



MARCH CARTERA DEFENSIVA FI

January-2023

MARCH A.M.
 **BancaMarch**

INDEX

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Macroeconomic and Market Overview

After a year of resilient economic growth, we believe that activity will eventually struggle in the coming quarters due to tighter financial conditions and higher energy prices. World GDP growth will remain at +1.5%, a level that represents less than half the average growth rate of the last 40 years. On the inflation side, although we have seen the ceiling, the path to normalisation will not be fast.

Although the time is not yet ripe for Central Banks to pause rate hikes (in the US not before 2023 and in Europe not until the third quarter), we believe that current IRR levels already offer protection and attractive yield potential. Stock markets have started a new rebound from their lows, however, we will continue to be immersed in a context marked by economic growth in clear deceleration, a scenario that is not yet discounted in corporate earnings; something that is not consistent with the periods of recession of the same, which have always recorded falls. This is why, as 2023 progresses, stock markets should slow down their rebound.

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Monthly Portfolio Commentary

The performance of its portfolio stood at -0.27% in December compared to -3.43% for its benchmark. The cumulative return for the year 2022 is -7.35% compared to -10.80% for its benchmark.

80.64% of the portfolio is already classified as article 8 or 9 according to the Disclosure Regulation (SFDR) and the Sustainability Weighted Promotional Ratio stands at 58.11%.

When investing in the different strategies we are taking on different currency risks. In order to avoid adding volatility to the portfolio, the decision is made to hedge, to a large extent, the currency risk. This investment policy that we maintain in the portfolio in relation to hedging currency risk (mainly the dollar) explains to a large extent the negative differential during the year with respect to the benchmark index.

In fixed income, short-term strategies and greater exposure to quality credit, the portfolio's main bets, are performing better than the rest of fixed income assets, in a general environment of sharp declines. Most strategies remain stable in terms of performance, however, we highlight the returns through the Nordea - European Covered Bonds and Emerging Market local Debt strategies, both with 1.48% and 1.19% monthly returns, respectively. On the other hand, the largest reversals came from the NN L Green Bond strategy.

The overweight in alternative management strategies has decreased. The PHYS GOLD ETF is the main contributor to the month's performance with a rise of almost 2.70%. The average of the other alternative strategies' returns is positive at around 0.96%, this month higher than the -0.14% of the fixed income strategies and higher than the -3.35% of the equity strategies.

This month's performance in equities was generally negative. Within these negative returns, the best performing strategies were Morgan Stanley - Global Sustain and March Intl - Vini Catena, with returns of -0.74% and -1.05%, respectively. Geographically, there was no major difference in the performance of the different strategies in December.

Among the most noteworthy movements was the decrease in the overweighting of alternative management strategies. With the liquidity generated, we increased our position in strategies that are classified as article 8 in SFDR such as Amundi's S&P 500 index fund strategy, Morgan Stanley - Global Sustain and Muzin-Glob SHT Dur.

In the current complex market environment, the portfolio's bias is very conservative within its profile, with low durations and high preference for quality credit and underweight in equities.

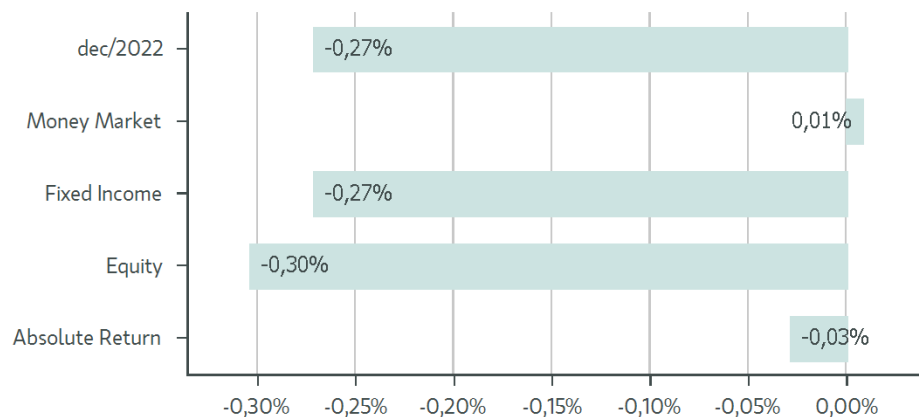
Development of your Portfolio



Monthly Return

| | jan | feb | mar | apr | may | jun | jul | aug | sep | oct | nov | dec | YTD |
|------|--------|--------|--------|--------|--------|--------|-------|--------|--------|--------|--------|--------|--------|
| 2022 | -1,35% | -1,27% | -0,19% | -1,54% | -0,66% | -2,64% | 1,65% | -0,94% | -2,29% | 0,41% | 1,57% | -0,27% | -7,35% |
| 2021 | -0,30% | -0,36% | -0,10% | 0,53% | 0,08% | 0,10% | 0,32% | 0,12% | -0,59% | -0,02% | -0,55% | 0,33% | -0,45% |
| 2020 | 0,11% | -0,62% | -4,32% | 1,54% | 0,92% | 0,78% | 0,93% | 0,47% | -0,32% | -0,15% | 1,49% | 0,80% | 1,51% |
| 2019 | 1,26% | 0,61% | 0,16% | 0,10% | -0,27% | 0,52% | 0,13% | -0,30% | -0,15% | -0,19% | 0,10% | 0,22% | 2,21% |
| 2018 | 0,38% | -0,51% | -0,49% | 0,25% | -0,62% | -0,54% | 0,41% | -0,70% | 0,08% | -1,41% | -0,58% | -0,91% | -4,56% |
| 2017 | 0,13% | 0,38% | 0,02% | 0,23% | 0,07% | -0,20% | 0,09% | -0,06% | 0,24% | 0,45% | -0,31% | -0,17% | 0,86% |

Monthly Return per Asset Class



The monthly contribution of each category is calculated as the 1-month return in EUR of each underlying fund weighted by category as at 31/12/2022.
 Past performance does not predict future results.

Risk / Return Ratio

| | |
|---------------------|---------|
| Return last month | -0,27% |
| Return 3 months | 1,70% |
| Return year to date | -7,35% |
| Return 1 year | -7,35% |
| Return 3 year | -6,36% |
| Volatility | 2,75% |
| VaR at 99% | 0,45% |
| Maximum Drawdown | -11,03% |

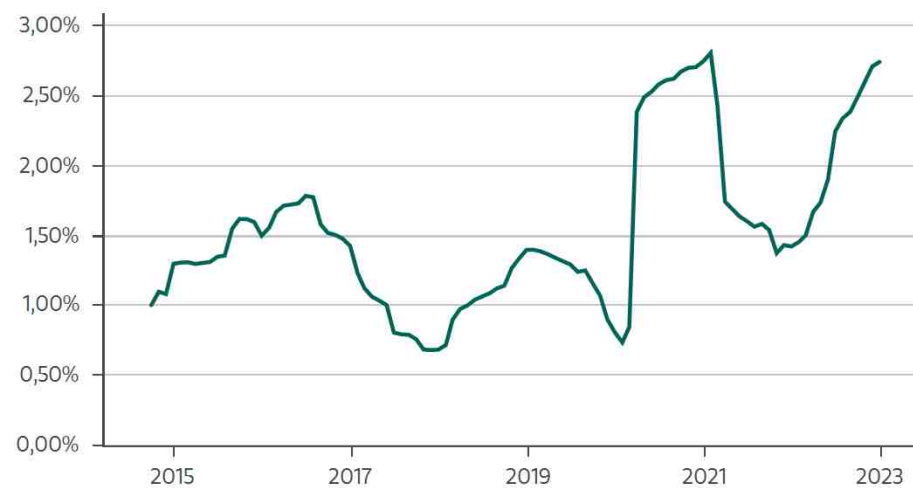
Data as of 31/12/2022 since 30/09/2013. Volatility and VaR calculated on a 12 month period with daily data.

Yearly Rolling Return



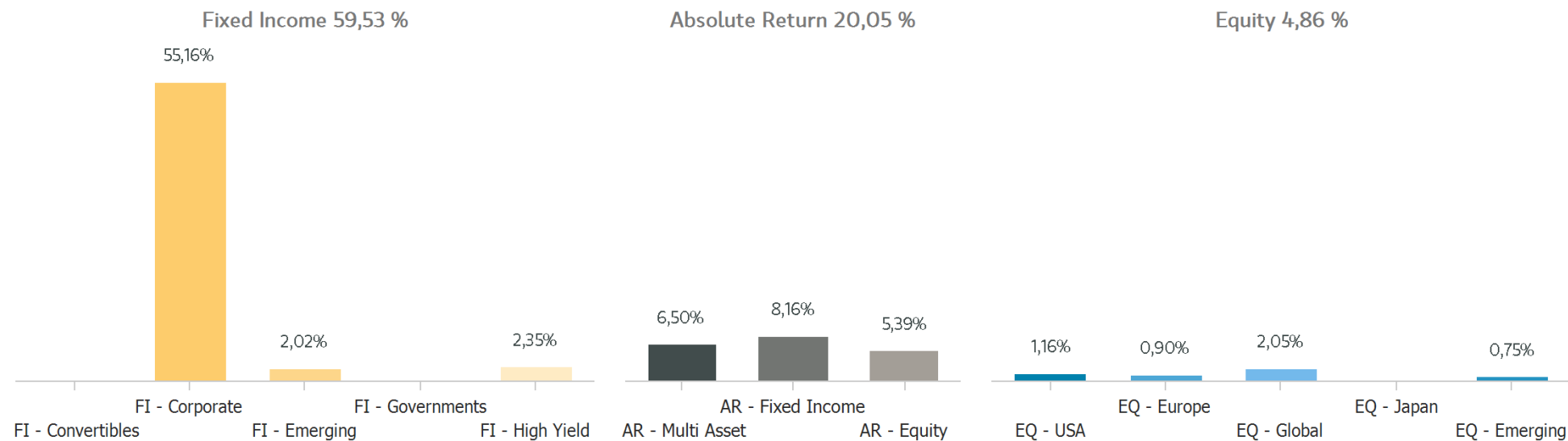
Rolling 12 month return

Volatility



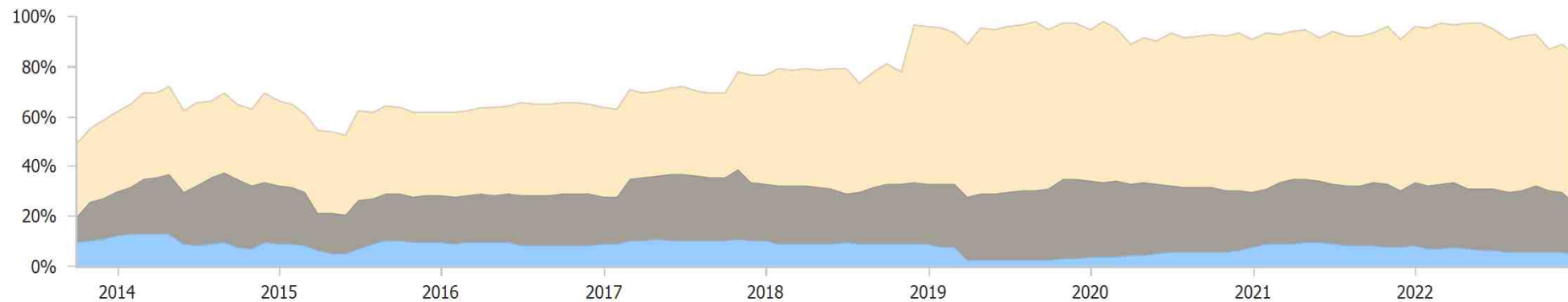
Rolling 12 month daily volatility

Subasset Class allocation



Portfolio data as of 31/12/2022

Change in Asset Allocation



Data as of 31/12/2022 since 30/09/2013 of the monthly asset class distribution. Mutual Funds exposure, excluding other type of assets.
 Source: March A.M.

Your Portfolio

| Fund | Asset Class | Weight | Return | | | | |
|--------------------------------|----------------|--------|---------|----------|----------|---------|---------|
| | | | 1 month | 3 months | 6 months | YTD | 1 year |
| GROUPAMA TRESORERIE RC EUR | LI - Liquidity | 5,40% | 0,15% | 0,32% | 0,31% | -0,02% | -0,02% |
| UBAM AB RET L VOL FX INC-I+pc | FI - Corporate | 3,03% | -0,07% | 1,81% | 0,88% | -2,37% | -2,37% |
| NORDEA 1-EUROP COV OPP-BIEUR | FI - Corporate | 5,14% | 1,51% | 2,77% | 1,74% | 2,33% | 2,33% |
| FRANK EURO TOT RETURN S EUR | FI - Corporate | 2,00% | -1,69% | 1,28% | -2,57% | -13,99% | -13,99% |
| LM-WA SHT DUR BLU CHP-PAHGD | FI - Corporate | 4,61% | 0,05% | 1,67% | -1,34% | -8,02% | -8,02% |
| ALGEBRIS FINAN CR I EUR | FI - Corporate | 2,55% | 0,35% | 8,62% | 2,09% | -10,61% | -10,61% |
| NN L GREEN BOND I CAP EUR | FI - Corporate | 2,46% | -4,22% | -0,89% | -6,09% | -21,64% | -21,64% |
| MARCH INTL-TORRENOVA LUX I EUR | FI - Corporate | 2,23% | -1,20% | 1,69% | -0,42% | -4,97% | -4,97% |
| EVLI SHORT CORP BOND IB EUR | FI - Corporate | 4,09% | -0,18% | 2,13% | 1,17% | -6,11% | -6,11% |
| FONMARCH FI C | FI - Corporate | 1,14% | -0,53% | 0,64% | -1,26% | -6,94% | -6,94% |
| MARCH PATRIMONIO CORTO PLAZO C | FI - Corporate | 3,60% | 0,00% | 0,40% | 0,00% | -1,68% | -1,68% |
| FLOSSBACH S BOND OPPOR IT EUR | FI - Corporate | 2,56% | -0,78% | 2,65% | 1,28% | -8,98% | -8,98% |
| MUZIN-GLOB SHT DUR INV GR-HE | FI - Corporate | 4,49% | 0,40% | 1,30% | 0,71% | -4,99% | -4,99% |
| BNY SUSTAIN GLOBAL DYN BD EW | FI - Corporate | 3,57% | -0,32% | 0,48% | -0,78% | -7,29% | -7,29% |
| CANDR BDS FLOATING RATE N PI | FI - Corporate | 4,57% | 0,20% | 0,45% | 0,63% | -0,27% | -0,27% |
| JUPITER DYNAMIC BOND-IEURACC | FI - Corporate | 3,46% | -1,84% | 1,58% | -2,84% | 0,00% | 0,00% |
| M&G SUS TLRT CR INVE LI EU | FI - Corporate | 3,74% | 0,74% | 4,15% | 4,03% | -1,69% | -1,69% |
| KBI GLOBAL SUSTN INFR-DEUR | FI - Corporate | 0,40% | -4,23% | 5,79% | 2,29% | -2,63% | -2,63% |
| FRKN EUR S DUR BD-EBEURACC | FI - Corporate | 1,53% | -0,21% | 0,10% | -0,72% | -2,80% | -2,80% |
| EDMOND R-BIG DATA-N2 HE EUR | FI - Emerging | 0,40% | -2,98% | 12,23% | 0,63% | -18,23% | -18,23% |
| NORDEA 1 - EM ST L BF-BIUSD | FI - Emerging | 0,84% | -2,25% | -0,83% | -0,12% | -6,85% | -6,85% |

Your Portfolio

| Fund | Asset Class | Weight | Return | | | | |
|--------------------------------|-------------------|--------|---------|----------|----------|---------|---------|
| | | | 1 month | 3 months | 6 months | YTD | 1 year |
| BGF-ESG E/M BND-I2 EUR HDG | FI - Emerging | 0,78% | 0,33% | 7,69% | 1,20% | -19,86% | -19,86% |
| SKY US SH DR ST HG YD AC USD | FI - High Yield | 2,35% | -3,89% | -5,51% | 0,65% | -2,99% | -2,99% |
| AMUNDI S&P 500 ESG-IU-C | EQ - USA | 0,57% | -9,48% | -1,26% | -0,45% | -13,11% | -13,11% |
| OYSTER US VALUE USDHDG IM ACC | EQ - USA | 0,59% | -5,89% | 1,54% | -1,00% | -3,33% | -3,33% |
| MAN GLG PAN EU EQ GR IFCEUR | EQ - Europe | 0,46% | -3,57% | 9,41% | 4,76% | -25,39% | -25,39% |
| ELEVA LEADERS SM&MD CE-IEURA | EQ - Europe | 0,44% | -2,07% | 8,80% | 2,11% | -22,79% | -22,79% |
| NATIXIS HARRIS AS GB EQ SAE | EQ - Global | 0,54% | -6,78% | 6,23% | 0,56% | -11,92% | -11,92% |
| MSIF-GLOBAL SUSTAIN-Z | EQ - Global | 0,77% | -4,83% | -1,33% | -1,28% | -16,05% | -16,05% |
| AUBREY CM-AUB GL EM OPP-IC1E | EQ - Emerging | 0,37% | -5,75% | -6,60% | -6,20% | -21,78% | -21,78% |
| GQG PARTNERS EM MKT EQ R USD A | EQ - Emerging | 0,38% | -7,55% | -5,67% | -7,23% | -18,39% | -18,39% |
| ETF. WT CORE PHYS GOLD | AR - Multi Asset | 2,55% | -0,47% | -0,94% | -2,44% | 5,72% | 5,72% |
| AMUNDI ABS RET MUL/S I EUR C | AR - Multi Asset | 3,95% | -0,15% | -0,18% | -3,58% | -7,35% | -7,35% |
| GAM STAR GLOBAL RATES USD ACC | AR - Fixed Income | 3,47% | -2,18% | -5,63% | 13,68% | 22,51% | 22,51% |
| DNCA INVEST-ALPHA BONDS-IEUR | AR - Fixed Income | 4,69% | 0,76% | 3,95% | 5,74% | 6,56% | 6,56% |
| FRANKLIN K2 BRD HI AR-EOPHAE | AR - Equity | 2,37% | 0,28% | 1,61% | 2,00% | 0,94% | 0,94% |
| SCHRODER GAIA HELIX E EUR | AR - Equity | 3,02% | 0,76% | 1,10% | -1,77% | -6,93% | -6,93% |

Return data in EUR.

Portfolio investment in funds as at 31/12/2022. The remainder is invested in money market and fixed income instruments with a duration of less than 1 year.

Source: March A.M. and Bloomberg

Portfolio Movements

| Movement | Date | Commentary |
|----------|----------|--|
| Sell | Dec-2022 | Decreasing the overweighting of alternative management strategies. |
| Buy | Dec-2022 | Muzin-Glob SHT Dur. |
| Buy | Dec-2022 | Amundi S&P 500 |
| Buy | Dec-2022 | Morgan Stanley (Global Sustain) |
| Sell | Nov-2022 | Slight decrease in the level of liquidity to take advantage of bullish market rebounds |
| Buy | Nov-2022 | MUZIN-GLOB SHT DUR |
| Sell | Oct-2022 | Partial decrease in alternative equity management by Schroder |
| Sell | Oct-2022 | Partially decreasing positions in Amundi's multi-strategy in alternative management |
| Buy | Oct-2022 | Increased liquidity |
| Sell | Sep-2022 | Templeton European Total Return |
| Buy | Sep-2022 | We slightly increased exposure to alternative strategies |
| Buy | Sep-2022 | Templeton Euro Short Duration |
| Sell | Aug-2022 | Baillie Gifford (Global Stewardship), (Partial sale) |
| Sell | Aug-2022 | Morgan Stanley (Global Sustain), (Partial Sale) |

MARCH CARTERA DEFENSIVA FI

| | |
|-----------------------------|--|
| Investment Advisor | MARCH ASSET MANAGEMENT, S. G. I. I. C., S. A. U. |
| Custodian and Administrator | BANCA MARCH, S. A. |
| Legal form | UCITS IV |

Fund Key Data

MARCH CARTERA DEFENSIVA FI

| | |
|-------------------------------|----------------------------------|
| Inception date | 21/09/2004 |
| Category | Fondo de Fondos Renta Fija Mixta |
| AUM in millions | EUR 52 |
| Reference index | Benchmark Cartera Defensiva |
| Portfolio Manager Responsible | March Asset Management |
| Strategy managed since | 2013 |
| Risk Profile * | 2 |
| Art. SFDR ** | 8 |

| ISIN | Classes | Management fee | Performance Fee | TER | Minimum Subscription | Type of Client | SP | LUX | PT | IT |
|--------------|------------------------------|----------------|-----------------|-----|----------------------|----------------|----|-----|----|----|
| ES0160921039 | MARCH CARTERA DEFENSIVA FI A | 0,650% | 9,000% | | | Retail | ✓ | | | |
| ES0160921005 | MARCH CARTERA DEFENSIVA FI I | 0,550% | | | 1.000.000 | Institutional | ✓ | | | |

* The investments described may carry a number of risks which are included in the prospectus and the fund's KIID. This data is indicative of the fund's risk, which, however, may not be a reliable indication of the future risk profile. In addition, there is no guarantee that the indicated category will remain unchanged and may vary over time.

** For more information about our sustainable and responsible investment criteria, please access <https://www.march-am.com/en/about-us/sustainable-and-responsible-investment/>

Annex

Description of the invested funds

| | |
|------------------------------|--|
| ALGEBRIS FINAN CR I EUR | <p>The Fund invests across the debt structure of financial institutions globally, with a focus on subordinated and hybrid debt issued by European and US global systemically important financial institutions and national champions.</p> <p>The goal is to build a diversified portfolio of high yielding bonds with some potential for price appreciation or spread compression, without compromising on issuer quality. Emphasis on operational risk and capital preservation are prevalent across all of investment strategies.</p> |
| AMUNDI ABS RET MUL/S I EUR C | <p>The investment team's philosophy is based on the principles of active management, effective diversification and risk management.</p> <p>The goal is to generate alpha by dynamically exploiting valuation anomalies wherever they may arise, effectively diversifying through risk allocation in uncorrelated investment opportunities, investing in all asset classes, sectors and regions. All this under the team's own risk budgeting framework, a central component of the Fund's investment process.</p> <p>The investment team's philosophy is based on the principles of active management, effective diversification and risk management.</p> <p>The goal is to generate alpha by dynamically exploiting valuation anomalies wherever they may arise, effectively diversifying through risk allocation in uncorrelated investment opportunities, investing in all asset classes, sectors and regions. All this under the team's own risk budgeting framework, a central component of the Fund's investment process.</p> |
| AMUNDI S&P 500 ESG-IU-C | <p>The fund's objective is to track the performance of the S&P 500 ESG Index as closely as possible. The S&P 500 ESG Index is a broad-based market capitalization-weighted index that measures the performance of stocks that meet sustainability criteria, while maintaining an overall weighting of the Industry group similar to that of the S&P 500.</p> |
| AUBREY CM-AUB GL EM OPP-IC1E | <p>Aubrey is an active management house specialising in high conviction growth actions that adopts a rigorous framework by selecting the companies best positioned to benefit from growth opportunities in the global emerging markets universe.</p> |
| BGF-ESG E/M BND-I2 EUR HDG | <p>Actively managed by BlackRock's specialist team, the fund invests mainly in fixed income issues issued by governments, public bodies or companies from emerging market countries, both in dollars or euros.</p> |
| BNY SUSTAIN GLOBAL DYN BD EW | <p>The fund's profitability objective is to beat Inflation + 2% in a period of 3 years through the active management of investments in fixed income, both sovereign and corporate bonds, being able to invest in both high credit quality issues and by HY. The fund actively manages the duration, the positioning in the yield curve and the currencies, being able to generate profitability through different strategies implemented in it. In addition to the ESG integration process, Red Lines are introduced (in the form of a sustainable evaluation according to the United Nations Principles and the Paris Climate Change Agreements) as well as vetoes of the Responsible Investment team, in the face of unsolvable situations with the company that make it unsustainable from a sustainable perspective. If a company receives a low score, but the team collectively believes that through the commitment Newton will be able to achieve positive change on a reasonable time scale, then the veto will not be enacted.</p> |
| CANDR BDS FLOATING RATE N PI | <p>Fixed income strategy that invests mainly in floating bonds denominated in EUR, with an allocation process that prioritizes the highest quality corporate credit, not investing in structured products. Alpha drivers include credit duration management, issuer, and instrument selection. ESG analysis is intrinsic to the Candriam culture, including in the investment process an assessment of the governance profile of issuers, in the belief that this approach is a generator of additional profitability. The loan duration of the portfolio is limited to three years, although it is generally two years, a segment that has historically shown an attractive risk-return profile in relation to other maturities.</p> |

Annex

Description of the invested funds

| | |
|----------------------------------|---|
| DNCA INVEST-ALPHA BONDS -IEUR | Absolute fixed income return strategy with a 3-year return objective of more than EONIA +2,5% with a maximum volatility of 5%. It does not present a directional bias, with the portfolio's duration range from -3 to +7. The investment process consists of 4 steps, analysing economic trends by country or geographical area, valuing the characteristics of the bonds (liquidity, correlation, risk aversion, fundamental valuation), calibrating aggregate risk (comparing short-term volatility against historical range of the asset and always having the 5% annual limit) and carrying out a wide diversification of the sources of risk. |
| EDMOND R-BIG DATA-N2 HE EUR | An equity strategy that aims to select high quality companies that will benefit from the Big Data revolution. The investment style is unconstrained by sector, region and capitalisation, with an objective to invest in companies that have a significant portion of their revenues derived from Big Data Analytics or Infrastructure or companies that use the theme to accelerate the digital transformation of their business. This transformation is an opportunity for sectors such as industrial maintenance, financial/insurance services, energy efficiency, digital health and driverless cars. The investment process aims to ensure knowledge of the main ESG characteristics and carbon footprint of their portfolios, help identify the companies most exposed to extra-financial risks and opportunities, raise awareness of the impact of ESG criteria and encourage portfolio managers to support ESG factors. |
| ELEVA LEADERS SM&MD CE -IEURA | European equity investment strategy in small and medium-sized companies, which seeks to detect unique companies: without competitors in Europe or with a market share of at least 25%, with differential factors or technologically prepared to be sector leaders. |
| ETF. WT CORE PHYS GOLD | <p>WisdomTree Core Physical Gold is designed to offer security holders a simple and cost-efficient way to access the gold market by providing a return equivalent to the movements in the gold spot price.</p> <p>It is backed by physical allocated gold held by HSBC Bank. Only metal that conforms with the London Bullion Market Association's (LBMA) rules for Good Delivery can be accepted by the custodian and it will aim to allocate responsibly sourced gold bullion where possible, to promote high ethical standards. Each physical bar is segregated, individually identified and allocated.</p> |
| EVLI SHORT CORP BOND IB EUR | This fund invests in European short-maturity corporate bonds and is sector and rating unconstrained. The team selects issuers based on its own credit research, coupling the analysis of the issuers' fundamentals with its own in-house valuations. The fund has historically had significant exposure to the Nordic markets. |
| FLOSSBACH S BOND OPPOR IT EUR | Highly diversified global fixed income strategy in which there is no predetermined asset allocation and which takes advantage of market opportunities based on the investment pillars of the German boutique: Diversification, Quality, Flexibility, Solvency and Value. The team can invest in public debt and corporate bonds, focusing on those issues of at least 300 million euros and with a medium-high quality reviewed by the team of analysts. Derivative instruments are also used to hedge currency, credit risk and interest rate risk. |
| FONMARCH FI C | Actively managed Euro-denominated bond fund with a duration range of 1 to 4 years. The fund seeks to identify the best opportunities in the fixed income universe - sovereign debt, credit and money market instruments - with very low currency risk (only 5% of the portfolio can be held in currencies other than EUR). |

Annex

Description of the invested funds

| | |
|--------------------------------|---|
| FRANK EURO TOT RETURN S EUR | European fixed income strategy, both in governments and in credit, with active management of the distribution by credit quality and duration, which can move in the range 0-11 years. The portfolio's average rating is investment grade, with a maximum high yield of 30%. The team manages with an eminently top-down approach, although with a selection by assets to implement credit bets. |
| FRANKLIN K2 BRD HI AR-EOPHAE | Corporate operations offer good investment opportunities by taking positions both in the companies to be acquired and in the acquirer, depending on the probability that said operation will be carried out. Bardin Hill tries to explore these opportunities, measuring the probability of success of an already announced corporate operation and positioning itself long or short, depending on the probability that it assigns to each of them. He will take positions at a global level in developed countries, since the legal framework is very important when it comes to assessing any operation of this type. It is a strategy that has a profitability profile uncorrelated with RV despite investing in stocks. |
| FRKN EUR S DUR BD-EBEURACC | European fixed income strategy, both in governments and in credit, with active management of the distribution by credit quality, with low duration. The portfolio's average rating is investment grade. The team manages with an eminently top-down approach, although with a selection by assets to implement credit bets. |
| GAM STAR GLOBAL RATES USD ACC | Strategy that invests in a wide range of government bonds and currencies to take advantage of the inefficiencies inherent in these markets. With a macroeconomic analysis process, driven by fundamentals with integrated ESG analysis and risk management, you invest in a diversified portfolio that invests in approximately 10 medium-term themes and with high conviction tactical positions. |
| GQG PARTNERS EM MKT EQ R USD A | Conviction strategy focused on emerging equity markets, concentrated and with the ability to make significant decisions at a sectoral and geographic level. The investment philosophy has been tested and implemented through a constantly evolving process, in which adaptation and reaction to changing data points is key to successful investment, avoiding anchoring to previous decisions, which has been shown essential to the longevity of its career. |
| GROUPAMA TRESORERIE RC EUR | The investment universe for this strategy consists mainly of European sovereign and corporate issuers with high credit quality and an appropriate maturity investment horizon. Portfolio construction is based on the analysis of the main macroeconomic and political trends of central banks, but also on the evolution of the regulatory framework of the investment universe. The fundamental approach is also crucial to identify specific opportunities and risks for some economic sectors or emitters. |
| JUPITER DYNAMIC BOND-IEURACC | The fund will invest mainly in high-yielding assets, including investment grade bonds, sovereign debt and convertible bonds. The fund's managers can use derivatives, but only for hedging purposes. Investments are identified based on a combination of macroeconomic analysis and careful asset selection, integrating ESG analysis. The fund's main strategy is to seek intrinsic value opportunities and risk-return asymmetries in bonds. |

Annex

Description of the invested funds

| | |
|--------------------------------|--|
| KBI GLOBAL SUSTN INFR-DEUR | <p>Equity strategy with a sustainable approach, differentiated and forward-looking solution based on several long-term trends:</p> <ul style="list-style-type: none"> Inadequate water supply, cleaner energy and arable land for agriculture. Increasing demand for resources driven by population growth, industrialisation and urbanisation. Increasing government regulation and support Increase investment in infrastructure to address urgent global requirements. <p>Through exposure to asset-intensive infrastructure businesses with stable cash flow, often with strong government/regulatory backing for long-term hires, offers attractive income and provides inflation protection for real asset investors. It has strong active participation in realised investments and provides a complementary investment to the equity asset mix.</p> |
| LM-WA SHT DUR BLU CHP-PAHGD | <p>High credit quality global corporate debt strategy, with active duration management ranging from 0-5 years. The credit quality of the portfolio is of high investment grade, with a minimum at the time of incorporation of A-. in high yield of 30%. The team manages with an eminently focused approach on selection by assets, which stand out for their quality avoiding leverage, subordinated or uncollateralized debt tranches and investment in emerging markets.</p> |
| M&G SUS TLRT CR INVE LI EU | <p>Managed by M&G's RF team. The philosophy is based on issuer analysis and value-based individual credit selection. The objective is to capture risk premia through credit cycles, investing only when they are convinced that the price of a bond offsets the associated risks. The fund has a global mandate and can invest in both investment grade and high yield issuers. To minimise interest rate risk, the overall duration of the fund will be kept close to zero throughout the cycle. The team looks for sustainability factors, to maximise these elements in the portfolio while taking a value-based investment approach. This results in a dual-objective approach, combining a financial performance objective with a commitment to run the portfolio according to measurable sustainability indicators, seeking a sustainable outcome and ensuring the use of environmental and social safeguards.</p> |
| MAN GLG PAN EU EQ GR IFCEUR | <p>Long-term European equity strategy focused on 30-40 companies of any capitalization that focuses its investment on two main themes: consolidated leaders within their sectors and those with great growth potential that can become the winners of the future. The management is done without considering the benchmark, highlighting the search to create a portfolio of scalable companies, fundamentally selected and of high conviction. The core of the process of selecting companies is the multiple preservation of capital, mainly looking for companies in which a reduction of estimates is unlikely more than those that will improve their estimates and in which profits and cash flows play a role. determinant.</p> |
| MARCH INTL-TORRENOVA LUX I EUR | <p>The fund follows a traditional global asset allocation absolute return strategy and targets a return of eurozone inflation +2% with volatility below 6%. The management model is flexible (equity exposure can range from 10% to 40%) and global (unconstrained by region, sector or financial instrument). The risk level depends on the degree of exposure to equities, which is defined over a medium to long-term investment horizon.</p> |
| MARCH PATRIMONIO CORTO PLAZO C | <p>Conservative fund investing in short-dated eurozone fixed income instruments with an average duration of under 6 months. The fund's management focuses on identifying the best opportunities in the euro denominated bond universe with broad diversification in terms of asset type: treasury bills and bonds, term deposits, commercial paper, mortgage-covered bonds, bank-guaranteed debt and credit.</p> |

Annex

Description of the invested funds

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| MSIF-GLOBAL SUSTAIN-Z | <p>Global equity fund which invests in quality companies with strong, sustainable returns on invested capital and no leveraging, which offer stable growth and are highly profitable over the long term. It seeks companies whose management teams are focused on maintaining these growth levels and reinvest a substantial amount of the company's capital. It also looks for companies with a dominant market position which protect the strength of their brand and have pricing power. Finally, the fund invests in companies which remunerate shareholders but also reinvest in innovation and advertising and avoid acquisition-based (inorganic) growth. The team performs an ESG integration with a strong engagement, seeking a low carbon footprint and a number of exclusions, including tobacco and fossil fuels.</p> |
| MUZIN-GLOB SHT DUR INV GR-HE | <p>The fund seeks to protect capital and generate attractive returns that exceed those available in reference public debt of similar duration to that of the short term, investing in a diversified portfolio, mainly of corporate bonds, of short duration. These bonds are mostly issued in European currency and dollars and are traded in official markets. The portfolio maintains a minimum investment grade rating but can invest in high yield bonds up to a maximum of 5%, with the maximum exposure to emerging markets being 20%. The duration of the portfolio is limited to 1.5 years.</p> |
| NATIXIS HARRIS AS GB EQ SAE | <p>Harris' investment philosophy is summarized in "Value is a function of quality and price":</p> <ul style="list-style-type: none"> • Buy businesses at a significant discount from intrinsic valuation • Invest in companies that they expect will grow in value per share in the long term. • Invest in management teams that think and act as owners of the company <p>The global strategy is characterized by a concentrated portfolio, where they invest in those companies with the greatest potential for revaluation, but with high diversification, without restrictions in geographic and sector terms and avoiding the so-called "value trap".</p> |
| NN L GREEN BOND I CAP EUR | <p>The strategy primarily invests only in a portfolio of high-quality corporate and sovereign green bonds (rated AAA to BBB-). The team seeks to outperform the benchmark by using fundamental analysis of issuers, with a limited risk positioning.</p> <p>The team's investment philosophy is based on four core beliefs:</p> <ul style="list-style-type: none"> • Credit markets are not always efficient. Therefore, value can be added through Active Management. • Fundamental analysis is essential to identify and exploit opportunities of relative value and avoid credit losses. • Diversification is the key to an adequate and prudent risk profile. • Identifying and managing tail risk sources is key to managing investment grade credit risk. |
| NORDEA 1 - EM ST L BF-BIUSD | <p>The team invests primarily in emerging market bonds denominated in local currency, issued by public authorities or quasi-sovereign issuers, or by companies domiciled or doing most of their business in emerging markets. The strategy invests according to applying Nordea's proprietary ESG model to analyze and select investments, thoroughly analyzing Environmental, Social and Governance issues relevant to the sovereign or corporate issuer. The investment style has a long-term focus, identifying structural characteristics, cyclical or political economic variables that justify risk premiums that deviate from that of the market.</p> |

Annex

Description of the invested funds

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| NORDEA 1-EUROP COV OPP-BIEUR | Fixed income strategy that invests in mbs (Mortgage Backed Securities), fixed income instruments that offers double protection (at the issuer level and assets associated with the guarantee) that enjoys preferential treatment from the the European Union regulation placing it at the same level as sovereign debt. The investment focuses on assets with greater credit spread within the universe of MBS, assuming portfolio volatility at around 1.5% per year. The investment philosophy of this team is based on the conviction that mortgage securities markets are inefficient, so that active management can add value. These inefficiencies include those new issuers who pay a premium to attract investors, as the effect of the ratings methodology, which does not include certain issuers. To take advantage of these inefficiencies, the team has an exprt team that has more than 18 years of experience investing in this kind of security. |
| OYSTER US VALUE USDHGM ACC | Scharf Investments, who manages the fund, has a goal oriented to find stocks with a much greater chance of rising than falling and much more upside price potential than downside risk. The team constructs concentrated portfolios with their top 25-35 ideas of US Large Cap stocks. The strategy has historically been exposed to a large range of sectors, but the team generally rules out companies facing long-term, negative industry trends. Once they have identified such an opportunity and purchased a stock, the investment team is prepared to wait for an eventual convergence between price and value. The average holding period for an issue is about three to four years. |
| SCHRODER GAIA HELIX E EUR | Helix actively combines 20-30 low correlation strategies within a robust risk management framework in a market neutral manner. It uses a combination of qualitative and quantitative approaches to select strategies that present a fundamental approach. It is a strategy that offers protection in scenarios of market declines, attractive risk-adjusted returns and a low beta with the equity markets. |
| SKY US SH DR ST HG YD AC USD | An actively managed, unlevered, socially responsible investment strategy that invests a diversified portfolio of high-yield dollar-denominated corporate bonds with an expected average life to maturity or amortization of approximately three years or less. The investment process is based on fundamental analysis of issuers and industries, macroeconomic and market conditions, together with the explicit incorporation of ESG risks in traditional financial analysis. |
| UBAM AB RET L VOL FX INC-I+pc | Balanced-profile fixed income strategy of profitability-risk throughout macroeconomic and market cycles, using a top-down allocation process in all global fixed income markets. The fund is designed to potentially benefit from a rising interest rate environment and the investment target is to provide investors with positive returns even at hiking interest rates. The exposure in terms of assets, without constrains due to Benchmark and with bias to the search for liquidity, allows a proactive allocation to the most attractive market segments. Asset allocation and portfolio construction are closely controlled by the risk, to minimise the decrease and mitigate volatility. |

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