

**Overview**

Trigon Active Alpha Fund takes significant minority positions in listed CEE companies, including those in Russia, Turkey, and Ukraine, and then actively promotes changes that maximize shareholder value in the core holdings. **The Fund returned 43.7% in 2010 and 101.4% in 2009.**

The Fund's operations are based on a rigorous analytical process that aims to identify and target companies that show high realizable levels of hidden value. The Fund aims to realize this hidden value and the share price potential of the core holdings through promoting its Active Ownership Strategies to the core holdings' managements and through other channels. This value may stem from many different sources: e.g. takeover potential, group restructuring potential, non-core real estate holdings, margin improvement potential, excessive working capital, etc. In addition, the very low or even zero indebtedness of many CEE companies offers major ROE enhancement opportunities for the activist investor.

**Fund size:** €12.2 mil  
**Positions:** 8  
**UCITS III:** No  
**Auditor:** PwC  
**Dealing:** Daily\* (EUR)  
**Domicile:** Estonia  
**Launch:** Feb 13, 2007

**Portfolio Managers' Comments**

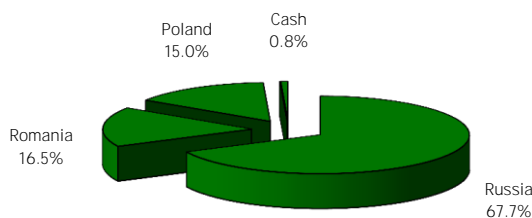
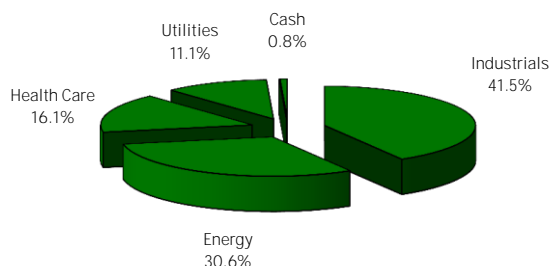
Trigon Active Alpha Fund retreated 15.5% in September, while MSCI EM Europe lost 12.7% during the month (in euro terms). The Fund was heavily affected by the decline of the Russian stock market, which underperformed other larger markets.

The stakes in our core holdings as at September 30, 2011 were as follows: Fondul Proprietatea 16.5%, Power Machines 16.5%, Veropharm 16.1%, Impel 15.0%, OAO Fortum 11.1%, Ulan-Ude Aviation 10.0%, Mashinostroitelny Zavod 8.0%, and Bashneft 6.0%. We have continued to keep our currency exposure open in the portfolio.

Our top pick, Fondul Proprietatea, announced in September that the government has decreased its holding in the fund to 7.6% (including 2.7% of unpaid shares). The share overhang has decreased significantly as in the beginning of the year the government held around 40% of Fondul Proprietatea's share capital. Furthermore, an American hedge fund known for its aggressive activism increased its holding to 6.6%, a testimony of increased international interest in the Romanian restitution fund.

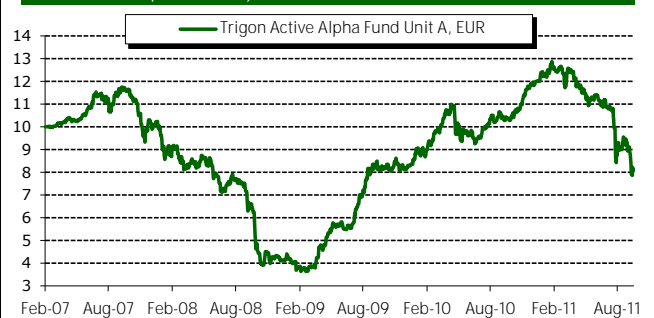
Power Machines reported excellent 2011 half year results with a 22% YOY increase in sales. Thanks to cost cutting and efficiency gains the increase in EBITDA was 34% YOY; the net margin improved by 2 percentage points to 16%. In September the majority owner of Power Machines was cleared by the Federal Anti-Monopoly Service to fully acquire the 29.7% of the company that it does not own. As mentioned in our previous monthly report, the largest minority shareholder Siemens AG has already agreed to sell its 25% stake in the company.

Based on end of month data the Fund is trading at a weighted average 2011 P/E of 5.1x and 1.1x P/B (latest). The net profits of portfolio companies are expected to grow at a rate of 37% (weighted average) in 2011.

**Geographic allocation**

**Sector allocation**


Issued by Trigon Capital. Funds are supervised by the Estonian Financial Supervision Authority.

**Disclaimer:** Past fund performance is not a guarantee of fund results in the future. The unit price of the fund and income therefrom can increase as well as decrease. Investors may not get back the full amount invested. Risk factors are described in further detail in the prospectus of the fund. Please refer to the disclaimer information at the end of this document for further detail.

**Performance (net of fees)**


	Unit A	Unit D	Benchmark**
<b>30-Sep-11</b>			
Year-to-Date	-32.8%	n/a	-24.0%
1 month	-15.5%	-15.5%	-12.7%
3 months	-26.1%	-	-23.9%
6 months	-35.4%	-	-28.1%
1 year	-22.5%	-	-16.1%
2 years	-0.9%	-	5.6%
3 years	25.4%	-	-7.4%
5 years	-	-	-
Since launch	-19.3%	-15.5%	-31.8%
Launch of unit	Feb-07	Aug-11	Feb-07

Fund Details	Unit A	Unit D
<b>NAV in EUR</b>	<b>8.07</b>	<b>8.45</b>
12 months High	12.88	10.00
12 months Low	7.86	8.23
Management fee, annual	Up to 2%	Up to 2%
Incentive fee	20% of return that exceeds 12m Euribor	20% of returns exceeding the Benchmark*
Subscription fee***	n/a	Up to 1%
Redemption fee	Up to 2%	Up to 2%
Stock code/ISIN	EE3500088242	EE3600109351
Bloomberg code	TRALCF ET	TRALCD ET
Minimum subscription	n/a	n/a
Turnover, EUR (12 months)	10%	
Sharpe ratio	-0.97	
Daily volatility (1year)	21.0%	

**Holdings**

Company	Weight	Country	Sector
Fondul Proprietatea	16.5%	Romania	Energy
Power Machines	16.5%	Russia	Industrials
Veropharm	16.1%	Russia	Health Care
Impel	15.0%	Poland	Industrials
Fortum	11.1%	Russia	Utilities
Ulan-Ude Aviation	10.0%	Russia	Industrials
Mashinostroitelny Zavod	8.0%	Russia	Energy
Bashneft	6.0%	Russia	Energy

\* Daily subscription and monthly redemption.

\*\* Benchmark Index: MSCI Emerging Markets Europe Daily Net TR EUR

\*\*\*D units can be subscribed to as of August 8th, 2011. Calculation of the performance fee has commenced after the launch of D unit at a nominal price of 10 EUR per share. As of April 6th, 2009 it is not possible to subscribe to A units.

The Fund units are held in electronic form with OMX Exchanges. NAV movements can be followed in: Bloomberg, Telerate, Telekurs, OMX, Wall Street Journal Europe, www.morningstar.fi, www.trigoncapital.com



## Trigon Active Alpha Fund

## AS Trigon Alternative Funds | September 2011

**Monthly Performance (Unit A)**

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual	
2011	2.9%	2.0%	-1.0%	-5.1%	-4.7%	-3.2%	-2.0%	-10.8%	-15.5%				-32.8%	YTD
2010	8.0%	3.0%	10.1%	6.4%	-9.3%	-4.3%	5.2%	3.3%	1.5%	2.5%	10.5%	1.9%	43.7%	Full year
2009	-3.5%	-5.4%	4.6%	30.0%	9.4%	-0.5%	18.4%	23.2%	-0.3%	0.5%	1.0%	2.1%	101.4%	Full year
2008	-12.5%	-1.2%	-7.3%	1.6%	3.9%	-12.9%	2.9%	-2.1%	-15.0%	-39.2%	9.2%	-2.9%	-59.4%	Full year
2007	-	0.0%	1.7%	0.7%	2.3%	6.0%	2.2%	0.5%	2.9%	-4.3%	-11.5%	2.8%		

\*Performance net of fees

**Risk Management Report (Unit A)**

	1M	3M	6M	1Y	2Y
Volatility (daily)	35.1%	34.3%	26.2%	21.0%	19.3%
Volatility (monthly)				23.6%	21.9%

**Downside Risk Analysis**

Negative months / total	26/58	45%
Worst calendar month	-39.2%	
Worst calendar quarter	-35.6%	

**Upside Risk Analysis**

Positive months / total	32/58	55%
Best calendar month	30.0%	
Best calendar quarter	45.5%	

**Market Cap Allocation**

Micro Cap (up to 150m EUR)	15.0%
Small Cap I (150 - 500m EUR)	34.1%
Small Cap II (500m - 1bn EUR)	11.1%
Mid Cap (1 - 3bn EUR)	33.0%
Blue Chip (more than 3bn EUR)	6.0%
Cash and FX Hedges	0.8%

**Monthly Return Contribution Analysis**

Romania	-1.00%	Energy	-1.24%
Poland	-3.17%	Utilities	-2.53%
Russia	-11.33%	Health Care	-3.08%
		Industrials	-8.65%

Total return net of fees -15.50%

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**Geographic Allocation**

	Sep-11	Mar-11	Sep-10
Russia	67.7%	62.0%	52.6%
Romania	16.5%	14.4%	15.2%
Poland	15.0%	18.3%	17.7%
Turkey	-	4.0%	13.9%
Cash	0.8%	1.3%	0.6%

**Sector Allocation**

	Sep-11	Mar-11	Sep-10
Industrials	41.5%	43.9%	34.8%
Energy	30.6%	12.7%	6.9%
Health Care	16.1%	19.3%	29.5%
Utilities	11.1%	8.5%	15.2%
Financials	-	14.4%	-
Materials	-	-	13.0%
Cash	0.8%	1.3%	0.6%

**Performance (net of fees)**

30-Sep-11	Unit A	Unit B	Unit D
Year-to-Date	-32.8%	-32.8%	n/a
1 month	-15.5%	-15.5%	-15.5%
3 months	-26.1%	-26.1%	-
6 months	-35.4%	-35.4%	-
1 year	-22.5%	-23.8%	-
2 years	-0.9%	-	-
3 years	25.4%	-	-
5 years	-	-	-
Since launch	-19.3%	33.5%	-15.5%
Launch of unit	Feb-07	Apr-07	Aug-11

B units can be subscribed to as of April 6th, 2009. Calculation of the performance fee has commenced after the launch of B unit at a nominal price of 100 EUR per share. As of April 6th, 2009 it is not possible to subscribe to A units.