



**STK Emergent**  
**Monthly NAV report**

**June 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**

	May 2017	June 2017
Unlisted shares	25,096,542	28,119,767
Tradeable shares portfolio	36,545,743	34,113,725
Shares	31,026,536	24,446,452
Cash	11,236,854	9,592,307
Collective undertakings titles	538,000	538,000
Other net assets	-6,255,647	-463,034
Other liabilities	148,445	148,999
Net assets	<b>61,493,840</b>	<b>62,084,494</b>
NAV per share	<b>100.85</b>	<b>101.82</b>

At the end of June, listed shares represent 39.4% 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 from the previous years.

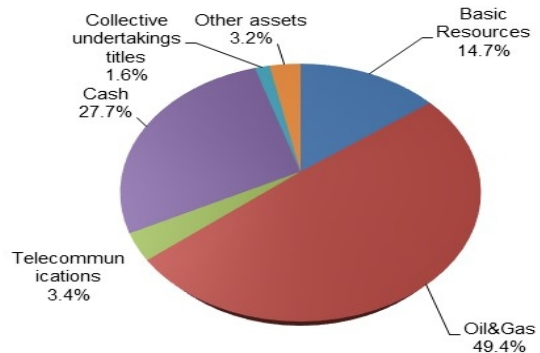
Fund holdings are recorded using the reference price of the shares traded on the last day of the month, or the book value for unlisted companies, adjusted for the fair value of these companies' assets.

During June, the fund continued to increase exposure to oil producers, so the oil sector accounted for 49.4% of the total trading portfolio. Also, the holdings in utilities companies have been sold and the companies from telecommunications were partially divested, as we believe that there is a risk of short-term corrections of the shares in these two sectors.

The oil&gas sector continues to be the most undervalued, having the greatest potential to outperform the stock exchange over the next period.

**2. Stock portfolio**

**Tradeable portfolio holdings**



**Performance of tradeable portfolio and BET index**



The crude oil equilibrium price based on the historical price performance according to global oil demand and supply is now at USD 70. Compared to the level of equilibrium, since 2000, there have been only 2 cases where the price was as low as today, moments followed by price increases. The current situation indicates with a high probability a growth potential of 51% compared to the end-June price.

At the end of June, the trading portfolio of the fund is valued at about RON 34.1 million, *down 6.65%* compared to the value reported in the previous month, due to the decrease by 4.7% of the crude oil price and the depreciation by 0.8% of the pound sterling against the national currency, with most of the investments being traded in pounds. At the same time, the BET index of the Bucharest Stock Exchange recorded a shrink of 10.4% compared to the value at the end of May and the BET-FI index decreased by 2.5%.

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

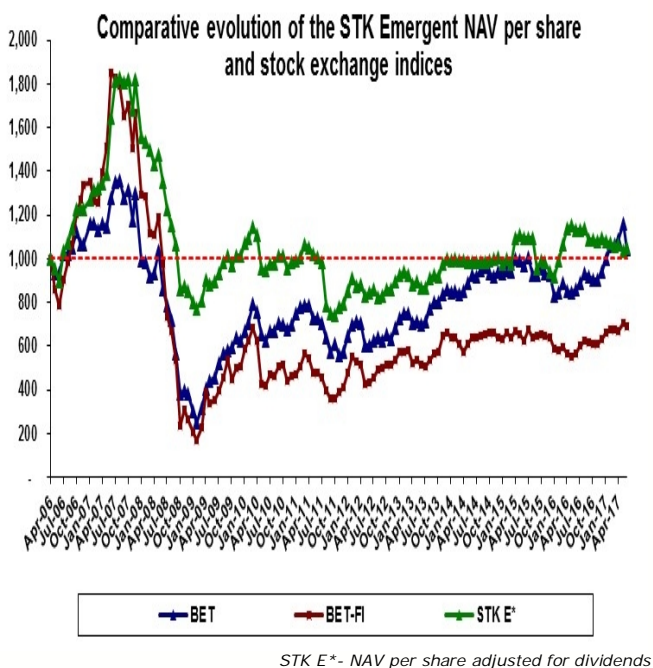
The net asset value per share increased by 0.96% the last month

On June 30, 2017 the STK Emergent net asset value per share of RON 101.82 increased by 0.96% compared to the net asset value per share at the end of the previous month.

The Bucharest Stock Exchange represented by the BET index declined by 10.4% in June, due to the ex-dividend date for the most important components, and to the proposals of the new government regarding the introduction of a turnover tax and the abolition of the pension pillar II. The largest decrease was registered by COTE (33.0%), part of the decline due to the ex-dividend date (the dividend yield was about 11.7% as of end-May price).

The BET-FI index of the financial sector decreased by 2.5% during the last month, mainly due to the correction of FP (-9.0%). Of the SIFs, the most positive was SIF2 (2.8%).

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



From launch to the end of June, the net asset value per share registered a positive variation of 4.92%, outperforming the BET-FI index which has shrunk by 29.98%, while BET index recorded a positive return of 5.28% during the same time.

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

June was characterized by opposite performance in equity markets

After an upward beginning of the year, the Europe`s developed capital markets decreased in June, on average by 2.2%. The worst performance was recorded by the Euronext Paris Stock Exchange, -3.1%, followed by the London Stock Exchange, -2.8%.

The US Federal Reserve`s decision to raise the interest rate from 1% to 1.25% from mid-month confirmed analysts` expectations, with the S&P 500 closing the month with a modest return of 0.5%.

As in the previous month, the performance of emerging stock exchanges in June was more dispersed than that of the developed markets, with an average return of 0.24%. Thus, while indices from countries such as Bulgaria, Turkey and Ukraine generated returns of 6.4%, 3.0% and 2.3%, the investors who traded shares in Czech Republic and Russia lost 2.2% and 1.1%.

Index	Country	2015*	2016**	2017YTD ***	June- 17****
ATX	Austria	11.0%	9.2%	18.6%	-0.5%
SOFIX	Bulgaria	-11.7%	27.2%	20.0%	6.4%
PX	Czech Republic	1.0%	-3.6%	6.4%	-2.2%
SSEC	China	9.4%	-12.3%	2.9%	2.4%
CAC40	France	8.5%	4.9%	5.3%	-3.1%
FTSE	UK	-4.9%	14.4%	2.4%	-2.8%
DAX	Germany	9.6%	6.9%	7.4%	-2.3%
BSE SENSEX	India	-5.0%	1.9%	16.1%	-0.7%
WIG 20	Poland	-19.7%	4.8%	18.1%	0.8%
BET	Romania	-1.1%	1.2%	10.9%	-10.4%
BET-FI	Romania	0.0%	-1.9%	9.3%	-2.5%
SP 500	USA	-0.7%	9.5%	8.2%	0.5%
BUX	Hungary	43.8%	33.8%	10.0%	1.9%
MICEX	Russia	26.1%	26.8%	-15.8%	-1.1%
PFTS	Ukraine	-37.8%	10.2%	8.0%	2.3%
ISE 100	Turkey	-16.3%	8.9%	28.5%	3.0%

\*return between 12/31/2014-12/31/2015  
\*\* return between 12/31/2015-12/30/2016  
\*\*\*r return between 12/30/2016-06/30/2017  
\*\*\*\*last month return: 05/31/2017-06/30/2017