

## GENERAL INFORMATION

**Inception date:** 19.05.2005  
**Net Assets:** 8,522 K USD  
**NAV:** 29.811 USD  
**ISIN:** LU0218340254  
**Distributor**  
 Merchsolsa Agencia de Valores. S.A.  
**Depository**  
 RBC INVESTOR SERVICES BANK. S.A.  
**Auditor**  
 DELOITTE AUDIT. S.A.R.L.  
**Management Fee**  
 1.5% over Net Assets and 10% on Results  
**Custodian Fee**  
 0.03% over Net Assets  
**Subscription Fee**  
 None  
**Redemption or Switch Fee**  
 None  
**Total expense ratio:** 2.61%  
 (Figures as of Year 2018)  
**Minimum investment:** none  
**Base currency:** USD  
**Subscription IBAN:**  
 ES03 0144 0001 34 0000052470  
 Account name : Merchsolsa A.V.. S.A.

### Cumulative SICAV

Invests in Equity and Fixed income assets in any global market, mainly in OECD countries. The minimum percentage of investment in equity is 60%. The sub-fund actively seeks long-term growth of its invested portfolio.



## COMMENTARY

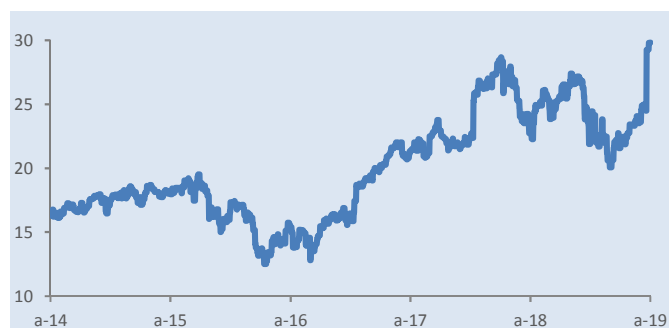
After the bearish end of last year, the beginning of this year has been mostly positive for financial markets. The more moderate speech of the FED governor regarding potential interest rate hikes, and monetary policy resulted in increased investor confidence. Regarding the imminent Brexit outcome in 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 Merchbank'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 (last 5 years)



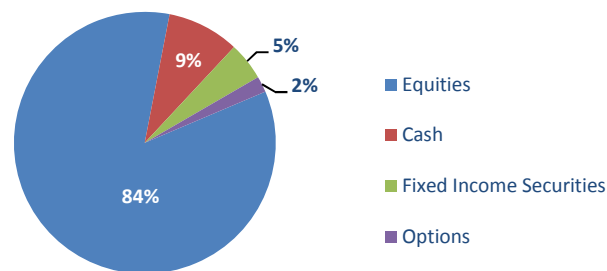
Source: Merchbank

### RETURN Annualized Cumulative

YTD	48.64%	
12 months	31.04%	
3 years	24.63%	93.57%
5 years	12.82%	82.81%
10 years	12.14%	214.59%
Since inception	8.14%	198.11%

Source: Merchbank

### Portfolio by asset class (%)



Source: Merchbank

### Portfolio characteristics

Number of securities	55
Turnover (average 2 years)	3.06
Net exposure to non-euro currencies	92.90%
Volatility (% av 3 years)	24.25%
Var (% av. 3 years)	16.87%

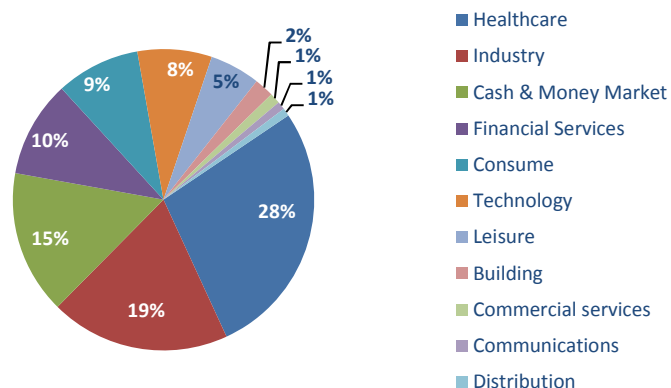
Source: Merchbank

**Top ten equity holdings (\*)**

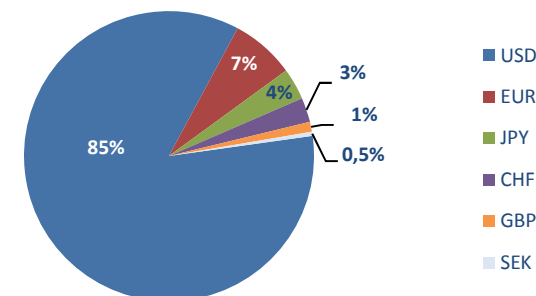
PORTOLA PHARMACEUTICALS	Healthcare	8,30%	<b>PTLA (USA, Nasdaq):</b> Is a biotechnological company that develops products and new treatments for thrombosis and several hematological disorders. It recently had its second product approved.
AERIE PHARMACEUTICALS	Healthcare	6,26%	<b>AERI (USA., Nasdaq):</b> North American pharma company focused on the development and distribution of therapies for patients suffering from glaucoma and other ocular diseases.
TWITTER	Leisure	4,70%	<b>TWTR (USA. NYSE):</b> is a platform for public self-expression and conversation in real time. Most of its revenue stream comes from the sale of advertising using data mining
INCYTE	Healthcare	4,21%	<b>INCY (USA. Nasdaq):</b> 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.
ALBEMARLE CORPORATION	Industry	3,73%	<b>ALB (USA, NYSE):</b> Chemical company headquartered in Charlotte, NC. Albemarle is specialized in the production of customized refined chemical products, as well as the patenting of those for the pharma industry. Albemarle aims to establish itself in the rapidly growing bio-fuel industry: gas to liquid (GTL) as well as Carbon to liquid (CTL).
TAPESTRY INC.	Consume	3,60%	<b>TPR (EE.UU., NYSE):</b> Luxury multibrand conglomerate holding names such as: COACH, KATE SPADE and STUART WEITEMAN. Tapestry trades in the NYSE and has its headquarters in NYC.
MICRON TECHNOLOGY	Technology	3,46%	<b>MU (USA, Nasdaq):</b> through its subsidiaries; it manufactures and markets dynamic random access memory chips (DRAMs), fast static random access memory chips (SRAMs), Flash Memory, other semiconductor components, and memory modules.
BBVA	Financial Services	3,41%	<b>BBVA (Spain):</b> with a leading presence in Mexico, Spain, Peru, and Venezuela, as well as other markets. BBVA is one of the mayor financial institutions of the world by asset volume.
GILEAD SCIENCES	Healthcare	2,60%	<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).
BANK OF AMERICA	Financial Services	2,46%	<b>BAC (USA, NYSE):</b> 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.
<b>% TOTAL NET ASSETS</b>		<b>42,73%</b>	

(\*) Includes positions in Options.

Source: Merchbanc

**Sector Breakdown of the equity portfolio**


Source: Merchbanc

**Currency breakdown**


Source: Merchbanc