



STK Emergent Monthly NAV report

January 2020

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 | December 2019 | January 2020 |
|--------------------------------|-------------------|-------------------|
| Unlisted shares | 28,459,467 | 28,459,467 |
| Tradeable shares portfolio | 28,149,555 | 28,571,717 |
| Shares | 9,538,420 | 6,379,840 |
| Cash | 18,217,289 | 21,619,444 |
| Collective undertakings titles | 600,000 | 778,587 |
| Other net assets | -206,155 | -206,155 |
| Other liabilities | 132,330 | 132,397 |
| Net assets | 56,476,692 | 56,898,787 |
| NAV per share | 92.62 | 93.31 |

Tradeable shares portfolio represents 50.2% of the total net assets at the end of January.

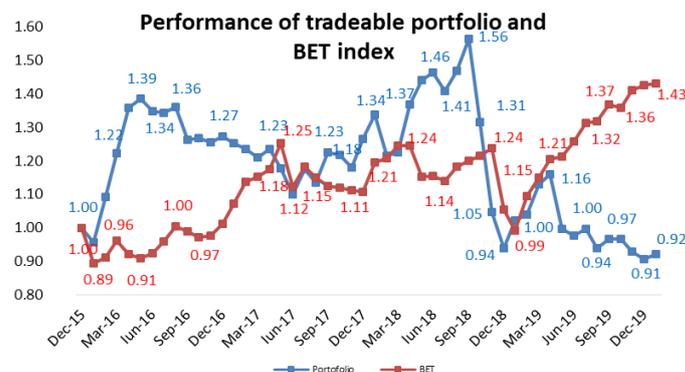
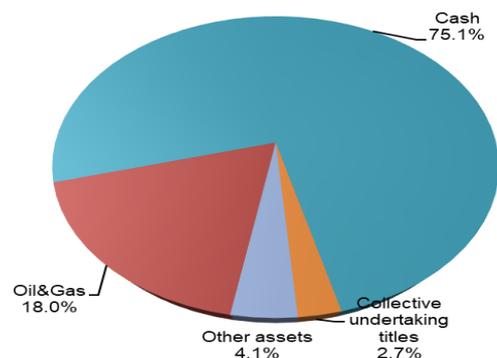
Fund holdings are recorded using the reference price of the shares traded on the last day of the month, and for the unlisted companies a fair value is used based on a valuation report made by an ANEVAR certified external valuator.

At the end of January, the tradeable shares portfolio was composed of securities belonging to the oil & gas companies in percentage of 18.0%. Throughout the month another part of shares in the oil sector was sold, the cash increasing to 75.1%. *Other net assets* category includes the dividends payable by the Fund from previous years.

Compared to the December level, the Brent oil prices fell by 14.18%, at the end of January reaching the lowest level in the last six months of \$56.64/barrel, amid concerns about the effects of the coronavirus epidemic on Chinese oil demand, which overturned the positive influences of Middle East tensions on oil prices.

2. Stock portfolio

Tradeable portfolio holdings



Based on the historical correlation between the oil price and the oil demand/supply ratio it results an equilibrium price of \$73/barrel, although in the short term oil prices are affected by concerns about the influence of coronavirus on the Chinese demand. Due to this specific oil risk and the general risks of the stock markets (the most unfavorable ratio of the last years between the expected return and the risk of correction as a result of the growth of the markets through the expansion of multiples without a corresponding increase in the companies' financial results) we reduced the exposure on shares to be able to take advantage of any other opportunities.

At the end of January, the Fund's trading portfolio is valued at about RON 28.57 million, up by 1.50% compared to the value reported at the end of December, 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

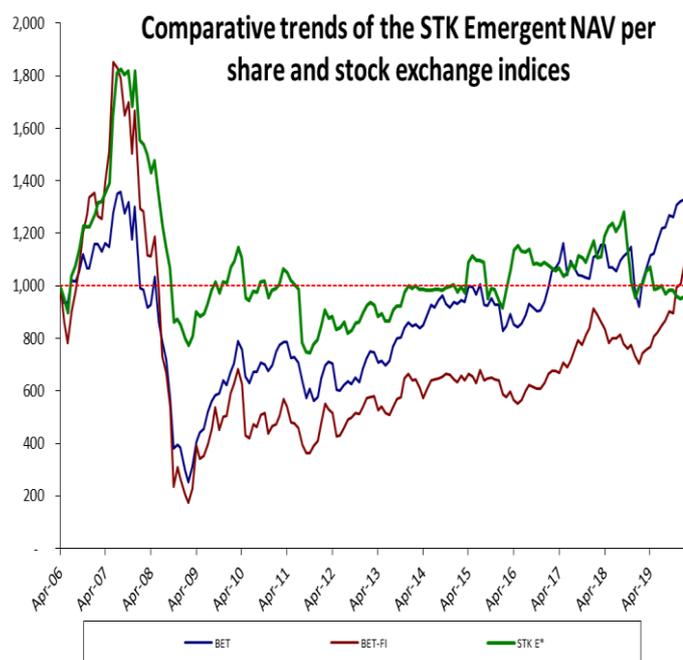
The net asset value per share increased by 0.75% last month

On January 31, 2020, the STK Emergent net asset value per share stands at RON 93.31, decreasing by 0.75%, compared to the net asset value per share at the end of December.

The BET index of the Bucharest Stock Exchange registered an increase of 0.51% in January, reaching 10,027.88 points at the end of the month; from the BET index, FP, M and WINE shares posted the highest increases of 10.7%, 6.8% and 5.9%, while TGN, SNP and SNG shares decreased by 8.2%, 6.0% and 5.4%.

The BET-FI index of the financial sector rose in January by 7.80%, the five Financial Investment Companies and FP registering returns between 3.7% and 13.3%.

Comparative chart of STK Emergent and the Bucharest Stock Exchange Indices between start-up and January 2020:



STK E*- NAV per share adjusted for dividends

From launch to the end of January, the net asset value per share registered a *negative variation of 3.85%*, underperforming the BET index, which increased by 34.39%, and the BET-FI index, which registered a positive variation of 10.49%, over the same time frame.

4. Performance of the world stock exchanges

January was characterized by declines in financial markets

The developed financial markets dropped in January by an average of 2.65% on worries about the potential economic impact from the 2019-nCoV virus, the mature capital market indexes recording the following returns: the US index S&P500 -0.2%, the German index DAX -2.0%, the French index CAC40 -2.9%, the British index FTSE100 -3.4%, the Austrian index ATX -3.5%, the Polish WIG20 -3.9%.

At the January 29 meeting, the US Federal Reserve decided to keep the monetary policy interest rate in the range of 1.50%-1.75, decision explained by the strong labor market, while risks from the trade war, a manufacturing slowdown and a hard Brexit appear to have dimmed.

The UK left the EU on 31 January 2020 and has entered an 11-month transition period, during which the UK effectively remains in the EU's customs union and single market and continues to obey EU rules.

Emerging and frontier stock exchanges posted an average decline of 0.89% in January, with stock exchanges in Hungary, Czech Republic and China recording returns of -6.5%, -3.9% and -2.4%, while exchanges in Turkey, Bulgaria and Russia posted increases of 4.1%, 1.4% and 1.0% respectively.

| Index | Country | 2017* | 2018** | 2019*** | Jan - 20**** |
|------------|----------------|-------|--------|---------|--------------|
| ATX | Austria | 30.6% | -19.7% | 16.1% | -3.5% |
| SOFIX | Bulgaria | 15.5% | -12.3% | -4.4% | 1.4% |
| PX | Czech Republic | 17.0% | -8.5% | 13.1% | -3.9% |
| SSEC | China | 6.6% | -24.6% | 22.3% | -2.4% |
| CAC40 | France | 9.3% | -11.0% | 26.4% | -2.9% |
| FTSE | UK | 7.6% | -12.5% | 12.1% | -3.4% |
| DAX | Germany | 12.5% | -18.3% | 25.5% | -2.0% |
| BSE SENSEX | India | 27.9% | 5.9% | 14.4% | -1.3% |
| WIG 20 | Poland | 26.4% | -7.5% | -5.6% | -3.9% |
| BET | Romania | 9.4% | -4.8% | 35.1% | 0.5% |
| BET-FI | Romania | 33.4% | -12.6% | 37.3% | 7.8% |
| SP 500 | USA | 19.4% | -6.2% | 28.9% | -0.2% |
| BUX | Hungary | 23.0% | -0.6% | 17.7% | -6.5% |
| MOEX | Russia | -5.5% | 11.8% | 29.1% | 1.0% |
| ISE 100 | Turkey | 47.6% | -20.9% | -8.9% | 4.1% |

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

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

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

****last month return: 12/31/2019-01/31/2020