

## GENERAL INFORMATION

**Inception Date:** 23.02.2005  
**Net Assets:** 4,066 K Eur  
**NAV:** 14.054 Eur  
**ISIN:** ES0162211033  
**Asset Manager**  
 Merchbank SGIIC. S.A.  
**Depository**  
 BNP Paribas Securities Services  
**Auditor**  
 GMP Auditores. S.A.  
**Management Fee**  
 1.25% / Net Asset and 7 % / Performance  
**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:**  
 ES86 0144 0001 35 0000052479  
 Account name: Merch-Eurounión FI

## Cumulative Mutual Fund

It is an European mixed equity fund. The percentage in equities will be held between 30% and 75%, and the minimum percentage in fixed income securities is held at approximately 30%. The percentage in equities is held at less than 70% although the Fund may exceed this percentage on an ancillary basis.

The Fund invests mainly in the European stock markets and in the futures and options markets.

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 Merchbank funds, especially for those with a heavier equity weighting.

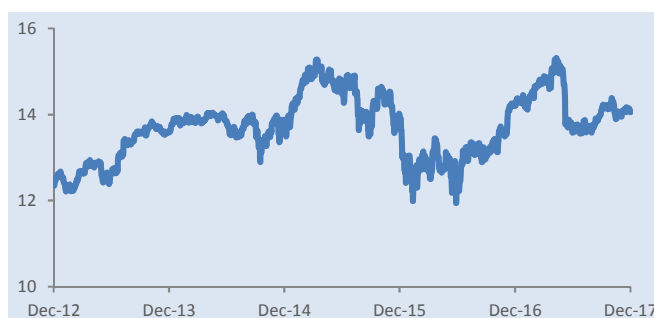
European equity markets fell slightly, the Eurostoxx 50 fell by 2% in December, while the Ibex-35 fell by 1.78%.

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%.

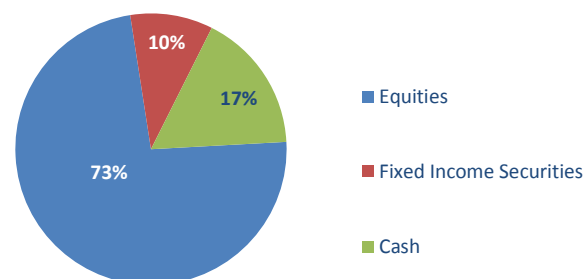
Equity exposure was close to its maximum allowed level of 75% at month end.

## NAV Evolution (last 5 years)



Source: Merchbank

## Portfolio by asset class (%)



Source: Merchbank

RETURN	Annualized	Cumulative
YTD		-1.13%
12 months		-1.13%
3 years	0.59%	1.78%
5 years	2.63%	13.86%
10 years	2.70%	30.56%
Since inception	2.68%	40.54%

Source: Merchbank

## Portfolio Characteristics

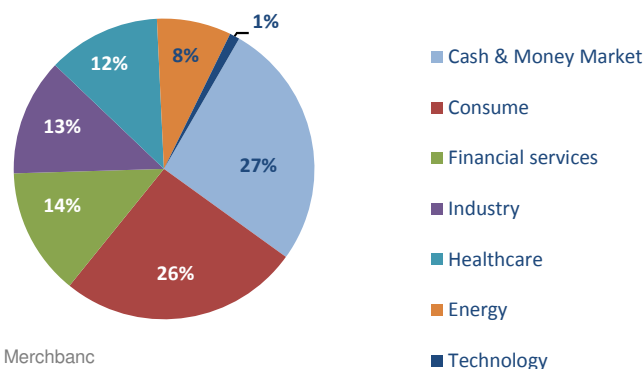
Number of securities	22
Turnover (average 2 years)	0.10
Net exposure to non-euro currencies	7.02%
Volatility (% average 3 years)	12.61%
Var (% average 3 years)	7.43%

Source: Merchbank

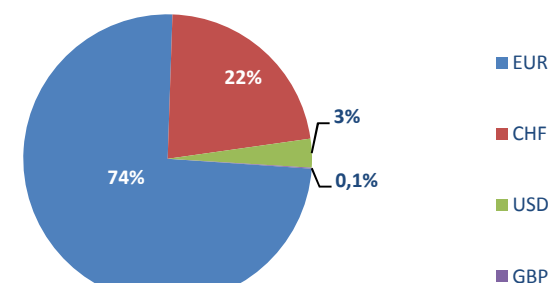
**Top ten equities holdings**

ROCHE	Healthcare	5.18%	<b>ROG (Switzerland):</b> 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).
AIR LIQUIDE	Industry	5.17%	<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.
COMPAGNIE FINANCIERE RICHEMONT	Consume	5.01%	<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...).
BMW	Consume	4.91%	<b>BMW (Germany):</b> Is a German manufacturer of luxury sport motorbikes and cars, is based in Munich. Its subsidiaries are Rolls-Royce and BMW Bank. BMV is the world sales leader among the high-end vehicle manufacturers.
BBVA	Financial Services	4.90%	<b>BBVA (Spain):</b> Is the first financial company in Mexico, the second in Spain and Peru, and the third in Venezuela. By 31/12/15 the BBVA assets were EURO 750,078 M, being the second Spanish financial company by volume assets. At the end of 2015, it was the 37th bank of the world by asset volume.
HUGO BOSS	Consume	4.71%	<b>BOSS (Germany):</b> designs, produces, and markets brand name clothing. The Company's products, which are marketed under branded names are sold through subsidiaries, franchises, and retail outlets throughout the world. Hugo Boss licenses its name for eyeglass frames, fragrances, watches, shoes, and leather goods.
AXA	Financial Services	4.44%	<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.
SANOFI	Healthcare	4.42%	<b>SAN (France, Euronext):</b> Pharmaceutical company, with a wide portfolio, but with an important weight of products for the diabetes treatment.
ACERINOX	Industry	4.39%	<b>ACX (Spain):</b> Multinational group dedicated to the manufacture of stainless steel. As far as production capacity, it is the first worldwide manufacturer, with 3.5 millions of tons of steel.
ALLIANZ	Financial Services	4.36%	<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.
<b>% TOTAL NET ASSETS</b>		<b>47.49%</b>	

Source: Merchbanc

**Sector Breakdown of the equity portfolio**


Source: Merchbanc

**Currency breakdown**


Source: Merchbanc

Net exposure to non-euro currency: 7.02%