



**STK Emergent  
Monthly NAV report**

**August 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**

|                                | July 2017         | August 2017       |
|--------------------------------|-------------------|-------------------|
| Unlisted shares                | 28,119,767        | 28,119,767        |
| Tradeable shares portfolio     | 36,497,263        | 35,236,697        |
| Shares                         | 28,159,262        | 27,060,649        |
| Cash                           | 7,899,912         | 7,757,007         |
| Collective undertakings titles | 540,000           | 580,000           |
| Other net assets               | -101,910          | -160,959          |
| Other liabilities              | 151,755           | 149,332           |
| Net assets                     | <b>64,465,276</b> | <b>63,207,132</b> |
| NAV per share                  | <b>105.72</b>     | <b>103.66</b>     |

At the end of August, listed shares represent 42.8% of the total net assets.

The category *Other net assets* includes the difference between the dividends and other rights receivable and dividends to be distributed by the Fund from the previous years.

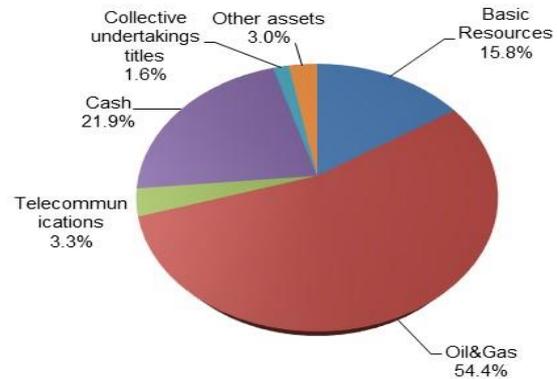
Fund holdings are recorded using the reference price of the shares traded on the last day of the month, or the book value for unlisted companies, adjusted for the fair value of these companies' assets.

Most of the tradeable portfolio is placed in stocks of the oil companies, about 54.4%, while 15.8% of the total traded portfolio is placed in the industrial metals sector and the cash component represents only 21.9% of the portfolio.

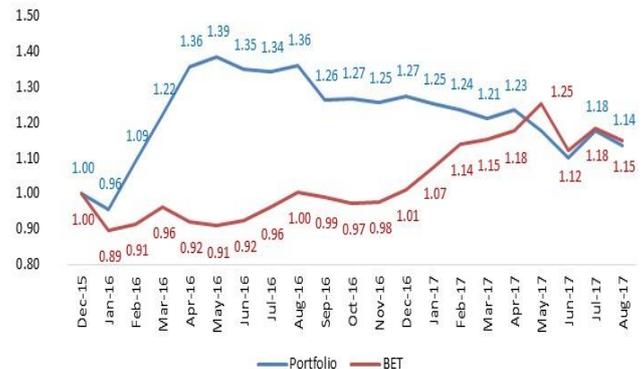
We further believe that the oil&gas sector has the greatest potential to outperform the stock exchange over the next period, as it is the most undervalued sector.

**2. Stock portfolio**

**Tradeable portfolio holdings**



**Performance of tradeable portfolio and BET index**



The crude oil equilibrium price based on the historical price performance according to global oil demand and supply is now at USD 70. Compared to the level of equilibrium, since 2000, there have been only 2 cases where the price was as low as in our days, moments followed by price increases. The current situation indicates with a high probability a growth potential of 48.7% compared to the end-August price.

At the end of August, the trading portfolio of the fund is valued at about RON 35.24 million, *down by 3.45%* compared to the value reported in the previous month, due to the decrease by 6.2% of the crude oil price, and because of the depreciation by 2.3% of the pound sterling against national currency, with most of the portfolio being traded in pounds. At the same time, the BET index of the Bucharest Stock Exchange recorded a decrease of 2.71% compared to the value at the end of July and the BET-FI index raised by 6.01%.

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

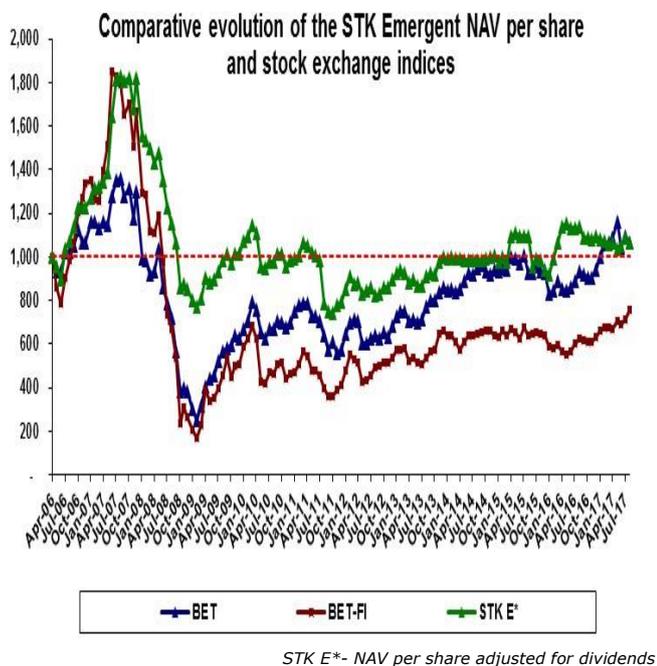
**The net asset value per share decreased by 1.95% the last month**

On August 31, 2017 the STK Emergent net asset value per share of RON 103.66 decreased by 1.95% compared to the net asset value per share at the end of the previous month.

The Bucharest Stock Exchange represented by the BET index shrunk by 2.7% in August. Among the components, the lowest returns were achieved by TLV, BRD and EL (-21.0%, -7.2% and -7.1%). In the case of TLV shares, most of the decrease was due to the share capital increase of 19.1%, along with the ex-dividend date (dividend yield was 2.1% as of end-July price).

The BET-FI index of the financial sector increased by 6.0% during the last month. Of the SIFs, the most positive was SIF1 (11.4%) and the last performer was SIF3 (4.0%).

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



From launch to the end of August, the net asset value per share registered a *positive variation of 6.82%*, outperforming the BET-FI index which has shrunk by 22.95%, while BET index recorded a positive return of 7.91% during the same time.

### 4. Performance of the world stock exchanges in August

**August was characterized by opposite performance in equity markets**

In August, as in the last 2 months, Europe's developed stock markets underperformed the other stock exchanges, recording an average yield of only 0.1%. CAC 40 and DAX indices continued the corrections started 2 months ago, so that the stock exchanges from France and Germany dropped by 0.2% and 0.5%.

The geopolitical tensions between the US and North Korea triggered a slowdown in the S&P 500 index in August, ending the month at about the same level as in the previous month.

The emerging stock exchanges outperformed the developed markets in August too, recording an average yield of 1.7%. The investors who traded shares on stock exchanges in countries such as Hungary, Poland and Russia enjoyed higher returns of about 6.6%, 6.0% and 5.3%. The lowest returns were obtained from investments in securities of companies listed on the stock exchanges in India and Bulgaria (-2.4% and -1.4%).

| Index      | Country        | 2015*  | 2016** | 2017YTD<br>*** | Aug-<br>17**** |
|------------|----------------|--------|--------|----------------|----------------|
| ATX        | Austria        | 11.0%  | 9.2%   | 23.5%          | 0.5%           |
| SOFIX      | Bulgaria       | -11.7% | 27.2%  | 20.3%          | -1.4%          |
| PX         | Czech Republic | 1.0%   | -3.6%  | 10.9%          | 1.3%           |
| SSEC       | China          | 9.4%   | -12.3% | 8.3%           | 2.7%           |
| CAC40      | France         | 8.5%   | 4.9%   | 4.6%           | -0.2%          |
| FTSE       | UK             | -4.9%  | 14.4%  | 4.0%           | 0.8%           |
| DAX        | Germany        | 9.6%   | 6.9%   | 5.0%           | -0.5%          |
| BSE SENSEX | India          | -5.0%  | 1.9%   | 19.2%          | -2.4%          |
| WIG 20     | Poland         | -19.7% | 4.8%   | 29.2%          | 6.0%           |
| BET        | Romania        | -1.1%  | 1.2%   | 13.6%          | -2.7%          |
| BET-FI     | Romania        | 0.0%   | -1.9%  | 20.3%          | 6.0%           |
| SP 500     | USA            | -0.7%  | 9.5%   | 10.4%          | 0.1%           |
| BUX        | Hungary        | 43.8%  | 33.8%  | 19.0%          | 6.5%           |
| MICEX      | Russia         | 26.1%  | 26.8%  | -9.4%          | 5.3%           |
| PFTS       | Ukraine        | -37.8% | 10.2%  | 8.0%           | -0.5%          |
| ISE 100    | Turkey         | -16.3% | 8.9%   | 40.8%          | 2.3%           |

\*return between 12/31/2014-12/31/2015  
\*\* return between 12/31/2015-12/30/2016  
\*\*\*r return between 12/30/2016-08/31/2017  
\*\*\*\*last month return: 07/31/2017-08/31/2017