



STK Emergent Monthly NAV report

January 2017

Fund profile: closed-end fund listed on the Bucharest Stock Exchange

Fund objectives: invested capital increase, a 25% return per year on the managed assets and a return higher than the BET market index (1.3 x return of the BET index), distributing dividends to investors of the profit made

Number of units fund in circulation: 609,753

CNVM notice: CSC08FIIR/120004 from 02/07/2008

Depository: BRD- GSG

1. Fund assets

	December 2016	January 2017
Unlisted shares	25,096,542	25,096,542
Tradeable shares portfolio	45,994,186	45,205,240
Shares	11,244,404	15,782,566
Cash	34,439,386	29,112,278
Collective undertakings titles	469,000	469,000
Other net assets	-158,604	-158,604
Other liabilities	160,789	176,490
Net assets	70,929,940	70,125,292
NAV per share	116.33	115.01

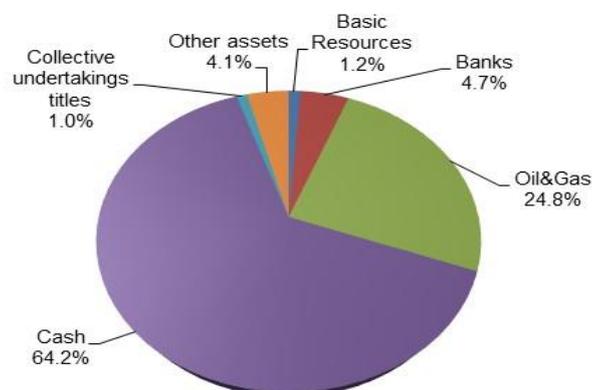
The trading portfolio of the fund comprising listed shares, cash, collective undertakings titles and other net assets, holds a share of 64.5% of the total net assets. At the end of the first month of 2017, listed shares represent 22.5% of the total net assets, while 35.8% of it is placed in unlisted shares.

Fund holdings are recorded using the reference price of the shares traded on the last day of the month, or the book value for unlisted companies.

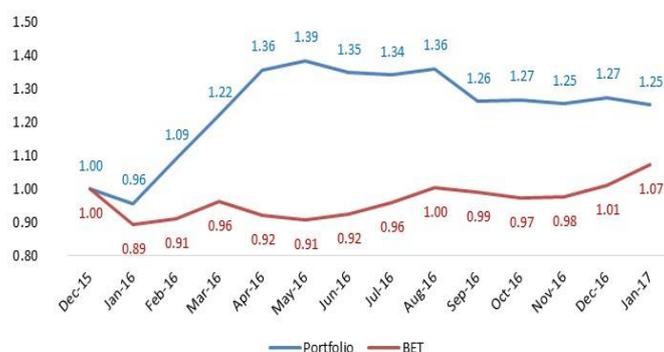
At the end of January, the trading portfolio of the fund is valued at about RON 45.2 million, *slightly down by 1.72%* from the value reported in the previous month, mainly due to the appreciation of 1.2% of the national currency against the sterling pound, because the majority of shares from portfolio are traded in pounds. At the same time, the BET index of the Bucharest Stock Exchange recorded an increase of 6.1% compared to the value at the end of December and the BET-FI index rose by 5.5%.

2. Stock portfolio

Tradeable portfolio holdings



Performance of tradeable portfolio and BET index



In the near future we expect the price of the crude oil to rise significantly as a result of the OPEC decision from the last year to reduce production starting with January 2017, which is why in January we slightly increased exposure in shares of companies from the oil&gas sector, their share of the trading portfolio reaching 24.8%.

The American capital market has a major influence on the world's stock exchanges and the S&P500 Index currently offers, in our opinion, a too small expected return compared to the larger risk of a correction due to the 9-year bull market and the upward trend of the USD interest rates. In this context, we expect a correction during the year and intend to hold liquidities to take advantage of it, so we keep cash 64.2% of the trading portfolio.

Past fund performance is no guarantee of future results!

Read the documents of incorporation before investing in this fund!



3. Changes in the NAV per share

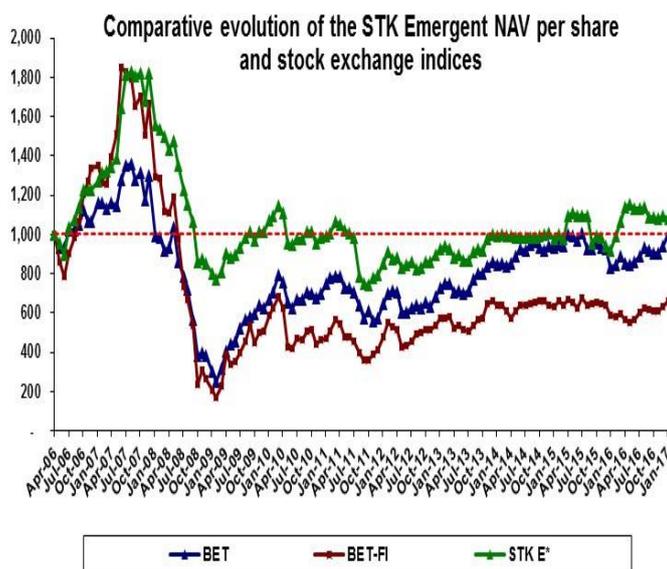
The net asset value per share decreased by 1.13% the last month

On January 31, 2017 the STK Emergent net asset value per share of RON 115.01 decreased by 1.13% compared to the net asset value per share at the end of the previous month.

Bucharest Stock Exchange represented by the BET index rose by 6.1% in January. Among the index components, the most positive were the energy companies as a result of the increased demand for electricity and natural gas and amid government decision to increase the dividend payout ratio to 90% for the state-owned companies. The most remarkable growth was recorded by SNN (25.7%), followed by FP (11.6%) and TEL (11.0%). At the same time, the shares of the Romanian banking sector fell (BRD: -3.4%, TLV: -1.1%).

BET-FI index of the financial sector has fared similar to the BET index, increasing by 5.5% in the same month. Of the SIFs, the highest growth was registered by SIF4 (8.8%), followed by SIF2 (5.1%), while SIF5 decreased by 0.4%.

Comparative chart of STK Emergent and the Bucharest Stock Exchange Indices between start-up and January 2017:



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From launch to the end of January, the net asset value per share registered a positive variation of 8.09%, outperforming the indices of the Bucharest Stock Exchange (BET-FI index has shrunk by 32.43%, while BET index slowly increased by 0.75%).

4. Performance of the world stock exchanges in January

January was characterized mainly by increases in equity markets

The first month of 2017 was an unfavorable one for the developed markets from Europe, maintaining, on average, the level from the end of the last year. Thus, while the stock exchanges from Austria and Germany, represented by ATX and DAX indices, brought modest gains to investors, ranging from 2.2% to 0.5%, the stock markets from France and Great Britain, represented by CAC40 and FTSE100 indices, decreased by 2.3% and 0.6%, respectively, in January.

The impulse given at the beginning of the month to the S&P500 index by the expansionist plans of the new President of the United States, Donald Trump, was attenuated by the slowdown in the economic growth in the last quarter. Therefore, compared to December, the S&P500 was up by 1.8%.

The emerging markets were the most positive in January, they recorded an average return of 3.4%. Investors who bet on shares listed on the Turkish stock exchange have enjoyed the highest return, +10.4%, but this increase is attributable to the depreciation of the Turkish lira by about 7% against the US dollar.

Index	Country	2014*	2015**	2016 ***	Jan -17****
ATX	Austria	-15.2%	11.0%	9.2%	2.2%
SOFIX	Bulgaria	6.2%	-11.7%	27.2%	2.7%
PX	Czech Republic	-4.3%	1.0%	-3.6%	1.2%
SSEC	China	52.9%	9.4%	-12.3%	1.8%
CAC40	France	-0.5%	8.5%	4.9%	-2.3%
FTSE	UK	-2.7%	-4.9%	14.4%	-0.6%
DAX	Germany	2.7%	9.6%	6.9%	0.5%
BSE SENSEX	India	29.9%	-5.0%	1.9%	3.9%
WIG 20	Poland	-3.5%	-19.7%	4.8%	5.6%
BET	Romania	9.1%	-1.1%	1.2%	6.1%
BET-FI	Romania	-3.2%	0.0%	-1.9%	5.5%
SP 500	USA	11.4%	-0.7%	9.5%	1.8%
BUX	Hungary	-10.4%	43.8%	33.8%	1.5%
MICEX	Russia	-7.1%	26.1%	26.8%	-0.7%
PFTS	Ukraine	28.7%	-37.8%	10.2%	1.9%
ISE 100	Turkey	26.4%	-16.3%	8.9%	10.4%

*return between 12/31/2013-12/31/2014

** return between 12/31/2014-12/31/2015

***r return between 12/31/2015-12/30/2016

****last month return: 12/30/2016-01/31/2017