

GENERAL INFORMATION

Inception Date: 27.08.1990

Net Assets: 4,515 K Eur

NAV: 1,476,211 Eur

ISIN: ES0162331039

Asset Manager

Merchbanc SGIIC. S.A.

Depository

BNP Paribas Securities Services

Auditor

GMP Auditores. S.A.

Management Fee

0.6% over Net Assets and 33% over Performance with overall limit of 1% 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:

ES35 0144 0001 30 0000052478.

Account name: Merchbanc Fondtesoro C.P.. F.I.

Cumulative Mutual Fund

Merchbanc Fondtesoro is a money market fund fully invested in government issues, with the exception of the liquidity which can be invested in other money market assets.

The Fund may invest through the Futures or Spot markets for hedging. Since the Fund is invested at very short term, the Fund yield closely follows the movement of interest rates in the Spanish market.

The objective of the Fund is to seek capital appreciation and a competitive rate of return.

Level of Risk

1 2 3 4 5 6 7

COMMENTARY OF THE FUND'S PERFORMANCE

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. Regardless of the outcome of the Brexit situation, the economic impact it may have on the markets seems to be limited.

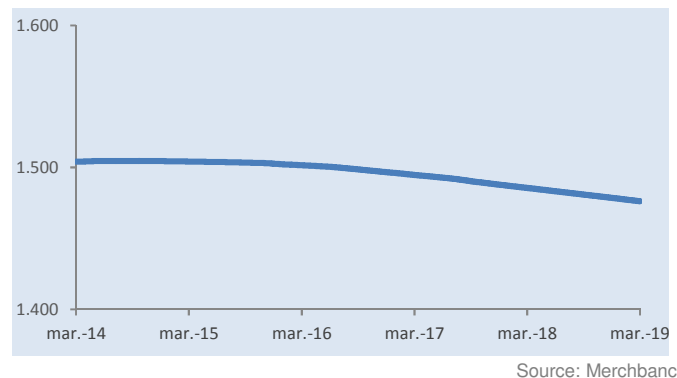
We continue to see potential in the markets, as valuations remain below historical averages. The continued global economic growth could slow down; however, it will remain solid. Moreover, the growth of corporate results of companies in our portfolios are for the most part strong.

Regarding 10-year bonds, a reference for fixed income markets, they had a similar behavior in Europe and US, closing at yields of -0.070% and 2.405% respectively.

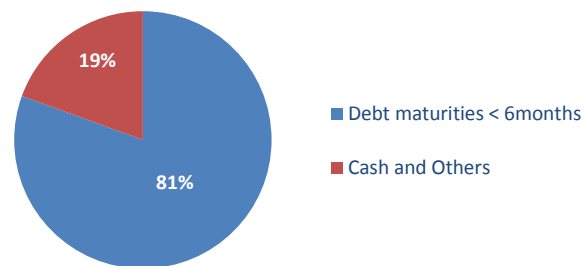
In Europe we expect that the normalization of monetary policy will start this year, and it is likely that we will see the first hikes in short term interest rates during the year. The normalization of interest rates is positive for the economy and will make fixed income securities more attractive without assuming increased risks.

The investment policy has been limited to investing in short term issues from highly solvent issuers.

Evolución NAV (5 years)



Portfolio by asset class (%)



RETURN Annualized Cumulative

RETURN	Annualized	Cumulative
YTD		-0.16%
12 months		-0.63%
3 years	-0.57%	-1.69%
5 years	-0.37%	-1.85%
10 years	-0.07%	-0.72%
Since inception	3.19%	145.62%

Source: Merchbanc

Portfolio Characteristics

Number of securities	7
Volatility (average 3 years)	0.03%
Var (average 3 years)	0.07%

Source: Merchbanc