Trigon Russia Top Picks Fund

Fact Sheet | September 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:	€1.5 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 continued to outperform the EM space in September thanks to strong oil and gas prices. In September, MSCI World TR and MSCI EM TR index lost 2.2%. China' real estate issues, high energy prices, supply chain problems and increasing inflation were the main worries for investors globally. Trigon Russia Top Picks Fund gained 2.4% in September, while MSCI Russia TR was up 8.3%. YTD, the Fund is up by 35.4% versus 38.4% for the benchmark. Over the last three years the Fund is up by 82.1%, 23.7% ahead of the index.

Gazprom rose 21% in September due to overshooting gas prices. It was again one of the best-performing stocks and the biggest contributor to the index's performance due to its high 19.5% weight. It was the top pick for the Fund as well with the weight of close to 10%, maximum according to the Fund's rules. In rouble terms, Gazprom stock price reached its maximum levels and is now again the most valuable company in Russia.

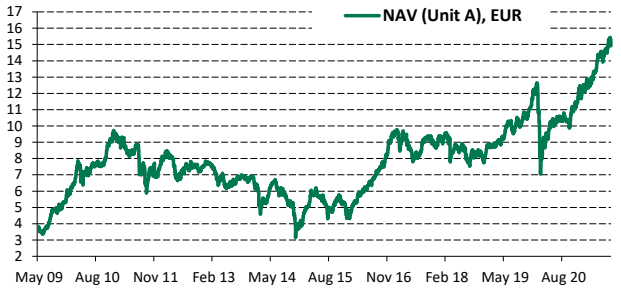
Central Bank of Russia raised the policy rate to 6.75%, as expected. On the monetary policy front, Russia's central bank has been notably more aggressive than other emerging economies in raising the key policy rate to fight high inflation. It is widely expected that Russia will keep raising rates until inflation normalizes.

A resolution to the long discussion on tax increases for the metals and mining sector was finally reached in September. The taxes were lower than discussed initially and the final effect will be on average limited to 4-5% of EBITDA. We view this as a positive development and expect high dividend pay-outs to continue.

Domestic retail investors continue to discover the opportunities of the Moscow Exchange and support the market on any politically driven weakness. More than 13.8 million people (9% 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.

MSCI Russia's estimated P/E ratio for 2021 is now 7.1x and has a dividend yield of 7.7%, well above the Russia Eurobond yield. Trigon Russia Top Picks Fund portfolio is trading at a weighted average of 8.3x expected earnings for 2021 and a 9.1% dividend yield.

Performance since strategy launch (net of fees) EUR



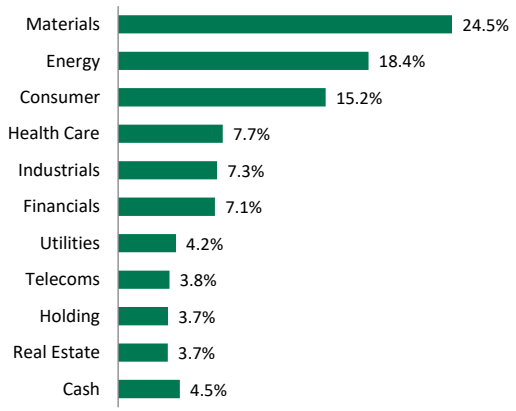
30-Sep-21	Unit A	Unit D	Benchmark*
Year-to-Date	35.4%	34.5%	38.4%
1 month	2.4%	2.5%	8.3%
3 months	8.1%	8.1%	12.1%
6 months	21.7%	21.1%	26.7%
1 year	48.5%	44.0%	61.3%
2 years	50.8%	44.1%	26.0%
3 years	82.1%	74.6%	58.4%
5 years	112.0%	100.6%	108.5%
10 years	78.9%	119.2%	121.3%
Since strategy launch	331.6%	86.3%	153.3%
Launch of strategy	31-May-09	31-Aug-11	31-May-09

Fund Details	Unit A	Unit D
NAV in EUR	**15.4949**	**18.6252**
12 months High	15.4949	18.6252
12 months Low	9.8717	12.2426
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)		0.79
Daily volatility (1year)		14.9%

(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.

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.

* 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

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Monthly Performance (Unit A)

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Annual
2021	2.0%	3.3%	5.6%	0.7%	5.6%	5.9%	0.8%	4.7%	2.4%				
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%
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%
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%
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						-2.1%	4.3%	11.0%	19.4%	-2.5%	4.7%	7.1%	-

CAGR*	
2 years	21.5%
3 years	9.1%
5 years	17.2%

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

**Performance net of fees*

Risk Management Report (Unit A)

	1M	3M	6M	1Y	2Y
Volatility (daily)	14.8%	14.2%	12.9%	14.9%	23.9%
Volatility (monthly)				12.5%	24.0%

Downside Risk Analysis		
Negative months / total	60/148	41%
Worst calendar month	-25.6%	
Worst calendar quarter	-36.2%	

Upside Risk Analysis		
Positive months / total	88/148	59%
Best calendar month	24.3%	
Best calendar quarter	41.9%	

Market Cap Allocation

Small Cap (0 - 500 mio EUR)	0.0%
Mid Cap (500 mio - 5bn EUR)	36.5%
Large Cap (more than 5bn EUR)	59.0%

Geographic Allocation

	Sep-21	Mar-21	Sep-20
Russia	88.4%	86.3%	89.1%
Kazakhstan	7.1%	8.9%	7.5%
Cash	4.5%	4.8%	3.4%

Sector Allocation

	Sep-21	Mar-21	Sep-20
Materials	24.5%	30.7%	21.7%
Energy	18.4%	18.1%	18.2%
Consumer	15.2%	8.2%	15.9%
Health Care	7.7%	9.2%	6.0%
Industrials	7.3%	6.2%	5.9%
Financials	7.1%	5.0%	9.7%
Utilities	4.2%	4.2%	4.3%
Telecoms	3.8%	4.2%	8.9%
Holding	3.7%	5.3%	-
Real Estate	3.6%	4.0%	6.0%
Cash	4.5%	4.8%	3.4%

Monthly Return Contribution Analysis (Unit A)

Russia	2.3%	Energy	2.8%
Kazakhstan	0.1%	Consumer	0.5%
		Industrials	0.2%
		Utilities	0.1%
		Financials	0.1%
		Telecoms	0.1%
		Real Estate	-0.2%
		Health Care	-0.3%
		Holding	-0.3%
		Materials	-0.5%
Monthly Return	*2.4%*		*2.4%*

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Performance *(net of fees)*

30-Sep-21	Unit C
Year-to-Date	34.4%
1 month	2.4%
3 months	7.8%
6 months	21.0%
1 year	47.1%
2 years	47.8%
3 years	76.7%
5 years	104.9%
Since launch	309.0%
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	**40.9042**	**-**
12 months High	40.9042	-
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:

PRI Principles for Responsible Investment

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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