

**Trigon Russia Top Picks Fund**

Fact Sheet | October 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 Manager's Comments**

The Russian market continued to outperform the EM space in October thanks to continuing rally in commodity prices and a pickup in inflows from retail investors. In October, MSCI World TR was up 5.9%, while the MSCI EM TR index was up 1.1%. Continued supply shocks as well as a sudden surge in interest rates did not stop the rally globally, aided by decent Q3 reports. Trigon Russia Top Picks Fund gained 5.9% in October, while MSCI Russia TR was up 4.4%. YTD, the Fund is up by 43.4% versus 44.5% for the benchmark. Over the last three years the Fund is up by 96.6%, 27.5% ahead of the index.

Strong commodity prices and the appreciation of the rouble (+2.6% vs euro) supported both exporters and domestic sectors in October. Russian commodity stocks have investor-friendly dividend policies as the upside at commodity prices is shared with investors through dividends that are linked to either earnings or free cash flow. As a result, most of our selected stocks offer double-digit dividend yields. Domestic stories are more stable due to conservative macro policies as the volatility of the rouble is very low compared to previous years. Also, the leverage across Russian companies is low and less of a concern in a higher inflationary environment.

The Central Bank of Russia (CBR) raised the policy rate by 75bps to 7.5%, as inflation is running much higher than official expectations. Strong consumer demand is also one of the reasons for such an aggressive hike. Russian sovereign debt denominated in RUB yields reached 1.5-year highs, adding 100bps on the curve over the past month. The CBR has also reported that the 3Q2021 current account surplus has reached a historical high of 41bn USD. The largest ever surplus was reached due to the accelerated growth in non-oil and gas exports, which is a positive trend of diversification away from oil and gas. The full-year current account surplus should reach a record 120bn USD or 8% of GDP.

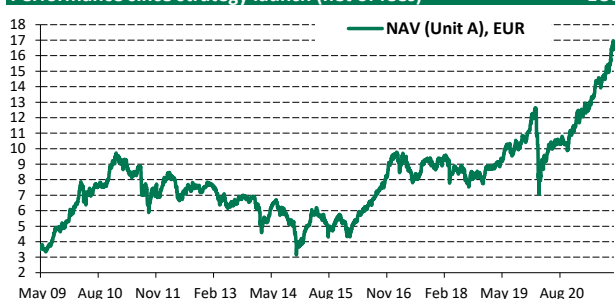
Domestic retail investors continue to discover the opportunities of the Moscow Exchange and support the market on any politically driven weakness. More than 15.3 million people (10.5% of the population) now have brokerage accounts with trading volumes on the equity market reaching all-time highs. Retail 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 7.0x and has a dividend yield of 7.8%, well above the Russia Eurobond yield of 2.5%. Trigon Russia Top Picks Fund portfolio is trading at a weighted average of 8.4x expected earnings for 2021 and an 8.9% dividend yield.

**Fund Facts**

**Fund AUM:** €1.6 mil  
**Positions:** 21  
**UCITS IV:** Yes  
**Auditor:** PwC  
**Depository:** Swedbank  
**Dealing:** Daily  
**Domicile:** Estonia  
**Strategy launch:** 31/05/2009

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

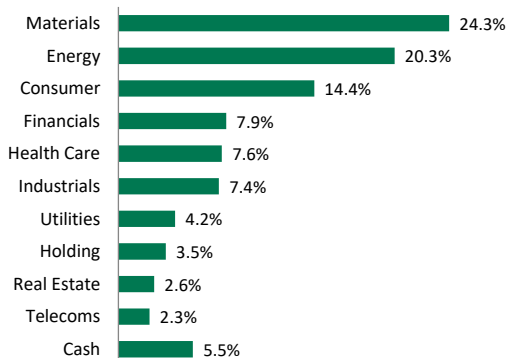


31-Oct-21	Unit A	Unit D	Benchmark*
Year-to-Date	43.4%	42.5%	44.5%
1 month	5.9%	5.9%	4.4%
3 months	13.6%	13.6%	17.7%
6 months	27.9%	28.1%	35.6%
1 year	65.1%	60.0%	83.0%
2 years	58.2%	51.2%	24.0%
3 years	96.6%	88.4%	69.1%
5 years	114.5%	103.5%	111.1%
10 years	123.8%	103.0%	101.7%
Since strategy launch	357.0%	97.3%	164.5%
Launch of strategy	31-May-09	31-Aug-11	31-May-09

Fund Details	Unit A	Unit D
NAV in EUR	16.4075	19.7262
12 months High	16.9608	20.3909
12 months Low	9.9006	12.2789
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)		0.80
Daily volatility (1year)		15.0%

(Detailed information about Unit C can be found on the next page.)

**Sector allocation**



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

**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](http://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](http://www.trigoncapital.com), [www.morningstar.fi](http://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	CAGR*	
2021	2.0%	3.3%	5.6%	0.7%	5.6%	5.9%	0.8%	4.7%	2.4%	5.9%					
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						-2.1%	4.3%	11.0%	19.4%	-2.5%	4.7%	7.1%	-		

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

\*Performance net of fees

**Risk Management Report (Unit A)**

	1M	3M	6M	1Y	2Y
Volatility (daily)	18.9%	14.9%	13.8%	15.0%	24.1%
Volatility (monthly)				8.9%	24.2%

**Downside Risk Analysis**

Negative months / total	60/149	40%
Worst calendar month	-25.6%	
Worst calendar quarter	-36.2%	

**Upside Risk Analysis**

Positive months / total	89/149	60%
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)	39.6%
Large Cap (more than 5bn EUR)	54.9%

**Monthly Return Contribution Analysis (Unit A)**

Russia	5.4%	Materials	1.5%
Kazakhstan	0.5%	Energy	1.2%
		Consumer	1.1%
		Industrials	0.7%
		Health Care	0.5%
		Financials	0.5%
		Utilities	0.3%
		Holding	0.1%
		Real Estate	0.1%
		Telecoms	0.0%

Monthly Return 5.9%

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**Geographic Allocation**

	Oct-21	Apr-21	Oct-20
Russia	86.6%	81.2%	82.8%
Kazakhstan	7.9%	7.3%	8.9%

Cash 5.5% 11.6% 8.2%

**Sector Allocation**

	Oct-21	Apr-21	Oct-20
Materials	24.3%	28.7%	22.2%
Energy	20.3%	16.5%	17.2%
Consumer	14.4%	8.2%	15.8%
Financials	7.9%	4.7%	4.4%
Health Care	7.6%	8.5%	6.2%
Industrials	7.4%	5.3%	5.8%
Utilities	4.2%	3.7%	4.0%
Holding	3.5%	4.8%	5.4%
Real Estate	2.6%	3.7%	6.4%
Telecoms	2.3%	4.4%	4.3%

Cash 5.5% 11.6% 8.2%

**Performance (net of fees)**

31-Oct-21	Unit C
Year-to-Date	42.2%
1 month	5.8%
3 months	13.3%
6 months	27.3%
1 year	63.4%
2 years	55.0%
3 years	90.7%
5 years	107.2%
Since launch	332.8%
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	43.2784	-
12 months High	44.7415	-
12 months Low	26.3749	-
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

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**MSCI Benchmark Indices**

MSCI indices' pricing data source: MSCI.

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