



## STK Emergent Monthly NAV report

March 2018

**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 realised profit

**Number of units fund in circulation:** 609,753

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

**Depository:** BRD- GSG

### 1. Fund assets

	February 2018	March 2018
Unlisted shares	28,119,767	28,119,767
Tradeable shares portfolio	37,718,396	38,003,225
Shares	35,593,824	24,975,574
Cash	1,643,316	12,536,396
Collective undertakings titles	625,000	635,000
Other net assets	-143,745	-143,745
Other liabilities	155,607	150,500
<b>Net assets</b>	<b>65,682,556</b>	<b>65,972,492</b>
<b>NAV per share</b>	<b>107.72</b>	<b>108.20</b>

Tradeable shares portfolio represents 57.8% of the total net assets at the end of March.

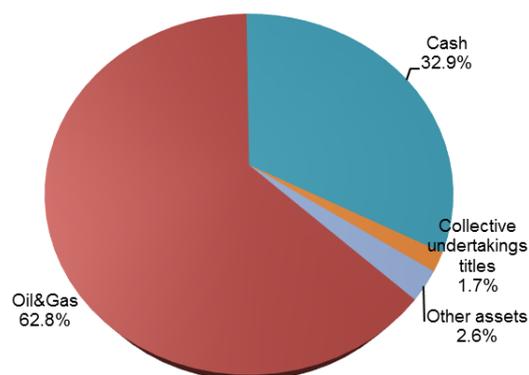
Fund holdings are recorded using the reference price of the shares traded on the last day of the month, or the book value for unlisted companies, adjusted for the fair value of these companies' assets.

At the end of March, about 62.8% of the trading portfolio is composed of shares belonging to oil & gas companies, while cash represents 32.9% of the total portfolio. During March a part of the investments were liquidated to diminish the risk generated by recent market corrections.

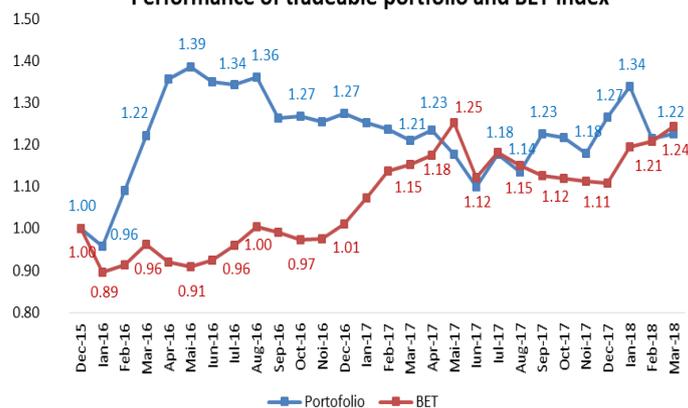
In March, the oil price appreciated by 5.5%, reaching a peak of 66.52\$/barrel, supported by a weaker dollar, tensions between Iran and Saudi Arabia that raised concern about Middle East supplies, which are already restricted by the OPEC agreement, but also by a larger than expected decline in U.S. crude inventories.

### 2. Stock portfolio

Tradeable portfolio holdings



Performance of tradeable portfolio and BET index



According to OPEC analysis, global oil demand for 2018 is estimated to increase by 1.58% above the 2017 figure, which is a factor that may generate future increases in oil prices. The equilibrium price resulting from the modelling function in relation to oil supply and demand is 81\$/barrel, an increase of 1.3% over the previous valuation, representing a 25% upside against the end-March price.

At the end of March, the fund's trading portfolio is valued at about RON 38.0 million, up by 0.75% compared to the value reported at the end of February, as the oil companies registered slight increases during the month.

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

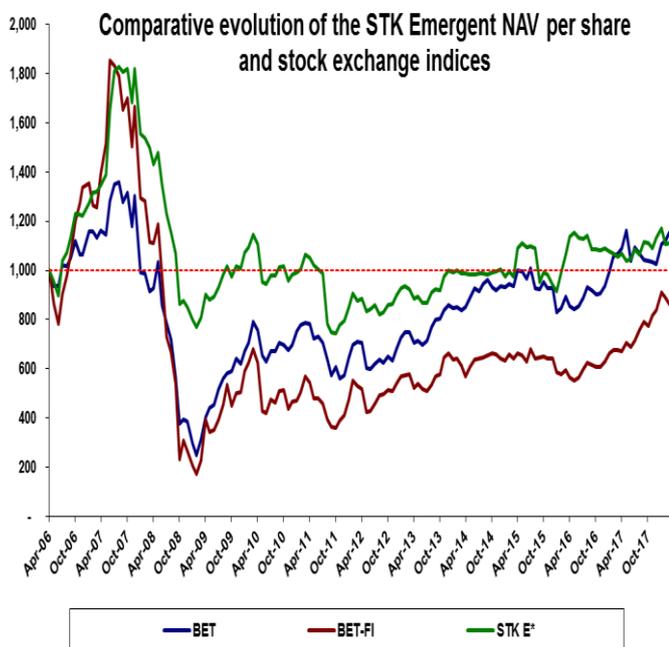
#### The net asset value per share increased by 0.44% last month

On March 30, 2018, the STK Emergent net asset value per share stands at RON 108.20, increasing by 0.44%, compared to the net asset value per share at the end of February.

March closed with a 3.1% increase in the BET index of the Bucharest Stock Exchange, growth boosted by the financial results and the dividends offered by the companies compiling the index. BRD, TLV and SNG shares had the highest increases (7.86%, 6.94% and 3.42%), while TEL, M and DIGI shares registered declines of 5.62%, 3.51% and respectively 2.86%.

The BET-FI index of the financial sector declined by 2.91% last month, FP being the only title that recorded a positive return of 0.97%. The other five financial investment companies have fallen between 2-8%.

Comparative chart of STK Emergent and the Bucharest Stock Exchange Indices between start-up and March 2018:



STK E\*- NAV per share adjusted for dividends

From launch to the end of March, the net asset value per share registered a positive variation of 11.49%, outperforming the BET-FI index which has shrunk by 12.18%, while BET index recorded a positive return of 16.79% in the same time frame.

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

#### March was characterized by falls in equity markets

Developed stock exchanges recorded a further average decline of 2.42% in March, due to fears of the outbreak of a trade war between the US and China, started with the US decision to impose tariffs on US imports of steel (a percentage of 25%) and aluminum (10%); thus the CAC 40 index fell by 2.9%, the S&P 500 index and the German DAX index declined by 2.7% each, the FTSE 100 went down 2.4% and the ATX index decreased by 1.4%.

Regarding the monetary policy, the US Federal Reserve decided to raise the FED funds rate to 1.75 percent at the March meeting, amid consolidation of the labor market and growth in economic activity; the current market expectations are for the FED to raise the rate two more times in 2018.

In March, emerging stock markets followed the same trends as developed stock exchanges, with an average drop of 1.94%, with Polish and Bulgarian stock exchanges having the most negative returns of -6.5% and -5.4%, respectively. On the other hand, Romanian, Ukrainian and Czech stock exchanges recorded positive returns of 3.1%, 2.2% and 0.3%, respectively.

Index	Country	2016*	2017**	YTD 2018***	Mar - 18****
ATX	Austria	9.2%	30.6%	0.2%	-1.4%
SOFIX	Bulgaria	27.2%	15.5%	-4.2%	-5.4%
PX	Czech Republic	-3.6%	17.0%	4.2%	0.3%
SSEC	China	-12.3%	6.6%	-4.2%	-2.8%
CAC40	France	4.9%	9.3%	-2.7%	-2.9%
FTSE	UK	14.4%	7.6%	-8.2%	-2.4%
DAX	Germany	6.9%	12.5%	-6.4%	-2.7%
BSE SENSEX	India	1.9%	27.9%	-3.2%	-3.6%
WIG 20	Poland	4.8%	26.4%	-10.2%	-6.5%
BET	Romania	1.2%	9.4%	12.4%	3.10%
BET-FI	Romania	-1.9%	33.4%	2.8%	-2.91%
SP 500	USA	9.5%	19.4%	-1.2%	-2.7%
BUX	Hungary	33.8%	23.0%	-5.4%	-2.2%
MICEX	Russia	26.8%	-5.5%	7.6%	-1.1%
PFTS	Ukraine	10.2%	18.8%	12.5%	2.2%
ISE 100	Turkey	8.9%	47.6%	-0.3%	-3.4%

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

\*\* return between 12/30/2016-12/29/2017

\*\*\* return between 12/29/2017-03/30/2018

\*\*\*\*last month return: 02/28/2018-03/30/2018