

# Your partner for investments in real assets in CE&SEE

## Investment objective and set up

- TRIGAL Alternative Investment Fund is structured as Luxembourg based SICAV-RAIF S.C.A and is AIFMD and Solvency II compliant.
- Trigal d.o.o. Ljubljana and KGAL GmbH & CO. KG, are initiators of the fund, whereby KGAL owns 50.1 % of Trigal d.o.o, and Zavarovalnica Triglav d.d., the leading Slovenian and Adria region insurance company, 49.9 %.
- TRIGAL's Fund investment objective is to achieve regular income and capital appreciation for Investors through investments into regional: (i) Real Estate, (ii) Infrastructure (Renewable Energy) and (iii) Private Equity.
- Our strategy and returns are great fit for conservative investors (pension funds, insurance companies, family offices) as we offer investments with low volatility and stable cash flow and higher yields than in Western Europe.
- The fund targets IRR of 6 - 8 % p.a. Current IRR is at 10.2%.

## Key terms

<b>Target equity volume</b>	EUR 75 - 150 million	<b>Legal form/Structure</b>	Luxembourg Reserved Alternative Investment Fund with variable capital (SICAV-RAIF S.C.A)
<b>Total commitments</b>	EUR 29.5 million	<b>AIFM Regulator</b>	Commission de Surveillance du Secteur Financier ("CSSF"), Luxembourg
<b>Initial closing</b>	31.10.2018	<b>Open/close ended</b>	Open- ended
<b>Leverage</b>	Max. 50 %	<b>Investment Advisor</b>	Trigal Investment Management and Advisory Services Ltd.
<b>Fund currency</b>	EUR	<b>Auditor</b>	Ernst & Young
<b>Investment period</b>	4 years, with one-year extension option	<b>AIFM</b>	Hauck & Aufhäuser Fund Services S.A.
<b>Target IRR1</b>	6 - 8 % p.a.	<b>General Partner</b>	Trigal Alternative Investment Fund GP S.à r.l.
<b>Target term</b>	10 years + 3 years extension		
<b>Transaction fees</b>	1.0 % p.a. on TIC ≤ EUR 20 million; 0.7 % p.a. on TIC > EUR 20 million		
<b>Management fees</b>	1.0 % p.a. on TIC ≤ EUR 20 million; 0.7 % p.a. on TIC > EUR 20 million		
<b>Carried Interest</b>	20 % of the amount by which the IRR exceeds the Hurdle Rate of 6 % p.a. 25 % of the amount by which the IRR exceeds the Hurdle Rate of 7 % p.a.		

## Investment strategy

Investments in the Fund will be managed with aim to provide institutional investors with a regional investment scope and offer a portfolio which goal is to generate a stable yield and sustainable recurring distribution of cash by targeting:

**Real Estate: Core/Core +** well located, cash producing assets with potential to increase value via active asset management

Selected **Renewable energy** projects

In SME segment "local champions", with the aim to transform them into "regional European champions"

## The asset classes



### REAL ESTATE

- Trigal will pursue a **defensive and innovative** regional real estate investment **strategy**, capitalizing on KGAL and Triglav Group's long-standing real estate expertise
- **Centrally** located assets in Ljubljana, Zagreb, Belgrade and other capital SEE cities
- **Multi-tenant** assets where active management that can deliver enhanced returns
- Intended returns between **6 – 8%** p.a.



### SMEs – MITTELSTAND

- Focus on SMEs in agribusiness, financial services, in-frastructure, IT, fintech, industry with technical know-how
- Product/concept that would benefit from the access to European market at large ("first" and "second" accelerator concept)
- Strategic shareholder input, enhanced governance and reporting – **Investment for the Future**
- Expected IRR above **10%** p.a.



### INFRASTRUCTURE – RENEWABLE ENERGY

- Commercial Infrastructure investments in C&SEE
- Wind power (offshore and onshore), solar infrastructure, hydro power, bioenergy, geothermal energy
- Supporting infrastructure (e.g. grids and storage)
- Core plus strategy with combination of greenfield and brownfield investments
- Expected IRR of **7-9%**.

## Investment criteria

### GEOGRAPHIC FOCUS

<b>Real Estate</b>	min. 50 % EU countries
<b>SMEs</b>	SCEE (Adriatic Region/former Yugoslavia)
<b>Infrastructure</b>	max. 75 % of the Compartment 2 Infrastructure portfolio NAV in Non-European countries

### STAGE FOCUS

<b>Real Estate</b>	max. 15 % in development projects
<b>SMEs</b>	n/a
<b>Infrastructure</b>	max. 75 % in development projects

### CONCENTRATION LIMITS

<b>Real Estate</b>	max. 10 % NAV single investment
<b>SMEs</b>	private equity portfolio max. 40 % NAV single largest exposure 15 % of NAV  * no investment shall be made into companies engaged in production of weapons, pornography or related to prostitution
<b>General</b>	investments outside EU max. 50 % NAV max. 30 % single country exposure

## Market environment

2018 and 2019 have shown to be challenging in the investment sense because bond and equity markets were suffering from geopolitical uncertainty (Brexit, US politics, EU approaching recession). Despite the expected slow-down, the global growth continued in 2019, but stopped in 2020 due to COVID-19 outbreak.

Further capital appreciation in equities and bonds now appears limited by their current high prices. Past decade and the current crisis confirmed that real estate, infrastructure and PE are traded for returns that are relatively isolated from swings in value of bonds and equities that are publicly traded.

**In the current market environment alternative asset classes show solid resilience.**

## KGAL group and Zavarovalnica Triglav d.d.



KGAL draws upon 50 years of experience in real asset investments, establishing the company as a respected asset management company in Europe.



Zavarovalnica Triglav d.d. has 120 years of experience in insurance business and is the leading insurance/financial group in Slovenia and Adria region.