

**GENERAL INFORMATION**

**Inception date:** 23.04.1987  
**Net Assets:** 93,145 K Eur  
**NAV:** 91.709 Eur  
**ISIN:** ES0162332037  
**Asset Manager**  
 Merchbanc SGIIC. S.A.  
**Depository**  
 BNP Paribas Securities Services  
**Auditor**  
 GMP Auditores. S.A.  
**Management Fee**  
 1.35% /Net Assets and 9% /Performance  
**Depository Fee**  
 0.10% over Net Assets  
**Subscription Fee**  
 None  
**Redemption or Switch Fee**  
 None  
**Minimum investment:** none  
**Base currency:** Euro  
**Bank account for subscriptions:**  
 ES75 0144 0001 35 0000052483  
 Account name: Merchfondo FI

**Cumulative Mutual Fund**

The Fund invests with no limits in equities and fixed income securities in the global market, mainly in the OECD countries and in all currencies. 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  
 Investors should have a long term approach to the investment in this Fund, and they must accept and assume the risk that entails the Fund's investment policy.

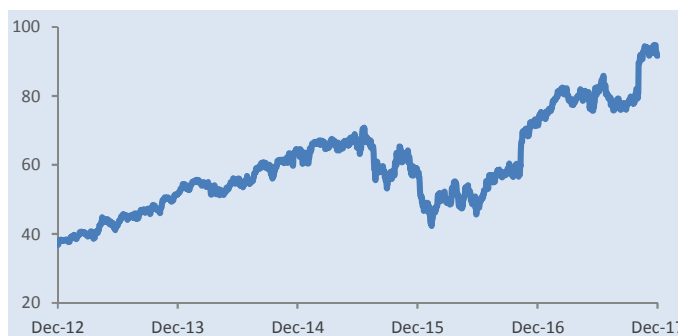
**Level of Risk**



**COMMENTARY OF THE FUND'S PERFORMANCE**

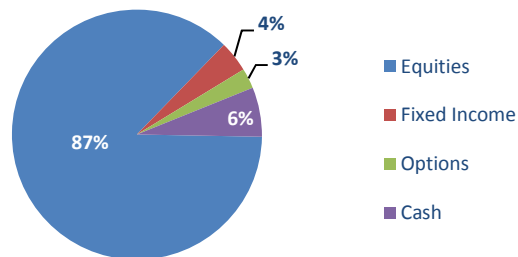
Global market indices levels continued to rise in December. Simultaneously, volatility for the different asset classes, stocks, bond, energy prices, and foreign currencies, all remained at very low levels.  
 The appreciation of market indices, was based on the good quarterly results presented by US, European and Asian corporations. The synchronized growth across international markets strengthened among developed economies. Developing countries boosted market returns in December. In addition, the approved fiscal reform also contributed to improve investor sentiment.  
 At the corporate level, positive company results resulted positive returns for Merchbanc funds, especially for those with a heavier equity weighting.  
 European equity markets fell slightly, the Eurostoxx 50 fell by 2% in December, while the Ibex-35 fell by 1.78%.  
 US indices closed the month with the S&P500 rising by 1.16% and Dow Jones by 2.26%. The Nasdaq Composite rose by 0.54%. The Japanese Nikkei fell by 0.28%.  
 Regarding the industry reference bonds of 10-year maturity, they had mixed performances in December. The European 10yr bond closed at 0.4270% while the US 10yr bond closed at 2.4054%.

**NAV Evolution (last 5 years)**



Source: Merchbanc

**Portfolio by asset class (%)**



Source: Merchbanc

**RETURN Annualized Cumulative**

RETURN	Annualized	Cumulative
YTD		28.32%
12 months		28.32%
3 years	12.90%	43.90%
5 years	20.00%	148.79%
10 years	12.57%	226.82%
Since inception	9.28%	1425.95%

Source: Merchbanc

**Portfolio characteristics**

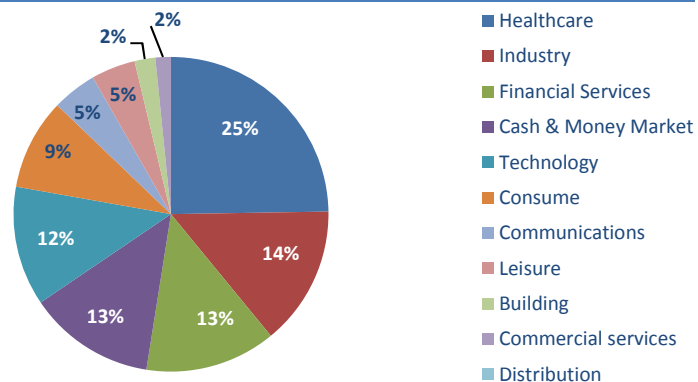
Number of securities	50
Turnover (average 2 years)	2.28
Net exposure to non-euro currencies	57.16%
Volatility (% average 3 years)	25.37%
Var (% average 3 years)	15.62%

Source: Merchbanc

**Top ten equities holdings**

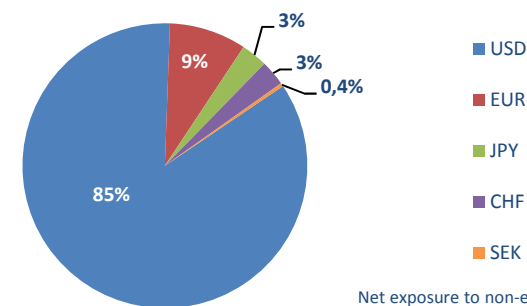
PORTOLA PHARMACEUTICALS	Healthcare	10.01%	<b>PTLAC (USA, Nasdaq):</b> Is a biotechnologic that develops products and new treatments for the thrombosis and several haematological disorders. It is close to put its first product on the market.
INCYTE	Healthcare	5.24%	<b>INCY (USA, Nasdaq):</b> Biopharmaceutical centered in the discovery, development, formulation, manufacture and marketing of its own therapeutic agents for the treatment of serious diseases without treatment, oncology most of all.
AKAMAI	Technology	4.65%	<b>AKAM (USA, Nasdaq):</b> 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.
TWITTER	Leisure	4.51%	<b>TWTR (USA, NYSE):</b> is a platform for public self-expression and conversation in real time. Most of its revenue stream comes from the sale of advertising using data mining
SPLUNK	Technology	4.44%	<b>SPLK (USA, Nasdaq):</b> 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.
BANK OF AMERICA	Financial services	3.69%	<b>BAC (USA, NYSE):</b> 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.
TAPESTRY INC.	Consume	3.56%	<b>TPR (EE.UU., NYSE):</b> Luxury multibrand conglomerate holding names such as: COACH, KATE SPADE and STUART WEITZEMAN. Tapestry trades in the NYSE and has its headquarters in NYC.
FREEMPORT – McMORAN	Industry	3.22%	<b>FCX (USA, NYSE):</b> Mining company with copper and gold exposition. It has five of the most efficient mines of the world.
GILEAD SCIENCES	Healthcare	3.20%	<b>GILD (USA, Nasdaq):</b> a biotechnology company with international operations and twenty-plus innovative products, that centers on discovering, developing, and commercializing treatments for a range of conditions (e.g., hep C, HIV).
LULULEMON ATHLETICA	Consume	2.81%	<b>LULU (Canada):</b> 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.
<b>% TOTAL NET ASSETS</b>		<b>45.33%</b>	

**Sector Breakdown of the equity portfolio**



Source: Merchbanc

**Currency breakdown**



Source: Merchbanc

Net exposure to non-euro currency: 57.16%