

**GENERAL INFORMATION**

**Inception Date:** 23.05.1991

**Net Assets:** 40,840 K Eur

**NAV:** 24.998 Eur

**ISIN:** ES0138914033

**Asset Manager**

Merchbanc SGII.C. 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:**

ES02 0144 0001 32 0000052489

Account name: Merch-Fontemar FI

**Cumulative Mutual Fund**

Merch-Fontemar FI is a global mixed mutual fund. The Fund invests in fixed income securities and equities 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 75%.

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.

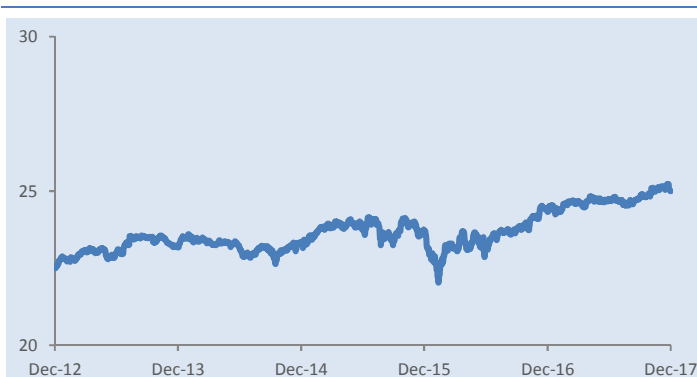
European equity markets fell slightly, the Eurostoxx 50 fell by 2% in December, while the Ibx-35 fell by 1.78%.

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 25% at month end. The exposure to non-euro currencies remained mainly covered.

**NAV Evolution (last 5 years)**



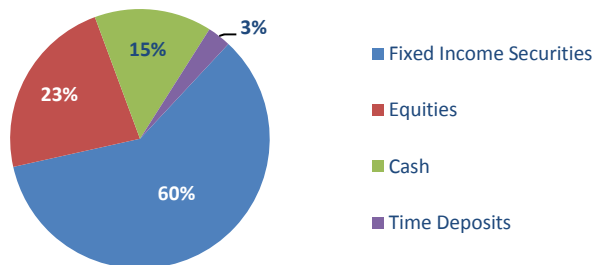
Source: Merchbanc

**RETURN Annualized Cumulative**

	Annualized	Cumulative
YTD		2.77%
12 months		2.77%
3 years	2.41%	7.40%
5 years	2.14%	11.15%
10 years	1.57%	16.88%
Since inception	4.46%	219.45%

Source: Merchbanc

**Portfolio by asset class (%)**



Source: Merchbanc

**Portfolio Characteristics**

Number of securities	33
Turnover (average 2 years)	0.01
Net exposure to non-euro currencies	8.62%
Volatility (% average 3 years)	4.63%
Var (% average 3 years)	2.40%

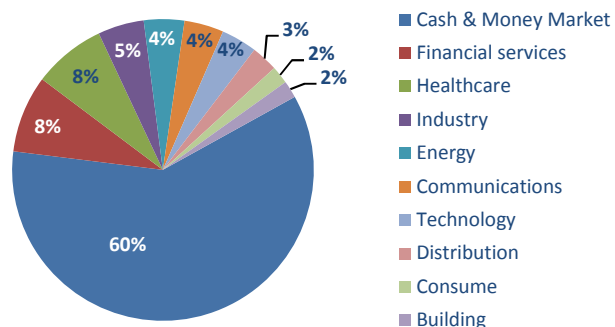
Source: Merchbanc

**Top ten equities holdings**

QUALCOMM	Communications	4.24%	<b>QCOM (USA, Nasdaq):</b> 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.
PORTOLA PHARMACEUTICALS	Healthcare	4.07%	<b>PTLAC (USA, Nasdaq):</b> 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.
GILEAD SCIENCES	Healthcare	2.19%	<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).
ALLIANZ	Financial Services	1.55%	<b>AZ (Germany, Xetra):</b> 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.
AXA	Financial Services	1.54%	<b>CS (Paris, Euronext):</b> 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.
BANK OF AMERICA	Financial Services	1.51%	<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.
AIR LIQUIDE	Industry	1.27%	<b>AI (Paris, Euronext):</b> Multinational that supplies industrial gases and services to several industries including chemical, electronic and pharmaceutical producers. It is the second major worldwide provider of industrial gases for revenue.
TOTAL	Energy	1.02%	<b>FP (France, Euronext):</b> Is an integrated oil and gas company, with business of E&P, R&M, Gas and Chemistry. It is one of the 6 super oil industries of the world.
APPLE	Technology	0.93%	<b>APPL (USA ):</b> designs, manufactures and sells consumer electronics, computer software, online services, and personal computers. It's the world's 2nd information technology company by revenue (after Samsung Electronics), and the world's 3rd mobile phone maker.
COMPAGNIE FINANCIERE RICHEMONT	Consume	0.92%	<b>CFR (Switzerland):</b> 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...).
<b>% TOTAL NET ASSETS</b>		<b>19.24%</b>	

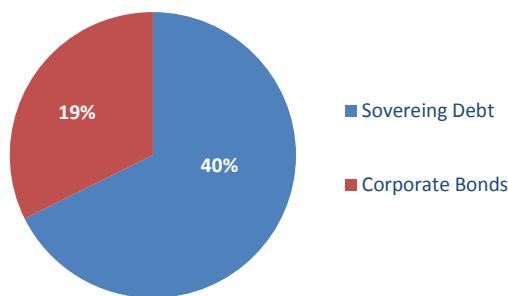
Source: Merchbank

**Sector Breakdown of the equity portfolio**



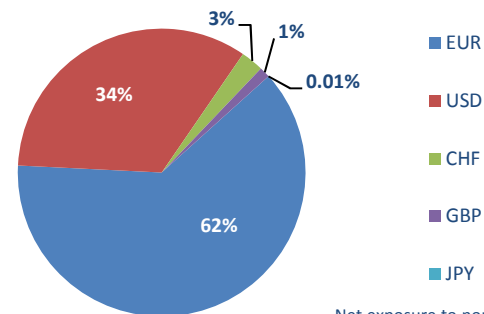
Source: Merchbank

**Fixed Income assets distribution**



Source: Merchbank

**Currency Breakdown**



Net exposure to non-euro currency: 8.62%

Source: Merchbank