

**TRIGON BALTIC FUND**  
(new name Trigon Dividend Fund)

**ANNUAL REPORT 2019**  
(Translation of the Estonian original)

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## Short Description and Contact Details of Trigon Baltic Fund

### Name

Investment Fund Trigon Baltic Fund (new name Trigon Dividend Fund)

### Legal address

Pärnu road 18  
10141 Tallinn  
Estonia

Tel.: + 372 6 679 200

Fax: + 372 6 679 221

### Main Activities

Trigon Baltic Fund invests primarily in companies that are operating or are listed in the Baltic States (Estonia, Latvia, Lithuania) and companies who have substantial business interests in the Baltic countries. The Fund's objective is the long-term growth of assets.

### Fund Management Company

AS Trigon Asset Management

### Fund Manager

Veiko Visnapuu

### Depositary

Swedbank AS

### Auditor

AS PricewaterhouseCoopers  
Pärnu road 15  
10141 Tallinn  
Estonia

Tel.: + 372 6 141 800

Fax: + 372 6 141 900

### Reporting period

1 January 2019 – 31 December 2019

## Management report

Trigon Baltic Fund (hereinafter: the Fund) was launched on May 16, 2005. The Fund is a contractual investment fund that invests primarily in companies that are operating or are listed in the Baltic States (Estonia, Latvia, Lithuania) and companies who have substantial business interests in the Baltic countries. The Fund is targeted at investors with a medium and long-term investment horizon because the equity markets are volatile and the value of the Fund's unit may change significantly in the short term.

As at the end of December 2019 the Fund's net asset value was 0.3 (31.12.2018: 1.1) million euros. The Fund has three classes of units. As of 31.12.2019 the net asset value of the Fund's Class 1 unit was 5.2484 (31.12.2018: 5.2630) euros decreasing by -0.28% during the year. The net asset value of the Fund's Class 2 unit (eQ Baltia) was 8.2712 euros at year end (31.12.2018: 8.2928) decreasing by -0.26% and the net asset value of the Fund's Class 4 unit was 17.0984 (31.12.2018: 17.1276) euros decreasing by -0.17% in a year.

As at the end of December 2019 the equities and debt securities made up 88.68% (31.12.2018: 87.57%) of the Fund's assets. The remaining portion was made up of cash at bank. As of 31 December 2019 the largest equity investments in the Fund were Tallink Group 9.30%, Grigeo 8.68%, Silvano Fashion 7.78% and Kruk SA 5.63%. The Fund's investments were diversified between the companies of five countries – Estonia, Lithuania, Latvia, Poland and Romania.

After generally negative 2018, the year 2019 brought quite strong rebound on equity markets already in the first months of the year. Gradual uplift on the markets continued throughout the year despite slowdown in most economies. US markets led the rally, as S&P 500 Index gained 34.1% in the year in euro terms. Stoxx 600 TR Index, representing the performance of Western European markets, increased by 26.8%. Emerging world markets were to some extent under pressure due the ongoing US-China trade dispute and the strengthening dollar, but finished the year still up by a strong 20.6%, measured by MSCI EM TR Index. Eastern European and Baltic markets were relatively out of favour of investors, returning 6.8% and 12.4% respectively. Trigon Baltic Fund finished year nearly flat, losing 0.2% during the year as a combination of many negative factors. Most relevantly, the Fund's portfolio was concentrated in high quality value names, which underperformed the general Baltic index in this year, and due to finishing the cooperation with Swedish Pension Platform, the Fund lost most of its assets under management, resulting in very high expense ratio to keep the Fund in operation, which ate away nearly all underlying stock performance. We are looking to improve the expense ratio radically in 2020 through different initiatives. The Swedish Pension Platform reform also impacted other existing Baltic funds, by the end of 2019 there was only one more Baltic-focus fund left.

After quite strong year in most equity markets in 2019 and by now, very strong start to 2020, we are cautious on the rest of 2020 outlook. The valuations in Eastern Europe and Baltics are generally more attractive compared to most other markets, but as stock positioning we would be looking more and more towards high quality companies with high dividend yields, which could weather different sentiment in the world equity markets. Such positioning could lead to some underperformance if markets continue to rally; however, at the same time, the portfolio should be better protected to potential corrections and negative sentiment on the markets. Given the increasing valuations on world equity markets, growing economic tensions in specific sectors and regions and geopolitical developments, we think rotating into more defensive stocks is appropriate strategy at this phase of the cycle to ensure good long-term risk-adjusted returns for unitholders.

On 16 September 2019, AS Trigon Asset Management adopted a decision to change the name and investment policy of Trigon Baltic Fund. The amended rules have been approved by the Estonian Financial Supervision Authority on 27 January 2020 by decisions No. 4.1-1/12. As of the entry into force of the new terms and conditions and the prospectus on 28.02.2020, the Fund was renamed Trigon Dividend Fund.

Veiko Visnapuu  
Fund Manager

## Signatures of the Fund Management Company's Management Board to the Annual Report 2019

The Fund Management Company AS Trigon Asset Management has prepared the Trigon Baltic Fund's (new name Trigon Dividend Fund) annual report 2019, which includes the management report, financial statements, statement of investments, statement of transaction and commission fees and independent auditor's report.

/signed/

Mehis Raud  
AS Trigon Asset Management  
Member of the Management Board

/signed/

Karola Sisask  
AS Trigon Asset Management  
Member of the Management Board

Tallinn, April 20, 2020

## FINANCIAL STATEMENTS

### Statement of financial position

In euros

<b>ASSETS</b>	<b>Note</b>	<b>31.12.2019</b>	<b>31.12.2018</b>
Cash and cash equivalents		36 410	117 881
Financial assets at fair value through profit or loss	Note 6	285 239	1 000 084
Receivables and prepayments	Note 7	0	24 024
<b>TOTAL ASSETS</b>		<b>321 648</b>	<b>1 141 989</b>
<b>LIABILITIES</b>			
Other financial liabilities	Note 8	3 333	18 466
<b>Fund's net assets attributable to holders of redeemable units</b>	<b>Note 10</b>	<b>318 315</b>	<b>1 123 523</b>
<b>TOTAL LIABILITIES</b>		<b>321 648</b>	<b>1 141 989</b>

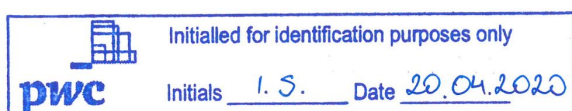
The notes on pages 10-25 are an integral part of the annual report.

## Statement of comprehensive income

In euros

<b>INCOME</b>	<b>Note</b>	<b>01.01-31.12.2019</b>	<b>01.01-31.12.2018</b>
Interest income		207	65
Dividend income		19 388	115 573
Net profit/loss from financial assets at fair value through profit or loss	Note 9	62 267	-495 595
Net foreign currency losses		-351	-770
<b>TOTAL INCOME</b>		<b>81 512</b>	<b>-380 727</b>
<b>EXPENSES</b>			
Management fee	Note 11	11 566	51 794
Depositary fee		16 216	18 584
Transaction costs		1 479	1 413
Other expenses		4 900	3 604
<b>TOTAL EXPENSES</b>		<b>34 160</b>	<b>75 396</b>
<b>FUND'S NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS</b>		<b>47 351</b>	<b>-456 123</b>

The notes on pages 10-25 are an integral part of the annual report.



## Statement of changes in Fund's Net Asset Value

In euros

	01.01-31.12.2019	01.01-31.12.2018
<b>Fund's net assets at the beginning of the reporting period</b>	<b>1 123 523</b>	<b>2 936 753</b>
Proceeds from redeemable units issued	2 811	1 866 965
Redemption of redeemable units	855 370	3 224 073
Fund's net assets attributable to holders of redeemable units	47 351	-456 123
<b>Fund's net assets at the end of the reporting period</b>	<b>318 315</b>	<b>1 123 523</b>
<b>Fund's Net Asset Value per unit at the end of the reporting period</b>		
Class 1	5.2484	5.2630
Class 2 (eQ Baltia unit)	8.2712	8.2928
Class 3	0.0000	4.8264
Class 4	17.0984	17.1276
<b>Number of units outstanding</b>	<b>53 696.219</b>	<b>108 376.398</b>
incl. Class 1	44 451.203	52 472.592
Class 2 (eQ Baltia unit)	8 276.636	11 205.055
Class 3	0.000	905.546
Class 4	968.380	43 793.205

The notes on pages 10-25 are an integral part of the annual report.



## Statement of cash flows

In euros

<b>Cash flows from Fund's operating activities</b>	<b>01.01-31.12.2019</b>	<b>01.01-31.12.2018</b>
Interest received	188	58
Dividends received	28 147	106 787
Proceeds from sale of financial assets	1 149 447	2 976 190
Purchase of financial assets	-357 022	-1 546 626
Operating expenses paid	-36 394	-78 821
<b>Total cash inflow/outflow from Fund's operating activities</b>	<b>784 366</b>	<b>1 457 588</b>
<b>Cash flows from Fund's financing activities</b>		
Proceeds from redeemable units issued	2 811	1 866 965
Redemption of redeemable units	-868 717	-3 258 966
<b>Total cash inflow/outflow from Fund's financing activities</b>	<b>-865 906</b>	<b>-1 392 001</b>
<b>Total cash flows</b>	<b>-81 540</b>	<b>65 587</b>
<b>Cash and cash equivalents</b>		
At the beginning of the accounting period	117 882	52 298
Effect of exchange rate changes on cash and cash equivalents	69	-3
<b>At the end of the accounting period</b>	<b>36 410</b>	<b>117 882</b>

The notes on pages 10-25 are an integral part of the annual report.

## Notes to the financial statements 2019

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### NOTE 1. General information

Trigon Baltic Fund (new name Trigon Dividend Fund) is a public open-end common investment fund registered in the Republic of Estonia.

The Fund is managed by AS Trigon Asset Management, with its registered office at Pärnu road 18, 10141 Tallinn. The parent company (61%) of AS Trigon Asset Management is AS Trigon Capital.

The Fund is under supervision of Estonian Financial Supervisory Authority.

The objective of Fund is a long-term capital growth of the Fund's assets. The Fund is investing its assets into different securities and other financial instruments abiding by the investment limits set out by the law and the Fund's rules.

### NOTE 2. Basis of preparation

The financial statements of Fund have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union (IFRS EU). Financial reporting principles of investment funds are set out by the Investment Funds Act, Accounting Act and Regulation no. 8 of the Minister of Finance of January 18, 2019 "Requirements for fund reports subject to disclosure". The financial statements have been prepared taking into account the regulation of determining the net asset value of the Fund, adopted pursuant to the Investment Funds Act §54 subsection 11.

The financial statements of the Fund have been prepared in accordance with IFRS in the extent that complies with the requirements of the Investment Funds Act and Regulation no. 8 of the Minister of Finance. In case of non-compliance, the Fund has taken into account the requirements provided in the Investment Funds Act and in the Regulation no. 8 of the Minister of Finance.

### NOTE 3. Accounting policies used in preparing the financial statements

The financial statements of the Fund have been prepared on the historical cost basis except for financial instruments at fair value through profit or loss, which are measured at fair value.

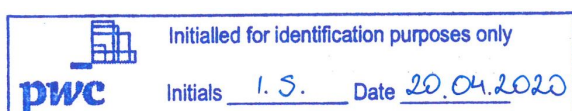
#### Foreign currency transactions and balances

##### Functional and presentation currency

The financial statements of Trigon Baltic Fund are presented in euros. Fund's functional currency is also euro.

##### Transactions and balances in foreign currency

Transactions in currencies other than euro are translated into euro at the last bid exchange rates of depository bank of the transactions trade date. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated into euro at the last bid exchange rates of depository bank at reporting date. Foreign currency gains and losses, arising on financial instruments denominated in foreign currencies, are recognised through profit or loss in the line item *Net foreign currency losses* in the statement of comprehensive income.



## Management estimates

The preparation of the financial statements in conformity with IFRS requires the management of the Fund Management Company to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Although judgments are based on the management's best knowledge, actual results may differ from the estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

According to the management there have not been any events that would have affected the recognition of assets, liabilities, income or expenses.

## Financial assets and liabilities

Cash and cash equivalents, term deposits, securities and other receivables are classified as financial assets. Securities comprise financial assets referred to in the Securities Market Act §2 (a share or other similar tradable right; a debt security, convertible security or other tradable debt obligation issued, a subscription right or other tradable right, an investment fund unit; a money market instrument; a derivative security or a derivative contract; a tradable depositary receipt). Liabilities to Fund's Management Company, unit-holders and other liabilities are classified as financial liabilities.

## Classification of financial assets and financial liabilities

The Fund classifies financial assets and financial liabilities into the following categories:

- financial assets at fair value through profit or loss – equities and investment fund units as these investments do not include only principal and interest payments;
- financial assets at amortised cost – cash and cash equivalents, receivables and prepayments are recognised at amortised cost;
- financial liabilities at amortised cost – liabilities to depositary bank and Fund Management Company are recognised at amortised cost.

The Fund has at the end of the accounting period following financial assets and financial liabilities:

IFRS 9 category class (as defined in the Fund)		31.12.2019	31.12.2018	
Financial assets	Financial assets at amortised cost	Cash and cash equivalents	36 410	117 881
		Receivables and prepayments	0	24 024
	Financial assets at fair value through profit or loss	Mandatory measurement at fair value through profit or loss	Equities	285 239
Financial liabilities	Financial liabilities at amortised cost	Other financial liabilities	3 333	18 466

## Recognition and derecognition

Financial assets and liabilities are recognised initially when Fund becomes a party to the contractual provisions of the instrument.

Regular way purchases and sales of financial assets are recognised on trade date, the date on which the Company commits to purchase or sell the asset.

At initial recognition, the Fund measures financial assets or liabilities at its fair value plus, in the case of a financial asset or liabilities not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial assets or emission of the financial liabilities.

Transaction costs of financial assets and liabilities carried at fair value through profit or loss are recognised as expense in statement of comprehensive income.

Financial assets are derecognised when the contractual rights to the cash flows of the financial assets have expired or have been transferred and the Fund has transferred substantially all risks and rewards of ownership. Financial liabilities are derecognised only when they are extinguished (the contractual obligations are discharged, cancelled or expired).

### Subsequent measurement

#### *Financial assets: debt instruments*

Subsequent measurement of the debt instruments depend on the Fund's business model for managing the financial assets and the cash flow characteristics of the assets.

Fair value through profit or loss (FVTPL): assets that do not meet the criteria for amortised cost or fair value through comprehensive income are measured at fair value through profit or loss (FVTPL). A gain or loss on a debt instruments that are subsequently measured at FVTPL are recognised in the statement of comprehensive income in the line item *Net profit/loss on financial assets at fair value through profit or loss* and presented in the period in which it arises. Such fair value gain and loss includes also contractual interests earned from relevant instruments.

Amortised cost: assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in the statement of comprehensive income and presented in *Other income*. Foreign exchange gains and losses and impairment losses are presented as separate line items in the statement of comprehensive income.

#### *Equity instruments*

The Fund subsequently measures all equity investments at fair value through profit and loss. Changes in the fair value are recognised in *Net gain/loss from financial assets at fair value through profit or loss* in the statement of comprehensive income.

#### *Impairment of financial assets*

The Fund assesses on forward-looking basis the expected credit losses (ECL) associated with its debt instruments carried at amortised cost. The impairment methodology applied depends on where there has been a significant increase in credit risk.

The measurement of the expected credit losses reflects: (i) an unbiased and probability weighted amount that is determined by evaluating a range of possible outcomes, (ii) time value of money and (iii) all reasonable and supportable information that is available without undue cost and effort at the end of each reporting period about past events, current conditions and economic forecasts of future conditions.

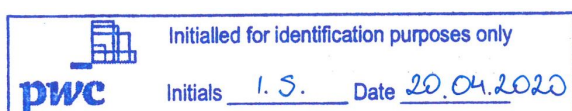
For trade receivables and contract assets without a significant financing component the Fund applies a simplified approach permitted by IFRS 9 and measures the allowance for impairment losses at expected lifetime credit losses from initial recognition of the receivable. The Fund uses a provision matrix in which allowance for impairment losses is calculated for trade receivables falling into different ageing or overdue periods.

### Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position only when the Fund has legal right to offset and intends to settle or realise the assets and liabilities simultaneously.

### Fair value measurement

Fair value is the amount of which a Fund's asset could be sold to the independent interested party on the measurement date.



The net asset value of the Fund is determined pursuant to “Net Asset Value Calculation Rules of Investment Funds” as approved by the management board of AS Trigon Asset Management. These rules determine the valuation of the securities traded on a regulated market, securities not traded on a regulated market and other financial assets and financial liabilities of the Fund.

Fund recognises all investments into securities at fair value through profit or loss except these investments which fair value cannot be determined. The financial statements of the Fund for the year 2019 have been prepared in accordance with the standard IFRS 13 “Fair Value Measurement” where under the financial assets and liabilities traded on a regulated market are determined at market close price if it remains within the bid-ask spread. If the close price does not fall in this spread, the Management Company will determine the value within the bid-ask spread, which most accurately reflects the fair value of specific security.

The fair value of the security (other than a debt security) traded on a regulated market is determined on the basis of the closing price of that regulated market on the valuation date. If the closing price is not available, the mid-market price of the regulated market on the valuation date is applied. If the mid-market price is also unavailable, the latest bid price of the regulated market on the valuation date is applied. In case that no bid price is available, the latest share price determined in the manner described above is applied.

The value of a debt security traded on a regulated market is determined applying the average ask and bid price  $((ask+bid)/2)$  given by sources of quotes accepted by the currently used information provider on the valuation date (mid-market price). If the mid-market price is not available, the closing price on the valuation date is applied. If no closing price is available, the mid-market price of the last banking day is applied.

Valuation of a security, which is not traded on a regulated market, takes place, above all, by applying the valuation models set out by IFRS. Fair value is the probable selling price of the security, which is determined prudently, in good faith and bearing in mind the best interests of unit-holders and at which independent and experienced parties would agree to conclude a transaction.

The value of a share of a unit of an investment fund traded on a regulated market is determined as the value of the security traded on a regulated market. The value of a unit of a common fund not traded on a regulated market is determined on the basis of the latest known redemption or repurchasing price or, if such price is unavailable, on the basis of the net asset value of the fund.

If the fair value of the assets cannot be reliably determined then they can be recognised at acquisition cost or the fair value will be determined by the management of Fund Management Company using the valuation methods. The valuation methods used by Management Company include recent arm’s length transactions between independent parties, references to other similar instruments, discounted cash flow analyses and option pricing models and other methods based on market information as much as possible and as little as possible on internal sources.

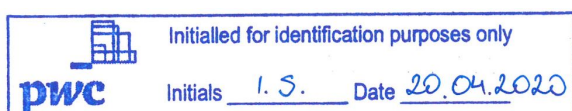
## Recognition of revenue

### Interest

Interest income and expenses are recognised in statement of comprehensive income using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash flows through the expected life of the financial instrument to the net carrying amount of the financial asset. When calculating the effective interest rate, the Fund estimates cash flows considering all contractual terms of the financial instrument but does not consider future credit losses. Interest received or receivable is recorded in the statement of comprehensive income in the line *Interest income*.

### Dividends

Dividend income is recognised in the statement of comprehensive income on the date when the right to receive payment is established. This is usually ex-dividend date. Dividend income from equities designated as at fair value through profit or loss is recognised as a separate line item *Dividend income*.



## Gain/loss on financial assets

Unrealised gain/loss from revaluation of financial assets at fair value through profit or loss includes all fair value changes but excludes interest and dividend income.

Realised gain/loss on financial assets at fair value through profit or loss is calculated using the FIFO method (*first-in, first-out*) which means that the chronological order of purchases of securities is taken into account when calculating gains/losses from the securities.

Net gain/loss from revaluation of financial assets is recognised in the statement of comprehensive income in the line item *Net profit/loss on financial assets at fair value through profit or loss*.

## Service and commission expenses

Transaction fees arising in acquiring and disposing securities are recognised on the accrual basis in the statement of comprehensive income in the line item Transaction costs and paid once a month. Commissions arising in acquiring and disposing securities are included within the cost of securities.

## Cash and cash equivalents

Cash and cash equivalents include the balances of demand deposits at bank and overnight deposits. Interest receivable on overnight deposits is recognised in the statement of financial position in the line item Receivables and prepayments and in the statement of comprehensive income in the line item *Interest income*.

## Term deposits

Term deposits include deposits held at credit institutions. According to the Investment Fund Act, the open-ended public fund may invest into term deposits with maturity up to 12 months. Interest receivable on term deposits is recognised in the statement of financial position in the line item Receivables and prepayments and in the statement of comprehensive income in the line item *Interest income*.

## Fees and expenses

Income and expenses are reported on the accrual basis.

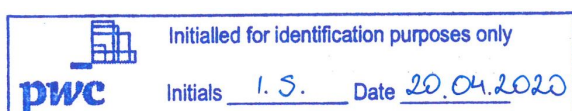
### *Recognition of management and performance fees*

Management fee rates paid to the Fund Management Company are:

- a. Class 1 units: 2.0% of the Fund's assets per annum;
- b. Class 2 units: 2.0% of the Fund's assets per annum;
- c. Class 3 units: 0.75% of the Fund's assets per annum;
- d. Class 4 units: 2.0% of the Fund's assets per annum.

The management fee is deducted daily from the Fund's assets and is paid in the month following the calculation.

In addition, the Management Company has the right to receive a performance fee based on the performance of a Class 2 unit. The Management Company is entitled to the performance fee if the net asset value of a Class 2 unit exceeds its highest month-end net asset value of Class 2 unit to which the required minimum return of 3.5% on annual basis has been added. The performance fee rate is no more than 15% of the net asset value increase of a Class 2 unit over the highest month-end net asset value of Class 2 unit to which the required minimum rate of return of 3.5% on annual basis has been added. The performance fee is revalued daily based on 365-year basis and is paid out as at the end of each month during the following month.





Furthermore, the Management Company has the right to receive a performance fee based on the performance of a Class 3 unit. The performance fee is not more than 20% of the Class 3 Unit performance that exceeds the performance of the benchmark index OMX Baltic Benchmark Capped Gross – i.e. 20% of the Alpha generated YTD. For calculating the performance fee a High Water Mark ('HWM') principle is applied. The HWM principle in the Fund rules context means that after the performance fee has been paid out for the first time during a calendar year, additional performance fee accruals during that year will be made only if additional Alpha is generated since the last month end when the performance fee was paid out. In that case, the performance fee is charged from the additional Alpha. Performance fee is taken into account daily and paid out as at the end of each month during the following month if the Class 3 unit performance during the month was positive.

The Management Board of the Management Company may decide to use a lower rate of management and performance fees.

#### *Recognition of depositary and other fees*

The maximum annual rate of the depositary fee is 0.06-0.35% of the Fund's assets per annum, but not less than 9 000 euros per year. Above-mentioned depositary fee rates do not include VAT. The depositary fee is calculated daily from the Fund's assets and is paid in the month following the calculation. Depositary fee in the statement of comprehensive income also includes administration (Fund accounting and net asset value calculation), registry and sub-custodian fees that are paid to the depositary bank in the month/quarter following the calculation.

The Fund shall also pay other expenses related to the Fund management, safekeeping of the Fund's assets and transaction costs, such as fees to intermediaries, interest expenses, payment and service fees, Fund auditing expenses payable to the service providers.

#### *Fund units*

The Fund has four classes of units (hereinafter: "Class 1", "Class 2", "Class 3" and "Class 4"). Different terms apply to the units depending on their class, such as subscription and redemption fees (see below).

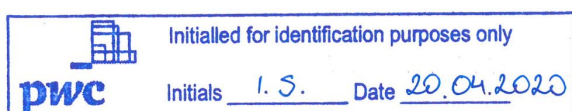
At the request of the unit-holder, the Management Company shall redeem the units and the unit-holders have the right to redeem units and receive a monetary payment on a daily basis in accordance with the Fund Rules. Consequently, the issued Fund units are classified as a financial liability. Units are recognised in the statement of financial position at redemption value, ie amount that should be paid for at the balance sheet date if the unit-holder uses his right to redeem the units. The net asset value of the unit is determined by dividing that class' total net asset value by that class' number of units issued and not redeemed as at the point of valuation. For subscription or redemption the net asset value of the units is based on the Fund's net asset value which is derived measuring the Fund's investments fair value using the closing price prior to the transaction date.

The issue of units is arranged by the Management Company pursuant to the rules set out in legislation. The issuing of units is not restricted by time or volume.

As of April 6, 2009 no Class 1 units will be issued. Class 4 unit was launched on April 6, 2009.

A unit may be issued only upon a monetary payment into the assets of the Fund corresponding to the number of respective units to be issued and at Unit's net asset value. When issuing a fraction of unit an amount corresponding to the fraction of respective unit's net asset value must be paid into the assets of the Fund.

The unit's issue price is the net asset value of the unit of the respective class calculated on the following banking day from the banking day the purchase order was received. The issue price may also include an issue fee or intermediary's service fee.



The issue fee of a unit is:

- a) for Class 2 units there is no issue fee. A unit-holder shall bear the fee payable to the intermediary which is 1.0% of the subscription amount;
- b) for Class 3 units there is no issue fee;
- a) for Class 4
- b) for a Class 4 units is 2.0% of the net asset value of a Class 4 unit.

The Management Company has the right to charge a lower issue fee on a mutual agreement.

A unit is deemed to be issued at the time of making the respective entry in the registry of units.

The unit's redemption price is the net asset value of the unit of the respective class calculated on the following banking day from banking day the sale order was received. The redemption price may also include a redemption fee or intermediary's transaction cost.

The redemption fee of a unit is:

- c) for a Class 1 units is 1.5% of the net asset value of a Class 1 unit;
- d) for Class 2 units, there is no redemption fee. The unitholder shall bear the intermediary's transaction cost of at least 0.5% of the deemed amount, but not less than 20 euro per transaction;
- e) for Class 3 units there is no redemption fee;
- f) for a Class 4 units is 1.5% of the net asset value of a Class 4 unit.

The Fund Management Company has the right to charge a lower redemption fee on a mutual agreement.

Upon redemption of a unit, a monetary payment shall be made out of the assets of the Fund to the current account linked to the unit-holder's securities account. Payments shall be made in the order that the requests for redemption were submitted. The payment may be postponed in accordance with the law and Fund Rules. The unit shall be considered as redeemed from the time of making a respective entry in the registry of units.

### Implementation of new and amended standards and interpretations

Certain new International Financial Reporting Standards, also amendments and interpretations to existing standards have been published by the time of compiling these consolidated financial statements which become mandatory for the Fund's accounting periods beginning on or after January 1, 2019 and which the Fund did not adopt early.

New or amended standards or interpretations that became effective for the reporting period beginning on January 1, 2019 are not expected to have a significant impact on the Fund.

### New standards, interpretations and their amendments

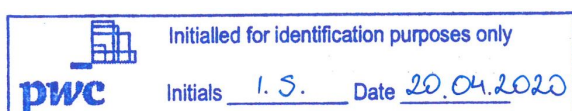
New or revised standards and interpretations have been issued that become mandatory for the Fund from January 1, 2019 or later:

**Amendments to the Conceptual Framework for Financial Reporting** (effective for annual periods beginning on or after 1 January 2020).

The revised Conceptual Framework includes a new chapter on measurement; guidance on reporting financial performance; improved definitions and guidance - in particular the definition of a liability; and clarifications in important areas, such as the roles of stewardship, prudence and measurement uncertainty in financial reporting. The Fund assesses the impact on the financial statements.

**"Definition of materiality" - amendments to IAS 1 and IAS 8** (effective for annual periods beginning on or after January 1, 2020).

The amendments clarify the definition of material and how it should be applied by including in the definition guidance that until now has featured elsewhere in IFRS. In addition, the explanations





accompanying the definition have been improved. Finally, the amendments ensure that the definition of material is consistent across all IFRS Standards. Information is material if omitting, misstating or obscuring it could reasonably be expected to influence the decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity. The Fund assesses the impact on the financial statements.

Other new or amended standards or interpretations that are not yet effective are not expected to have a material impact on the Fund.

#### NOTE 4. Risk management

The Fund invests its assets according to the Fund's investment objectives in various securities, derivatives, deposits.

Various risks arise from investing in funds that may affect the return of the investment. Past returns of Funds are not indicative of future returns of the Funds. The net asset value of the unit may fluctuate as a result of the Funds' investment policy. Funds may generate both profits and losses. Investors should take into account that there is no guarantee for positive return on their investments into the Fund. The shorter the duration of the investment, the more probable is a loss.

The Fund Manager invests Fund assets in accordance with the Fund's investment objectives, in consideration of the restrictions imposed by the Investment Funds Act and Fund Rules. Adherence to investment limits are monitored on a daily basis, in case the investment restrictions are exceeded, the Fund Manager shall take measures to liquidate them.

As a result of the fund's investment policy, the Fund is subject to the following risks:

- market risk
- credit risk
- liquidity and capital risk

Other key risks and their descriptions are provided in the Fund prospectus.

#### Market risk

Market risk is a possibility that the volatility of market prices of securities or other assets (share prices, foreign currency rates, interest rates) may decrease the value of the Fund's assets. The higher the volatility of prices, the higher the risk of potential loss from the investment is. At the same time the more volatile the investment is the higher the profit may be.

In order to mitigate market risk, investments are diversified between various issuers, fields of activities, countries and regions and derivatives may be used.

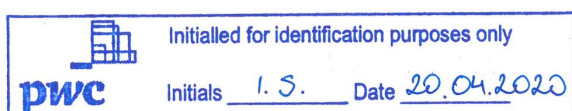
The events of the securities markets are monitored on a daily basis. In the event of changes in market conditions, changes may be made to investments, such as reducing or increasing the weight of equities in the total investment portfolio of the Fund.

The Fund's investments as at the reporting date are provided in the statement of the investments.

#### Currency risk

Fund's functional currency is euro. In addition to the investments and assets denominated in euro the Fund has exposures also in other currencies. As a result, the Fund is exposed to the risk that the weakening of other currencies against the Fund's functional currency may unfavourably affect to the Fund's net assets.

In order to mitigate currency risk the Fund may use derivative instruments. This is done mainly through OTC (over-the-counter) swaps and forwards. OTC derivatives expose the Fund to the risk that the counterparty of that trade may default on their obligations to the Fund. In order to mitigate that risk the Fund is using reliable counterparties.



As of 31.12.2019 and 31.12.2018 the Fund did not have exposures to the derivative instruments.

If foreign currencies' value compared to euro would fluctuate +/- 10%, then at the balance sheet date the effect of the open currency position on the profit/loss of the Fund would be +/- 12 675 (2018: 30 452) euros. The risks of Fund's significant open currency positions are mitigated with currency forwards.

The next table provides an overview of the assets and liabilities of the Fund at reporting date:

In euros as at 31.12.2019	RON	PLN	EUR
<b>ASSETS</b>			
Financial assets at fair value through profit or loss	14 005	106 252	164 982
Cash and cash equivalents	0	6 489	29 921
Receivables and prepayments	0	0	0
<b>TOTAL ASSETS</b>	<b>14 005</b>	<b>112 741</b>	<b>194 903</b>
<b>LIABILITIES</b>			
Other financial liabilities	0	0	3 333
Fund's net asset value (NAV)	0	0	318 315
<b>Total liabilities</b>	<b>0</b>	<b>0</b>	<b>321 648</b>
<b>Open currency position</b>	<b>14 005</b>	<b>112 741</b>	<b>-126 746</b>

In euros as at 31.12.2019	RON	PLN	EUR
<b>ASSETS</b>			
Financial assets at fair value through profit or loss	34 232	270 285	695 566
Cash and cash equivalents	0	0	117 881
Receivables and prepayments	0	0	24 024
<b>TOTAL ASSETS</b>	<b>34 232</b>	<b>270 285</b>	<b>837 472</b>
<b>LIABILITIES</b>			
Other financial liabilities	0	0	18 466
Fund's net asset value (NAV)	0	0	1 123 523
<b>Total liabilities</b>	<b>0</b>	<b>0</b>	<b>1 141 989</b>
<b>Open currency position</b>	<b>34 232</b>	<b>270 285</b>	<b>-304 517</b>

### Equity price risk

Equity price risk is the risk that the fair value of financial instruments fluctuates due to changes in the market prices (except for those changes related to the interest rates and foreign currency rate risks).

Fluctuations of market prices may be associated with the particular issuer or the overall equity market conditions which often affects all shares traded on the stock markets.

The Fund's investments at 31.12.2019 and 31.12.2018 mainly consist of equity investments and are most sensitive to fluctuations at stock market. If Fund's equity investments would drop/rise +/-10% at the end of the accounting period the effect on the Fund's results would be following:

In euros	31.12.2019	31.12.2018
<b>Change +/- 10%</b>		
Equity securities	+/- 26 946	+/- 100 008

The Fund's investments are monitored for their concentration in industries and geographic regions. If the concentration in specific industry, country or region is high then in case of deterioration of the situation of respective industry, country or region the risk to the Fund's investments may increase. To minimize that risk the Fund's investments are diversified between various industries and countries.

### Risk concentration

At the reporting date the Fund's investments were diversified between in the following countries:

<b>Country</b>	<b>31.12.2019</b>	<b>31.12.2018</b>
Poland	33.04%	23.67%
Estonia	28.12%	34.83%
Lithuania	20.61%	21.43%
Romania	4.35%	3.00%
Latvia	2.56%	4.65%
Cash	11.32%	12.42%

At the reporting date the Fund's investments were diversified between in the following industries:

<b>Industry</b>	<b>31.12.2019</b>	<b>31.12.2018</b>
Finance	29.69%	24.39%
Consumer	28.28%	35.18%
Industrial	15.71%	16.33%
Energy	8.69%	0.00%
Materials	4.06%	4.01%
Real Estate	2.25%	4.67%
Utilities	0.00%	3.00%
Cash	11.32%	12.42%

The table below sets out the distribution of the Fund investments based on listing on regulated markets:

In euros	<b>31.12.2019</b>	<b>31.12.2018</b>
<b>Securities listed on regulated markets</b>		
Equity investments	269 458	1 000 084
Debt securities	15 781	0
<b>Total</b>	<b>285 239</b>	<b>1 000 084</b>

The Management Company monitors investment restrictions set by Investment Funds Act, Fund Rules and also internally set limits on a daily basis. The Fund had no investment limits breaches as at the reporting date.

### Interest rate risk

Interest rate risk is based on the possibility that interest rate, yield curve or interest rate volatility will change in an unfavourable way.

Since as at 31.12.2019 and 31.12.2018, the Fund does not have any substantial interest carrying assets or liabilities, funds exposure to interest rate risk is marginal.

### Credit risk

Credit risk may arise from the nature and success of issuer's business that may significantly affect the prices of issuer's securities and create a situation when the issuer fails to fulfil the obligations taken at issuance of the securities (perform redemption and interest payments).

Realization of credit risk is more probable with debt securities and term deposits.

In order to mitigate credit risk the Management Company analyses and monitors the strength and reliability of issuers' businesses and diversifies investments in different issuers.

Credit risk related to balances due from brokers (pending security transactions) is considered to be low because in order to minimize that risk the Fund prefers markets where DVP (i.e. delivery-versus-payment) principles are adhered and uses reliable and known counterparties for trading.

The Fund's cash and cash equivalents are held with Fund's depository bank AS Swedbank, whose parent bank is rated as Aa3 (Moody's).

Management has assessed the ECL from credit institutions' exposures and due to the strong ratings of corresponding parties, their financial position and also due to the positive economic outlook, the Fund's credit institutions' exposures do not need to be significantly impaired as at the balance sheet date.

Receivables and prepayments include dividend receivables and securities transactions pending on the value date that have been collected by the time of compiling the financial statements. The Management estimates that the expected credit loss for these receivables is immaterial.

### Liquidity and capital risk

Liquidity risk is the risk that due to the low liquidity of markets the Fund is unable to purchase or sell securities at a fair value and as a result of that the Fund cannot observe its investment policy and objectives. This may lead to the situation where the Fund will encounter difficulties in fulfilling payments for redemptions on time, especially when a number of large redemption orders have accumulated at the same time.

Liquidity risk may also rise as a result of increase of market risk and credit risk during a difficult market situation, for example during a recession.

Large redemption orders during the times when market liquidity is low may have a negative impact to the remaining investors in the Fund. On demand of large redemption orders the Fund follows the laws and Fund Rules protecting interests of the remaining unit-holders.

The Management Company may suspend redeeming units under the conditions and according to the procedures provided for in the Investment Funds Act, incl. suspending the redemption of units for up to three months if the cash balances in the accounts of the Fund is insufficient for payment of the redemption price for the units, if the regular management of the Fund may be harmed by the payment of the price, if the securities or other assets of the fund cannot be promptly sold or if the interests of other unit-holders would be materially harmed thereby.

On a daily basis the Fund manager monitors the Fund's necessary liquidity to meet its liabilities, including estimated payments for purchases of securities and redemptions of units. If necessary, the Fund manager takes measures to settle the Fund's liabilities, for instance uses overdraft or sells liquid assets.

In order to mitigate liquidity risk the Fund diversifies investments between issuers and part of the Fund's assets is invested in securities with high liquidity.

Majority of the Fund's investments are publicly traded and liquid, they can be quickly realized and therefore the Fund's overall liquidity risk is not high.

The liquidity table below presents the potential realisation period of the Fund's assets (assuming that the Fund can take up to 50% of daily traded volume):

In euros at 31.12.2019	1-3 banking days	4-5 banking days	More than 5 banking days
Equities, fund investments and debt securities	277 461	2 735	5 042
Cash and cash equivalents	36 410	0	0
Receivables and prepayments	0	0	0
<b>Total</b>	<b>313 871</b>	<b>2 735</b>	<b>5 042</b>

In euros at 31.12.2018	1-3 banking days	4-5 banking days	More than 5 banking days
Equities, fund investments and debt securities	701 846	103 076	195 161
Cash and cash equivalents	117 881	0	0
Receivables and prepayments	24 024	0	0
<b>Total</b>	<b>843 751</b>	<b>103 076</b>	<b>195 161</b>

A list of Fund's assets for which the total realisation of the position in the Fund will take more than 5 banking days (assuming that the Fund can take up to 50% of daily traded volume):

In euros at 31.12.2019

Name	Total market value	Sellable in 1 day in case of regular transactions
GETBACK SA	0	0.00%
AB PIENO ZVAIGZDES	13 204	11.92%
VALMIERA GLASS FIBRE	8 249	14.07%

In euros at 31.12.2019

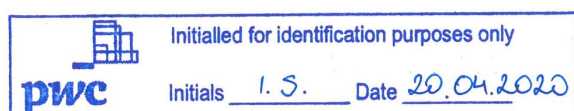
Name	Total market value	Sellable in 1 day in case of regular transactions
GETBACK SA	0	0.00%
LINDA NEKTAR AS	26 261	1.45%
ARCO VARA AS	53 322	2.41%
VALMIERA STIKLA	44 579	3.10%
AB PIENO ZVAIGZDES	45 220	4.26%
EKSPRESS GRUPP	47 810	5.68%
GRIGISKES	90 333	17.33%
LHV GROUP AS	87 656	19.18%
MONNARI TRADE SA	42 703	19.64%

The following table gives an overview of the timely fulfilment of the obligations of the fund (considering that 5% of the net value of the assets belonging to the unit-holders is redeemable after 5 days during one month and 95% - during 1-3 months):

In euros at 31.12.2019	less than 5 banking days	5 banking days to 1 month	1-3 months
Payables to Management Company	523	0	0
Payables to depository bank	0	2 738	0
Payables to unit-holders	0	0	0
Other liabilities	0	72	0
Fund's net assets attributable to holders of redeemable units	0	15 916	302 399
<b>Total</b>	<b>523</b>	<b>18 726</b>	<b>302 399</b>

In euros at 31.12.2018	less than 5 banking days	5 banking days to 1 month	1-3 months
Payables to Management Company	1 882	0	0
Payables to depository bank	0	2 984	0
Payables to unit-holders	13 347	0	0
Other liabilities	0	253	0
Fund's net assets attributable to holders of redeemable units	0	56 176	1 067 347
<b>Total</b>	<b>15 229</b>	<b>59 413</b>	<b>1 067 347</b>

The Fund Manager monitors on a daily basis Fund's liquidity and ensures that there are enough monetary assets to fulfil Fund's liabilities. As of 31.12.2018 and 31.12.2019 Fund's liquidity assets exceed Fund's short-term liabilities.



## NOTE 5. Valuation of financial instruments

The Fund recognises financial assets at fair value through profit or loss. Financial investments are categorized into 3 levels depending on their revaluation:

Level 1: Financial investments valued based on unadjusted quoted price from stock market or other active market.

Level 2: Financial investments valued using valuation methods based on observable inputs. For example this category includes investments measured using quoted prices in active markets for similar instruments or financial instruments that are valued at quoted price in active markets but have low liquidity.

Level 3: Financial investments valued using valuation methods based on unobservable inputs.

The table below categorises financial instruments measured at fair value in 3 levels of fair value hierarchy:

In euros at 31.12.2019

	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Equity investments	269 458	0	0	269 458
Debt securities	15 781	0	0	15 781
Fund investments	0	0	0	0
<b>Total</b>	<b>285 239</b>	<b>0</b>	<b>0</b>	<b>285 239</b>

In euros at 31.12.2018

	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Equity investments	1 000 084	0	0	1 000 084
Debt securities	0	0	0	0
Fund investments	0	0	0	0
<b>Total</b>	<b>1 000 084</b>	<b>0</b>	<b>0</b>	<b>1 000 084</b>

The fair value of the assets recognised at amortized cost - cash and cash equivalents and receivables - at the balance sheet date does not differ from their amortised cost as these financial assets are very short-term.

## NOTE 6. Financial assets at fair value through profit or loss

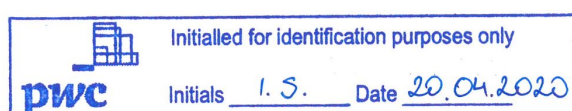
In euros

	<b>31.12.2019</b>	<b>31.12.2018</b>
Equities and fund investments	269 458	1 000 084
Debt securities	15 781	0
<b>Total</b>	<b>285 239</b>	<b>1 000 084</b>

## NOTE 7. Receivables and prepayments

In euros

	<b>31.12.2019</b>	<b>31.12.2018</b>
Dividends receivable	0	8 757
Balances due to brokers	0	15 267
<b>Total</b>	<b>0</b>	<b>24 024</b>



## NOTE 8. Other financial liabilities

In euros

	<u>31.12.2019</u>	<u>31.12.2018</u>
Payables to Management Company	523	1 882
Payables to depositary bank	2 738	2 984
Payables on withdrawn units	0	13 347
Other liabilities	72	253
<b>Total</b>	<b>3 333</b>	<b>18 466</b>

## NOTE 9. Net profit/loss on financial assets at fair value through profit or loss

In euros

	<u>01.01-31.12.2019</u>	<u>01.01-31.12.2018</u>
Equities and fund investments		
Realised gain/loss	-45 245	-49 836
Unrealised gain/loss	106 780	-445 760
Debt securities		
Realised gain/loss	0	0
Unrealised gain/loss	732	0
<b>Total</b>	<b>62 267</b>	<b>-495 595</b>

## NOTE 10. Comparative analysis of the net asset value

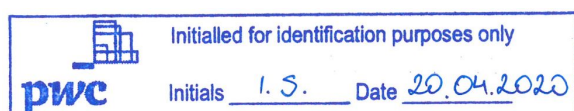
In euros

Year	Fund's net asset value	Net asset value of Fund unit			
		Class 1	Class 2 (eQ Baltia unit)	Class 3	Class 4
31.12.2005	44 494 045	6.9696	10.9142	-	-
31.12.2006	71 018 558	8.6818	13.7129	7.1437	-
31.12.2007	48 732 938	8.9077	14.0283	7.4606	-
31.12.2008	6 698 515	3.0858	4.8597	2.6090	-
31.12.2009	9 565 935	4.5339	7.1406	3.8630	15.1348
31.12.2010	9 076 134	4.9734	7.8334	4.2701	16.1897
31.12.2011	1 682 060	3.3231	5.2357	2.8752	10.8160
31.12.2012	1 844 385	3.9637	6.2453	3.4559	12.9015
31.12.2013	1 678 240	4.2876	6.7556	3.7711	13.9560
31.12.2014	1 898 184	4.4026	6.9369	3.9018	14.3282
31.12.2015	1 577 876	5.0770	7.9998	4.5337	16.5231
31.12.2016	1 754 991	5.8637	9.2393	5.2769	19.0818
31.12.2017	2 936 753	6.7491	10.6344	6.1083	21.9627
31.12.2018	1 123 523	5.2630	8.2928	4.8264	17.1276
31.12.2019	318 315	5.2484	8.2712	-	17.0984

## NOTE 11. Related parties

For the preparation of these financial statements, related parties are considered to be AS Trigon Asset Management (Fund Management Company), AS Trigon Capital (the majority shareholder of the Fund Management Company), OÜ Fero Invest (shareholder with significant influence), companies belonging to the same consolidation group as the Fund Management Company, other funds managed by AS Trigon Asset Management, Fund Management Company beneficial owners and members of the Management Board.

Trigon Baltic Fund paid to the Fund Management Company management fees during the period 01.01-31.12.2019 in total of 11 566 (01.01-31.12.2018: 51 794) euros. As at 31.12.2019 amount owed to Fund





Management Company was 523 (31.12.2018: 1 882) euros. No transactions with other funds managed by AS Trigon Asset Management were made in 2019 and 2018.

#### **NOTE 12. Fund Management Company's remuneration principles**

The members of the Management Board and employees of Trigon Asset Management receive a fixed remuneration on a monthly basis. In addition, employees directly responsible for the Fund distribution can also receive variable remuneration.

Fixed remuneration is the main part of the employees' remuneration which is based on the fixed salary agreement. Fixed remuneration is set on individual basis with consideration to the role of the individual, including responsibility and position profile, achievements, qualification and expertise and market standards in respect of the relevant positions.

Variable remuneration depends on the performance of the individual and the overall results and financial situation of the company. Variable remuneration is paid in bonuses. Such bonuses are paid in accordance with the company results, evaluated each time and not defined as a fixed amount.

When deciding on remuneration practices for employees the Fund Management Company follows a principle of a proper balance. The Fund Management Company has not applied any termination benefits or non-monetary compensations.

The average number of employees (including Management Board members) in Trigon Asset Management in the reporting year was 12 (01.01-31.12.2018: 13). The total amount of fixed salary (incl. taxes) paid to employees was 540 090 (01.01-31.12.2018: 535 172) euros. The total amount of fixed salary (incl. taxes) paid to the members of the Management Board during the reporting period was 110 106 (01.01-31.12.2018: 102 848) euros. Members of the Supervisory Board did not receive any remuneration for participating in the work of the board. Bonuses (incl. taxes) paid to the employees directly involved in the Fund distribution process during the reporting period were 15 734 (01.01-31.12.2018: 16 724) euros.

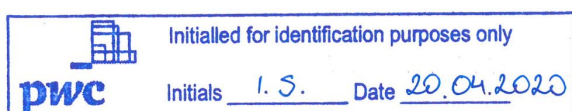
#### **NOTE 13. Contingent assets**

Petition for determining amount of fair compensation petition to the shareholders of AS Olympic Entertainment Group (hereinafter OEG). This is a class action in which the court involves all minority OEG shareholders whose shares were acquired as a result of a mandatory takeover offer (squeezeout) in October 2019. The Management Company AS Trigon Asset Management represents also its' funds in this legal proceeding.

The general meeting of AS Olympic Entertainment Group approved the takeover of OEG shares belonging to minority shareholders by AS Odyssey Europe for financial compensation of EUR 1.40 per share. The petition accepted by the court on 05.02.2019 has been submitted for the protection of minority shareholders' rights and to receive fair compensation for the OEG shares. Petitioners, including AS Trigon Asset Management, believe that a value of EUR 1.40 per share is clearly unjustified and too low. No negative financial impact on the Fund is expected. However, if the application is ultimately satisfied and the court decides to determine higher compensation, OEG will presumably also be obligated to reimburse all the procedural expenses of the petitioners, and such court decision will have a positive effect on the Fund's results. Immediately prior to the squeezeout Trigon Baltic Fund held 86 044 shares of OEG.

#### **NOTE 14. Events Occurring After the Balance Sheet Date**

On 16 September 2019, AS Trigon Asset Management adopted a decision to change the name and investment policy of Trigon Baltic Fund. The amended rules have been approved by the Estonian Financial Supervision Authority on 27 January 2020 by decisions No. 4.1-1/12. As of the entry into force of the new terms and conditions and the prospectus on 28.02.2020, the Fund was renamed Trigon Dividend Fund.



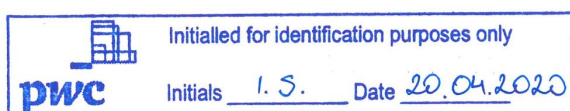


The new coronavirus (COVID-19) was confirmed in early 2020 and has now spread around the world, including to Estonia, causing disruption to businesses and economic activity.

Stock markets around the world have fallen sharply since the second half of February as investors began to assess the damage to businesses caused by the sudden shutdown of economies and businesses to prevent the spread of COVID-19. Today, it is not possible to reliably estimate how long the emergency situation caused by the COVID-19 pandemic will last, how much damage it will cause to the economy and companies, and how it will affect stock prices in the near future.

### Comparison of Fund's Net Asset Value

	<b>31.12.2019</b>	<b>31.03.2020</b>
<b>Fund's Net Asset Value at the end of the reporting period</b>	318 315	352 449
Fund's Net Asset Value per unit:		
Class 2 (eQ unit)	8.2712	5.9857
Class 4	17.0984	12.3487



## STATEMENT OF INVESTMENTS

In euros as at 31.12.2019

Name	Rating (S&P)	Country	ISIN-code	Nominal value	Currency	Quantity	Average acquisition cost per unit	Total average acquisition cost	Market value per unit	Total market value	Weight of Fund's net assets value	
<b>EQUITIES</b>												
<i>LISTED ON REGULATED MARKETS:</i>												
AB PIENO ZVAIGZDES		LT	LT0000111676	0.29	EUR	13 826	1.15	15 929	0.96	13 204	4.15%	
ALIOR BANK SA	BB	PL	PLALIOR00045	10.00	PLN	1 200	11.86	14 230	6.74	8 087	2.54%	
ARCO VARA		EE	EE3100034653	7.00	EUR	6 359	1.45	9 217	1.14	7 249	2.28%	
BANK HANDLOWY W WARSZAWIE		PL	PLBH00000012	4.00	PLN	1 000	13.22	13 222	12.17	12 172	3.82%	
BANK PEKAO SA	BBB+	PL	PLPEKAO00016	1.00	PLN	600	22.76	13 656	23.59	14 162	4.45%	
CCC SA		PL	PLCCCO000016	0.10	PLN	400	35.17	14 070	25.84	10 339	3.25%	
GETBACK SA		PL	PLGTBCK00297	0.00	PLN	70 000	1.76	122 901	0.00	0	0.00%	
GRIGISKES		LT	LT0000102030	0.29	EUR	19 331	1.34	25 958	1.45	27 933	8.78%	
JASTRZEBSKA SPOLKA WEGLOWA SA		PL	PLJSW0000015	5.00	PLN	2 600	4.89	12 717	5.02	13 062	4.10%	
KLAIPEDOS NAFTA		LT	LT0000111650	0.29	EUR	38 555	0.52	20 079	0.36	13 957	4.38%	
KRUK SA		PL	PLKRRK0000010	1.00	PLN	460	31.35	14 420	39.34	18 105	5.69%	
OMV PETROM SA		RO	ROSNPPACNOR9	0.10	RON	150 000	0.09	13 046	0.09	14 005	4.40%	
POWSZECHNY ZAKLAD UBEZP	A-	PL	PLPZU0000011	0.10	PLN	1 700	9.46	16 077	9.40	15 991	5.02%	
SIAULIU BANKAS PVA		LT	LT0000102253	0.29	EUR	22 145	0.50	11 089	0.51	11 205	3.52%	
SILVANO FASHION GROUP		EE	EE3100001751	0.20	EUR	11 534	2.65	30 565	2.17	25 029	7.86%	
STALEXPORT SA		PL	PLSTLEX00019	2.00	PLN	20 000	0.83	16 673	0.72	14 334	4.50%	
TALLINK GRUPP		EE	EE3100004466	0.54	EUR	30 650	1.00	30 603	0.98	29 914	9.40%	
TALLINNA KAUBAMAJA AS		EE	EE0000001105	0.40	EUR	1 400	8.51	11 918	8.90	12 460	3.91%	
VALMIERA GLASS FIBRE		LV	LV0000100485	1.40	EUR	6 991	3.75	26 241	1.18	8 249	2.59%	
<b>TOTAL EQUITIES</b>								<b>432 608</b>		<b>269 458</b>	<b>84.65%</b>	
Name/Due date	Rating (S&P)	Country	ISIN-code	Nominal value	Coupon rate	Currency	Quantity	Average acquisition cost per unit	Total average acquisition cost	Market value per unit	Total market value	Weight of Fund's net assets value
<b>DEBT SECURITIES</b>												
INBANK SUBORDINATED/19.12.2029		EE	EE3300001544	1000.00	6.000%	EUR	9 000	100.00	9 000	105.00	9 466	2.97%
LHV GROUP SUBORDIN/28.11.2028		EE	EE3300111558	1000.00	6.000%	EUR	6 000	100.00	6 000	104.71	6 314	1.98%
<b>TOTAL DEBT SECURITIES</b>								<b>15 000</b>		<b>15 781</b>	<b>4.96%</b>	
<b>TOTAL SECURITIES</b>								<b>447 608</b>		<b>285 239</b>	<b>89.61%</b>	
<b>CASH</b>												
BANK ACCOUNT									36 410		36 410	11.44%
<b>INVESTMENTS TOTAL</b>								<b>484 018</b>		<b>321 648</b>	<b>101.05%</b>	
<b>TOTAL FUND ASSETS</b>								<b>484 018</b>		<b>321 648</b>	<b>101.05%</b>	
<b>NET ASSET VALUE</b>										<b>318 315</b>	<b>100.00%</b>	

In euros as at 31.12.2018

Name	Rating (S&P)	Country	ISIN-code	Nominal value	Currency	Quantity	Average acquisition cost per unit	Total average acquisition cost	Market value per unit	Total market value	Weight of Fund's net assets value
<b>EQUITIES</b>											
<b>LISTED ON REGULATED MARKETS:</b>											
AB PIENO ZVAIGZDES		LT	LT0000111676	0.29	EUR	48 624	1.17	57 052	0.93	45 220	4.02%
ARCO VARA AS		EE	EE3100034653	7.00	EUR	47 609	1.40	66 867	1.12	53 322	4.75%
BANK PEKAO SA	BBB+	PL	PLPEKAO00016	1.00	PLN	2 000	24.33	48 652	25.31	50 614	4.50%
BUDIMEX		PL	PLBUDMX00013	5.00	PLN	1 200	27.75	33 303	26.38	31 650	2.82%
EKSPRESS GRUPP		EE	EE3100016965	0.60	EUR	45 971	1.16	53 257	1.04	47 810	4.26%
ELECTRICA SOLUZIONA SA		RO	ROELECACNOR5	10.00	RON	16 584	2.41	40 040	2.06	34 232	3.05%
GETBACK SA		PL	PLGTBCK00297	0.00	PLN	70 000	1.76	122 901	0.00	0	0.00%
GRIGISKES		LT	LT0000102030	0.29	EUR	68 176	1.16	78 804	1.33	90 333	8.04%
GRUPA KETY SA		PL	PLKETY000011	1.00	PLN	600	76.34	45 806	76.39	45 831	4.08%
INTER CARS SA		PL	PLINTCS00010	2.00	PLN	1 000	47.10	47 098	48.52	48 525	4.32%
KLAIPEDOS NAFTA		LT	LT0000111650	0.29	EUR	48 555	0.52	25 286	0.41	19 908	1.77%
LHV GROUP		EE	EE3100073644	1.00	EUR	9 266	11.14	103 224	9.46	87 656	7.80%
LINDA NEKTAR		EE	EE3100060344	1.00	EUR	5 002	7.48	37 398	5.25	26 261	2.34%
MADARA COSMETICS		LV	LV0000101624	0.10	EUR	1 066	6.36	6 784	7.95	8 475	0.75%
MONNARI TRADE SA		PL	PLMNRTR00012	0.10	PLN	43 792	1.85	80 928	0.98	42 703	3.80%
POWSZECHNY ZAKLAD UBEZP	A-	PL	PLPZU0000011	0.10	PLN	5 000	9.18	45 876	10.19	50 962	4.54%
SIAULIU BANKAS PVA		LT	LT0000102253	0.29	EUR	222 610	0.49	109 693	0.40	89 267	7.95%
SILVANO FASHION GROUP		EE	EE3100001751	0.30	EUR	19 534	2.64	51 556	2.31	45 124	4.02%
TALLINK GRUPP		EE	EE3100004466	0.54	EUR	92 650	1.03	95 260	1.02	94 040	8.37%
TALLINNA KAUBAMAJA AS		EE	EE0000001105	0.40	EUR	5 175	9.98	51 621	8.42	43 574	3.88%
VALMIERA GLASS FIBRE		LV	LV0000100485	1.40	EUR	19 725	3.48	68 608	2.26	44 579	3.97%
<b>TOTAL EQUITIES</b>								<b>1 270 014</b>		<b>1 000 084</b>	<b>89.01%</b>
<b>SECURITIES TOTAL</b>								<b>1 270 014</b>		<b>1 000 084</b>	<b>89.01%</b>
<b>CASH</b>											
BANK ACCOUNTS								117 881		117 881	10.49%
<b>INVESTMENTS TOTAL</b>								<b>1 387 895</b>		<b>1 117 965</b>	<b>99.51%</b>
<b>Other assets</b>											
Dividend receivable										8 757	0.78%
Balances due from brokers										15 267	1.36%
<b>Total other assets</b>										<b>24 024</b>	<b>2.14%</b>
<b>TOTAL FUND ASSETS</b>								<b>1 387 895</b>		<b>1 141 989</b>	<b>101.64%</b>
<b>NET ASSET VALUE</b>										<b>1 123 523</b>	<b>100.00%</b>

## STATEMENT OF TRANSACTION AND COMMISSION FEES

In euros

Commissions are fees paid to the intermediaries of securities transactions. Transaction costs consist of the fees charged by the depositary bank for making transactions, fees for sub-depositaries or correspondent banks and fees charged for executing payment orders.

### 01.01-31.12.2019

Intermediary	Number of transactions	Volume of transactions	Total commissions paid	Weighted average fee
<i>Securities traded on regulated markets</i>				
AS LHV PANK	1	15 796	40	0.25%
AS SEB Pank	48	430 153	627	0.15%
AS Swedbank	13	156 830	236	0.15%
Bank Pekao SA	20	544 107	871	0.16%
Erste Bank	2	90 368	90	0.10%
PKO BP Securities	6	88 291	124	0.14%
Swiss Capital	5	151 107	302	0.20%
<b>Total</b>	<b>95</b>	<b>1 476 653</b>	<b>2 290</b>	<b>0.16%</b>

Additionally, transaction costs in the amount of 1 479 euros were paid to Swedbank AS, which was 0.10% of the total transactions volume

### 01.01-31.12.2018

Intermediary	Number of transactions	Volume of transactions	Total commissions paid	Weighted average fee
<i>Securities traded on regulated markets</i>				
AS LHV PANK	4	180 864	340	0.19%
AS SEB Pank	99	2 086 255	3130	0.15%
AS Swedbank	52	936 255	1151	0.12%
Bank Pekao SA	17	470 403	752	0.16%
IEBA TRUST	4	326 918	653	0.20%
OÜ FARMITI	1	21 568	0	0.00%
PKO BP Securities	2	92 904	130	0.14%
Swiss Capital	6	236 380	473	0.20%
<b>Total</b>	<b>185</b>	<b>4 351 546</b>	<b>6 629</b>	<b>0.15%</b>

Additionally, transaction costs in the amount of 1 413 euros were paid to Swedbank AS, which was 0.03% of the total transactions volume.



## Independent Auditor's Report

To the Shareholders of Trigon Baltic Fund (new name Trigon Dividend Fund)

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### Our opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Trigon Baltic Fund (new name Trigon Dividend Fund) (the Fund) managed by AS Trigon Asset Management (the Management Company) as at 31 December 2019, and its financial performance and its cash flows for the year then ended in accordance with the Investment Funds Act.

### What we have audited

The Fund's financial statements comprise:

- the statement of financial position as at 31 December 2019;
- the statement of comprehensive income for the year then ended;
- the statement of changes in the Fund's Net Asset Value for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, which include significant accounting policies and other explanatory information.

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### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the Fund's financial statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Independence

We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the ethical requirements of the Auditors Activities Act of the Republic of Estonia. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code and the ethical requirements of the Auditors Activities Act of the Republic of Estonia.

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### Other information

The Management Company's Management Board is responsible for the other information. The other information comprises Short Description and Contact Details of Trigon Baltic Fund, the Management Report, the Statement of Investments and the Statement of Transaction and Commission Fees (but does not include the financial statements and our auditor's report thereon).

Our opinion on the Fund's financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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AS PricewaterhouseCoopers  
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Translation note:

This version of our report is a translation from the original, which was prepared in Estonian. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original language version of our report takes precedence over this translation.



In connection with our audit of the Fund's financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the Fund's financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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### Responsibilities of the Management Company's Management Board and those charged with governance for the Fund's financial statements

The Management Company's Management Board is responsible for the preparation and fair presentation of the Fund's financial statements in accordance with the Investment Funds Act and for such internal control as the Management Company's Management Board determines is necessary to enable the preparation of the Fund's financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the Fund's financial statements, the Management Company's Management Board is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Management Company's Management Board either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Fund's financial reporting process.

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### Auditor's responsibilities for the audit of the Fund's financial statements

Our objectives are to obtain reasonable assurance about whether the Fund's financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial statements of the Fund.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Fund's financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management Company's Management Board.

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- Conclude on the appropriateness of the Management Company's Management Board's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Fund's financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Fund's financial statements, including the disclosures, and whether the Fund's financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

AS PricewaterhouseCoopers

/signed/

Verner Uibo  
Auditor's certificate no.568

20 April 2020  
Tallinn, Estonia

Translation note:

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