

**TRIGON TOP PICKS FUND
TRIGON TOP 10 FOND**

2009 ANNUAL REPORT
(Translation of the Estonian original)

Table of contents

Short Description and Contact Details of Trigon Top Picks Fund.....	3
Management report.....	4
ANNUAL FINANCIAL REPORT.....	5
The Confirmation Regarding the Annual Financial Report by the Management Board of the Fund	
Management Company.....	5
Balance Sheet.....	6
Statement of investments.....	7
Income Statement.....	9
Statement of Movements in the Fund's Assets.....	10
Notes to the Financial Statements.....	11
NOTE 1 Accounting Principles.....	11
NOTE 2 Transaction fees.....	16
NOTE 3 Related parties.....	16
NOTE 4 Developments in net asset value.....	16
NOTE 5 Impact of the economic crisis.....	17
NOTE 6 Future perspectives.....	17
Independent Auditor's Report.....	18

Short Description and Contact Details of Trigon Top Picks Fund

Name

Investment fund Trigon Top Picks Fund (previously Trigon New Europe Top Picks Fund)

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 in equity securities traded on the global regulated markets with an emerging markets bias. The Fund's assets shall be invested into a small number of different issuers as selected by the Management Company (8-15 different issuers); therefore fund's diversification is low

Fund Management Company

AS Trigon Funds

Fund managers/s

Mehis Raud

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

Trigon New Europe Top Picks Fund (hereinafter: the Fund) was launched on February 15, 2006. The Fund's assets can be invested into equity securities traded on the global regulated markets. However the aim of the Fund Management Company is to invest into securities of issuers located in emerging markets the issuers with substantial business interests in the previously mentioned markets. The Fund's assets shall be invested into a small number of different holdings as selected by the Management Company (8-15 securities). The fund's objective is the long-term growth of assets. The Fund is aimed at investors with a medium to long-term investment perspective since equity markets are volatile and the value of the fund unit can change significantly during a short period of time.

On April 6, 2009 new fund rules came into force and the name of the Fund was changed: from Trigon New Europe Top Picks Fund to Trigon Top Picks Fund. The name of Class 2 Unit was changed from the previous eQ Uuden Euroopa Tähdet to eQ Emerging Top Picks. In 2009 a new class of units was issued: the name of Class 4 Unit is Trigon Top Picks Fund C Unit. The nominal value of Class 4 Unit is 10 euros. The fee structure is similar to the one used for Class 1 Units. The calculation of performance fee for Class 4 Units shall commence as of first subscription with nominal. As of 06.04.2009 no Class 1 and Class 3 Units will be issued.

The Fund's net asset value as of 31.12.2009 was 29.3 million kroons (31.12.2008: 19.0 million kroons). The Fund has four classes of units. The net asset value of the Fund's Class 1 Unit increased by 63.2% for the year, to 83.1035 kroons (31.12.2008: 50.9099 kroons). The net asset value of the Fund's Class 2 Unit (eQ Emerging Top Picks) reached 129.7001 kroons (8.2899 euros) (31.12.2008: 79.4568 kroons) at the year-end, increasing by 63.2% for the year. The net asset value of the Class 3 Unit (Trigon Top Picks Fond B) reached 81.7737 kroons (31.12.2008: 49.7023 kroons) increasing by 64.5% for the year. The net asset value of the Fund's Class 4 Unit was 245.6496 kroons (15.7010 euro) at the year-end.

As of the end of December 2009, the equities made up 86.44% (31.12.2008: 92.9%) of the market value of the Fund's investments, the remaining portion was made up of cash on bank accounts, uncollected taxes on dividends and uncollected amount for subscribed shares. As of 31 December 2009, the largest equity investments were Sberbank 12.59%, Bank Vozrozhdenie 12.21%, Synergiya 10.03% and Dogorobuzh 9.93%. 100% of Fund's investments were made into Russia.

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.

Mehis Raud
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 Top Picks Fund Fund for the year 2009 as presented on pages 5 - 17.

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 Top Picks Fund is a going concern.

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

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

In Tallinn, on February 5th, 2010

Balance Sheet

In EEK

ASSETS	Note	31.12.2009	31.12.2008
Securities			
Shares and units		25 691 542	17 688 251
Total securities		25 691 542	17 688 251
Deposits			
Cash and bank accounts		4 024 700	1 350 907
Total deposits		4 024 700	1 350 907
Other assets			
Uncollected taxes on dividends		4 087	0
Uncollected amounts for subscribed shares		996	0
Total other assets		5 083	0
TOTAL ASSETS		29 721 324	19 039 158
LIABILITIES			
Liabilities			
Accrued expenses (fund management company)	Note 3	121 161	35 627
Accrued expenses (depository)		4 790	4 078
Payable for redeemed fund units		250 842	0
Other accrued expenses		60	1 900
Total liabilities		376 853	41 605
Net asset value of the fund		29 344 471	18 997 553
TOTAL LIABILITIES AND NET ASSET VALUE		29 721 324	19 039 158

Statement of investments

In EEK as of 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	Share in market value of the net assets of the Fund
Shares										
BANK VOZROZDENIE ORDINARY SH	RU		10	USD	8,500	330.56	2,809,758	426.94	3,629,022	12.21%
DOROGOBUZH-CLS	RU		1	USD	510,000	4.19	2,138,082	5.79	2,952,609	9.93%
Dixy Group OAO	RU		0	USD	28,000	59.69	1,671,328	79.30	2,220,383	7.47%
IBS GROUP HOLDING LTD	RU		1	EUR	15,000	60.58	908,702	107.17	1,607,575	5.41%
LUKOIL.ADR	RU		1	USD	2,000	698.50	1,396,992	626.08	1,252,164	4.21%
M.VIDEO COMPANY	RU		10	USD	55,500	28.13	1,561,224	41.95	2,328,172	7.83%
SBERBANK GDR	RU		1	EUR	1,220	1,961.13	2,392,582	3,066.52	3,741,152	12.59%
SILOVYE MASHINY OAO	RU		1	USD	1,126,000	1.25	1,408,917	2.19	2,462,767	8.29%
SINERGIYA OAO	RU		100	USD	10,400	185.88	1,933,126	286.56	2,980,212	10.03%
VEROPHARM-CLS	RU		1	USD	8,100	226.36	1,833,531	310.80	2,517,485	8.47%
Total shares							18,054,243		25,691,542	86.44%
Total securities							18,054,243		25,691,542	86.44%
Deposits										
DEMAND DEPOSIT	EE			EEK					4,024,700	13.54%
Total deposits									4,024,700	13.54%
Total investments									29,716,242	99.98%
Other Assets										
Accrued income (uncollected extra paid tax on dividends)									4,087	0.01%
Miscellaneous receivables (subscriptions receivable)									996	0.00%
Total other assets									5,083	0.02%
Total assets of the Fund									29,721,324	100.00%

Distribution of investments, 31.12.2009

<i>In EEK</i>	Amount	Share
Securities entered into the stock exchange lists	25 691 542	86.44%
Cash, deposits, miscellaneous receivables and accrued income	4 029 783	13.56%
<i>Total</i>	<i>29 721 324</i>	<i>100.00%</i>

In EEK as of 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	Share in market value of the net assets of the Fund
Shares										
AMBRA SA	PL		1	PLN	174,236	39.61	6,902,023	5.96	1,038,543	5.45%
BUDUCNOST NOVI SAD AD	RS		1	RSD	933	2,875.03	2,682,401	1,269.31	1,184,263	6.22%
BULGARIA REAL ESTATE FUND	BG		1	BGN	205,122	9.38	1,923,260	6.79	1,393,037	7.32%
BZWBK	PL		10	PLN	4,600	421.30	1,937,984	420.66	1,935,015	10.16%
CESKE ENERGETICKE ZAVODY AS	CZ		100	CZK	3,700	493.16	1,824,705	459.63	1,700,631	8.93%
MAGYAR TELEKOM RT	HU		100	HUF	46,000	32.58	1,498,835	31.82	1,463,921	7.69%
NORMA	EE		10	EEK	29,000	52.06	1,509,791	40.68	1,179,720	6.20%
PEGAS NONWOVENS CZK	IU		1	CZK	15,000	134.53	2,017,949	135.85	2,037,712	10.70%
POLSKY KONCERN MIESNY DUDA	PL		1	PLN	213,826	20.32	4,345,656	4.56	974,156	5.12%
REYSAS LOGISTICS SHARE	TR		1	TRY	160,000	5.79	925,795	6.56	1,050,328	5.52%
SIF MOLDOVA (RON)	RO		0	RON	464,200	5.39	2,503,727	2.07	960,977	5.05%
TELEKOMUNIKACIA POLSKA	PL		3	PLN	38,000	71.93	2,733,365	72.89	2,769,948	14.55%
Total shares							30,805,493		17,688,251	92.90%
Total securities							30,805,493		17,688,251	92.90%
Deposits										
DEMAND DEPOSIT	EE			EEK					1,350,907	7.10%
Total deposits									1,350,907	7.10%
Total investments									19,039,158	100.00%
Total assets of the Fund									19,039,158	100.00%

Distribution of investments, 31.12.2008

<i>In EEK</i>	Amount	Share
Securities entered into the stock exchange lists	17 688 251	92.9%
Cash, deposits, miscellaneous receivables and accrued income	1 350 907	7.1%
<i>Total</i>	<i>19 039 158</i>	<i>100.0%</i>

Income Statement

In EEK

	Note	01.01- 31.12.2009	01.01-31.12.2008
I. Net gain on investments			
1.1. On equities and units			
1.1.1. Sales loss		-7 323 479	-113 632 551
1.1.2. Unrealized profit/loss		20 754 540	-5 535 882
1.1.3. Dividends		406 641	1 481 024
1.2. On Bonds			
1.2.1. Sales profit/loss		0	-315 011
1.2.2. Unrealised profit/loss		0	427 614
1.3. On deposits			
1.3.1 Interest income on deposits		6 250	-372 303
1.3.2 Change in fair value of structured deposits		0	259 506
1.4. On derivatives			
1.4.1 Sales profit/loss		0	-1 055 678
1.4.2 Unrealised profit/loss		0	914 916
Total net gain on investments		13 843 952	-117 828 364
II. Other income			
2.1. Foreign exchange gains/loss		-211 568	9 962 685
Total other income		-211 568	9 962 685
TOTAL INCOME		13 632 384	-107 865 679
EXPENSES			
III. Operating expenses			
3.1. Management fees	Note 3	458 777	2 302 653
3.2. Performance fees	Note 3	325 105	0
3.3. Depositary charges		49 576	289 866
3.4. Transaction fees	Note 2	80 862	302 798
3.5. Other expenses		0	2 575
Total operating expenses		914 319	2 897 891
TOTAL EXPENSES		914 319	2 897 891
NET RESULT OF THE FUND		12 718 065	-110 763 571

Statement of Movements in the Fund's Assets

In EEK

	Note	01.01- 31.12.2009	01.01-31.12.2008
Fund's net asset value at the beginning of the period		18 997 553	405 544 414
Cash received from issuing units		16 457 608	6 808 945
Cash paid for redeeming units		18 815 107	282 538 570
Total issue and redemption fees paid to fund manager		13 648	53 665
Fund's net profit for the period		12 718 065	-110 763 571
Fund's net asset value at the end of the period		29 344 471	18 997 553
Number of units outstanding		252 432.184	365 302.27
Class 1		139 016.335	333 195.73
Class 2 (eQ Emerging Top Picks unit)		65 838.583	14 748.50
Class 3		14 858.049	17 358.05
Class 4		32 719.217	-
Fund unit's net asset value at the end of the period			
Class 1	Note 4	83.1035	50.9099
Class 2 (eQ Emerging Top Picks unit)	Note 4	129.7001	79.4568
Class 3	Note 4	81.7737	49.7023
Class 4	Note 4	245.6496	-

Notes to the Financial Statements

NOTE 1 Accounting Principles

The financial statements of Trigon Top Picks 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 four classes of Units (hereinafter: "Class 1", "Class 2", "Class 3" and "Class 4"). As of 06.04.2009 no Class 1 and Class 3 Units will be issued. Class 4 unit was launched on April 15, 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 class calculated on 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 Class 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 class;
- b) In case of Class 4 Units, a maximum of 3.0% of the net asset value of the Unit of the respective class.

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 class 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 Class 1 Units, a maximum of 1,5% of the net asset value of the Unit of the respective class;
- b) In case of Class 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 class but not less than 20 euro per transaction;
- c) In case of Class 3 Units, there is no redemption fee.
- d) In case of Class 4 Units, a maximum of 1,5% of the net asset value of the Unit of the respective class;

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 class 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 class is derived by subtracting the liabilities of the Fund unit of a particular class from the market value of securities and other rights of the Fund unit of a particular class.

The net asset value of a Unit is derived by dividing the total net asset value of the Units of a particular class into the number of Units of the same class 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 Class 1 and Class 3 Unit is expressed in kroons. The net asset value of Class 2 and Class 4 Unit is expressed in euro.

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. Valuation of unlisted equity securities
 - 4.1. 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.
 - 4.2. If it is impossible to apply methods specified in Item 4.1, the valuation shall be performed on the basis of fair value assessed by a Fund Management Company.
 - 4.3. 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.
 - 4.4. The Fund Managers or a Middle-Office Specialist will make a proposal for investment committee to value or revalue a certain unlisted security.
 - 4.5. 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.

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 the 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. The principles of choosing the stock exchanges based on which the quotes of the value of securities shall be determined.
 - 6.1. 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.
 - 6.2. 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.
 - 6.3. Main criteria in choosing stock exchange are the liquidity of the particular security on that stock exchange.
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 not listed 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.
 - 8.4. Derivative instruments that are unlisted 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 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 in 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

Management fee rates paid to the Fund Management Company are:

- a. Class 1 Units: a maximum of 3.0% per annum of the market value of the Fund's assets.
- b. Class 2 Units: a maximum of 3.0% per annum of the market value of the Fund's assets.
- c. Class 3 Units: a maximum of 1.25% per annum of the market value of the Fund's assets
- d. Class 4 Units: a maximum of 3.0% 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 Management Company shall be paid a performance fee based on the performance of Class 1, Class 2, Class 3 and Class 4 Units. 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 Class 1, Class 2 and Class 4 Units and 8% of Class 3 Units on an annual 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 Depositary shall be paid a fee for its services. The annual rate of the depositary fee is 0.2124% of the market value of the assets of the Fund. If the value of the assets of the Fund exceeds 150 million Estonian kroons, the fee on the assets exceeding this limit shall be 0.1888%. If the value of the assets of the Fund exceeds 500 million Estonian kroons, the fee on the assets exceeding this limit shall be 0.1652%. Depositary fee includes 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 Transaction fees

In 2009, transaction fees totaled 80 862 (01.01-31.12.08: 302 798) kroons. 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 136 (01.01-31.12.08: 470) transactions were performed at Trigon Top PicksFund, the volume of transactions was 117 460 125 (01.01-31.12.08: 1 035 077 983) kroons.

NOTE 3 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 Small Cap Fund, Trigon New Europe Value Fund, Trigon Emerging Financials Fund and Trigon Emerging Agri-Sector Fund.

Trigon Top Picks Fund paid to the Fund Management Company management fees in total amount 458 777 (2008: 2 302 653), performance fees in total 325 105 (2008: 0 krooni) kroons and issue and redemption fees in total 13 648 (2008: 53 665) kroons. As of 31 December 2009, the payable to the Fund Management Company totalled 121 161 (31.12.2008: 35 627) kroons. In 2009, there were no transactions with other related parties (2008: 45 331 905 kroons).

NOTE 4 Developments in net asset value

Date	Fund's net asset value	Fund unit net asset value			
		Class 1 Unit	Class 2 Unit (€Q Emerging Top Picks unit)	Class 3 Unit	Class 4 Unit
15.02.2006	-	100	156.455	-	-
31.12.2006	91 454 787	114.4529	179.1842	108.8015	-
31.12.2007	405 544 414	139.9845	218.6192	134.3005	-
31.12.2008	18 997 553	50.9099	79.4568	49.7023	-
31.12.2009	29 344 471	83.1035	129.7001	81.7737	245.6496

NOTE 5 Impact of the economic crisis

The Fund Management Company has evaluated the impacts of the global economic crisis and the related liquidity crisis on the Fund's business activity. 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 companies' 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 the funds' liquidity. 5-10% of the funds' assets are held in deposits and a certain part of the funds' assets is invested into equities with high liquidity.

NOTE 6 Future perspectives

In 2009 we successfully changed Trigon Top Picks Fund' s strategy by placing the fund' s assets entirely into selected Russian listed companies. In the second half of the year, this enabled the fund to outperform Trigon New Europe biased funds and stock indices of the countries in that region. In 2010 we will continue following the same strategy keeping the fund's allocation to Russian market.

Similar to the last year the main focus in making investments will be placed on the liquidity of a stock in order to be able to realize some of the investments in a short period of time and without significant problems. Fund's less liquid positions are sold during periods of market rallies, in order to maintain a sufficient level of liquidity and to be prepared for more severe conditions in the market.

Independent Auditor's Report
