



## STK Emergent Monthly NAV report

### October 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 fund units in circulation:** 609,753

**CNVM notice:** CSC08FIIR/120004 from 02/07/2008

**Depository:** BRD- GSG

### 1. Fund assets

RON	September 2020	October 2020
Unlisted shares	29,916,388	29,916,388
Tradeable shares portfolio	27,622,009	27,258,704
Shares	4,551,395	241,514
Cash	22,583,813	26,522,906
Collective undertaking titles	692,956	695,439
Other net assets	-206,155	-201,155
Other liabilities	132,697	128,142
<b>Net assets</b>	<b>57,405,699</b>	<b>57,046,950</b>
<b>NAV per share</b>	<b>94.15</b>	<b>93.56</b>

Tradeable shares portfolio represents 47.8% of the total net assets at the end of October.

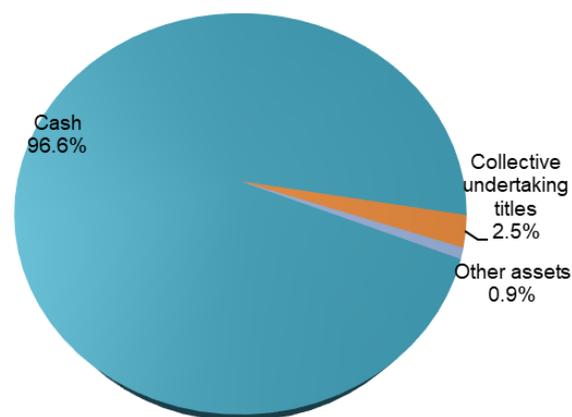
Fund holdings are recorded using the reference price of the shares traded on the last day of the month, and for the unlisted companies a fair value is used, from a valuation report made by an ANEVAR certified external valuator.

At the end of October, the tradeable shares portfolio was composed of 96.6% cash, 0.9% shares and 2.5% collective undertakings. *Other net assets* category includes the dividends payable by the Fund from previous years.

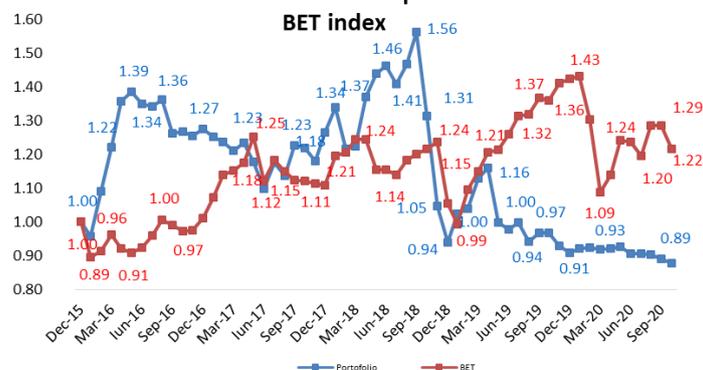
Almost half of small and medium-sized companies in Europe consider that they will go bankrupt in the next 12 months if they continue at the current pace, 20% of Italian and French companies estimate that they will start insolvency proceedings in the next six months, according to a report by consulting company McKinsey & Co which has taken into account over 2,200 SMEs from the five largest European economies. Small and medium-sized businesses are essential to the region, accounting for 67% of the workforce.

### 2. Stock portfolio

#### Tradeable portfolio holdings



#### Performance of tradeable portfolio and BET index



The International Monetary Fund estimates an economic contraction of 12.8% for Spain by the end of the year, which is the largest decline among developed countries.

At the end of October, the Fund's net assets are valued at about RON 57.05 million, *slightly down by 0.62%* compared to the value reported at the end of September, 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

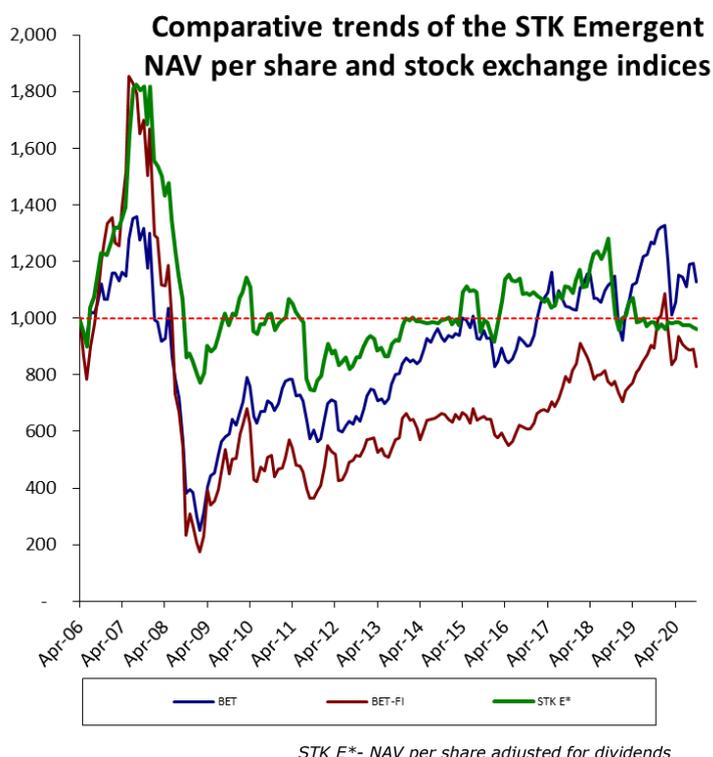
#### The net asset value per share varied by -0.62% last month

On October 30, 2020, the STK Emergent net asset value per share stands at RON 93.56, slightly down compared to the level of the previous month.

The BET index of the Bucharest Stock Exchange reached the level of 8,510.37 points at the end of the month, varying by -5.52% in October; the highest increases were registered by the shares of DIGI + 8.0%, TEL + 3%, M and FP + 2.3%, while the shares of BRD, WINE and SNG registered during the month decreases of -12.5%, -9.9%, and respectively -9.5%.

The BET-FI index of the financial sector registered in October a decrease of -7.07%, the five Financial Investment Companies and FP posting returns of between -11.8% and -0.8%.

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



From launch to the end of October, the net asset value per share registered a *negative variation of 3.59%*, the BET index increased by 14.05%, and the BET-FI index decline by 15.75% over the same time frame.

### 4. Performance of the world stock exchanges

#### October was characterized by declines in financial markets

The developed financial markets fell in October by an average of 5.92%, the mature capital market indexes recording the following returns: the Austrian ATX index - 2.6%, the Polish WIG20 index, -11.5%, the American S&P500 index -2.8%, the French CAC40 index -4.4%, the British FTSE100 index -4.9%, the German DAX index - 9.4%

In Europe, the second wave of the COVID-19 pandemic is occurring, and the accelerated evolution of the number of cases has led to the re-imposition of mobility restrictions in some regions.

This is due to the decline in the Composite PMI indicator, which re-entered into the contraction zone in October.

Emerging and frontier stock exchanges registered an average decline of 2.04% in October, the stock exchanges in Romania and Russia registered substantial decreases, of -5.5% and -7.4%, while the stock exchanges in India and China registered positive returns of 4.1% and 0.2% respectively.

Index	Country	2018*	2019**	YTD 2020***	Oct - 20****
ATX	Austria	-19.7%	16.1%	-35.5%	-2.6%
SOFIX	Bulgaria	-12.3%	-4.4%	-24.7%	0.1%
PX	Czech Republic	-8.5%	13.1%	-24.4%	-2.9%
SSEC	China	-24.6%	22.3%	5.7%	0.2%
CAC40	France	-11.0%	26.4%	-23.1%	-4.4%
FTSE	UK	-12.5%	12.1%	-26.1%	-4.9%
DAX	Germany	-18.3%	25.5%	-12.8%	-9.4%
BSE SENSEX	India	5.9%	14.4%	-4.0%	4.1%
WIG 20	Poland	-7.5%	-5.6%	-29.5%	-11.5%
BET	Romania	-4.8%	35.1%	-14.7%	-5.5%
BET-FI	Romania	-12.6%	37.3%	-17.8%	-7.1%
SP 500	USA	-6.2%	28.9%	1.2%	-2.8%
BUX	Hungary	-0.6%	17.7%	-30.0%	-2.0%
MOEX	Russia	11.8%	29.1%	-11.7%	-7.4%
ISE 100	Turkey	-20.9%	25.4%	-2.8%	-2.9%

\*return between 12/29/2017-12/31/2018  
\*\* return between 12/31/2018-12/31/2019  
\*\*\* return between 12/31/2019-10/30/2020  
\*\*\*\*last month return: 09/30/2020-10/30/2020