



STK Emergent Monthly NAV report

September 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

	August 2018	September 2018
Unlisted shares	27,667,252	27,667,252
Tradeable shares portfolio	45,568,570	48,506,111
Shares	35,369,414	38,347,001
Cash	9,792,900	9,717,854
Collective undertakings titles	550,000	580,000
Other net assets	-143,745	-138,745
Other liabilities	172,582	166,350
Net assets	73,063,240	76,007,013
NAV per share	119.82	124.65

Tradeable shares portfolio represents 63.8% of the total net assets at the end of September.

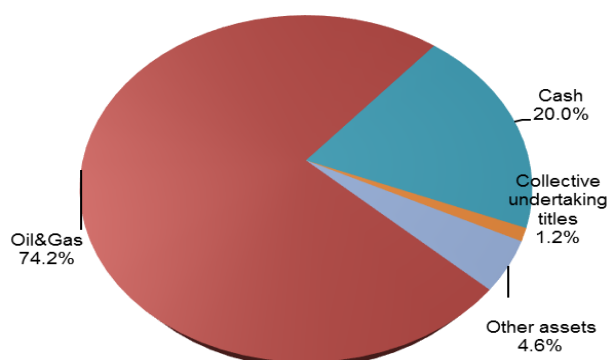
Fund holdings are recorded using the reference price of the shares traded on the last day of the month, or the book value for unlisted companies, adjusted for the fair value of these companies' assets.

At the end of September, about 74.2%, of the trading portfolio is composed of shares belonging to oil & gas companies, while cash represents 20.0% of the total portfolio. *Other net assets* category includes the dividends payable by the Fund from previous years and dividends to be received (as of the end of September).

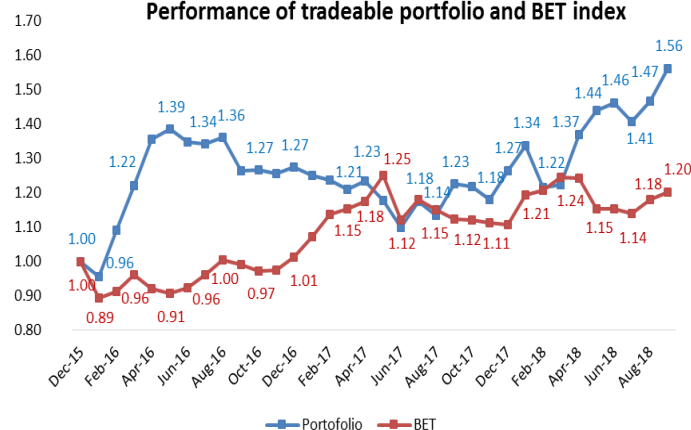
The WTI oil price rose by 5.81% in September, reaching a peak of 73.49\$ per barrel, a result of a recent drop in Iran's supply because of U.S. sanctions, taking effect in November. On September 23, OPEC and non-OPEC member countries held a meeting that ended without any decision to increase oil production, reiterating only the commitment made in June to return to the 100% compliance level, a decision that also contributed to rising oil prices.

2. Stock portfolio

Tradeable portfolio holdings



Performance of tradeable portfolio and BET index



Historically, the oil price has been a function of supply and demand, and for the future, we expect the bullish factors to be predominant: the increase in world oil demand (by 1.62 mb/d in 2018, according to OPEC's latest estimates), the sanctions imposed by the US on Iran, with a potential to reduce the oil supply by around 1 mb/d, the decrease in sector's investments (which are at about 60% of the investments made before the fall in oil prices) and the increase in shale oil production can only partly offset these factors. Estimated oil price as a function of oil demand and supply is 81\$ per barrel, representing a 10% upside against the end-September price.

At the end of September, the Fund's trading portfolio is valued at about RON 48.51 million, up by 6.45% compared to the value reported at the end of August.

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

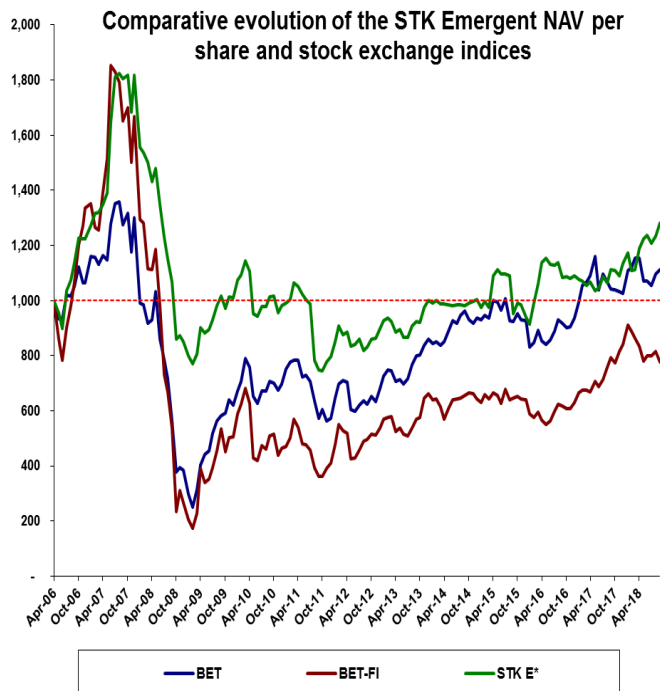
The net asset value per share increased by 4.03% last month

On September 28, 2018, the STK Emergent net asset value per share stands at RON 124.65, increasing by 4.03%, compared to the net asset value per share at the end of August.

The BET index of the Bucharest Stock Exchange recorded again a growth of 1.67% in September, SNP, SNG and SNN shares posting the highest increases, of 10.52%, 3.85% and respectively 3.27%, while TEL, BRD and M shares registered falls of 6.00%, 4.78% and respectively 2.55%.

In September, the BET-FI index of the financial sector fell by 4.49%, the five financial investment companies posted falls of between 2.51% (SIF5) and 10.91% (SIF4, dividend adjusted return); Fondul Proprietatea recorded a positive return of 2.31%.

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



STK E*- NAV per share adjusted for dividends

From launch to the end of September, the net asset value per share registered a *positive variation of 28.45%*, outperforming the BET-FI index which has shrunk by 20.89%, while BET index recorded a positive return of 12.75% in the same time frame.

4. Performance of the world stock exchanges in September

September was characterized by increases in equity markets

The developed stock exchanges recorded on average a slight increase of 0.69% in September; the French CAC40 index grew by 1.6%, the Austrian ATX index was up by 1.3%, the British FTSE100 index rose by 1.0% and the US S&P500 index by 0.4%; the German DAX index dropped by 0.9%.

At the September 26 meeting, the US Federal Reserve decided the third hike of the monetary policy interest rate this year, to between 2.00% and 2.25%. The decision was due to the labor market that has continued to strengthen and the economic activity which has been rising at a strong rate.

The US-China trade war escalated in September, with the US imposing import tariffs on an additional \$200 billion worth of Chinese goods, and China retaliated with tariffs for \$60 billion of US imported goods.

Emerging stock exchanges grew on average by 1.26% in September; Turkish and Russian stock exchanges recorded increases of 7.8% and 5.5%; negative returns were recorded by stock exchanges from India and Poland by -6.3% and -2.3%, respectively.

Index	Country	2016*	2017**	YTD 2018***	Sep - 18****
ATX	Austria	9.2%	30.6%	-2.2%	1.3%
SOFIX	Bulgaria	27.2%	15.5%	-7.8%	-1.2%
PX	Czech Republic	-3.6%	17.0%	2.2%	2.7%
SSEC	China	-12.3%	6.6%	-14.7%	3.5%
CAC40	France	4.9%	9.3%	3.4%	1.6%
FTSE	UK	14.4%	7.6%	-2.3%	1.0%
DAX	Germany	6.9%	12.5%	-5.2%	-0.9%
BSE SENSEX	India	1.9%	27.9%	6.4%	-6.3%
WIG 20	Poland	4.8%	26.4%	-7.2%	-2.3%
BET	Romania	1.2%	9.4%	8.5%	1.7%
BET-FI	Romania	-1.9%	33.4%	-7.4%	-4.5%
SP 500	USA	9.5%	19.4%	9.0%	0.4%
BUX	Hungary	33.8%	23.0%	-5.6%	-0.2%
MOEX	Russia	26.8%	-5.5%	17.3%	5.5%
ISE 100	Turkey	8.9%	47.6%	-13.3%	7.8%

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

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

*** return between 12/29/2017-09/28/2018

****last month return: 08/31/2018-09/28/2018

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