



STK Emergent Monthly NAV report

March 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	February 2020	March 2020
Unlisted shares	29,916,388	29,916,388
Tradeable shares portfolio	28,674,368	28,511,681
Shares	893,905	1,089,870
Cash	27,149,264	27,042,965
Collective undertakings titles	837,354	585,000
Other net assets	-206,155	-206,155
Other liabilities	131,068	134,383
Net assets	58,459,689	58,293,686
NAV per share	95.87	95.60

Tradeable shares portfolio represents 48.9% of the total net assets at the end of March.

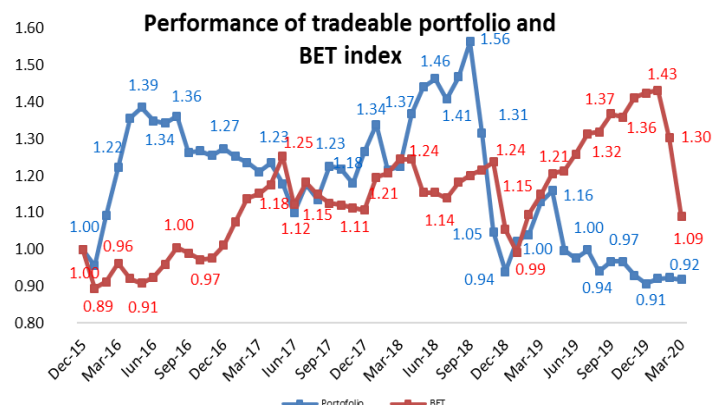
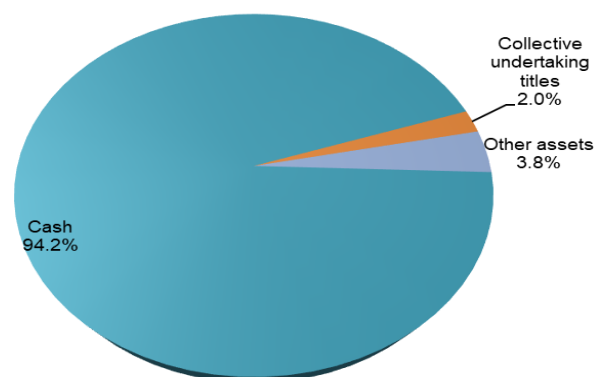
Fund holdings are recorded using the reference price of the shares traded on the last day of the month, and for the unlisted companies a fair value is used, from a valuation report made by an ANEVAR certified external valuator.

At the end of March, the tradeable shares portfolio was composed of 94.2% cash, the rest being collective undertakings, 2.0%, and other shares, 3.8%. *Other net assets* category includes the dividends payable by the Fund from previous years.

The COVID-19 pandemic had a major impact on financial markets during March, generating drastic decreases globally. Market volatility has increased to levels at the height of the 2008 financial crisis due to difficulties in assessing the economic impact of the pandemic measures, as well as uncertainties over the time horizon necessary to find medical solutions.

2. Stock portfolio

Tradeable portfolio holdings



The problems caused by the coronavirus pandemic have created a very risky investment environment at present, with significant price corrections and uncertainties about their duration. Under those conditions, we chose to maintain higher liquidity while waiting for a more favorable context.

At the end of March, the Fund's trading portfolio is valued at about RON 28.51 million, *slightly down by 0.57%* compared to the value reported at the end of February, reflecting the changes in the prices of the remaining 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

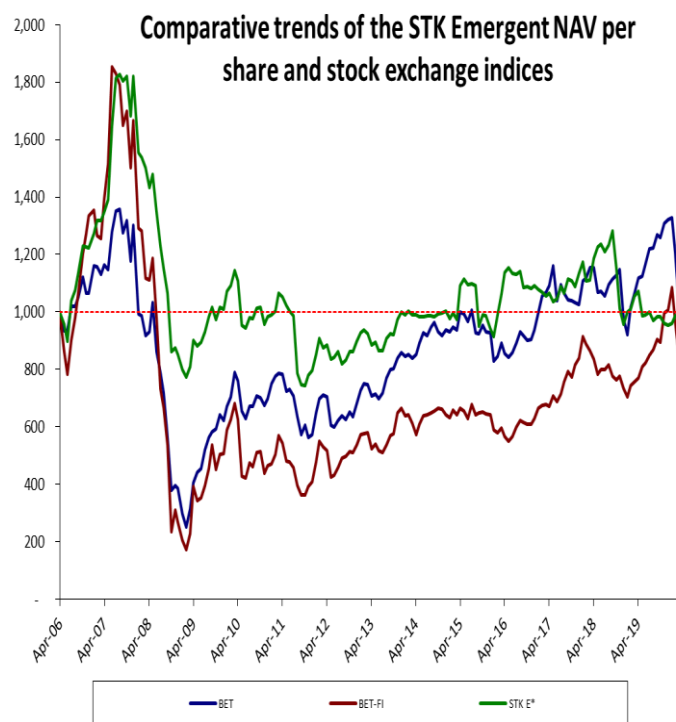
The net asset value per share varied by **-0.28%** last month

On March 31, 2020, the STK Emergent net asset value per share stands at RON 95.60, varying by 2.74%, compared to the net asset value per share at the end of February.

The BET index of the Bucharest Stock Exchange fell sharply also in March, with 16.40%, reaching 7,625.38 points at the end of the month: the steepest decreases were registered by ALR, SFG and TLV shares of -32.9%, -29.6%, and -22.4%, SNN and BVB shares recorded the lowest decreases of -1.1% and -1.7%.

The BET-FI index of the financial sector registered a decrease of 13.45% in March, the five Financial Investment Companies and FP posting negative returns between -23.0% and -9.0%.

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



STK E*- NAV per share adjusted for dividends

From launch to the end of March, the net asset value per share registered a *negative variation of 1.49%*, underperforming the BET index, which increased by 2.19%, but overperforming the BET-FI index, which registered a decline of 14.97% over the same time frame.

4. Performance of the world stock exchanges

March was characterized by drops in financial markets

The developed financial markets dropped in March by an average of 17.11%, the mature capital market indexes recording the following negative returns: the Austrian ATX index -28.2%, the French CAC40 index -17.2%, the German DAX index -16.4%, the Polish WIG20 index -14.5%, the British FTSE100 index -13.8%, American index S&P500 -12.5%.

During March, the US Federal Reserve has cut twice the monetary policy interest rate, reaching a range of 0.00%-0.25% and launched a bond purchase program to support the US economy and limit the consequences of the coronavirus pandemic outbreak in the financial markets.

The National Bank of Romania has decided to reduce the monetary policy interest rate by 0.5 percentage points, to 2.0% (from 2.5%) and the interest rate on the lending facility to 2.5% (from 3.5%), and to keep the interest rate on the deposit facility at 1.5%.

Emerging and frontier stock exchanges posted an average drop of 16.24% in March, with decreases between -23.8% and -4.5%, stock exchanges in Bulgaria, India and the Czech Republic recording the largest drops of -23.8%, -23.1% and -19.2% respectively.

Index	Country	2018*	2019**	YTD 2020***	Mar - 20****
ATX	Austria	-19.7%	16.1%	-37.2%	-28.2%
SOFIX	Bulgaria	-12.3%	-4.4%	-26.2%	-23.8%
PX	Czech Republic	-8.5%	13.1%	-29.2%	-19.2%
SSEC	China	-24.6%	22.3%	-9.8%	-4.5%
CAC40	France	-11.0%	26.4%	-26.5%	-17.2%
FTSE	UK	-12.5%	12.1%	-24.8%	-13.8%
DAX	Germany	-18.3%	25.5%	-25.0%	-16.4%
BSE SENSEX	India	5.9%	14.4%	-28.6%	-23.1%
WIG 20	Poland	-7.5%	-5.6%	-29.6%	-14.5%
BET	Romania	-4.8%	35.1%	-23.6%	-16.4%
BET-FI	Romania	-12.6%	37.3%	-17.0%	-13.5%
SP 500	USA	-6.2%	28.9%	-20.0%	-12.5%
BUX	Hungary	-0.6%	17.7%	-28.1%	-17.6%
MOEX	Russia	11.8%	29.1%	-17.6%	-9.9%
ISE 100	Turkey	-20.9%	-8.9%	0.3%	-15.4%

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

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

*** return between 12/31/2019-03/31/2020

****last month return: 02/28/2020-03/31/2020