

Trigon New Europe Fund **Fact Sheet | August 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 Facts

Fund AUM: €346.1 mil
Positions: 52
UCITS IV: Yes
Auditor: PwC
Depository: DZ PRIVATBANK
Dealing: Daily
Domicile: Luxembourg
Launch: Apr 10, 2002

Fund Manager's Comments

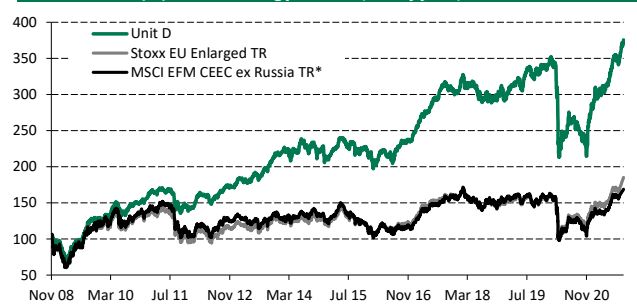
In August, Eastern Europe outperformed both DM and EM markets backed by a strong Q2 results season and upbeat guidance by regional financials. Trigon New Europe Fund (D-unit) rallied by 7.1% taking the YTD performance of the fund unit to 29.3% in euro terms. The regional index that we use for benchmarking purposes advanced by 7.0% in August and has gained 27.7% in YTD terms. MSCI EM Index gained 3.1% in August and has generated a 6.6% YTD return while Stoxx Europe 600 TR representing 600 largest Western European companies advanced 2.2% in August and is up by 20.1% in YTD terms. Eastern Europe has outperformed the rest of the world backed by stronger earnings momentum and a reduced valuation gap but remains still among the least expensive regions in the world.

Q2 GDP growth numbers surprised generally on the positive side with figures not seen in decades as Q2 2020 was strongly impacted by the first wave of Covid. Turkish GDP posted a 21.7% YoY increase followed by 17.9% growth in Hungary, 16.3% in Slovenia, 13.0% in Romania and 11.1% in Poland. All countries mentioned surpassed their pre-Covid level of GDP confirming our previous belief that Eastern Europe can recover faster from the crises than Western Europe. Only the Czech Republic out of the CEE-4 countries, heavily dependent on car manufacturing, remains around 5% below the 2019 Q4 GDP level. Surprising enough, Romania has recovered the most, up 2% vs Q4 2019 GDP, despite having one of the smallest Covid-support packages in place last year.

Financials remain supported by strong loan demand and extremely low-risk provisioning. On top of these two drivers, interest rate hikes in Hungary and the Czech Republic are expected to add around 5-10% to the bottom-line for local banks, something that nobody budgeted for at the beginning of 2021. Also in Poland, which saw its August headline inflation reaching 5.4%, it is becoming more and more difficult to reason the 0.1% base rate. In the case of Polish banks, the bottom-line sensitivity to rate hike is even greater than for other regional banks; being in the positive range of 10-30% of net profit subject to 100 bps increase in the base rate. We feel that this upside is also slowly noticed by the market. While expected earnings yields in banks are getting towards our fair value levels the balance sheets remain over-capitalized leaving the potential for one-off hefty dividends or continuous 100% pay-outs for mid-term.

Trigon New Europe Fund is trading on 2021E and 2022E earnings of 12.4x and 11.1x, respectively. EV/EBITDA for 2021E is 5.6x and should decline to 5.3x at 2022E. 2020E dividend yield is expected to be 5.3%, which includes only partially one-off dividends by financial companies. High dividends are backed by strong free-cash-flow generation in 2021E and strong balance sheets of the companies.

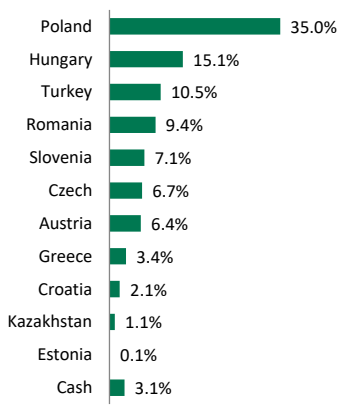
Performance (%) since strategy launch (net of fees)



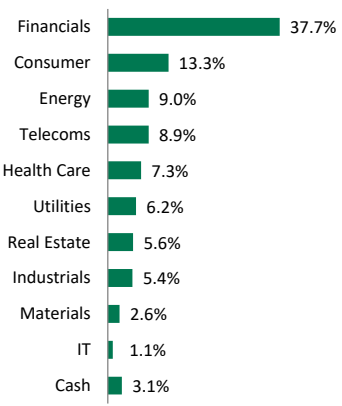
31-Aug-21	Unit D	Unit E	Benchmark*
Year-to-Date	29.3%	28.9%	27.7%
1 month	7.1%	7.1%	7.0%
3 months	9.2%	9.0%	8.5%
6 months	25.9%	25.6%	27.2%
1 year	49.4%	48.7%	37.0%
3 years	26.2%	24.5%	10.7%
5 years	62.4%	58.7%	50.1%
10 years	147.8%	135.9%	36.0%
Since launch	315.2%	313.1%	26.4%
Launch of unit	10.04.02	08.04.09	n/a*

Fund Details	Unit D	Unit E	Unit B
NAV	26.5300	41.3100	118.7200
12 months High	26.5300	41.3100	118.7200
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)	0.52		
Daily volatility (1 year)	15.9%		

Geographic allocation



Sector allocation



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

31-Aug-21	Unit A (EUR)	Unit A (USD)	Unit B
Year-to-Date	29.9%	25.3%	29.5%
1 month	7.2%	6.4%	7.1%
3 months	9.4%	5.6%	9.1%
6 months	26.4%	22.9%	26.4%
1 year	50.5%	48.5%	49.7%
2 years	18.8%	25.5%	18.8%
3 years	-	-	26.3%
5 years	-	-	-
Since launch	22.4%	30.2%	18.7%
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.

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.

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

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Monthly Performance (Unit D)														CAGR*	
Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Annual		
2021	1.8%	0.9%	2.8%	3.8%	8.1%	0.7%	1.2%	7.1%							
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

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

Risk Management Report (Unit D)

	1M	3M	6M	1Y	2Y
Volatility (daily)	8.2%	9.7%	10.5%	15.9%	20.9%
Volatility (monthly)				29.0%	30.7%
Downside Risk Analysis					
Negative months/total	91/239	38%			
Worst calendar month	-27.7%				
Worst calendar quarter	-34.2%				
Upside Risk Analysis					
Positive months / total	144/239	62%			
Best calendar month	655.8%				
Best calendar quarter	29.9%				

Geographic Allocation


	Aug-21	Feb-21	Aug-20
Poland	35.0%	38.0%	42.3%
Hungary	15.1%	9.9%	8.3%
Turkey	10.5%	7.9%	7.7%
Romania	9.4%	10.8%	8.7%
Slovenia	7.1%	7.8%	8.7%
Czech	6.7%	7.7%	8.5%
Austria	6.4%	8.5%	8.3%
Greece	3.4%	0.3%	0.3%
Croatia	2.1%	2.6%	3.3%
Kazakhstan	1.1%	-	-
Estonia	0.1%	0.4%	0.8%
Cash	3.1%	6.2%	3.0%

Market Cap Allocation


Small Cap (0 - 500 mio EUR)	9.2%
Mid Cap (500 mio - 5bn EUR)	49.1%
Large Cap (more than 5bn EUR)	38.7%

Sector Allocation


	Aug-21	Feb-21	Aug-20
Financials	37.7%	38.1%	36.6%
Consumer	13.3%	10.3%	13.4%
Energy	9.0%	8.8%	10.0%
Telecoms	8.9%	9.4%	11.4%
Health Care	7.3%	6.9%	6.1%
Utilities	6.2%	7.4%	8.3%
Real estate	5.6%	6.6%	6.8%
Industrials	5.4%	4.2%	2.1%
Materials	2.6%	2.1%	1.2%
IT	1.1%	-	-
Other	-0.1%	-0.1%	-
Media	-	-	1.2%
Cash	3.1%	6.2%	3.0%




2018
THOMSON REUTERS
LIPPER FUND AWARD
SWITZERLAND
Best Emerging Europe
Equity Fund over 5Y




2018
THOMSON REUTERS
LIPPER FUND AWARD
AUSTRIA
Best Emerging Europe
Equity Fund over 5Y




2016
THOMSON REUTERS
LIPPER FUND AWARD
NORDICS
Best Emerging Europe
Equity Fund over 5Y




2016
THOMSON REUTERS
LIPPER FUND AWARD
SWITZERLAND
Best Emerging Europe
Equity Fund over 5Y



2016
THOMSON REUTERS
LIPPER FUND AWARD
UNITED KINGDOM
Best Emerging Europe
Equity Fund over 3 & 5Y



2016
THOMSON REUTERS
LIPPER FUND AWARD
AUSTRIA
Best Emerging Europe
Equity Fund over 3 & 5Y



2016
THOMSON REUTERS
LIPPER FUND AWARD
GERMANY
Best Emerging Europe
Equity Fund over 5Y

Fund Details	Unit A (EUR)	Unit A (USD)
NAV	122.4100	130.1800
12 months High	122.4100	130.1800
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	TRICLAU 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****Disclaimer**

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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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