

GENERAL INFORMATION

Inception date: 30.08.2012
Net Assets: 17,125 K Eur
NAV: 275.870 Eur
ISIN: LU0822419148
Distributor
 Merchsolsa Agencia de Valores. S.A.
Depository
 RBC INVESTOR SERVICES BANK. S.A.
Auditor
 DELOITTE AUDIT. S.A.R.L.
Management Fee
 0.90% over Net Assets
Custodian Fee
 0.03% over Net Assets
Subscription Fee
 None
Redemption or Switch Fee
 None
Total Expense Ratio: 1.40%
 (Figure as of Year 2018)
Minimum Investment: none
Base Currency: Euro
Subscription IBAN:
 ES73 0144 0001 38 0000052469
 Account name: Merchsolsa A.V.. S.A.

Cumulative SICAV

The Sub-Fund may invest its assets in equities in any market all over the world and more particularly in OECD countries; therefore it may invest in different currencies. The objective of the Sub-Fund is to seek long-term capital appreciation through a mix of investments consisting of equities and fixed income securities.

Level of risk

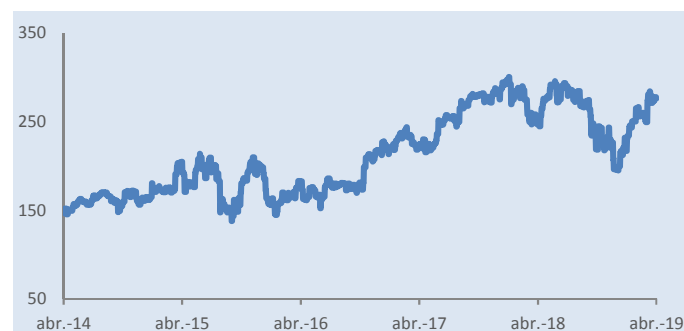
COMMENTARY

After the bearish end of last year, the beginning of this year has been mostly positive for financial markets. The more moderate speech of the FED governor regarding potential interest rate hikes, and monetary policy resulted in increased investor confidence. Regarding the imminent Brexit outcome in Europe, albeit no scenario is to be neglected, markets seem to give a low probability to an exit without an agreement between the UK and the EU. Economic growth will continue to be positive across the main world economies. US growth rate was 3.2% in Q1, and unemployment is at the lowest levels in the past 40 years. In addition, profits of businesses in Merchbanc's portfolios has been strong in Q1. All of this resulted in the main world indices closing the quarter with positive results.

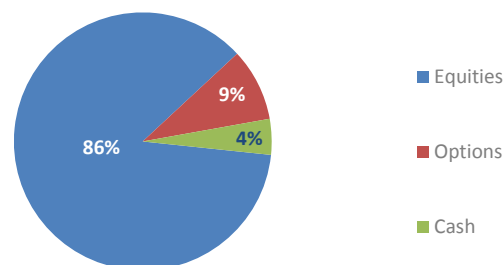
We continue to see potential in the markets, as valuations remain below historical averages. The continued global economic growth could slow down; however, it will remain solid. Moreover, the growth of corporate results of companies in our portfolios are for the most part strong. All of this has resulted in positive quarterly results.

At the corporate level, Portola Pharmaceuticals has received a positive review by the European Medicines Agency for the therapeutic properties of its oral antidote. This will most likely result in its approval in the coming months. In addition, Qualcomm and Apple have reached an agreement regarding royalty recognition, as well as a 5-year collaboration for the next six years. This resulted in a strong appreciation of Qualcomm in the last days of the month.

Regarding 10-year bonds, a reference for fixed income markets, they had a similar behavior in Europe and US, closing at yields of 0.0130% and 2.499% respectively.

NAV evolution (5 years)


Source: Merchbanc

Portfolio by asset class (%)


Source: Merchbanc

RETURN Annualized Cumulative

RETURN	Annualized	Cumulative
YTD		41.24%
12 months		11.77%
3 years	14.82%	51.36%
5 years	13.42%	87.72%
10 years	N.D.	N.D.
Since inception	16.44%	175.87%

Source: Merchbanc

Portfolio Characteristics

Number of securities	49
Turnover (average 2 years)	3,18
Volatility (average 3 years)	27,14%
Var (average 3 years)	17,75%

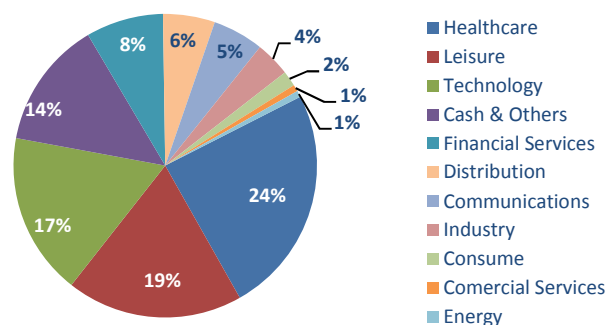
Source: Merchbanc

Top ten equity holdings

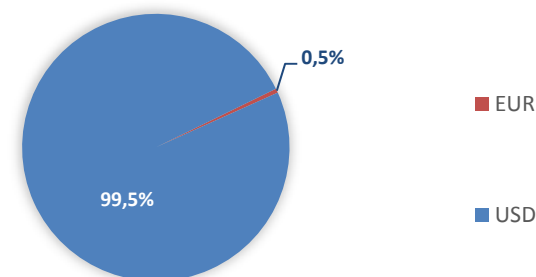
PORTOLA PHARMACEUTICALS	Healthcare	9.43%	PTLA (USA, Nasdaq): Is a biotechnological company that develops products and new treatments for thrombosis and several hematological disorders. It recently had its second product approved.
INCYTE	Healthcare	7.38%	INCY (USA, Nasdaq): Biopharmaceutical centered 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.
SINA	Leisure	6.61%	SINA (USA, Nasdaq): Chinese tech company headquartered in Shanghai. It currently operates 4 differentiated product lines, Sina Weibo, Sina Online, Sina Mobile, and Sinanet. It has more than 100million registered users worldwide. Sina Weibo is a microblogging social network similar to Twitter.
TRADE DESK C/A	Leisure	4.72%	TTD (USA, Nasdaq): Tech company offering a software platform that enables self-served customers to manage digital multi-channel marketing campaigns.
QUALCOMM	Communications	4.56%	QCOM (USA, Nasdaq): It owns patented technology that allows them to charge royalties between 2-3% over nearly every mobile terminal using its chips. The sale of chips is also an important revenue line for Qualcomm.
PAYPAL	Financial Services	3.52%	PYPL (USA, Nasdaq): Financial services company operating a global online payment system that enables money transfers amongst its users. Paypal is an electronic alternative to traditional payment systems.
ALPHABET Serie C	Leisure	3.36%	GOOG (USA, Nasdaq): is a global technology company that provides Internet search, software, and advertising technologies. Google generates revenue by providing advertisers with the opportunity to deliver online advertising relevant to a user's search or preferences.
PALO ALTO NETWORKS	Technology	3.25%	PANW (USA, Nasdaq): provides network security solutions. The Company offers firewalls that identify and control applications, scan content to stop threats, prevent data leakage, integrated application, user, and content visibility. Palo Alto Networks serves customers worldwide.
BANK OF AMERICA	Financial Services	3.21%	BAC (USA, NYSE): is one of the world's largest financial institutions by total assets. It offers banking, investing, asset management and other financial and risk management products and services.
VEEVA SYSTEMS C/A	Technology	2.96%	VEEV (USA, NYSE): is a cloud-computing company focused on pharmaceutical and life sciences industry applications. Headquartered in Pleasanton (California).
% TOTAL NET ASSETS		49.00%	

(*) Includes positions in Options.

Source: Merchbank

Sector Breakdown of the equity portfolio


Source: Merchbank

Currency breakdown


Source: Merchbank