



**STK Emergent
Monthly NAV report**

December 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

	November 2017	December 2017
Unlisted shares	28,119,767	28,119,767
Tradeable shares portfolio	36,600,147	39,268,637
Shares	26,338,368	28,710,984
Cash	9,768,281	10,079,659
Collective undertakings titles	600,000	632,000
Other net assets	-106,503	-154,007
Other liabilities	149,760	147,673
Net assets	64,570,154	67,240,731
NAV per share	105.90	110.28

At the end of December, the listed shares accounted for 42.7% of the total net assets.

The category *Other net assets* includes the difference between the dividends and other rights receivable and the dividends to be distributed by the Fund from the previous years.

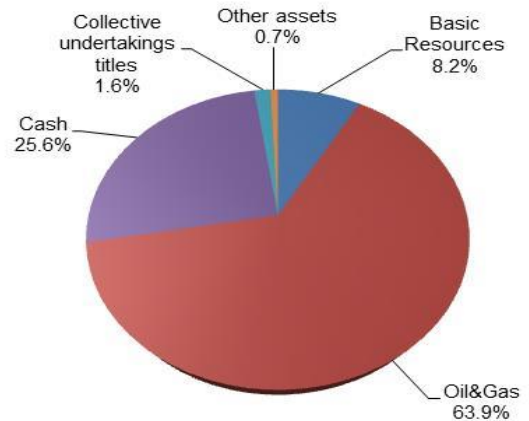
Fund holdings are recorded using the reference price of the shares traded on the last day of the month, or the book value for unlisted companies, adjusted for the fair value of these companies' assets.

Most of the trading portfolio is placed in titles belonging to oil & gas companies, about 63.9%, while cash represents 25.6% of the total portfolio.

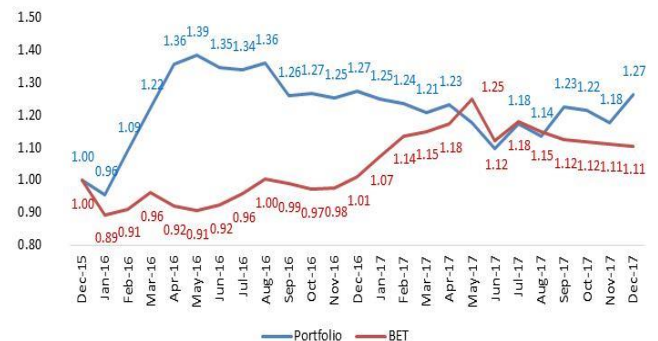
The quarterly data on global oil supply and demand indicates a supply gap of around 1.3 million barrels per day. Similar situations have occurred only 2 times since 2000, in Q1 2007 and Q3 2011, moments followed by oil price increases by 113% and 35%, respectively.

2. Stock portfolio

Tradeable portfolio holdings



Performance of tradeable portfolio and BET index



The 1.5% 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, it results an equilibrium price of 81\$/barrel, an increase of 1.3% over the previous valuation, representing an upside of 35% against the end-December price.

At the end of December, the trading portfolio of the fund is valued at about RON 39.27 million, up by 7.29% compared to the value reported the previous month. At the same time, the BET index of the Bucharest Stock Exchange recorded a decrease of 0.54% compared to the value at the end of November and the BET-FI index increased by 3.06%.

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

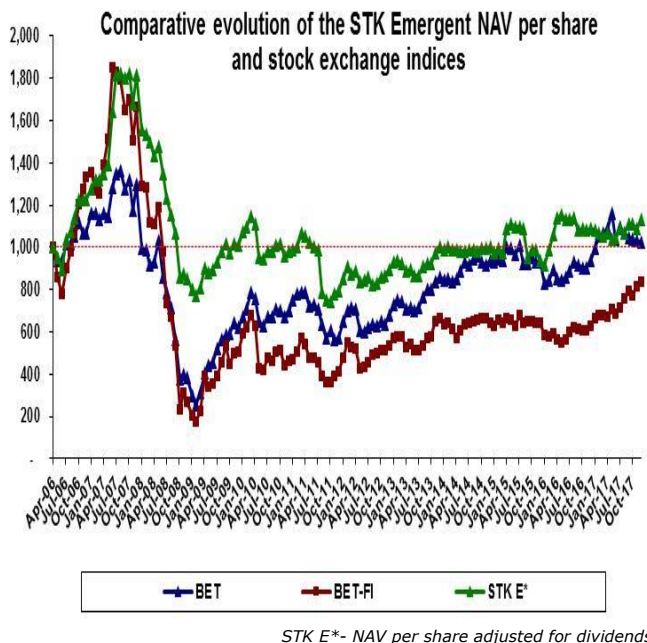
The net asset value per share increased by 4.14% last month

On December 29, 2017 the STK Emergent net asset value per share of RON 110.28 increased by 4.14% compared to the net asset value per share at the end of November.

The Bucharest Stock Exchange represented by the BET index declined by 0.54% in December. Among the components, the major corrections were made by TEL, BVB and EL (7.53%, 3.83% and 3.75%), while shares like DIGI and FP raised by 8.57% and 2.25%.

The BET-FI index of the financial sector increased by 3.06% during the last month. Of the SIFs, the highest returns were posted by SIF1 and SIF2 (7.78% and 3.68%), while SIF3 and SIF4 have recorded the lowest performance (0.82%, respectively 0.81%).

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



From launch to the end of December, the net asset value per share registered a positive variation of 13.63%, outperforming the indices of the Bucharest Stock Exchange (BET-FI index has shrunk by 14.54%, while BET index increased by 3.91%).

4. Performance of the world stock exchanges in December

December was characterized mainly by increases in equity markets

Developed stock exchanges from Europe were marked by an average growth of 1.24% in December; after the previous month's correction, the Vienna Stock Exchange index, ATX, resumed its growth, achieving a return of 2.25%; the FTSE 100 index rose by 4.9% in December following the progress made on Brexit negotiations with the European Union; CAC 40 and DAX indexes declined by 1.1% and 0.8%, respectively.

S&P500 index of the New York Stock Exchange ended the month with an additional 1%, being 19.4% above the level at the end of the last year. In mid-month, the US Federal Reserve announced the raise of the key interest by 0.25% percentage points, to 1.5%.

As regards the emerging stock markets, they have increased on average by 2.44% in December, the highest returns being posted by the stock exchanges from Turkey (10.9%) and Ukraine (3.5%). The only two emerging markets that recorded a decrease in December were the Romanian (-0.5%) and the Chinese (-0.3%) markets.

Index	Country	2015*	2016**	2017YTD ***	Dec - 17****
ATX	Austria	11.0%	9.2%	30.6%	2.2%
SOFIX	Bulgaria	-11.7%	27.2%	15.5%	1.9%
PX	Czech Republic	1.0%	-3.6%	17.0%	1.8%
SSEC	China	9.4%	-12.3%	6.6%	-0.3%
CAC40	France	8.5%	4.9%	9.3%	-1.1%
FTSE	UK	-4.9%	14.4%	7.6%	4.9%
DAX	Germany	9.6%	6.9%	12.5%	-0.8%
BSE SENSEX	India	-5.0%	1.9%	27.9%	2.7%
WIG 20	Poland	-19.7%	4.8%	26.4%	2.2%
BET	Romania	-1.1%	1.2%	9.4%	-0.5%
BET-FI	Romania	0.0%	-1.9%	33.4%	3.1%
SP 500	USA	-0.7%	9.5%	19.4%	1.0%
BUX	Hungary	43.8%	33.8%	23.0%	1.8%
MICEX	Russia	26.1%	26.8%	-5.5%	0.4%
PFTS	Ukraine	-37.8%	10.2%	18.8%	3.5%
ISE 100	Turkey	-16.3%	8.9%	47.6%	10.9%

*return between 12/31/2014-12/31/2015
** return between 12/31/2015-12/30/2016
***r return between 12/30/2016-12/29/2017
****last month return: 11/30/2017-12/29/2017