

Trigon New Europe Fund **Fact Sheet | September 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

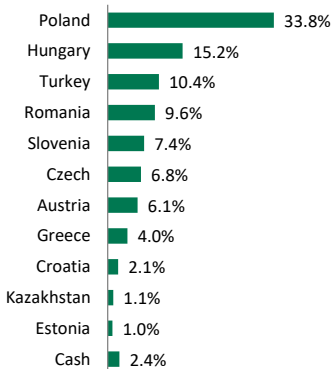
In September majority of global markets corrected from yearly highs on the back of softening growth expectations and sticky inflation. New Europe region outperformed on the correction with regional index down by 1.1% vs 2.2% drop in MSCI EM Index and 2.7% and 3.3% declines in the US and Western European broad-based Indices, respectively. Trigon New Europe fund (D-unit) declined by 1.7% with the monthly relative under-performance mainly triggered by the exposure to Turkey that contributed 1/3 of the decline. In YTD terms, the Fund is up by 27.0% in euro terms, 80 bps ahead of the MSCI benchmark which excludes Turkey. Turkish BIST 100 Index, including the 100 largest companies in Turkey has suffered from a 13.5% decline in 2021 and offers one of the cheapest equity valuations globally.

The global risk-off sentiment was further exacerbated in Turkey by central bank's unexpected rate cut from 19% to 18% that triggered a 4.6% decline in the lira rate against the euro. The central bank reasoned the move by focusing on core inflation instead of the headline which stood at 17.0% vs 19.6% headline in September. That said, 1.6% negative real rate still looks quite prudent in both regional and global context. Opposite to Turkey, Czech, Hungarian, and Romanian central banks all hiked rates over the past month. Czech Central bank showed "unique" independence while hiking by 75 bps to 150 bps ahead of October parliamentary elections and pressure from the finance minister not to hike ahead of the decision. Rates in Hungary were hiked by 15 bps to 1.65% and in Romania, unexpectedly to market, by 25 bps to 1.5%. Inflation in August stood between 4.1% and 5.3% in these countries. Poland continued to stand out until this report was in the makings. On the 6th of October, the head of the central bank finally "admitted" that 0.1% base rate is too low for a 5.8% headline inflation reading in September and decided to hike by 40 bps to 0.5%. However, Poland remains a country with one of the lowest real rates in the world.

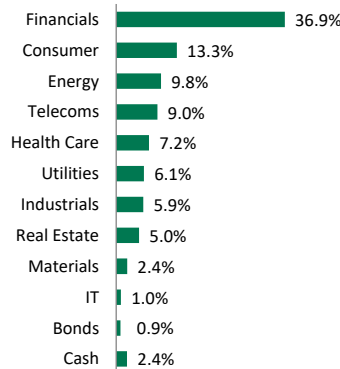
Higher base rates and increased rate expectations have been noticed by sell-side banking analysts who seem to run a competition "who can set a higher 12-month target price". That bodes well for our positioning as financials remain the highest sector allocation in the Fund. That said, we see most of the positive factors being priced in and valuations moving closer to our internal fair value levels. Therefore, we are not keen to increase the sector exposure as the segment outperforms but rather see the possibility to rebalance towards SMEs, pharma, telecom, and energy companies.

Trigon New Europe Fund is trading on 2021E and 2022E earnings of 11.8x and 10.8x, respectively. EV/EBITDA for 2021E is 5.7x 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.

Geographic allocation



Sector allocation

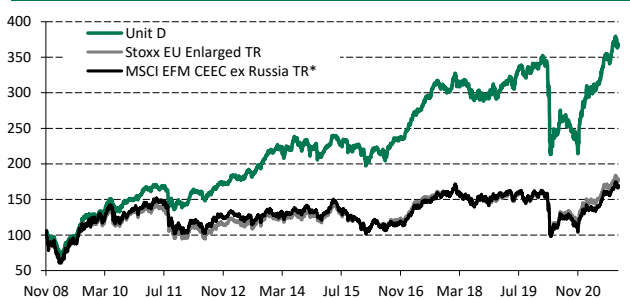


Disclaimer: Past performance of the fund does not guarantee or indicate future performance of the fund. The value of the fund units may increase and decrease over time, therefore there is no guarantee that the investors get back the amount invested in the fund. The risk factors of the fund are described 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: €339.1 mil
Positions: 54
UCITS IV: Yes
Auditor: PwC
Depository: DZ PRIVATBANK
Dealing: Daily
Domicile: Luxembourg
Launch: Apr 10, 2002

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



	Unit D	Unit E	Benchmark*
30-Sep-21			
Year-to-Date	27.0%	26.6%	26.2%
1 month	-1.7%	-1.8%	-1.1%
3 months	6.6%	6.5%	7.2%
6 months	20.4%	20.1%	24.6%
1 year	54.8%	54.0%	46.8%
3 years	24.3%	22.5%	10.5%
5 years	57.9%	54.3%	49.9%
10 years	163.8%	151.2%	59.8%
Since launch	308.0%	305.8%	24.9%
Launch of unit	10.04.02	08.04.09	n/a*

Fund Details	Unit D	Unit E	Unit B
NAV	26.0700	40.5800	116.7200
12 months High	26.7900	41.7100	120.0700
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)	0.49		
Daily volatility (1 year)	15.7%		

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

	Unit A (EUR)	Unit A (USD)	Unit B
30-Sep-21			
Year-to-Date	27.7%	21.0%	27.3%
1 month	-1.7%	-3.5%	-1.7%
3 months	6.8%	4.4%	6.7%
6 months	20.8%	19.1%	21.1%
1 year	55.9%	54.1%	55.1%
2 years	11.7%	18.8%	11.6%
3 years	-	-	24.3%
5 years	-	-	-
Since launch	20.4%	25.7%	16.7%
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.

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%	0.7%	1.2%	7.1%	-1.7%						
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)	13.0%	10.8%	10.8%	15.7%	20.9%
Volatility (monthly)				28.0%	30.6%

Downside Risk Analysis

Negative months/total	92/240	38%
Worst calendar month	-27.7%	
Worst calendar quarter	-34.2%	

Upside Risk Analysis

Positive months / total	144/240	62%
Best calendar month	655.8%	
Best calendar quarter	29.9%	

Market Cap Allocation

Small Cap (0 - 500 mio EUR)	9.9%
Mid Cap (500 mio - 5bn EUR)	44.8%
Large Cap (more than 5bn EUR)	41.9%

Geographic Allocation

	Sep-21	Mar-21	Sep-20
Poland	33.8%	40.4%	38.5%
Hungary	15.2%	9.9%	8.6%
Turkey	10.4%	9.0%	7.0%
Romania	9.6%	11.6%	9.6%
Slovenia	7.4%	7.9%	8.7%
Czech	6.8%	6.9%	8.2%
Austria	6.1%	8.6%	8.0%
Greece	4.0%	0.6%	0.4%
Croatia	2.1%	2.6%	3.5%
Kazakhstan	1.1%	-	-
Estonia	1.0%	0.3%	0.8%
Cash	2.4%	2.2%	6.6%

Sector Allocation

	Sep-21	Mar-21	Sep-20
Financials	36.9%	38.3%	34.7%
Consumer	13.3%	12.3%	12.3%
Energy	9.8%	9.1%	10.3%
Telecoms	9.0%	9.7%	10.3%
Health Care	7.2%	7.0%	6.1%
Utilities	6.1%	6.8%	7.8%
Industrials	5.9%	4.4%	2.2%
Real estate	5.0%	6.6%	7.3%
Materials	2.4%	2.4%	1.2%
IT	1.0%	1.1%	-
Bonds	0.9%	-	1.3%
Other	0.1%	-	-
Cash	2.4%	2.2%	6.6%



Fund Details

	Unit A (EUR)	Unit A (USD)
NAV	120.3600	125.6600
12 months High	123.6300	132.1100
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****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 which the investors are expected to take into account are described in further detail in the prospectus of the fund. Information concerning the reference index or other reference basis of the fund is the basis for comparing the performance of the fund. It is advised to consult with professional tax and investment advisors, if necessary.

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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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