



## STK Emergent Monthly NAV report

March 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	February 2019	March 2019
Unlisted shares	27,667,252	27,667,252
Tradeable shares portfolio	32,277,045	35,045,153
Shares	26,742,916	29,609,360
Cash	5,191,384	5,063,004
Collective undertakings titles	549,102	579,146
Other net assets	-206,358	-206,358
Other liabilities	140,949	137,451
<b>Net assets</b>	<b>59,803,348</b>	<b>62,574,954</b>
<b>NAV per share</b>	<b>98.08</b>	<b>102.62</b>

Tradeable shares portfolio represents 56.0% of the total net assets at the end of March.

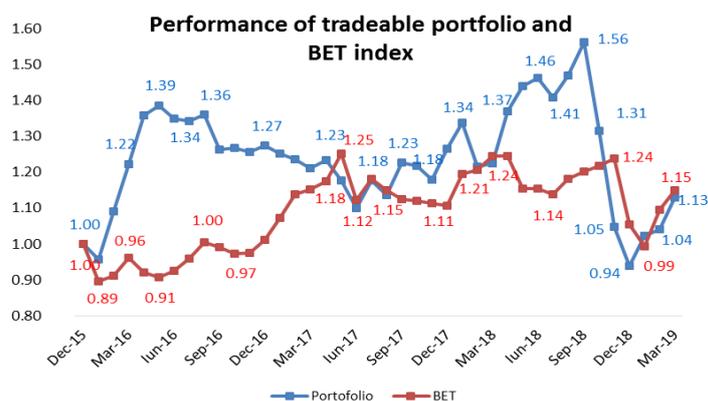
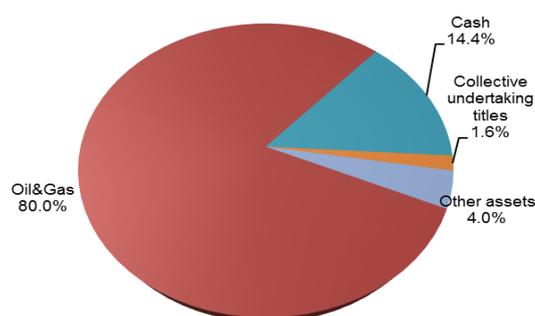
Fund holdings are recorded using the reference price of the shares traded on the last day of the month, or the book value for unlisted companies, adjusted for the fair value of these companies' assets.

At the end of March about 80.0% of the trading portfolio is composed of shares belonging to oil & gas companies, while cash represents 14.4% of the total portfolio. *Other net assets* category includes the dividends payable by the Fund from previous years.

The WTI oil price rose by 5.07% in March, ending the month at 60.14\$ per barrel, supported by OPEC+ member countries' compliance with the oil-cuts agreement, as well as involuntary supply curbs in Venezuela and Iran, which are both under U.S. sanctions that limit their exports.

### 2. Stock portfolio

Tradeable portfolio holdings



Historically, the oil price has been a function of supply and demand and, in the future we expect the 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 35% upside against the end-March price.

At the end of March, the Fund's trading portfolio is valued at about RON 35.05 million, up by 8.58% compared to the value reported at the end of February, 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

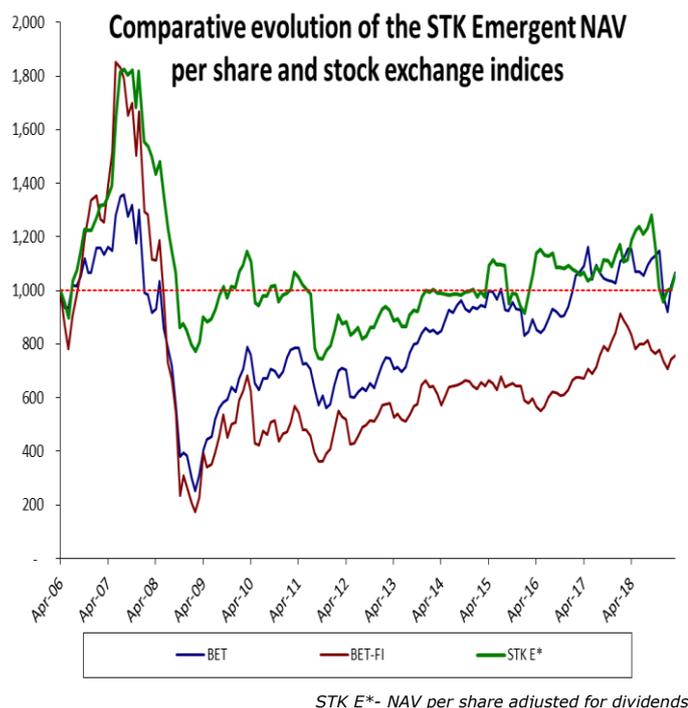
#### The net asset value per share increased by 4.63% last month

On March 29, 2019 the STK Emergent net asset value per share stands at RON 102.62, increasing by 4.63%, compared to the net asset value per share at the end of February.

The BET index recorded a growth of 4.82% in March, with TLV, BRD and SNG shares rising by 9.24%, 9.21% and 6.77%, respectively, while SFG and DIGI shares fell by 8.68% and 4.34%, respectively.

The BET-FI index of the financial sector posted an increase of 2.04% in March, with SIF2, FP, SIF4 and SIF5 growing by 4.88%, 3.74%, 2.27% and 2.20%, respectively, while SIF1 and SIF3 declined by 3.23% and 0.40%, respectively.

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



From launch to the end of March, the net asset value per share registered a positive variation of 5.75%, outperforming the BET-FI index which has shrunk by 22.89%, but underperforming the BET index that rose by 7.82% in the same time frame.

### 4. Performance of the world stock exchanges

#### March was characterized by growth in financial markets

The developed financial markets rose in March by an average of 1.33%, their associated indices posting the following returns: the British index FTSE100 2.9%, the French index CAC40 2.1%, the US index S&P500 1.8%, the German DAX 0.1%, and the Austrian index ATX -0.2 %.

At the March 20 meeting, the Federal Reserve kept the monetary policy interest rate steady in a range of 2.25% to 2.50%, and the GDP growth rate was reduced to 2.1%, compared to the previous estimate of 2.3%.

During March the revised Brexit deal was rejected twice by the British Parliament, although it refused by vote the possibility of leaving the EU without a deal. Consequently, the date of Brexit has been postponed for April 12, 2019.

Emerging stock exchanges grew on average by 1.16% in March; stock exchanges in India, China and Romania have the highest returns of 7.8%, 5.1% and 4.8%; the stock exchanges in Turkey, Poland and Bulgaria marked returns of -10.3%, -0.9% and -0.3%.

Index	Country	2017*	2018**	YTD 2019***	Mar - 19****
ATX	Austria	30.6%	-19.7%	10.5%	-0.2%
SOFIX	Bulgaria	15.5%	-12.3%	-1.8%	-0.3%
PX	Czech Republic	17.0%	-8.5%	8.9%	0.3%
SSEC	China	6.6%	-24.6%	23.9%	5.1%
CAC40	France	9.3%	-11.0%	13.1%	2.1%
FTSE	UK	7.6%	-12.5%	8.2%	2.9%
DAX	Germany	12.5%	-18.3%	9.2%	0.1%
BSE SENSEX	India	27.9%	5.9%	7.2%	7.8%
WIG 20	Poland	26.4%	-7.5%	1.6%	-0.9%
BET	Romania	9.4%	-4.8%	9.0%	4.8%
BET-FI	Romania	33.4%	-12.6%	3.3%	2.0%
SP 500	USA	19.4%	-6.2%	13.1%	1.8%
BUX	Hungary	23.0%	-0.6%	6.5%	3.3%
MOEX	Russia	-5.5%	11.8%	5.9%	0.5%
ISE 100	Turkey	47.6%	-20.9%	2.8%	-10.3%

\*return between 12/30/2016-12/29/2017  
\*\* return between 12/29/2017-12/31/2018  
\*\*\* return between 12/31/2018-03/29/2019  
\*\*\*\*last month return: 02/28/2019-03/29/2019