



## STK Emergent Monthly NAV report

### December 2020

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

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

**Depository:** BRD- GSG

### 1. Fund assets

RON	November 2020	December 2020
Unlisted shares	29.916.388	29.916.388
Tradeable shares portfolio	27.233.313	26.724.294
Shares	4.995.655	3.287.410
Cash	21.954.681	23.150.763
Collective undertaking titles	647.829	650.973
Other net assets	-364.853	-364.853
Other liabilities	130.055	131.277
<b>Net assets</b>	<b>57.019.646</b>	<b>56.509.405</b>
<b>NAV per share</b>	<b>93,51</b>	<b>92,68</b>

Tradeable shares portfolio represents 47.9% of the total net assets at the end of December.

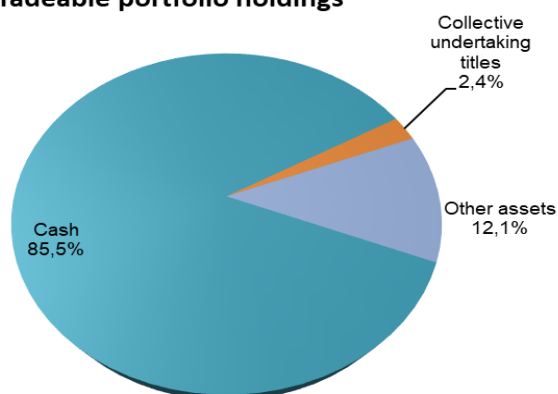
Fund holdings are recorded using the reference price of the shares traded on the last day of the month, and for the unlisted companies a fair value is used, from a valuation report made by an ANEVAR certified external valuator.

At the end of December, the tradeable shares portfolio was composed of 85.5% cash, 12.1% shares and 2.4% collective undertakings. *Other net assets* category includes the dividends payable by the Fund from previous years.

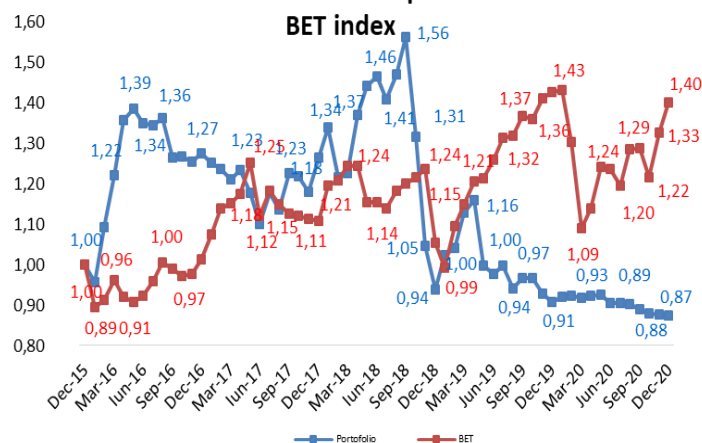
In international markets, shares have risen based on talks over a new fiscal stimulus package in the US, optimism about an agreed Brexit and better-than-expected PMI survey indicators; the market completely ignores the new harsh quarantine measures in Western Europe; The ECB allows banks to pay dividends, limited to 25% of 2019-2020 profits and 0.2% of risk-weighted assets.

### 2. Stock portfolio

#### Tradeable portfolio holdings



#### Performance of tradable portfolio and



We almost completely liquidated the holding of shares due to prudence based on the increase in the number of cases of covid at record levels, which is why we considered it a risk for short-term oil demand, even if in the longer term the prospects are positive due to launching vaccination campaigns.

At the end of December, the Fund's net assets are valued at about RON 56.51 million, *slightly down by 0.89%* compared to the value reported at the end of November, reflecting the changes in the prices 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

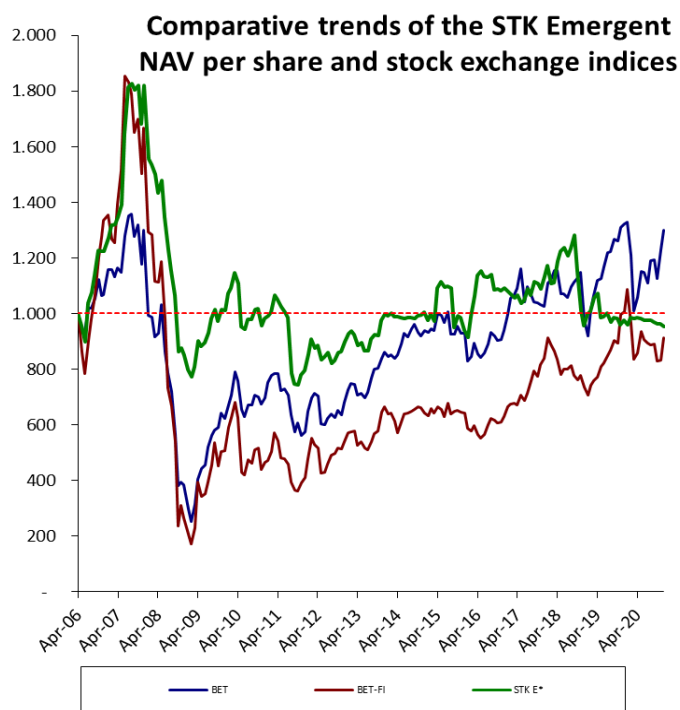
On December 30, 2020, the STK Emergent net asset value per share stands at RON 92.68, at about the same level as the end of 2019.

The net asset value per share varied by -0.89% last month.

The BET index of the Bucharest Stock Exchange reached the level of 9,805.60 points at the end of the month, varying by 5.59% in December; the highest increases were registered by the shares of M + 37.1%, BRD + 11.6%, DIGI + 7.1% and SFG + 6.1%, while the shares of TGN registered during the month decreases of -2.4%.

The BET-FI index of the financial sector registered in December an increase of +9.64%, the five Financial Investment Companies and FP posting returns of between +4.2% and +15.8%.

Comparative chart of STK Emergent and the Bucharest Stock Exchange Indices between start-up and December 2020:



STK E\*- NAV per share adjusted for dividends

From launch to the end of December, the net asset value per share registered a *negative variation of 4.50%*, the BET index increased by 31.41%, and the BET-FI index decline by 7.13% over the same time frame.

### 4. Performance of the world stock exchanges

#### December was characterized by increases in financial markets

The developed financial markets grew in December by an average of 4.94%, the mature capital market indexes recording the following returns: the Austrian ATX index - 8.9%, the Polish WIG20 index, 8.4%, the American S&P500 index 3.0%, the French CAC40 index 1.5%, the British FTSE100 index 4.6%, the German DAX index 3.2%

The Stoxx 600 index estimates suggest a lot of optimism in terms of growth prospects, 24m forward P/E is at 23.1x (well above the average of the last 5 years of 16x), and the profits of the next 2 years are forecast to grow 27% annually reaching pre-Covid level. Over the same period, the growth of the S&P 500 companies' profits is estimated at 19%, and MSCI emerging markets at + 24%.

Emerging and frontier stock exchanges rose by an average of 7.34% in December, the stock exchanges in Turkey and Hungary registered substantial increases, of 15.3% and 8.6%, and all others registered positive increases.

Index	Country	2018*	2019**	YTD 2020***	Nov - 20****
ATX	Austria	-19.7%	16.1%	-12,8%	8,9%
SOFIX	Bulgaria	-12.3%	-4.4%	-21,2%	5,7%
PX	Czech Republic	-8.5%	13.1%	-7,9%	6,3%
SSEC	China	-24.6%	22.3%	14,8%	3,3%
CAC40	France	-11.0%	26.4%	-6,3%	1,5%
FTSE	UK	-12.5%	12.1%	-13,1%	4,6%
DAX	Germany	-18.3%	25.5%	3,5%	3,2%
BSE SENSEX	India	5.9%	14.4%	15,7%	8,1%
WIG 20	Poland	-7.5%	-5.6%	-7,7%	8,4%
BET	Romania	-4.8%	35.1%	-1,7%	5,6%
BET-FI	Romania	-12.6%	37.3%	-9,4%	9,6%
SP 500	USA	-6.2%	28.9%	15,5%	3,0%
BUX	Hungary	-0.6%	17.7%	-8,6%	8,6%
MOEX	Russia	11.8%	29.1%	8,0%	5,8%
ISE 100	Turkey	-20.9%	25.4%	29,3%	15,3%

\*return between 12/29/2017-12/31/2018  
\*\* return between 12/31/2018-12/31/2019  
\*\*\* return between 12/31/2019-12/30/2020  
\*\*\*\*last month return: 11/27/2020-12/30/2020