

Trigon New Europe Fund
Fact Sheet | September 2020
Overview

Trigon New Europe Fund invests in listed equity securities of European Union new member states and accession countries. The Fund focuses on investments in Poland, the Czech Republic, Hungary, Romania, Slovenia, Austria (companies with CEE exposure), Serbia, Bulgaria, the Baltic countries and can invest in Turkey and Greece. The Fund does not invest in Russia.

The Fund includes around 35-50 thoroughly researched companies. The Fund's investment style is value investing, with active management and stock-picking used to identify attractively-valued equities. Trigon's investment team aims to visit all companies in which we invest, with a preference toward undervalued stocks with solid growth and good dividend yield.

Fund Facts

Fund AUM: €212.2 mil
Positions: 43
UCITS IV: Yes
Auditor: PwC
Depository: DZ PRIVATBANK
Dealing: Daily
Domicile: Luxembourg
Launch: Apr 10, 2002

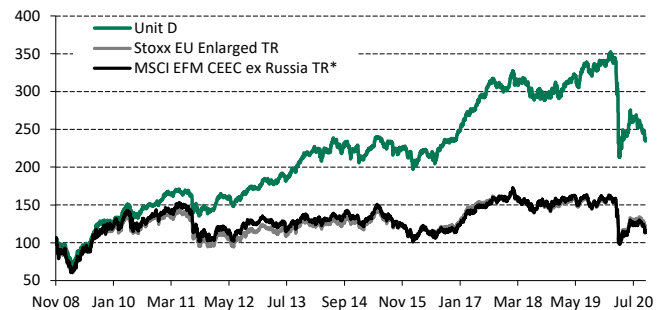
Fund Manager's Comments

In September, equity markets around the world were under pressure due to second wave of corona virus spreading over Europe and due to valuation worries in growth segments of the market that have been driving the general sentiment over summer months. Eastern Europe was hit relatively more harshly than the rest of Europe due to showing higher infection rates compared to spring wave. Trigon New Europe Fund declined by 5.2%, less than the regional benchmark, which slumped by 7.8% in the month. The performance of the Fund was supported by its exposure to Turkish companies and higher share of value companies, which outperformed the growth segments after many months of heavy under-performance. In YTD terms, the Fund is down by 30.6% compared to 27.5% of the regional benchmark index. In 3, 5 and 10 years, the Fund has beaten the benchmark by respectively 2.5%, 13.9% and 72.3%.

Eastern European equities, and especially value companies, have underperformed in 2020 to majority of EM and DM markets. The best parallel could be drawn with Western European markets as the index components are quite comparable with relatively high share of banks, telecoms, industrials and energy and utility names in both. Eastern Europe index has lost 27.5% in euros vs 11.6% of Western European index despite the GDP dynamics suggesting opposite direction. Eastern European economies are expected to decline by 4-5% in 2020 vs 7-8% in Western Europe, while both are expected to recover by around 4-4.5% in 2021. European wide support packages are also inclined to support Eastern European economies relatively more than Western European ones. In terms of valuations, Eastern Europe trades at all time high 40-50% discount on all basic ratios, offers 2x higher free cash-flow and dividend yield, despite the bond yields being at very comparable levels.

Strategic investors and main shareholders have started to notice the opportunities though: in September French telecom operator Iliad announced a take-over bid for Polish operator Play with 38% premium to previous day market price; main shareholder of Forte, a Polish furniture manufacturing company, made an offer to double its holding from 33% to 66% with around 20% premium; Hungarian state fund bought majority stake in Polish commercial property company GTC, and by the Polish law needs to add another 5% through tender offer (currently 15% premium) to own 66% of the company; Czech PPF group, the largest regional private equity house, is finalizing its take-over of Czech based media company CETV in mid- October. The New Europe Fund had stakes in all of the above mentioned companies.

Based on 2019 reported numbers Trigon New Europe portfolio is trading at 8.7x earnings. On 2020E and 2021E the Fund is trading at 11.4x and 11.1x earnings, respectively. The Fund holdings offer a weighted average dividend yield of 3.7% on 2019 earnings as many financial companies were not allowed to pay out any dividends this year. 2020E dividend yield is expected to be 4.9%, which does not include any possible one-off dividends by financial companies. High dividends are backed by low-teens free cash-flow generation in 2021E and strong balance-sheets of the companies.

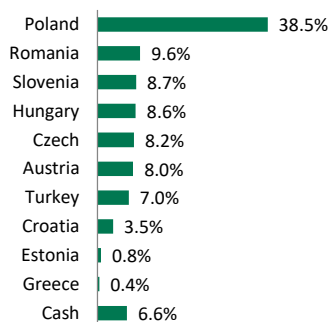
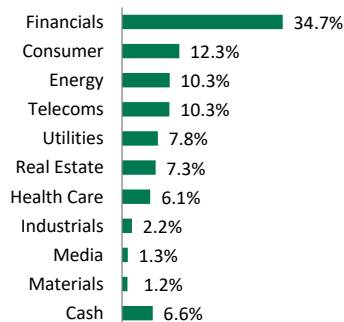
Performance (%) since strategy launch (net of fees)


30-Sep-20	Unit D	Unit E	Benchmark*
Year-to-Date	-30.6%	-30.8%	-27.5%
1 month	-5.2%	-5.2%	-7.8%
3 months	-9.0%	-9.1%	-5.7%
6 months	4.5%	4.3%	10.2%
1 year	-28.8%	-29.2%	-23.6%
3 years	-22.3%	-23.3%	-24.9%
5 years	9.4%	6.9%	-4.5%
10 years	58.6%	51.0%	-13.6%
Since launch	163.5%	163.5%	-14.9%
Launch of unit	10.04.02	08.04.09	n/a*

Fund Details	Unit D	Unit E	Unit B
NAV	16.8400	26.3500	75.2500
12 months High	24.8900	39.0900	110.3900
12 months Low	15.0500	23.6100	66.9400
Management fee	Up to 1.5%	Up to 2%	0.75%
Performance fee	none	none	15% of return exceeding the Benchmark*
Subscription fee**	none	none	none
Redemption fee	none	none	none
ISIN	LU1687403102	LU1687403367	LU1687402633
Bloomberg code	TRICLDE LX	TRICLEE LX	TRICLBE LX
Lipper code	68481091	68481092	68481936
Min. subscription	€1 mil	No min.	€5 mil

Sharpe ratio (5 years) 0.14
 Daily volatility (1 year) 24.9%

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

Geographic allocation

Sector allocation


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

30-Sep-20	Unit A (EUR)	Unit A (USD)	Unit B
Year-to-Date	-30.2%	-27.1%	-30.1%
1 month	-5.1%	-6.9%	-5.1%
3 months	-8.8%	-4.8%	-8.8%
6 months	4.9%	12.1%	5.2%
1 year	-28.3%	-22.9%	-28.0%
2 years	-	-	-19.9%
3 years	-	-	-
5 years	-	-	-
Since launch	-22.8%	-18.4%	-24.8%
Launch of unit	05.12.18	31.01.19	18.04.18

*The benchmark index, MSCI EFM CEE ex Russia TR (EUR), was created on February 2nd, 2008.

**E units (old C unit) can be subscribed to as of April 6th, 2009. D units (old A unit) are again available as of September 1st, 2017.

NAV movements can be followed in: Bloomberg, www.trigoncapital.com, www.morningstar.fi, www.ipconcept.com

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Monthly Performance (Unit D)

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Annual	CAGR*	
2020	-1.0%	-9.2%	-26.1%	7.9%	4.6%	1.8%	-3.9%	-0.1%	-5.2%						
2019	3.2%	2.9%	0.4%	2.9%	-2.1%	5.6%	1.3%	-4.7%	4.5%	0.0%	1.2%	1.3%	17.3%		
2018	4.1%	-2.7%	-1.1%	-0.5%	-5.3%	-1.4%	4.3%	-1.2%	-0.2%	-0.4%	4.4%	-5.1%	-5.7%		
2017	5.7%	2.5%	1.6%	2.9%	4.2%	-0.2%	5.4%	2.2%	-2.7%	0.3%	-1.6%	2.5%	24.9%		
2016	-5.7%	0.3%	6.6%	-1.5%	-1.1%	-2.1%	5.2%	3.5%	1.1%	1.5%	-0.4%	5.2%	12.7%		
2015	0.5%	4.2%	1.6%	4.8%	-0.6%	-4.1%	2.9%	-4.6%	-2.4%	3.4%	-1.0%	-1.1%	3.2%		
2014	0.4%	1.1%	-1.6%	0.4%	5.4%	0.4%	-4.7%	2.3%	0.5%	-2.2%	1.4%	-5.9%	-3.0%		
2013	2.7%	-1.4%	-0.7%	2.4%	4.0%	-3.2%	4.0%	2.1%	5.5%	3.5%	3.2%	0.1%	24.0%		
2012	7.2%	5.9%	-0.9%	-0.3%	-6.9%	5.3%	2.1%	2.8%	4.3%	-0.1%	-0.4%	3.4%	24.0%	2 years	5.2%
2011	4.0%	0.5%	1.4%	1.2%	-2.6%	1.3%	-3.0%	-6.9%	-7.7%	4.0%	-1.9%	0.4%	-9.5%	3 years	11.4%
2010	4.9%	1.1%	9.5%	1.1%	-5.9%	-4.0%	7.9%	0.8%	3.6%	-0.5%	0.0%	5.9%	25.8%	5 years	9.9%
2009	-8.2%	-12.5%	7.3%	15.9%	1.6%	5.9%	11.8%	12.5%	3.2%	-1.5%	-0.1%	0.8%	38.3%		
2008	-11.5%	1.1%	-1.8%	-4.7%	-3.3%	-13.1%	-3.4%	-2.4%	-14.1%	-27.7%	-2.1%	-7.0%	-62.5%		
2007	-0.1%	-0.5%	4.0%	2.6%	3.8%	5.4%	-2.8%	-1.0%	-1.9%	4.1%	-9.6%	-2.7%	0.4%		
2006	3.3%	1.3%	-1.5%	2.9%	-7.6%	2.0%	7.2%	-1.5%	0.2%	4.9%	1.7%	2.3%	15.5%		
2005	3.6%	11.1%	-5.5%	-5.2%	3.7%	6.9%	3.7%	3.6%	5.6%	-3.6%	3.4%	2.2%	32.2%		
2004	4.4%	4.3%	5.2%	1.1%	-0.5%	2.8%	0.9%	1.5%	4.3%	2.9%	3.1%	5.4%	41.6%		
2003	-3.7%	-1.5%	0.7%	9.0%	2.8%	-2.2%	6.8%	8.8%	-4.5%	4.3%	-3.3%	4.3%	22.2%		
2002	-	-	-	0.1%	-1.2%	-5.0%	-1.6%	4.2%	-4.7%	4.8%	7.0%	-1.5%	-		

*Performance net of fees

Risk Management Report (Unit D)

	1M	3M	6M	1Y	2Y
Volatility (daily)	14.9%	13.7%	18.8%	24.9%	19.2%
Volatility (monthly)				30.1%	23.3%

Downside Risk Analysis

Negative months/total	90/226	40%
Worst calendar month	-27.7%	
Worst calendar quarter	-34.2%	

Upside Risk Analysis

Positive months / total	132/226	60%
Best calendar month	15.9%	
Best calendar quarter	29.9%	

Market Cap Allocation

Micro Cap (up to 150m EUR)	1.1%
Small Cap I (150 - 500m EUR)	8.4%
Small Cap II (500m - 1bn EUR)	5.7%
Mid Cap (1 - 3 bn EUR)	34.3%
Blue Chip (more than 3bn EUR)	43.9%



Geographic Allocation

	Sep-20	Mar-20	Sep-19
Poland	38.5%	38.8%	41.7%
Romania	9.6%	9.0%	13.2%
Slovenia	8.7%	7.8%	9.4%
Hungary	8.6%	12.1%	9.6%
Czech	8.2%	10.1%	3.9%
Austria	8.0%	5.3%	6.5%
Turkey	7.0%	8.6%	9.0%
Croatia	3.5%	3.5%	2.3%
Estonia	0.8%	0.9%	1.6%
Greece	0.4%	0.3%	-
Cash	6.6%	3.4%	2.8%

Sector Allocation

	Sep-20	Mar-20	Sep-19
Financials	34.7%	35.5%	35.5%
Consumer	12.3%	13.9%	16.9%
Energy	10.3%	12.6%	15.0%
Telecoms	10.3%	10.4%	7.6%
Utilities	7.8%	11.1%	6.2%
Real estate	7.3%	2.5%	1.0%
Health Care	6.1%	6.9%	7.8%
Industrials	2.2%	2.2%	4.7%
Media	1.3%	-	-
Materials	1.2%	1.6%	2.5%
Other	-	-0.2%	0.0%
Cash	6.6%	3.4%	2.8%

Fund Details	Unit A (EUR)	Unit A (USD)
NAV	77.2100	81.5700
12 months High	113.5500	113.7800
12 months Low	68.7300	68.7300
Management fee	0.80%	0.80%
Performance fee	none	none
Subscription fee**	none	none
Redemption fee	none	none
ISIN	LU1687402393	LU1687402476
Bloomberg code	TRICLAE LX	TRICLAX LX
Lipper code	68481933	68481934
Min. subscription	€15 mil	\$15 mil

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Signatory of:



Important Legal Information

Fund Manager: AS Trigon Asset Management

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Please see the prospectus, rules and other important information about the funds on the website www.trigoncapital.com. Further information as well as contacts for local representatives/agents in the countries where the Fund has Public marketing license can be obtained from the Company.

Additional information for Swiss clients: The extract prospectus (edition for Switzerland), the Key Investors Information Documents, the annual and semi-annual report, in German, and further information can be obtained free of charge from the representative in Switzerland: IPConcept (Schweiz) AG, Münsterhof 12, Postfach, CH-8022 Zurich, Switzerland, tel.: + 41 44 224 32 00, fax: + 41 44 224 32 28, web: www.ipconcept.com. The Swiss paying agent is: DZ PRIVATBANK (Schweiz) AG, Münsterhof 12, Postfach, CH-8022 Zürich.

The fund manager is supervised by Estonian Financial Supervision Authority.

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