

TRIGON EMERGING FINANCIALS FUND
TRIGON ARENEVATE TURGUDE FINANTSSEKTORI FOND

2009 ANNUAL REPORT
(Translation of the Estonian original)

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Short Description and Contact Details of Trigon Emerging Financials Fund

Name

A contractual investment fund Trigon Emerging Financials Fund (*Trigon Arenevate Turgude Finantssektori Fond in the Estonian language*).

Location

Viru Square 2
10111 Tallinn
Estonia

Phone.: + 372 6 679 200
Fax: + 372 6 679 221

Main activities

The Fund offers to the unit-holders the opportunity to indirectly invest into securities mostly traded on the global regulated markets with an emerging markets bias. The fund's objective is the long-term growth of assets.

The Management Company follows a sector approach when investing the Fund's assets. The Fund's assets are mainly invested into the shares of banks and other companies active in the financial services sector.

Fund Management Company

AS Trigon Funds

Fund managers/ s

Heiti Ruisberg

Depository

Swedbank AS

Auditor

AS PricewaterhouseCoopers
Pärnu road 15
10141 Tallinn
Estonia

Phone: + 372 6 141 800
Fax: + 372 6 141 900

Beginning and end of financial year:

1 January 2009 – 31 December 2009

Management report

AS Trigon Funds manages Trigon Emerging Financials Fund (hereinafter the Fund) since its launch in December 2007.

The Fund offers to the unit-holders the opportunity to indirectly invest into securities mostly traded on the global regulated markets with an emerging markets bias. The fund's objective is the long-term growth of assets. The Management Company follows a sector approach when investing the Fund's assets. The Fund's assets are mainly invested into the shares of banks and other companies active in the financial services sector.

In 2009 new type of units was issued: The name of Class 3 Unit is Trigon Emerging Financials Fund C. The nominal value of a Trigon Emerging Financials Fund Class 3 Unit is 100 euros. The fee structure is similar to the one used for Class 1 and Class 2 Units. The calculation of performance fee for Class 3 Units shall commence as of first subscription with nominal. As of 06.04.2009 no Class 1 Units will be issued.

The fund's net asset value as of 31.12.2009 was 269.2 million kroons. As of 31.12.2009 the net asset value of the Fund's Type 1 Unit was 154.5679 kroons (9.8794 euros) (31.12.2008: 68.8991 kroons) increasing by 124.3% for the year. The net asset value of the Fund's Type 2 (eQ Emerging Financials) Unit was 164.0344 kroons (10.4844 euros) (31.12.2008: 73.1288 kroons) at the year-end, increasing by 124.3% for the year. The net asset value of the Fund's Type 3 Unit was 2583.3335 kroons (165.1167 euros) at the year-end.

As of the end of December 2009, the equities made up 92.9% of the market value of the Fund's investments, the remaining portion was made up of cash on bank accounts, uncollected extra paid taxes, uncollected dividends and uncollected amounts for unsettled trades. As of 31 December 2009, the largest equity investments were Banco ABC Brazil 9.2%, Bank Vozrozdnie 8.3% and Banco Daycoval 7.6%. The Fund's investments were diversified between the issuers of seven countries – Brazil, China, Turkey, Russia, South-Africa, United Arab Emirates, and India.

As expected at the end of 2008, the equity markets in 2009 showed prevailing volatility. Sharp and widespread fall of financial markets in the beginning of 2009 was followed by one of the sharpest rallies in stock market history. MSCI World Index rose 23.6% (EUR terms). Trigon funds showed returns from 32.6% to 124.3% for the year. In 2010 we expect continuous improvements in real economy of developed markets and in the regions covered by Trigon funds, as well as a slowdown in unemployment rate growth in the first half of the year. We believe that during the last year stock markets already priced in a large part of companies' growth prospects, therefore making further increases more dependent on actual earnings delivery in 2010.

However, markets and sectors covered by our funds still have companies, which benefited from the recession whilst gaining market share from weaker competitors and time of whose prices do not reflect improved market conditions. Therefore, we are moderately optimistic about the markets in 2010.

Heiti Rüsberg
AS Trigon Funds
Member of the Management Board and Fund Manager

ANNUAL FINANCIAL REPORT

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

The Management Board of the Fund Management Company confirms the correctness and completeness of the financial statements of Trigon Emerging Financials Fund for the year 2009 as presented on pages 5 - 18.

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 Emerging Financials Fund is a going concern.

/signed/
Mehis Raud
AS Trigon Funds
Member of the Management Board

/signed/
Heiti Rüsberg
AS Trigon Funds
Member of the Management Board

In Tallinn, on February 2nd, 2010

Balance Sheet

In EEK

| ASSETS | Note | 31.12.2009 | 31.12.2008 |
|--|-------------|--------------------|--------------------|
| Securities | | | |
| Shares and units | | 250 620 971 | 101 946 062 |
| Total securities | | 250 620 971 | 101 946 062 |
| Deposits | | | |
| Cash and bank accounts | | 14 127 668 | 18 252 670 |
| Total deposits | | 14 127 668 | 18 252 670 |
| Other assets | | | |
| Accrued income | Note 2 | 87 513 | 20 523 |
| Trade settlement receivable | | 4 995 365 | 1 374 701 |
| Total other assets | | 5 082 878 | 1 395 224 |
| TOTAL ASSETS | | 269 831 517 | 121 593 956 |
| LIABILITIES | | | |
| Liabilities | | | |
| Accrued expenses (fund management company) | Note 4 | 515 319 | 191 510 |
| Accrued expenses (depository) | | 65 302 | 30 260 |
| Other accrued expenses | | 1 200 | 1 100 |
| Unsettled securities transactions | | 0 | 7 761 600 |
| Total liabilities | | 581 821 | 7 984 469 |
| Net asset value of the fund | | 269 249 696 | 113 609 487 |
| TOTAL LIABILITIES AND NET ASSET VALUE | | 269 831 517 | 121 593 956 |

Statement of investments

In EEK as at 31 December 2009

| 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 | | | | | | | | | | | |
| ALBARAKA TURK KATILIM BANKAS | TR | | 1 | TRY | 710,000 | 19.93 | 14,149,509 | 16.12 | 11,443,320 | | 4.24% |
| ASYA KATILIM BANKASI AS | TR | | 1 | TRY | 325,000 | 12.66 | 4,115,198 | 25.23 | 8,200,888 | | 3.04% |
| BANCO ABC BRASIL | BR | | 1 | BRL | 334,000 | 32.14 | 10,734,975 | 73.94 | 24,695,440 | | 9.15% |
| BANCO DAYCOVAL SA | BR | | 1 | BRL | 334,200 | 38.86 | 12,986,336 | 61.28 | 20,480,172 | | 7.59% |
| BANCO SOHSA SA | BR | | 1 | BRL | 295,900 | 43.08 | 12,746,903 | 33.46 | 9,900,897 | | 3.67% |
| BANK OF CHINA LTD SHARE | CN | | 1 | HKD | 1,550,000 | 3.38 | 5,239,473 | 5.92 | 9,171,165 | | 3.40% |
| BANK ST. PETERSBURG PFD CONVRT | RU | | 1 | USD | 103,175 | 33.55 | 3,461,561 | 33.05 | 3,409,763 | | 1.26% |
| BANK ST.PETERBURG | RU | | 0 | USD | 374,758 | 16.08 | 6,025,940 | 30.38 | 11,385,806 | | 4.22% |
| BANK VOZROZDENIE ORDINARY SH | RU | | 10 | USD | 52,417 | 493.18 | 25,850,905 | 426.94 | 22,379,113 | | 8.29% |
| CHINA CONSTRUCTION BANK - HK | HK | | 1 | HKD | 1,000,000 | 7.04 | 7,043,739 | 9.40 | 9,396,570 | | 3.48% |
| FIRST GULF BANK | AE | | 1 | AED | 170,000 | 36.42 | 6,191,234 | 47.74 | 8,115,114 | | 3.01% |
| INDUSTRIAL and COMMER-ORD SH C | CN | | 1 | HKD | 1,050,000 | 5.72 | 6,007,839 | 9.07 | 9,526,178 | | 3.53% |
| MDM BANK PREF | RU | | 1 | USD | 1,592,000 | 7.89 | 12,555,689 | 6.61 | 10,529,505 | | 3.90% |
| NATIONAL BANK OF ABU DHABI | AE | | 0 | AED | 170,000 | 30.34 | 5,157,982 | 36.88 | 6,269,621 | | 2.32% |
| SBERBANK GDR | RU | | 1 | EUR | 2,550 | 2,100.26 | 5,355,675 | 3,066.52 | 7,819,621 | | 2.90% |
| SBERBANK RF-PFD | RU | | 1 | USD | 200,000 | 21.16 | 4,232,651 | 25.00 | 4,999,584 | | 1.85% |
| SEKERBANK | TR | | 1 | TRY | 520,000 | 22.02 | 11,449,016 | 18.82 | 9,784,181 | | 3.63% |
| STANDARD BANK GROUP LTD | SA | | 10 | ZAR | 80,513 | 144.07 | 11,599,218 | 149.99 | 12,075,974 | | 4.48% |
| TURKIYE GARANTI BANKASI | TR | | 1 | TRY | 220,000 | 14.76 | 3,248,114 | 46.31 | 10,188,208 | | 3.78% |
| TURKIYE HALK BANKASI | TR | | 1 | TRY | 160,000 | 40.22 | 6,435,464 | 86.79 | 13,885,719 | | 5.15% |
| FEDERAL BANK LIMITED WRT | IN | | 1 | USD | 170,000 | 51.70 | 8,789,023 | 55.34 | 9,407,219 | | 3.49% |
| SOUTH INDIAN B WARRANT | IN | | 1 | USD | 500,000 | 27.02 | 13,509,476 | 35.11 | 17,556,917 | | 6.51% |
| Total shares | | | | | | | 196,885,918 | | 250,620,971 | | 92.88% |
| Total securities | | | | | | | 196,885,918 | | 250,620,971 | | 92.88% |
| Deposits | | | | | | | | | | | |
| DEMAND DEPOSIT | EE | | | EEK | | | | | 14,127,668 | | 5.24% |
| Total deposits | | | | | | | | | 14,127,668 | | 5.24% |
| Total investments | | | | | | | 196,885,918 | | 264,748,639 | | 98.12% |
| Other Assets | | | | | | | | | | | |
| Accrued income (uncollected extra paid tax on dividends) | | | | | | | | | 53,189 | | 0.02% |
| Accrued income (unreceived dividends) | | | | | | | | | 34,324 | | 0.01% |
| Miscellaneous receivables (uncollected amounts for unsettled trades) | | | | | | | | | 4,995,365 | | 1.85% |
| Total other assets | | | | | | | | | 5,082,878 | | 1.88% |
| Total assets of the Fund | | | | | | | | | 269,831,517 | | 100.00% |

Distribution of investments, 31.12.2009

| <i>In EEK</i> | Amount | Share |
|--|--------------------|---------------|
| Securities entered into the stock exchange lists | 223 656 835 | 82.89% |
| Other securities | 26 964 136 | 9.99% |
| Cash, deposits, miscellaneous receivables and accrued income | 19 210 546 | 7.12% |
| <i>Total</i> | <i>269 831 517</i> | <i>100.0%</i> |

In EEK as at 31 December 2008

| 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 | | | | | | | | | | | |
| ALBARAKA TURK KATILIM BANKAS | TR | | | TRY | 280,000 | 43.17 | 12,086,584 | 15.32 | 4,288,836 | | 3.53% |
| ASYA KATILIM BANKASI AS | TR | | | TRY | 525,000 | 17.40 | 9,135,303 | 8.46 | 4,442,009 | | 3.65% |
| BANCO ABC BRASIL | BR | | | BRL | 450,000 | 42.68 | 19,205,504 | 25.08 | 11,284,067 | | 9.28% |
| BANCO DAYCOVAL SA | BR | | | BRL | 180,000 | 58.54 | 10,536,597 | 25.61 | 4,609,291 | | 3.79% |
| BANCO NOSSA CAIXA SA | BR | | | BRL | 15,000 | 323.03 | 4,845,411 | 329.51 | 4,942,668 | | 4.06% |
| BANCO SOHSA SA | BR | | | BRL | 215,900 | 51.07 | 11,026,363 | 17.39 | 3,755,268 | | 3.09% |
| BANK ST.PETERBURG | RU | | | USD | 264,000 | 34.11 | 9,005,654 | 12.59 | 3,323,354 | | 2.73% |
| BANK VOZROZDENIE ORDINARY SH | RU | | | USD | 68,417 | 548.56 | 37,531,137 | 99.31 | 6,794,422 | | 5.59% |
| FIRST GULF BANK | AE | | | AED | 170,000 | 36.42 | 6,191,234 | 27.85 | 4,734,190 | | 3.89% |
| HALYK - ADR | KZ | | | USD | 80,000 | 173.27 | 13,861,887 | 35.02 | 2,801,912 | | 2.30% |
| KAZKOMMERTSBANK GDR - LONDON | KZ | | | USD | 24,000 | 153.50 | 3,684,034 | 83.92 | 2,014,154 | | 1.66% |
| NATIONAL BANK OF ABU DHABI | AE | | | AED | 114,858 | 24.73 | 2,840,852 | 27.24 | 3,128,671 | | 2.57% |
| SBERBANK GDR | RU | | | EUR | 1,470 | 4,313.69 | 6,341,121 | 1,564.55 | 2,299,889 | | 1.89% |
| SBERBANK RF-PFD | RU | | | USD | 200,000 | 21.16 | 4,232,651 | 3.92 | 783,282 | | 0.64% |
| SEKERBANK | TR | | | TRY | 360,000 | 34.15 | 12,293,772 | 7.95 | 2,862,142 | | 2.35% |
| STANDARD BANK GROUP LTD | SA | | | ZAR | 107,513 | 154.08 | 16,565,734 | 99.47 | 10,694,282 | | 8.80% |
| TURKIYE GARANTI BANKASI | TR | | | TRY | 270,000 | 26.05 | 7,033,946 | 18.96 | 5,120,345 | | 4.21% |
| TURKIYE HALK BANKASI | TR | | | TRY | 120,000 | 43.61 | 5,232,607 | 33.55 | 4,026,255 | | 3.31% |
| URSA BANK PREFERENCE | RU | | | USD | 1,602,000 | 7.94 | 12,725,227 | 2.55 | 4,078,158 | | 3.35% |
| FEDERAL BANK LIMITED WRT | DE | | | USD | 250,000 | 51.40 | 12,849,795 | 37.80 | 9,450,681 | | 7.77% |
| SOUTH INDIAN B WARRANT | DE | | | USD | 500,000 | 27.02 | 13,509,476 | 13.02 | 6,512,186 | | 5.36% |
| Total shares | | | | | | | 230,734,889 | | 101,946,062 | | 83.84% |
| Total securities | | | | | | | 230,734,889 | | 101,946,062 | | 83.84% |
| Deposits* | | | | | | | | | | | |
| DEMAND DEPOSIT | EE | | | EEK | | | | | 6,387,802 | | 5.25% |
| OVERNIGHT DEPOSIT-HANSAPANK(EUR) | EE | 01/01/2009 | | EUR | | | 11,864,868 | | 11,865,490 | 1.89% | 9.76% |
| Total deposits | | | | | | | 11,864,868 | | 18,253,292 | | 15.01% |
| <i>* Accrued interest on deposits has been added in amount of 621.91 kroons, which is recognised in the balance sheet on line "Accrued income".</i> | | | | | | | | | | | |
| Total investments | | | | | | | 242,599,757 | | 120,199,354 | | 98.85% |
| Other Assets | | | | | | | | | | | |
| Miscellaneous receivables (uncollected amounts for unsettled trades) | | | | | | | | | 1,374,701 | | 1.13% |
| Accrued income (uncollected extra paid tax on dividends) | | | | | | | | | 19,901 | | 0.02% |
| Total other assets | | | | | | | | | 1,394,602 | | 1.15% |
| Total assets of the Fund | | | | | | | | | 121,593,956 | | 100.00% |

Distribution of investments, 31.detsember 2008

| In EEK | Amount | Share |
|--|--------------------|---------------|
| Securities entered into the stock exchange lists | 85 983 195 | 70.71% |
| Other securities | 15 962 867 | 13.13% |
| Cash, deposits, miscellaneous receivables and accrued income | 19 647 894 | 16.16% |
| Total | 121 593 956 | 100.0% |

Income Statement

In EEK

| | Note | 01.01- 31.12.2009 | 17.12.2007-31.12.2008 |
|--------------------------------------|--------|----------------------|-----------------------|
| I. Net gain on investments | | | |
| 1.1. On equities and units | | | |
| 1.1.1. Sales loss | | -41 004 558 | -53 702 263 |
| 1.1.2. Unrealised profit/loss | | 182 523 882 | -128 788 827 |
| 1.1.3. Dividends | | 5 704 982 | 3 730 909 |
| 1.2. Bonds | | | |
| 1.2.1 Sales profit/loss | | 0 | 80 293 |
| 1.2.2. Interest income | | 0 | 301 907 |
| 1.3. On deposits | | | |
| 1.3.1 Interest income on deposits | | 58 968 | 2 134 736 |
| Total net gain on investments | | 147 283 273 | -176 243 246 |
| II. Other income | | | |
| 2.1. Foreign exchange gains | | 31 657 | 2 667 438 |
| Total other income | | 31 657 | 2 667 438 |
| TOTAL INCOME | | 147 314 930 | -173 575 808 |
| EXPENSES | | | |
| III. Operating expenses | | | |
| 3.1. Management fees | Note 4 | 3 627 004 | 5 294 934 |
| 3.2. Performance fees | Note 4 | 108 256 | 394 |
| 3.3. Depositary charges | | 540 756 | 782 029 |
| 3.4. Transaction costs | Note 3 | 52 141 | 104 415 |
| 3.5. Other expenses | | 4 166 | 0 |
| Total operating expenses | | 4 332 324 | 6 181 773 |
| TOTAL EXPENSES | | 4 332 324 | 6 181 773 |
| NET RESULT OF THE FUND | | 142 982 605 | -179 757 582 |

Statement of Movements in the Fund's Assets

In EEK

| | Note | 01.01-31.12.2009 | 17.12.2007-31.12.2008 |
|--|--------|--------------------|-----------------------|
| Fund's net asset value at the beginning of the period | | 113 609 487 | 0 |
| Cash received from issuing units | | 15 063 459 | 572 540 572 |
| Cash paid for redeeming units | | 2 401 789 | 279 162 538 |
| Total issue and redemption fees paid to fund manager | | 4 066 | 10 965 |
| Fund's net profit for the period | | 142 982 605 | -179 757 582 |
| Fund's net asset value at the end of the period | | 269 249 696 | 113 609 487 |
| Number of units outstanding | | 1 705 813.350 | 1 648 714.272 |
| Class 1 | | 1 643 569.351 | 1 645 288.049 |
| Class 2 (eQ Emerging Financial Fund) | | 60 178.745 | 3 426.223 |
| Class 3 | | 2 065.254 | |
| Fund unit's net asset value at the end of the period | | | |
| Class 1 | Lisa 5 | 154.5679 | 68.8991 |
| Class 2 (eQ Emerging Financial Fund) | Lisa 5 | 164.0344 | 73.1288 |
| Class 3 | Lisa 5 | 2 583.3335 | |

Notes to the Financial Statements

NOTE 1 Accounting Principles

The financial statements of Trigon Emerging Financials Fund have been prepared in Estonian kroon in accordance with the Accounting Act, the Investment Funds Act and the generally accepted accounting principles.

Cash and bank

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

Accounting for transactions with securities

Transactions with securities are accounted for on a trade date basis. Interest income from fixed income securities is recorded on accrual basis. Realised gains and losses from sales of securities are taken into account using 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"). "Type 3" unit was launched on 15th of April, 2009.

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 on the banking day following the purchase order and may also include an issue fee or intermediary's transaction cost. As of 06.04.2009 no Class 1 Units will be issued.

The Unit's issue fee is:

- a) 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;
- b) In case of Type 3 Units, a maximum of 1.0% 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 on 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 2% 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 1.5% 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, a maximum of 2% of the net asset value of the Unit of the respective type.

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.

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 his 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, Type 2 and Type 3 Units is expressed 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 the 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 depository of the fund, AS Swedbank. Should the Swedbank not determine the ask price for the respective foreign currency for the valuation date, Swedbank may use the exchange rate of the following morning.
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 exception, 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. The 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.
 - 5.3. 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 unlisted equity securities
 - 6.1. The value of unlisted securities is assessed based on the price data given by an independent certified evaluator. The last trade price of the assessment day should be used. If this price is not available, the mid price of the security should be used (average of ask and bid price). If this price is also not available, the average price provided by an independent certified evaluator should be used.
 - 6.2. If it is impossible to apply methods specified in Item 6.1, the valuation shall be performed on the basis of fair value assessed by a Fund Management Company.
 - 6.3. The fair value of a security will be assessed by the Fund's investment committee. The fair value of security is the price, which can be used to sell the security to the counterparties that are independent and competent. This price is assessed reasonably, in good faith and taking into account the best interests of unit holders.
 - 6.4. Fund Managers or Middle-Office Specialist will make a proposal for investment committee to value or revalue a certain unlisted security.
 - 6.5. The investment committee shall base its decision on some or all of the following circumstances, but is not limited to the list:
 - Latest prices of the transactions conducted with the share;
 - volumes of the latest transactions conducted with the share;
 - latest issue price of the share;
 - issuer's financial results;
 - other material news regarding the issuer.The investment committee shall motivate its decision in writing if required by Financial Supervision Authority.
7. Valuation of fund units and shares
 - 7.1. Fund units and shares that are listed on the regulated market shall be determined according to point 3.
 - 7.2. 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.
8. Valuation of derivative instruments
 - 8.1. Derivative instruments that are listed on the regulated market shall be determined according to point 3.
 - 8.2. Value of currency forward shall be determined by the valuation date spot rate and forward points, interpolated to maturity of currency forward.
 - 8.3. Derivative instruments that are not 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.
9. Valuation of structured securities and deposits.
 - 9.1. 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.
10. Valuation of other assets
 - 10.1. 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.
 - 10.2. 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 financial liabilities

All financial liabilities (liabilities payable for fund management company or depositary or other borrowings) are initially recognised at the proceeds received, net of transaction costs incurred. After the initial recognition, financial liabilities are measured at amortised cost.

The amortised cost of the short-term liabilities normally equals their nominal value; therefore short-term liabilities are stated in the balance sheet at their redemption value.

Financial liabilities are classified as short-term when their due date is within 12 months after the balance sheet date or the Company does not have an unconditional right to defer payment for later than 12 months after the balance sheet date.

Recognition of income and expenses

Income and expenses are reported on the accrual basis.

1. Recognition of management and performance fees

The rate of the management fee for Class 1 Unit, Class 2 Unit and Class 3 Unit is 2% per annum of the market value of the assets of the Fund. 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 Management Company shall be paid a performance fee based on the performance of Class 1, Class 2 or Class 3 Unit. The Management Company is entitled to the performance fee if the net asset value of Class 1, Class 2 or Class 3 Unit exceeds the life high of end-of-month net asset values to which an annual linear hurdle rate has been added. The annual linear hurdle rate is 5%. The rate of the performance fee is 20% of the increase in the net asset value of Class 1, Class 2 or Class 3 Unit over the life high of end-of-month net asset values to which the annual linear hurdle rate of 5% has been added (high-water mark principle). The management board of the Management Company may decide to lower the rate of the management fee and the performance fee for some time periods.

2. The Depositary shall be paid a fee for its services. The maximum annual rate of the depositary fee is 0.35% of the market value of the assets of the Fund. Depositary fee does not include VAT. The depositary fee is deducted daily from the market value of the Fund's assets and is paid in the month following the calculation.

3. Recognition of transactions costs

3.1. Commission fees and transaction costs which arose in acquiring and disposing 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 are reported in the income 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 statement item "Sales profit/loss" grouped by types of investments (equities and units, bonds, etc.). Until 2008 the Foreign exchange rate changes between the purchase and sales dates were deducted from the sales profit/loss and were reported in the income statement items "Foreign exchange gains" or "Foreign exchange losses".

NOTE 2 Accrued Income

In EEK

| | 31.12.2009 | 31.12.2008 |
|----------------------------------|---------------|---------------|
| Uncollected interest on deposits | 0 | 622 |
| Uncollected dividends | 34 324 | 0 |
| Taxes recoverable | 53 189 | 19 901 |
| <i>Total</i> | <i>87 513</i> | <i>20 523</i> |

NOTE 3 Transaction fees

In 2009, transaction fees totaled 52 141 kroons (17.12.07-31.12.08 104 415). Transaction fees were 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 2009, a total of 85 (17.12.07-31.12.08 112) transactions were performed at Trigon Emerging Financials Fund, the volume of transactions was 163 985 271 (17.12.07-31.12.08 735 015 933) kroons.

NOTE 4 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 Balkan Fund, Trigon New Europe Value Fund, Trigon New Europe Small Cap Fund, Trigon Top Picks Fund and Trigon Emerging Agri-Sector Fund.

Trigon Emerging Financials Fund paid to the Fund Management Company management fees in total amount 3 627 004 (17.12.2007-31.12.2008. 5 294 934) kroons, success fees in total 108 256 (17.12.2007.-31.12.2008. 394) kroons and issue and redemption fees in total 4 066 (17.12.2007-31.12.2008. 10 965) kroons. As of 31 December 2009, the payable to the Fund Management Company totalled 515 319 (31.12.2008. 191 510) kroons. There were no transactions with other related parties.

NOTE 5 Developments in net asset value

In EEK

| Fund unit net asset value | | | | |
|---------------------------|------------------------|--------------|---|--------------|
| Date | Fund's net asset value | Class 1 Unit | Class 2 Unit (eQ Emerging Financial Fund) | Class 3 Unit |
| 31.12.2008 | 113 609 487 | 68.8991 | 73.1288 | - |
| 31.12.2009 | 269 249 696 | 154.5679 | 164.0344 | 2583.3335 |

NOTE 6 Exceeding of investment limits

As of 31 December 2009, Trigon Emerging Financials Fund exceeded investment limit set in fund restrictions under section 4.7, which states that the Fund may invest no more than 10% of its assets in securities issued by the same legal entity. However, the aggregate value of securities, which are more than 5% of the market value of the assets of the Fund and which are issued by one person, shall total not more than 40% of the market value of the assets of the Fund.

The limit of 5% was exceeded with following equities: Banco ABC Brazil 9.15%, Bank Vozrozhdenie 8.29%, Banco Daycoval 7.59%, South Indian Bank 6.51%, Bank of St Petersburg 5.48% ja Halkbank 5.15%, due to these investment the aggregate value of securities, which are more than 5% of the market value of the assets of the Fund and which are issued by one person totalled 42.17% of the market value of the assets of the Fund. The investment restriction was exceeded due to the sharp price increase in Turkish Halkbank's equity. The Fund Management Company realised Halkbank's position and eliminated the breach of restrictions on 4 January 2010.

NOTE 7 Impact of the economic crisis and information on less-liquid stocks

The Fund Management Company has evaluated the impacts of the global economic crisis and the related liquidity crisis on the Fund's business activity. The management estimates that the most significant short-and long-term threats include:

- due to low liquidity of financial markets, the Fund's assets may decrease;
- due to high volatility and lower liquidity of financial markets it may be difficult to assess the Fund's assets fair value.

The management is unable to reliably predict the effect of the economic crisis on the Fund's activities and financial position. The management believes that all the necessary measures have been taken to support the sustainability and growth of the Company/the Group in current circumstances.

Under indefinite circumstances the fund managers pay special attention to the company's balance sheet and liquidity. During the last three years, the management avoided investing into companies with high liabilities and can confirm that the share of companies with short-term refinancing needs is relatively small compared to the total amount of assets under fund management.

Due to investors' high risk aversion, the fund manager pays great attention to funds' liquidity. 5-10% of the funds' assets are held in deposits and a certain part of the funds' assets is invested into highly liquid equities.

The table shows the year-end stock transaction price of less liquid stock of Bank Vozrozhdenie, as well as market ask and bid price, which were used in the calculation of net asset value. Bank Vozrozhdenie's share has relatively high spread and transactions are made through block trades, therefore the respective share has a low liquidity.

Since Bank Vozrozhdenie's shares can be traded almost solely through block transactions, the price will usually remain close to the closing price and between the ask and bid price, therefore the Fund Management Company believes, that the price information given in the table is a good indicator to reflect company's share market price.

| Instrument | Currency | Price in portfolio (local currency) | Last trade price in year 2009 | Date of last trade done | Bid Price | Ask Price | Date of Ask/Bid | Number of transactions 15.10.2009-15.01.2010 | Number of securities sold/purchased 15.10.2009-15.01.2010 | Highest price 15.12.2009-15.01.2010 | Lowest price 15.12.2009-15.01.2010 |
|-------------------|----------|-------------------------------------|-------------------------------|-------------------------|-----------|-----------|-----------------|--|---|-------------------------------------|------------------------------------|
| Bank Vozrozhdenie | USD | 39.07 | 39.07 | 31.12.2009 | 39.61 | 39.32 | 31.12.2009 | 6541 | 250,991 | 47.46 | 37.13 |

NOTE 8 Future perspectives

The fund prefers to invest into stocks which are liquid enough, so in case there is a need to realize some of the investments it is possible without any problems. Usually liquidity is not a problem for this fund because bank stocks are usually among the most liquid market instruments. In these difficult times we prefer banks which have high capital adequacy and liquidity ratios, are not too dependent on foreign funding sources and have strong shareholder structure and management teams.

There are no big changes expected in the investment strategy. Fund invests in countries with low penetration of banking services and therefore strong medium to long-term growth opportunities.

Independent Auditor's Report