



STK Emergent Monthly NAV report

July 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	June 2020	July 2020
Unlisted shares	29,916,388	29,916,388
Tradeable shares portfolio	28,108,460	28,099,923
Shares	814,365	408,765
Cash	26,761,320	27,191,230
Collective undertakings titles	727,929	706,083
Other net assets	-195,155	-206,155
Other liabilities	133,521	133,458
Net assets	57,891,327	57,882,852
NAV per share	94.94	94.93

Tradeable shares portfolio represents 48.5% of the total net assets at the end of July.

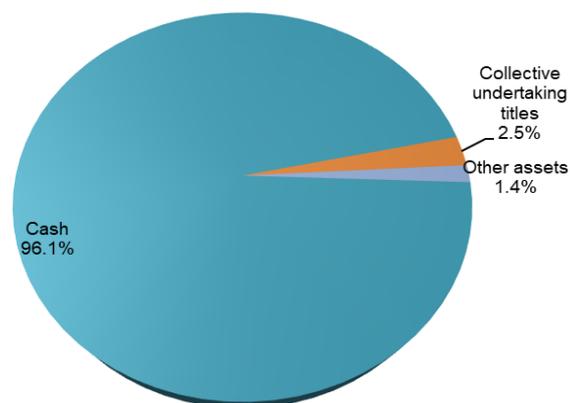
Fund holdings are recorded using the reference price of the shares traded on the last day of the month, and for the unlisted companies a fair value is used, from a valuation report made by an ANEVAR certified external valuator.

At the end of July, the tradeable shares portfolio was composed of 96.1% cash, the rest being collective undertakings, 2.5%, and other shares, 1.4%. *Other net assets* category includes the dividends payable by the Fund from previous years and dividends to be received (in case of June).

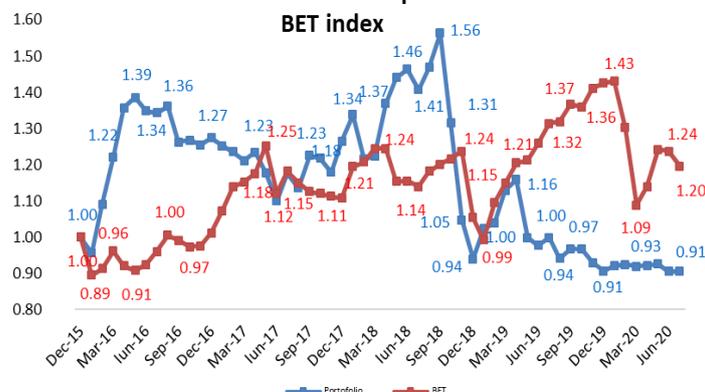
July was characterized by an increase in cases of coronavirus infection globally, reaching 17.75 million; the European area is largely easing restrictions, some places are having to keep them or reimpose them again, as a consequence of the presence of signs of a second wave of infections. Eurostat reported at the end of the month the deepest GDP contraction on record for the Eurozone of 12.1% (second quarter, compared to the previous quarter).

2. Stock portfolio

Tradeable portfolio holdings



Performance of tradeable portfolio and BET index



Opinions supporting a L-shaped and recently a W-shaped economic recovery gain ground over initial predominant reactions to a V-shaped 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 July, the Fund's trading portfolio is valued at about RON 28.10 million, *at the same level as the previous month*, 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

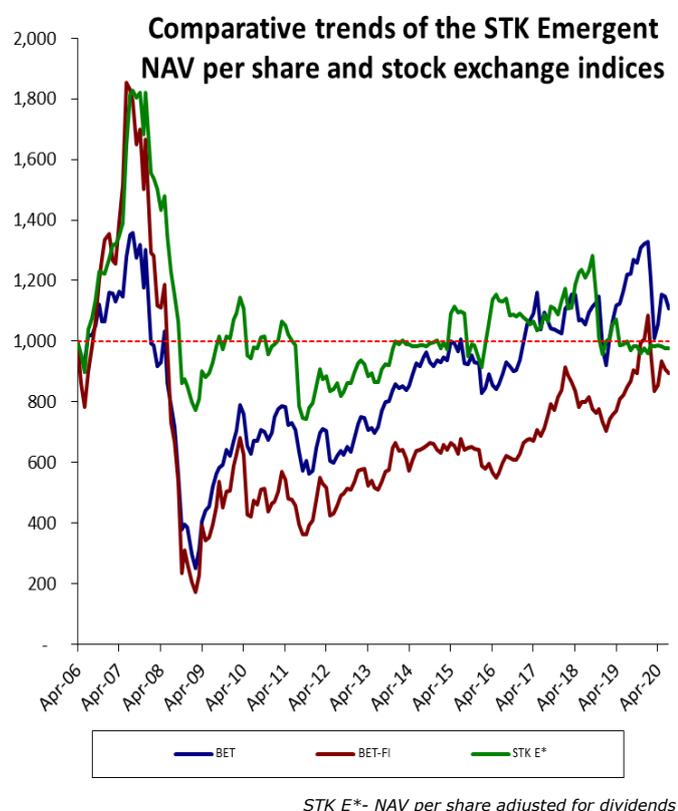
The net asset value per share varied by -0.01% last month

On July 31, 2020, the STK Emergent net asset value per share stands at RON 94.93, at the same level of the previous month.

The BET index of the Bucharest Stock Exchange was down 3.25% in July, reaching 8,377.89 points at the end of the month; the highest increases were registered by TRP shares +38.4%, TEL shares +6.9%, and SNN shares +5.7%, while the largest decreases were posted by SFG shares, -7.7%, TLV shares -6.1%, and SNG shares -6.1% (dividend-adjusted return).

The BET-FI index of the financial sector registered a decrease of 1.62% in July, the five Financial Investment Companies and FP posting returns of between -4.0% and +2.0%.

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



From launch to the end of July, the net asset value per share registered a *negative variation of 2.18%*, the BET index increased by 12.28%, and the BET-FI index decline by 9.14% over the same time frame.

4. Performance of the world stock exchanges

July saw increases in emerging markets and declines in developed markets

The developed financial markets declined in July by an average of 1.16%, the mature capital market indexes recording the following returns: the American index S&P500 5.5%, the Polish WIG20 index 0.5%, the German DAX index 0.0%, the French CAC40 index -3.1%, the British FTSE100 index -4.4%, and the Austrian ATX index -5.5%.

On 21 July 2020, European Union leaders approved the European Union's economic recovery package following the coronavirus crisis - a €1,824 billion plan consisting of a €750 billion recovery fund and a 2021-2027 Multiannual Financial Framework of €1,074 billion; the €750 billion recovery fund will consist of € 390 billion in total grants and €360 billion in loans.

Emerging and frontier stock exchanges registered an average increase of 0.94% in July, with stocks exchanges in China, India and Russia posting the largest increases of 10.9%, 7.7% and 6.1%, while stock exchanges in Bulgaria and Czech Republic registered declines of 3.8% and 3.7% respectively.

Index	Country	2018*	2019**	YTD 2020***	Jun - 20****
ATX	Austria	-19.7%	16.1%	-33.4%	-5.5%
SOFIX	Bulgaria	-12.3%	-4.4%	-23.2%	-3.7%
PX	Czech Republic	-8.5%	13.1%	-20.9%	-3.8%
SSEC	China	-24.6%	22.3%	8.5%	10.9%
CAC40	France	-11.0%	26.4%	-20.0%	-3.1%
FTSE	UK	-12.5%	12.1%	-21.8%	-4.4%
DAX	Germany	-18.3%	25.5%	-7.1%	0.0%
BSE SENSEX	India	5.9%	14.4%	-8.8%	7.7%
WIG 20	Poland	-7.5%	-5.6%	-17.8%	0.5%
BET	Romania	-4.8%	35.1%	-16.0%	-3.3%
BET-FI	Romania	-12.6%	37.3%	-11.4%	-1.6%
SP 500	USA	-6.2%	28.9%	1.2%	5.5%
BUX	Hungary	-0.6%	17.7%	-24.7%	-3.1%
MOEX	Russia	11.8%	29.1%	-4.4%	6.1%
ISE 100	Turkey	-20.9%	25.4%	-1.5%	-3.3%

*return between 12/29/2017-12/31/2018
** return between 12/31/2018-12/31/2019
*** return between 12/31/2019-07/31/2020
****last month return: 06/30/2020-07/31/2020