



## 2. Stock portfolio

### STK Emergent Monthly NAV report

May 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

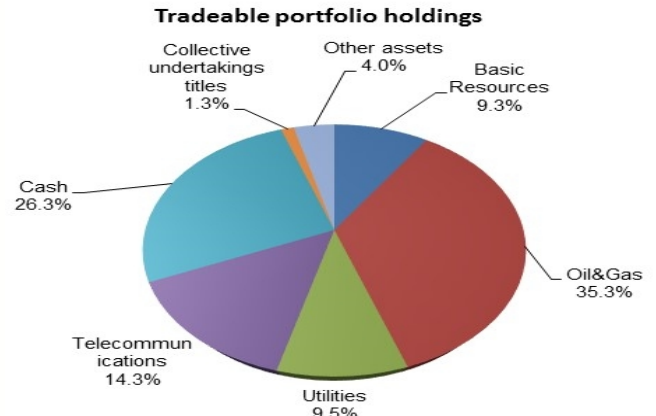
	April 2017	May 2017
Unlisted shares	25,096,542	25,096,542
Tradeable shares portfolio	38,303,279	36,545,743
Shares	27,709,657	31,026,536
Cash	16,324,512	11,236,854
Collective undertakings titles	525,244	538,000
Other net assets	-6,256,134	-6,255,647
Other liabilities	149,445	148,445
Net assets	<b>63,250,376</b>	<b>61,493,840</b>
NAV per share	<b>103.73</b>	<b>100.85</b>

At the end of May, listed shares represent 50.5% 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. The Fund pays a gross dividend in amount of RON 10 per fund unit issued, from the profit realized in 2016. The dividend payment will start on June 15, 2017.

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.

In May, the Fund made investments in the telecommunications sector and raised the exposure to utilities, because we expect these 2 sectors together with the oil&gas sector to have the most favorable ratio between expected return and taken risk.



### Performance of tradeable portfolio and BET index



Of all the economic sectors, the oil&gas sector continues to be the most undervalued compared to others, so that it remains the sector with the greatest potential to outperform the stock exchange over the next period.

At the end of May, the trading portfolio of the fund is valued at about RON 36.5 million, *down 4.59%* compared to the value reported in the previous month, mainly due to the depreciation by 2.4% of the pound sterling against the national currency, with most of the investments being traded in pounds. Also, the 2% drop in oil prices has put its footprint on the portfolio, due to the disappointment that OPEC has only extended its production cut-off until 2018 and has not acted more aggressively, namely a new reduction in the production ceiling. At the same time, the BET index of the Bucharest Stock Exchange recorded an increase of 6.5% compared to the value at the end of April and the BET-FI index increased by 5.4%.

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

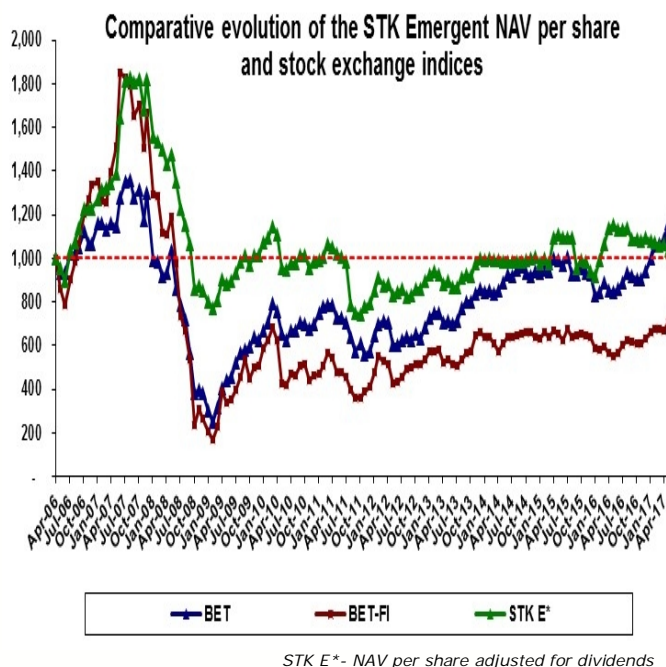
The net asset value per share decreased by 2.78% the last month

On May 31, 2017 the STK Emergent net asset value per share of RON 100.85 decreased by 2.78% compared to the net asset value per share at the end of the previous month.

Bucharest Stock Exchange represented by the BET index rose by 6.5% in May. Among the index components, the most positive were TGN (19.10%), M (18.85%) and COTE (11.37%). At the queue of the profitability rankings were the symbols SNP (2.33%) and FP (1.33%).

BET-FI index of the financial sector increased by 5.4% during the last month. Of the SIFs, the highest increase was registered by SIF4 (12.04%) and SIF2 (12.02%), while SIF3 shrunk slowly, by 0.30%.

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



From launch to the end of April, the net asset value per share registered a positive variation of 3.92%, outperforming the BET-FI index which has shrunk by 28.19%, while BET index recorded a positive return of 17.53% during the same time.

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

May was characterized mainly by increases in equity markets

In May, the Europe`s developed capital markets continued to grow, recording an average yield of 2.5%. The month`s outperformer was the FTSE 100 index with a monthly return of 4.4% due to the favorable performance of the basic resources and gold producing companies. After the April impulse triggered by the outcome of the French elections, investors` enthusiasm diminished in May, so the CAC 40 index recorded the weakest return among the developed capital markets, +0.3%.

A series of positive macroeconomic data, including an economic growth of 1.2% above expectations (0.9%) in Q1 2017 compared to Q1 2016, fueled the New York Stock Exchange`s increase in May, so the SP500 ended the month with a return of 1.2%.

The performance of emerging stock exchanges in May was more dispersed than that of the developed markets, with an average return of 0.9%. Thus, while indices from countries such as Hungary, India and Turkey generated returns of 4.8%, 4.1% and 3.0%, the investors who traded shares in Russia, Poland and China posted a contraction of 5.8%, 4.0% and 1.2%.

Index	Country	2015*	2016**	2017YTD***	May-17****
ATX	Austria	11.0%	9.2%	19.3%	3.8%
SOFIX	Bulgaria	-11.7%	27.2%	12.8%	0.6%
PX	Czech Republic	1.0%	-3.6%	8.8%	-0.5%
SSEC	China	9.4%	-12.3%	0.4%	-1.2%
CAC40	France	8.5%	4.9%	8.7%	0.3%
FTSE	UK	-4.9%	14.4%	5.3%	4.4%
DAX	Germany	9.6%	6.9%	9.9%	1.4%
BSE SENSEX	India	-5.0%	1.9%	17.0%	4.1%
WIG 20	Poland	-19.7%	4.8%	17.1%	-4.0%
BET	Romania	-1.1%	1.2%	23.8%	6.5%
BET-FI	Romania	0.0%	-1.9%	12.1%	5.4%
SP 500	USA	-0.7%	9.5%	7.7%	1.2%
BUX	Hungary	43.8%	33.8%	8.0%	4.8%
MICEX	Russia	26.1%	26.8%	-14.9%	-5.8%
PFTS	Ukraine	-37.8%	10.2%	5.5%	1.3%
ISE 100	Turkey	-16.3%	8.9%	24.8%	3.0%

\*return between 12/31/2014-12/31/2015  
\*\* return between 12/31/2015-12/30/2016  
\*\*\*r return between 12/30/2016-05/31//2017  
\*\*\*\*last month return: 04/28/2017-05/31/2017