

Trigon New Europe Fund

Fact Sheet | April 2021

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 Manager's Comments

In April, Trigon New Europe Fund advanced by 3.8%, slightly less than its regional MSCI CEEC ex Russia index, which gained 5.0%. In YTD terms, the Fund is up by 9.6% in euro terms vs 6.4% return of the regional index. The Fund continued to benefit from its exposure to Polish banking stocks that were supported by upbeat financial guidance by Pekao SA and the EU court verdict on CHF-loans that was treated positively by the market. The regional index was further supported by re-rating of Polish utilities, which rallied backed by lignite-assets spin-off to state ownership. As the deal lacked clear data, still does; and the Polish government has not been the best buddy of minority investors, to put it mildly; we had no exposure in the sector.

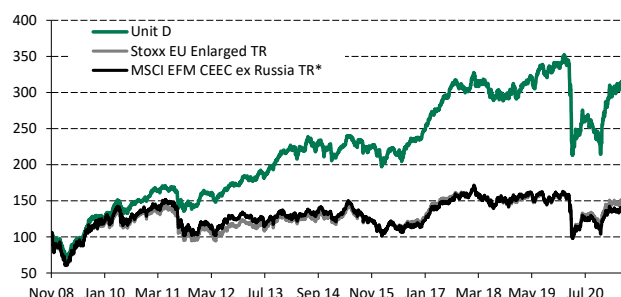
Pekao SA, our second top position in the Fund, revealed its 3-year strategy plan and explained in detail the ROE recovery path from 4.5% in 2020 to 10% in 2024E. In short, the bank remained very constructive on CoR development, seeing normalization already in 2021; the process is ongoing with the cost-cutting plan through branch network optimization and sizable redundancies announced for this year; capital position is planned to be optimized through generous dividend distribution once allowed by EBA; growth of loan book and loan mix in the book is guided to add another 2ppt by the target year. While the latter driver could be the hardest to achieve, no hike in base rate was assumed by the bank. A 100 bps increase in base rate from the current 10 bps would mean a 130bps increase in ROE which adds a nice buffer to the guidance. Despite share price doubling from last year's lows, the bank is still trading at 0.8x trailing book and 11.0x P/E for 2021E (internal) and remains a high conviction holding in the portfolio.

The start of 2021 seems like an inverse from 2020 Q1. Back then the market was expecting good dynamics and dividends from banks, energy and retail segments. However, the actual delivery was negatively impacted by COVID-19 restrictions and economic slump, therefore the sectors tanked in 2020. Going into 2021 expectations for these companies are low and Q1 has shown strong "beats" in almost every single company from these sectors in CEE. It is the opposite situation for gaming and e-commerce plays, though. Expectations for 2021 are upbeat after strong dynamics in 2020 backed by COVID-19 restrictions. Any miss of expectations is punished hard as was seen in the case of CD Project, the most loved/hyped gaming developer in Poland, which has fallen from a 10 bn EUR market cap to a 3.7 bn market cap in the past 5 months. Our Fund has benefited from this mismatch of delivery vs expectations, being up 49% since the end of October compared to 38% of the regional index. We expect there is still more to go for this "growth to value trade" as earnings dynamics for value companies remains supportive and valuation difference continues to be wide.

Trigon New Europe Fund is trading on 2020E and 2021E earnings of 14.3x and 12.3x, respectively. EV/EBITDA for 2020 is 6.5x and should decline to 5.4x at 2021E. 2020E dividend yield is expected to be 6.0%, which includes only partially 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.

Fund Facts

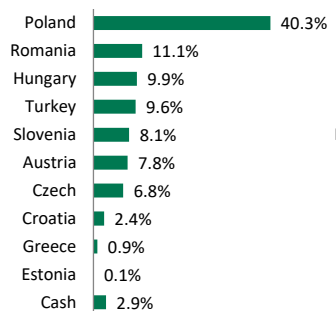
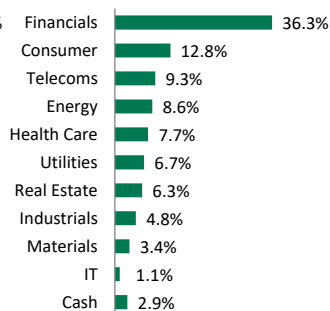
Fund AUM: €292.8 mil
Positions: 48
UCITS IV: Yes
Auditor: PwC
Depository: DZ PRIVATBANK
Dealing: Daily
Domicile: Luxembourg
Launch: Apr 10, 2002

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


30-Apr-21	Unit D	Unit E	Benchmark*
Year-to-Date	9.6%	9.4%	6.4%
1 month	3.8%	3.7%	5.0%
3 months	7.6%	7.5%	5.1%
6 months	48.3%	47.9%	37.9%
1 year	29.3%	27.6%	25.6%
3 years	2.9%	0.3%	-7.0%
5 years	45.3%	41.9%	23.5%
10 years	87.2%	78.2%	-5.3%
Since launch	251.8%	250.6%	5.3%
Launch of unit	10.04.02	08.04.09	n/a*

Fund Details	Unit D	Unit E	Unit B
NAV	22.4800	35.0600	100.2300
12 months High	22.6100	35.2700	100.8500
12 months Low	15.1400	23.6800	67.7100
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)	0.41		
Daily volatility (1 year)	17.5%		

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-Apr-21	Unit A (EUR)	Unit A (USD)	Unit B
Year-to-Date	9.8%	8.0%	9.3%
1 month	3.8%	6.4%	4.0%
3 months	7.8%	7.2%	7.5%
6 months	48.8%	53.8%	47.9%
1 year	29.2%	43.3%	28.8%
2 years	0.5%	8.4%	-1.3%
3 years	-	-	2.8%
5 years	-	-	-
Since launch	3.5%	12.2%	0.2%
Launch of unit	05.12.18	31.01.19	18.04.18

*The benchmark index, MSCI EFM CEEC 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*
2021	1.8%	0.9%	2.8%	3.8%										
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%	-4.6%	-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 -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%	-	

*Performance net of fees

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

Risk Management Report (Unit D)

	1M	3M	6M	1Y	2Y
Volatility (daily)	9.2%	10.5%	18.0%	17.5%	20.9%
Volatility (monthly)				29.2%	30.4%
Downside Risk Analysis					
Negative months/total	91/235	39%			
Worst calendar month	-27.7%				
Worst calendar quarter	-34.2%				
Upside Risk Analysis					
Positive months / total	140/235	61%			
Best calendar month	655.8%				
Best calendar quarter	29.9%				

Geographic Allocation

	Apr-21	Oct-20	Apr-20
Poland	40.3%	38.8%	38.3%
Romania	11.1%	9.9%	7.9%
Hungary	9.9%	9.9%	10.9%
Turkey	9.6%	6.6%	8.8%
Austria	7.8%	8.7%	7.5%
Slovenia	8.1%	9.0%	7.9%
Czech	6.8%	8.1%	9.1%
Croatia	2.4%	3.8%	3.3%
Greece	0.9%	0.3%	0.4%
Estonia	0.1%	0.7%	0.9%
Cash	2.9%	4.1%	5.0%

Market Cap Allocation

Small Cap (0 - 500 mio EUR)	11.4%
Mid Cap (500 mio - 5bn EUR)	62.3%
Large Cap (more than 5bn EUR)	23.4%

Sector Allocation

	Apr-21	Oct-20	Apr-20
Financials	36.3%	37.1%	32.0%
Consumer	12.8%	11.7%	15.8%
Telecoms	9.3%	10.8%	10.1%
Energy	8.6%	9.2%	12.9%
Health Care	7.7%	7.4%	6.2%
Utilities	6.7%	8.6%	9.5%
Real estate	6.3%	6.8%	4.5%
Industrials	4.8%	3.0%	2.5%
Materials	3.4%	1.2%	1.3%
IT	1.1%	-	-
Cash	2.9%	4.1%	5.0%



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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.

Contact Information

AS Trigon Asset Management
Pärnu mnt. 18
Tallinn 10141
Estonia

Tel: +372 667 9200
Fax: +372 667 9201
www.trigoncapital.com
funds@trigoncapital.com

