



STK Emergent Monthly NAV report

May 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	April 2020	May 2020
Unlisted shares	29,916,388	29,916,388
Tradeable shares portfolio	28,612,917	28,536,679
Shares	1,120,110	1,152,726
Cash	27,051,006	26,926,227
Collective undertakings titles	647,956	663,881
Other net assets	-206,155	-206,155
Other liabilities	134,520	125,721
Net assets	58,394,785	58,327,346
NAV per share	95.77	95.66

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

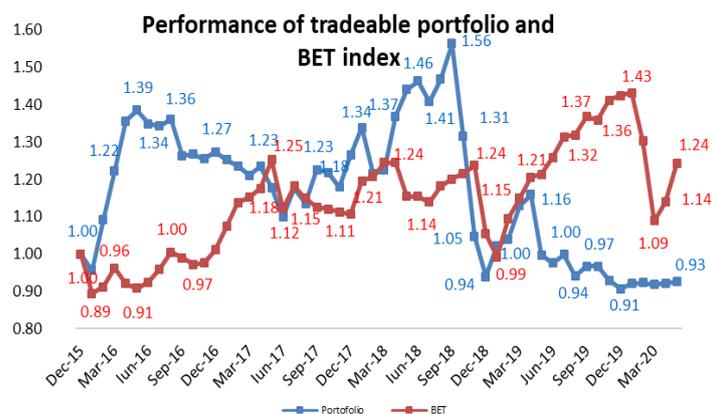
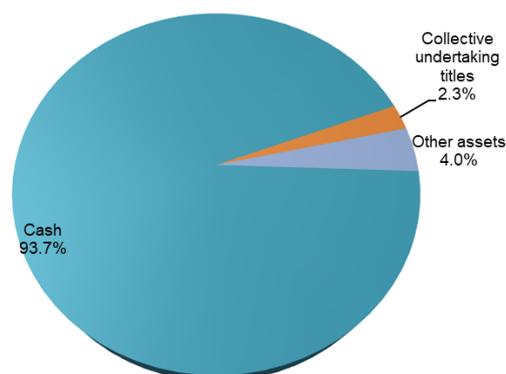
Fund holdings are recorded using the reference price of the shares traded on the last day of the month. For the unlisted companies a fair value is used from a valuation report made by an ANEVAR certified external valuator.

At the end of May, the tradeable shares portfolio was composed of 93.7% cash, the rest of 2.3% being collective undertakings and other shares, 4.0%. *Other net assets* category includes the dividends payable by the Fund from previous years.

The swift and massive shock of the coronavirus pandemic and shutdown measures to contain it have plunged the global economy into a severe contraction. According to World Bank forecasts, the global economy will shrink by 5.2% this year, that would represent the deepest recession since the Second World War. As for the advanced economies, their economic activity is anticipated to shrink 7%, as domestic demand and supply, trade, and finance have been severely disrupted.

2. Stock portfolio

Tradeable portfolio holdings



In May, opinions supporting an L-shape economic recovery gained ground over initial predominant reactions to a V-shape recovery, with stock markets still facing substantial downside risks. Given the high volatility of assets and the uncertainty about their duration, we chose to maintain higher liquidity while waiting for a more favorable context.

At the end of May, the Fund's trading portfolio is valued at about RON 28.54 million, *slightly down by 0.27%* compared to the value reported at the end of April, 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

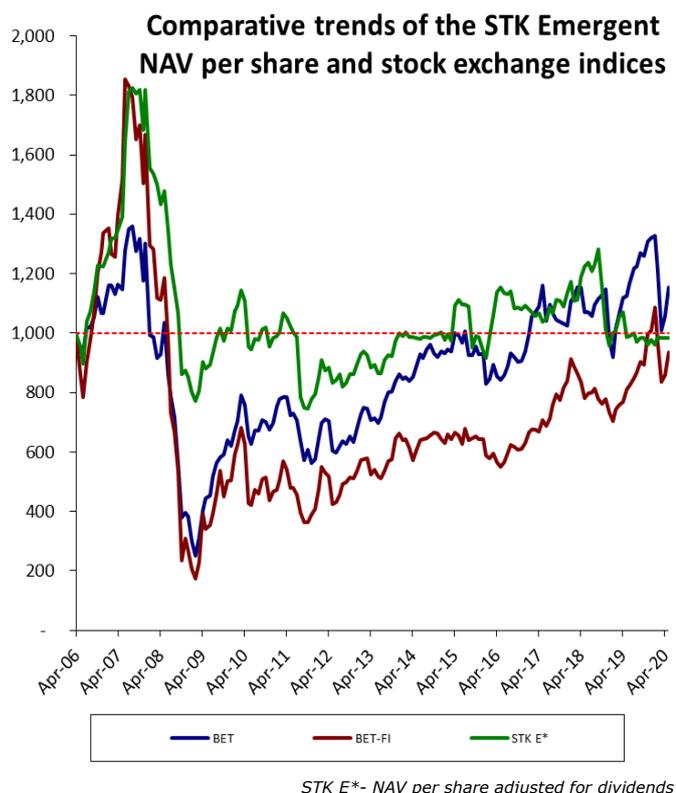
The net asset value per share varied by -0.12% last month

On May 29, 2020, the STK Emergent net asset value per share stands at RON 95.66, slightly down by 0.12%, compared to the net asset value per share at the end of April.

The BET index of the Bucharest Stock Exchange rose by 9.06% in May, reaching 8,701.29 points at the end of the month; the highest increases were registered by SNN shares +21.4%, TEL and ALR shares +15.9%, and EL shares +13.5%.

The BET-FI index of the financial sector registered an increase of 9.07% in May, the five Financial Investment Companies and FP posting returns between 4.7% and 15.3%.

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



From launch to the end of May the net asset value per share registered a *negative variation of 1.43%*, while the BET index increased by 16.61% and the BET-FI index declined by 4.96% over the same time frame.

4. Performance of the world stock exchanges

May was characterized by increases in financial markets

The developed financial markets grew in May by an average of 3.60%, the mature capital market indexes recording the following returns: the German DAX index 6.7%, the American index S&P500 and the Polish WIG20 index 4.5%, the British FTSE100 index 3.0%, the French CAC40 index 2.7% and the Austrian ATX index 0.2%.

In response to the coronavirus pandemic crisis, the European Commission proposed a major recovery plan on 27 May by creating Next Generation EU programme of €750 billion to boost the EU budget with new financing raised on the financial markets for 2021-2024. In addition, targeted reinforcements to the long-term EU budget for 2021-2027 will bring the total financial firepower of the EU budget to €1.85 trillion.

Emerging and frontier stock exchanges increased by an average of 2.28% in May, with stocks exchanges in Romania, Turkey and Russia posting the largest increases of 9.1%, 4.4% and 3.2%, while stock exchanges in India and China registered declines of 3.8% and 0.3% respectively.

Index	Country	2018*	2019**	YTD 2020***	May - 20****
ATX	Austria	-19.7%	16.1%	-30.0%	0.2%
SOFIX	Bulgaria	-12.3%	-4.4%	-20.3%	1.2%
PX	Czech Republic	-8.5%	13.1%	-19.7%	2.6%
SSEC	China	-24.6%	22.3%	-6.5%	-0.3%
CAC40	France	-11.0%	26.4%	-21.5%	2.7%
FTSE	UK	-12.5%	12.1%	-19.4%	3.0%
DAX	Germany	-18.3%	25.5%	-12.5%	6.7%
BSE SENSEX	India	5.9%	14.4%	-21.4%	-3.8%
WIG 20	Poland	-7.5%	-5.6%	-19.9%	4.5%
BET	Romania	-4.8%	35.1%	-12.8%	9.1%
BET-FI	Romania	-12.6%	37.3%	-7.3%	9.1%
SP 500	USA	-6.2%	28.9%	-5.8%	4.5%
BUX	Hungary	-0.6%	17.7%	-22.1%	2.0%
MOEX	Russia	11.8%	29.1%	-10.2%	3.2%
ISE 100	Turkey	-20.9%	-8.9%	-1.9%	4.4%

*return between 12/29/2017-12/31/2018
** return between 12/31/2018-12/31/2019
*** return between 12/31/2019-05/29/2020
****last month return: 04/30/2020-05/29/2020