

GENERAL INFORMATION

Inception Date: 23.04.1987

Net Assets: 36,079 K Eur

NAV: 45.457 Eur

ISIN: ES0182105033

Asset Manager

Merchbanc SGIIIC. S.A.

Depository

BNP Paribas Securities Services

Auditor

GMP Auditores. S.A.

Management Fee

1.5% over Net Assets

Depository Fee

0.10% over Net Assets

Subscription Fee

None

Redemption or Switch Fee

None

Minimum Investment: None

Currency Base: Euro

Bank account for subscriptions:

ES41 0144 0001 39 0000052511

Account name: Merch-Universal FI

Cumulative Mutual Fund

It is a global mixed mutual fund. The Fund invests in equities and fixed income securities all over the world and more particularly in OECD countries and in all currencies. The minimum percentage in fixed income securities and liquidity is held at approximately 40%.

The Fund investment policy seeks long term capital appreciation through investing in different assets and markets taking into account the opportunities in all available markets.

Level of Risk

1	2	3	4	5	6	7
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COMMENTARY OF THE FUND'S PERFORMANCE

Major world indices appreciated in October, while volatility remained low for assets such as: corporate equities, bond securities, energy prices and currencies.

The positive returns are a result of favorable quarterly results presented by US and European corporations. Larger tech companies such as Alphabet and Apple, that have a significant share of the market capitalization, presented exceptionally positive results, which allowed for some complacency regarding riskier assets.

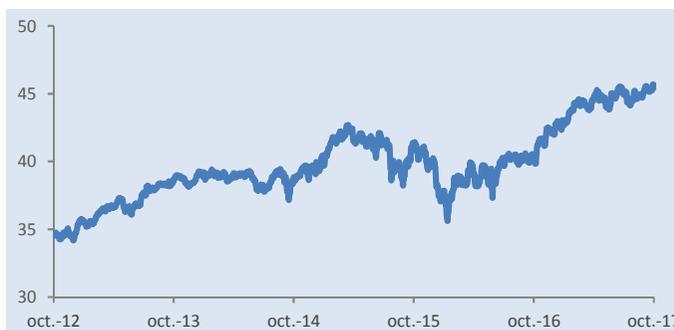
Meanwhile, emerging markets and Japan, had a remarkably positive month. European markets appreciated, although at slower pace than other world markets. The IBEX 35 suffered greater volatility as a result of the unstable Spanish political situation.

The SP500 rose by 2.5% and Dow Jones by 4.92%, while Nasdaq Composite rose by 4.31%. The Japanese Nikkei rose by 8.43%.

10-year bonds are the benchmark for fixed income securities. These securities, in Europe and in US, had differing behaviors in October and closed at 0.3630% and 2.3793% respectively.

The exposure to equity securities closed the month close to its limit of 60%, while the non-Euro currency exposure remained mostly covered.

NAV Evolution (last 5 years)



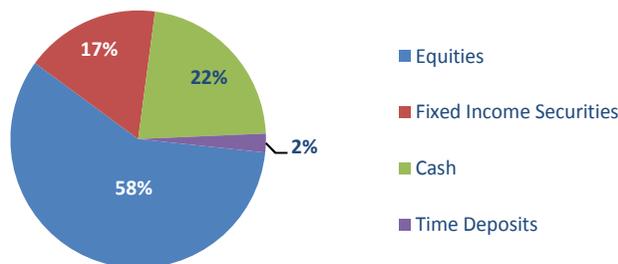
Source: Merchbanc

RETURN Annualized Cumulative

RETURN	Annualized	Cumulative
YTD		8.26%
12 months		12.62%
3 years	5.37%	17.00%
5 years	5.64%	31.56%
10 years	3.45%	40.35%
Since inception	6.85%	656.35%

Source: Merchbanc

Portfolio by asset class (%)



Source: Merchbanc

Portfolio Characteristics

Number of securities	42
Turnover (average 2 years)	0.24
Net exposure to non-euro currencies	16.41%
Volatility (% average 3 years)	9.39%
Var (% average 3 years)	4.59%

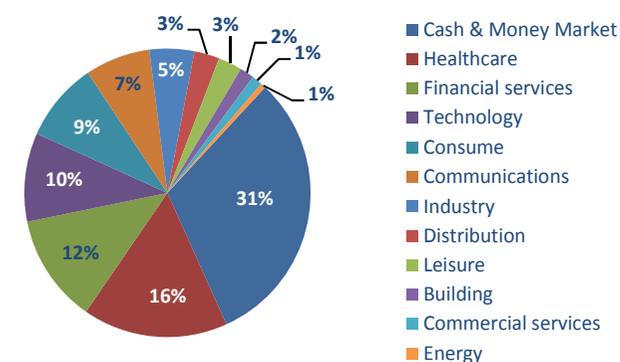
Source: Merchbanc

Top ten equities holdings

PORTOLA PHARMACEUTICALS	Healthcare	5.88%	PTLAC (USA, Nasdaq): Is a biotechnologic that develops products and new treatments for the thrombosis and several hematological disorders. It is close to put its first product on the market.
QUALCOMM	Communications	5.16%	QCOM (USA, Nasdaq): It owns a patented technology that charges royalties between 2-3% over each mobile terminal for the chip's license they own. There is another important area in the company, that is the sale of chips.
AKAMAI	Technology	2.86%	AKAM (USA, Nasdaq): provides cloud services for delivering, optimizing and securing online content and business applications. Its solutions include delivery of conventional content on websites to tools that support the delivery and operation of cloud-based applications, as well as security solutions and live and on-demand streaming video capabilities.
AXA	Financial Services	2.52%	CS (Paris, Euronext): multinational specialized in the business of financial protection that since 1983 it also makes asset management. It is one of the largest worldwide insurance groups.
ALLIANZ	Financial Services	2.50%	AZ (Germany, Xetra): German multinational of financial services based in Munich. It is one of the most important worldwide insurance and provider group of financial services. Its revenue rose to more than EUR 125,000 billions in 2015.
BANK OF AMERICA	Financial Services	2.49%	BAC (USA, NYSE) is one of the world's largest financial institutions, with total assets of \$1.3tn. It offers banking, investing, asset management and other financial and risk management products and services.
ROCHE	Healthcare	2.20%	ROG (Switzerland): Currently is almost more a biotechnologic. It has become in the most important company for treatments against cancer (for example, it bought a company that is Genentech).
SPLUNK	Technology	1.98%	SPLK (USA, Nasdaq): Provides software products. Its flagship product is Splunk Enterprise which allows corporations to collect machine-generated data from data centers, cloud storage, and mobile devices, index the data, and then search and analyze it in real-time to spot patterns.
LULULEMON ATHLETICA	Consume	1.76%	LULU (Canada): Is a specialized company of technical athletic apparel. In particular they started to sell yoga apparel. Recently there has been a change in its management team that has been diversifying into other sports and has also decided to launch a brand for young girls.
COMPAGNIE FINANCIERE RICHEMONT	Consume	1.75%	CFR (Switzerland): company framed within what is considered Hard Luxury. It has four business areas: watches, jewelry, writing instruments and clothing. It is one of largest companies of luxury goods (Cartier, Vacheron Constantin, Van Cleef & Arpels, Piaget, Jaeger-LeCoultre, Officine Paneral, IWC, Chloé...).
% TOTAL NET ASSETS		29.10%	

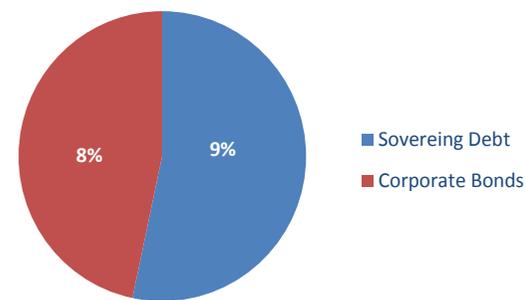
Source: Merchbanc

Sector Breakdown of the equity portfolio



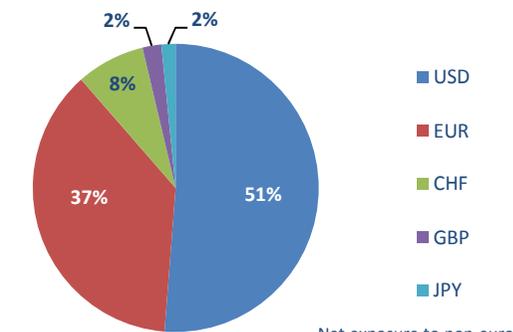
Source: Merchbanc

Fixed Income assets distribution



Source: Merchbanc

Currency Breakdown



Source: Merchbanc

Net exposure to non-euro currency: 16.41%