

GENERAL INFORMATION

Inception Date: 23.04.1987

Net Assets: 37,339 K Eur

NAV: 46.647 Eur

ISIN: ES0182105033

Asset Manager

Merchbanc SGIIC. 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

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.

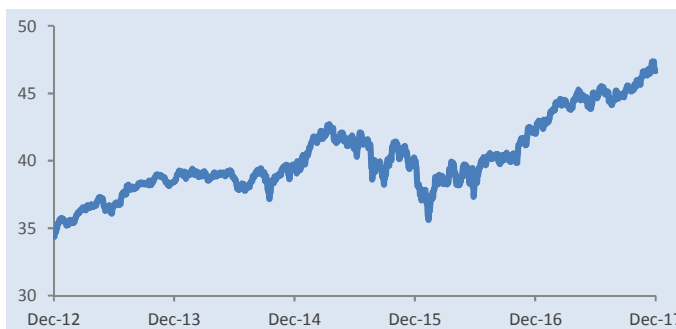
European equity markets fell slightly, the Eurostoxx 50 fell by 2% in December, while the Ibex-35 fell by 1.78%.

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%.

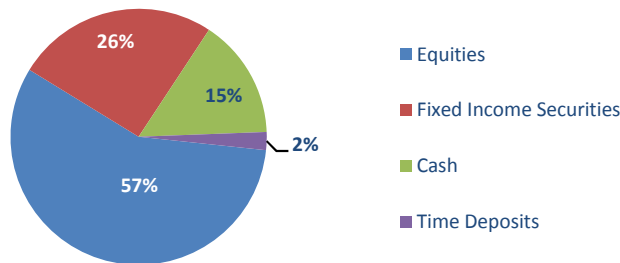
Equity exposure was close to its maximum allowed level of 60% at month end. The exposure to non-euro currencies remained mainly covered.

NAV Evolution (last 5 years)



Source: Merchbanc

Portfolio by asset class (%)



Source: Merchbanc

RETURN Annualized Cumulative

RETURN	Annualized	Cumulative
YTD		11.10%
12 months		11.10%
3 years	5.69%	18.06%
5 years	6.31%	35.78%
10 years	4.18%	50.62%
Since inception	6.90%	676.15%

Source: Merchbanc

Portfolio Characteristics

Number of securities	43
Turnover (average 2 years)	0.24
Net exposure to non-euro currencies	13.93%
Volatility (% average 3 years)	9.34%
Var (% average 3 years)	4.59%

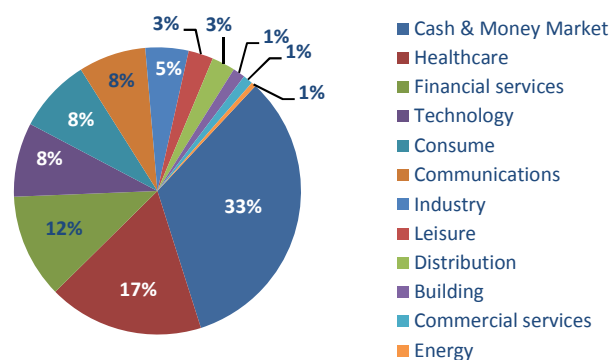
Source: Merchbanc

Top ten equities holdings

PORTOLA PHARMACEUTICALS	Healthcare	7.60%	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	4.91%	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.
BANK OF AMERICA	Financial Services	2.52%	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.
AXA	Financial Services	2.33%	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	2.32%	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.
ROCHE	Healthcare	2.26%	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).
AKAMAI	Technology	1.93%	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.
SPLUNK	Technology	1.78%	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.
INCYTE	Healthcare	1.75%	INCY (USA, Nasdaq): 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.
GILEAD SCIENCES	Healthcare	1.65%	GILD (USA, Nasdaq): 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).
% TOTAL NET ASSETS		29.05%	

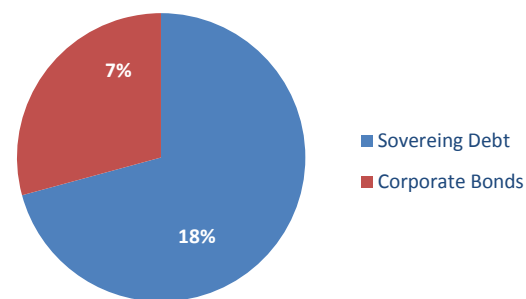
Source: Merchbank

Sector Breakdown of the equity portfolio



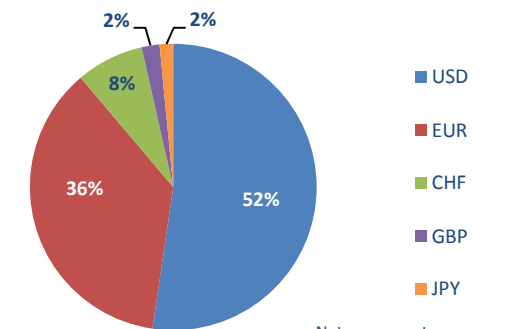
Source: Merchbank

Fixed Income assets distribution



Source: Merchbank

Currency Breakdown



Source: Merchbank

Net exposure to non-euro currency: 13.93%