



STK Emergent Monthly NAV report

February 2019

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	January 2019	February 2019
Unlisted shares	27,667,252	27,667,252
Tradeable shares portfolio	31,742,887	32,277,045
Shares	25,924,404	26,742,916
Cash	5,457,723	5,191,384
Collective undertakings titles	568,905	549,102
Other net assets	-208,146	-206,358
Other liabilities	139,781	140,949
Net assets	59,270,358	59,803,348
NAV per share	97.20	98.08

Tradeable shares portfolio represents 54.0% of the total net assets at the end of February.

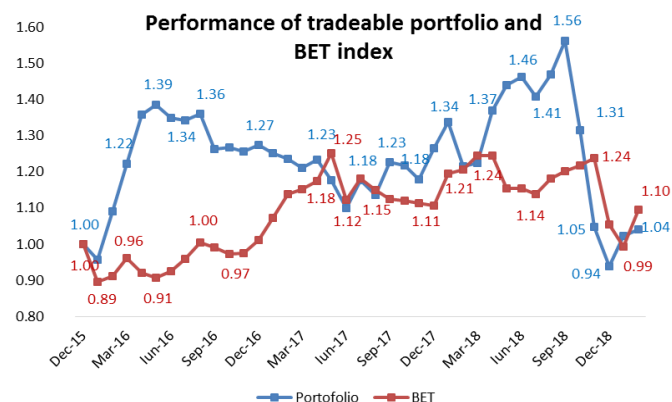
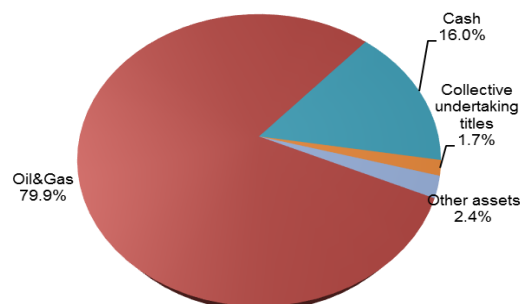
Fund holdings are recorded using the reference price of the shares traded on the last day of the month or the book value for unlisted companies, adjusted for the fair value of these companies' assets.

At the end of February, about 79.9% of the trading portfolio is composed of shares belonging to oil & gas companies, while cash represents 16.0% of the total portfolio. *Other net assets* category includes the dividends payable by the Fund from previous years.

The WTI oil price rose by 6.04% in February, ending the month at 57.24\$ per barrel, influenced by US crude oil inventories, production cuts implemented by OPEC+ member countries, especially Saudi Arabia, Russia and Nigeria, and signs of progress in trade negotiations between the United States and China.

2. Stock portfolio

Tradeable portfolio holdings



Historically, the oil price has been a function of supply and demand, and for the future, we expect the bullish factors to be predominant: OPEC-led supply cuts, Iran and Venezuela's oil sectors sanctions, reductions in capex budgets of US shale drillers. Estimated WTI oil price as a function of oil demand and supply is 81\$ per barrel, representing a 42% upside against the end-February price.

At the end of February, the Fund's trading portfolio is valued at about RON 32.28 million, up by 1.68% compared to the value reported at the end of January, reflecting the changes in the prices of the companies 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

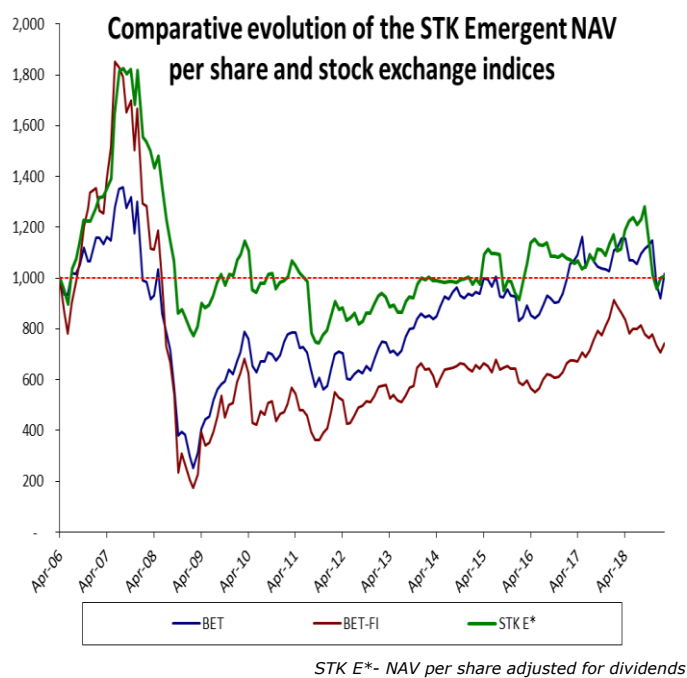
The net asset value per share increased by 0.90% last month

On February 28, 2019, the STK Emergent net asset value per share stands at RON 98.08, increasing by 0.90%, compared to the net asset value per share at the end of January.

The BET index recorded a growth of 10.42% in February when the listed companies reported their financial results for 2018; TLV, BRD and SNN shares posted the highest increases of 21.02%, 19.00% and 16.60% respectively; SFG and DIGI shares declined by 6.86% and 0.75% respectively.

The BET-FI index of the financial sector rose by 5.31% in February, with SIF3 posting an increase of 12.39%, FP of 9.57%, SIF1 of 8.77%, SIF4 of 6.55%; SIF2 decreased by 1.03% and SIF5 by 0.73%.

Comparative chart of STK Emergent and the Bucharest Stock Exchange Indices between start-up and February 2019:



From launch to the end of February, the net asset value per share registered a *positive variation of 1.06%*, outperforming the BET-FI index which has shrunk by 24.43%, but underperforming the BET index, that rose by 2.86% in the same time frame.

4. Performance of the world stock exchanges

February was characterized by growth in financial markets

The developed financial markets rose by an average of 2.88% in February, amid quarterly earnings reports and progress in the US-China trade negotiations; thus, the French CAC40 index rose by 5.0%, the German DAX index by 3.1%, the US index S&P500 by 3.0%, the Austrian index ATX by 1.9% and the British index FTSE100 by 1.5%.

In February, the British Prime Minister postponed for March a new vote on a revised Brexit deal; if Parliament does not approve the deal by March 12th, it will have to vote on leaving the EU with no deal on March 13th. If this option is rejected, another vote will be held on March 14th, on delaying Brexit with a "short, limited extension" of the negotiation period beyond March 29.

Emerging stock exchanges grew, on average, by 2.39% in February; Chinese and Romanian stock exchanges recorded the highest returns of 13.8% and 10.4%, while Poland, Russia and Hungary, posted returns of -2.0%, -1.4% and -1.3%.

Index	Country	2017*	2018**	YTD 2019***	Feb - 19****
ATX	Austria	30.6%	-19.7%	10.7%	1.9%
SOFIX	Bulgaria	15.5%	-12.3%	-1.5%	-0.1%
PX	Czech Republic	17.0%	-8.5%	8.6%	2.7%
SSEC	China	6.6%	-24.6%	17.9%	13.8%
CAC40	France	9.3%	-11.0%	10.8%	5.0%
FTSE	UK	7.6%	-12.5%	5.2%	1.5%
DAX	Germany	12.5%	-18.3%	9.1%	3.1%
BSE SENSEX	India	27.9%	5.9%	-0.6%	-1.1%
WIG 20	Poland	26.4%	-7.5%	2.4%	-2.0%
BET	Romania	9.4%	-4.8%	3.9%	10.4%
BET-FI	Romania	33.4%	-12.6%	1.2%	5.3%
SP 500	USA	19.4%	-6.2%	11.1%	3.0%
BUX	Hungary	23.0%	-0.6%	3.1%	-1.3%
MOEX	Russia	-5.5%	11.8%	5.4%	-1.4%
ISE 100	Turkey	47.6%	-20.9%	14.5%	0.4%

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

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

*** return between 12/31/2018-02/28/2019

****last month return: 01/31/2019-02/28/2019