



## STK Emergent Monthly NAV report

June 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

	May 2018	June 2018
Unlisted shares	28,119,767	28,119,767
Tradeable shares portfolio	44,700,681	45,407,502
Shares	34,493,717	35,078,866
Cash	9,840,708	9,907,381
Collective undertakings titles	510,000	555,000
Other net assets	-143,745	-133,745
Other liabilities	171,496	166,625
<b>Net assets</b>	<b>72,648,953</b>	<b>73,360,644</b>
<b>NAV per share</b>	<b>119.14</b>	<b>120.31</b>

Tradeable shares portfolio represents 61.9% of the total net assets at the end of June.

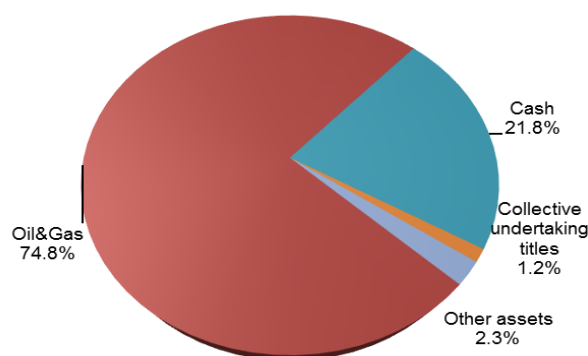
Fund holdings are recorded using the reference price of the shares traded on the last day of the month, or the book value for unlisted companies, adjusted for the fair value of these companies' assets.

At the end of June, the trading portfolio is composed of shares belonging to oil & gas companies, about 74.8%, while cash represents 21.8% of the total portfolio. *Other net assets* category includes the dividends payable by the Fund from previous years and dividends to be received (in the case of June).

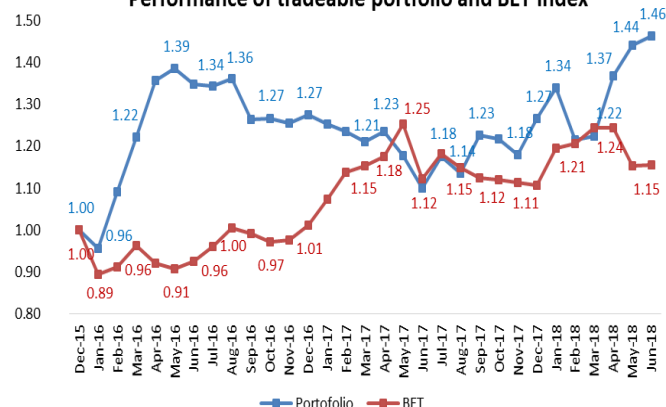
The WTI oil price rose 10.8% in June, reaching a peak of 74.43\$ per barrel. On June 22-23 meetings of OPEC and non-OPEC member states were held, where it was decided to increase the daily oil production by 1 million barrels beginning with the 1st of July. Despite this, markets may face an oil shortage of more than 1.8 million barrels in the coming months (summer months with robust demand) in the context of supply disruptions in Venezuela, Angola and Libya and possible decreases in Iran's production (as a consequence of the

### 2. Stock portfolio

Tradeable portfolio holdings



Performance of tradeable portfolio and BET index



resumption of sanctions imposed by the United States); falling US crude inventories also contributed to the rise in oil prices 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 modeling function in relation to oil supply and demand is 81\$ per barrel, an increase of 1.3% over the previous valuation, representing a 9% upside against the end-June price.

At the end of June, the Fund's trading portfolio is valued at about RON 45.4 million, up by 1.58% compared to the value reported at the end of May, increase given by 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 0.98% last month

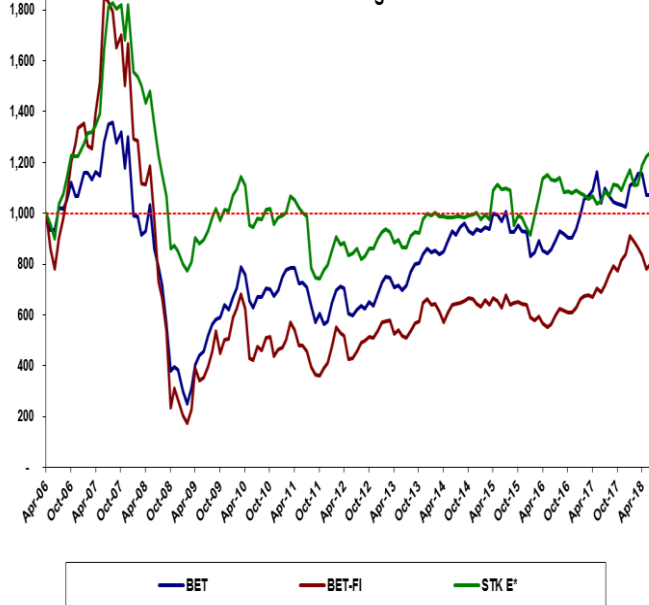
On June 29, 2018, the STK Emergent net asset value per share stands at RON 120.31, increasing by 0.98%, compared to the net asset value per share at the end of May.

The BET index of the Bucharest Stock Exchange closed at 8,087.01 points at the end of June, slightly above the end of May level (0.09%). TEL and DIGI shares posted the top increases of 12.44% and respectively 9.66%. At the opposite end are COTE and FP shares, which recorded dividend adjusted returns of -2.17% and -1.49%.

In June, the BET-FI index of the financial sector rose by 2.12%, the five financial investment companies posted increases of between 1.59% (SIF4) and 15% (SIF2); Fondul Proprietatea recorded a dividend adjusted return of -1.49%.

Comparative chart of STK Emergent and the Bucharest Stock Exchange Indices between start-up and June 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 June, the net asset value per share registered a positive variation of 23.97%, outperforming the BET-FI index which has shrunk by 18.76%, while BET index recorded a positive return of 8.38% in the same time frame.

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

#### June was characterized by decreases in equity markets

The developed stock exchanges recorded on average a decline of 1.40% in June, with European stock indices showing declines of 3.2% for the ATX Austrian index, 2.4% for the DAX German index, 1.40% for the CAC40 French index and 0.5% for the FTSE100 British index; the United States index S&P500 achieved a modest increase of 0.5%.

At the June 13 meeting, the US Federal Reserve decided to raise the monetary policy interest rate to between 1.75% and 2.00% on the background of solid economic growth and the strengthening of the labor market.

At its meeting on June 14, the European Central Bank announced its decision to end the economic stimulus program through bond purchases from next year, as well as its intention to keep key interest rates at its current levels.

Emerging stock exchanges declined on average by 1.37%; stock exchanges from China and Turkey posted falls of 8.0% and 4.1% respectively, while Hungarian, Indian and Romanian stock exchanges recorded positive returns of 2.2%, 0.3% and 0.1% respectively.

Index	Country	2016*	2017**	YTD 2018***	Jun - 18****
ATX	Austria	9.2%	30.6%	-4.8%	-3.2%
SOFIX	Bulgaria	27.2%	15.5%	-6.4%	-0.4%
PX	Czech Republic	-3.6%	17.0%	-1.3%	-1.1%
SSEC	China	-12.3%	6.6%	-13.9%	-8.0%
CAC40	France	4.9%	9.3%	0.2%	-1.4%
FTSE	UK	14.4%	7.6%	-0.7%	-0.5%
DAX	Germany	6.9%	12.5%	-4.7%	-2.4%
BSE SENSEX	India	1.9%	27.9%	4.0%	0.3%
WIG 20	Poland	4.8%	26.4%	-13.2%	-1.0%
BET	Romania	1.2%	9.4%	4.3%	0.1%
BET-FI	Romania	-1.9%	33.4%	-4.9%	2.1%
SP 500	USA	9.5%	19.4%	1.7%	0.5%
BUX	Hungary	33.8%	23.0%	-8.3%	2.2%
MOEX	Russia	26.8%	-5.5%	8.8%	-0.3%
ISE 100	Turkey	8.9%	47.6%	-16.3%	-4.1%

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

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

\*\*\* return between 12/29/2017-06/29/2018

\*\*\*\*last month return: 05/31/2018-06/29/2018