



STK Emergent Monthly NAV report

January 2019

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

RON	December 2018	January 2019
Unlisted shares	27,667,252	27,667,252
Tradeable shares portfolio	29,161,051	31,742,887
Shares	23,149,275	25,924,404
Cash	5,615,038	5,457,723
Collective undertakings titles	604,923	568,905
Other net assets	-208,186	-208,146
Other liabilities	134,024	139,781
Net assets	56,694,279	59,270,358
NAV per share	92.98	97.20

Tradeable shares portfolio represents 53.6% of the total net assets at the end of January.

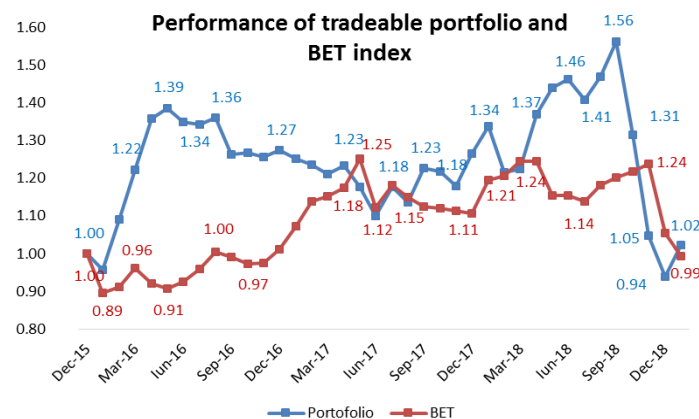
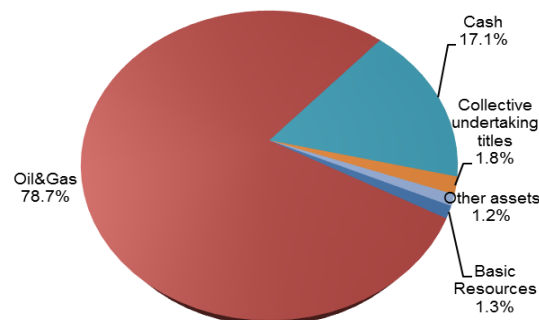
Fund holdings are recorded using the reference price of the shares traded on the last day of the month, or the book value for unlisted companies, adjusted for the fair value of these companies' assets.

At the end of January, about 78.7% of the trading portfolio is composed of shares belonging to oil & gas companies, 1.3% basic resources shares, while cash represents 17.1% of the total portfolio. *Other net assets* category includes the dividends payable by the Fund from previous years.

The WTI oil price rose by 18.9% in January, ending the month at 53.98\$ per barrel, supported by supply cuts from the OPEC and non-OPEC member countries (the largest month-on-month drop over the past two years); although exempted from making voluntary cuts, Iran, Libya and Venezuela registered involuntary declines of oil production, the U.S. president imposing sanctions on Venezuela's oil sector.

2. Stock portfolio

Tradeable portfolio holdings



Historically, the oil price has been a function of supply and demand, and for the future, we expect bullish factors to be predominant: OPEC-led supply cuts, Iran and Venezuela's oil sectors sanctions, reductions in capex budgets of US shale drillers. Estimated WTI oil price as a function of oil demand and supply is 81\$ per barrel, representing a 50% upside against the end-January price.

At the end of January, the Fund's trading portfolio is valued at about RON 31.74 million, up by 8.85% compared to the value reported at the end of December, reflecting the prices' evolution of the companies in the 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

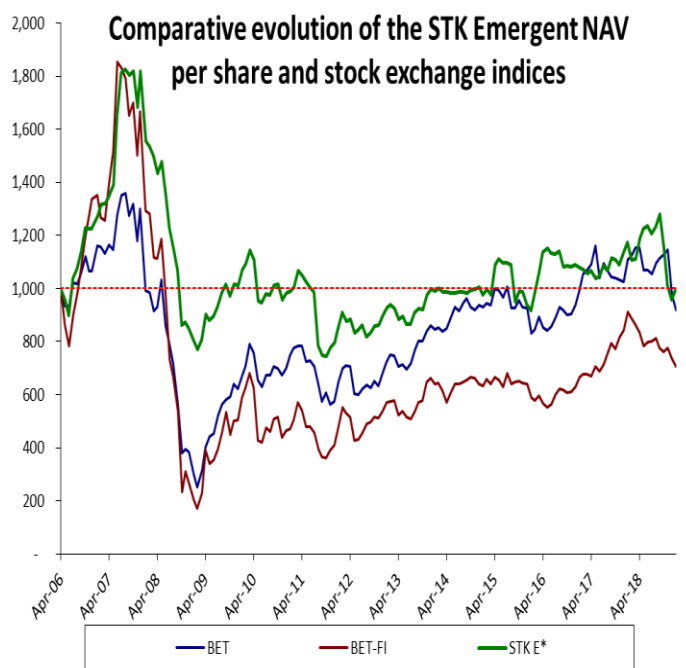
The net asset value per share increased by 4.54% last month

On January 31, 2019, the STK Emergent net asset value per share stands at RON 97.20, increasing by 4.54%, compared to the net asset value per share at the end of December.

The BET index recorded in January a fall of 5.86%, the measures adopted by the of the Government affecting again the Bucharest Stock Exchange; TLV, BRD and TEL slumped 21.70%, 12.28% and respectively 9.40%, while SNP, BVB and WINE shares posted increases of 7.69%, 5.71% and respectively 4.52%.

The BET-FI index of the financial sector fell in January by 5.45%; FP decreased by 8.83%, SIF2 by 3.97%, SIF4 by 3.01%, SIF1 by 2.21%, SIF5 by 0.96%; SIF3 achieved a positive return of 3.26%.

Comparative chart of STK Emergent and the Bucharest Stock Exchange Indices between start-up and January 2019:



From launch to the end of January, the net asset value per share registered a positive variation of 0.16%, outperforming the BET-FI index that has shrunk by 28.24%, but also the BET index, which declined by 6.85% in the same time frame.

4. Performance of the world stock exchanges

January was characterized by growth in financial markets

The developed financial markets recorded in January an average growth of 6.31%, the January effect leading to a rebound in the markets after the fall in December; thus, the Austrian ATX index increased by 8.7%, the US index S&P500 by 7.9%, the German DAX index by 5.8%, the French index CAC40 by 5.5%, the British index FTSE100 by 3.6%.

At the January 15 meeting, the British Parliament rejected the United Kingdom's withdrawal agreement from the European Union, which includes a nearly two-year transition period to help minimise economic disruption. Other possible outcomes include the extension of the exit deadline to negotiate another agreement or a new referendum that could undo the 2016 Brexit vote; the option of leaving without any agreement is less likely to happen.

Emerging stock exchanges grew on average by 3.61% in January; stock exchanges in Turkey, Russia and the Czech Republic recorded the highest returns of 14.0%, 6.9% and 5.8%; negative returns were recorded by the Romanian and Bulgarian stock exchanges of -5.9% and -1.5%.

Index	Country	2016*	2017**	2018***	Jan - 19****
ATX	Austria	9.2%	30.6%	-19.7%	8.7%
SOFIX	Bulgaria	27.2%	15.5%	-12.3%	-1.5%
PX	Czech Republic	-3.6%	17.0%	-8.5%	5.8%
SSEC	China	-12.3%	6.6%	-24.6%	3.6%
CAC40	France	4.9%	9.3%	-11.0%	5.5%
FTSE	UK	14.4%	7.6%	-12.5%	3.6%
DAX	Germany	6.9%	12.5%	-18.3%	5.8%
BSE SENSEX	India	1.9%	27.9%	5.9%	0.5%
WIG 20	Poland	4.8%	26.4%	-7.5%	4.5%
BET	Romania	1.2%	9.4%	-4.8%	-5.9%
BET-FI	Romania	-1.9%	33.4%	-12.6%	-3.9%
SP 500	USA	9.5%	19.4%	-6.2%	7.9%
BUX	Hungary	33.8%	23.0%	-0.6%	4.4%
MOEX	Russia	26.8%	-5.5%	11.8%	6.9%
ISE 100	Turkey	8.9%	47.6%	-20.9%	14.0%

*return between 12/31/2015-12/30/2016
** return between 12/30/2016-12/29/2017
*** return between 12/29/2017-12/31/2018
****last month return: 12/31/2018-01/31/2019