

Trigon Balkan Fund
AS Trigon Funds | January 2012
Overview

Trigon Balkan Fund invests in listed equity securities within Turkey and Southeast Europe. These countries have strong convergence potential with Western Europe. Many of them joined the European Union in 2007 or were selected as European Union candidate countries that are expected to join the union in the next accession wave. The Fund is currently weighted approximately 84% toward Turkey, a country with rapid growth, low household debt, and highly-positive, long-term demographic trends.

The Fund's investment style is active management and stock-picking to identify attractively-valued equities. Trigon's investment team visits the companies in which the Fund invests, with preference toward undervalued stocks with solid growth potential and high dividend yield.

FUND FACTS

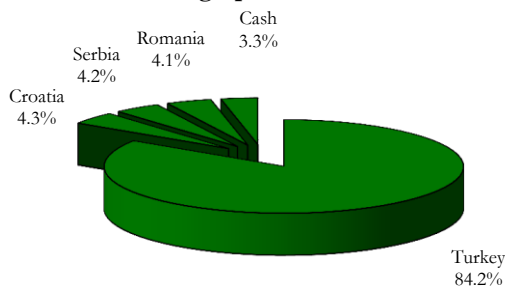
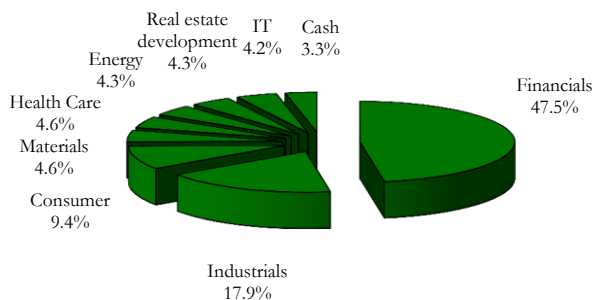
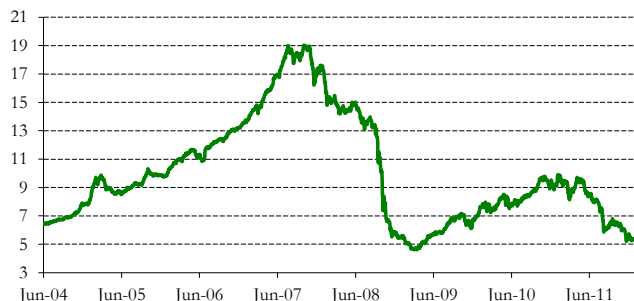
Fund size:	€6.0 mil
Positions:	19
UCITS III:	Yes
Auditor:	PwC
Dealing:	Daily (EUR)
Domicile:	Estonia
Launch:	June 7, 2004

Portfolio Manager's Comments

Trigon Balkan Fund rallied 12% in January. The Fund trades at 0.9x P/B and 7.1x 2012 expected earnings.

As we predicted at the end of 2011, sentiment towards Turkey can change quite dramatically. From last year's extremely negative sentiment on Turkish currency and equities, the sentiment turned much more bullish amid the overall reduction in risk aversion in January. The Turkish lira appreciated 5.6% against the euro, making up for a large part of its 16% decline last year.

Despite the sharp rally in January we believe the Turkish market continues to offer interesting long-term investment opportunities at attractive valuations. The Fund has exposure to companies that are market leaders in leasing, insurance, pharmaceuticals wholesale, cement production, tiles manufacturing, logistics etc. that are traded at single digit earnings multiples and below book values. As we see a lot of potential in Turkey's young and dynamic population and its strategically important location between Western Europe and the Middle-east, we are of the opinion that Turkey will remain an investor focus through 2012.

Geographic allocation

Sector allocation

Performance - Unit A (net of fees)
EUR


31-Jan-12	Unit A	Unit C	Benchmark*
Year-to-Date	12.0%	12.0%	17.3%
1 month	12.0%	12.0%	17.3%
3 months	0.3%	0.3%	8.1%
6 months	-19.7%	-19.7%	-3.4%
1 year	-33.8%	-33.8%	-14.6%
2 years	-22.3%	-25.2%	-6.6%
3 years	18.6%	-	100.1%
5 years	-57.5%	-	9.8%
Since launch	-5.6%	5.1%	n/a*
Launch of unit	Jun-04	Apr-09	Jun-04

Fund Details	Unit A	Unit C
NAV in EUR	6.03	10.51
12 months High	9.89	17.11
12 months Low	5.21	9.07
Management fee, annual	Up to 2%	Up to 2%
Incentive fee	none	none
Subscription fee**	n/a	Up to 2%
Redemption fee	Up to 1.5%	Up to 1.5%
Stock code/ISIN	EE3600072419	EE3600102364
Bloomberg code	TRIWAVE ET	TRBALKC ET
Minimum subscription	n/a	none
Turnover, EUR (12 months)	80%	
Sharpe ratio	-1.19	
Daily volatility (1year)	25.9%	

10 Largest Holdings

Company	Weight	Country	Sector
Is Finansal Kiralama	8.9%	Turkey	Financials
Ege Seramik Sanayi	8.2%	Turkey	Industrials
Albaraka	8.0%	Turkey	Financials
Halkbank	7.5%	Turkey	Financials
Isgyo	6.5%	Turkey	Financials
Arcelik	4.8%	Turkey	Consumer Discr.
Vestel Beyaz	4.6%	Turkey	Consumer Discr.
Anadolu Sigorta	4.6%	Turkey	Financials
Cimsa Cimento Sanayi	4.6%	Turkey	Materials
Reysas	4.6%	Turkey	Industrials

* The benchmark index, Istanbul Stock Exchange National 100 (ISE 100), is only applicable as of the Fund's strategy change and subsequent asset reallocation carried out in August, 2009.

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

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.

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

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Monthly Performance (Unit A)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Annual	
2012	12.0%												12.0%	YTD
2011	0.1%	-6.1%	6.5%	4.5%	-10.4%	-5.8%	-6.6%	-16.4%	5.1%	-8.9%	-6.8%	-4.0%	-40.9%	Full year
2010	7.6%	-6.1%	7.1%	8.4%	-9.1%	2.4%	4.5%	2.9%	6.4%	5.3%	-3.7%	-0.4%	26.2%	Full year
2009	-6.5%	-7.6%	1.5%	10.8%	8.1%	2.5%	5.6%	10.6%	2.1%	-5.8%	-6.5%	17.3%	32.6%	Full year
2008	-13.7%	-0.1%	-4.2%	-0.6%	3.9%	-7.1%	-1.4%	-3.0%	-23.5%	-34.9%	-11.2%	-7.7%	-69.0%	Full year
2007	4.8%	2.1%	5.3%	4.0%	6.4%	5.9%	4.7%	-1.4%	0.3%	2.3%	-10.4%	3.3%	29.6%	Full year
2006	8.1%	3.1%	3.9%	1.6%	-3.0%	3.9%	3.3%	1.8%	1.7%	4.4%	0.9%	2.9%	36.9%	Full year
2005	21.1%	3.8%	-10.1%	-3.3%	0.1%	4.8%	1.7%	3.1%	5.9%	-1%	0.2%	32.6%	25.9%	Full year
2004	-	-	-	-	-	2.3%	1.8%	1.5%	2.6%	4.4%	8.4%	0.2%		

*Performance net of fees

Risk Management Report (Unit A)

	1M	3M	6M	1Y	2Y
Volatility (daily)	18.3%	24.9%	29.8%	25.9%	23.4%
Volatility (monthly)				28.6%	25.1%

Downside Risk Analysis

Negative months / total	33/92	36%
Worst calendar month	-34.9%	
Worst calendar quarter	-46.6%	

Upside Risk Analysis

Positive months / total	59/92	64%
Best calendar month	32.6%	
Best calendar quarter	22.7%	

Market Cap Allocation

Micro Cap (up to 150m EUR)	34.1%
Small Cap I (150 - 500m EUR)	37.2%
Small Cap II (500m - 1bn EUR)	4.4%
Mid Cap (1 - 3bn EUR)	4.8%
Blue Chip (more than 3bn EUR)	16.3%

Monthly Return Contribution Analysis

Turkey	11.68%	Financials	6.05%
Serbia	0.31%	Consumer	1.88%
Romania	0.05%	Industrials	1.88%
Croatia	0.00%	Health Care	0.94%
Bulgaria	0.00%	Materials	0.84%
		Energy	0.29%
		IT	0.17%
		Real Estate	0.00%
<i>Total return net of fees</i>	<i>12.05%</i>		<i>12.05%</i>

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Geographic Allocation

	Jan-12	Jul-11	Jan-11
Turkey	84.2%	72.4%	74.7%
Croatia	4.3%	5.1%	3.9%
Serbia	4.2%	6.1%	2.5%
Romania	4.1%	3.3%	5.1%
Bulgaria	-	7.6%	9.9%
Cash	3.3%	5.5%	3.8%

Sector Allocation

	Jan-12	Jul-11	Jan-11
Financials	47.5%	45.3%	25.0%
Industrials	17.9%	19.3%	7.1%
Consumer	9.4%	15.2%	21.1%
Materials	4.6%	4.7%	19.1%
Health Care	4.6%	-	-
Energy	4.3%	-	-
Real Estate	4.3%	6.2%	21.0%
IT	4.2%	3.9%	-
Other	-	-	3.0%
Cash	3.3%	5.5%	3.8%

Performance (net of fees)

31-Jan-12	Unit A	Unit B	Unit C
Year-to-Date	12.0%	12.1%	12.0%
1 month	12.0%	12.1%	12.0%
3 months	0.3%	0.5%	0.3%
6 months	-19.7%	-19.4%	-19.7%
1 year	-33.8%	-33.3%	-33.8%
2 years	-22.3%	-21.0%	-25.2%
3 years	18.6%	21.3%	-
5 years	-57.5%	-	-
Since launch	-5.6%	-46.7%	5.1%
Launch of unit	Jun-04	Aug-06	Apr-09

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