MONTHLY STRATEGY REPORT
SEPTEMBER 2018

TECHNOLOGY, INDICES AND GROWING OLIGOPOLIES

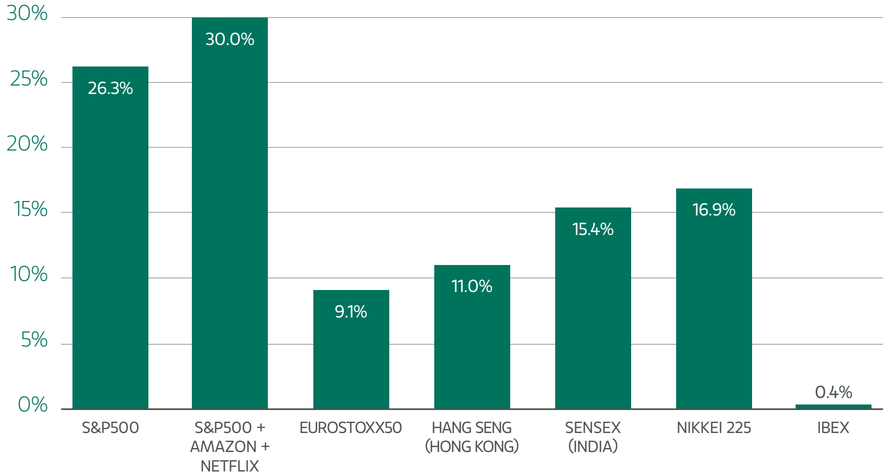
BancaMarch

TECHNOLOGY, INDICES AND GROWING OLIGOPOLIES

Undoubtedly underlying the strong growth of the economy and US corporate results is the contribution of the tech and 'new economy' companies. The consumer tech industry alone accounts for 10% of the country's GDP[1] and it has greater representation on US stock markets than on those of the core developed economies.

1. WEIGHTING OF THE TECH INDUSTRY ON THE MAIN MARKETS

Source: Bloomberg and Banca March



Nearly half of the S&P 500's gains since the beginning of the year (in an environment of feeble returns for the remaining geographical areas) are attributable to a heavier preponderance of tech. It is also interesting to note that the rise has been concentrated among very few securities. Only nine companies account for 78% of the index's gains, 58% of which (496 basis points) is attributable to the five companies known by the acronym FAANG (Facebook, Amazon, Apple, Netflix and Google).

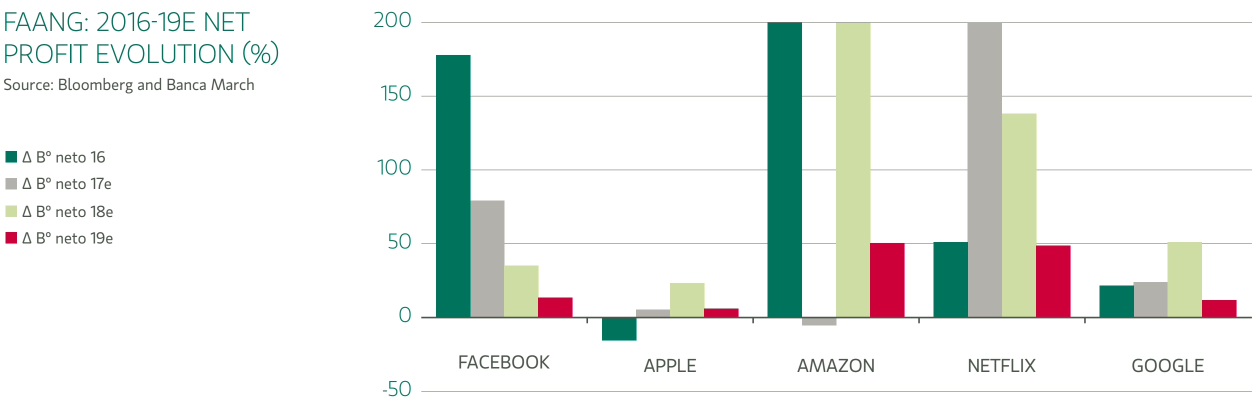
2. CONTRIBUTION OF FAANG TO S&P 500 GAINS

Source: Bloomberg and Banca March

NAME	PRICE($)	WEIGHT (%)	YTD (%)	PERO 12M	CONTRIBUTION (GDP)
S&P 500	2902	-	8,5	18,0	-
FACEBOOK	175,73	1,72	-0,4	20,1	-1
APPLE	227,63	4,39	34,5	18,1	151
AMAZON.COM	2012,71	3,16	72,1	105,0	228
NETFLIX	367,68	0,73	91,5	91,9	67
GOOGLE/ALPHABET	1231,8	3,03	16,9	22,3	51
TOTAL	-	-	-	-	496

3. FAANG: 2016-19E NET PROFIT EVOLUTION (%)

Source: Bloomberg and Banca March



1. US Consumer Technology Association - PWC. US Economic Contribution of the Consumer Technology Sector, 2016.

This group of major US companies has become one of the best representatives of the new economy and the global shift in consumer habits, toward a world much more inclined to obtain information, decide, and shop online. They are growing oligopolies that predominantly control the markets in which they operate; they have strong growth rates but, in many cases, high valuation premiums.

But, can it be said that technology only accounts for 26% of the S&P 500? What is technology? To what extent can companies be considered part of this industry? We all know that Intel and Microsoft are leaders in the semiconductor and software sectors, but which companies truly correspond to the Greek origin of the word, techne (art, skill, and craft), and logos (knowledge set)? Are Amazon, Google and Twitter tech companies?

These questions are difficult to answer. As proof of this, on 28 September, S&P Dow Jones and MSCI will change the way they determine the members and weightings of each sector on their indices. The Global Industry Classification Standard will be modified. These are the most significant changes in history, and with them the indices aim to better reflect the nature of each company's business within the industry. The two main modifications include:

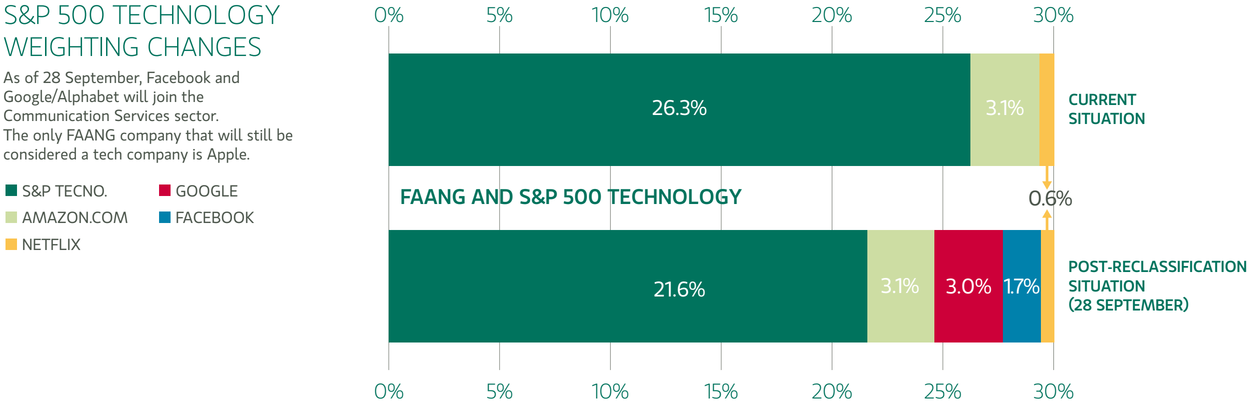
- The Telecommunications Services sector (currently weighted at 2%) will be renamed Communication Services with a weight of 10%. Companies like AT&T and Verizon will be joined by Netflix, Tripadvisor and Time Warner. Consequently, the profile of this sector, traditionally lacklustre, indebted, and with little growth, will change radically. A good reflection of this situation is the fact that the 12m P/E ratio of 11.8x will climb to 19.8x.

- The Internet Software and Services sub-industry will be eliminated and its components shifted to the Consumer Discretionary sector, Communication Services and Technology. As a result, the weight of S&P 500 Technology will shrink from its current 26% to 21%, by shedding companies like EBay, Alphabet/Google, Facebook and Twitter, which will move to the Consumer Discretionary sector.

- Apple is the only FAANG company that will remain in the S&P tech industry, with a weight of 4.4%.

4. S&P 500 TECHNOLOGY WEIGHTING CHANGES

As of 28 September, Facebook and Google/Alphabet will join the Communication Services sector. The only FAANG company that will still be considered a tech company is Apple.



The new configuration of the indices is a confirmation that Darwin's theory of natural selection can also be applied to companies. What is initially a purely technological advantage slowly permeates the economy and if traditional business models fail to internalise and incorporate it swiftly, they will disappear. Adrian Slywotzky describes this phenomenon in his book, Value Migration[2], wherein he analyses how leading companies are able to transform business models to the extent that the rules of the game are changed, resulting in companies that have fewer competitive advantages (like technology). In the long term, they manage to absorb the value of their rivals. A good example of this was Apple's reinvention in the late 90s under Jobs, as opposed to companies like Eastman Kodak that failed to anticipate the looming technological wave.

2. Slywotzky Adrian J. Value Migration. Harvard Business School Press, 1996.

A near-term reading of the changes would aim to anticipate the behaviour of the USD 80 billion currently invested in ETFs and tech indices since the parameters for making comparisons are going to change dramatically. Already the increase in communication services versus technology is striking.

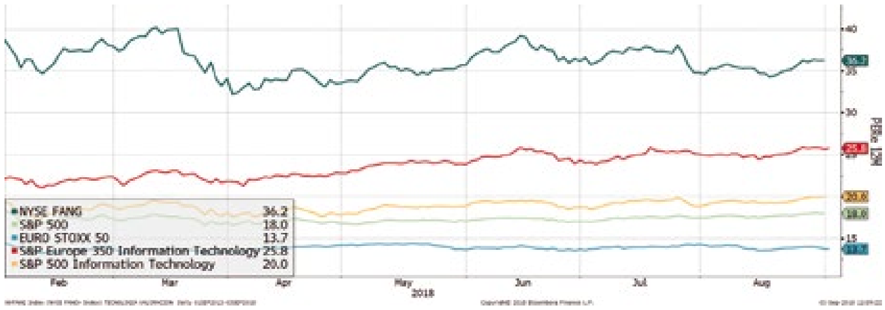
In any case, it is much more important to remember that technology is a treasure trove. Call it what you will, change the composition of the indices, say Apple is the only tech firm… the companies are the same. Having Silicon Valley as a driver of development and profit growth is a real advantage over other countries.

At Banca March, we continue to recommend overweighting in Technology (in addition to banks and industrials), but with important nuances:

- Be cautious with FAANG. These are companies with very different profiles united under a convenient acronym, whose business models, rates of profit growth, and valuations have little in common, as shown in graphs 3 and 4. Be especially prudent with companies like Netflix and Facebook, where the entry barriers are not as challenging as some may think and valuations are vulnerable.

5. VALUATIONS OF TECH INDICES

Source: Bloomberg and Banca March

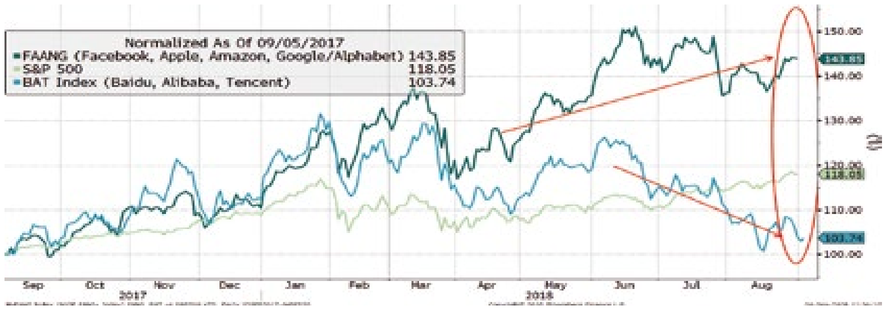


- It is preferable to channel investments toward indices or companies like those of the S&P 500 Information Technology, where, as graph 6 shows, not only is concentration risk lower but the valuation is 44% more attractive.

- We recommend refraining from buying tech at any price and being swept up in the "unstoppable growth" of FAANG companies. While it is true that establishing valuations for these new businesses is difficult, given that we have never before encountered a digital transformation, the markets always provide opportunities.

6. RETURNS: FAANG VS. BAT (BAIDU, ALIBABA AND TENCENT) AND S&P 500

Source: Bloomberg and Banca March



As graph 6 demonstrates, since the threat of a trade war began, the main Chinese competitors of certain FAANG companies, the BATs (Baidu, the Chinese Google; Alibaba, Amazon rival; and the giant, Tencent), have shown their vulnerability and in the last six months, presenting an opportunity to obtain a 30% appreciation. Technology yes, but not at any price.

Joan Bonet Majó

Director of Market Strategies, Banca March

MONTHLY STRATEGY REPORT
SEPTEMBER 2018

RISKS ARE INCREASING BUT **EQUITIES ARE STILL THE BEST OPTION**

BancaMarch

WHAT HAPPENED IN THE MARKETS?

The tension in emerging economies like Turkey and Argentina, the poor performance of the Italian markets—affected by comments and rumours associated with its government—and the positive trend among US stocks were the highlights in August.

In Turkey, uncertainty caused by the authoritarian regime of Recep Tayyip Erdogan (who named his son-in-law Finance Minister and expanded his own control over the Central Bank) and the diplomatic and trade dispute with the US had an adverse affect on the Turkish lira, which closed August at historic lows (declining -25.3% during the month). In Argentina, the market's concerns about the request for an advance of the funds agreed to by the IMF and the Macri government dragged the peso down -25.8%; at the same time, in an attempt to stem the currency free-fall, the country's Central Bank raised rates twice in August, to 60%.

There was a positive announcement regarding a preliminary trade agreement between the US and Mexico, which Canada may join and which will replace NAFTA. The agreement would last for a total of 16 years and, in the absence of further details, would require that the automotive industry raise the minimum wage to $16/hour and that 75% of the content of the cars sold in both countries be manufactured in the region.

Meanwhile, the trade war between the US and China has evolved from Trump threatening to increase tariffs on Asian products to a more conciliatory tone in a new round of negotiations, with no concrete outcome.

As expected, the Fed kept rates at 1.75-2% and issued a somewhat more positive assessment of growth and inflation relative to its previous statement. In his speech at Jackson Hole, Powell said there were no signs of an overheated US economy and maintained that the Fed would continue to increase rates slowly and gradually. In the United Kingdom, by contrast, the Bank of England issued a rate hike from +25 b.p. to 0.75%.

On a macro level, economic dynamism persisted in the US, with a revision of Q2 GDP to 4.2% annualised, the highest rate in four years. In Spain, unemployment reached its lowest level in nearly a decade and August's preliminary CPI of +2.2% curbed the upturn of previous months. In China, the foreign sector remained buoyant as inflation rebounded.

Equities were mixed. In the US, both the S&P (+3%) and the tech-heavy Nasdaq (+4.6%) performed well, supported by good macroeconomic data, a record-breaking earnings season, and the trade agreement with Mexico.

Europe, meanwhile, felt the backlash of unease associated with the trade war (EuroStoxx -3.7 and IBEX -4.8%), the difficulties of reaching an agreement on Brexit (FTSE 100 -3%), and the defiant tone of the Italian government toward the EU and its struggle to close a budget, which led the MIB to plunge 6.1% in August, Europe's last-place finisher.

In emerging markets, the crisis in Turkey impacted the MSCI Emerging Markets Index (-2.9%), with considerable declines in Brazil (-6.4%) associated with the uncertainty of the upcoming election process in October.

In terms of fixed income, peripheral bonds—especially Italian bonds—performed poorly over the course of the month, due to a possible increase in the public deficit, the challenge of pushing through the country's budget, and rumours, denials, and requests for ECB support of Italian debt. It was a more positive month for German and US bonds, as well as for credit.

On the currency market, the euro/dollar crossover fluctuated back and forth. Emerging tensions caused the greenback to appreciate to 1.134 EUR/USD, before reversing its course to close the month unchanged relative to July, at 1.16 EUR/USD. The pound sterling, meanwhile, weakened to 0.896 GBP/EUR while awaiting progress in the Brexit negotiations.

On the commodities market, Brent resumed the bullish trend that was briefly interrupted in July, to close the month with an increase of 4.2% to $77.42/barrel. Lower inventory data in the US and the adjournment sine die of the Saudi Aramco IPO explain this performance in part. Diminished trade tensions, meanwhile, affected the price of gold, which dipped -1.9% to $1,201/ounce.

HOW TO POSITION OURSELVES IN THE CURRENT ENVIRONMENT

The cycle of expansion continues but downside risks remain latent

STRATEGIC POSITION

TYPE OF ASSET	-2	-1	NEUTRAL	+1	+2
LIQUIDITY			■		
BONDS	■				
EQUITIES			■		
ALTERNATIVE ASSETS				■	

BONDS	-2	-1	NEUTRAL	+1	+2
SOVEREIGN DEBT	■				
High Quality (AAA)	■				
Peripherical assets			■		
CORPORATE BONDS			■		
Investment Grade		■			
High Yield			■		
EMERGING DEBT				■	
CONVERTIBLE BONDS			■		

EQUITIES	-2	-1	NEUTRAL	+1	+2
EUROPE				■	
UNITED STATES			■		
EMERGING MARKETS				■	
JAPAN			■		

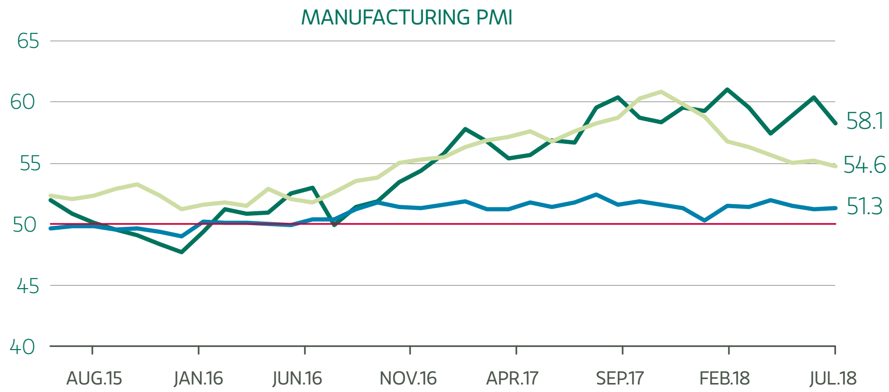
Activity data are positive but confidence wanes

The summer passed with no major changes in the global macroeconomic scenario, given that the positive trend in world growth continued. Activity data are encouraging, but overall business confidence has shifted away from the elevated levels we saw in the first few months of the year (see graph 1) and, more importantly, the downside risks of activity remain latent..

1. BUSINESS CONFIDENCE

Source: Bloomberg and Banca March

— USA — CHINA
— EURO-ZONE — THRESHOLD

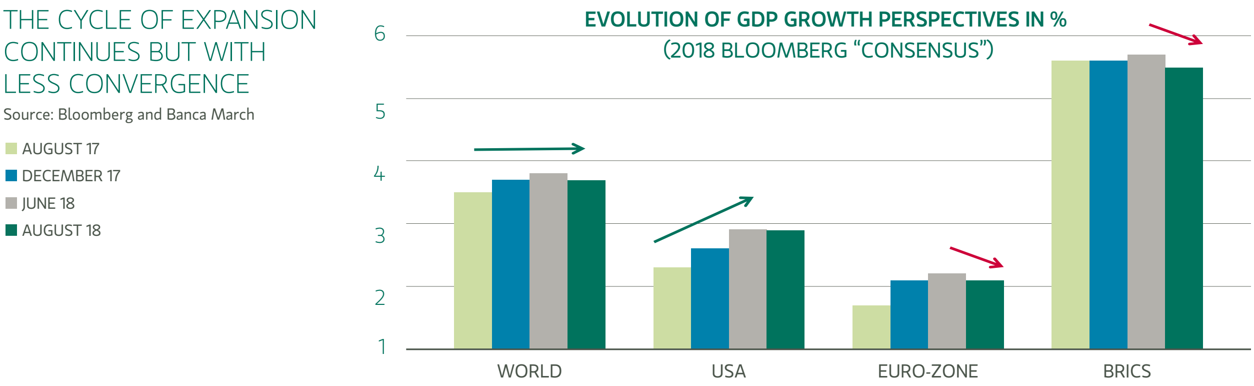


The global economy will continue to expand, though at a slower pace…

Our core scenario remains unchanged and although the global economy is expected to continue in a cycle of expansion, signs of easing have begun to emerge, which will be accompanied by greater dispersion in the growth rate.

2. THE CYCLE OF EXPANSION CONTINUES BUT WITH LESS CONVERGENCE

Source: Bloomberg and Banca March



...and with greater dispersion between the major

As illustrated in the graph above, in the United States the fiscal stimulus adopted by the Trump administration has resulted in higher growth, with GDP advancing +4.2% (annualised quarterly) in the second quarter, while in the eurozone and in large emerging economies, activity was less buoyant than expected and economic growth forecasts are being revised downward for the whole year.

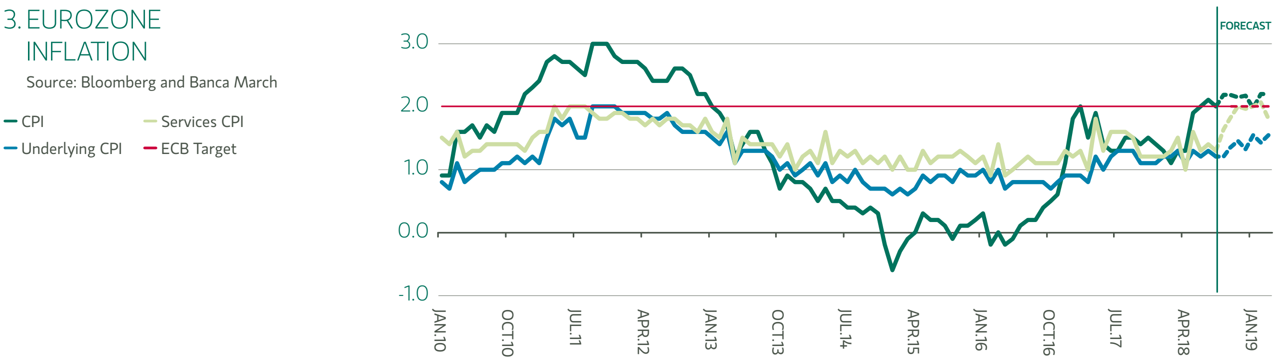
Nevertheless, estimated growth remains strong in the three major economic blocs indicated and with it, global GDP will advance this year at a rate of +3.8% y-o-y, its highest level since 2011. Moreover, for 2019 only a slight slowdown is anticipated, to a rate of +3.6%.

Inflation is nearing Central Bank targets...

With regard to inflation, the uptrend in CPI should begin to ease toward the end of the year, given that, in the last quarter the base effect of higher oil prices will gradually recede.

3. EUROZONE INFLATION

Source: Bloomberg and Banca March



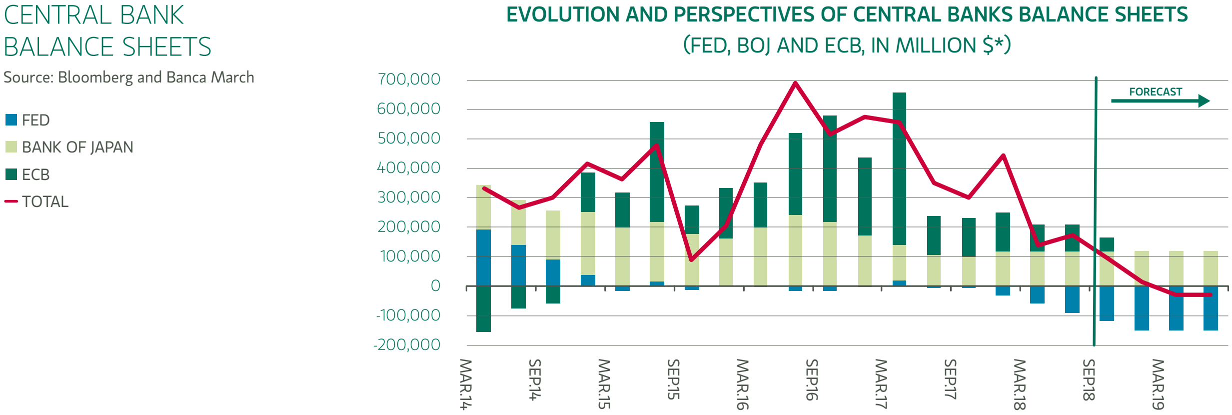
It should be noted that higher energy costs and the recovery of employment will translate into wages and the price of services, which will drive up core inflation rates to equal overall CPI in both the US and Europe.

...which will facilitate the withdrawal of monetary stimulus measures...

This inflation scenario will allow the monetary policy to continue its intended course. The Fed is expected to raise interest rates on two more occasions this year, to 2.25%-2.5% by the end of 2018. We do not, however, expect the ECB to raise rates until the second half of next year. Nevertheless, attention on monetary policy in the coming months will focus on the changing approach with regard to the monetary authorities' asset purchase programmes, more than on interest rates.

4. CENTRAL BANK BALANCE SHEETS

Source: Bloomberg and Banca March



…and from 2019, the main monetary authorities will, on an aggregate level, stop injecting liquidity into the system.

If we take into account the three main Central Banks, as of Q1 2019, for the first time in the current economic cycle, the monetary authorities will, on an aggregate level, cease to inject liquidity into the system. The Fed will accelerate the reduction of its balance sheet to USD 50 billion per month by not reinvesting debt maturities, while the ECB will conclude its asset purchase programme, which will be cut to EUR 15 billion per month in late September.

While the economic scenario helps bolster shares, it is not free from risk…

Although it bolsters equities, this macroeconomic scenario is not exempt from risk and, specifically, there are concerns about a further heightening of trade tensions, emerging currency depreciations, and political uncertainty in Europe (Brexit negotiations and Italy's budget), factors that will shape the agenda in the coming months.

…with heightened trade tensions a cause for concern…

With regard to trade risk, we believe that—at the very least—negotiations will continue to generate volatility in the months ahead. In August, the news was mixed: on the positive side, the Trump administration made headway with Mexico on a new free trade agreement that Canada may also join; on the negative side, a new round of mutual tariffs with China entered into force (raising the rates between the two economic powerhouses to USD 50 billion).

In September, the US administration will make a final decision regarding tariffs on imported European cars and the application of additional tariffs on products imported from China valued at USD 200 billion. If the implementation of these measures is confirmed, we will enter a new scenario in which the direct economic effect of the trade war is more severe.

…and a deterioration of financing flows to emerging economies

The other risk factor is the performance of emerging economies and the deterioration of external financing flows. Macroeconomic imbalances in Argentina and Turkey will continue to put pressure on their currencies, as well as those of other emerging economies.

TABLE 1. MACROECONOMIC FUNDAMENTALS (EMERGING ECONOMIES)

	TURKEY	SOUTH AFRICA	ARGENTINA	MEXICO	COLOMBIA	INDONESIA	INDIA	BRAZIL	RUSSIA	CHINA
C/A BALANCE SHEET (% GDP)	-5.5	-2.5	-4.9	-1.7	-3.3	-1.7	-1.6	-0.5	2.3	1.3
EXTERNAL DEBT (% GDP)	48.5	49.4	35.7	37.1	41.3	34.2	19.4	15.1	29.7	12.1
FOREIGN RESERVES/IMP.MONTHS	4.7	5.9	9.7	4.7	12.3	9.9	9.9	29.3	17.6	16.9
CREDIT RATING	9.7	10.5	5.8	13.3	12.0	11.0	11.1	9.0	10.3	16.3
EXTERNAL VULNERABILITY INDEX	12.8	11.3	10.8	9.3	8.0	7.8	6.3	5.3	5.3	2.3

Source: Bloomberg, Oxford Economics and Banca March

As the table above illustrates, emerging economies are a group of heterogeneous nations. Although there are countries that have not done their homework in recent years and whose level of foreign indebtedness has continued to rise, we must not generalise in our analysis since, in many cases, the major powers of the emerging world now show lower macroeconomic imbalances than in previous episodes of rising external financing costs.

Although in the short term, the contagion effect could continue to penalise emerging assets, it is our opinion that the current tightening of financing conditions will not precipitate a crisis in the balance of payments in the major economies, and therefore our overexposure to emerging debt in foreign currency remains unchanged, confident that an improvement in fundamentals and a higher growth rate will return to buoy these assets.

In Europe, the last quarter of the year will be marked by Brexit negotiations and the Italian budget

Finally, in Europe, uncertainty in Italy remains high and we will likely not learn more details about the new government's programmes until late September. In the last quarter, the 2019 budgets will be presented, which will foreseeably include certain measures to increase public spending and generate a breach of the deficit reduction targets agreed with Brussels. Moreover, between October and November, the EU and the British government must finalise the terms of the UK withdrawal. In both cases, negotiations will be tense, but ideally agreements will be reached—for both Brexit and the new Italian budget—that prevent negative scenarios, like a hasty exit without EU agreements.

Despite uncertainties, the strength of corporate profits should continue to favour global stock markets

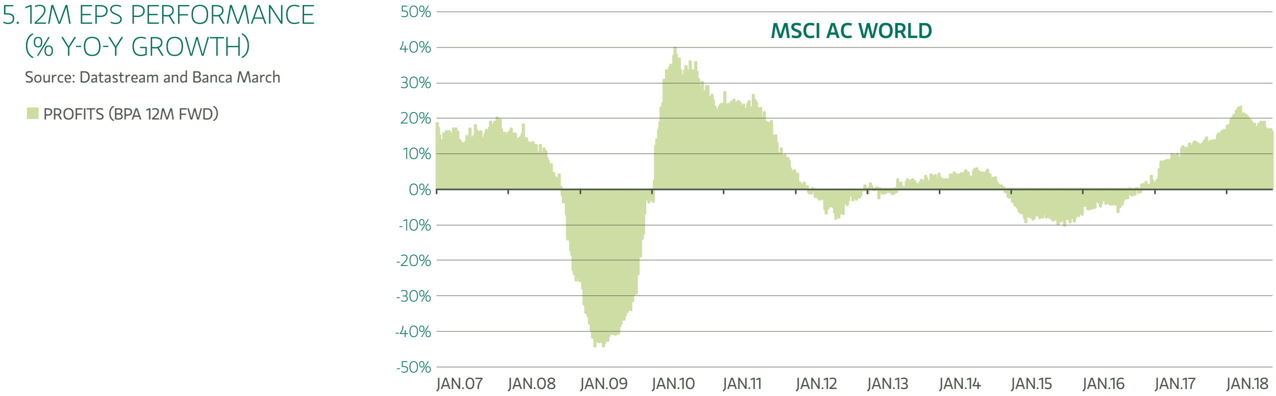
In conclusion, latent risks lead us to be more cautious. Since July, we have recommended reducing equity exposure from overweighted to neutral while awaiting better purchase opportunities. It is important to remember that we are still in an expansive economic cycle wherein corporate profits continue to reflect considerable growth. The Q2 earnings season was encouraging (see table 2) and over the next 12 months, corporate profits are expected to continue growing at an elevated rate globally (see graph 5).

TABLE 2.
Q2 EARNINGS SEASON (S&P 500 AND STOXX600)
Source: Bloomberg and Banca March

ANALYSIS OF BUSINESS RESULTS		RESULTS CURRENT QUARTER			
	PUBLISHED	RISE IN RESULTS	BETTER	WORSE	SURPRISE %
DJ EuroStoxx 600 BPA	91%	5.22%	52%	48%	1.01%
DJ EuroStoxx 600 Vtas	91%	5.29%	61%	39%	0.57%
S&P 500 BPA	99%	25.25%	84%	15%	5.51%
S&P 500 Vtas	99%	9.46%	72%	28%	1.38%

5. 12M EPS PERFORMANCE (% Y-O-Y GROWTH)

Source: Datastream and Banca March



Sovereign bonds are unattractive

With regard to the bond market, we continue to recommend avoiding investment-grade sovereign debt, and credit, for its part, increasingly shows lower potential. Higher inflation and a less expansionary monetary policy are negative factors that will ultimately drive up long-term interest rates. In Germany, the required 10-year yield is expected to reach 0.9% and 3.2% for the US benchmark. Therefore, we maintain a preference for short durations and contain credit exposure by being very selective about issuers in the portfolio given that, presumably, default rates will be at a minimum in the coming months and current spreads will not cover a potential uptick in defaults.

The dollar is not expected to appreciate beyond 1.15 EUR/USD

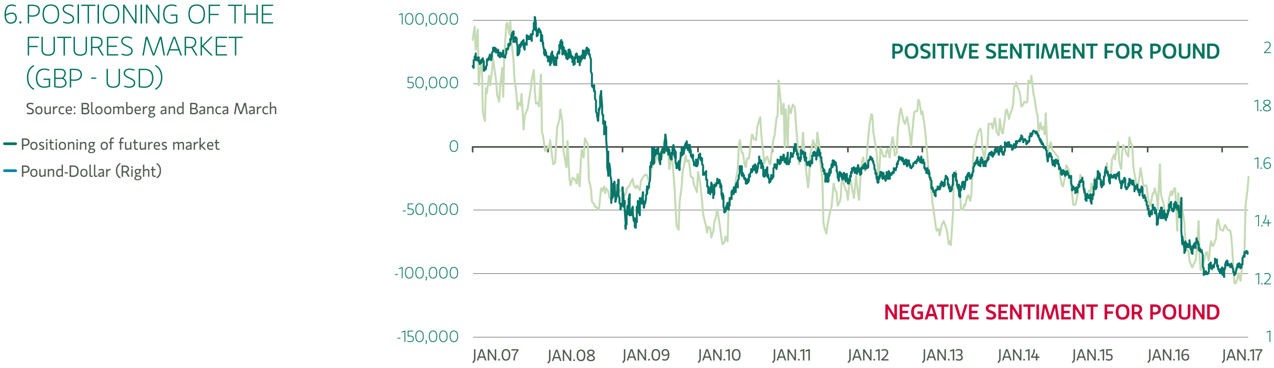
On the currency market, a euro-dollar crossover of roughly 1.15 EUR/USD seems appropriate to reduce exposure to the dollar. Because we maintain our forecast that the euro-dollar crossover will near 1.20 EUR/USD, we advise hedging exposure to the US currency in the portfolio. We believe that the factors that led the euro to depreciate against the dollar to 1.15 EUR/USD are temporary (less dynamism in eurozone activity data and heightened political fears) and we do not expect the dollar to appreciate beyond these levels.

The pound will remain under pressure in the short term

Political uncertainty and the risk of a disorderly withdrawal from the EU have put pressure on the pound and, in light of sluggish Brexit negotiations, investor sentiment reached its lowest level with regard to the currency.

6. POSITIONING OF THE FUTURES MARKET (GBP - USD)

Source: Bloomberg and Banca March



While awaiting the details of an exit agreement, we think that the euro-pound crossover will continue to trade in a range of 0.85-0.90 EUR/GBP. Although the market has already taken into account part of the negative scenario, a lack of visibility about the exit agreement could trigger further depreciations in the pound in the short term. Therefore, we recommend hedging exposure to the pound sterling despite trading in the higher part of the expected range.

Joan Bonet Majó
Pedro Sastre
Paulo Gonçalves
Banca March Market Strategies Team

EURIBOR

	LAST	1 MONTH	YTD	1 YEAR
1 MONTH	-0,37	-0,37	-0,37	-0,37
3 MONTHS	-0,32	-0,32	-0,33	-0,33
6 MONTHS	-0,27	-0,27	-0,27	-0,27
12 MONTHS	-0,18	-0,18	-0,19	-0,16

CURRENCIES

	LAST	1 MONTH	YTD	1 YEAR
EUR/USD	1,1602	1,169	1,201	1,188
EUR/GBP	0,896	0,891	0,888	0,919
EUR/CHF	1,124	1,158	1,170	1,145
EUR/JPY	128,8	130,8	135,3	131,0

GOVERNMENT BONDS

		LAST	1 MONTH	YTD	1 YEAR
USA	2 YEARS	2,63	2,67	1,88	1,33
	5 YEARS	2,74	2,85	2,21	1,70
	10 YEARS	2,86	2,96	2,41	2,12
	30 YEARS	3,02	3,08	2,74	2,73
GERMANY	2 YEARS	-0,61	-0,57	-0,63	-0,73
	5 YEARS	-0,23	-0,13	-0,20	-0,34
	10 YEARS	0,33	0,44	0,43	0,36
	30 YEARS	1,01	1,09	1,26	1,12
SPAIN	2 YEARS	-0,27	-0,31	-0,35	-0,34
	5 YEARS	0,45	0,36	0,40	0,21
	10 YEARS	1,47	1,40	1,57	1,56
	30 YEARS	2,63	2,48	2,85	2,79
UK	2 YEARS	0,73	0,77	0,44	0,18
	5 YEARS	1,04	1,06	0,72	0,44
	10 YEARS	1,43	1,33	1,19	1,03
	30 YEARS	1,77	1,77	1,76	1,70

CORPORATE BONDS (1 YEAR SPREAD)

	LAST	1 MONTH	YTD	1 YEAR
AA	-0,23	-0,22	-0,26	-0,31
A	-0,18	-0,19	-0,21	-0,23
BBB	-0,05	-0,06	-0,12	-0,13

COMMODITIES

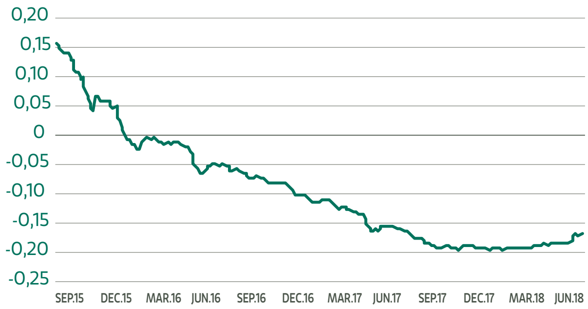
	LAST	1 MONTH	YTD	1 YEAR
BRENT	77,42	74,25	66,87	50,86
GOLD	1.201,4	1.224,1	1.303,1	1.308,6

EQUITY INDICES

	LAST	1 MONTH	YTD	1 YEAR
MSCI WORLD*	522,88	0,59%	1,92%	28,34%
SP500	2901,52	3,03%	8,52%	57,60%
EUROSTOXX50	3392,9	-3,76%	-3,17%	9,42%
TOPIXX	1735,35	-1,02%	-4,52%	33,25%
IBEX35	9399,1	-4,78%	-6,42%	-5,08%
FOOTSIE100	7432,42	-4,08%	-3,32%	10,42%
MSCI BRAZIL	1619,13	-12,00%	-19,96%	-26,97%
MSCI CHINA	81,36	-3,88%	-8,94%	29,27%
MSCI EMERGING	1055,96	-2,90%	-8,85%	5,40%

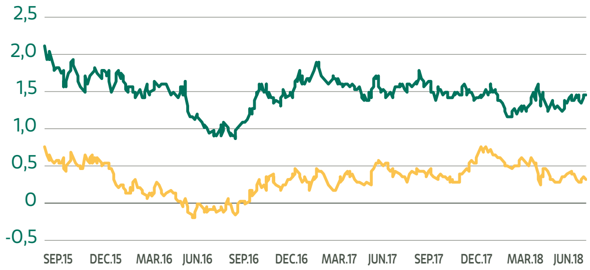
* All Countries

EURIBOR 12 MONTHS (3 YEARS)

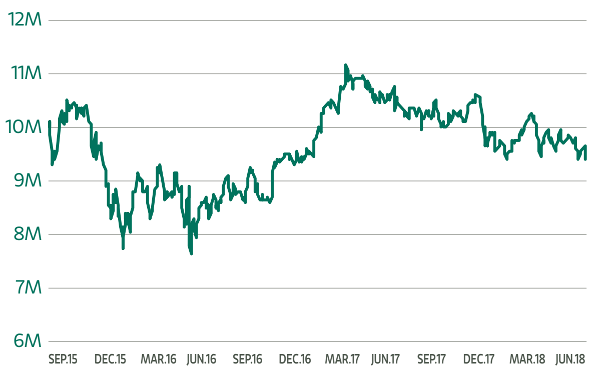


EUR/USD (3 YEARS)

TEN YEAR GOVERNMENT YIELDS (SPAIN VS GERM.)



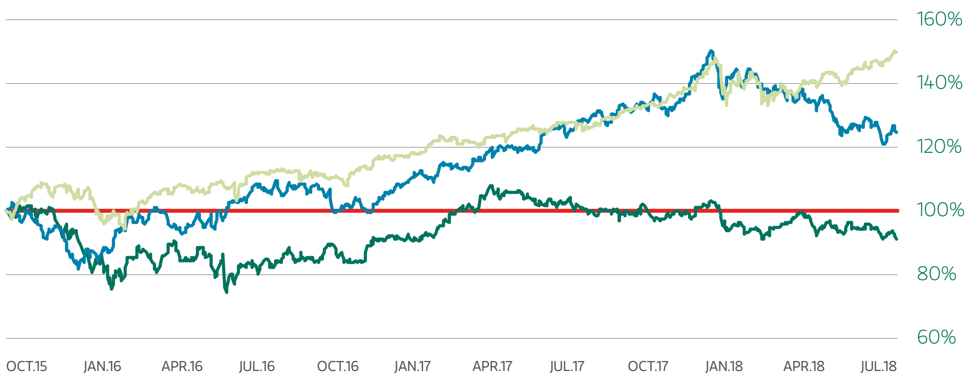
IBEX (3 YEARS)



Source: Bloomberg

EQUITY INDICES PERFORMANCE (3 YEARS)

Source: Bloomberg



DATE AS OF 31ST AUGUST 2018

	RETURN				DURATION		PORTFOLIO DISTRIBUTION					CURRENCY EXP.	
	WEEK	MONTH	YTD	YEAR	ACTUAL	1 MONTH AGO	LIQUIDITY	DEPOSITS	FI	EQUITY	ALT. INV.	TOTAL	USD
MARCH MONETARIO F.I.	-0.02%	-0.07%	-0.35%	-0.41%	0.319	0.384	36.36%	20.72%	47.34%	0.00%	0.00%	0.00%	0.00%
MARCH RENTA FIJA CORTO PLAZO F.I.	-0.16%	-0.30%	-1.37%	-1.21%	0.462	0.460	4.25%	5.76%	90.06%	0.00%	0.00%	0.00%	0.00%
MARCH PREMIER R.F. C.P. F.I.	-0.14%	-0.24%	-1.13%	-0.93%	0.464	0.475	5.79%	5.69%	88.58%	0.00%	0.00%	0.00%	0.00%
MARCH PATRIMONIO C.P. F.I.	-0.15%	-0.29%	-1.01%	-0.84%	0.839	0.873	3.10%	2.14%	94.86%	0.00%	0.00%	0.00%	0.00%
FONMARCH F.I.	-0.14%	-0.34%	-1.09%	-0.89%	2.344	2.453	7.49%	0.00%	90.96%	0.00%	0.00%	0.01%	0.00%
MARCH EUROPA BOLSA F.I.	0.49%	-0.64%	-0.17%	0.00%	0.004	0.003	1.79%	0.00%	0.00%	97.79%	0.00%	35.29%	6.32%
MARCH INTL - VALORES IBERIAN EQUITY	-0.49%	0.25%	1.15%	3.90%	0.003	0.003	4.60%	0.00%	0.00%	95.40%	0.00%	0.00%	0.00%
MARCH GLOBAL F.I.	0.40%	-0.87%	0.74%	4.92%	0.008	0.003	5.64%	0.00%	0.00%	93.53%	0.00%	59.15%	15.39%
MARCH INTL - MARCH VINICATENA	0.08%	-1.14%	-2.23%	4.22%	0.003	0.003	32.09%	0.00%	0.00%	77.91%	0.00%	46.74%	17.72%
MARCH INTL - THE FAMILY BUSINESSES FUND	-0.38%	-0.94%	-2.90%	3.21%	0.003	0.003	17.76%	0.00%	0.00%	82.74%	0.00%	39.20%	17.81%
MARCH NEW EMERGING WORLD F.I.	-0.09%	-3.46%	-8.87%	-4.55%	0.000	0.003	17.92%	0.00%	0.00%	99.28%	0.00%	40.37%	-20.60%
MARCH INTL - TORRENOVA LUX	-0.44%	-0.97%	-1.78%	-1.76%	0.974	1.037	5.30%	0.00%	72.46%	22.24%	0.00%	10.12%	5.94%
TORRENOVA DE INVERS. S.I.C.A.V. S.A.	-0.39%	-0.88%	-1.28%	-1.15%	0.974	1.037	8.22%	0.00%	69.38%	22.45%	0.00%	2.88%	-0.68%
CARTERA BELLVER S.I.C.A.V., S.A.	-0.44%	-1.05%	-0.79%	1.35%	1.029	1.082	6.09%	0.00%	41.84%	52.07%	0.00%	6.83%	1.89%
LLUC VALORES S.I.C.A.V., S.A.	-0.21%	-1.03%	1.04%	5.98%	0.007	0.003	14.87%	0.00%	0.00%	85.33%	0.00%	14.86%	7.16%
MARCH PATRIMONIO DEFENSIVO FI	-0.19%	-0.70%	-1.81%	-1.61%	0.000	0.003	3.71%	0.00%	77.43%	13.55%	4.10%	0.09%	-0.09%
MARCH CARTERA CONSERVADORA FI	-0.07%	-0.58%	-1.21%	-0.28%	0.000	0.003	4.17%	0.00%	60.32%	31.57%	4.27%	0.04%	0.04%
MARCH CARTERA MODERADA FI	0.11%	-0.36%	-0.33%	1.38%	0.000	0.003	6.43%	0.00%	41.61%	50.52%	1.79%	0.22%	0.22%
MARCH CARTERA DECIDIDA FI	0.24%	-0.50%	-0.18%	3.21%	0.000	0.003	4.10%	0.00%	15.33%	78.88%	2.22%	3.56%	-3.54%
PLAN PENSION CRECIENTE, F.P.	-0.18%	-0.36%	-1.28%	-1.26%	1.673	1.715	1.99%	2.15%	95.63%	0.00%	0.00%	0.63%	-0.63%
MARCH PENSIONES 80/20, F.P.	-0.14%	-0.54%	-0.97%	0.29%	2.607	2.665	1.00%	0.00%	73.29%	24.17%	0.00%	13.60%	3.31%
MARCH PENSIONES 50/50, F.P.	0.06%	-0.55%	-0.15%	2.52%	2.199	2.241	6.69%	0.00%	45.05%	47.09%	0.00%	28.24%	7.59%
MARCH ACCIONES, F.P.	-0.68%	1.15%	6.62%	0.008	0.003	4.95%	0.00%	0.00%	94.23%	0.00%	58.17%	17.13%	16.88%
MARCH AHORRO, F.P.	-0.02%	-0.60%	-0.15%	2.22%	2.688	2.771	2.55%	0.00%	63.90%	32.42%	0.00%	20.07%	6.21%
PLAN OPTIMO, F.P.	-0.03%	-0.61%	-0.37%	1.98%	2.376	2.850	13.36%	0.00%	55.77%	29.15%	0.00%	18.05%	5.41%
MARCH MODERADO EPSV	-0.15%	-0.63%	-0.34%	0.94%	2.363	2.392	7.24%	0.00%	64.64%	30.57%	0.00%	17.35%	4.76%
MARCH ACCIONES EPSV	0.27%	-0.66%	1.63%	6.98%	0.007	0.003	6.75%	0.00%	0.00%	92.51%	0.00%	58.17%	16.56%

IMPORTANT REMARK:

The contents of this document are merely illustrative and do not pretend, are not and cannot be considered under any circumstances as an investment recommendation towards the contracting of financial products. This document has only been prepared to help the customer make an independent and individual decision but does not intend to replace any type of advice needed for the contracting of such products. The terms and conditions described in this document are to be viewed as preliminary terms only, subject to discussion and negotiation as well as to the agreement and final drafting of the terms affecting the transaction, which will appear in the contract or certificate to be issued. Consequently, March Asset Management S.G.I.I.C., S.A.U. and its customers are not bound by this document unless both parties decide to embark on a specific transaction and agree on the terms and conditions concerning the final documents to be approved. March Asset Management S.G.I.I.C., S.A.U. does not offer any guarantee, expressly or implicitly, in relation with the information shown in this document. All terms, conditions and prices contained in this document are merely informative and subject to modifications depending on the market circumstances, changes in laws, jurisprudence, administrative procedures or any other issue which may affect them. The customer should be aware that the products mentioned in this document may not be appropriate for his/her specific investment targets, financial situation or risk profile. For this reason the customer must make his/her own decisions by taking into account such circumstances and by obtaining specialised advice in tax, legal, financial, regulatory, accounting issues or any other type of information required. March Asset Management S.G.I.I.C., S.A.U. does not assume any responsibility for any direct or indirect costs or loss which may result from the use of this document or its contents. No part of this document can be copied, photocopied or duplicated in any way or through any means, redistributed or quoted without a previous written authorisation by Management S.G.I.I.C., S.A.U.

Please note this document has been translated for your information only. In case of any errors or misinterpretations, the Spanish text will always prevail.