

**Trigon New Europe Fund**

**Fact Sheet | December 2022**

**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:** €196.9 mil  
**Positions:** 40  
**UCITS IV:** Yes  
**Auditor:** PwC  
**Depository:** DZ PRIVATBANK  
**Dealing:** Daily  
**Domicile:** Luxembourg  
**Launch:** Apr 10, 2002

**Fund Manager's Comments**

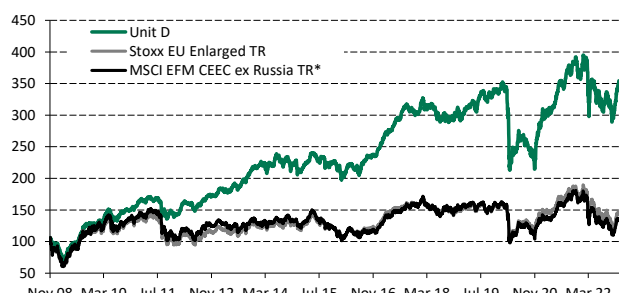
2022 became a year of survival for many Eastern Europe funds as Russia launched an unprovoked invasion to Ukraine and weaponized its gas flows. This unprecedented, 21-st century war in Europe combined with 20-year high inflation and substantial interest rate hikes, created an extremely turbulent macro and investment environment. We can take pride that in such a difficult year Trigon New Europe Fund managed to offer its best alpha in past 10 years. In 2022, The Fund's A-unit declined by 5.3% (D-unit by 5.9%) while MSCI CEEC ex Russia Index fell by 20.0% in euro terms. The Fund's return compares favourably also to other global markets as MSCI EM TR index was down by 14.9%, S&P 500 by 13.4% and Stoxx Europe 600 TR Index by 10.6% in 2022, all in euro terms. We hereby want to thank all the investors in the Fund who withstood to the increased uncertainty and volatility and remained invested in our Fund.

The Fund benefited from our general value tilt and on our strategy of being over-weight in non-cyclical sectors in the beginning of 2022. The Fund generated alpha from both, bottom-up stock selection and from top-down allocation between countries, although the latter is the result from the bottom-up stock-picking. Our stock selection performed better than local market indices in 8 out of the 10 countries, being especially successful in Poland, Hungary, and Kazakhstan. In country allocation wise in absolute terms, we benefited from having off-benchmark exposure to Turkey and Greece and being over-weight in Romania and Slovenia at the expense of Poland. Our stock-picking was similarly effective on a sector basis as our selection was better in 8 sectors out of 10 from the benchmark. We did especially well with the picks among financials, energy, utilities and industrials while lagged in materials and consumer staples. In absolute terms the main contributors to performance were companies from energy, industrials and utilities sectors, while we were able to avoid the value destruction in consumer discretionary and e-commerce.

Based on 2022 expected earnings (well predictable by now) the Trigon New Europe Fund holdings are trading at 7.4x weighted average trailing earnings. Based on our internal estimates, in 2023 the companies in the portfolio should be able to increase their EPS by 6% on the back of less war and loan moratoria related provisioning for banks, especially in Poland. 14.2% "crises year" earnings yield looks attractive in historical context, at the same time the regional bond yields are traded also close to 20-year high levels: from 5,0% in Czech Republic to 9,0% in Hungary and 9.6% in Turkey. In 2023, we would expect further yield compression on the back of easing inflation pressures and possible rate cuts in Q4 2023 and 2024. The low ownership by GEM funds and 20-year low AUM of actively managed regional funds combined with low valuation multiples should be reasonably good arguments to have some exposure to the region going into 2023.

Looking at the company multiples, mild recession and war related uncertainty seems to be fully discounted by the market. At the end of December Trigon New Europe Fund was trading at 2022E and 2023E earnings of 7.4x and 7.0x, respectively. 2022E EV/EBITDA for the portfolio is at 4.7x and should decline to 4.3x at 2023E. Dividend yield paid on 2022-year earnings is expected to be at 6.9%.

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

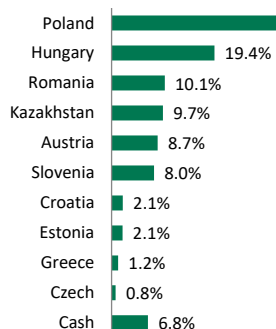


31-Dec-22	Unit D	Unit E	Benchmark*
Year-to-Date	-5.9%	-6.4%	-20.0%
1 month	-0.3%	-0.4%	0.3%
3 months	20.3%	20.1%	22.2%
6 months	10.9%	10.6%	6.4%
1 year	-5.9%	-6.4%	-20.0%
3 years	2.0%	0.4%	-15.0%
5 years	12.8%	10.2%	-15.5%
10 years	97.1%	87.6%	2.6%
Since launch	287.2%	282.5%	-0.2%
Launch of unit	10.04.02	08.04.09	n/a*

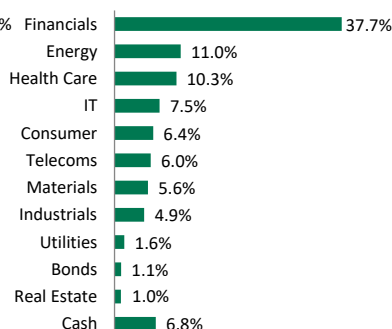
Fund Details	Unit D	Unit E	Unit B
NAV	24.7400	38.2500	109.5800
12 months High	27.8900	43.3400	125.0900
12 months Low	20.4200	31.6100	90.5100
Management fee	Up to 1.5%	Up to 2%	0.75%
Performance fee	none	none	15% of return exceeding the Benchmark*
Subscription fee**	none	none	none
Redemption fee	none	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)	-0.01		
Daily volatility (1 year)	24.0%		

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).

**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](http://www.trigoncapital.com). Please refer to the important legal notice on the last page of this report.

31-Dec-22	Unit A (EUR)	Unit A (USD)	Unit B
Year-to-Date	-5.3%	-11.1%	-7.1%
1 month	-0.3%	3.4%	-0.2%
3 months	20.5%	31.3%	20.3%
6 months	11.3%	13.6%	10.5%
1 year	-5.3%	-11.1%	-7.1%
2 years	22.3%	6.6%	19.5%
3 years	4.1%	-1.0%	1.7%
5 years	-	-	-
Since launch	15.2%	10.8%	9.6%
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](http://www.trigoncapital.com), [www.morningstar.fi](http://www.morningstar.fi), [www.ipconcept.com](http://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*
2022	2.8%	-11.9%	3.9%	-2.4%	-3.3%	-4.4%	2.4%	0.2%	-10.1%	10.3%	9.4%	-0.3%	-5.9%	
2021	1.8%	0.9%	2.8%	3.8%	8.1%	0.7%	1.2%	7.1%	-1.7%	3.8%	-5.4%	2.7%	28.2%	
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%	2 years 9.8%
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%	3 years 0.7%
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%	5 years 2.4%
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%	
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%	
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%	
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%	

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

\*Performance net of fees

**Risk Management Report (Unit D)**

	1M	3M	6M	1Y	2Y
Volatility (daily)	10.2%	15.0%	16.6%	24.0%	19.1%
Volatility (monthly)				23.4%	18.9%
<b>Downside Risk Analysis</b>					
Negative months/total	75/180	42%			
Worst calendar month	-27.7%				
Worst calendar quarter	-34.2%				
<b>Upside Risk Analysis</b>					
Positive months / total	105/180	58%			
Best calendar month	24.1%				
Best calendar quarter	29.9%				

**Market Cap Allocation**

Small Cap (0 - 500 mio EUR)	13.9%
Mid Cap (500 mio - 5bn EUR)	42.4%
Large Cap (more than 5bn EUR)	36.9%



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**Geographic Allocation**

	Dec-22	Jun-22	Dec-21
Poland	31.2%	31.1%	31.7%
Hungary	19.4%	22.6%	19.1%
Romania	10.1%	12.4%	10.7%
Kazakhstan	9.7%	8.5%	1.3%
Austria	8.7%	5.7%	3.9%
Slovenia	8.0%	9.9%	7.5%
Croatia	2.1%	1.7%	2.6%
Estonia	2.1%	2.5%	2.2%
Greece	1.2%	1.8%	4.3%
Czech	0.8%	0.9%	5.0%
Turkey	-	0.7%	6.5%
Cash	6.8%	2.2%	5.1%

**Sector Allocation**

	Dec-22	Jun-22	Dec-21
Financials	37.7%	42.3%	36.7%
Energy	11.0%	11.1%	8.5%
Health Care	10.3%	10.9%	9.1%
IT	7.5%	3.0%	2.5%
Consumer	6.4%	6.1%	10.5%
Telecoms	6.0%	3.3%	8.4%
Materials	5.6%	5.5%	4.1%
Industrials	4.9%	9.4%	5.3%
Utilities	1.6%	3.0%	5.9%
Bonds	1.1%	1.3%	1.0%
Real estate	1.0%	1.9%	2.4%
Other	-	-	0.3%
Cash	6.8%	2.2%	5.1%

Fund Details	Unit A (EUR)	Unit A (USD)
NAV	115.2200	110.7800
12 months High	129.0100	133.1900
12 months Low	94.9200	94.9200
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

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](http://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](http://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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