

**Trigon New Europe Fund**
**Fact Sheet | December 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**

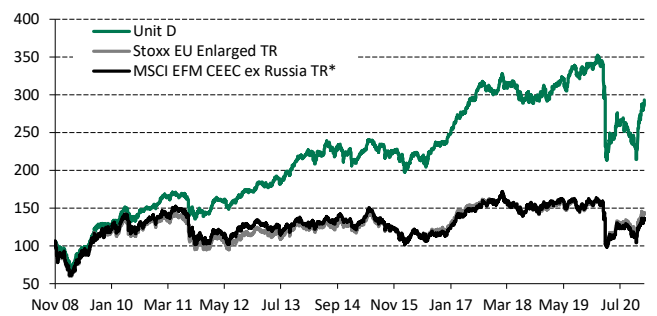
**Fund AUM:** €257.1 mil  
**Positions:** 45  
**UCITS IV:** Yes  
**Auditor:** PwC  
**Depository:** DZ PRIVATBANK  
**Dealing:** Daily  
**Domicile:** Luxembourg  
**Launch:** Apr 10, 2002

**Fund Manager's Comments**

In December, Eastern European markets continued to make up the relative YTD underperformance to EM and DM world markets. Trigon New Europe Fund managed to post 9.0% gain in the last month of the year, outperforming the regional index by 270 bps. Emerging markets index gained 5.0% in euro terms and US and European indices 1.5% and 2.6%, respectively. For the full year 2020, though, the Eastern Europe region remained among the laggards together with Latin America and Russia. In the full year of 2020 Trigon New Europe Fund declined by 15.4%, slightly outperforming the regional MSCI Eastern Europe ex. Russia index, which dropped by 15.6%. That compares poorly to Global MSCI EM index which gained 8.5% in 2020, backed by better COVID-19 management and considerably higher share of tech stocks in the index. US S&P 500 TR index also posted 8.2% increase, while Stoxx Europe 600 TR index, representing Western European equities, declined by 2.0%.

Main reasons behind the underperformance of Eastern Europe vs rest of the world lies in high share of value segments in the index – financials, energy and telecoms make up 65% of the index. These are the sectors, which were either hurt the most from the health crises, hurt from the dividend ban or deemed as boring enough to ignore. This is likely to be different in 2021 as low base effect will create a good opportunity to show positive earnings dynamics and strong balance sheets will be seen as potential pools for generous dividends in coming years. Fund-flows to actively managed CEE funds mirrored the performance, and did not show much of contrarian positioning at the end of the 2020, yet. Total AUM of 25 active funds that we track, declined from 4.5bn EUR to 3.3bn EUR which is 26% decline and indicates net outflows on top of market impact. 5 funds out of 25 were either liquidated or merged, mainly by large international fund managers, clearly showing the level of popularity of the region. Trigon New Europe Fund was the only fund out of 25 funds that managed to attract net inflows in 2020 and finished the year with higher AUM compared to end of 2019, for which we are extremely grateful to our investors!

Comparing valuations on index levels should always be treated with some reservation. That said, the screaming, historically wide discount of Eastern European multiples to rest of the world, should not be ignored, as occasionally reversion to mean does happen. Based on 2020E and 2021E numbers, the Fund is trading at 12.8x and 11.4x earnings, respectively. EV/EBITDA for 2020E is expected to be at 6.3x. 2020E dividend yield is expected to be 5.6%, 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)**


31-Dec-20	Unit D	Unit E	Benchmark*
Year-to-Date	-15.4%	-15.9%	-15.6%
1 month	9.0%	8.9%	6.3%
3 months	21.9%	21.7%	16.3%
6 months	10.9%	10.6%	9.7%
1 year	-15.4%	-15.9%	-15.6%
3 years	-6.4%	-7.7%	-16.2%
5 years	31.7%	28.7%	17.9%
10 years	83.4%	74.6%	-2.5%
Since launch	221.1%	220.6%	-1.0%
Launch of unit	10.04.02	08.04.09	n/a*

Fund Details	Unit D	Unit E	Unit B
NAV	20.5200	32.0600	91.7000
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	TRICLED LX	TRICLEE LX	TRICLBE LX
Lipper code	68481091	68481092	68481936
Min. subscription	€1 mil	No min.	€5 mil

Sharpe ratio (5 years) 0.31  
 Daily volatility (1 year) 27.5%

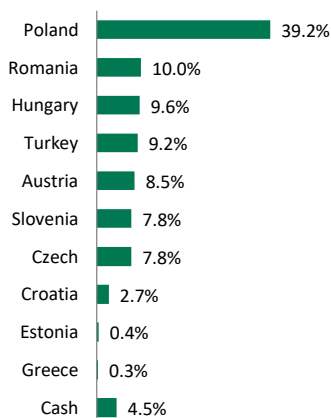
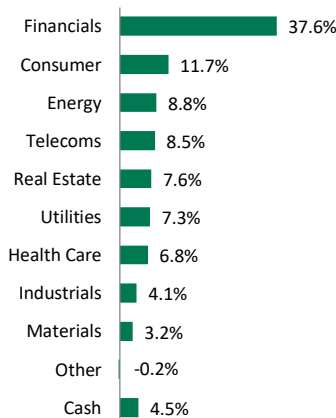
To receive the breakdown of the Fund's holdings or any other additional information, please send a request to [funds@trigoncapital.com](mailto:funds@trigoncapital.com).

31-Dec-20	Unit A (EUR)	Unit A (USD)	Unit B
Year-to-Date	-14.8%	-7.2%	-14.9%
1 month	9.1%	11.6%	8.9%
3 months	22.0%	27.4%	21.9%
6 months	11.3%	21.3%	11.2%
1 year	-14.8%	-7.2%	-14.9%
2 years	-	-	-0.6%
3 years	-	-	-
5 years	-	-	-
Since launch	-5.8%	3.9%	-8.3%
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](http://www.trigoncapital.com), [www.morningstar.fi](http://www.morningstar.fi), [www.ipconcept.com](http://www.ipconcept.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](http://www.trigoncapital.com). Please refer to the important legal notice on the last page of this report.

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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%	-10.0%	24.1%	9.0%	-15.4%		
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%	4.5%	-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	-0.4%
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	-2.2%
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	5.7%
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%	-		

\* Compound annual growth rate, i.e. average annualized performance of calendar years

\*Performance net of fees

**Risk Management Report (Unit D)**

	1M	3M	6M	1Y	2Y
Volatility (daily)	18.8%	24.0%	19.8%	27.5%	20.6%
Volatility (monthly)				42.5%	30.4%

**Downside Risk Analysis**

Negative months/total	91/229	40%
Worst calendar month	-27.7%	
Worst calendar quarter	-34.2%	

**Upside Risk Analysis**

Positive months / total	134/229	60%
Best calendar month	24.1%	
Best calendar quarter	29.9%	

**Geographic Allocation**

	Dec-20	Jun-20	Dec-19
Poland	39.2%	40.0%	43.4%
Romania	10.0%	8.5%	10.5%
Hungary	9.6%	8.0%	9.4%
Turkey	9.2%	9.9%	8.4%
Austria	8.5%	7.8%	4.1%
Slovenia	7.8%	7.8%	7.4%
Czech	7.8%	8.6%	9.1%
Croatia	2.7%	3.3%	2.3%
Estonia	0.4%	0.9%	1.1%
Greece	0.3%	0.4%	-

Cash	4.5%	5.0%	4.3%
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**Market Cap Allocation**

Small Cap (0 - 500 mio EUR)	8.0%
Mid Cap (500 mio - 5bn EUR)	68.0%
Large Cap (more than 5bn EUR)	19.7%

**Sector Allocation**

	Dec-20	Jun-20	Dec-19
Financials	37.6%	34.2%	35.6%
Consumer	11.7%	14.7%	15.9%
Energy	8.8%	11.6%	11.8%
Telecoms	8.5%	10.0%	8.0%
Real estate	7.6%	5.9%	0.9%
Utilities	7.3%	8.9%	12.1%
Health Care	6.8%	5.6%	6.4%
Industrials	4.1%	2.7%	2.8%
Materials	3.2%	1.4%	2.2%
Other	-0.2%	-	0.0%

Cash	4.5%	5.0%	4.3%
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Fund Details	Unit A (EUR)	Unit A (USD)
NAV	94.2300	103.8800
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	TRICLAI 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](http://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](http://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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