



STK Emergent Monthly NAV report

May 2018

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

	April 2018	May 2018
Unlisted shares	28,119,767	28,119,767
Tradeable shares portfolio	42,487,256	44,700,681
Shares	31,121,929	34,493,717
Cash	10,919,072	9,840,708
Collective undertakings titles	590,000	510,000
Other net assets	-143,745	-143,745
Other liabilities	165,432	171,496
Net assets	70,441,591	72,648,953
NAV per share	115.52	119.14

Tradeable shares portfolio represents 61.5% of the total net assets at the end of May.

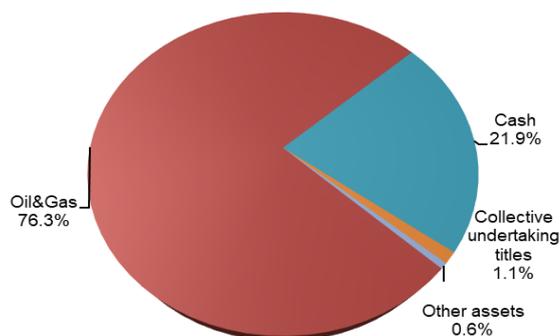
Fund holdings are recorded using the reference price of the shares traded on the last day of the month, or the book value for unlisted companies, adjusted for the fair value of these companies' assets.

At the end of May, about 76.3% of the trading portfolio is composed of shares belonging to oil & gas companies, while cash represents 21.9% of the total portfolio. *Other net assets* category includes the dividends payable by the Fund from previous years.

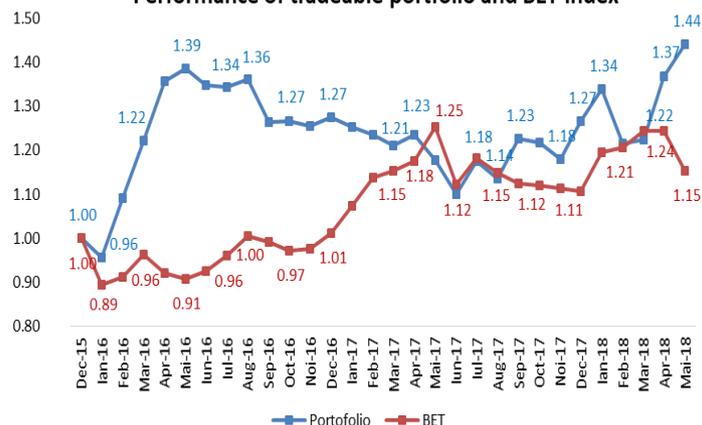
During May, the WTI oil price reached a maximum of 72.88\$ per barrel, pushed by the US decision to withdraw from the 2015 Iran nuclear deal and to impose economic sanctions on Iran, an OPEC member which produces 4% of global oil supplies. The markets' expectation for Iran's oil exports is to fall significantly once US sanctions go into effect later this year. In the last days of May, the oil price declined to 67.03\$ per barrel on May 31, 2018, below the closing level of in the previous month, reacting to information about a

2. Stock portfolio

Tradeable portfolio holdings



Performance of tradeable portfolio and BET index



possible increase in oil output under the OPEC agreement, decision that will be taken in June.

According to OPEC analysis, global oil demand for 2018 is estimated to increase by 1.58% above the 2017 figure, which is a factor that may generate future increases in oil prices. The equilibrium WTI price resulting from the modelling function in relation to oil supply and demand is 81\$ per barrel, an increase of 1.3% over the previous valuation, representing a 21% upside against the end-May price.

At the end of May, the Fund's trading portfolio is valued at about RON 44.7 million, up by 5.21% compared to the value reported at the end of April, an increase due to the growth of the oil companies' prices included 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 3.13% last month

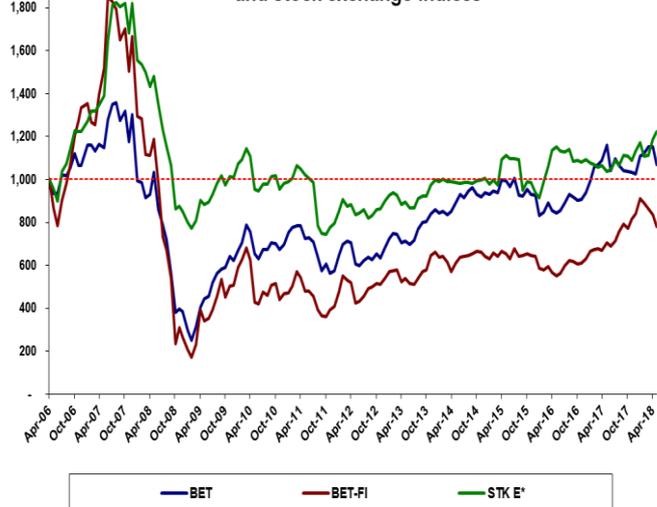
On May 31, 2018, the STK Emergent net asset value per share stands at RON 119.14, increasing by 3.13%, compared to the net asset value per share at the end of April.

The Bucharest Stock Exchange, represented by the BET index, registered a 7.27% decrease in May, generated by the unstable situation regarding the Pension Pillar 2, with pension funds being among the largest institutional investors on the local capital market. Thus, the shares of FP and SNN registered increases of 1.37% and 1.23%, while the remainder of the index constituents posted negative returns of between 5% and 17%.

In May, the BET-FI index of the financial sector fell by 6.27%, with FP being the only one to achieve a positive return of 1.37%. The other five financial investment companies recorded decreases between 6.67% (SIF3) and 13.29% (SIF2).

Comparative chart of STK Emergent and the Bucharest Stock Exchange Indices between start-up and May 2018:

Comparative evolution of the STK Emergent NAV per share and stock exchange indices



STK E*- NAV per share adjusted for dividends

From launch to the end of May, the net asset value per share registered a positive variation of 22.77%, outperforming the BET-FI index which has shrunk by 20.45%, while BET index recorded a positive return of 8.29% in the same time frame.

4. Performance of the world stock exchanges in May

May was characterized by increases in equity markets

The developed stock exchanges recorded on average a slight decline of 0.18% in May, the British FTSE 100 index and the US S&P500 posting 2.2% increase each, while the German, French and Austrian index declined by 0.1% (DAX), 2.2% (CAC 40) and 3.1% (ATX).

The evolution of the oil price, the US decision not to extend the temporary exemption granted to the European Union and the introduction of tariffs on steel and aluminum imports from the European Union, Mexico and Canada (the exemption of these taxes being also canceled for Mexico and Canada), and the political crisis in Italy, were factors that influenced capital markets in May.

Emerging stock exchanges declined on average by 3.38%; Hungarian and Romanian stock exchanges posted a fall of 7.7% and 7.3% respectively, with positive returns of 0.5% and 0.4% respectively for stock exchanges from India and China.

Index	Country	2016*	2017**	YTD 2018***	May - 18****
ATX	Austria	9.2%	30.6%	-1.7%	-3.1%
SOFIX	Bulgaria	27.2%	15.5%	-6.0%	-3.3%
PX	Czech Republic	-3.6%	17.0%	-0.2%	-3.6%
SSEC	China	-12.3%	6.6%	-6.4%	0.4%
CAC40	France	4.9%	9.3%	1.6%	-2.2%
FTSE	UK	14.4%	7.6%	-0.1%	2.2%
DAX	Germany	6.9%	12.5%	-2.4%	-0.1%
BSE SENSEX	India	1.9%	27.9%	3.7%	0.5%
WIG 20	Poland	4.8%	26.4%	-12.4%	-5.9%
BET	Romania	1.2%	9.4%	4.2%	-7.3%
BET-FI	Romania	-1.9%	33.4%	-6.9%	-6.3%
SP 500	USA	9.5%	19.4%	1.2%	2.2%
BUX	Hungary	33.8%	23.0%	-10.2%	-7.7%
MOEX	Russia	26.8%	-5.5%	9.2%	-0.2%
ISE 100	Turkey	8.9%	47.6%	-12.7%	-3.5%

*return between 12/31/2015-12/30/2016

** return between 12/30/2016-12/29/2017

*** return between 12/29/2017-05/31/2018

****last month return: 04/30/2018-05/31/2018