

TRANSLATION FROM ESTONIAN

TRIGON NEW EUROPE SMALL CAP FUND
TRIGON UUS EUROOPA VÄIKEETTEVÕTETE FOND

INTERIM REPORT 6 months 2008

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Short Description and Contact Details of Trigon New Europe Small Cap Fund

Name

A contractual investment fund Trigon New Europe Small Cap Fund (*Trigon Uus Euroopa Vääkeettevõtete Fond in the Estonian language*)

Location

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 small and mid sized companies 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 objective of the Fund's activities is long-term capital growth.

Fund Management Company

AS Trigon Funds

Fund managers

Mehis Raud

Depository

AS Hansapank

Auditor

AS PricewaterhouseCoopers
Pärnu road 15
10141 Tallinn
Estonia

Tel.: + 372 6 141 800
Fax: + 372 6 141 900

Period covered in the interim report

January 1st 2008 till June 30th 2008

INTERIM FINANCIAL REPORT

The Confirmation Regarding the Interim Financial Report by the Management Board of the Fund Management Company

The Management Board of the fund management company confirms that the interim financial report for the first six months of 2008 of the Trigon New Europe Small Cap Fund as follows on pages 5 to 18 is fair and complete.

The Management Board of the fund management company confirms that:

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

Mehis Raud
AS Trigon Funds
Member of the Management Board

Riku Wüitala
AS Trigon Funds
Member of the Management Board

Jouni Nissinen
AS Trigon Funds
Member of the Management Board

In Tallinn, on August 26th, 2008

Balance Sheet

In EEK

ASSETS	Note	30.06.2008	31.12.2007
Securities			
Shares and units		492 172 791	642 459 776
Bonds		14 205 375	54 343 946
Derivatives	Note 5	1 175 766	593 529
Total securities		507 553 932	697 397 251
Deposits			
Cash and bank		24 066 423	68 025 201
Structured deposits		0	0
Total deposits		24 066 423	68 025 201
Other assets			
Accrued income	Note 3	756 701	534
Miscellaneous receivables	Note 2	110 918	1 753 750
Total other assets		867 619	1 754 284
TOTAL ASSETS		532 487 974	767 176 737

LIABILITIES AND EQUITY

Liabilities			
Payable to fund management company		937 253	1 342 489
Payable to depositary		93 718	124 642
Other payables		87 478	97 978
Unsettled securities transactions		1 445 174	2 884 704
Redemptions payable		0	222129.31
Total liabilities		2 563 623	4 671 942
Fund's net asset value		529 924 352	762 504 794
TOTAL LIABILITIES AND EQUITY		532 487 974	767 176 737

Investments

In EEK as of June 30th 2008

Name/Issuer	Unit	Maturity	Nominal value	Currency	Quantity	Average acquisition cost per item	Average acquisition cost total	Market value per item	Market value total	Interest	Share in market value of the net assets of the Fund
Shares											
ADRS GRUPA D.D. PREF	HHR		10	HRK	9,775	881.78	8,619,358	799.34	7,813,568		1.47%
ADVANCE TERRAFUND SHARE	BG		1	BGN	600,000	10.08	6,047,703	15.20	9,119,009		1.71%
ALUMIL ROM INDUSTRY	RO		0	RON	19,446	21.19	411,986	21.70	421,979		0.08%
AMBRA SA	PL		1	PLN	1,041,293	55.46	57,752,660	19.95	20,773,971		3.90%
AMICA WRONKI SA	PL		2	PLN	162,168	69.50	11,270,467	55.24	8,957,489		1.68%
AUTOMOTIVE COMPONENTS EUROPE	PL		0	PLN	237,523	77.83	18,486,304	34.91	8,292,502		1.56%
BETACOM SA	PL		1	PLN	100,684	85.46	8,604,064	62.69	6,312,270		1.19%
BLAGOEVGRAD-BT	BG		1	BGN	4,370	828.72	3,621,502	719.92	3,146,058		0.59%
BULGARIA REAL ESTATE FUND	BG		1	BGN	382,000	10.36	3,958,121	13.52	5,164,079		0.97%
BZ WBK	PL		10	PLN	4,000	715.96	2,863,858	635.80	2,543,180		0.48%
CASH FLOW SH	PL		1	PLN	258,440	35.95	9,290,046	18.65	4,818,618		0.90%
COMP SA COMMON SHARE	RO		0	RON	2,201,200	7.37	16,214,106	4.30	9,458,631		1.78%
EESTI EHITUS AS	EE		10	EEK	55,000	61.13	3,361,940	53.98	2,968,900		0.56%
EGIS GYOGYS.NA	HU		1,000	HUF	12,337	1,459.69	18,008,183	1,002.99	12,373,928		2.32%
EMC INSTYTUT MEDYCZNY SA SHARE	PL		4	PLN	80,099	54.41	4,358,168	64.33	5,152,303		0.97%
FARMACOL SHARE	PL		1	PLN	330,015	163.70	54,023,174	161.07	53,155,398		9.98%
FIRMA HANDLOWA JAGO SA	PL		1	PLN	649,578	14.01	9,098,467	11.65	7,569,621		1.42%
FLAMINGO	RO		0	RON	10,000,000	1.74	17,370,990	0.92	9,152,682		1.72%
GRAAL S.A.	PL		10	PLN	140,605	121.68	17,108,779	81.81	11,501,194		2.16%
GRUPA KAPITALOWA FASING S.A.	PL		3	PLN	5,304	103.16	547,177	63.86	338,709		0.06%
GRUPA LOTOS SA	PL		1	PLN	201,225	170.75	34,358,216	123.52	24,855,964		4.67%
HRVATSKI TELEKOM DD	HHR		100	HRK	8,790	645.64	5,675,193	589.78	5,184,208		0.97%
HYDROTOR SA	PL		2	PLN	85,158	193.92	16,514,115	190.65	16,234,972		3.05%
IMPACT(IRON)	RO		0	RON	2,169,853	0.90	1,942,551	1.01	2,200,448		0.41%
IMPEL SA	PL		5	PLN	10,000	56.74	567,447	50.53	505,280		0.09%
INDYKPOL SA COMMON STOCK	PL		5	PLN	52,446	474.04	24,861,462	270.35	14,178,920		2.66%
KOGENERACJA S.A.	PL		5	PLN	35,190	198.59	6,988,200	265.25	9,333,281		1.73%
LATVIJAS BALZAMS	LV		1	LVL	9,268	94.42	875,083	38.81	359,680		0.07%
LC SOFIA PROPERTY FUND	GB		1	GBP	680,000	18.91	12,857,219	12.02	8,172,934		1.53%
LIEPAJAS METALURGS	LV		1	LVL	62,899	57.99	3,647,553	51.01	3,208,219		0.60%
MIESZKO	PL		1	PLN	326,900	10.28	3,361,528	6.85	2,239,933		0.42%
MULTIMEDIA POLSKA SA	PL		1	PLN	129,352	49.62	6,417,833	33.47	4,329,128		0.81%
NORMA	EE		10	EEK	330,200	83.79	27,669,079	82.77	27,330,654		5.13%
PAGED SA	PL		2	PLN	188,882	111.36	21,034,507	75.05	14,174,875		2.66%
PANEVEZIO STATYBOS TRESTAS	LT		1	LTL	97,997	63.75	6,247,259	39.31	3,852,431		0.72%
PEMUG SA	PL		0	PLN	297,027	13.30	3,949,173	10.21	3,032,095		0.57%
POL-MOT WAFAMA SA	PL		1	PLN	49,487	17.05	843,760	18.46	913,459		0.17%
POLSKY KONCERN MIESNY DUDA	PL		1	PLN	1,321,119	35.78	47,273,256	21.44	28,327,129		5.32%
PROSPER SA	PL		1	PLN	371,200	81.69	30,323,442	35.85	13,305,681		2.50%
RICHTER GEDEON (DEMAT)	HU		1,000	HUF	10,587	2,084.58	22,069,475	2,145.10	22,710,148		4.26%
SAF TEHNKA	LV		1	LVL	59,400	241.98	14,373,630	22.18	1,317,282		0.25%
SIF MOLDOVA (RON)	RO		0	RON	1,076,600	13.54	14,574,974	8.21	8,836,016		1.66%
SIF MUNTENIA (RON)	RO		0	RON	1,610,000	8.53	13,732,775	6.27	10,100,608		1.90%
SIF OLTENIA (RON)	RO		0	RON	246,600	12.09	2,980,241	11.47	2,829,262		0.53%
SIF TRANSILVANIA (RON)	RO		0	RON	491,600	6.71	3,299,376	5.97	2,936,266		0.55%
SPARKASSEN IMMOBILIEN AG	AT		0	EUR	294,580	132.35	27,075,899	108.11	22,117,227		4.15%
SYGNITY SA	PL		1	PLN	46,750	116.90	5,464,972	101.99	4,767,950		0.90%
TALEX SA	PL		2	PLN	2,955	69.23	204,571	84.83	250,687		0.05%
TELL S.A. ORD SH	PL		1	PLN	33,126	345.55	11,446,802	311.84	10,329,943		1.94%
TEO LT AB	LT		1	LTL	550,000	9.83	5,405,254	8.70	4,782,624		0.90%
TRIGON ADRIATIC PROPERTY I	EE		10	EUR	69,307	158.02	10,951,850	158.02	10,951,850		2.06%
UKIO BANK COMMON SHARE	LT		12	LTL	164,310	20.64	3,391,294	12.86	2,113,414		0.40%
UNIMA 2000 SA	PL		1	PLN	78,977	57.75	4,559,736	22.84	1,803,846		0.34%
VILKYSKIUI PIENINE AB	LT		1	LTL	215,000	23.84	5,124,889	21.29	4,576,555		0.86%
WANDALEX SA	PL		1	PLN	483,328	22.17	10,714,636	16.78	8,110,493		1.52%
ZAKLADY CHEMICZNE POLICE SA	PL		10	PLN	13,418	84.04	1,127,656	84.37	1,132,059		0.21%
ZEMAITIJS PIENAS	LT		1	LTL	223,640	11.12	2,486,648	7.74	1,732,000		0.33%
Total shares							685,408,613		492,172,790		92.43%

Name/Issuer	Emitted	Maturity	Nominal value	Currency	Quantity	Average acquisition cost per item	Average acquisition cost total	Market value per item	Market value total	Interest	Share in market value of the net assets of the Fund
Bonds*											
ALLAMI PRIVATIZACIOS 28.09.09	HU	28/09/2009	100,000	EUR	800,000	1955%	15,641,589	1764%	14,205,375	1.00%	2.67%
Total Bonds							15,641,589		14,205,375		2.67%
Derivatives											
FX EUR/PLN 3.4 CALL_02SEP08	EE	02/09/2008		EUR			1,365,617		605,317		0.11%
FX OPT EUR/PLN @ 3.47 10SEP08	EE	10/09/2008		EUR			700,230		215,127		0.04%
FX OPTION EUR/HUF@247 25SEP08	EE	25/09/2008		EUR			563,238		355,322		0.07%
Total derivatives							2,629,085		1,175,766		0.22%
Total investments							703,679,287		507,553,931		95.32%
Deposits*											
DEMAND DEPOSIT	EE			EKK					10,282,540		1.93%
OVERNIGHT DEPOSIT-HANSAPANK(EUR)	EE	01/07/2008		EUR			11,091,743		11,092,787	3.39%	2.08%
OVERNIGHT DEPOSIT-HANSAPANK(LTL)	EE	01/07/2008		LTL			2,692,140		2,692,300	2.14%	0.51%
Total deposits							13,783,883		24,067,627		4.52%
<i>* Accrued interest on deposits has been added in amount of 1 204.14 kroons, which is recognised in the balance sheet on line "Accrued income".</i>											
Total investments							717,463,170		531,621,558		99.84%
Other assets											
Miscellaneous receivables (uncollected amounts for unsettled trades)									110,918		0.02%
Accrued income (uncollected dividends)									755,497		0.14%
Total other assets									866,415		0.16%
Total assets of the Fund									532,487,973		100.00%

Distribution of investments, 30.06.2008

	Amount	Share
Securities entered into the stock exchange lists	495 426 316	93.0%
Other securities	12 127 616	2.3%
Cash, deposits, miscellaneous receivables and accrued income	24 934 042	4.7%
<i>Total</i>	<i>532 487 974</i>	<i>100.0%</i>

In EEK as of December 31st, 2007

Name/Issuer	Country code	Maturity	Nominal value	Currency	Quantity	Average acquisition cost per item	Average acquisition cost total	Market value per item	Market value total	Interest	Share in market value of the net assets of the Fund
Shares											
AB PIENO ZVAIGZDES	LT		1	LTL	28,567	20.44	583,956	26.25	749,757		0.10%
ADVANCE TERRAFUND SHARE	BG		1	BGN	650,000	10.08	6,551,669	16.24	10,554,853		1.38%
ALUMIL ROM INDUSTRY	RO		0	RON	19,446	21.19	411,986	30.45	592,109		0.08%
AMBRA SA	PL		1	PLN	797,503	60.76	48,452,314	44.03	35,115,744		4.58%
ARTMAN SA	PL		0	PLN	24,037	194.62	4,678,094	260.29	6,256,551		0.82%
AS EESTI TELEKOM LIHTAKTSLA	EE		10	EEK	146,140	125.89	18,398,214	122.04	17,834,926		2.32%
AUTOMOTIVE COMPONENTS EUROPE	PL		0	PLN	227,523	79.45	18,076,517	51.19	11,646,913		1.52%
BETACOM SA	PL		1	PLN	100,684	85.46	8,604,064	72.01	7,250,568		0.95%
BLAGOEVGRAD-BT	BG		1	BGN	4,150	838.52	3,479,873	719.92	2,987,675		0.39%
BULGARIA REAL ESTATE FUND	BG		1	BGN	382,000	10.36	3,958,121	17.04	6,508,573		0.85%
CASH FLOW SH	PL		1	PLN	156,907	38.70	6,072,930	36.87	5,785,818		0.75%
COMP SAFE SUPPORT SA	PL		3	PLN	25,370	465.26	11,803,676	329.70	8,364,453		1.09%
COMP SA COMMON SHARE	RO		0	RON	2,501,200	7.20	18,013,160	7.18	17,951,697		2.34%
EGIS GYOGYS.NA	HU		1,000	HUF	12,337	1,459.69	18,008,183	1,158.50	14,292,444		1.86%
EMC INSTYTUT MEDYCZNY SA SHARE	PL		4	PLN	98,977	54.01	5,345,867	75.27	7,449,674		0.97%
FARMACOL SHARE	PL		1	PLN	328,412	166.13	54,557,974	183.07	60,122,216		7.84%
FIRMA HANDLOWA JAGO S.A	PL		1	PLN	1,124,400	14.10	15,850,950	13.93	15,657,751		2.04%
FLAMINGO	RO		0	RON	10,000,000	1.74	17,370,990	1.50	15,006,944		1.96%
GORENJE SHARE	SI		1	EUR	1,100	375.12	412,630	657.11	722,822		0.09%
GRAAL S.A.	PL		10	PLN	140,605	121.68	17,108,779	153.05	21,519,533		2.81%
GRUPA KAPITALOWA FASING S.A.	PL		3	PLN	5,304	103.16	547,177	89.80	476,296		0.06%
GRUPA LOTOS SA	PL		1	PLN	108,196	191.53	20,722,630	193.05	20,886,936		2.72%
HYDROTOR SA	PL		2	PLN	53,572	200.45	10,738,642	207.71	11,127,446		1.45%
IMPACT(RO)	RO		0	RON	890,040	3.01	2,680,809	2.17	1,935,765		0.25%
INDYKPOL SA COMMON STOCK	PL		5	PLN	25,701	560.21	14,397,923	496.72	12,766,123		1.66%
KOGENERACJA S.A.	PL		5	PLN	52,817	192.54	10,169,577	260.29	13,747,651		1.79%
LATVIJAS BALZAMS	LV		1	LVL	9,268	94.42	875,083	74.73	692,568		0.09%
LC SOFIA PROPERTY FUND	GB		1	GBP	680,000	18.91	12,857,219	17.77	12,081,484		1.57%
LIEPAJAS METALURGS	LV		1	LVL	40,000	55.15	2,205,855	84.83	3,393,000		0.44%
MIESZKO	PL		1	PLN	152,521	10.80	1,647,759	10.85	1,654,143		0.22%
MULTIMEDIA POLSKA SA	PL		1	PLN	419,384	49.50	20,761,551	45.12	18,921,201		2.47%
NORMA	EE		10	EEK	330,200	83.79	27,669,079	78.23	25,831,546		3.37%
PAGED SA	PL		2	PLN	150,000	120.94	18,141,623	130.14	19,521,628		2.54%
PANEVEZIO STATYBOS TRESTAS	LT		1	LTL	97,997	63.75	6,247,259	70.43	6,901,532		0.90%
PEMUG SA	PL		0	PLN	752,744	14.36	10,810,307	11.50	8,653,597		1.13%
PEMUG SUBSCRIPTION RIGHT	PL		1	PLN	752,744	0.87	652,346	0.76	571,464		0.07%
POLSKY KONCERN MIESNY DUDA	PL		1	PLN	1,052,698	40.67	42,815,348	32.54	34,250,631		4.46%
PROSPER SA	PL		1	PLN	321,200	84.38	27,103,283	71.58	22,991,272		3.00%
RABA	HU		1,000	HUF	50,000	124.82	6,241,188	116.81	5,840,410		0.76%
RICHTER GEDEFON (DEMAT)	HU		1,000	HUF	3,360	2,339.63	7,861,150	2,564.84	8,617,849		1.12%
ROKISHKIO SHURIS	LT		1	LTL	719,392	20.95	15,069,807	35.80	25,755,489		3.36%
SAP TEHNIKA	LV		1	LVL	59,400	241.98	14,373,630	25.81	1,532,909		0.20%
SIF MOLDOVA (RON)	RO		0	RON	493,100	15.91	7,847,146	15.14	7,464,271		0.97%
SIF MUNTENIA (RON)	RO		0	RON	497,300	11.33	5,635,707	10.48	5,213,251		0.68%
SIF TRANSILVANIA (RON)	RO		0	RON	250,000	6.45	1,611,976	10.09	2,522,906		0.33%
SPARKASSEN IMMOBILIEN AG	AT		0	EUR	222,865	137.90	30,733,109	120.94	26,953,230		3.51%
TELL S.A ORD SH	PL		1	PLN	22,762	309.18	7,037,515	503.22	11,454,389		1.49%
TEO LT AB	LT		1	LTL	350,000	9.85	3,448,375	10.76	3,764,731		0.49%
TORFARM SA	PL		1	PLN	33,513	295.61	9,906,910	294.99	9,886,117		1.29%
UKIO BANK COMMON SHARE	LT		12	LTL	930,910	20.40	18,990,129	16.73	15,578,458		2.03%
UNIMA 2000 SA	PL		1	PLN	78,977	57.73	4,559,736	31.89	2,518,207		0.33%
VARIANT S.A.	PL		1	PLN	2,797	4.16	11,642	59.22	165,626		0.02%
VILKYSKIU PIENINE AB	LT		1	LTL	215,000	23.84	5,124,889	28.87	6,207,561		0.81%
WANDALEX SA	PL		1	PLN	440,820	22.04	9,716,605	25.16	11,091,564		1.45%
ZAKLADY CHEMICZNE POLICE S.A.	PL		10	PLN	175,317	35.93	6,298,725	73.10	12,815,261		1.67%
ZEMAITIJOS PIENAS	LT		10	LTL	22,364	111.19	2,486,648	102.94	2,302,243		0.30%
Total shares							665,738,304		642,459,776		83.74%

Name/Issuer	Country code	Maturity	Nominal value	Currency	Quantity	Average acquisition cost per item	Average acquisition cost total	Market value per item	Market value total	Interest	Share in market value of the net assets of the Fund
Bonds											
ALLAMI PRIVATIZACIOS 28.09.09	HU	28/09/2009	100,000	EUR	1,500,000	1,979.29	29,689,292	1,951.31	29,329,875	1.00%	3.82%
HP STR BOND LOTOS 28.03.2008	EE	28/03/2008	1,000	EUR	1,595,000	1,564.55	24,954,573	1,568.28	25,014,071		3.26%
Total Bonds							54,643,865		54,343,946		7.08%
Derivatives											
FX OPTION EUR/PLN@3.65 06MAR08	EE	06/03/2008		EUR			727,516		498,777		0.07%
FX OPTION EUR/PLN@3.75 01FEB08	EE	01/02/2008		EUR			868,325		5,132		0.00%
FX OPTION EUR/PLN@3.75 15FEB08	EE	15/02/2008		EUR			1,016,958		50,319		0.01%
Eesti Telekom 110 Apr 08 Put	EE	19/04/2008		EEK			336,000		39,301		0.01%
Total derivatives							2,948,799		593,529		0.08%
Total securities							723,330,968		697,397,251		90.90%
Deposits											
DEMAND DEPOSIT	EE			EEK					60,513,200		7.89%
OVERNIGHT DEPOSIT-HANSAPANK(EEK)	EE	01/01/2008		EEK			1,011,454		1,011,602	5.25%	0.13%
OVERNIGHT DEPOSIT-HANSAPANK(LTL)	EE	01/01/2008		LTL			6,500,547		6,500,934	2.14%	0.85%
Total deposits							7,512,001		68,025,736		8.87%
<i>* Accrued interest on deposits has been added in amount of 534.1 kroons, which is recognised in the balance sheet on line "Accrued income".</i>											
Total investments							730,842,969		765,422,987		99.77%
Other Assets											
Miscellaneous receivables (uncollected amounts for unsettled trades)									1,753,750		0.23%
Total other assets									1,753,750		0.23%
Total assets of the Fund									767,176,737		100.00%

Distribution of investments, 31.12.2007

	Amount	Share
Securities entered into the stock exchange lists	671 729 378	87.6%
Other securities	25 607 600	3.3%
Structured deposits	0	0.0%
Cash, deposits, miscellaneous receivables and accrued income	69 839 759	9.1%
<i>Total</i>	<i>767 176 737</i>	<i>100.0%</i>

Income Statement

In EEK

	Note	01.01-30.06.2008	01.01-30.06.2007
I. Net gain on investments			
1.1. On equities and units			
1.1.1. Sales profit /loss		-11 432 122	160 335 816
1.1.2. Unrealised gains /loss		-198 032 307	75 771 128
1.1.3. Dividends		3 457 672	10 690 911
1.2. Bonds			
1.2.1 Sales profit / loss		-1 726 694	17 795 001
1.2.2 Unrealised gain/loss		-1 170 407	19 650 480
1.2.3. Interest income		87 034	5 535 633
1.3. On deposits			
1.3.1 Interest income on deposits		281 003	1 121 311
1.3.2 Change in fair value of structured deposits		0	-51 711
1.4. On derivatives			
1.4.1 Sales profit/ loss		-4 188 705	-5 158 600
1.4.2 Unrealised profit/ loss		901 950	-341 527
Total net gain on investments		-211 822 575	285 348 443
II. Other income			
2.1. Foreign exchange profit/loss		33 940 932	8 997 591
Total other income		33 940 932	8 997 591
TOTAL INCOME		-177 881 643	294 346 034
EXPENSES			
III. Operating expenses			
3.1. Management fees		6 250 943	11 609 103
3.2. Performance fees		0	39 305 467
3.3. Depositary charges		602 984	1 060 503
3.4. Transaction costs	Note 4	162 840	1 047 206
3.5. Other expenses		18 813	0
Total operating expenses		7 035 580	53 022 278
TOTAL EXPENSES		7 035 580	53 022 278
NET RESULT OF THE FUND		-184 917 222	241 323 756

Statement of Movements in the Fund's Assets

In EEK

	01.01-30.06.2008	01.01-30.06.2007
Net asset value of the Fund at the beginning of the reporting period	762 504 794	1 111 198 976
Cash received for units	8 531 371	274 800 021
Cash paid for units	56 058 165	418 774 832
Subscription and redemption fees (total) paid to the Fund Management Company	136 426	819 349
Net result of the Fund	-184 917 222	241 323 756
Net asset value of the Fund at the end of the period	529 924 352	1 207 728 570
Number of units in circulation at end of the reporting period	5 008 860.770	6 722 239.461
incl. Type 1	4 500 176.013	5 119 557.097
Type 2 (eQ Itä-Euroopan Pienyhtiöt)	197 648.874	1 055 776.385
Type 3	311 035.883	546 905.979
Unit's net asset value at end of the period		
Type 1	104.4612	166.8439
Type 2 (eQ Itä-Euroopan Pienyhtiöt)	164.5107	262.7821
Type 3	87.8204	139.1881

Notes to the financial statements

NOTE 1 Accounting policies

The financial statements of the investment fund Trigon New Europe Small Cap Fund have been prepared in Estonian kroons and pursuant to the Accounting Act, the Investment Fund Act 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 2.0% 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 assets and liabilities are accounted for in Estonian kroons. 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 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.
 - 4.3. Main criteria in choosing stock exchange are the liquidity of the particular security on that stock exchange.
5. Valuation of listed debt securities
 - 5.1. The value of listed debt security shall be determined as the average price of ask and bid quotations of brokers, which are accepted by the exchange information supplier.
 - 5.2. If there are no quotations or if Fund Management Company estimates that they are not expressing the fair value of debt instrument, the fair value of the debt instrument shall be determined on the basis of yield curve method.

If the determined price is used in accordance with 5.2., then at least once a month this price has to be compared with the listed securities market's average price and has to be adjusted in case the difference exceeds 0,2%

6. Valuation of fund units and shares
 - 6.1. Fund units and shares that are listed on the regulated market shall be determined according to point 3.
 - 6.2. 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.
7. Valuation of derivative instruments
 - 7.1. Derivative instruments that are listed on the regulated market shall be determined according to point 3.
 - 7.2. Value of currency forward shall be determined by the valuation date spot rate and forward points, interpolated to maturity of currency forward.
 - 7.3. 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.
8. Valuation of structured securities and deposits.
 - 8.1. 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.
9. Valuation of other assets
 - 9.1. 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.
 - 9.2. 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 fee includes VAT.

The depositary 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
 - 3.1. 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.
 - 3.2. Commissions which arose and were paid in the acquisition of securities, but are not clearly identifiable are included within the cost of securities.
 - 3.3. 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 Various receivables

In EEK

	30.06.2008	31.12.2007
Trade settlement receivable	110 918	1 753 750
<i>Total</i>	<i>110 918</i>	<i>1 753 750</i>

NOTE 3 Accrued income

	30.06.2008	31.12.2007
Uncollected interest on deposits	1,204	534
Uncollected dividends	755,497	0
<i>Total</i>	<i>756,701</i>	<i>60,808</i>

NOTE 4 Transaction fees

In EEK

Transaction fees totaled in the first six months of 2008 162 840 (01.01-30.06.07: 1 047 206) kroons. Transaction fees in first six months of 2008 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 (01.01-30.06.07: 185 418 krooni). Brokerage fees totaled in the first six months of 2007 861 788 kroons.

The number of transactions made by Trigon New Europe Small Cap Fund was 297 (01.01-30.06.07: 400) in the first six months of 2008, the volume of the transactions totalled EEK 438 336 634 (01.01-30.06.07: 2 455 006 029).

NOTE 5 Derivatives

In EEK as at 30 June 2008

Type of Instrument	Issuer of Instrument	Underlying asset name and quantity	Exercise date	Premium / price of Instrument	Exercise price		Market value		Equity of the issuer of derivative instrument
					Per item	Total	Per item	Total	
Put option	AS Hansapank	PLN PUT 23 460 000	02/09/2008	87,285.00 EUR	3.40	6,900,000.00 EUR	0.09	605,317.20 EEK	29,468,700,000 EEK
Put option	AS Hansapank	PLN PUT 23 249 000	10/09/2008	44,756.00 EUR	3.47	6,700,000.00 EUR	0.03	215,126.88 EEK	29,468,700,000 EEK
Put option	AS Hansapank	HUF PUT 790 400 00	25/09/2008	36,000.00 EUR	247.00	3,200,000.00 EUR	0.11	355,322.13 EEK	29,468,700,000 EEK
Total	X	X	X	X	X	X	X	1,175,766.21 EEK	X

In EEK as at 31 December 2007

Instrumendi liik	Instrumendi väljaandja	Alusvara nimetus ja kogus	Tehingu täitmise aeg	Instrumendi hind / preemia	Täitmishind		Turuväärtus		Tuletisinstrumendi väljaandja omakapital
					Ühikule	Kokku	Ühikule	Kokku	
Müügioptsioon	AS Hansapank	PLN PUT 37 500 000	1.02.208	55 500.00 EUR	3.75	10 000 000.00 EUR	0.00	5 131.72 EEK	22 073 300 000 EEK
Müügioptsioon	AS Hansapank	PLN PUT 37 500 000	15.02.2008	65 000.00 EUR	3.75	10 000 000.00 EUR	0.01	50 319.06 EEK	22 073 300 000 EEK
Müügioptsioon	AS Hansapank	PLN PUT 21 000 000	6.03.2008	46 500.00 EUR	3.65	6 000 000.00 EUR	0.08	498 777.29 EEK	22 073 300 000 EEK
Müügioptsioon	AS Hansapank	AS EESTI TELEKOM COMMON SHS 100 000	18.04.2008	336 000.00 EEK	110	11 000 000.00 EEK	0.39	39 301.00 EEK	22 073 300 000 EEK
Kokku	X	X	X	X	X	X	X	593 529.07 EEK	X

NOTE 6 Developments in net asset value

In EEK

Year	Fund's net asset value	Fund unit's net asset value		
		Type 1	Type 2 (eQ Itä-Euroopan Pienyhtiöt)	Type 3
31.12.2005	696 180 519	109.05	170.77	
31.12.2006	1 111 198 976	135.8407	214.5604	111.7752
31.12.2007	762 504 794	139.3751	219.4953	116.7334
30.06.2008	529 924 352	104.4612	164.5107	87.8204