

Trigon Russia Top Picks Fund

Fact Sheet | May 2021

Overview

Trigon Russia Top Picks Fund invests in listed equity securities of Russia and other CIS countries. The Fund's portfolio is focused on 20-25 high conviction cases spread across sectors and small/mid and large-cap companies.

The Fund targets investments in shares of attractively valued companies expected to benefit from the growth in the region's economy and global demand for natural resources. The analysis is based on fundamental indicators, where the pivotal part is an in-depth understanding of the local market, its corporate history, and companies clear and transparent dividend policy.

The Fund is actively managed to consistently beat the index return and offer long-term capital appreciation.

Fund Facts

Fund AUM:	€1.3 mil
Positions:	20
UCITS IV:	Yes
Auditor:	PwC
Depository:	Swedbank
Dealing:	Daily
Domicile:	Estonia
Strategy launch:	31/05/2009

Fund Manager's Comments

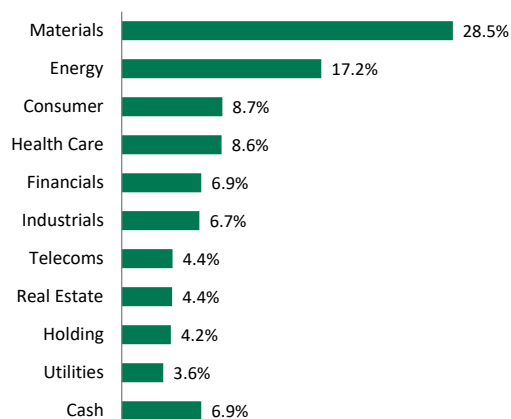
The Russian market outperformed the EM space in May on higher commodity prices and stronger rouble. In May, MSCI World TR lost -0.2%, while the MSCI EM TR index grew +0.7%. Trigon Russia Top Picks Fund gained +5.6% in May, while MSCI Russia TR was up 7.9%. YTD, the Fund is up by 18.4% versus 14.9% for the benchmark. Over the last year the Fund is up by 37.3%, compared to the gain of 18.7% of the index.

The most important decision in May came from the US Administration that has finally decided to waive sanctions against Nord Stream 2. Reports of ongoing preparations for Russia-US presidents meeting have also increased investor optimism. Although it is too early to talk about major shifts in relations between the two countries, still the current situation differs significantly from what we had a month ago, when there was a military escalation in Donbas.

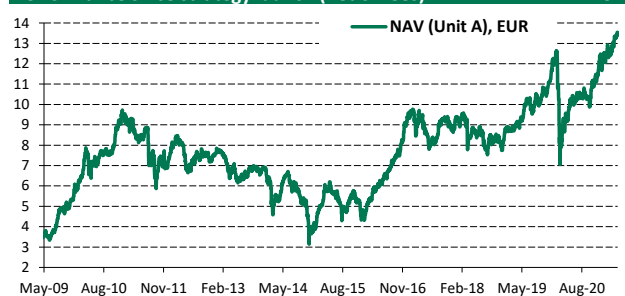
In 1Q21 Russia's economy contracted 1.0%, better than expected on recovering industrial sector amid higher global oil prices and less constrained output. Despite Russia's slow vaccine rollout (only 11.7% of the population have received the first vaccine dose), activity has continued to recover as the easing of lockdown restrictions began to gradually release pent-up consumer demand.

Domestic retail investors continue to discover the opportunities of the Moscow Exchange and support the market on any politically driven weakness. More than 12 million people (8% of the population) now have brokerage accounts with trading volumes on the equity market reaching all-time highs. Retail investors now account for 41% of equity trading. The rise of the local investor could reshape the entire equity market, lifting valuations, improving liquidity, and lowering volatility. Sanctions threats are also no longer influencing the market in such a manner as it was before. Dividends remain crucial for Russia's equity market investment case. Russia continues to deliver one of the highest dividend yields in the EM universe. Despite COVID-19, Russian companies managed to raise their total dividend spending this year thanks to favourable commodity prices in 2H20-1H21.

MSCI Russia's estimated P/E ratio for 2021 is now 8.0x and a dividend yield of 7.0%, well above the Russia Eurobond yield. Trigon Russia Top Picks Fund portfolio is trading at a weighted average of 8.1x expected earnings for 2021 and a 9.0% dividend yield.

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.

Performance since strategy launch (net of fees)


31-May-21	Unit A	Unit D	Benchmark*
Year-to-Date	18.4%	17.5%	14.9%
1 month	5.6%	5.6%	7.9%
3 months	12.3%	11.4%	14.3%
6 months	24.2%	20.2%	23.8%
1 year	37.3%	33.1%	18.7%
2 years	47.4%	40.9%	14.7%
3 years	57.2%	50.6%	40.9%
5 years	125.1%	109.3%	90.4%
10 years	34.8%	-	36.6%
Since strategy launch	277.1%	62.6%	110.4%
Launch of strategy	31-May-09	31-Aug-11	31-May-09

Fund Details	Unit A	Unit D
NAV in EUR	13.5405	16.2622
12 months High	13.5405	16.2622
12 months Low	9.8624	12.2180
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)	0.85
Daily volatility (1year)	15.9%

(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.

* 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

Monthly Performance (Unit A)

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Annual	CAGR*	
2021	2.0%	3.3%	5.6%	0.7%	5.6%										
2020	7.1%	-9.4%	-23.2%	12.5%	5.6%	1.1%	2.9%	2.3%	-0.6%	-4.7%	9.7%	4.9%	2.8%		
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	21.5%
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	9.1%
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	17.2%
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)	9.3%	12.9%	14.5%	15.9%	23.9%
Volatility (monthly)				12.5%	24.7%

Downside Risk Analysis

Negative months / total	77/184	42%
Worst calendar month	-29.9%	
Worst calendar quarter	-36.2%	

Upside Risk Analysis

Positive months / total	107/184	58%
Best calendar month	24.3%	
Best calendar quarter	41.9%	

Market Cap Allocation

Small Cap (0 - 500 mio EUR)	13.0%
Mid Cap (500 mio - 5bn EUR)	25.6%
Large Cap (more than 5bn EUR)	54.6%

Monthly Return Contribution Analysis (Unit A)

Russia	4.7%	Energy	1.8%
Kazakhstan	0.8%	Materials	1.5%
		Health Care	1.0%
		Financials	0.7%
		Consumer	0.3%
		Telecoms	0.3%
		Utilities	0.1%
		Industrials	0.1%
		Real Estate	-0.1%
		Holding	-0.2%
Monthly Return	5.6%		5.6%

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Geographic Allocation

	May-21	Nov-20	May-20
Russia	85.3%	49.6%	85.5%
Kazakhstan	7.8%	3.8%	5.2%
Cash	6.9%	46.6%	9.3%

Sector Allocation

	May-21	Nov-20	May-20
Materials	28.5%	14.5%	12.8%
Energy	17.2%	10.2%	17.3%
Consumer	8.7%	5.8%	17.3%
Health Care	8.6%	4.8%	4.8%
Financials	6.9%	2.1%	9.6%
Industrials	6.7%	3.6%	7.0%
Telecoms	4.4%	2.7%	8.1%
Real Estate	4.4%	5.2%	4.4%
Holding	4.2%	2.3%	-
Utilities	3.6%	2.3%	9.5%
Cash	6.9%	46.6%	9.3%

Performance (net of fees)

31-May-21	Unit C
Year-to-Date	17.9%
1 month	5.5%
3 months	12.0%
6 months	23.5%
1 year	35.9%
2 years	44.5%
3 years	52.5%
5 years	118.3%
Since launch	258.7%
Launch of unit	15-Apr-09

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	35.8685	-
12 months High	35.8685	-
12 months Low	26.3017	-
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	EE3600109450
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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MSCI Benchmark Indices

MSCI indices' pricing data source: MSCI.

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