



STK Emergent Monthly NAV report

November 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

RON	October 2018	November 2018
Unlisted shares	27,667,252	27,667,252
Tradeable shares portfolio	40,802,105	32,504,726
Shares	33,494,448	28,135,781
Cash	6,866,402	3,982,954
Collective undertakings titles	580,000	596,354
Other net assets	-138,745	-210,363
Other liabilities	162,783	145,408
Net assets	68,306,575	60,026,570
NAV per share	112.02	98.44

Tradeable shares portfolio represents 54.2% of the total net assets at the end of November.

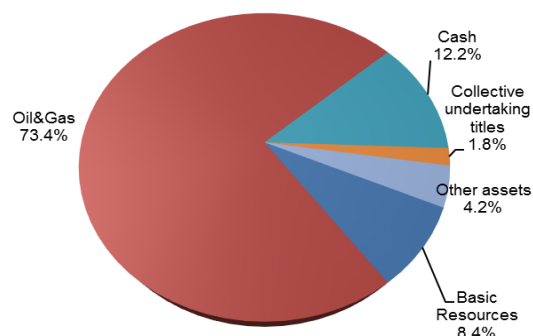
Fund holdings are recorded using the reference price of the shares traded on the last day of the month, or the book value for unlisted companies, adjusted for the fair value of these companies' assets.

At the end of November, 73.4% of the trading portfolio is composed of shares belonging to oil & gas companies, basic resources shares: 8.4%, while cash represents 12.2% of the total portfolio. *Other net assets* category includes the dividends payable by the Fund from previous years (during November, following the CA's decision, were also added the payable dividends for the year 2014), and dividends to be received (in the case of October).

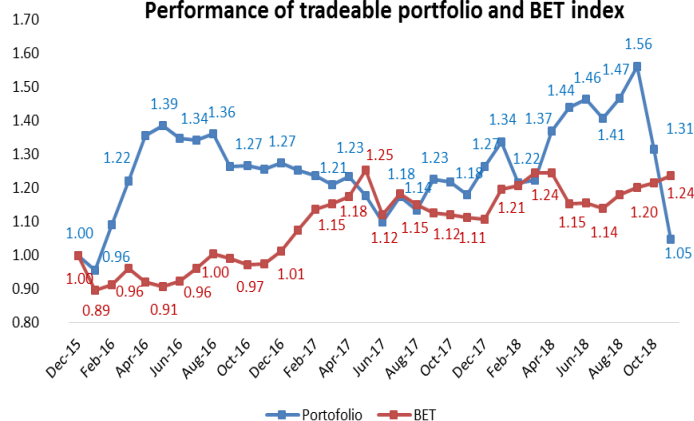
The WTI oil price dropped 21.9% in November, ending the month at 50.63\$/barrel, due to the rising oil production of Saudi Arabia following the pressures exerted by the US president in return for the support Saudi Crown Prince in the Khashoggi case and due to the US decision to grant temporary exemptions to eight countries that import Iranian crude oil.

2. Stock portfolio

Tradeable portfolio holdings



Performance of tradeable portfolio and BET index



Although the geopolitical factors are currently negative, leading to one of the most abrupt falls in the price of oil in recent years, the fundamental factors are the long term determinants for the price of oil; the break-even price for the first 10 US shale drillers is \$55.6/barrel, close to the minimum level at which most companies have budgeted spending plans for the past year, and for 2019 there are signs of further reductions in capex budgets, resulting in a supply deficit.

At the end of November, the Fund's trading portfolio is valued at about RON 32.50 million, down by 20.34% compared to the value reported at the end of October, reflecting the prices' evolution of the companies in the portfolio, as well as of the markets.

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

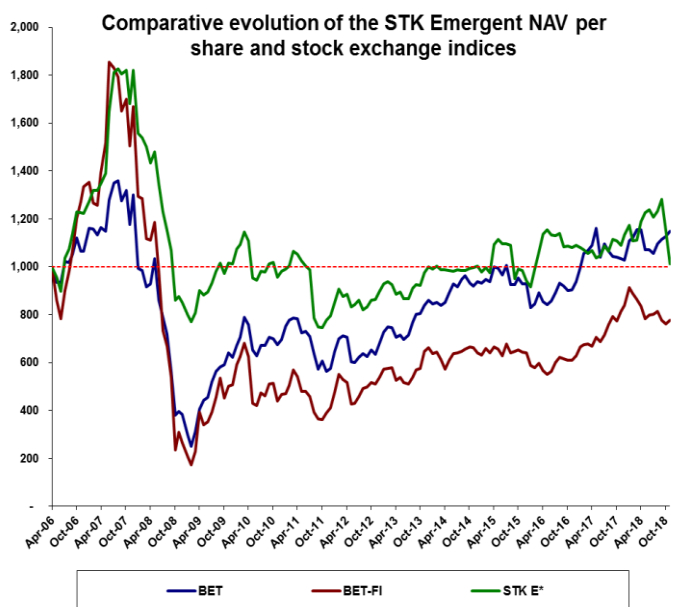
The net asset value per share decreased by 12.12% last month

On November 29, 2018, the STK Emergent net asset value per share stands at RON 98.44, decreasing by 12.12%, compared to the net asset value per share at the end of October.

In November, the BET index of the Bucharest Stock Exchange recorded a growth of 1.72%, the fourth consecutive month of growth, with SNN, BRD and TEL having the highest growths of 20.83%, 7.82% and 6.98% respectively, while shares of SNP, SFG and DIGI posted falls of 4.62%, 4.44% and 2.68%, respectively.

The BET-FI index of the financial sector increased by 1.80% in November, with SIF2 recording a positive return of 7.56%, SIF3 of 3.76%, SIF5 of 2.18%; SIF1 declined by 1.67%; Fondul Proprietatea closed at the same level of the previous month.

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



STK E*- NAV per share adjusted for dividends

From launch to the end of November, the net asset value per share registered a *positive variation of 1.44%*, outperforming the BET-FI index which has shrunk by 21.03%, but underperforming the BET index, that recorded a positive return of 16.13% in the same time frame.

4. Performance of the world stock exchanges in November

November was characterized by falls in developed markets and rises in emerging markets

The developed financial markets recorded a further decline of 1.29% on average, amid political uncertainty in Europe and the US-China trade war, the protectionist measures imposed lately leading to a weaker world trade growth; in November, the Austrian ATX index fell by 2.7%, the British index FTSE100 by 2.1%, the French index CAC40 by 1.8%, the German DAX index by 1.7%; the US index S&P500 increased by 1.8%.

On 25 November, at the Brussels summit, EU leaders approved the United Kingdom's draft withdrawal treaty from the European Union, which remains to be subjected to a Parliamentary vote in December.

Emerging markets rose on average by 3.06% in November; Hungarian, Polish and Turkish stock markets grew by 8.0%, 6.5% and 5.8% respectively, while Bulgarian and Chinese stock exchanges posted slight declines of 0.8% and 0.6%, respectively.

Index	Country	2016*	2017**	YTD 2018***	Nov - 18****
ATX	Austria	9.2%	30.6%	-10.1%	-2.7%
SOFIX	Bulgaria	27.2%	15.5%	-12.6%	-0.8%
PX	Czech Republic	-3.6%	17.0%	-0.9%	0.2%
SSEC	China	-12.3%	6.6%	-21.7%	-0.6%
CAC40	France	4.9%	9.3%	-5.8%	-1.8%
FTSE	UK	14.4%	7.6%	-9.2%	-2.1%
DAX	Germany	6.9%	12.5%	-12.9%	-1.7%
BSE SENSEX	India	1.9%	27.9%	6.3%	5.1%
WIG 20	Poland	4.8%	26.4%	-6.9%	6.5%
BET	Romania	1.2%	9.4%	11.8%	1.7%
BET-FI	Romania	-1.9%	33.4%	-7.6%	1.8%
SP 500	USA	9.5%	19.4%	3.2%	1.8%
BUX	Hungary	33.8%	23.0%	1.9%	8.0%
MOEX	Russia	26.8%	-5.5%	13.4%	1.7%
ISE 100	Turkey	8.9%	47.6%	-17.3%	5.8%

*return between 12/31/2015-12/30/2016
** return between 12/30/2016-12/29/2017
*** return between 12/29/2017-11/30/2018
****last month return: 10/31/2018-11/30/2018