

Trigon Russia Top Picks Fund
Fact Sheet | June 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

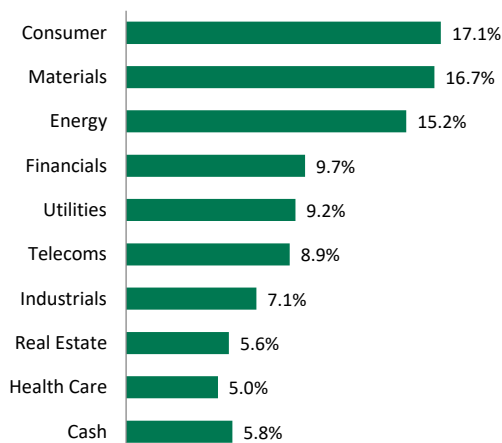
Global stocks continued to perform well in June with MSCI World TR rising 1.3%, while MSCI EM TR outperformed with the gain of 6.3%. Russian market erased the gains at the end of the month with MSCI Russia TR return of -2.9%, while Trigon Russia Top Picks outperformed +1.1%. YTD, the Fund is down -10.5%, while the index is down -24.5%.

In June, Russian Central Bank (CBR) cut the rate to 4.5%, the lowest level over the years. 10-year government bond yield fell to 5.4%, the lowest on record. The debt for corporate borrowers has never been so cheap before – blue chip companies raised new ruble debt at 5.5-6.0%. Inflation fell to 3%, while economic activity continues to improve with PMI increasing from 36.2 to 49.4 in June. Reflecting the signs of better momentum, there were upgrades by number of investment houses on Russia economic growth forecast for 2020 from -5% to -4%.

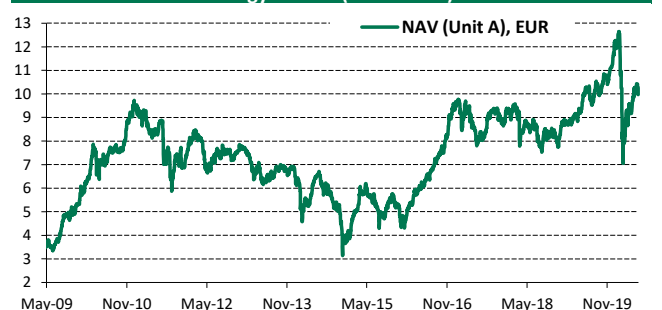
There is quite a meaningful support for the stock market from the local retail investors. Basically, the number of brokerage accounts increased from close to 0 to over 5.3 million over the last two years. The trend should continue, as the Central bank rate is now at 4.5%, and the maximum rate people can get from deposits is now below 4%. At the same time, the average dividend yield of the market is at 7.0% and the dividend yield for the Fund is at 8.7%. Just to remind, Russians hold over \$460bn on deposits which is almost 70% of their savings. The total free float of the listed Russian stocks is around \$200bn.

The ability to deploy economic stimulus has differentiated Russia from many other emerging markets, as Russia entered the crisis with tight monetary and fiscal policies, significant reserves and strong corporate balance sheets. In response to the corona-crisis, the government has announced additional spending and the CBR has cut rates. The combined size of monetary and fiscal stimulus programs is now up to 10% of GDP. During previous crisis Russia acted in opposite way – cut the spending and hiked rates.

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 11.0x and dividend yield of 7.0%, well above the Russia Eurobond yield. Trigon Russia Top Picks Fund portfolio is trading at a weighted average of 8.2x expected earnings for 2020 and 8.7% dividend yield.

Sector allocation

Fund Facts

| | |
|--------------------|--------------|
| Fund AUM: | €3.6 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)


| | Unit A | Unit D | Benchmark* |
|------------------|-----------|-----------|------------|
| 30-Jun-20 | | | |
| Year-to-Date | -10.5% | -11.8% | -24.5% |
| 1 month | 1.1% | 1.1% | -2.9% |
| 3 months | 20.1% | 20.2% | 16.0% |
| 6 months | -10.5% | -11.8% | -24.5% |
| 1 year | 0.2% | -1.2% | -11.8% |
| 2 years | 16.4% | 15.0% | 14.9% |
| 3 years | 24.6% | 23.7% | 41.3% |
| 5 years | 76.4% | 68.6% | 49.9% |
| Since launch | 56.0% | 23.5% | 3.5% |
| Launch of unit | 14-Feb-06 | 31-Aug-11 | 14-Feb-06 |

| Fund Details | Unit A | Unit D |
|------------------------|---------------|--|
| NAV in EUR | 9.9670 | 12.3503 |
| 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) | 0.42 |
| Daily volatility (1year) | 30.2% |

(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.

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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* 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

Trigon Russia Top Picks Fund

Fact Sheet | June 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% | 5.6% | 1.1% | | | | | | | | | |
| 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) | 19.7% | 26.8% | 41.0% | 30.2% | 24.2% |
| Volatility (monthly) | | | | 206.3% | 146.2% |

Downside Risk Analysis

| | | |
|-------------------------|--------|-----|
| Negative months / total | 75/173 | 43% |
| Worst calendar month | -29.9% | |
| Worst calendar quarter | -36.2% | |

Upside Risk Analysis

| | | |
|-------------------------|--------|-----|
| Positive months / total | 98/173 | 57% |
| 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) | 12.6% |
| Small Cap II (500m - 1bn EUR) | 12.0% |
| Mid Cap (1 - 3bn EUR) | 17.3% |
| Blue Chip (more than 3bn EUR) | 52.3% |

Monthly Return Contribution Analysis (Unit A)

| | | | |
|------------|------|-------------|-------|
| Kazakhstan | 0.6% | Consumer | 0.7% |
| Russia | 0.5% | Financials | 0.6% |
| | | Telecoms | 0.3% |
| | | Real Estate | 0.3% |
| | | Health Care | 0.0% |
| | | Utilities | -0.1% |
| | | Energy | -0.1% |
| | | Industrials | -0.2% |
| | | Materials | -0.4% |

Gross Performance 1.2% 1.2%

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Geographic Allocation

| | Jun-20 | Dec-19 | Jun-19 |
|------------|--------|--------|--------|
| Russia | 86.8% | 95.1% | 87.9% |
| Kazakhstan | 7.5% | 4.2% | 4.6% |
| Cash | 5.8% | 0.7% | 7.5% |

Sector Allocation

| | Jun-20 | Dec-19 | Jun-19 |
|-------------|--------|--------|--------|
| Consumer | 17.1% | 13.5% | 15.8% |
| Materials | 16.7% | 11.8% | 10.6% |
| Energy | 15.2% | 18.3% | 13.1% |
| Financials | 9.7% | 10.5% | 13.9% |
| Utilities | 9.2% | 15.4% | 11.9% |
| Telecoms | 8.9% | 8.7% | 7.9% |
| Industrials | 7.1% | 8.8% | 7.7% |
| Real Estate | 5.6% | 3.6% | 4.0% |
| Health Care | 5.0% | 8.5% | 7.7% |
| Cash | 5.8% | 0.7% | 7.5% |

Performance (net of fees)

| 30-Jun-20 | Unit A | Unit C | Unit D |
|----------------|-----------|-----------|-----------|
| Year-to-Date | -10.5% | -10.9% | -11.8% |
| 1 month | 1.1% | 1.0% | 1.1% |
| 3 months | 20.1% | 19.8% | 20.2% |
| 6 months | -10.5% | -10.9% | -11.8% |
| 1 year | 0.2% | -0.8% | -1.2% |
| 2 years | 16.4% | 14.0% | 15.0% |
| 3 years | 24.6% | 21.9% | 23.7% |
| 5 years | 76.4% | 72.6% | 68.6% |
| Since launch | 56.0% | 166.4% | 23.5% |
| 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 | 26.6435 | - |
| 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 |

*E unit: 20% of return that exceeds MSCI Russia Daily Net TR USD YTD performance.

**C units can be subscribed to as of April 6th, 2009. E units can be subscribed to as of September 1st, 2017.

Signatory of:



Important Legal Information

Management Company: AS Trigon Asset Management

Disclaimer

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

MSCI Benchmark Indices

MSCI indices' pricing data source: MSCI.

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