

**Trigon Emerging Financials Fund  
Trigon Emerging Agri-Sector Fund**

**Prospectus**

12.01.2010

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## General Information

This prospectus is the offering prospectus of the Units of Trigon Emerging Financials Fund and Trigon Emerging Agri-Sector Fund (hereafter: separately “Fund” and together “Funds”) in the meaning of the Investment Funds Act of the Republic of Estonia (hereafter: “Prospectus”). The rules of the funds (hereafter: “Fund Rules”) are an integral part of this Prospectus.

The Funds are open-ended public contractual investment funds registered in the Republic of Estonia. Trigon Emerging Financials Fund and Trigon Emerging Agri-Sector Fund comply with the provisions laid out in the Council Directive 85/611/EEC of 20 December 1985.

### Main information about the Funds

<b>Legal status</b>	Open-ended public contractual investment funds registered in the Republic of Estonia
<b>Location of the Funds</b>	Viru Square 2, Tallinn 10111, Republic of Estonia
<b>Fund management company</b>	AS Trigon Funds, registered address: Viru Square 2, 10111, Tallinn, Republic of Estonia (hereafter: “Management Company”)
<b>Depository</b>	Swedbank AS, registered address: Liivalaia 8, 15040, Tallinn, Republic of Estonia, hereafter: “Depository”
<b>Auditor</b>	AS PricewaterhouseCoopers, registered address: Pärnu mnt. 15, 10141, Tallinn, Republic of Estonia
<b>Supervised by</b>	The Financial Supervisory Authority, registered address: Sakala 4, 15030, Tallinn, Republic of Estonia
<b>Launch of the Funds</b>	Trigon Emerging Financials Fund December 5, 2007 Trigon Emerging Agri-Sector Fund December 5, 2007
<b>Registration of the Fund Rules</b>	The effective Fund Rules were registered/entered into force: Trigon Emerging Financials Fund 18 February 2009 / 6 April 2009 Trigon Emerging Agri-Sector Fund 18 February 2009/6 April 2009
<b>Fund Units</b>	The Fund unit (hereafter: “Unit”) represents a unit-holder’s share of the Fund’s assets. Unit is a registered security. The Funds have three classes of Units. Class 2 and Class 3 Units can be bought and redeemed on every banking day and Class 1 Unit can be redeemed on every banking day.
<b>Unit prices</b>	The Management Company calculates and publishes the net asset value of the Fund and of a Unit, and the subscription and redemption price of Class 2 and Class 3 Unit and redemption price of Class 1 Unit at least once for each banking day on the following banking day no later than 2 PM and publishes the prices on its web page <a href="http://www.trigoncapital.com">www.trigoncapital.com</a> .
<b>Listing of Units</b>	The Units are not listed on any stock exchange or other regulated and publicly available securities market.
<b>Public offering abroad</b>	Public offering of the Units of Trigon Emerging Financials Fund and Trigon Emerging Agri-Sector Fund is currently allowed in the Republic of Estonia, in the Republic of Finland and in the Kingdom of Sweden.
<b>Publication of information</b>	Important information and documents relating to the Funds are available at the Management Company’s web site <a href="http://www.trigoncapital.com">www.trigoncapital.com</a> and at the location of the Management Company.
<b>Financial year</b>	The financial year of the Funds is January 1 <sup>st</sup> – December 31 <sup>st</sup> .
<b>Distribution of income</b>	The Funds’ income is not paid out to unit-holders but is reinvested. The unit-holders’ profit or loss is reflected in the change of the Unit’s net asset value.

## **The Basis and Objective of the Funds' Activities and Investment Policy**

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### **The basis of the Funds' activities**

The Funds are pools of money raised through public issue of Units, and of other assets acquired from investing this money that belongs collectively to unit-holders and that is managed by the Management Company. The basis of the Funds' activities and the relations between unit-holders and the Management Company have been laid down in the legislation of the Republic of Estonia and the Fund Rules of the respective Fund.

### **The basic objectives of the Funds' activities**

The objective of the Funds' activities is long-term capital growth. The investment objectives are the following:

Trigon Emerging Financials Fund	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.
Trigon Emerging Agri-Sector Fund	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 investment policy of the Funds**

#### ***Investment region and authorised instruments***

The main information relating to the investment region of the Funds is provided in the table below:

Trigon Emerging Financials Fund	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 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.
Trigon Emerging Agri-Sector Fund	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 Management Company follows a sector approach when investing the Fund's assets. The Fund's assets are mainly invested into the shares of companies directly or indirectly active in the agricultural sector.

The assets of the Funds may be invested in securities traded on regulated markets of all and any countries. It is however the intention of the Management Company to focus investments into securities of issuers who are either based in countries commonly considered to be emerging markets or which have substantial business interests in such countries.

In addition to shares, the Funds' assets may be invested in other similar tradable rights; bonds, convertible bonds and other tradable debt obligations issued; subscription rights and other tradable rights granting the right to acquire securities; money market instruments, and tradable depositary receipts; derivative instruments; shares and units of investment funds; and in deposits of credit institutions. The Funds may invest in the currencies of the countries in which they hold investments. In addition to shares and other similar tradable rights, up to 40% of the assets of Funds may be invested into other securities mentioned above, deposits in credit institutions and the currencies of the countries in which they hold investments.

The precise division between asset classes, types of issuer and countries in the assets of the Fund shall be determined in the course of the everyday activities of the Fund.

### ***Transactions with derivative instruments***

The Funds may invest in derivative instruments only for the purpose of hedging risks from fluctuations of securities prices in the Funds' assets and of interest rates. The Funds may invest in derivative instruments the underlying asset of which is currencies in which the Funds may invest also for the purpose of achieving the Funds' investment objectives. The Funds' total exposure relating to derivative instruments may not exceed the total net asset value of the specific Fund. According to the judgement of the Management Company, investing into derivative instruments does not significantly increase the Funds' risk level because derivative instruments are mostly used for hedging risks.

### ***Other permitted transactions***

The Management Company may on behalf of the Funds guarantee issues of securities, borrow, enter into repurchase and reverse repurchase agreements and make other transactions involving the borrowing and lending of securities. The Funds may borrow and assume other liabilities referred to above in the amount of up to 10% of a Fund's assets. The maturity of the loans and other liabilities of a Fund may be no more than three months.

### ***Diversification of investments***

A Fund may invest no more than 10% of its assets in securities issued by the same person. If the value of securities issued by one person is more than 5% of the market value of the assets of a Fund, the aggregate value of such securities shall total no more than 40% of the market value of the assets of the Fund. The aggregate value of securities issued by persons belonging to one consolidation group shall total no more than 20% of the assets of a Fund.

**The principles of the Funds' investment policy and diversification of the investments have been described in more detail in the Fund Rules of each Fund.**

## **Description of a typical investor**

The Funds can be recommended to following investors:

Trigon Emerging Financials Fund	The Fund can be recommended to investors, who have significant previous experience in equity investments in the emerging markets and in the financial sector companies. An investor should be able to tolerate high volatility and risk level in his/her investments. A holding in the Fund is suitable as a part of a diversified portfolio. Due to the Fund's investment policy, the price of a Unit may be very volatile; therefore, investors should have a long-term investment horizon. The minimum recommended investment horizon is 5 years and the Management Company advises an investor to discuss with a financial and/or legal adviser before making the investment into the Fund.
Trigon Emerging Agri-Sector Fund	The Fund can be recommended to investors, who have significant previous experience in equity investments in the emerging markets and in the agricultural and related companies. An investor should be able to tolerate high volatility and risk level in his/her investments. A holding in the Fund is suitable as a part of a diversified portfolio. Due to the Fund's investment policy, the price of a Unit may be very volatile; therefore, investors should have a long-term investment horizon. The minimum recommended investment horizon is 5 years and the Management Company advises an investor to discuss with a financial and/or legal adviser before making the investment into the Fund.

## **Risk level of the Funds**

The risk level of the Funds is the following:

Trigon Emerging Financials Fund	<b>The approximate risk level of the Fund is very high due to the reasons described below.</b> As the global financial sector is highly interconnected, problems in one part of the world are quickly reflected globally and may, in an extreme case, create a risk of systematic collapse of the financial system. In addition, the financial sector is typically very dependent on the economic development, and should there be a longer period of
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	<p>economic recession, it may have severe negative effects on companies operating in the financial sector. As the Fund's portfolio companies are operating in the more volatile emerging economies, there are factors that expose the Fund to some emerging market specific risks. The legislation of the emerging markets is for example less developed and therefore a thorough analysis of all the legal aspects of an investment might not be possible. Also, many of the Funds investments are small- or mid-cap companies. Smaller companies are usually in a weaker competitive position due to their size reducing their earnings potential. The shares of smaller companies can be less liquid causing the Funds investment into the relevant shares to be more exposed to liquidity risks..</p> <p>All the factors mentioned above, should they realize, may lead to significant losses for the investor. The Management Company shall devote substantial attention and resources to analysing and monitoring these issues; however, this does not eliminate these risk factors.</p>
<p>Trigon Emerging Agri-Sector Fund</p>	<p><b>The approximate risk level of the Fund's investments can be considered to be very high both in absolute and in relative terms.</b></p> <p>The development of the agricultural sector in general is subject to many different risk factors: the weather conditions and the harvest, natural disasters, governments' willingness to control the import and export of agricultural products and their prices, uncertainty regarding land ownership, and many other factors. The Fund's portfolio companies are operating in the more volatile emerging economies and there are additional risks as described above under the description for the risk level for the Trigon Emerging Financials Fund. The Fund might also invest into small- or midcap companies and the risks associated with such investment are also described under the description for the risk level for the Trigon Emerging Financials Fund.</p> <p>The factors mentioned above, should they realize, may cause significant losses for the investor. The Management Company shall devote substantial attention and resources to analysing and monitoring these issues; however, this does not eliminate these risk factors.</p>

## Risks

Investing in the Funds is accompanied by various risks that may affect the return on the investment. The activities of the Funds may or may not be profitable; thus, there is no guarantee to unit-holders that they will get back the amount invested in the Funds or that it will grow. Past performance of the Funds does not guarantee similar results in the future.

While making any investment decisions, the investor should bear in mind that risks related to any investment decision lies with the investor. Therefore, the investor is recommended to engage financial and/or legal and/or tax advisers prior to making a decision about investing into the Fund.

The risks described below are not exhaustive. Those are merely risks more associated with the Funds taking into account their investment policy and objectives. The investor should also consider other potential risks related to investing into the Funds.

The main risks related to the Funds' investment policy are the following:

### **1. Risks deriving from direct investment activities**

#### **1.1. Market risk**

Market risk is a possibility that the market price of securities or other assets increases or decreases and thus affects the value of the Funds' assets on a daily basis. The development of the Funds' investments depends on the general developments in different emerging equity markets globally. These developments create daily volatility in the NAV of the Funds and the NAV impact may be significant, especially in a period of extraordinary large market movements.

Market risk factor is a very important risk factor to the Funds. In order to mitigate market risk, the Funds' investments are diversified and derivative instruments may be used.

## **1.2. Liquidity risk**

Liquidity risk is a possibility that due to a market's low liquidity the Funds are not able to buy or sell shares at desired price level and therefore cannot at times follow the investment policy of the Fund and/or cannot execute the redemption payments timely, especially in a situation where there would be several larger redemption orders at the same time. Provided that the Funds have difficulties in redeeming all redemption orders, the Funds may postpone fulfilling the redemption orders until the Funds have sufficient free cash to pay out all redemption orders. Redemption orders given to the Funds for execution during the time of low market liquidity may also have a negative impact to the value of the investments of investors not redeeming.

Liquidity risk can materialize in situations of extraordinary large market movements or in longer periods of low equity market liquidity. Liquidity risk may also increase in situations where the market and credit risks are increasing, for example during the time of economic recession. Liquidity risk is particularly relevant when investing in small cap companies. To manage the liquidity risk the Management Company analyzes the liquidity of each share before making the investment and also diversification of investments is used to reduce liquidity risk..

## **1.3. Credit risk**

Credit risk is a possibility that an issuer of a security belonging to the Funds' assets or a counter party to a transaction made on behalf of the Funds does not fulfil its obligations in part or in full.

The Funds face credit risk e.g. when making investments in fixed income instruments and when keeping the money on a bank account. Credit risk can cause losses to the Funds.

The credit risk factor is an important risk factor to the Funds, but as the Funds focus mostly in equity investments, the likelihood of significant credit risk related losses is relatively low. To reduce this risk the Funds make their non-equity investments in relatively low-risk counterparties; typically in government bonds and in banks with governmental backing.

## **1.4. Currency risk**

Currency risk is a possibility that due to movements in exchange rates the value of an investment nominated in a given currency changes in an undesirable direction. The Funds make their investments in equities quoted in different currencies in the global emerging markets. In addition, the Funds may have cash or other investments in different currencies. This creates a situation where daily movements in these currencies have a daily impact on the NAV of the Funds and from time to time these movements can be significant, especially in periods of extraordinary high currency market uncertainty and volatility.

This risk element is a very important risk factor to the Funds. The Funds may hedge partly or fully this currency risk element and derivatives may also be used. However, it is not the intention of the Funds to be fully hedged in different currencies.

## **1.5. Inflation risk**

Inflation in the target countries may affect the Funds' investments negatively through e.g. decreasing the value of the fixed income investments, creating downward pressure on the local currencies and through having adverse impact on the portfolio companies. This may happen e.g. in a situation of too easy monetary policy and of significantly increased money supply.

As the financial sector is somewhat more exposed to inflation risks through the interconnection between inflation and interest rates the risk is more important in the Trigon Emerging Financials Fund.

## **1.6. Concentration risk**

This is a possibility that an event or circumstance has a substantial impact on the Funds' returns due to the Funds' investments being focused on one or a small number of markets or asset classes.

Trigon Emerging Financials Fund invests its assets in a limited number of financial sector companies in selected countries in emerging markets. Trigon Emerging Agri-Sector Fund invests its assets in a limited number of agricultural sector and related companies in selected countries in emerging markets. Therefore, the diversification of the Funds is only moderate. In addition, the Funds typically focus only on a few markets, or in an extreme situation, only on one market. This concentration increases the risk level of the Funds and should the risks materialize (e.g. through adverse developments in the portfolio holdings or in the financial sector in general), this can lead to a situation where the investor may lose a significant part or even all of the money invested.

The Fund rules and internal regulations set limits and restrictions to reduce the concentration risk.

### **1.7. Issuer risk**

Issuer risk arises from the specifics and success of the business activities of an issuer that could affect prices of securities issued by it (e.g. worsening of issuer's financial results due to poor decisions by the management, bankruptcy etc).

All investments with the Funds' assets are exposed to issuer risk and the issuer risk is considered an important risk to the Funds.

In order to minimise business risk, the activities and financial statements of issuers are analysed and monitored. The diversification of investments is also used as a way of limiting issuer specific risks.

### **1.8. Volatility risk**

The daily volatility of the Funds is high due to e.g. the following reasons: Trigon Emerging Financials Fund invests its assets in a limited number of financial sector companies and Trigon Emerging Agri-Sector Fund invests its assets in a limited number of agricultural sector and related companies, the Funds operate in the high-risk global emerging equity markets and the Funds focus on small/mid-cap companies in these markets. These factors increase the volatility of the Funds compared to comparable funds or assets of the comparable markets. The risk of loss due to market value reduction is described under market risk, but volatility risk exposes the investor to timing-related risks additionally. The volatility of the Funds can cause alternative costs to the investor. For example, a particular Fund Unit transaction might be executed with unfavorable timing meaning that a significantly better Fund Unit price could be achieved if the transaction would have been executed for example the next day.

### **1.9. Interest rate risk**

Interest rate risk is a possibility that interest rates, yield curves, volatility of interest rates etc. change in an undesired direction.

The Funds' investments are diversified in order to reduce interest rate risk. However, for the Trigon Emerging Financials Fund, a change in the general reference rate (such as EURIBOR, LIBOR etc) can impact some investee companies net interest margins significantly therefore exposing the investments to potential losses.

## **2. Legal risks**

The Funds are subject to many different legal risks, e.g. changes in tax laws, regulatory environments, political environments, etc.

The significance of these factors is increased by the fact that the Funds operate in the emerging countries, where the legal framework and the political systems are typically less developed and more volatile than in the developed countries. Changes in these factors can cause sudden negative impacts on the Funds NAV.

In order to reduce legal risks, the developments in the countries in which the Funds' assets have been invested or will be invested are analysed and monitored.

## **3. Depository risks**

In most of the markets the Funds are exposed to the risk of a failure in the depository system. A large-scale malfunction in a depository could cause to the Funds harm through the following effects:

- Difficulties in proving ownership over the owned securities;
- Business interruption. The Funds are very likely to face difficulties and delays in selling or buying the intended securities;
- A technological malfunction could cause some of the trades to settle so that Funds will deliver their part of the trade but not receive the cash or securities that were intended.

In order to minimise depository risk, the depository is by law obliged to keep the Funds' assets separately from its own assets or assets of other clients. The depository is also obliged to choose the third parties safe-keeping the Funds' assets or securities with due care to secure the reliability of such third parties.

The probability of the realization of this risk element is not very high as the depository banks typically have implicit or explicit governmental guarantees against financial difficulties and as the depositories are also under supervision of local financial supervision authorities.

## **4. Risks deriving from valuation of the assets of the Funds**

The fair valuation of the assets of the Funds is a risk element, as there may be situations where it may be difficult, or even impossible, to objectively determine the fair value of each security and as there may be

mistakes made in the valuation process due to e.g. human errors. This is an important risk factor for the Funds. However, the probability of significant errors is low as the Funds focus on listed equities, have clearly defined rules for determining the fair values and as the Funds are audited on regular intervals. In addition, the NAV calculation process has double-checks in place in order to avoid human errors

**5. Operational risks**

In its operations the Funds face different operational risks; e.g. counterparty risks, risks in settlement systems and risks relating to securities registeries. Should the counterparty fail to meet its obligations e.g. in delivering securities in time, this may cause losses to the Funds’ investors. This is an important risk category for the Funds. However, as the Management Company has clearly defined processes and risk limits in dealing with different operational risks.

**6. Risks deriving from potential conflict of interests**

Potential conflicts of interest (e.g. transactions with related parties, overlapping of interests of related parties or conflict of interests between other Trigon funds) create an important risk factor for the Funds and may cause adverse impacts on the development of the Funds’ NAV. For the purposes of managing this risk, the Management Company is monitoring potential conflicts of interests and has set up internal processes and rules for eliminating such situations.

**7. Specific risks related to the Funds**

An investor should also consider the following specific risks related to the Funds:

Trigon Emerging Financials Fund	The Fund faces a special risk factor due to the Fund’s strategy to focus its investments in the financial sector companies in the global emerging markets. This is a very important risk factor for the Fund. As the global financial sector is highly interconnected, problems in one part of the world are quickly reflected globally and may, in an extreme case, create a risk of systematic collapse of the financial system. In addition, the financial sector is typically very dependent on the economic development, and should there be a longer period of economic recession, it may have severe negative effects on companies operating in the financial sector. As the Fund’s portfolio companies are operating in the more volatile emerging economies, this risk factor is further enhanced. All the factors mentioned above, should they realize, may lead to significant losses for the investor. The Management Company shall devote substantial attention and resources to analysing and monitoring these issues; however, this does not eliminate these risk factors.
Trigon Emerging Agri-Sector Fund	The Fund faces a special risk factor due to the Fund’s strategy to focus its investments in the agricultural sector and related sectors in the global emerging markets. This is a very important risk factor for the Fund. The development of the agricultural sector in general is subject to many different risk factors: the weather conditions and the harvest, natural disasters, governments’ willingness to control the import and export of agricultural products and their prices, uncertainty regarding land ownership, and many other factors. As the Fund’s portfolio companies are operating in the more volatile emerging economies, these risk factors are further enhanced. The factors mentioned above, should they realize, may cause significant losses for the investor. The Management Company shall devote substantial attention and resources to analysing and monitoring these issues; however, this does not eliminate these risk factors.

## Unit, Unit's Net Asset Value

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### Unit

A Unit represents a unit-holder's share of a Fund's assets. A Unit is a registered security.

### Trigon Emerging Financials Fund Units

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	Class 1 – A Unit	Class 2 – eQ Unit	Class 3 – C Unit
Name	Trigon Emerging Financials Fund A Unit	eQ Emerging Financial Fund Unit	Trigon Emerging Financials Fund C Unit
Nominal value	10 euros	10 euros	100 euros
Registrar	Estonian Central Securities Depository AS Eesti Väärtpaberikeskus ("EVK")	Swedbank AS	Estonian Central Securities Depository AS Eesti Väärtpaberikeskus ("EVK")

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### Trigon Emerging Agri-Sector Fund Units

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	Class 1 – A Unit	Class 2 – eQ Unit	Class 3 – C Unit
Name	Trigon Emerging Agri-Sector Fund A Unit	eQ Emerging Agri Fund Unit	Trigon Emerging Agri-Sector Fund C Unit
Nominal value	10 euros	10 euros	100 euros
Registrar	Estonian Central Securities Depository AS Eesti Väärtpaberikeskus ("EVK")	Swedbank AS	Estonian Central Securities Depository AS Eesti Väärtpaberikeskus ("EVK")

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Class 1 and Class 3 Units will also be referred to as "Trigon Units" and Class 2 Units will be referred to as "eQ Units".

### Rights and obligations attached to Units

The rights and obligations attached to a Unit with respect to a unit-holder shall enter into force upon issuing a Unit and shall terminate upon redeeming a Unit.

A Unit does not grant to unit-holder the right to make decisions regarding the transactions made with the assets of the Funds. Unit-holders do not hold general meetings. A unit-holder may not demand the dissolution of the community ownership of the unit-holders. A unit-holder has the following rights: to demand from the Management Company that the unit-holder's Units be redeemed according to the respective Fund's Fund Rules and the relevant legislation; to transfer the Units held by the unit-holder to third parties; to receive, pursuant to the Fund Rules, a share of the specific Fund's assets remaining after liquidation of the Fund (and of the Fund's income), based on the number of Units held by the unit-holder and the class of the Units; to access at the registered office of the Management Company the Fund Rules, the most recent annual or semi-annual report of the Fund, the prospectus, the simplified prospectus of Class 2 and Class 3 Units and other documents and information regarding the activities of the Funds as provided for in the relevant legislation; to demand a document certifying the unit-holder's ownership; to perform other acts prescribed by the relevant law or the Fund Rules. A unit-holder must exercise the rights attached to Units in good faith and in accordance with legislation and the Fund Rules. The objective of exercising the rights of a unit-holder may not be causing damage to other unit-holders, the Management Company, the Depositary or third persons.

A unit-holder is not personally liable for the obligations of a Fund assumed by the Management Company on behalf of a Fund, or for obligations the performance of which the Management Company has the right to demand pursuant to the Fund Rules. A unit-holder's liability for performance of such obligations is limited to the unit-holder's share of a Fund's assets. The Management Company shall not assume obligations on behalf of unit-holders. In order to satisfy a claim against a unit-holder, a claim for payment may be made against the Units of the unit-holder but not against the assets of a Fund.

## Net Asset Value of the Funds and of a Unit

The net asset value of the Funds and a Unit depends on the income or loss from the Funds' activities. The Funds' income shall not be distributed to unit-holders but shall be reinvested. Unit-holders profit or loss shall be reflected in the changes of a Unit's net asset value.

The Management Company shall establish the net asset value of the Funds and a Unit according to the relevant internal rules and legislation.

The net asset value of a Fund shall be determined based on the market value of the assets of the Fund from which the liabilities of the Fund shall be deducted. The total net asset value of a class of Units shall be determined by deducting that class' share of the liabilities of the Fund from that class' share of the market value of the securities and other rights belonging to the Fund's assets. The net asset value of a Unit shall be determined by dividing that class' total net asset value by that class' number of Units issued and not redeemed as at the point of valuation. The assets and liabilities of the Fund shall be accounted for in Estonian kroons. The net asset value of a Trigon Unit shall be expressed in euro. The net asset value of a eQ Unit shall be expressed in euro.

The Management Company calculates and publishes the net asset value of the Funds and of a Unit, and the issue and redemption price of Class 2 and Class 3 Unit at least once for each banking day on the following banking day no later than 2 PM. A Unit's net asset value, issue and redemption price shall be rounded up to four decimal points. This information is available at the web page of the Management Company at [www.trigoncapital.com](http://www.trigoncapital.com).

## Fees and expenses

### Trigon Emerging Financials Fund

	Class 1 – A Units	Class 2 – eQ Units	Class 3- C Units
Currency of NAV	Euro	Euro	Euro
<b>Fees paid by a unit-holder</b>			
Subscription fee (% of Unit's NAV)	N/A	Fee to intermediary up to 3,0% of subscription amount	1,0 %
Redemption fee (% of Unit's NAV)	2,0 %	Fee to intermediary up to 1,5 % of the redemption amount, minimum EUR 20	2,0 %
<b>Fees and expenses paid by the Fund</b>			
Management fee (% of the Fund's assets per annum)	2,0 %	2,0 %	2,0 %
Performance fee	20 % of return that exceeds 5 % p.a.	20 % of return that exceeds 5 % p.a.	20 % of return that exceeds 5 % p.a.
Depository fee (% of the Fund's assets per annum)	0.25%	0.25%	0.25%
Other expenses	According to the price list of the provider of the service	According to the price list of the provider of the service	According to the price list of the provider of the service

## Trigon Emerging Agri-Sector Fund

	Class 1 – A Units	Class 2 – eQ Units	Class 3 – C Units
<b>Currency of NAV</b>	<b>Euro</b>	<b>Euro</b>	<b>Euro</b>
<b>Fees paid by a unit-holder</b>			
Subscription fee (% of Unit's NAV)	N/A	Fee to intermediary up to 3,0% of subscription amount	1,0 %
Redemption fee (% of Unit's NAV)	2,0 %	Fee to intermediary up to 1,5 % of the redemption amount, minimum EUR 20	2,0 %
<b>Fees and expenses paid by the Fund</b>			
Management fee (% of the Fund's assets per annum)	2,0 %	2,0 %	2,0 %
Performance fee	20 % of return that exceeds 5 % p.a.	20 % of return that exceeds 5 % p.a.	20 % of return that exceeds 5 % p.a.
Depositary fee (% of the Fund's assets per annum)	0.22%	0.22%	0.22%
Other expenses	According to the price list of the provider of the service	According to the price list of the provider of the service	According to the price list of the provider of the service

Persons entitled to subscribe or redeem Fund Units without subscription or redemption fees are further described in the Fund rules.

The Management Company has the right to receive Performance fee if the respective class Unit's net asset value exceeds the historical highest net asset value on the last banking day of the previous month to which the required minimum return of 5% per annum (linear) has been added (high-water mark principle). Class 3 units can be subscribed as of 6 April 2009 and calculation of performance fee shall commence as of first subscription with nominal (nominal 100 EUR). Please refer to the Fund Rules for the full information regarding the Performance fee.

The rates of management and depositary fees shown in the table are calculated as a percentage of the market value of the assets of the Fund. The rates of depositary fees are exclusive of VAT. Management fees and depositary fees are accounted for daily and paid out based on the month end totals during the following month. The performance fee is calculated for each month based on the month end net asset value and is paid out during the following month. Other expenses comprise expenses related to holding the Fund's assets and making transactions therewith, including fees to intermediaries, interest expenses, payment fees and transaction fees. Total fees and expenses paid by the Fund may not exceed 30% of the weighted average market value of the Fund's assets per annum.

## Transactions with Units

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### General

The following types of transactions can be done with Units: purchasing Units, selling Units, switching Units. As of 06.04.2009 no Class 1 Units will be issued. In order to purchase Units, an investor must have a current account and a securities account, except for in cases where Units are kept on a nominee account. In such cases transfers of securities and payments to a unit-holder shall be made to the client account and to the current account linked to the client account.

By submitting a purchase order an investor confirms that he or she has sufficiently acquainted himself or herself with the Fund Rules, accepts the Fund Rules and shall act in accordance with the Fund Rules.

Subscription and redemption fees and all other direct expenses related to issuing and redeeming Units shall be borne by a unit-holder.

### Subscription and redemption price of a Unit

The subscription price of a Unit is 1) for Class 3 Units the net asset value of respective Class 3 Unit that shall be calculated on the following banking day from receiving the purchase order to which the subscription fee may be added; 2) for eQ Units the net asset value of respective eQ Unit that shall be calculated on the following banking day from receiving the purchase order. A unit-holder shall additionally bear any fees payable to the intermediary.

The redemption price of a Unit is 1) for Trigon Units the net asset value of the respective Unit that shall be calculated on the following banking day from receiving the sale order from which the redemption fee may be deducted; 2) for eQ Units the net asset value of the respective Unit that shall be calculated on the following banking day from receiving the sale order. A unit-holder shall additionally bear any fees payable to the intermediary.

### Purchasing Units

**Class 3 – C Units** In order to acquire Units, an investor must submit a purchase order to the Management Company through a custodian of EVK (e.g. Swedbank, SEB Pank) or an intermediary appointed by the Management Company. The format of the purchase order shall be stipulated by the intermediary. A Unit shall be issued in no more than 6 banking days from the day the Management Company receives the purchase order (T+6) unless a longer period has been agreed between the Management Company and the investor.

Additional information about purchasing Units is available at the web page of the Management Company or by contacting the Management Company directly.

**Class 2 - eQ Units** eQ Units may be acquired only through eQ Pankki Oy (register number: 1066893-6, situated: Helsinki, the Republic of Finland) (hereafter: "eQ"). In order to acquire an eQ Unit, an investor must submit a purchase order to the Management Company through eQ. The format of the purchase order shall be stipulated by eQ. A Unit shall be issued in no more than 6 banking days from the day the Management Company receives the purchase order (T+6) unless a longer period has been agreed between the Management Company and eQ.

### Selling Units

**Trigon Units (Class 1 – A Units and** In order to redeem Trigon Units, a unit-holder must submit a sale order to the Management Company through a custodian of EVK (e.g. Swedbank, SEB Pank)

**Class 3 - CUnits)** or an intermediary appointed by the Management Company. The format of the sale order shall be stipulated by the intermediary. A Unit shall be redeemed in no more than 6 banking days from the day the Management Company receives the sale order (T+6) unless a longer period has been agreed between the Management Company and the investor.

Additional information regarding selling Units is available at the web page of the Management Company or by contacting the Management Company directly.

**Class 2 - eQ Units** eQ Units shall be redeemed only through eQ. In order to redeem an eQ Unit, a unit-holder must submit a sale order to the Management Company through eQ. The format of the sale order shall be stipulated by eQ. A Unit shall be redeemed in no more than 6 banking days from the day the Management Company receives the sale order (T+6) unless a longer period has been agreed between the Management Company and eQ.

### **Deadlines for submitting transaction orders**

Transaction orders are considered to have been submitted on the current banking day if the order reaches the Management Company at the latest by 17.00 Estonian time. Transaction orders received after this cut-off time are considered as submitted on the following banking day. If a transaction order is submitted during a weekend or on a public holiday, it is considered to have been submitted on the following banking day, regardless of the actual time when it was received.

### **Suspending and postponing transactions**

In case the size of a redemption order exceeds 5% of the market value of the Fund's assets the Management Company is entitled to postpone payments for such large redemption orders by additional 30 banking days. In case various unit-holders request the redemption of Units in an amount exceeding 5% of the market value of the Fund's assets during the same day, the Management Company has the right to postpone all the payments to be made based on that day's sale orders by additional 30 banking days. The time for making the payment does not include the time for processing the transfer in banks. The Management Company may suspend redeeming Units under the conditions and according to the procedures provided for in the Fund Rules and Investment Funds Act.

### **Switching Units**

A unit-holder has the right to switch the Units the unit-holder holds for a similar class units of another fund managed by the Management Company. For example, a Fund's A Units may be switched for another Fund's C Units or a Fund's C Units may be switched for another Fund's C Units. Units may not be switched for Units of another class of the same Fund.

In order to switch Units, a unit-holder must submit an order for switching Units through the unit-holder's custodian to the Management Company according to the format stipulated by the custodian. Upon switching Units, no payments shall be made to a unit-holder. Based on the number of Units to be switched and the net asset value, Units shall be redeemed. Based on the net asset value of the Units of the other fund, Units of the other fund shall be issued. Upon switching Units, the net asset value of Units that shall be calculated on the following banking day from receiving the switch order shall be used. No redemption or issue fees shall be charged when switching Units. The value date for switching Units shall be in no more than 6 banking days from the day the Management Company received the switching order (T+6) unless a longer period has been agreed between the Management Company and the investor.

### **Taxation**

According to the legislation of Estonia, the Funds are not taxable persons and do not therefore pay taxes in Estonia. If a unit-holder is a taxable person, gains from Units may be taxable. The Management Company

does not withhold any taxes on gains earned from Units. Declaring such gains in the tax declaration of a given accounting period is the obligation of the unit-holder. The tax system applicable to an investor may depend on the investor's residence for tax purposes, legal set-up and other circumstances. Investors are advised to consult a professional tax specialist concerning any tax related matters.

### **Offering Units in foreign countries**

Public offering of the Units of Trigon Emerging Financials Fund is currently allowed in the Republic of Estonia and in the Republic of Finland and Trigon Emerging Agri-Sector Fund is currently allowed in the Republic of Estonia, in the Republic of Finland and in the Kingdom of Sweden.

The Prospectus does not constitute an offer of Units in countries where making such an offer is unlawful. The Prospectus does not constitute an offer of Units to any persons to whom making such an offer is unlawful.

If the wording of the Prospectus in Estonian and in another language differ or if the wording can be interpreted differently, the Estonian wording of the Prospectus shall prevail.

## **Information about the Funds**

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### **Publishing information regarding the Funds**

Any person can access the following information and documents at the registered office of the Management Company and at its web page [www.trigoncapital.com](http://www.trigoncapital.com) : Fund Rules, the most recent annual report of each Fund, the most recent semi-annual report of each Fund if it has been approved after the most recent annual report, the Prospectus, the simplified prospectus, the name and contact details of the Management Company, the name of the fund manager, the name and contact details of the Depositary, the rules for calculating the net asset value of the Funds and the internal rules for making derivative transactions on the account of the Funds, information about the size of the Management Company's holding in the Funds.

On request, unit-holders shall receive a copy of the Fund Rules, the Funds' most recent annual or semi-annual reports, the prospectus and the simplified prospectus of Class 2 and Class 3 Units free of charge. On request, the Fund Rules will be sent to an investor via mail, e-mail or fax.

The annual reports of the Funds shall be made available at the registered office of the Management Company in no more than 4 months after the end of the Funds' financial year. The semi-annual report of the Funds shall be made available in more than 2 months after the end of the half-year.

The Management Company shall publish on each banking day the net asset value, the redemption price of Class 1 Unit and the issue and the redemption price of Class 2 and Class 3 Unit on its web page.

In case circumstances that substantially affect the activities or the financials of the funds managed by the Management Company (including the Funds) or the net asset value of the Unit should become evident, respective information shall be published without delay on the web page of the Management Company.

### **Amending the Fund Rules**

The supervisory board of the Management Company may adopt a decision to amend the Fund Rules, including Funds' investment policy and fees and expenses paid by the Funds. Subsequent to the acceptance and registering of the amendments by the Financial Supervisory Authority, the Management Company shall without delay publish a notice regarding amending the Fund Rules in at least one daily national newspaper and on the web page of the Management Company. The amendments to the Fund Rules take effect one month after the publishing of the corresponding notice unless the notice prescribes a later date.

### **Liquidation of the Funds**

Liquidation of the Funds shall be effected in the cases and according to the procedures provided for in the Investment Funds Act. Liquidation of a Fund shall be decided upon by the supervisory board of the Management Company. In the cases provided for in the Investment Funds Act, the Depositary can act as the liquidator.

Subsequent to obtaining approval for the liquidation of a Fund from the Financial Supervisory Authority, the Management Company shall without delay publish a notice regarding the liquidation of the Fund in at least one daily national newspaper. Upon the liquidation of the Fund the Management Company shall transfer the assets of the Fund as soon as possible and in accordance with the interests of the unit-holders, shall collect the debts of the Fund and satisfy the claims of the creditors of the Fund. The Management Company shall distribute the assets remaining after the liquidation between the unit-holders according to the class, the number and the net asset value of the Units held by a unit-holder. The Management Company shall publish a notice regarding the distribution of assets to be distributed in at least one daily national newspaper.

## Management Company, Depository and Auditor

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### Management Company

The Funds are managed by AS Trigon Funds, with a registered office at Viru Väljak 2, Tallinn 10111, Republic of Estonia. The Management Company is a public limited company established in the Republic of Estonia (date on incorporation January 14<sup>th</sup> 1998, registered in the register division of the Harju County Court with register number 10394655). The Management Company holds a license No. F-4/0001 with an unlimited term issued by the Estonian Financial Supervisory Authority on August 27<sup>th</sup> 2002 for managing investment funds. The Management Company is supervised by the Estonian Financial Supervisory Authority. The Management Company AS Trigon Funds is owned 100% by AS Trigon Securities. The share capital of the company totals two million two thousand and two hundred (2,002,200) Estonian kroon. AS Trigon Funds manages the following investment funds: Trigon New Europe Value Fund, Trigon Baltic Fund, Trigon New Europe Small Cap Fund, Trigon Top Picks Fund, Trigon Emerging Financials Fund and Trigon Emerging Agri-Sector Fund.

### *Fond Managers*

Fund manager for Trigon Emerging Financials Fund is Heiti Riisberg.

Fund manager for Trigon Emerging Agri-Sector Fund is Heiti Riisberg.

### *The Supervisory Board of AS Trigon Funds*

**Joakim Johan Helenius** – member of the supervisory board. Mr Helenius is the founder and majority shareholder of Trigon Capital. After founding Trigon in 1994 he has been devoted to developing the firm and supervising its various divisions in their operations. In addition to his Trigon related responsibilities, Joakim Helenius has sat on the supervisory boards of many of the leading Baltic companies. Prior to founding Trigon, Mr Helenius spent 11 years in investment banking in global firms such as Goldman Sachs and Merrill Lynch. He has a BA and MA in economics from Cambridge University.

**Ülo Adamson** – member of the supervisory board. Mr. Adamson joined Trigon in 1999 and is currently the COO of Trigon Capital Group. He has participated in many restructuring, private equity and M&A projects related to Central and Eastern European companies. Ülo Adamson has studied in schools in Latvia and Sweden: BSc from the Stockholm School of Economics in Riga and MSc from the Stockholm School of Economics.

**Margus Lutsoja** – member of the supervisory board. Mr. Lutsoja is also CFO of Trigon Agri and has 15 years working experience in the field of finance and auditing. Mr. Lutsoja has MSc in Economics from Tallinn Technical University and agricultural economist's diploma from Estonian Agricultural University.

### *The Management Board of AS Trigon Funds*

**Mehis Raud** – member of the management board, fund manager. Mr Raud joined Trigon in 2003 and currently works as a fund manager in the company. Previously, he has been involved in Trigon as an equities and derivatives broker and a fundamental and technical analyst. Before joining Trigon he was employed in AS Eesti Ühispank. Mr Raud has graduated from the Department of Economics of the Tallinn Technical University.

**Heiti Riisberg** – member of the management board, fund manager Mr Riisberg joined Trigon Capital Alternative Investments team in 2005, focusing on monitoring and advising the investee companies in the portfolio as well as doing the screening for the potential new investment projects. Previously Heiti Riisberg worked as a senior audit consultant in PricewaterhouseCoopers Estonia (2002-2005), being the responsible team manager for leading Estonian companies. Mr Riisberg holds a degree in Economics and Finance from Stockholm School of Economics in Riga from 2002.

### ***Activities of the Management Company***

The Management Company has the right, in accordance to the Fund Rules, to dispose of and possess the assets of the Funds and has other rights disposing there from. The Management Company invests the assets of the Funds in its own name and on behalf of the unit-holders collectively, i.e. on behalf of the Funds. Upon investing the assets of the Funds the Management Company shall: obtain sufficient information on the assets which the Management Company intends to acquire or has acquired on behalf of the Funds; monitor the financial situation of the issuers whose securities the Management Company intends to acquire or has acquired on behalf of the Funds; obtain sufficient information with regard to the solvency of the persons with whom they transact on behalf of the Funds.

The Management Company shall manage the assets of the Funds separately from its own assets and from the assets of other funds and pools of assets managed by the Management Company. The assets of the Funds do not form a part of the bankruptcy estate of the Management Company and the claims of creditors of the Management Company shall not be satisfied out of such assets.

The Management Company has the right and obligation to submit a claim in its own name on behalf of the unit-holders or the Funds against the Depository or other persons if failure to submit such claim will result or may result in significant damage to the Funds or its unit-holders. The Management Company is not required to submit such claim if the Funds or unit-holders have already submitted a claim. The Management Company shall be liable for damage caused to the Funds or unit-holders due to violation of its obligations. However, the Management Company is not guaranteeing positive return to the unit-holders on their investments into the Fund and therefore it shall not be held liable for losses resulting from negative performance of the Fund due to fluctuations of securities prices, interest rates, political changes and other risks as described in this Prospectus and in the simplified prospectuses of the Funds.

### ***Delegating the Activities of the Management Company***

The Management Company has the right to delegate to third parties for the purpose of better conduct of the Management Company's business the right to carry out on the Management Company's behalf the following functions related to managing the Funds pursuant to the Investment Funds Act: investing the Funds' assets; organising the issue and redemption of Units; if necessary issuing evidence of title to the unit-holders of the Funds; providing necessary information to the Funds' unit-holders and other customer services; organising the distribution of Units; keeping account of the Funds' assets and organising accounting; determining the Funds' net asset value; keeping the register of Units; accounting the Funds'; income; monitoring the compliance of the activities of the Management Company and the Funds with the Investment Funds Act and other legislation, including organising a relevant internal audit system; other functions related to the functions referred to. The Management Company's liability related to managing the Funds shall not be affected by the fact that the Management Company delegated any functions to third parties.

The Management Company has delegated the function of keeping the register of Units. The register of Trigon Units is kept by the keeper of the Estonian central register of securities, AS Eesti Väärtpaberikeskus, with the registered office at Tartu mnt. 2, 14th floor, Tallinn 10145, Estonia, register code 10111982. The Estonian Central Register of Securities Act is applied to registering Units. AS Eesti Väärtpaberikeskus is supervised by the Financial Supervisory Authority of the Republic of Estonia. The register of eQ Units is kept by Swedbank AS, with the registered office at Liivalaia 8, Tallinn 15040, Estonia, register code 10060701. The agreement on keeping the register of Units entered into between the Management Company and Swedbank AS shall be applied to registering the Units. Swedbank AS is supervised by the Financial Supervisory Authority of the Republic of Estonia. Swedbank AS is a licensed credit institution and it provides various services relevant to a credit institution.

Additionally, the Management Company has outsourced the accounting of the Funds' assets, co-ordinating the accounting function and calculating the Funds' net asset value to Swedbank AS, with the registered office at Liivalaia 8, Tallinn 15040, Estonia, register code 10060701. The agreement entered into between Swedbank AS and the Management Company, the procedure for calculating the Funds' NAV and the legislation shall be applied to outsourcing these functions. Swedbank AS is supervised by the Financial Supervisory Authority of the Republic of Estonia.

## **Depository**

The Depository of the Funds is Swedbank AS, with the registered office at Liivalaia 8, 15040, Tallinn, the Republic of Estonia. The Depository was incorporated on January 6<sup>th</sup> 1992 and it is registered in the register division of the Harju County Court with register number 10060701. Swedbank AS is an authorised credit institution and it offers various financial investment services. The Depository is supervised by the Financial Supervisory Authority of the Republic of Estonia.

### ***Activities of the Depository***

The Depository shall safe-keep the assets of the Funds and carry out other duties entrusted to it by legislation. The Depository has the right, in accordance with the policies provided for in the depositary agreement, to enter into agreements for delegating to third parties the safekeeping of the Funds' assets, performing settlements therewith and fulfilling other functions. The Depository shall choose the third parties safe-keeping the Funds' assets or securities with due care to secure the reliability of such third parties. The Depository shall assess before and following the delegation of its functions if the standards of administration and technological solutions and the financial situation of a third party are sufficient for performing the contractual obligations.

The Depository is liable upon violation of its obligations for direct damages caused thereby to the Funds, to unit-holders or the Management Company.

## **Auditor**

The auditor of the Management Company and of the Funds is AS PricewaterhouseCoopers, Pärnu mnt. 15, Tallinn 10141, the Republic of Estonia.

Members of the Management Board of the Management Company:

Mehis Raud

Heiti Rüsberg