

TRIGON NEW EUROPE TOP PICKS FUND

2007 ANNUAL REPORT
(Translation of the Estonian original)

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General information and contact data of the investment fund Trigon New Europe Top Picks Fund

Business name

Investment fund Trigon New Europe Top Picks Fund

Legal address:

Pärnu mnt. 15
10141 Tallinn
Estonia

Phone: + 372 6 679 200

Fax: + 372 6 679 221

Main activities

The Fund offers to the unit-holders the opportunity to invest in equity securities traded on the regulated markets of the countries that joined the European Union in 2004 and of the countries that are expected to join the European Union in near future. The Fund's assets shall be invested into a small number of different issuers as selected by the Management Company (8-15 different issuers). The fund's objective is the long-term growth of assets.

Fund Management Company

AS Trigon Funds

Fund managers

Mehis Raud

Depositary

AS Hansapank

Auditor

AS PricewaterhouseCoopers
Pärnu mnt. 15
10141 Tallinn
Estonia

Tel.: + 372 6 141 800

Fax: + 372 6 141 900

Beginning and end of financial year:

1 January 2007 – 31 December 2007

Management report

Trigon New Europe Top Picks Fund (hereinafter: the Fund) was launched on February 15th, 2006. The Fund is a contractual investment funds that invests into small number of different issuers as selected by the Management Company (8-15 different issuers) of the countries that joined the European Union in 2004 and of the countries that are expected to join the European Union in near future. The Fund is aimed at investors with a medium to long investment perspective since equity markets are volatile and the value of the fund unit can change significantly during a short period.

As at 31 of January, the Fund's net asset value reached to 405,5 million kroons. The Fund has three types of units. The net asset value of the Fund's Type 1 Unit increased by 22,3% since launch to 139,9845 kroons (31.12.2006: 114,4529 kroons) in December of 31. The net asset value of the Fund's Type 2 Unit (eQ Uuden Euroopan Tähdet) reached 218,6192 kroons (13,9733 euros) (31.12.2006: 179,1842 kroons) to the end of the period increasing by 22% in 2007 and the net asset value of the Type 3 Unit (Trigon New Europe Top 10 Fond B) reached 134,3005 kroons (31.12.2006: 108,8015 kroons) increasing by 23.4% in 2007.

The Fund's objective is to keep approximately 95% of its assets invested. As at the end of December 2007, the equities, bonds and structured deposits made up 88,6% of the market value of the Fund's investments, the remaining portion was made up of cash in bank accounts, over-night deposits, **receivable amounts for transactions which have not settled yet and for subscribed units**. As at 31 December 2007, the largest equity investments were Erste Bank 10,2%, Farmacol 9,2%, DUDA 9% and PKN Orlen 8,4%. The Fund's investments were diversified between the issuers of seven countries – Poland, Romania, Bulgaria, Hungary, Austria, Serbia and Estonia.

Mehis Raud
AS Trigon Funds
Member of the Management Board and the Fund Manager

Jouni Nissinen
AS Trigon Funds
Member of the Management Board

Riku Wiitala
AS Trigon Funds
Member of the Management Board

FINANCIAL STATEMENTS

Confirmation of the Management Board of the Fund Management Company's to the financial statements

The Management Board of the Fund Management Company's confirms the correctness and completeness of the financial statements of Trigon New Europe Top Picks Fund for 2007 as presented on pages 5 - 14.

The Management Board confirms that:

1. the accounting policies, accounting methods and measurement bases used in preparing the financial statements are in compliance with the Accounting Act, the Investment Funds Act, the respective regulations of the Ministry of Finance and the generally accepted accounting principles of Estonia;
2. the financial statements present a true and fair view of the financial position and the results of operations of the Fund;
3. Trigon New Europe Top Picks Fund is a going concern.

Mehis Raud

AS Trigon Funds

Member of the Management Board and the Fund Manager

Riku Wüitala

AS Trigon Funds

Member of the Management Board

Jouni Nissinen

AS Trigon Funds

Member of the Management Board

Tallin 31 January 2008

Balance Sheet

In EEK

ASSETS	Lisa	31.12.2007	31.12.2006
Securities			
Shares and units		301 611 323	72 583 748
Bonds		32 693 650	8 210 665
Derivates	Note 5	27 725	0
Total securities		334 332 699	80 794 413
Deposits			
Cash and bank		44 793 526	2 464 678
Structured deposits		31 031 494	8 443 762
Total deposits		75 825 020	10 908 440
Other assets			
Accrued income	Note 3	831	966
Accounts receivable	Note 2	2 458 152	0
Total other assets		2 458 982	966
TOTAL ASSETS		412 616 702	91 703 819
LIABILITIES AND EQUITY			
Liabilities			
Payable to fund management company		517 689	220 502
Payable to depositary		69 662	14 305
Toimumata väärtpaberitehingud		6 470 063	0
Other payables		14 873	14 225
Total liabilities		7 072 287	249 032
Fund's net asset value		405 544 414	91 454 787
TOTAL LIABILITIES AND EQUITY		412 616 702	91 703 819

Statement of investments

In EEK as at 31 December 2007

Nimetus	Riigi kood	Löpp-tähtaeg	Nimi-väärtus	Valuuta	Kogus	Keskmine soetus-maksumus ühikule	Keskmine soetus-maksumus kokku	Turuväärtus ühikule	Turuväärtus kokku	Intress	Osakaal fondi aktive turu-väärtusest
Aktsiad ja osakud											
BUDUCNOST NOVI SAD AD	RS		1	RSD	6 086	2 701.81	16 443 245	2 975.94	18 111 561		4.39%
BULGARIA REAL ESTATE FUND	BG		1	BGN	1 156 680	14.23	16 458 649	17.04	19 707 686		4.78%
ERSTE BANK	AT		1	EUR	55 350	781.81	43 272 970	758.81	41 999 954		10.18%
FARMACOL SHARE	PL		1	PLN	206 483	178.34	36 823 503	183.07	37 800 736		9.16%
FLAMINGO	RO		0	RON	14 700 500	1.81	26 664 660	1.50	22 060 957		5.35%
IMMO EAST IMMOBILIEN ANLAGEN	AT		1	EUR	230 286	123.26	28 383 978	115.31	26 553 665		6.44%
MOL MAGYAR OLAJ-ESGAZIDARI	HU		1 000	HUF	4 407	1 464.37	6 453 492	1 513.87	6 671 631		1.62%
PAGED SA	PL		2	PLN	186 474	113.90	21 238 487	130.14	24 268 507		5.88%
POLSKI KONCERN NAFTORNY ORLEN	PL		1	PLN	154 300	232.88	35 933 056	225.15	34 740 558		8.42%
POLSKY KONCERN MIESNY DUDA	PL		1	PLN	1 134 837	40.49	45 945 601	32.54	36 923 109		8.95%
RAIFFAISEN BANK	AT		1	EUR	9 000	1 600.73	14 406 530	1 620.87	14 587 864		3.54%
RICHTER GEDEON (DEMAT)	HU		1 000	HUF	4 717	2 332.95	11 004 537	2 564.84	12 098 331		2.93%
SIF MOLDOVA (RON)	RO		0	RON	402 100	15.33	6 163 975	15.14	6 086 764		1.48%
Aktsiad ja osakud kokku							309 192 683		301 611 323		73.10%
Võlakirjad											
HP STR BOND ERSTE 16.01.2008	EE	16.01.2008	1	EEK	4 196 261	107.00	4 490 000	99.81	4 188 155		0.0102
HP STR BOND TPSA 30.06.2008	EE	30.06.2008	1	EUR	1 830 000	1 564.55	28 631 265	1 557.68	28 505 495		0.0691
Võlakirjad kokku							33 121 265		32 693 650		7.92%
Tuletisväärtpaberid											
FX OPTION EUR/PLN@3.75 01FEB08	EE	01.02.2007		EUR			434 163		2 566		0.00%
FX OPTION EUR/PLN@3.75 15FEB08	EE	15.02.2008		EUR			508 479		25 160		0.01%
Tuletisväärtpaberid kokku							942 642		27 726		0.01%
Väärtpaberid kokku							343 256 590		334 332 699		81.03%
Hoiused											
ARVELDUSKONTO	EE			EEK					38 411 236		9.31%
HP DEPOSIT ERSTE 30.05.2008	EE	30.05.2008		EUR			15 645 500		15 594 645		3.78%
HP DEPOSIT RZB 28.05.2008	EE	28.05.2008		EUR			15 645 500		15 436 849		3.74%
ÜLEÕODEPOSIT-HANSAPANK(EEK)	EE	01.01.2008		EEK			4 212 323		4 212 937	5.25%	1.02%
ÜLEÕODEPOSIT-HANSAPANK(EUR)	EE	01.01.2008		EUR			2 169 967		2 170 184	3.59%	0.53%
Hoiused kokku							37 673 290		75 825 851		18.38%
<i>*Depositiide puudub on lisatud tekkepõhiselt arvestatud intress summas 830.68 krooni, mis kajastatakse bilansis real "Viietlakkumised".</i>											
Investeeringud kokku							379 987 238		410 158 550		99.40%
Muu vara											
Mitmesugused nõuded (toimumata tehingud)									2 457 800		0.60%
Mitmesugused nõuded (laekumata summad märgitud osakute eest)									352		0.00%
Muu vara kokku									2 458 152		0.60%
FONDI VARA KOKKU									412 616 702		100.00%

Distribution of investments, 31.12.2007

	Amount	Share
Securities entered into the stock exchange lists	301 611 323	73.1%
Other securities	32 721 376	7.9%
Structured deposits	31 031 494	7.5%
Cash, deposits and accrued income	47 252 509	11.5%
Total	412 616 702	100.0%

In EEK as at 31 December 2007

Nimetus	Riigi kood	Lõpp-tähtaeg	Nimiväärtus	Valuuta	Kogus	Keskmine soetus-maksumus ühikule	Keskmine soetus-maksumus kokku	Turuväärtus ühikule	Turuväärtus kokku	Intress	Osakaal fondi aktive turuväärtusest
Aktsiad ja osakud											
ARTMAN SA	PL		0	PLN	43 309	139,91	6 059 190	150,48	6 517 166		7,11%
BANINI AD	CS		4 240	RSD	854	9 065,58	7 742 009	8 484,87	7 246 075		7,90%
BULGARIA REAL ESTATE FUND	BG		1	BGN	664 000	10,36	6 880 085	11,20	7 435 992		8,11%
ERICSSON NIKOLA TESLA	HR		100	HRK	1 360	4 558,61	6 199 711	0,00	7 117 702		7,76%
FARMACOL SHARE	PL		1	PLN	50 890	169,38	8 619 660	177,40	9 027 676		9,84%
KOGENERACJA S.A.	PL		5	PLN	27 240	190,52	5 189 639	227,56	6 198 628		6,76%
KOMERCNI BANKA	CZ		500	CZK	5 850	1 781,63	10 422 518	1 763,11	10 314 168		11,25%
PAGED SA	PL		2	PLN	53 822	82,65	4 448 321	103,99	5 596 986		6,10%
POLSKI KONCERN NAFTORNY ORLEN	PL		1	PLN	44 500	194,96	8 675 921	194,52	8 656 307		9,44%
TELEFONICA O2 C.R. SHARE	CZ		100	CZK	16 500	239,60	3 953 349	271,09	4 473 048		4,88%
Aktsiad ja osakud kokku							68 190 403		72 583 748		79,15%
Võlakirjad											
HP STR BOND ERSTE 13.02.07	EE	13.02.2007	10000	EEK	7950000	10000	7 950 000	10 327,88	8 210 665		8,95%
Võlakirjad kokku							7 950 000		8 210 665		8,95%
Väärtpaberid kokku							76 140 403		80 794 413		88,10%
Hoiused*											
ARVELDUSKONTO	EE			EEK					625 437		0,68%
ÜLEOODEPOSIT-HANSAPANK(EUR)	EE	01.01.2007		EUR			1 839 241		1 839 401	3,124%	2,01%
HP DEPOSIT ERSTE 09.02.07	EE	09.02.2007		EEK			5 450 000		5 644 919		6,16%
HP DEPOSIT PEKAO 01.03.07	EE	01.03.2007		EEK			2 760 000		2 798 843		3,05%
Hoiused kokku							1 839 241		10 908 600		11,90%
*Depositiide puul on lisatud tekkepähiselt arvestatud intress summas 159.58 krooni, mis kajastatakse bilansis real "Viitlaekumised".											
Investeeringud kokku									91 703 013		100,00%
Muu vara											
Viitlaekumised (laekumata arvelduskonto intressid)									806		0,00%
Muu vara kokku									806		0,00%
FONDI VARA KOKKU									91 703 819		100,00%

Distribution of investments, 31.12.2006

	Amount	Share
Securities entered into the stock exchange lists	72 583 748	79,2%
Other securities	8 210 665	9,0%
Structured deposits	8 443 762	9,2%
Cash, deposits and accrued income	2 465 644	2,7%
<i>Total</i>	<i>91 703 819</i>	<i>100,0%</i>

Income and expense statement

In EEK

2007 15.02-31.12.2006

I. Net gain on investments

1.1. On equities and units

1.1.1. Sales profit	30 755 896	12 004 575
1.1.2. Unrealised gains	(11 976 255)	2 728 931
1.1.3. Dividends	825 980	2 150 203

1.2. Bonds

1.2.1. Sales loss	(119 273)	(860 251)
1.2.2. Unrealised gain	(688 279)	260 665
1.2.3. Interest income	388 068	132 445

1.3. On deposits

1.3.1 Interest income on deposits	641 580	68 914
1.3.2 Change in fair value of structured deposits	(493 269)	233 762

1.4. On derivatives

1.4.1 Sales loss	(443 221)	(584 868)
1.4.2 Unrealised gain /(loss)	(914 916)	-

Total net gain on investments	17 976 311	16 134 376
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II. Other income

2.1. Foreign exchange gains	(1 611 961)	1 520 105
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Total other income	338 039	1 520 105
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TOTAL INCOME	16 364 350	17 654 481
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EXPENSES

III. Operating expenses

3.1. Management fees	3 438 712	1 777 328
3.2. Performance fees	4 557 979	1 925 527
3.3. Depositary charges	437 265	161 592
3.4. Transaction costs	322 015	955 265
3.5. Other costs	25 975	0

Total operating expenses	8 781 946	4 819 712
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TOTAL EXPENSES	8 781 946	4 819 712
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NET RESULT OF THE FUND	7 582 404	12 834 769
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Statement of changes in net assets

In EEK

	<u>2007</u>	<u>15.02-31.12.2006</u>
Net asset value of the Fund at the beginning of the reporting period	91 454 787	0
Cash received for units	357 371 727	137 818 133
Cash paid for units	50 111 193	58 902 254
Subscription and redemption fees (total) paid to the Fund Management Company	753 311	295 862
Net result of the Fund	7 582 404	12 834 769
Net asset value of the Fund at the end of the period	405 544 414	91 454 787
Number of units in circulation at end of the reporting period	2 970 231.803	785 801.513
incl. Type 1	680 621.801	695 898.425
Type 2 (eQ Uuden Euroopan Tähdet)	32 877.590	28 933.373
Type 3	2 256 732.412	60 969.715
Unit's net asset value at end of the period		
Type 1	139.9845	114.4529
Type 2 (eQ Uuden Euroopan Tähdet)	218.6192	179.1842
Type 3	134.3005	108.8015

Notes to the financial statements

NOTE 1 Accounting policies

The financial statements of the investment fund Trigon New Europe Top Picks Fund have been prepared in Estonian kroons and pursuant to the Accounting Act, the Investment Fund Act, the regulations set by the decrees of the Ministry of Finance and the accounting principles generally accepted in Estonia.

Cash and bank

The balance sheet item cash and bank includes cash in demand deposit, overnight deposits and term deposits.

Accounting for securities transactions

Securities transactions are recorded at the settlement date. The coupon interest on fixed rate securities is calculated on an accrual basis. Realised profits and losses from the sales of securities are calculated under the FIFO method.

Issue of Units

Units shall only be issued publicly. The issue of Units is executed by the Fund Management Company pursuant to the rules set out in legislation. The issue of Units is restricted neither by time nor by volume.

The Fund has three types of Units (hereinafter: “Type 1”, “Type 2” and “Type 3”).

A Unit shall be issued only upon the collection of an amount equalling the Unit’s net asset value. Upon the issue of a fractional unit, cash shall be collected equalling that fraction of the Unit’s net asset value.

The Unit’s issue price is the net asset value of the Unit of the respective type calculated at the banking day following the purchase order and may also include an issue fee or intermediary’s transaction cost.

The Unit’s issue fee is:

- a) In case of Type 1 Units, a maximum of 3.0% of the net asset value of the Unit of the respective type;
- b) In case of Type 2 Units, there is no issue fee. The unit holder bears the intermediary’s transaction cost, which is a maximum of 3.0% of the net asset value of the Unit of the respective type;
- c) In case of Type 3 Units, a maximum of 6.0% of the net asset value of the Unit of the respective type

A Unit is deemed to be issued at the time of making the respective entry in the registry of Units.

Redemption of Units

At the request of the Unit holder, the Fund Management Company shall redeem the Unit.

The Unit's redemption price is the net asset value of the Unit of the respective type calculated at the banking day following the day of the redemption order and may also include a redemption fee or intermediary's transaction cost.

The Unit's redemption fee is:

- a) In case of Type 1 Units, a maximum of 1.5% of the net asset value of the Unit of the respective type;
- b) In case of Type 2 Units, there is no redemption fee. The fund holder shall bear the intermediary's transaction cost which at a maximum is 0.5% of the net asset value of the Unit of the respective type but not less than 20 euros per transaction;
- c) In case of Type 3 Units, there is no redemption fee.

Upon the redemption of a Unit, a monetary payment from the Fund's assets is made to the Unit holder's bank account related to the securities account. The payments shall be made in the order of the applications submitted. The payment may be halted pursuant to the procedure prescribed in the rules and regulations of the Fund.

The Unit shall be considered as redeemed from the time of making a respective entry in the registry of Units.

Issue and redemption fees

Upon the issue and redemption of a Unit, the Management Company has the right to charge issue and redemption fees which are collected in the Fund's bank account. Issue and redemption fees are transferred to the Fund Management Company in the month following the month of the calculation.

Exchange of Units

The Unit holder has the right to exchange the Units held by him for the Units of another Fund managed by the Fund Management Company. Units shall not be exchanged for the Units of another type of the Fund.

To exchange Units, the Unit holder shall give an order through its account operator to exchange Units in the form prescribed by the account operator. Upon the exchange of Units, no payments are made to the Unit holder. According to the number and net asset value of exchangeable Units, the Units are redeemed and the Units of another Fund are issued according to the net asset value of the Units of another Fund. The basis for the exchange of Units is the net asset value of the Unit calculated on the banking day following the day of receiving an exchange order. No redemption and issue fees are charged upon exchanging Units.

Calculation of the net asset value of the investment fund

The net asset value of the Fund is determined pursuant to the Investment Funds Act, established by the Ministry of Finance “Regulation for determining the net asset value of investment funds”, internal rules and regulations of AS Trigon Funds (Fund Management Company) as well as the Fund's rules.

The Fund's net asset value is determined on the basis of the market value of the Fund's asset less the Fund's liabilities. The total net asset value of the Units of a particular type is derived by subtracting the liabilities of the Fund unit of a particular type from the market value of securities and other rights of the Fund unit of a particular type.

The net asset value of a Unit is derived by dividing the total net asset value of the Units of a particular type into the number of Units of the same type issued and not redeemed by the time of the calculation.

The Fund's assets and liabilities are accounted for in Estonian kroons. The net asset value of Type 1 Unit and Type 3 Unit is expressed in Estonian kroons and the net asset value of Type 2 Unit in euros.

The determination of the Fund's assets by types of assets is performed as follows:

1. Valuation of cash and deposits
 - 1.1. The value of cash and deposits shall be determined on the basis of their book value, which is their fair value.
 - 1.2. Interest on deposits calculated on an accrual basis but not collected is accounted for as accrued income as of valuation day. Valuation day is day, as of fund's net asset value is calculated.
2. Valuation of assets denominated in foreign currencies and principles used for choosing exchange rates
 - 2.1. Foreign currencies and assets denominated in a foreign currency shall be restated in Estonian kroons on the basis of the latest ask price of the valuation date as established by the depositary of the fund, AS Hansapank. Should the Hansabank not determine the ask price for the respective foreign currency for the valuation date, Hansabank may use the exchange rate of the following morning of valuation date.
3. Valuation of listed equity securities with valid quotation
 - 3.1. The value of a listed security with a valid quotation shall be determined on the basis of the closing price of the valuation date. If there is no closing price of the valuation date, the value shall be determined on the basis of the average price (mid price) of the valuation date. If the average price is also not available, the last official selling price (bid price) will be used.
 - 3.2. If fund units owners justified interests require making an exemption, the fund manager may take closing, average or bid price from any of the last 20 business days preceding to the valuation date, if it is necessary to give fair value to listed security.

- 3.3. The quotation of the security is deemed not valid, if there has been no transaction with that security on any stock exchange on which the security has been listed within the last 20 business days.
4. The principles of choosing the stock exchanges based on which the quotes of the value of securities shall be determined.
 - 4.1. If a security is listed on several stock exchanges, the value of the security shall be determined on the basis of the closing price of the country of location of the issuer of such security.
 - 4.2. If a security is not traded on the stock exchange of the country of location of the issuer, or it is not sufficiently active or the necessary price is not available, the value of the security shall be determined on the basis of the latest known closing price on other stock exchanges on which the security is listed.

Main criteria in choosing stock exchange are the liquidity of the particular security on that stock exchange.

5. Valuation of fund units and shares
 - 5.1. Fund units and shares that are listed on the regulated market shall be determined according to point 3.
6. Mutual fund shares that are unlisted on the regulated market shall be determined according to last known redemption price or if this price is not available then according to fund's NAV.

Valuation of derivative instruments

- 6.1. Derivative instruments that are listed on the regulated market shall be determined according to point 3.
 - 6.2. Value of currency forward shall be determined by the valuation date spot rate and forward points, interpolated to maturity of currency forward.
 - 6.3. Derivative instruments that are listed on the regulated market shall be determined on the basis of Black & Scholes model and all necessary inputs for the calculation are determined by the Fund Management Company.
7. Valuation of structured securities and deposits.
 - 7.1. To calculate the value of a structured bond or deposit, the bond or the deposit is divided into components (e.g. deposit plus option). The value of each component is determined in accordance with the established rules. Different components are combined to calculate the total value of the structured security or deposit.
 8. Valuation of other assets
 - 8.1. Added up under accrued income and prepaid expenses is income that has been recorded on accrual basis, but has not yet been received e.g. dividends receivable, interests receivable and other receivables, as well as prepaid expenses.
 - 1.1. To determine the market value of other receivables, these receivables have to be valued on the amounts that are likely to be received.

Recognition of income and expenses

Income and expenses are reported on the accrual basis.

1. Recognition of management and performance fees

Management fee rates paid to the Fund Management Company are:

- a. Type 1 Units: a maximum of 2.0% per annum of the market value of the Fund's assets.
- b. Type 2 Units: a maximum of 2.0% per annum of the market value of the Fund's assets.

c. Type 3 Units: a maximum of 1.25% per annum of the market value of the Fund's assets
The management fee is deducted daily from the market value of the Fund's assets and is paid in the month following the calculation.

In addition, the Fund Management Company is paid a performance fee Type 1, Type 2 as well as Type 3 Units based on their rate of return. The Management Company has the right to receive the performance fee when the Unit's net asset value exceeds the highest ever month-end level plus the minimum required rate of return of 3.5% in case of Type 1 and Type 2 Units and 8% of Type 3 Units on an annual basis. The rate of the performance fee is 15% of the growth of the Unit's net asset value over the highest ever month-end level plus the required minimum rate of return of 3.5% or 8% on an annualised basis. The performance fee is recalculated daily on the basis of the 365-day year and is paid out based on the month-end during the following month. The Management Board of the Fund Management Company may decide to use a lower rate of management and performance fees.

2. The annual rate of the depositary charge is 0,2124% of the market value of the Fund's assets but not less than 2 360 Estonian kroons per month. When the Fund's market value exceeds 150 million Estonian kroons, the rate of the fee above this level is 0,1888%. When the Fund's market value exceeds 500 million Estonian kroons, the rate of the fee above this level is 0,1652%. Depositary charge includes sales tax and charges are deducted daily from the market value of the Fund's assets and are paid out in the month following the month of the calculation.
3. Recognition of transactions costs
 - a. Commission fees and transaction costs which arose in acquiring and disposing of securities but not yet paid are calculated on an accrual basis, are paid in the month following the calculation, are reported in the income statement line "Transaction costs" and are not included within the cost of securities.
 - b. Commissions which arose and were paid in the acquisition of securities, but are not clearly identifiable are included within the cost of securities.

Transaction costs are calculated on an accrual basis.

4. Recognition of income and expenses relating to the main operations.

The net proceeds from the revaluation of investments is reported in the income and expense statement items "Unrealised gains/losses" grouped by types of investments (equities and units, bonds, etc.). The sales revenue/loss from investments is included in the income and expense statement item "Sales profit/loss" grouped by types of investments (equities and units, bonds, etc.). Foreign exchange rate changes between the purchase and sales dates are deducted from the sales profit/loss and are reported in the income and expense statement items "Foreign exchange gains" or "Foreign exchange losses".

NOTE 2 Accounts receivable

In EEK

	31.12.2007	31.12.2006
Accounts receivable for units	352	0
Toimumata väärtpaberitehingud	2 457 800	0
<i>Total</i>	<i>2 458 152</i>	<i>0</i>

LISA 3 Accrued income

In EEK

	31.12.2007	31.12.2006
Receivable deposit interests	831	159
Receivable interests of bank	0	807
<i>Total</i>	<i>831</i>	<i>966</i>

NOTE 4 Statement of commissions

In EEK

	01.01-31.12.2007	15.02-31.12.2006
Fees paid upon purchasing and selling securities tradable in Tallinn Stock Exchange		
- AS Trigon Securities	0	19 148
Fees paid upon purchasing and selling other securities tradable in Estonia		
- AS Trigon Securities	3 288	5 949
Fees paid upon purchasing or selling securities tradable in the stock exchanges or over the counter in other countries		
- AS Trigon Securities	129 713	724 151
- Bank Handlowy	0	28 818
Total commissions paid	133 001	778 066

In 2007, transaction fees totalled 322 015 kroons (2006: 955 265). Of this amount, 189 014 (2006: 177 199) kroons was made up of the fees charged by the depositary for making transactions, transaction fees for sub-depositaries and correspondence banks as well as fees charged for executing payment orders.

During 2007, a total of 428 (2006: 360), transactions were performed at Trigon New Europe Top Picks Fund, the volume of transactions was 1 308 979 786 kroons (2006: 584 291 994) and the weighted average commission was 0.01% (2006: 0.13%).

NOTE 5 Derivates

In EEK 31 December 2007

Instrumendi liik	Instrumendi väljaandja	Alusvara nimetus ja kogus	Tehingu täitmise aeg	Instrumendi hind / preemia	Tätmishind		Turuväärtus		Tuletisinstrumendi väljaandja omakapital
					Ühikule	Kokku	Ühikule	Kokku	
Müügioptsioon	AS Hansapank	PLN PUT 18 750 000	1.02.2008	27 750.00 EUR	3.75	5 000 000.00 EUR	0.00	2 565.86 EEK	22 073 300 000 EEK
Müügioptsioon	AS Hansapank	PLN PUT 18 750 000	15.02.2008	32 500.00 EUR	3.75	5 000 000.00 EUR	0.01	25 159.53 EEK	22 073 300 000 EEK
Kokku	X	X	X	60 250.00 EUR	X	10 000 000.00 EUR	X	27 725.39 EEK	X

As at 31 of December 2006 there was no derivate in Trigon New Europe Top 10 Fund.

NOTE 6 Comparative analysis of the net asset value

In EEK

Year	Fund's net asset value	Fund unit's net asset value		
		Type 1	Type 2 (eQ Uuden Euroopan Tähdet)	Type 1
15.02.2006	-	100.0000	156.4550	-
31.12.2006	91 454 787	114.4529	179.1842	108.8015
31.12.2007	405 544 414	139.9845	218.6192	134.3005

NOTE 7 Related parties

For the purpose of these financial statements, the following entities are considered as related parties: AS Trigon Funds (Fund Management Company), AS Trigon Securities (parent company of the Fund Management Company) and other funds managed by AS Trigon Funds: Trigon Second Wave Fund, Trigon Central and Eastern European Fund and Trigon New Europe Small Cap Fund.

Trigon New Europe Top Picks Fund paid transactions fees in 2007 to AS Trigon Securities totaling 133 001 (2006: 749 248) kroons (Note 4). As at 31 December 2007, there was no payable amounts for the transactions to AS Trigon Securities. The Fund Management Company was paid management and performance fees totalling 7 996 691 (2006: 3 702 855) kroons and issue and redemption fees totalling 753 311 (2006: 295 862) kroons. As at 31 December 2007, the payable to the Fund Management Company totalled 517 689 (31.12.2006: 220 502) kroons. In the financial year, Trigon New Europe Top Picks Fund performed transactions with the other Funds managed by AS Trigon Funds in the total amount 65 541 144 (2006: 41 218 270) kroons.

NOTE 8 Contingencies

Trigon Central and Eastern European Fund invests in listed securities on various Central and Eastern European countries. The tax legislations in these countries have different approaches to the taxation of the capital gain in respective country and the Tax Authorities may attempt to tax the capital gain or to force the beneficiary to declare it. If such attempt would occur, it may influence the NAV or the fund or the fund investor's income depending on the double tax treaties and the respective country's tax legislation. AS Trigon Funds management is not aware of any occasions of taxing the fund's investors by any Central and Eastern European country's Tax Authority.

INDEPENDENT AUDITOR'S REPORT