

## Trigon Russia Top Picks Fund

Fact Sheet | April 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

Wide range volatility remained in April with MSCI World TR rising 11.3% and MSCI EM TR 9.4%. Russia outperformed with MSCI Russia TR return of 11.7% and Trigon Russia Top Picks 12.5%. YTD, the Fund is down by -16.2% while index is down -27.3%.

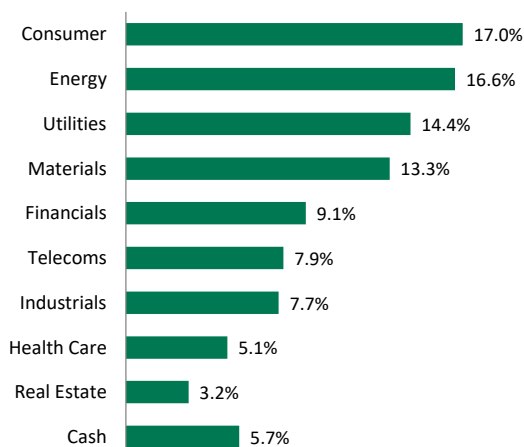
Coronavirus situation has worsened in Russia recently as the country did not reach its peak yet due to the later start of the lockdown. However, the total number of cases per one million population is much lower than in the USA and Europe. While cases rose significantly, Russia's mortality rate is far lower than in many other countries. That said, due to the later start of the lockdown, Russia will probably reopen later as well.

The rouble was strong against EUR, appreciating by 5.2% in a month. The significant fall in oil prices (Brent -66% YTD) has so far not resulted in an abrupt depreciation of rouble, which was the case in 2014, as Russian economy is in a much better shape. As oil dropped below the level of 42.4 USD/bbl (budget rule), the Central Bank (CBR) has started to sell USD from the Sovereign Oil fund to stabilize rouble and finance large part of budget deficit. Russian bond yields are also relatively stable with current 10Y yield in USD at 3.03% in line with the beginning of the year.

The CBR has cut the key rate to 5.5% from 6.25% at the end of 2019 and significantly revised its projections. GDP is expected to decline -4-5% YoY in 2020, inflation is expected to grow to 3.8-4.8% YoY under the oil price scenario of 27 USD/bbl. CBR signalled that it sees room for more rate cuts at its future meetings, including the next one. There were only small signs of disruption to business activity from coronavirus in the key economic indicators for 1Q20. The demand data was strong ahead of the lockdown with retail sales up 5.6% YoY in March due to panic stockpiling. Supply side indicators were flat in March with industrial production growth of +0.3%, supported exclusively by manufacturing (+2.6% YoY). The second quarter will be the toughest and show the effect of coronavirus lockdown as well as the OPEC+ agreement will have a negative impact on production activity.

Russian companies have substantially increased their dividend pay-outs over time from 15% to current 45-50% and have one of the most attractive dividend yields in the EM equities space. MSCI Russia's estimated P/E ratio for 2020 is now 8.2x and dividend yield of 7.6%, well above the Russia Eurobond yield. Trigon Russia Top Picks Fund portfolio is trading at a weighted average of 7.5x expected earnings for 2020 and 9.3% 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](http://www.trigoncapital.com). Please refer to the important legal notice on the last page of this report.

Tel: +372 667 9200

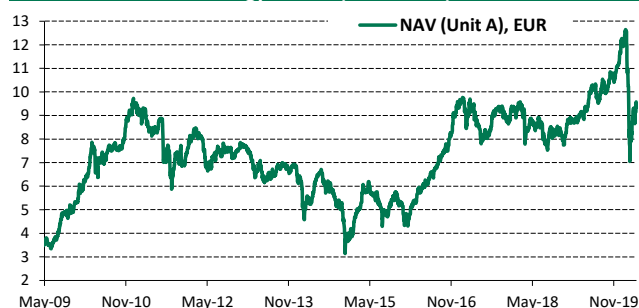
[funds@trigoncapital.com](mailto:funds@trigoncapital.com)

### Fund Facts

<b>Fund AUM:</b>	€3.5 mil
<b>Positions:</b>	21
<b>UCITS IV:</b>	Yes
<b>Auditor:</b>	PwC
<b>Depository:</b>	Swedbank
<b>Dealing:</b>	Daily
<b>Domicile:</b>	Estonia
<b>Launch:</b>	Feb 14, 2006

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

EUR



30-Apr-20	Unit A	Unit D	Benchmark*
Year-to-Date	-16.2%	-17.5%	-27.3%
1 month	12.5%	12.5%	11.7%
3 months	-21.7%	-21.7%	-26.0%
6 months	-10.0%	-11.4%	-22.3%
1 year	2.7%	1.2%	-5.9%
2 years	10.9%	9.6%	16.2%
3 years	-0.8%	-1.3%	17.2%
5 years	63.0%	54.4%	33.1%
Since launch	46.1%	15.6%	-0.3%
Launch of unit	14-Feb-06	31-Aug-11	14-Feb-06

Fund Details	Unit A	Unit D
<b>NAV in EUR</b>	<b>9.3350</b>	<b>11.5625</b>
12 months High	12.6401	15.6277
12 months Low	7.0511	8.7310
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)	0.46
Daily volatility (1year)	29.7%

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

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

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

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

NAV movements can be followed in: Bloomberg, [www.trigoncapital.com](http://www.trigoncapital.com), [www.morningstar.fi](http://www.morningstar.fi)

[www.trigoncapital.com](http://www.trigoncapital.com)

**Trigon Russia Top Picks Fund**
**Fact Sheet | April 2020**
**Monthly Performance (Unit A)**

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Annual	CAGR*
2020	7.1%	-9.4%	-23.2%	12.5%										
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

**Risk Management Report (Unit A)**

	1M	3M	6M	1Y	2Y
Volatility (daily)	38.3%	55.2%	40.0%	29.7%	23.8%
Volatility (monthly)				32.7%	27.1%

**Downside Risk Analysis**

Negative months / total	75/171	44%
Worst calendar month	-29.9%	
Worst calendar quarter	-36.2%	

**Upside Risk Analysis**

Positive months / total	96/171	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)	14.2%
Small Cap II (500m - 1bn EUR)	22.3%
Mid Cap (1 - 3bn EUR)	12.7%
Blue Chip (more than 3bn EUR)	45.0%

**Monthly Return Contribution Analysis (Unit A)**

Russia	12.7%	Consumer	2.4%
Kazakhstan	-0.1%	Energy	2.3%
		Utilities	2.3%
		Materials	1.9%
		Industrials	1.6%
		Telecoms	1.2%
		Health Care	1.1%
		Financials	0.2%
		Real Estate	-0.4%

Gross Performance 12.6%

12.6%

**Disclaimer:** Past performance of the fund does not guarantee or indicate future performance of the fund. The value of the fund units may increase and decrease over time, therefore there is no guarantee that the investors get back the amount invested in the fund. The risk factors of the fund are described in further detail in the prospectus of the fund available on the website [www.trigoncapital.com](http://www.trigoncapital.com). Please refer to the important legal notice on the last page of this report.

**Geographic Allocation**

	Apr-20	Oct-19	Apr-19
Russia	89.5%	93.4%	95.3%
Kazakhstan	4.7%	4.7%	-
Cash	5.7%	1.9%	4.7%

**Sector Allocation**

	Apr-20	Oct-19	Apr-19
Consumer	17.0%	12.2%	18.0%
Energy	16.6%	13.5%	11.8%
Utilities	14.4%	15.8%	13.0%
Materials	13.3%	8.4%	12.2%
Financials	9.1%	17.5%	12.8%
Telecoms	7.9%	9.3%	5.9%
Industrials	7.7%	9.0%	9.2%
Health Care	5.1%	8.6%	8.3%
Real Estate	3.2%	3.9%	4.2%
Cash	5.7%	1.9%	4.7%

**Performance (net of fees)**

30-Apr-20	Unit A	Unit C	Unit D
Year-to-Date	-16.2%	-16.4%	-17.5%
1 month	12.5%	12.4%	12.5%
3 months	-21.7%	-21.9%	-21.7%
6 months	-10.0%	-10.5%	-11.4%
1 year	2.7%	1.6%	1.2%
2 years	10.9%	8.7%	9.6%
3 years	-0.8%	-2.8%	-1.3%
5 years	63.0%	59.8%	54.4%
Since launch	46.1%	150.0%	15.6%
Launch of unit	14-Feb-06	15-Apr-09	31-Aug-11

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

Fund Details	Unit C	Unit E (USD)
NAV	24.9962	-
12 months High	33.9142	-
12 months Low	18.9030	-
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:



Tel: +372 667 9200

[funds@trigoncapital.com](mailto:funds@trigoncapital.com)
[www.trigoncapital.com](http://www.trigoncapital.com)

\*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**

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 which the investors are expected to take into account are described in further detail in the prospectus of the fund. Information concerning the reference index or other reference basis of the fund is the basis for comparing the performance of the fund. It is advised to consult with professional tax and investment advisors, if necessary.

The report has been produced for informational purposes only. The information in this report is not an offer, recommendation or advice to conclude any transactions. The information can not be taken or interpreted as investment advice, investment recommendation or other investment or ancillary service. The information in this report is not an offer or invitation to buy or sell fund units or other securities and it can not be taken as legal or tax advice.

The information in this report reflects the best understanding of Trigon professionals at the time of composing the report. Upon changes in circumstances such understanding may change without any notification. The information contained in this report is, to the best knowledge and belief of Trigon professionals, correct and not misleading, however the information is largely based on the information disclosed by third parties who are, to the best knowledge of Trigon, reliable. Therefore Trigon, its employees and managers take no liability in case the information provided herein should appear to be incorrect or inaccurate. Certain statements in this report are forward-looking. Such forward looking statements and information are based on the personal beliefs or assumptions of Trigon professionals which are based on the information available to Trigon. Forward-looking statements reflect the views of Trigon professionals at the time of composing this report with respect to future events. Forward-looking statements are subject to certain risks, uncertainties and assumptions and many factors could cause the statements to change without any notification. Trigon does not guarantee that possible future events will come to pass. The information in this report is subject to changes without notice. Trigon assumes no liability as to any decisions made based on information contained in this report and as to any damages resulting from reliance on the information provided herein. Accordingly, undue reliance should not be placed by the investors on the information, incl forward-looking statements, contained herein.

Please see the prospectus, rules and other important information about the funds on the website [www.trigoncapital.com](http://www.trigoncapital.com). The fund management company is supervised by Estonian Financial Supervision Authority.

**MSCI Benchmark Indices**

MSCI indices' pricing data source: MSCI.

Neither MSCI nor any other party involved in or related to compiling, computing or creating the MSCI data makes any express or implied warranties or representations with respect to such data (or the results to be obtained by the use thereof), and all such parties hereby expressly disclaim all warranties of originality, accuracy, completeness merchantability or fitness for a particular purpose with respect to any of such data. Without limiting any of the foregoing, in no event shall MSCI, any of its affiliates or any third party involved in or related to compiling, computing or creating the data have any liability for any direct, indirect, special, punitive, consequential or any other damages (including lost profits) even if notified of the possibility of such damages. No further distribution or dissemination of the MSCI data is permitted without MSCI's express written consent.

**Contact Information**

AS Trigon Asset Management  
Pärnu mnt. 18  
Tallinn 10141  
Estonia

Tel: +372 667 9200  
Fax: +372 667 9201  
[www.trigoncapital.com](http://www.trigoncapital.com)  
[funds@trigoncapital.com](mailto:funds@trigoncapital.com)

