

Trigon Emerging Financials Fund
Monthly Update - August 2010

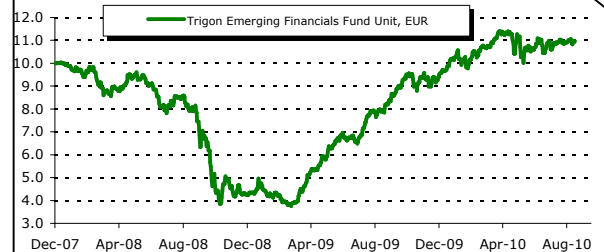
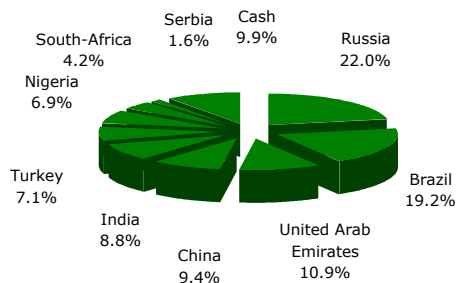
Portfolio Managers' Comment / Jelena Fedotova

Negative mood has continued in August on the fear of the recovery slowdown. While EM Financials Index has shown minor decline of 0.3% in EUR terms, MSCI World Financials Index has dropped 4% as banks remained under selling pressure. The Fund has gained +0.23% for the month and its YTD performance remains in line with MSCI EM Index with 10.9% versus 10.7%.

In August we have made some changes to the portfolio excluding Bank of Saint Petersburg (STBK) and adding Bank Vozrozhdenie (VZRZ). We believe that the 2H2010 will have a clear catalyst for VZRZ as its NIM starts to recover from a low base. Also due to the conservative guidance by the management in the beginning of the year, most of the analysts are negative on VZRZ, and we believe it could outpace analysts' expectations. On the contrary, we think the market is overly optimistic on STBK and it will be hard for the bank to beat or even reach market's anticipations. STBK is the best performing Russian bank YTD and we think it is right time to switch to VZRZ that has lagged. In addition, we have sold our positions in Turkish Garanti Bank and HalkBank as we could see market sentiment change due to possible sharp earnings contraction in Q3.

We have increased our positions in the Nigerian banks, namely Access Bank which is operating through a network of 131 branches and is one of the largest banks in Nigeria. The bank is well capitalized with CAR of 28% and trading at 4xP/E 2011 and trailing 0.7xP/B.

Country allocation



Investment objectives

Trigon Emerging Financials Fund is a long-only equity fund which focuses on a limited number of carefully selected banks and other companies in financial services sector in the global emerging markets.

The fund is open daily and it is UCITS compliant. The fund does not follow any particular index and the stock selection is made irrespective of any index's geographical allocation or company contents. Trigon specializes in under-researched small and mid-cap banks that are relatively unknown to mainstream analysts and fund managers. The Fund focuses on countries where banking penetration is currently low, but where long-term GDP growth is stimulating the demand for financial services.

Performance 31.08.2010	Unit A	Unit C
Year-to-Date	10.9%	10.5%
1 month	0.2%	0.2%
3 months	2.9%	2.9%
6 months	6.0%	6.0%
1 year	39.2%	32.0%
Since launch	9.6%	82.5%
Launch of unit	Dec-07	Apr-09

Fund information	31-Aug-10
Management company	AS Trigon Funds
Fund launch	December 17th, 2007
Domicile	Estonia
Fund auditor	PricewaterhouseCoopers
Public marketing	Estonia, Finland, Sweden
Dealing	Daily (16.00 CET)
Fund size, EUR m	15.9
Number of positions	20

	Unit A	Unit C
NAV in EUR	10.96	182.49
12 months High	11.40	189.84
12 months Low	7.84	137.59
Management fee, annual	2.0%	2.0%
Incentive fee	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	EE3600094009	EE3600102406
Bloomberg code	TREMFIF ET	TREMFIC ET
Minimum subscription	n/a	none

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.

* 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, Telexkurs, 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	Sept	Oct	Nov	Dec
2010	2.3%	2.4%	6.8%	2.3%	-5.7%	1.1%	1.5%	0.2%				
2009	-4.1%	-7.4%	12.7%	25.4%	16.7%	4.6%	13.7%	2.7%	14.1%	0.9%	-1.0%	10.0%
2008	-3.4%	-0.4%	-10.9%	7.5%	3.1%	-10.2%	0.7%	-6.4%	-18.0%	-28.3%	-1.1%	-5.6%
2007												-0.1%

*Performance net of fees

Risk Management report

	1M	3M	6M	1Y	2Y
Volatility (daily)	16.9%	26.0%	20.5%	19.8%	31.2%
Volatility (monthly)				17.7%	38.9%
Turnover (12m)	35%				

Downside Risk Analysis

Negative months / total	14/33	42%
Worst calendar month	-28.3%	
Worst calendar quarter	-35.0%	

Upside Risk Analysis

Positive months / total	19/33	58%
Best calendar month	25.4%	
Best calendar quarter	46.7%	

Market Cap allocation

Micro Cap (up to 150 mio EUR)	0.0%
Small Cap I (150 - 500 mio EUR)	28.4%
Small Cap II (500 mio - 1bn EUR)	15.8%
Mid Cap (1 - 3 bn EUR)	5.0%
Blue Chip (more than 3 bn EUR)	40.9%
Others	0.0%

Monthly Return Contribution Analysis

Turkey	-0.18%
Nigeria	-0.13%
Brazil	0.49%
Russia	0.23%
India	0.09%
China	-0.06%
United Arab Emirates	0.02%
South-Africa	-0.20%
Serbia	-0.01%

Total return net of fees 0.2%

Geographic allocation

	Aug-10	Feb-10	Aug-09
China	9.4%	9.6%	11.7%
South-Africa	4.2%	4.8%	2.5%
Nigeria	6.9%		
Russia	22.0%	26.5%	21.8%
Turkey	7.1%	18.1%	16.6%
Brazil	19.2%	21.1%	20.7%
India	8.8%	10.4%	12.2%
United Arab Emirates	10.9%	5.4%	7.4%
Serbia	1.6%	0.0%	0.0%
Cash	9.9%	4.1%	7.2%

10 largest holdings

Banco Abc Brazil	9.8%	Brazil
Bank Vozrozhdenie	9.4%	Russia
First Gulf Bank	7.0%	United Arab Emirates
Sberbank-Cls	6.9%	Russia
Bank Asya	5.0%	Turkey
Banco Daycoval	4.9%	Brazil
Banco Panamericano Sa	4.6%	Brazil
South Indian Bank	4.5%	India
Federal Bank Limited	4.3%	India
Standard Bank	4.2%	South-Africa

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