

Trigon New Europe Fund
Fact Sheet | May 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.

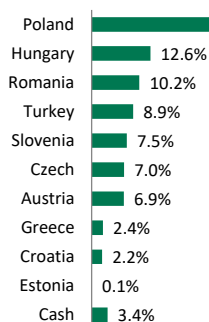
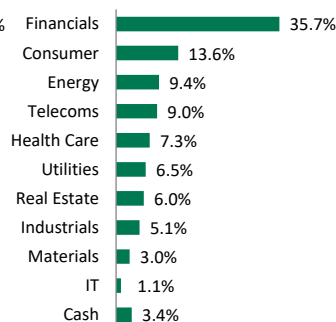
Fund Manager's Comments

Eastern Europe outperforms in 2021! We are glad that we have a chance to highlight this as in past years we have had the only pleasure to outline how good value play Eastern Europe is, in comparison with the rest of emerging and developed market equities. After a difficult COVID-year, where almost half of companies were not allowed or willing to distribute dividends, the region is back with vengeance, backed by over-capitalized balance sheets and extremely supportive earnings dynamics. The vicious circle from 2020 where sell-side analysts kept on downgrading their EPS forecasts and fair value targets, as prices fell, has seen 180 degrees turnaround. It is funny, ironic, and even disturbing to see how the same analyst who suggested selling the largest Polish bank (our top holding in the portfolio in 2020) at the price of PLN 20, is now calling us up and suggesting buying it at 40 using our arguments from last year. But that is how the markets are in Eastern Europe, and at the end of the day, this helps active managers like us to generate long-term value. Since 1st of November 2020 when the „growth to value“ switch was activated, the Trigon New Europe Fund has gained 61.6% compared to 54.6% of the regional Index, 21.2% of MSCI EM World Index and 23.9% of S&P 500 Index.

Q1 results season has been very supportive for equities. Most companies across different sectors have managed to post results much above consensus forecasts. The strongest beats have been posted by companies from financials, industrials, energy, and consumer sectors while the poorest earnings dynamics are visible in gaming stocks. The earlier highlighted Polish bank PKO BP has seen its Bloomberg consensus 2021 earnings forecast been hiked from PLN 2.3bn to PLN 4.2bn within months. CFO of the bank guided in the Q1 conference call that PLN 4.8bn could be within reach which still leaves plenty of “surprise” element for coming quarters. Historically Eastern Europe has performed well in times of positive earnings momentum and surprises.

The health crises situation has improved significantly since April and all countries in the region have started to ease restrictions. Mobility indicators show that the activity is returning to pre-covid levels, suggesting a strong recovery in GDP for the remaining quarters. Romania is one of the few countries in Europe which already in Q1 returned to its pre-COVID level of GDP. Q1 GDP growth in Romania was 2.5% q-o-q, making it flat in y-o-y terms. Hungary and Poland also posted a slight q-o-q increase in GDP at 1.9% and 0.9%, respectively, while Czech Republic showed a decline in Q1 GDP of 0.3%. The latter was more impacted by COVID restrictions, and from the chip shortage in the car manufacturing sector.

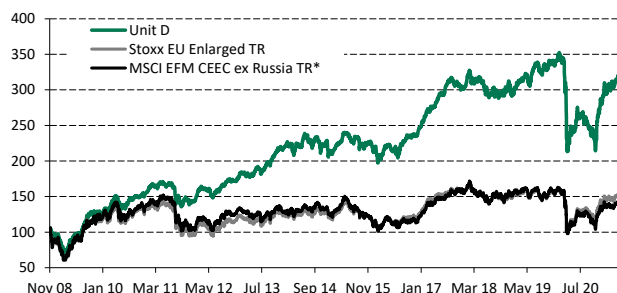
Trigon New Europe Fund is trading on 2020E and 2021E earnings of 15.1x and 12.1x, respectively. EV/EBITDA for 2020 is 6.9x and should decline to 5.7x at 2021E. 2020E dividend yield is expected to be 5.7%, which includes only partially one-off dividends by financial companies. High dividends are backed by low-teens free-cash-flow generation in 2021E and strong balance sheets of the companies.

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.

Fund Facts

Fund AUM:	€317.9 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)


31-May-21	Unit D	Unit E	Benchmark*
Year-to-Date	18.4%	18.2%	17.6%
1 month	8.1%	8.1%	10.6%
3 months	15.3%	15.2%	17.2%
6 months	29.1%	28.7%	25.1%
1 year	33.7%	33.0%	30.7%
3 years	17.4%	15.8%	10.5%
5 years	58.7%	55.1%	41.9%
10 years	107.8%	97.9%	6.0%
Since launch	280.3%	278.9%	16.5%
Launch of unit	10.04.02	08.04.09	n/a*

Fund Details	Unit D	Unit E	Unit B
NAV	24.3000	37.8900	108.8100
12 months High	24.3000	37.8900	108.8100
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)	0.50		
Daily volatility (1 year)	17.1%		

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

31-May-21	Unit A (EUR)	Unit A (USD)	Unit B
Year-to-Date	18.8%	18.7%	18.7%
1 month	8.2%	9.9%	8.6%
3 months	15.5%	16.4%	15.9%
6 months	29.5%	32.4%	29.2%
1 year	34.6%	47.8%	34.3%
2 years	10.9%	21.2%	9.7%
3 years	-	-	18.1%
5 years	-	-	-
Since launch	11.9%	23.3%	8.8%
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*
2021	1.8%	0.9%	2.8%	3.8%	8.1%									
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

Risk Management Report (Unit D)

	1M	3M	6M	1Y	2Y
Volatility (daily)	12.5%	11.3%	13.7%	17.1%	20.9%
Volatility (monthly)				29.7%	30.8%

Downside Risk Analysis	
Negative months/total	91/236 39%
Worst calendar month	-27.7%
Worst calendar quarter	-34.2%

Upside Risk Analysis	
Positive months / total	141/236 61%
Best calendar month	65.8%
Best calendar quarter	29.9%

Market Cap Allocation

Small Cap (0 - 500 mio EUR)	11.4%
Mid Cap (500 mio - 5bn EUR)	60.8%
Large Cap (more than 5bn EUR)	24.6%


Geographic Allocation

	May-21	Nov-20	May-20
Poland	38.7%	40.0%	41.8%
Hungary	12.6%	10.1%	8.6%
Romania	10.2%	10.1%	8.9%
Turkey	8.9%	7.9%	9.3%
Slovenia	7.5%	8.4%	7.8%
Czech	7.0%	7.7%	9.2%
Austria	6.9%	9.4%	8.0%
Greece	2.4%	0.9%	0.4%
Croatia	2.2%	2.8%	3.3%
Estonia	0.1%	0.5%	1.0%
Cash	3.4%	2.2%	1.7%

Sector Allocation

	May-21	Nov-20	May-20
Financials	35.7%	38.8%	35.3%
Consumer	13.6%	13.5%	15.3%
Energy	9.4%	9.6%	12.4%
Telecoms	9.0%	9.1%	10.5%
Health Care	7.3%	7.2%	5.7%
Utilities	6.5%	7.5%	9.8%
Real estate	6.0%	7.5%	5.6%
Industrials	5.1%	3.0%	2.4%
Materials	3.0%	1.6%	1.3%
IT	1.1%	-	-
Other	-0.2%	0.1%	-
Cash	3.4%	2.2%	1.7%

Fund Details

	Unit A (EUR)	Unit A (USD)
NAV	111.9300	123.2900
12 months High	111.9300	123.2900
12 months Low	69.4700	69.4700
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. 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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