

GENERAL INFORMATION

Inception Date: 23.04.1987**Net Assets:** 8,293 K Eur**NAV:** 22.832 Eur**ISIN:** ES0162333035**Asset Manager**

Merchbanc SGIIC. S.A.

Depository

BNP Paribas Securities Services

Auditor

GMP Auditores. S.A.

Management Fee

1% over Net Assets and 8% over Performance, with overall limit of 1.5%

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:**

ES20 0144 0001 31 0000052505

Account name: Merchrenta FI

Cumulative Mutual Fund

Merchrenta FI is a Fixed Income Fund that invests in the global markets mainly in the OECD countries, and in all currencies. The Fund invests in monetary assets and fixed income securities on the spot, options and futures markets. Maturities and securities are chosen according to duration and low risk profile.

The Fund investment policy seeks medium term capital appreciation through investing in different assets and markets taking into account the opportunities.

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.

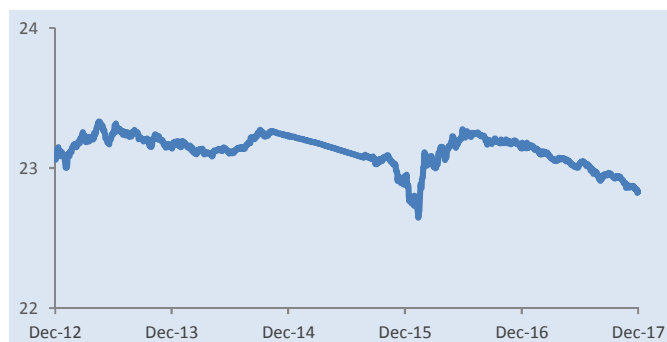
European equity markets fell slightly, the Eurostoxx 50 fell by 2% in December, while the Ibex-35 fell by 1.78%.

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%.

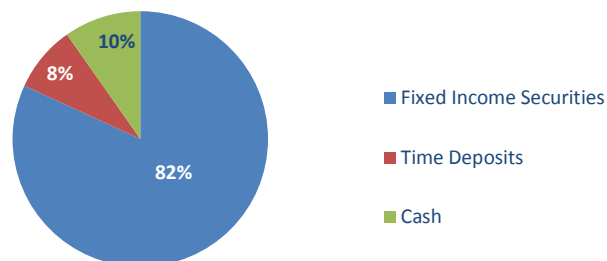
Fixed income investment policy has been limited to investing in short term emissions of highly liquid issuers. In addition there we invested in corporate bonds denominated in USD.

NAV Evolution (last 5 years)



Source: Merchbanc

Portfolio by asset class (%)



Source: Merchbanc

RETURN	Annualized	Cumulative
YTD		-1.33%
12 months		-1.33%
3 years	-0.57%	-1.69%
5 years	-0.88%	-4.32%
10 years	0.58%	5.98%
Since inception	4.44%	279.89%

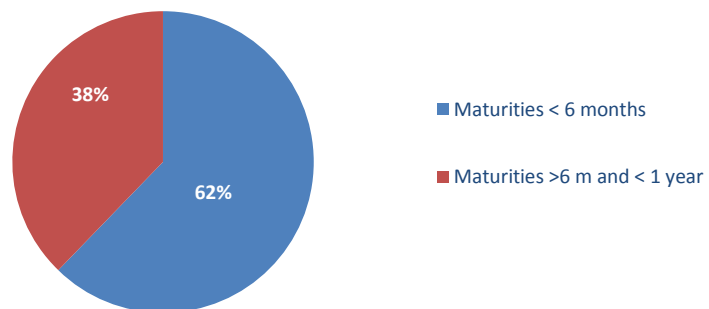
Source: Merchbanc

Portfolio Characteristics

Number of securities	16
Volatility (average 3 years)	0.93%
Var (average 3 years)	0.74%
TIR	1.17%

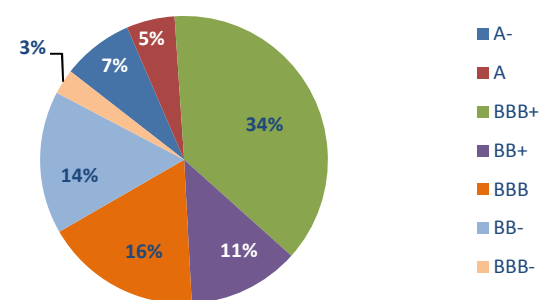
Source: Merchbanc

Maturities Breakdown



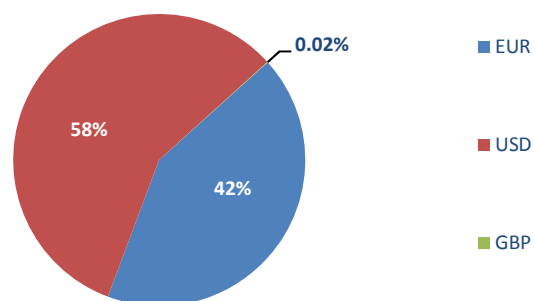
Source: Merchbanc

Rating Breakdown



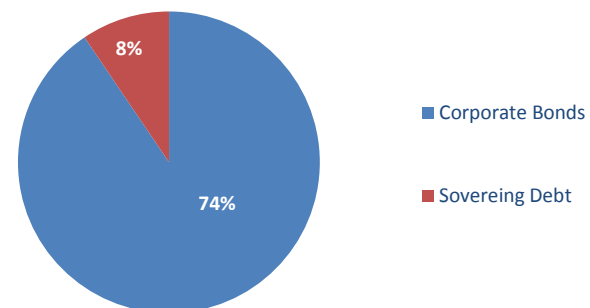
Source: Merchbanc

Currency Breakdown



Source: Merchbanc

Sectors Breakdown



Source: Merchbanc