

GENERAL INFORMATION

Inception date: 10.10.2003

Net Assets: 7,391 K Eur

NAV: 10.125 Eur

ISIN: ES0162305033

Asset Manager

Merchbanc SGIIC. S.A.

Depository

BNP Paribas Securities Services

Auditor

GMP Auditores. S.A.

Management Fee

1.25% / Net Assets and 7 % / 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:

ES85 0144 0001 31 0000052499

Account name: Merch-Oportunidades FI

Cumulative Mutual Fund

The Fund invests in fixed income securities and equities on any market all over the world and more particularly in OECD countries. The objective of the Sub-Fund is to seek medium term capital appreciation through a mix of investments in equities and other financial instruments.

The Fund will only invest in companies that mean a good investment opportunity. Investors should have a medium 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

| | | | | | | |
|---|---|---|---|---|---|---|
| 1 | 2 | 3 | 4 | 5 | 6 | 7 |
|---|---|---|---|---|---|---|

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.

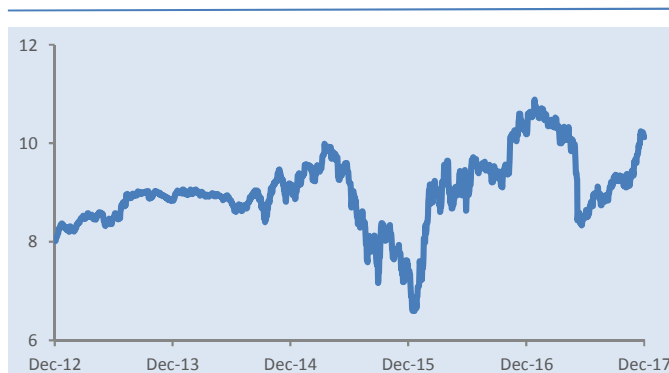
European equity markets fell slightly, the Eurostoxx 50 fell by 2% in December, while the Ibex-35 fell by 1.78%.

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 92% at month end, and the exposure to non-euro currencies remained mainly covered.

NAV Evolution (last 5 years)

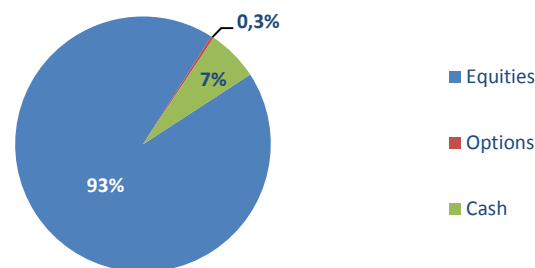


Source: Merchbanc

| RETURN | Annualized | Cumulative |
|-----------------|------------|------------|
| YTD | | -0.58% |
| 12 months | | -0.58% |
| 3 years | 3.60% | 11.20% |
| 5 years | 4.78% | 26.30% |
| 10 years | 3.99% | 47.85% |
| Since inception | 3.74% | 68.75% |

Source: Merchbanc

Portfolio by asset class (%)



Source: Merchbanc

Portfolio Characteristics

| | |
|-------------------------------------|--------|
| Number of securities | 27 |
| Turnover (average 2 years) | 3.27 |
| Net exposure to non-euro currencies | 25.86% |
| Volatility (% average 3 years) | 19.35% |
| Var (% average 3 years) | 13.50% |

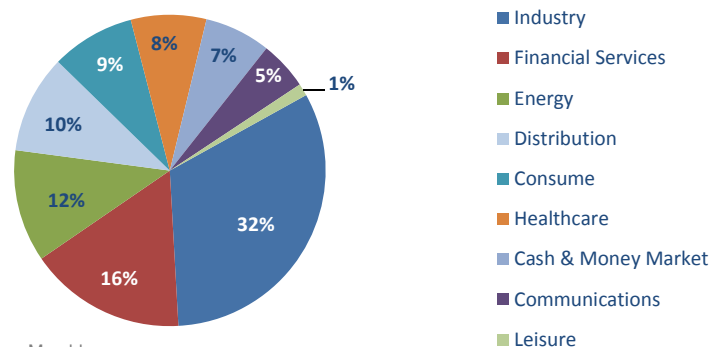
Source: Merchbanc

Top ten equities holdings

| | | | |
|---------------------------|--------------------|---------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| BED BATH & BEYOND | Distribution | 9.91% | BBBY (EE.UU. Nasdaq): American retailer with operations in US, Canada and Mexico. Founded in 1971, sells goods and services in the bathroom, kitchen, home-furnishings, and interior design space. |
| FREEMPORT –McMORAN | Industry | 8.97% | FCX (USA, NYSE): Mining company with copper and gold exposition. It has five of the most efficient mines of the world. |
| POTASH | Industry | 8.03% | POT (Canada): produces potash, phosphate and nitrogen for agricultural and industrial sectors around the world. The company carries on operations in Canada, Chile, USA, Brazil and Trinidad. |
| MICHAEL KORS | Consume | 6.38% | KORS (USA, NYSE): Is a luxury brand with global marketing. The company operates in the retail sector, wholesale, and licenses with global distribution net strategically controlled and centered on stores operated by the company, main stores by department, specialized stores and selected license partners. |
| MOSAIC | Industry | 6.21% | MOS (USA,): Produces and distributes the crop nutrients to the agricultural communities located in North America and other countries. Main company products include concentrate phosphates and potash. |
| BAKER HUGHES – A G.E. | Energy | 4.88% | BHGE (EE.UU., NYSE): American industrial company focused on the Oil & Gas sector. Its one of the largest oil field companies in the world. GE holds 62.5% of its stock, while the rest is publicly traded. |
| BARRICK GOLD | Industry | 4.83% | ABX (USA, NYSE): The largest worldwide mining multinational dedicated to gold extraction, based in the Canadian city of Toronto. It has more than 23 operational mines in the USA, Canada, Australia, Argentina, Chile, Papua New Guinea, Dominican Republic and Zambia. |
| SCHLUMBERGER | Energy | 4.78% | SLB (USA, NY): Is an oil services company. The company, through its subsidiaries, offers a wide range of services, including technology, information solutions and project management to international oil industry as well as advanced acquisition surveys and data processing. |
| BARCLAYS | Financial Services | 4.64% | BARC (U.K., LSE): Financial services company headquartered in London, U.K.. Its the second largest bank in the UK by assets and one of the largest banks on a global scale. |
| INCYTE | Healthcare | 4.27% | 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. |
| % TOTAL NET ASSETS | | 62.90% | |

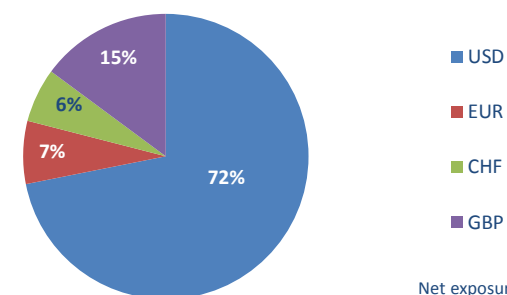
Source: Merchanc

Sector Breakdown of the equity portfolio



Source: Merchanc

Currency breakdown



Source: Merchanc

Net exposure to non-euro currency: 25.86%