



Trigon Emerging Agri-Sector Fund
Monthly Update - August 2010

Portfolio Manager's Comment / Heiti Riisberg

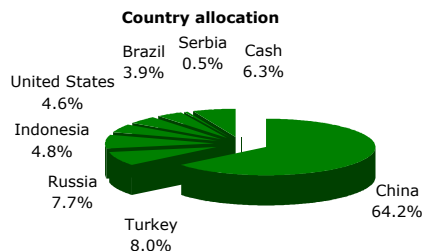
Trigon Emerging Agri-Sector Fund retreated 3.1% in August as the markets saw significant volatility in soft commodities and agri companies. YTD the Fund has gained 3.3%.

The main headlines in the agri sector were the drought in Russia and Ukraine, which resulted in Russia's grain export ban and soaring world market prices, especially for wheat. While there are some opinions that the world might be facing another food crisis similar to 2007-2008, we believe that the current soft commodity inventory levels are more than sufficient to avoid this scenario. Although Russia's harvest was badly affected, the total impact on world's wheat output for ongoing season was only in a magnitude of 3%. Overall, we believe that the wheat price has clearly overreacted as the Russian export ban left some traders with naked positions, which they rushed to cover at any cost. Most of this has now been sorted out and this should allow for a stabilisation of wheat price.

We have also seen a lot of volatility and overreaction in Chinese primary producers' share price movements, mostly driven by retail investors. In August, one of our top picks, Chaoda, announced expansion plans, which would double the harvested land in next two years. In order to finance the expansion, the company also issued new equity (4% dilution) and convertible bonds. Overall, we saw this as very good news as the company has clearly demonstrated its ability to grow profitably across the country. The share price reacted with 18% decline, which we view as completely unwarranted and which we used to increase our holding in the company. Chaoda currently trades at around P/E of 4 and P/B of 0.9. Its 5 year CAGR of net profit stands at 32%. Another Chinese primary producer and processor China Green delayed its results press conference by one working day as the auditors could not deliver the opinion by expected date. The share price declined 40% in a single day despite the Management's confirmation that the business was as usual. The following day the company published excellent audited results (+25% in both top and bottom line) and the share price rallied over 30%. Again, we used the sell-off to overweight China Green in our portfolio and we were very pleased with both the results and company's outlook.

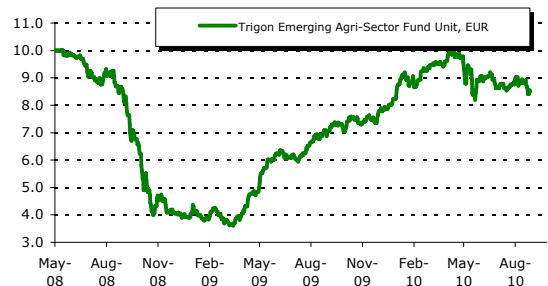
Overall, we are pleased with the Q2 results of our holding companies and we continue to believe that despite the recent volatility in the price performance, the companies offer an excellent long-term growth potential. The 5 year CAGR of revenues of our portfolio companies stands at an impressive 34% while the net profits have grown 37% per annum on average.

Looking forward, we believe that the companies with very solid fundamentals coupled with their excellent growth prospects and current cheap valuations are exactly the kind of risk-reward ratio investors should be looking for in today's environment; and we continue to position ourselves accordingly. Our portfolio companies currently trade at an average P/E (2010E) of 7.7 and P/B of 1.5.



Issued by Trigon Capital. Funds authorized and regulated by Estonian Financial Supervision Authority.

Disclaimer: Past performance of the fund is not a guarantee of future results of the fund. The unit price of the fund and income there from can go down as well as up. Investors may not get back the full amount invested. The risk factors are described in further detail in the prospectus of the fund.



Investment objectives

The Trigon Emerging Agri Sector Fund is a long-only equity fund that invests in agri sector and related companies in the global emerging markets.

The Fund is open daily and it is UCITS compliant. The Fund does not track any index and it invests only in equities (i.e. it excludes agri sector commodities and derivatives). The geographical asset allocation is at the Fund Manager's discretion. The main focus is on those emerging countries where agriculture is expected to develop and/or change very significantly due to ongoing trends in the sector.

Performance 31.08.2010	Unit A	Unit C
Year-to-Date	3.3%	0.2%
1 month	-3.1%	-3.1%
3 months	-4.8%	-4.7%
6 months	-8.2%	-9.0%
1 year	20.0%	12.8%
Since launch (May-08)	-15.0%	62.3%
Launch of units	May-08	Apr-09

*Performance net of fees

Fund information	31-Aug-10
Management company	AS Trigon Funds
Fund launch	May 5th, 2008
Domicile	Estonia
Fund auditor	PricewaterhouseCoopers
Public marketing	Estonia, Finland, Sweden
Dealing	Daily (16.00 CET)
Fund size, EUR m	14.9
Number of positions	21

NAV in EUR	Unit A	Unit C
12 months High	8.50	162.29
12 months Low	9.99	189.60
Management fee, annual	6.88	139.75
Incentive fee	2.0%	2.0%
	20% of return that exceeds 5% p.a	20% of return that exceeds 5% p.a*
Subscription fee*	n/a	1.0%
Redemption fee	2.0%	2.0%
Stock code/ISIN	EE3600093993	EE3600102398
Bloomberg code	TRIAGSF ET	TREMASC ET
Minimum subscription	n/a	none

* C units can be subscribed as of 6th of April 2009 and calculation of performance fee has commenced after launch of C unit with nominal 100 EUR. As of 6th of April 2009 it is not possible to subscribe 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



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Monthly performance (Unit A)

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2010	7.0%	5.2%	2.2%	2.6%	-8.1%	-1.9%	0.2%	-3.1%				
2009	-0.5%	-0.8%	0.3%	24.5%	24.2%	1.0%	7.4%	8.6%	2.1%	1.7%	-0.2%	12.1%
2008					-1.0%	-4.2%	-4.6%	-4.1%	-23.6%	-34.7%	-3.0%	-6.4%

*Performance net of fees

Risk Management report (Unit A)

	1M	3M	6M	1Y	2Y
Volatility (daily)	11.4%	28.1%	22.0%	19.7%	28.2%
Volatility (monthly)				18.2%	42.4%
Turnover (12m)	43%				

Downside Risk Analysis

Negative months / total	14/28	50%
Worst calendar month	-23.6%	
Worst calendar quarter	-44.1%	

Upside Risk Analysis

Positive months / total	14/28	50%
Best calendar month	24.5%	
Best calendar quarter	49.8%	

Market Cap allocation

Micro Cap (up to 150 mio EUR)	20.0%
Small Cap I (150 - 500 mio EUR)	28.1%
Small Cap II (500 mio - 1bn EUR)	22.8%
Mid Cap (1 - 3 bn EUR)	12.9%
Blue Chip (more than 3 bn EUR)	9.9%
Others	0.0%

Monthly Return Contribution Analysis

China	-3.75%
Indonesia	-0.17%
United States	0.46%
Brazil	-0.14%
Russia	0.07%
Turkey	0.35%
Poland	0.00%
Serbia	0.09%
Other	0.00%

Total return net of fees -3.09%

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Geographic allocation

	Aug-10	Feb-10	Aug-09
China	64.2%	42.7%	45.8%
United States	4.6%	7.0%	7.2%
Ukraine			3.8%
Brazil	3.9%	7.3%	4.1%
Other		1.8%	2.9%
Russia	7.7%	14.2%	13.8%
Turkey	8.0%	6.8%	4.6%
Poland		10.1%	9.6%
Serbia	0.5%	0.0%	0.0%
Indonesia	4.8%		0.0%
Cash	6.3%	10.2%	8.1%

10 largest holdings

Asian Bamboo	10.1%	China
Asian Citrus	9.9%	China
Hq Sustainable Maritime	8.8%	China
Chaoda Modern Agriculture	8.3%	China
China Green	7.7%	China
Cherkizovo Group	5.0%	Russia
Bagfas Bandirma Gubre Fabrik	4.9%	Turkey
Japfa Comfeed Indones	4.8%	Indonesia
Bunge Limited	4.6%	United States
China Animal Healthcare	4.4%	China