



STK Emergent
Monthly NAV report

October 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

	September 2017	October 2017
Unlisted shares	28,119,767	28,119,767
Tradeable shares portfolio	38,042,569	37,795,372
Shares	30,874,879	29,746,725
Cash	6,735,615	7,600,971
Collective undertakings titles	580,000	594,000
Other net assets	-147,925	-146,325
Other liabilities	150,275	158,373
Net assets	66,012,061	65,756,766
NAV per share	108.26	107.84

At the end of October, listed shares represent 45.2% 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.

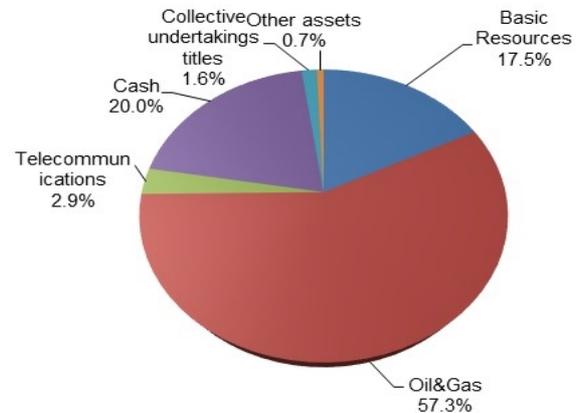
Fund holdings are recorded using the reference price of the shares traded on the last day of the month, or the book value for unlisted companies, adjusted for the fair value of these companies' assets.

More than half of the tradeable portfolio is placed in stocks of the oil companies, about 57.3%, while 17.5% of the total traded portfolio is placed in the industrial metals sector and the cash component represents 20.0% of the portfolio.

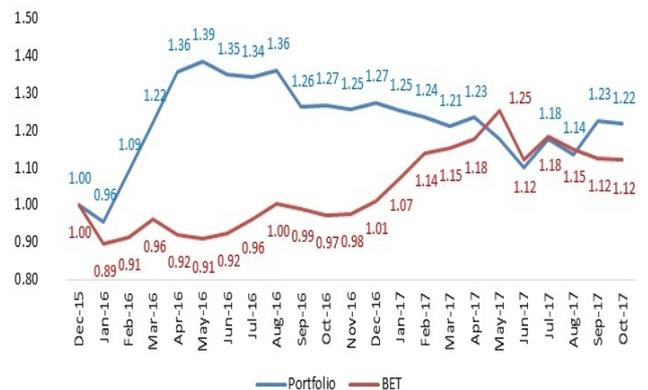
The quarterly data on global oil supply and demand indicates a supply gap of around 1 million barrels per day. Similar situations have occurred only 2 times since 2000, in Q1 2007 and Q3 2011, moments followed by oil price increases by 113% and 35%, respectively.

2. Stock portfolio

Tradeable portfolio holdings



Performance of tradeable portfolio and BET index



The 1.3% increase in the world oil consumption in the last quarter is a factor that may generate a rise in oil prices over the next period, and according to its modelling function in relation to supply and demand results an equilibrium price of 80\$/barrel, an increase of 3.9% over the previous valuation, representing a 47% upside against the end-October price.

At the end of October, the trading portfolio of the fund is valued at about RON 37.80 million, *down slowly by 0.65%* compared to the value reported in the previous month. At the same time, the BET index of the Bucharest Stock Exchange recorded a decrease of 0.45% compared to the value at the end of September and the BET-FI index shrunk by 2.46%.

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

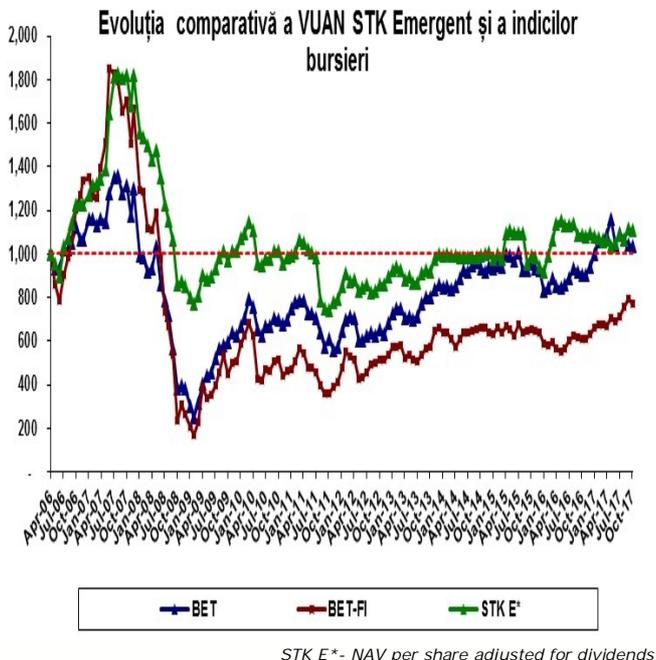
The net asset value per share decreased by 0.39% last month

On October 31, 2017 the STK Emergent net asset value per share of RON 107.84 decreased by 0.39% compared to the net asset value per share at the end of the previous month.

The Bucharest Stock Exchange represented by the BET index shrunk by 0.45% in October. Among the components, the lowest returns were achieved by TEL, BVB and SNN (-9.09%, -4.81% and -2.31%), while shares like SNG, M and TGN raised by 2.28%, 1.69% and 1.01%.

The BET-FI index of the financial sector decreased by 2.46% during the last month. Of the SIFs, the most positive was SIF2 (-1.15%) and the last performers were SIF3, SIF4 and SIF5 (-8.99%, -5.17% and -4.81%).

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



From launch to the end of October, the net asset value per share registered a positive variation of 11.12%, outperforming the indices of the Bucharest Stock Exchange (BET-FI index has shrunk by 21.33%, while BET index increased by 5.11%).

4. Performance of the world stock exchanges in October

October was characterized mainly by increases in equity markets

For the second consecutive month, the European developed stock exchanges overperformed the emerging markets, rising at an average monthly rate of 2.7%. The highest increase was recorded by CAC 40 and DAX 30, 3.3% and 3.1%, respectively. This was supported by the decision of the European Central Bank to extend the share purchase program by the end of September 2018, at the half of the previous monthly bond purchases starting with 1 January 2018.

The mutual funds from Japan increased their exposures on companies listed on the New York Stock Exchange during October, which is why the S&P 500 index rose by 2.2%.

In October, the emerging markets rose by 2.5% on average. The most significant increases were recorded in the stock exchanges from Turkey (7.0%), Hungary (6.2%) and India (6.2%). The only emerging markets that had a negative course during October were Bulgaria (-2.4%) and Russia (-0.6%).

Index	Country	2015*	2016**	2017YTD ***	Oct-17****
ATX	Austria	11.0%	9.2%	30.1%	2.7%
SOFIX	Bulgaria	-11.7%	27.2%	14.5%	-2.4%
PX	Czech Republic	1.0%	-3.6%	15.6%	2.0%
SSEC	China	9.4%	-12.3%	9.3%	1.3%
CAC40	France	8.5%	4.9%	13.2%	3.3%
FTSE	UK	-4.9%	14.4%	4.9%	1.6%
DAX	Germany	9.6%	6.9%	15.2%	3.1%
BSE SENSEX	India	-5.0%	1.9%	24.7%	6.2%
WIG 20	Poland	-19.7%	4.8%	29.6%	2.9%
BET	Romania	-1.1%	1.2%	10.7%	-0.4%
BET-FI	Romania	0.0%	-1.9%	22.8%	-2.5%
SP 500	USA	-0.7%	9.5%	15.0%	2.2%
BUX	Hungary	43.8%	33.8%	23.8%	6.2%
MICEX	Russia	26.1%	26.8%	-7.5%	-0.6%
PFTS	Ukraine	-37.8%	10.2%	13.6%	2.7%
ISE 100	Turkey	-16.3%	8.9%	41.0%	7.0%

*return between 12/31/2014-12/31/2015
** return between 12/31/2015-12/30/2016
***r return between 12/30/2016-10/31/2017
****last month return: 09/29/2017-10/31/2017