20	Aug-19	Feb-19
Russia	85.3%	90.5%	97.3%
Kazakhstan	4.6%	4.8%	-
Cash	10.1%	4.7%	2.7%

Sector Allocation

	Feb-20	Aug-19	Feb-19
Utilities	15.5%	13.7%	10.5%
Energy	13.1%	12.6%	9.0%
Materials	12.9%	9.9%	15.8%
Consumer	12.9%	16.2%	17.0%
Financials	10.4%	14.7%	18.1%
Industrials	7.9%	8.6%	9.4%
Telecoms	7.2%	8.1%	5.7%
Health Care	6.0%	7.8%	6.9%
Real Estate	4.2%	3.6%	4.8%
Cash	10.1%	4.7%	2.7%

Performance (net of fees)

29-Feb-20	Unit A	Unit C	Unit D
Year-to-Date	-2.9%	-3.0%	-4.4%
1 month	-9.4%	-9.4%	-9.3%
3 months	2.5%	2.3%	0.9%
6 months	9.3%	8.7%	7.6%
1 year	24.1%	22.9%	22.4%
2 years	14.5%	12.5%	13.4%
3 years	18.1%	16.0%	17.1%
5 years	123.7%	119.7%	109.6%
Since launch	69.2%	190.0%	33.9%
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	29.0005	-
12 months High	33.9142	-
12 months Low	23.5084	-
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

Signatory of:



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*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.

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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