

MARCH A.M.

▲▲ BancaMarch

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THIS IS A MARKETING COMMUNICATION  
Exclusively restricted to investors who  
qualify as Well-informed Investors

# MARCH ENDOWMENTS

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March RAIF SA SICAV - RAIF

NOVEMBER 2023



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# About the Banca March Group



PRIVATE AND CORPORATE BANKING

## MARCH A.M.



ASSET MANAGEMENT

## MARCH P.E.



PRIVATE EQUITY WITH A  
FOCUS ON FUND OF FUNDS  
STRATEGIES

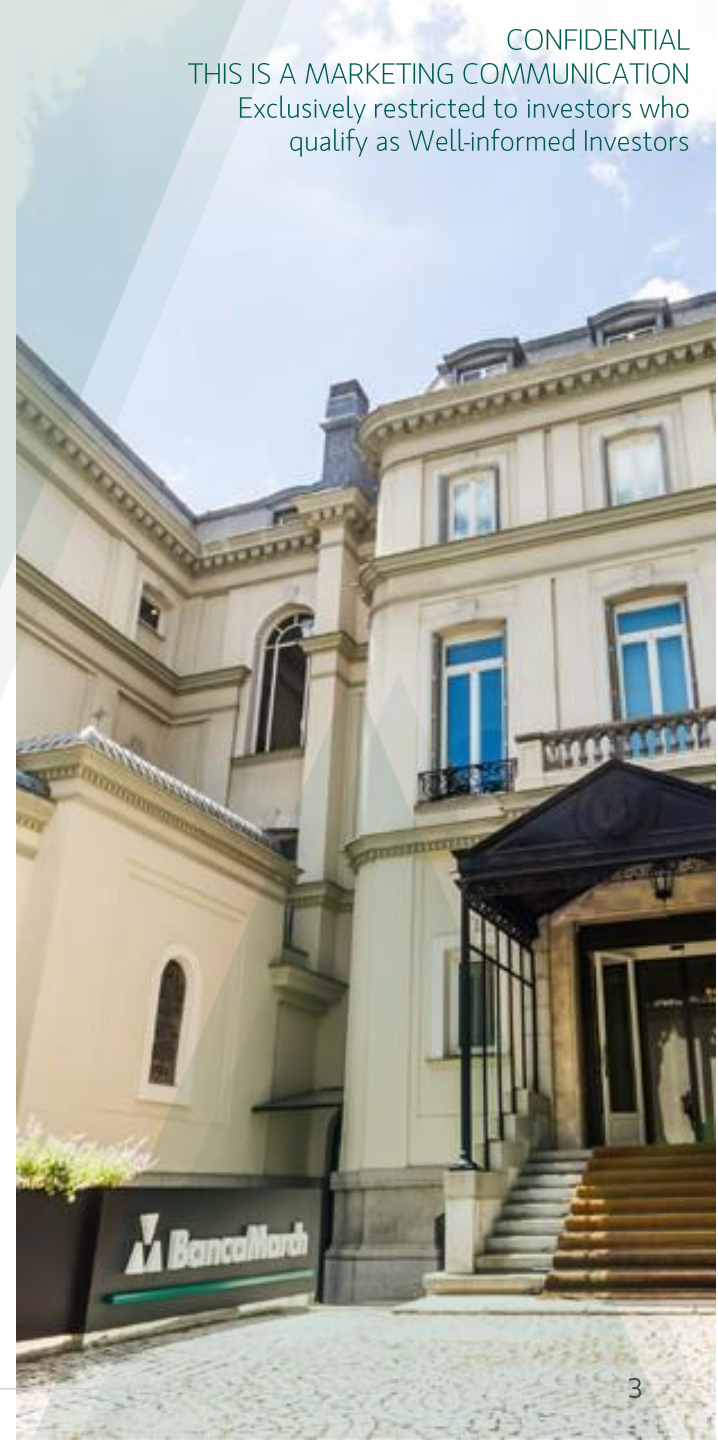
## MARCH VIDA



LIFE, SAVINGS AND  
RETIREMENT  
INSURANCE



GLOBAL TECHNOLOGY  
SOLUTIONS AND  
OUTSOURCING SERVICES



# About the Banca March Group

*A track record spanning  
almost 100 years*

Banca March is Spain's only wholly family-owned bank and is the sector leader in private banking and advisory services for businesses, family businesses and business-owning families.

An unlisted financial institution with an unparalleled business model, Banca March boasts a unique business philosophy based on **SHARED GROWTH** with our customers, employees, shareholders and society as a whole.

The sustainability and success of this business model is underpinned by the bank's long-term approach and unwavering commitment to *its core values*.



# About the Banca March Group

*Our unparalleled business model:  
the lever to reach our goals*



## OUR IDENTITY

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Banking services focusing on family businesses, business-owning families and professionals



## OUR MODEL

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A responsive, multi-channel, technology-driven approach with a clear focus on advisory services



## OUR FUTURE

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A different bank, with a leadership position in its strategic businesses

# About the the Banca March Group

*A business model that  
sets us apart*

Banca March unique, inimitable business model underpinned by 4 key pillars:

*These pillars, coupled with Banca March's specialist advisory model, afford significant added value for our customers, particularly in times of uncertainty.*



## Shareholder commitment

- Family bank
- Long-term approach
- Strong financial ratios
- Prudent management



## Specialised advise

- Alignment of interests
- Co-investment
- Value creation



## Outstanding quality service

- Comprehensive service
- Customer satisfaction
- Strong presence
- Omnichannel



## Excellent professionals

- Specialist advice
- Talent programme

# About the Banca March Group

*Creating value for  
customers, employees  
and shareholders*

*Banca March's branches are the best-rated in the sector*

1° Robustness  
Solvency  
Branch satisfaction

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2° NPS  
OSI  
Satisfaction with manager  
Relationship intangibles  
Brand intangibles

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3° Recommendation

# Co-investment track record

Co-investment: the utmost expression of our commitment

We have a unique value proposition in the market: co-investment.

We offer our clients the opportunity to invest in the same investment vehicles and projects as the bank's shareholders. This ability to align interests is intrinsic to our nature as a family owned bank.

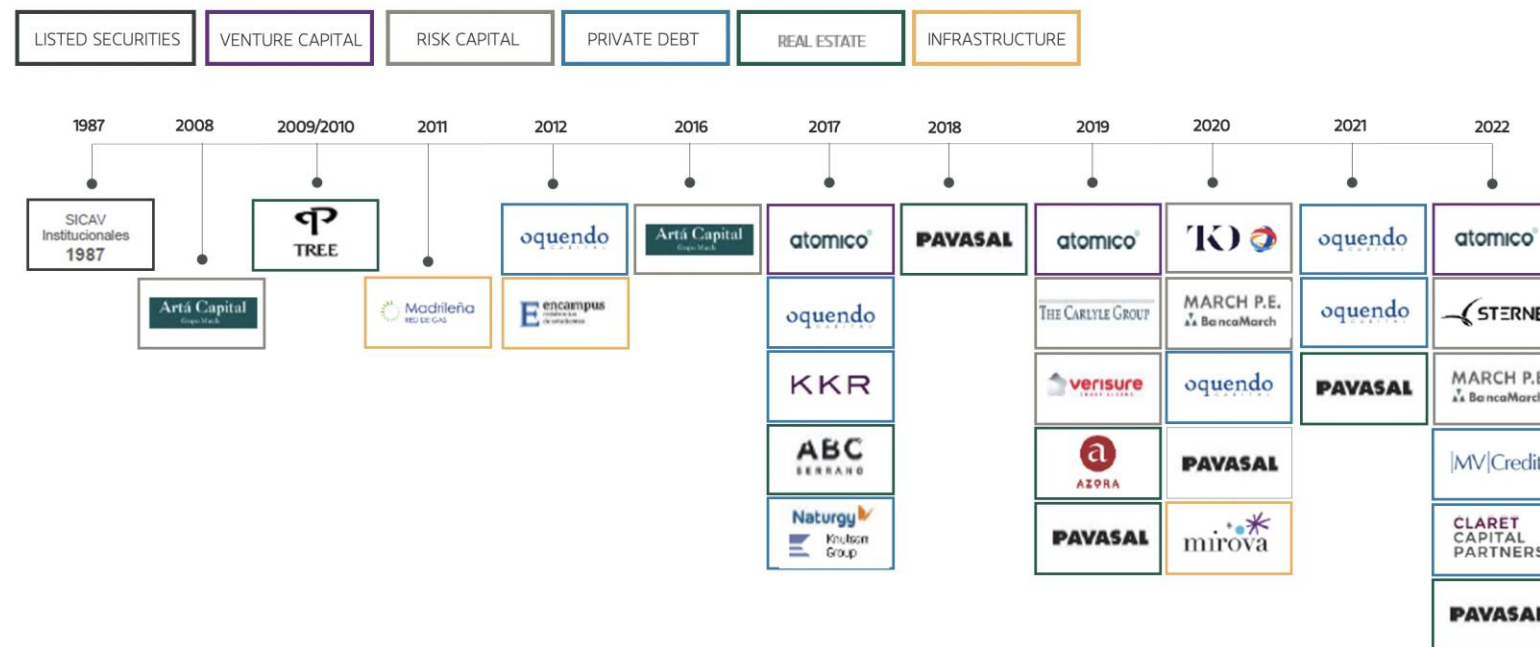
## Our co-investment vehicles

### Institutional SICAVs

(Torrenova de Inversiones, Lluç Valors and Cartera Bellver).

### Alternative investments

Specific, highly-specialised projects outside the realm of the traditional financial markets.





# Co-investment track record

At Banca March we analyse investment opportunities offered by the market and study new business models that are on the rise, such as co-investments, to facilitate participation in collective investment instruments for our clients. We share the profits and risks of our investment products with them.

## Liquid assets

*Institutional SICAVs*, an initiative with which to establish links with *small and large investors* for the long term, adding resources to *continue growing together*.

**+2.157 M € \***

Committed since 1987

**+9.000 Clients \*\***

Have invested in Torrenova de Inversiones  
+ Cartera Bellver + Lluç Valores

\* Data as of 29/09/2023. AUMs spanish Institutional SICAV & March International's Luxemburguese funds

\*\* Data as of 29/09/2023.

## Semi – liquid assets

**MARCH ENDOWMENTS:** an opportunity to share our *know how* with Foundations and other *well-informed* investors who seek a reliable partner.

This strategy has monthly dealing, allowing for greater flexibility in modulating the liquidity of the underlying assets within the strategy.

## Illiquid assets

Investments in the real economy. Projects *developed by leading* managers in each sector of activity who also invest *alongside us and our clients*, maximising the alignment of interests.

**+2.650 M €**

Committed since 2008

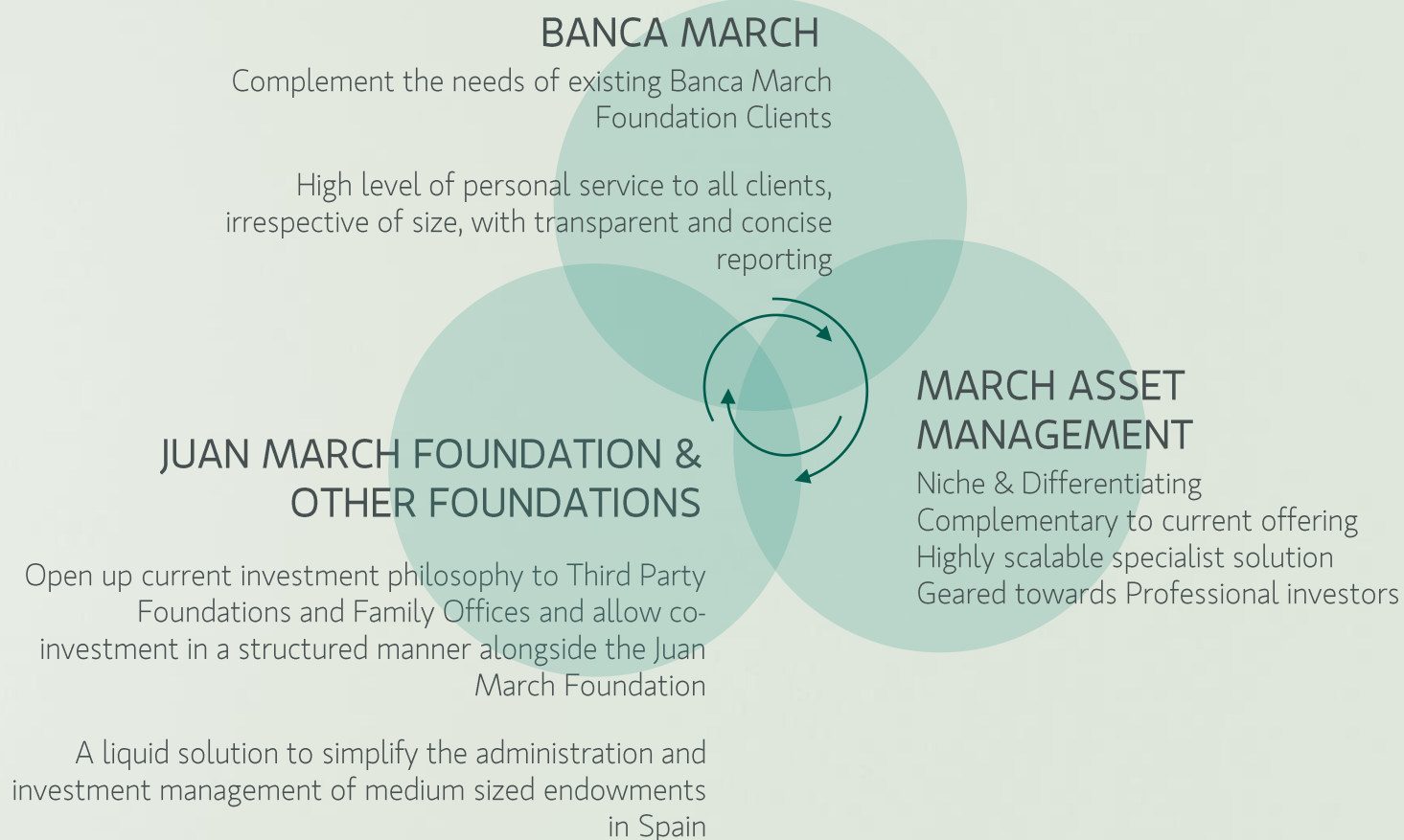
**+1.750 Clients**

Have invested in our projects

\*\* Data as of 31/12/2022.

# Co-investment with the Banca March Group

*A simple liquid solution for  
Foundations, other Charitable  
Entities & Family Offices with  
Long-Term Capital*



# Co-invest with us



Specifically designed for long-term capital held by **Foundations, Charities, Associations, Mutual Societies and Family Offices**. The Spanish tax regime for Foundations, allows for about 30% of a Foundations' unspent annual income to be saved, making it essential to optimise the investment management of those savings

Medium sized entities typically do not have a dedicated investment team. Outsourcing the investment function to a dedicated team **is in line with best practices and ensures both the professionalization and simplification** of a Foundation's investments.

Most endowments need to meet annual **payout requirements of 5%-7%**

The expenses of Foundations **have increased in recent years**, making it important to grow endowment capital in real terms in excess of inflation

**Any capital invested in the strategy should be able to withstand significant volatility**, as sufficient funds will have been set aside to meet both short and medium-term obligations. There should be no need to crystalize losses in haste and therefore, the capital can be invested in riskier assets that tend to outperform inflation over the long-term and generate attractive returns over the long-term

# MARCH ENDOWMENTS at a glance



A **Tailor-made liquid solution** with an approach rooted in the investment philosophy of major international endowments

**Strategic long term asset** allocation at the core of its investment process

**A multi asset class equity-oriented fund**, which aims to complement public equities with an allocation to listed real assets (REITS and listed infrastructure) and other assets classes that diversify sources of return to outperform inflation over the long-term

**Long term investment time horizon of 5 years+** with a neutral asset allocation of 70% exposure to equities and real assets

**Access to uncorrelated asset classes** such as microfinance and trade finance (semi-liquid funds limited to professional investors) which provide lower correlation to traditional equity markets and additional sources of return

**Third party funds are used to access** specialist asset classes and investment themes

The fund is orientated towards **dividend income**

**The fund incorporates sustainable ESG criteria** within in its investment process in line with March Asset Management policy

**Alignment of interests and skin in the game.** Co-investment alongside the Banca March Group & Juan March Foundation

# Why public equities and listed real assets?

## Investment growth

(01/01/1972 – 31/08/2023)

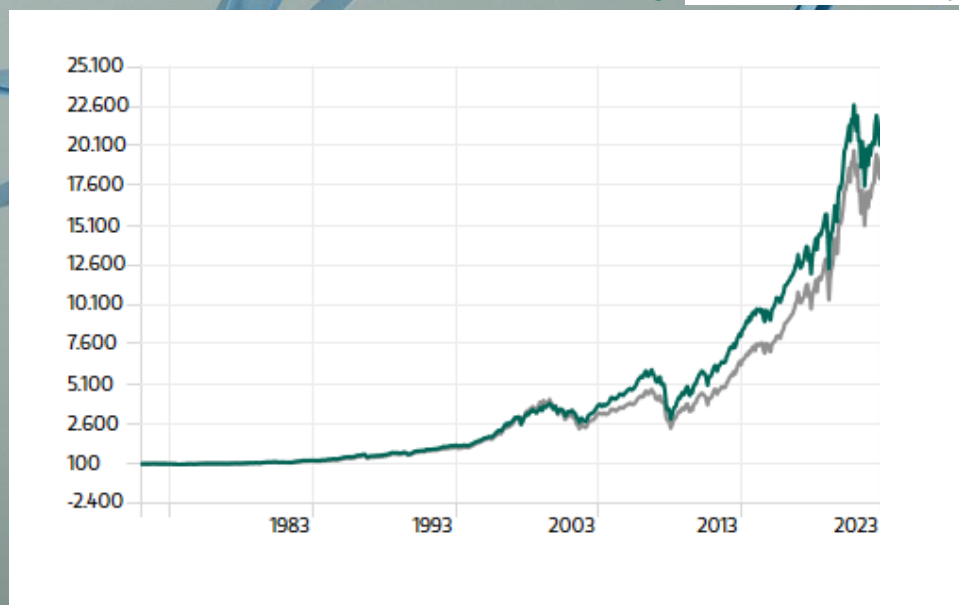
Return (Ann.)	Std Deviation	Cum Return
<b>10,76%</b> Composite	<b>14,17%</b> Composite	<b>19.920,3%</b> Composite
<b>10,53%</b> S&P500	<b>15,35%</b> S&P500	<b>17.809,1%</b> S&P500



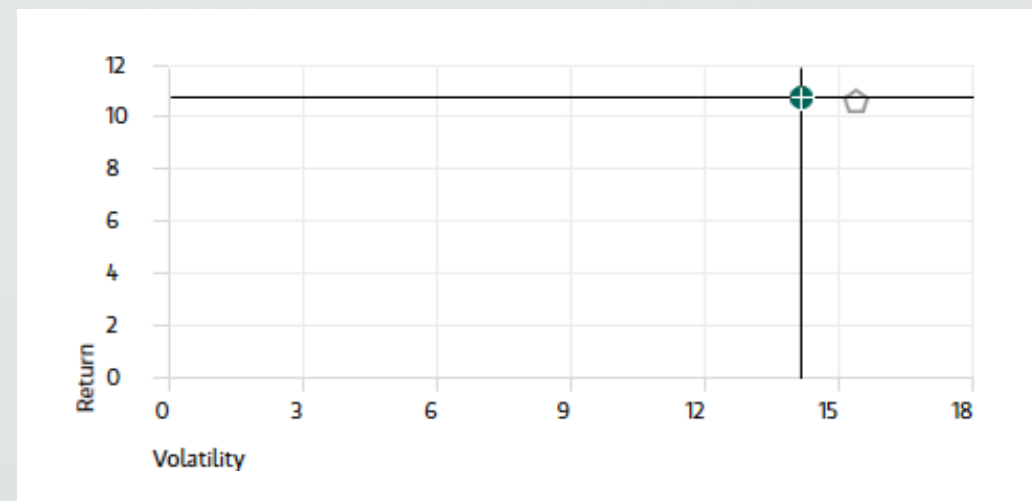
**3,99%**  
AVERAGE  
USA  
INFLATION

● — S&P 500 75% + REITS 12,5% + INFRA 12,5%

◊ — S&P 500 TR USD



## RISK – REWARD (01/01/1972 – 31/10/2023)

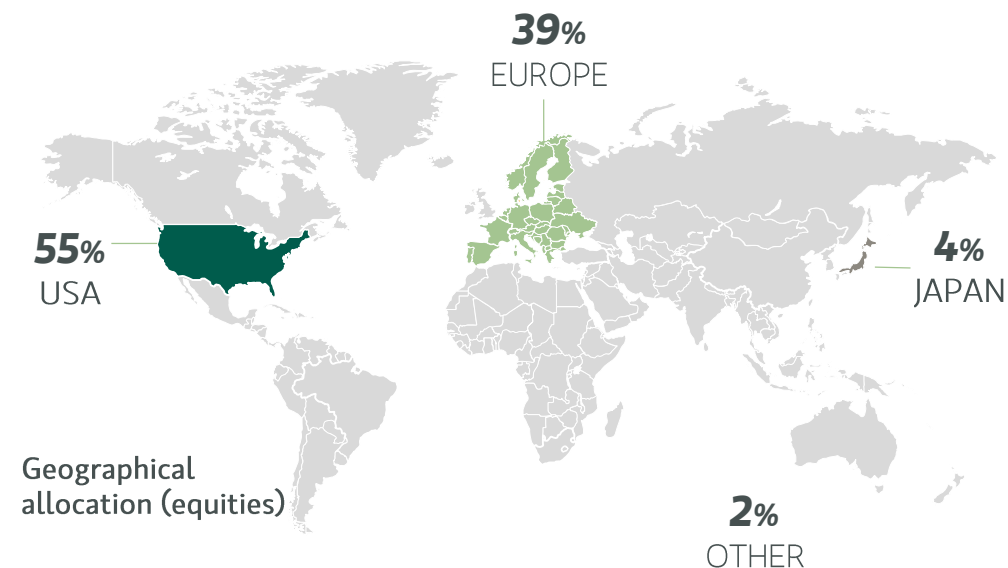


Source: Own calculations, Morningstar & OECD data (web). Composite: 75% S&P500 NR + 12,5% DJ Brookfield Global Infrastructure NR + 12,5% FTSE NAREIT ALL Equities NR  
Any investment may involve certain risks, as a result of which the Acquisition value and returns may fluctuate, both upwards and downwards, and the amount initially invested may not be recovered. Past performance is not a reliable indicator of future results.

# Long term strategic asset allocation



Asset Class	Neutral Allocation (%)	Projected Returns <sup>1</sup> (%)
Global Equities	40	8,1
European Equities	20	6,6
Real Assets (Listed Infrastructure Equities)	5	9,8
Real Assets (Listed REITS Equities)	5	8,5
Euro Aggregate Bonds (1-3 years)	15	1,7
Global Aggregate Bonds (3-5 years EUR Hedged)	10	2,0
EUR Cash (Euribor 3 months)	5	1,1



Source: Own calculations & Morningstar.

<sup>1</sup>Projected returns based on historic performance over 20 years (august 2003 to august 2023) using the following Indices. Global Equities: Bloomberg World Large & Mid Cap NR. European Equities: Bloomberg Europe Large & Mid Cap NR. Listed infrastructure: Dow Jones Brookfield Global Infrastructure TR. Listed REITs: FTSE NAREIT All Equities REIT TR. Euro Aggregate Bonds: Bloomberg Euro Aggregate Bonds (1-3 years). Global Aggregate Bonds: Bloomberg Global Aggregate Bonds (3-5 years EUR Hedged). EUR Cash: Euribor 3 months.

Assets reported herein as portfolio composition may vary substantially over time. Past performance is not a reliable indicator of future results.

The expected profitability presented is an estimate of future results based on past results and are not an exact or reliable indicator of future results. Projected returns will vary depending on the market and how long the investment is held.

# Investment philosophy

Long-term capital appreciation and income growth

Oriented towards income

Strategic long term asset allocation market composite

Market Composite	%
Global Equities	40
European Equities	20
Euro Aggregate Bonds	15
Global Aggregate Bonds	10
Cash	5
Infrastructure Equities	5
REIT Equities	5



Statistics	%
Return (annualised)	6,3%
Standard Deviation (volatility)	9,0%
Sharpe Ratio	0,6
Max Drawdown (06/2007 – 02/2009)	-35,6%
Max Drawdown Recovery (months)	36
Max Gain	263,9%
Cumulative Return	237,4%

**60%**  
EQUITIES  
direct lines & third-party funds

**30%**  
BONDS & CASH  
direct lines & third-party funds

**10%**  
REITs & LISTED INFRASTRUCTURE  
direct lines & third-party funds

**0% - 25%**  
SEMI LIQUID FUNDS  
Monthly liquidity



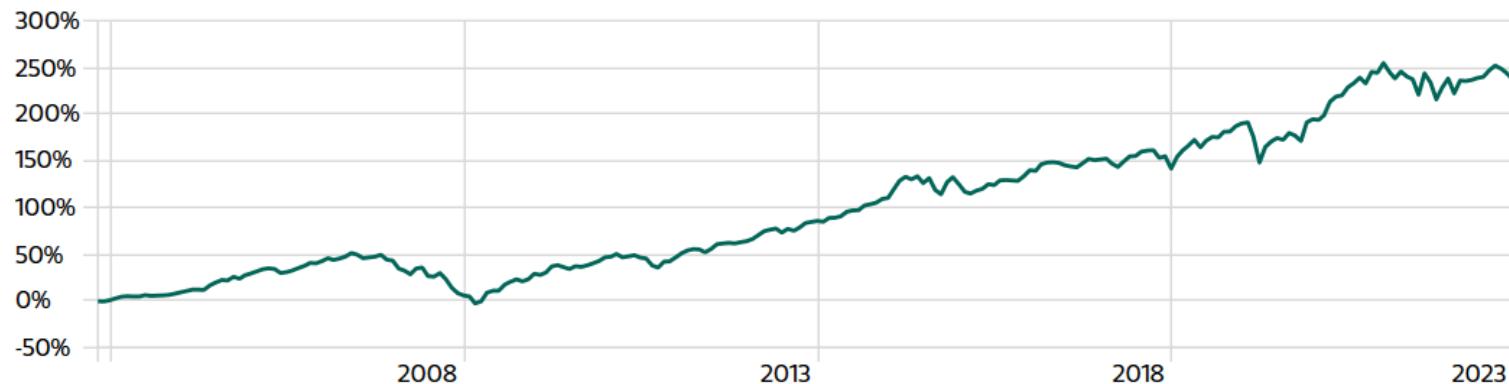
Source: Morningstar Calculations & Own Calculations over 20 years to 31/10/2023

Global Equities: Bloomberg World Large & Mid Cap NR. European Equities: Bloomberg Europe Large & Mid Cap NR. Listed infrastructure: Dow Jones Brookfield Global Infrastructure TR. Listed REITs: FTSE NAREIT All Equities REIT TR. Euro Aggregate Bonds: Bloomberg Euro Aggregate Bonds (1-3 years). Global Aggregate Bonds: Bloomberg Global Aggregate Bonds (3-5 years EUR Hedged). EUR Cash: Euribor 3 months. Assets reported herein as portfolio composition may vary substantially over time. Past performance is not a reliable indicator of future results.

# Asset Allocation

20 year performance of neutral strategic asset allocation market composite

Investment growth of composite asset mix: (31/10/2003 – 31/10/2023)



Annualised 5 year performance achieved at month end

Annualised rolling 5 yr returns of composite asset mix (31/10/2003 – 31/10/2023)

**5% per annum return**

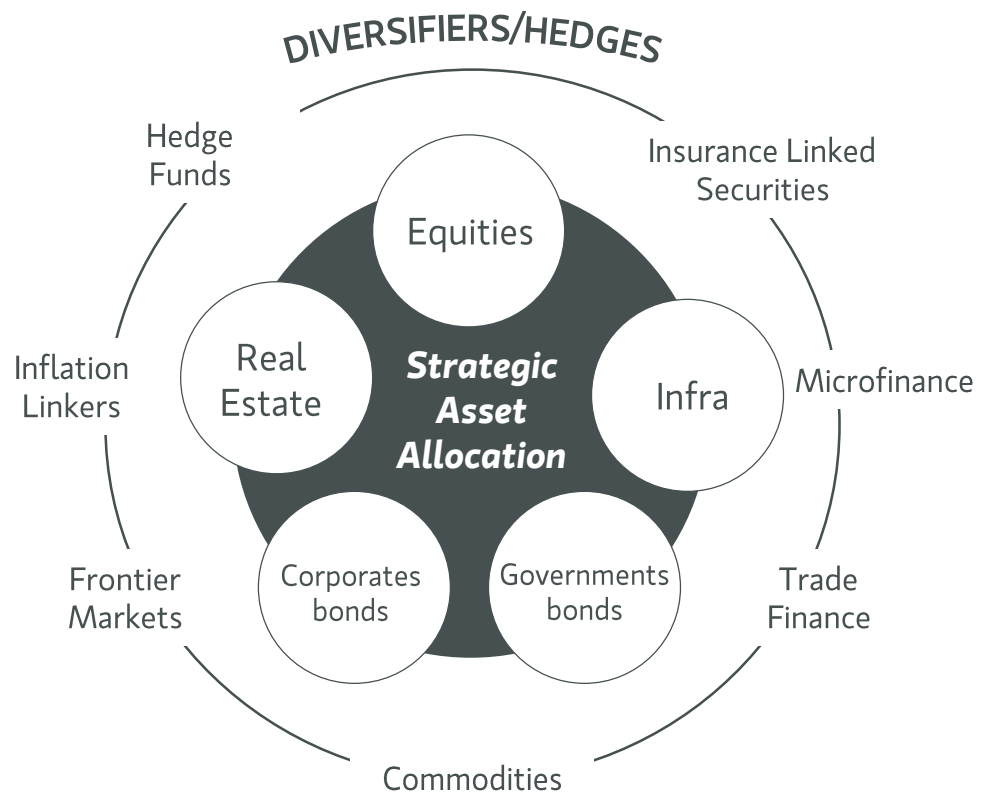


Source: Bloomberg Indices & Morningstar Calculations. Composite Asset Mix: 40% Global Equities: Bloomberg World Large & Mid Cap NR. 20% European Equities: Bloomberg Europe Large & Mid Cap NR. 5% Listed infrastructure: Dow Jones Brookfield Global Infrastructure TR. 5% Listed REITs: FTSE NAREIT All Equities REIT TR. 15% Euro Aggregate Bonds: Bloomberg Euro Aggregate Bonds (1-3 years). 10% Global Aggregate Bonds: Bloomberg Global Aggregate Bonds (3-5 years EUR Hedged). 5% EUR Cash: Euribor 3 months. Assets reported herein as portfolio composition may vary substantially over time. Past performance is not a reliable indicator of future results.

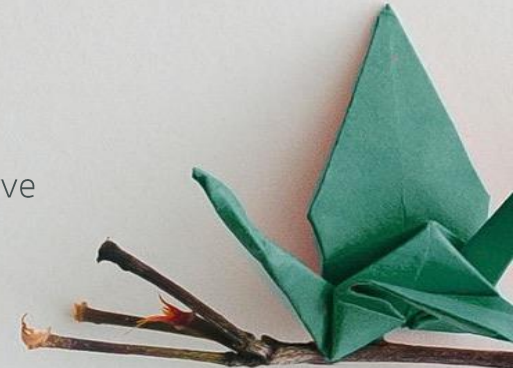
The expected profitability presented is an estimate of future results based on past results and are not an exact or reliable indicator of future results. Projected returns will vary depending on the market and how long the investment is held.



# Investment process



- 1 **Strategic neutral allocation:**  
Global Equities, Listed Real Assets & Fixed Income
- 2 **Diversifiers & hedges:**  
Decorrelate the Portfolio & Preserve Capital
- 3 **Implementation:**  
Direct Lines & Specialist Managers
- 4 **Quantitative & qualitative analysis:**  
Companies & Specialist Managers
- 5 **Diversified portfolio construction:**  
Long-term capital appreciation and income growth



# Investment Process Portfolio diversifiers

Investment	1	2	3	4	5	6	7	8
1 Physical Gold ETC	1,00							
2 Hedge Fund	0,34	1,00						
3 Fixed Income Frontier Mkts	-0,09	-0,22	1,00					
4 Microfinance	-0,07	-0,23	0,57	1,00				
5 Trade Finance	0,28	-0,19	0,13	0,40	1,00			
6 ILS	0,01	-0,04	0,42	0,48	0,16	1,00		
7 Bloomberg Gbl Agg 3-5 Yr TR Hdg EUR	0,14	-0,27	0,45	0,42	0,30	0,36	1,00	
8 Bloomberg Euro Agg 1-3 Yr TR EUR	0,15	-0,25	0,30	0,46	0,34	0,37	0,92	1,00

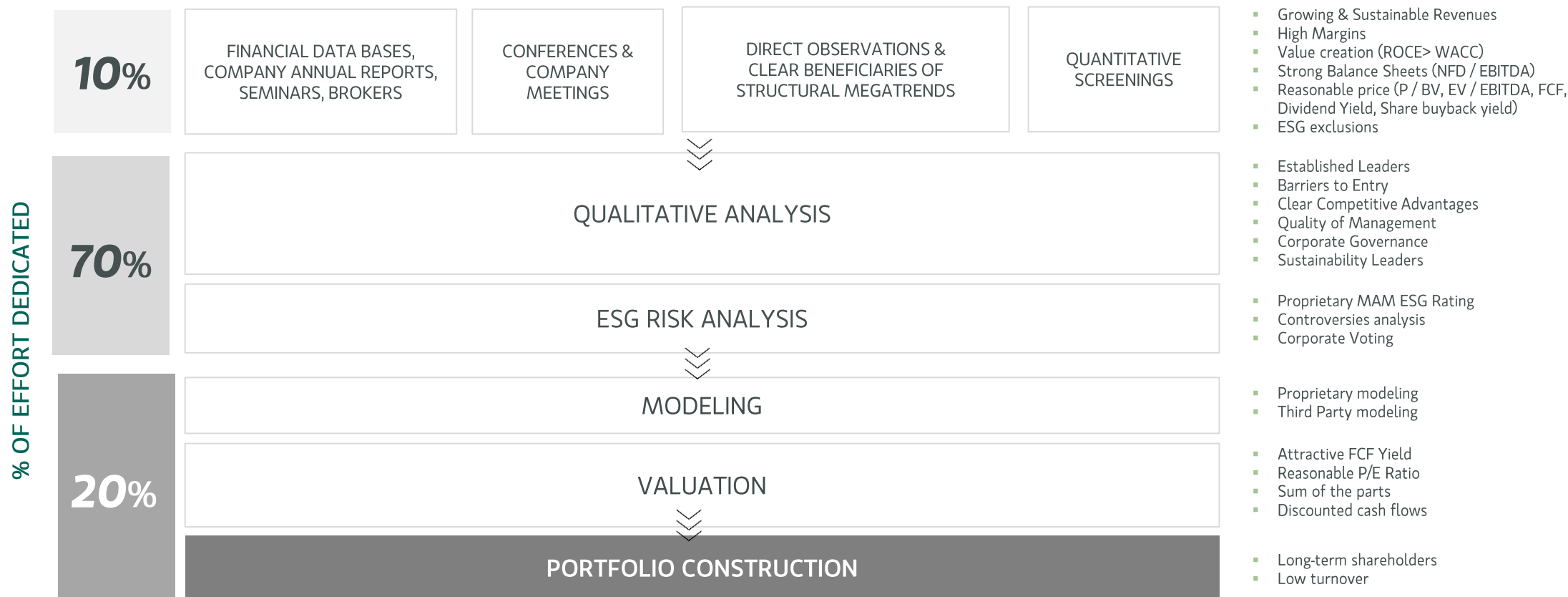
Investment	1	2	3	4	5	6	7	8
1 Physical Gold ETC	1,00							
2 Hedge Fund	0,34	1,00						
3 Fixed Income Frontier Mkts	-0,09	-0,22	1,00					
4 Microfinance	-0,07	-0,23	0,57	1,00				
5 Trade Finance	0,28	-0,19	0,13	0,40	1,00			
6 ILS	0,01	-0,04	0,42	0,48	0,16	1,00		
7 Bbg World DM L/M Net EUR	-0,25	-0,12	0,36	0,26	0,06	0,26	1,00	
8 Bbg Europe DM L/M Net EUR	-0,27	-0,26	0,54	0,32	0,10	0,21	0,88	1,00

Source: Own Calculations, Morningstar, Monthly Returns over 3 years in EUR to 31/08/2023

# Investment process Company selection

*Bottom-up, long term approach. Bias to large companies. Concentrated portfolio*

## INVESTMENT UNIVERSE<sup>1</sup>



<sup>1</sup>No exposure to companies where Corporación Financiera Alba has a significant stake

# Investment process Specialist manager selection



# Portfolio

Return enhancers

**61%**

Hedge (inflation)

**11%**

Hedge (deflation)

**12%**

Diversifiers &amp; Cash

**16%**

Asset class	%
Equities - Europe	28
Equities - USA	25
Equities - Emerging	3
Fixed Income - HY Corporates	5
Real Assets - Real Estate REITs (listed)	3
Real Assets - Infrastructure (listed)	5
Fixed Income - Inflation Linked Bonds	3
Fixed Income - Government Bonds	7
Fixed Income - IG Corporates	5
Diversifiers - Frontier Bonds	2
Diversifiers - Insurance Linked Securities	2
Diversifiers - Microfinance	4
Diversifiers - Trade Finance	1
Diversifiers - Gold	2
Diversifiers - Hedge Funds	3
Cash	2

Source: Own calculations, MorningStar, Statistics from 31/05/2020 to 31/07/2023 in EUR

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Asset class

**56%**

GLOBAL EQUITIES

**22%**

FIXED INCOME

**10%**

HF &amp; SEMI LIQUIDS

**10%**

REAL ASSETS

**2%**

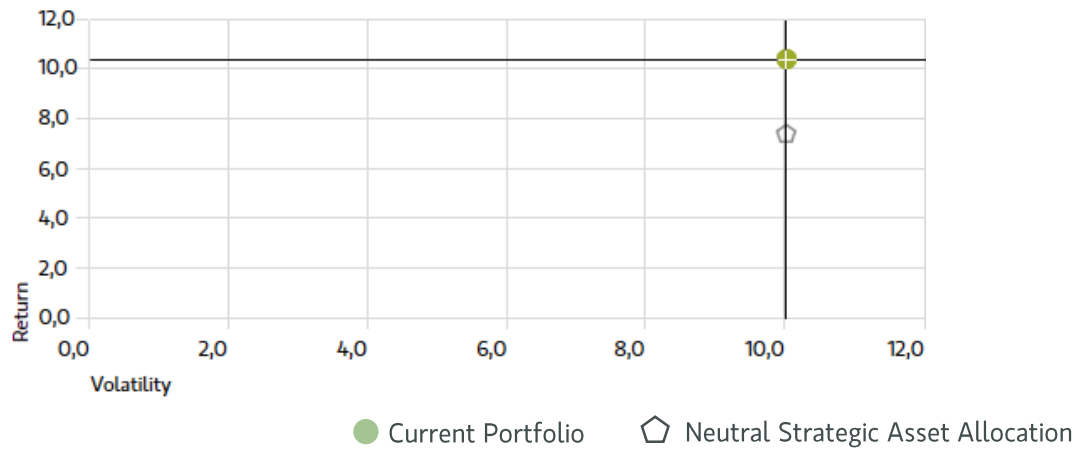
CASH



# Portfolio

Statistics (back testing)	%
Return (annualised)	10,4
Standard Deviation (volatility)	10,0
Sharpe Ratio	0,9
Max Drawdown	-9,5
Cumulative Return	39,1

## Portfolio risk – reward (31/05/2020 to 30/09/2023)



Source: Own calculations, Morningstar, Statistics from 31/05/2020 to 30/09/2023 in EUR

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# Portfolio

- The equity portfolio of the fund has a bias towards quality and dividend paying companies
- Expected earnings growth, ROCE & EBITDA margins above the market
- Low average gearing (net debt/ EBITDA)
- Attractive Valuation (estimated 2024 P/E ratio)
- Shareholder return (ROE) is well above the cost of capital and the market

Metrics	Portfolio	Index <sup>1</sup>
Estimated 2024 P/E	17,62x	18,28x
Net Debt / EBITDA	0,94x	2,27x
ROCE	24,25%	12,74%
EPS Growth last 5 years	12,65%	7,29%
EPS estimated Growth next 2 years	5,72%	2,84%
EBITDA Margin	33,56%	21,53%

Source: Own Calculations

<sup>1</sup> Index: Composite Asset Mix: 57% Global Equities: Bloomberg World Large & Mid Cap NR. 29% European Equities: Bloomberg Europe Large & Mid Cap NR. 7% Listed infrastructure: Dow Jones Brookfield Global Infrastructure TR. 7% Listed REITs: FTSE NAREIT All Equities REIT TR. The value and returns may fluctuate, both upwards and downwards, and the amount initially invested may not be recovered. Assets reported herein as portfolio composition may vary substantially over time. Past performance is not a reliable indicator of future results. Any investment may involve certain risks, as a result of which the Acquisition indicator of future results.

# Main characteristics

- Base currency: EUR
- Hedging at manager's discretion
- Domiciled in Luxembourg
- Flexible vehicle: RAIF
- Income: dividend focused
- SFDR Art 8
- Bimonthly NAV
- Share classes: accumulation & income
- Monthly liquidity
- Professional investors
- Non traspasable
- Seed share class available (3 months since launch)

Client type: Institutional/Well-informed Investor/Professionals

March Endowment	ISIN	Class	Min Investment	Global Fee	TER *
Class SD-EUR Acc	LU2616039694	SD	1.000.000 €	0,80%	1,05%
Class SD-EUR Dis	LU2616039777	SD	1.000.000 €	0,80%	1,05%
Class A-EUR Acc	LU2616039850	A	500.000 €	1,05%	1,30%
Class A-USD hedged Acc	LU2616039934	A	500.000 €	1,05%	1,30%
Class A-EUR Dis	LU2616040197	A	500.000 €	1,05%	1,30%
Class A-USD hedged Dis	LU2616040270	A	500.000 €	1,05%	1,30%
Class B-EUR Acc	LU2616040353	B	3.000.000 €	0,90%	1,15%
Class B-USD hedged Acc	LU2616040437	B	3.000.000 €	0,90%	1,15%
Class B-EUR Dis	LU2616040510	B	3.000.000 €	0,90%	1,15%
Class B-USD hedged Dis	LU2616040601	B	3.000.000 €	0,90%	1,15%
Class P-EUR Acc	LU2616040783	P	5.000.000 €	0,80%	1,05%
Class P-USD hedged Acc	LU2616040866	P	5.000.000 €	0,80%	1,05%
Class P-EUR Dis	LU2616040940	P	5.000.000 €	0,80%	1,05%
Class P-USD hedged Dis	LU2616041088	P	5.000.000 €	0,80%	1,05%

March RAIF SA SICAV - RAIF

*A liquid investment solution for Foundations, Charitable Entities, Family Offices & other long-term capital*

Investment manager: March Asset Management S.G.I.I.C. S.A.U.

AIFM: FundRock Management Company S.A.

Depository and paying agent: CACEIS Investor Services Bank S.A.

Domiciliary agent, central administrative, registrar and transfer agent: CACEIS Investor Services Bank S.A.

Approved statutory auditor: Deloitte Audit

\* Estimated TER at March Endowments' launch date. Includes all the costs that the client will bear for their investment.



# Team

Sebastian  
**HILLGARTH**  
 Fund Manager



Sebastian Hillgarth has an undergraduate degree from Oxford University (Brasenose College) and is a holder of the Investment Management Certificate of the CFA UK. Sebastian is also an alumni of Harvard Business School (HBS) and a holder of HBS' Investment Management Workshop certificate.

Sebastian has more than 15 years of experience in the investment management industry. Sebastian began his career at Lazard & Co in M&A (advisory) and in 2008 moved to Sarasin & Partners in London where he managed multi asset balanced portfolios and assisted in the management of the LF Catalyst Trust and GlobalSar Income Fund. Sarasin & Partners specialised in managing endowment capital for Family Offices, Charities and Foundations.

Sebastian joined the March Group in 2014 where he has been responsible for managing part of the liquidity of the Group including the Endowment Portfolio of the Juan March Foundation (currently Chairman of the Investment Committee).

Sebastian is fluent in English, French, Italian, Spanish & German.

Lourdes  
**ROMERO**  
 Deputy Fund Manager



Lourdes Romero holds a degree in Law and a Masters degree in Financial Markets from the Instituto de Estudios Bursátiles (IEB), and advanced programs in - Options and Futures from IEB, and Fund Analysis from AFI. Lourdes is also a Certified ESG Analyst (CESGA).

With more than 20 years of experience in the financial sector, she began her professional career in the derivatives and international equities trading area. In 2007 she joined the investment team of Finanduro (Caja Duero), to manage the discretionary portfolios, and in 2016, the Pension Funds of the Caja's individual system.

In 2018 she joined Liberbank Gestión as Head of Funds of Funds and Discretionary Management Portfolios.

In 2021 she joined the Banca March Group.

Lourdes is fluent in Spanish & English.

Carlos  
**RUIZ DE ANTEQUERA**  
 CIO



Carlos Ruiz holds a degree in Business Administration and an MBA in Business Administration from St. Louis University, as well as a Master's degree in Quantitative Finance from AFI School of Finance. Carlos is also a Chartered Financial Analyst (CFA) as is a holder of the CFA ESG certificate in investing.

With more than 25 years of experience in the asset management and private banking industry, he has spent the last two decades at Santander A.M. and Santander Private Banking International (Spain and Miami), where he has held roles in fund management, financial advisory, head of discretionary management, and most recently as CIO of International Private Banking at Banco Santander.

Since 2021, Carlos is the Chief Investment Officer of March A.M., where he has brought his extensive experience, mainly focused on high net worth clients, in the management of equity solutions (globally and specialising in the technology sector, Europe, Japan and USA), fixed income (specialising in LatAm credit) and hedge funds.

Carlos is fluent in Spanish & English.

# March A.M. Management team

*Professionals with a strong track record*



**Carlos Ruiz**  
CIO



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qualify as Well-informed Investors

# MARCH ENDOWMENTS

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March RAIF SA SICAV - RAIF

OCTOBER 2023

*Thank you*



# APPENDIX

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# What is an endowment

- Endowment funds are typically non-taxable **long-term pools of capital** established to contribute towards the **future funding requirements (known as the spending rate)** of Foundations and other similar entities such as Charitable Trusts and Educational Colleges & Universities
- Endowment funds were intended to be a **permanent source of income** for institutions that traditionally did not have income. Among the earliest endowments are the UK's Oxford and Cambridge University colleges that received gifts between the 13<sup>th</sup> and 16<sup>th</sup> centuries intended to support them in perpetuity
- There are many endowment models. All models share certain characteristics. Broadly speaking there are two main models:
  - the UK model which favours public equities over private equities
  - the USA model which tends to include a larger portion in unlisted assets such as private equity
- In the USA, a landmark decision by the Ford Foundation to publish two commissioned studies in the late 1960s laid the ground work for **outsourcing investments and leveraging on external managers**
- The landmark Ford Foundation commissioned studies also recommended **dedicated outsourced independent portfolio management units** which lead to the creation of pioneering investment offices such as the Harvard Management Company and Yale Investment Office
- Dedicated and **specialised asset management** meant **separating investment management functions from finance committees and departments** as is now common practice

# A Selection of Foundations & Charities in Spain

*Ranked by initial  
endowment capital*

	Foundation	Province	Year of creation	Initial endowment capital (EUR)
1	Fundación Colección Thyssen-Bornemisza	Madrid	20/12/1988	330.573.399
2	Fundación Hospital de la Santa Caridad y Misericordia de Nuestro Señor Jesucristo y Casa Amparo de Niñas Huérfanas de la Coronación	Sevilla	11/12/1996	119.327.900
3	Fundación Rafael del Pino	Madrid	04/11/1999	114.000.000
4	Fundación Lenbur	Guipúzcoa	07/11/1997	93.749.849
5	Fundación Corporación Tecnológica de Andalucía	Sevilla	10/10/2006	72.000.000
6	Fundación Fesord CV para la Integración y la Supresión de Barreras de Comunicación	Valencia	07/11/1998	66.740.590
7	Fundación Azcona	Madrid	28/12/2000	60.101.210
8	Fundación Amancio Ortega Gaona	A Coruña	10/07/2001	60.000.000
9	Fundación Alfonso Martín Escudero	Madrid	26/06/1957	39.294.294
10	Fundación Banco Santander	Madrid	03/12/1992	36.060.726
11	Fundación Juan March	Madrid	04/11/1955	31.173.554
12	Fundación Patrimonio Comunal Olivarero	Madrid	01/01/2003	26.995.106

Source: Asociación Española de Fundaciones (AEF)

# International Endowments: comparing strategic asset allocations by size

	Under \$25mm	\$25mm-\$50mm	\$51mm-\$100mm	\$101mm-\$250mm	\$251mm-\$500mm	\$501mm-\$1bn	Over \$1bn	Total Institutions
<b>Cash, Deposits, and Money Market Funds</b>	<b>2.4%</b>	<b>3.0%</b>	<b>3.9%</b>	<b>2.9%</b>	<b>4.2%</b>	<b>3.7%</b>	<b>3.7%</b>	<b>3.5%</b>
Cash (USD)	2.4	3.0	3.9	2.9	4.2	3.7	3.7	3.5
<b>Investment Grade Fixed Income</b>	<b>25.9%</b>	<b>21.4%</b>	<b>18.4%</b>	<b>14.2%</b>	<b>10.2%</b>	<b>8.0%</b>	<b>5.4%</b>	<b>13.2%</b>
US Dollar Debt	25.9	21.4	18.4	14.2	10.2	8.0	5.4	13.2
<b>Other Fixed Income</b>	<b>0.9%</b>	<b>1.0%</b>	<b>0.8%</b>	<b>1.5%</b>	<b>0.8%</b>	<b>1.0%</b>	<b>0.7%</b>	<b>1.0%</b>
US High Yield Bonds	0.9	1.0	0.8	1.5	0.8	1.0	0.7	1.0
<b>Public Equity</b>	<b>61.6%</b>	<b>60.0%</b>	<b>58.1%</b>	<b>53.1%</b>	<b>44.8%</b>	<b>43.6%</b>	<b>32.6%</b>	<b>48.8%</b>
Global Developed Equity	2.0	5.0	7.7	9.6	8.8	6.4	7.1	7.5
US All Cap Equity	42.7	39.1	35.2	27.8	21.1	21.2	13.2	26.3
Non-US Developed Equity	9.9	10.2	8.9	9.4	8.0	9.4	6.0	8.5
Emerging Market Equity	4.3	3.3	3.6	3.4	3.6	4.3	4.8	3.9
Global Public REITs	2.6	2.4	2.8	2.9	3.2	2.3	1.5	2.5
<b>Hedge Funds</b>	<b>2.7%</b>	<b>5.5%</b>	<b>7.1%</b>	<b>10.1%</b>	<b>12.7%</b>	<b>12.3%</b>	<b>16.2%</b>	<b>10.6%</b>
Multi-Strategy Hedge Funds	2.7	5.5	7.1	10.1	12.7	12.3	16.2	10.6
<b>Private Equity</b>	<b>2.9%</b>	<b>5.4%</b>	<b>8.3%</b>	<b>13.0%</b>	<b>22.2%</b>	<b>25.3%</b>	<b>33.6%</b>	<b>17.7%</b>
Multi-Strategy Private Equity	2.5	4.1	6.4	9.3	14.7	16.3	16.5	11.0
Venture	0.2	0.9	1.4	2.9	6.1	6.7	13.1	5.2
Energy Private Equity	0.2	0.3	0.5	0.9	1.4	2.2	3.9	1.6
<b>Other Private Assets</b>	<b>3.6%</b>	<b>3.6%</b>	<b>3.4%</b>	<b>5.2%</b>	<b>5.3%</b>	<b>6.0%</b>	<b>7.7%</b>	<b>5.3%</b>
Private Credit	1.9	1.2	0.8	1.4	1.2	2.1	2.1	1.5
Core Private Real Estate	1.7	2.4	2.7	3.9	4.0	3.9	5.6	3.8
<b>TOTAL</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

# Foundations in Spain: a growing market...

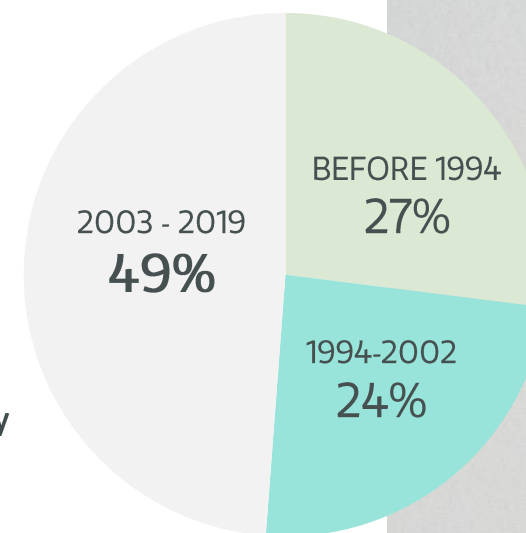
## Number of foundations

	2015	2019	Total growth
Registered	14.291	14.729	3,1%
Active	8.625	9.218	6,9%

## Economic data

(EUR million)	2015	2019	CAGR
Dotational capital	7.601	8.605	4,6%
Total Assets	21.443	22.501	4,7%
Income	7.424	7.754	3,3%
Expenses (Spending Rate)	8.193	8.499	3,2%

## Foundations by creation date



## Foundations by size

Total assets (eur)	%
Up to 150.000	39,8
150.001 - 2.400.000	30,3
2.400.001 - 10.000.000	18,2
10.000.001 – 50.000.000	9,9
Above 50.000.000	1,7

Source: Asociación Española de Fundaciones (AEF)



# About the Juan March Foundation

*The Foundation was created in 1955 by Majorcan financier Juan March Ordinas as a not for profit private family foundation. The Juan March Foundation aims to promote philanthropic activities in the fields of humanistic and scientific culture.*



## Activities today:



**ART:** Permanent collection and Exhibitions of more than 1.600 Works of Art of Spanish Artists in the FJM in Madrid, the Museo de Arte Abstracto Español of Cuenca & the Museo Fundación Juan March of Palma de Mallorca



**MUSIC:** 150 annual concerts (& Operas) in Madrid with the aim of introducing innovative ways of listening and creating new experiences



**CONFERENCES:** Philosophy, Poetry, Story Telling, Latin American Culture, Theatre & Cinema



**LIBRARY:** More than 180.000 theatre manuscripts and Spanish contemporary music plays, illusionism (magic collection) & curatorial studies



**INSTITUTO CARLOS III/ JUAN MARCH DE CIENCIAS SOCIALES:** Research in Social Sciences (Political Sciences & Sociology)

The Juan March Foundation economic spending rate (EUR thousands)<sup>1</sup>:



<sup>1</sup> Source: [www.march.es](http://www.march.es) & Juan March Foundation Annual Reports

## INVESTMENT CASE

# Pacific North of South income opportunities (SFDR Article 8)

*The fund invests in companies in emerging markets (mainly Asia) that pay high dividends*

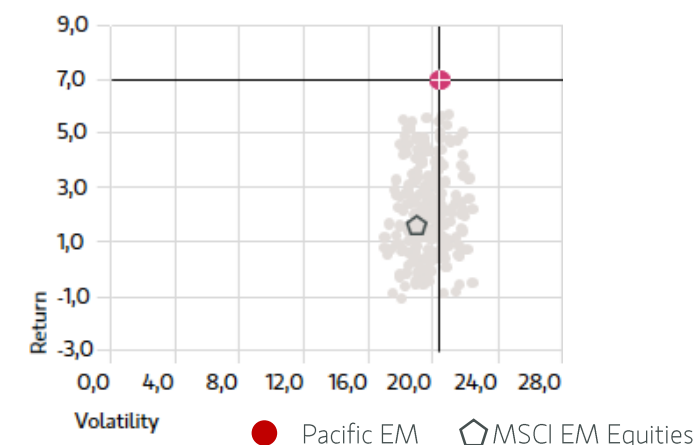


- **New strategy** launched to take advantage of the new opportunities offered by emerging markets, where the universe of dividend paying companies has expanded considerably
- Managed by a **team that is highly specialised in emerging markets**, with a proven track record and a consistent investment process. The core team has remained unchanged since 2009
- The Strategy combines both **bottom up** (stock picking) and **top down** (macro) analysis in assessing country risks
- **Dividend focused**, with a barbell approach that combines predictable and stable dividends with companies that offer higher than usual dividends due to special situations
- **Diversification**: Around 50-60 stocks
- **North of South** is a boutique Asset Management company founded in 2004 and specialised in Emerging Markets
- In 2017, North of South partnered with **Pacific AM**, an asset management company with considerable experience identifying and supporting the best managers across asset classes. Its successes include Liontrust, Thames River and Nevsky Capital
- **Forward (12 months) P/E ratio**: below EM indices average
- **Estimated Dividend Yield**: around 8,9%, much higher than the EM Market (currently 3,4%)
- **Growing dividend** over the last 3 years (22,4% vs 17,1%)
- **ROE above the Market**

### Quantitative & qualitative analysis – Flagship strategy

- **First quartile versus comparable Peer Group** based on proprietary analysis

### Risk – Reward (Pacific am flagship strategy)



Source: Pacific AM, own calculations & Morningstar to 31/08/2023

## INVESTMENT CASE

# Blueorchard Microfinance (SFDR Article 9)



The Microfinance Fund contributes to economic and social development by improving access to financial services for and small and medium-sized enterprises through investment in microfinance Institutions operating in emerging and frontier countries

- **Uncorrelated strategy**  
With Public Debt and Public Equity Markets
- **Low Volatility**  
1,3 standard deviation
- **No interest rate risk**  
Floating rate bond strategy
- **Attractive target return**  
USD 6months SOFR + 340 – 440 bps

- **Pioneers** of this type of strategy (track record since 1998 under the Dexia franchise)
- **Stable management team** with a solid track record. **Local presence** with more than 45 investment offices in Latin America, Africa and Asia



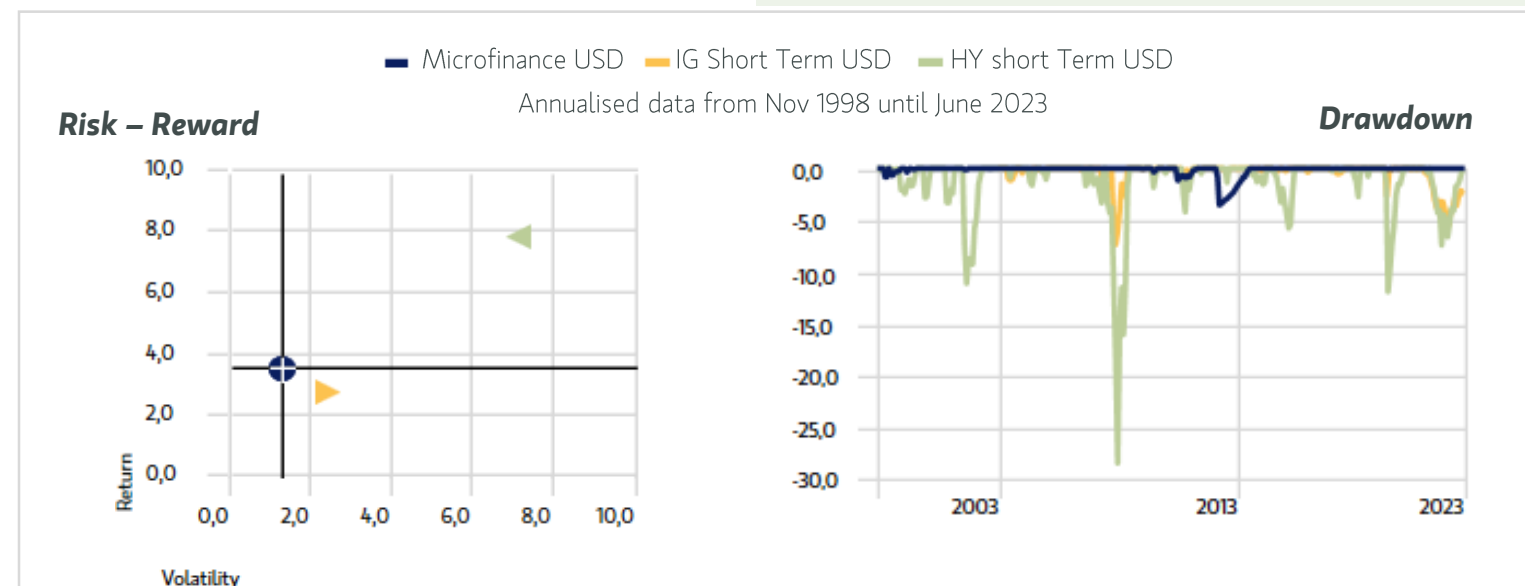
Emerging economies **growing faster** than developed economies



Emerging markets make up two-thirds of the **world's population**



**Innovation, digitisation and technology** are priorities in emerging countries



Source: BlueOrchard Impact IM, own calculations & Morningstar to 31/08/2023

## INVESTMENT CASE

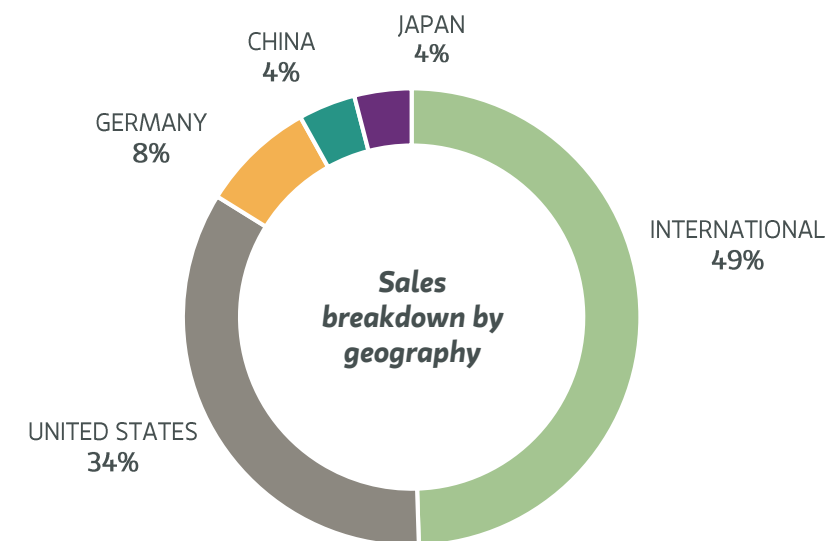
# Novartis

*Novartis is one of the world's largest pharmaceutical companies, with two business lines, **Innovative Medicines** (82% of revenues), and **Generics - Sandoz** (18% of revenues).*

The company's business **opportunity** is underpinned by megatrends such as **ageing population**, the **increase in chronic diseases** due to longer life expectancy and greater access to medicines in **emerging markets**

- For **Sandoz** (generics), the **loss of patent exclusivity** represents a market of more than 200 billion, with a CAGR of 8% by 2031. The biggest growth **potential is in biosimilars**, where the company expects an average annual market growth of 20% by 2031. Sandoz is a **global leader**, with a very balanced portfolio between generics and biosimilars. The company has increased its sales guidance to 2028 from low to mid-single digits. The **spin-off** of this division is planned for the second half of 2023
- On the **Innovative Medicines** side, it has an interesting pipeline with solid growth potential, a large exposure to oncology protected by medium term patents
- The company has been **improving its profitability** over the last few years, reducing costs and simplifying its structure. Its **operating profit margin** has grown over the last four years from 26,6% to 33% today, with a target of over 40% over the next five years
- **Strong presence in emerging countries** in both generics and innovative brands
- **Low gearing** (ND/EBITDA 1,05x)
- Expected double-digit annual **earnings growth** between now and 2026
- **Attractive Valuation:** the company trades on a P/E 2023e of 13.5x
- **Growing dividend:** the company has increased its dividend over the past five years and is currently yielding 3,6%

Revenue breakdown by segment



Source: Novartis Annual Reports & proprietary research

# Sustainability

*March Endowments is classified as **Article 8 under SFDR** and therefore promotes sustainability. In addition, the fund is committed to holding a minimum percentage of sustainable investments (SFDR + Taxonomy)*

March Endowments has a minimum sustainable investment commitment of 5% (currently close to 20%), of which at least 0,01% must be in eligible and aligned taxonomy activities. In addition, the fund considers PAIs (Principal Adverse Impacts) in investment decisions

An asset is sustainable for March AM if:

- It is a **signatory to the Science Based Target Initiative (SBTi)**: SBTi provides a methodology to determine whether a company's announced decarbonisation targets are in line with what the latest scientific reports consider appropriate to achieve the Paris agreement targets of global warming well below 2°C above pre-industrial levels and limited to 1.5°C
- Its activity contributes to one of the **Sustainable Development Goals (SDGs)** set by the UN
- Part or all of its activities falls under the EU definition of **taxonomic activity**

*Additionally, following SFDR's sustainable investment definition, those sustainable investments **Do Not Significant Harm (DNSH)** to other environmental or social sustainable objectives and have good corporate governance*

*In accordance with March A.M.'s Stewardship policy, March Endowments aims to exercise its voting rights in all its direct equity positions (regardless of the market and the weight in the portfolio) as long as it is technical, operational, and financially feasible*

# Asset Allocation Investment Funds

	Morningstar Peer Group Moderate Allocation-Global <sup>1</sup>	Morningstar Peer Group Aggressive Allocation-Global <sup>2</sup>
Return (annualised)	2,3%	3,4%
Standard Deviation (volatility)	6,6%	9,5%
Sharpe Ratio	0,16	0,25
Max Drawdown (06/2007 – 02/2009)	-26,3%	-36,3%
Max Drawdown Recovery (months)	60	66
Max Gain	83,7%	143,0%
Cumulative Return	58,2%	95,9%

Note<sup>1</sup>: Morningstar Peer Group Moderate Allocation Global: EAA Fund EUR Moderate Allocation - Global 50%-70% global equities

Note<sup>2</sup>: Morningstar Peer Group Aggressive Allocation Global: EAA Fund EUR Aggressive Allocation - Global 70%-90% global equities

Source: Morningstar Calculations over 20 years to 31/10/2023

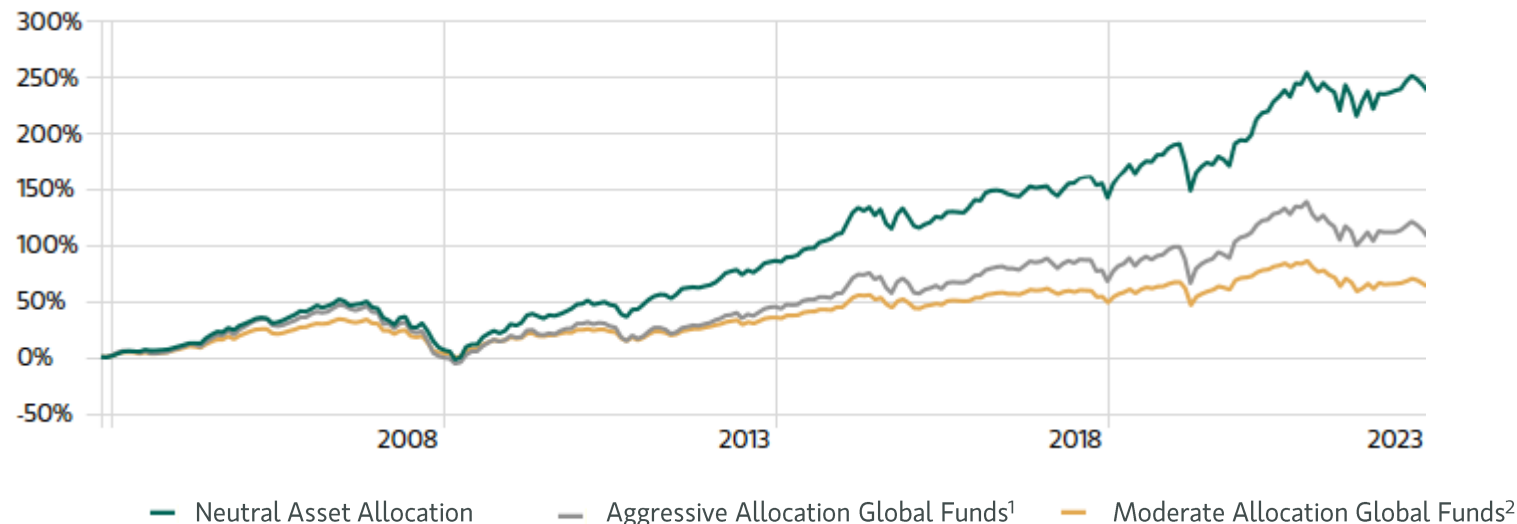
Assets reported herein as portfolio composition may vary substantially over time. Past performance is not a reliable indicator of future results.



# Asset Allocation Investment Funds

20 year performance of neutral strategic asset allocation market composite

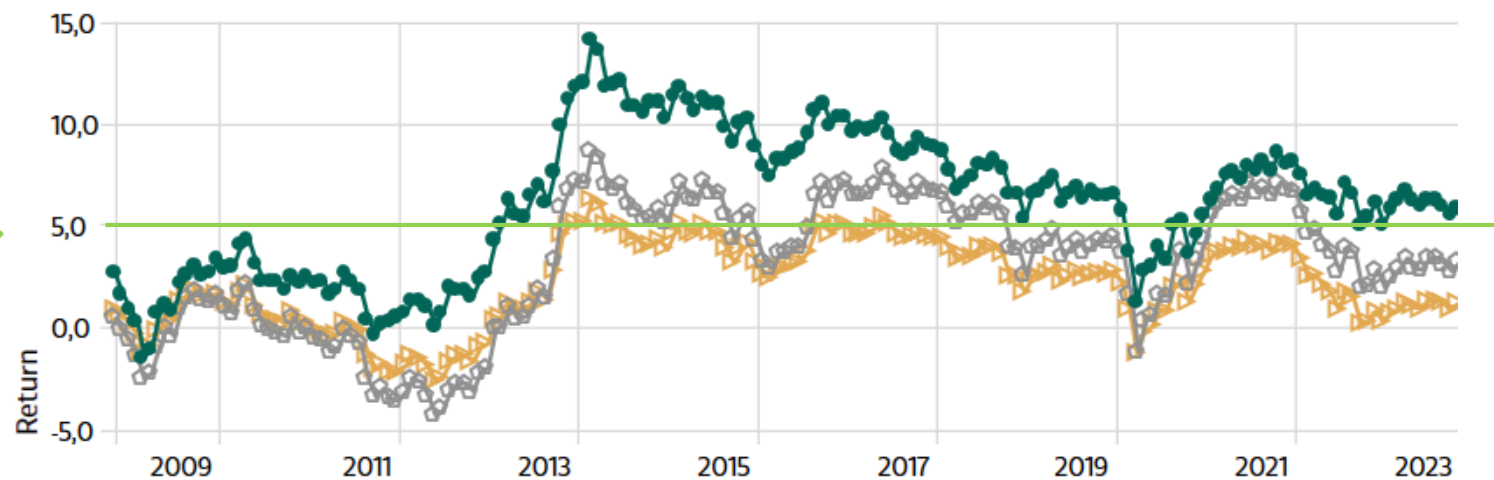
Investment growth of composite asset mix: (31/10/2003 – 31/10/2023)



Annualised 5 year performance achieved at month end

Annualised rolling 5 yr returns of composite asset mix (31/10/2003 – 31/10/2023)

**5% per annum return**



Note 1: MorningStar Aggressive Allocation Global Funds Category: 90%-70% global equities  
Note 2: MorningStar Moderate Allocation Global Funds Category: 50%-70% global equities

Source: Bloomberg Indices & Morningstar Calculations. Neutral Asset Allocation: 40% Global Equities: Bloomberg World Large & Mid Cap NR. 20% European Equities: Bloomberg Europe Large & Mid Cap NR. 5% Listed infrastructure: Dow Jones Brookfield Global Infrastructure TR. 5% Listed REITs: FTSE NAREIT All Equities REIT TR. 15% Euro Aggregate Bonds: Bloomberg Euro Aggregate Bonds (1-3 years). 10% Global Aggregate Bonds: Bloomberg Global Aggregate Bonds (3-5 years EUR Hedged). 5% EUR Cash: Euribor 3 months. Assets reported herein as portfolio composition may vary substantially over time. Past performance is not a reliable indicator of future results.

The expected profitability presented is an estimate of future results based on past results and are not an exact or reliable indicator of future results. Projected returns will vary depending on the market and how long the investment is held.

# Investment Risk

MARCH RAIF SA SICAV-RAIF is a public limited company (société anonyme) organised as an investment company with variable share capital – reserved alternative investment fund (société d'investissement à capital variable – fonds d'investissement alternatif réservé) with one or more Compartments incorporated.

**MARCH RAIF SA SICAV–RAIF IS NOT SUBJECT TO SUPERVISION BY A LUXEMBOURG SUPERVISORY AUTHORITY.**

The RAIF is duly organized under the Luxembourg law of 23 July 2016 on reserved alternative investment funds (RAIF Law) and has appointed FundRock Management Company S.A as external alternative investment manager of the RAIF (AIMF). The AIMF is authorised and duly supervised by the CSSF.

If the market does not perform as expected, the sub-fund may incur losses. Therefore, withdrawals prior to the recommended time horizon may increase the risk of capital loss.

- **MARKET RISK:** Fluctuations in the economic cycle can affect companies' results and their ability to repay.
- **CREDIT RISK:** The materialisation of this risk may lead to the total loss of the investment. The main risk of growth financing is default by the issuer of the debt (or delay in making interest payments).
- **LIQUIDITY RISK:** The liquidity of the investment is low, as RAIF units are not listed on markets where they can be sold. Moreover, there is no possibility of early cancellation of the investment at the investor's will, so that liquidity will be reduced to any capital distributions that may occur.
- **CURRENCY RISK:** Although the vehicle is denominated in euros, it will invest in underlying companies through different currencies (mainly euro, free and dollar) whose fluctuation is not fully hedged, thus introducing additional uncertainty.
- **REGULATORY RISK:** Withdrawal of authorisation of the SICAV-RAIF by the CSSF.
- **TAX RISK:** Legislative changes that may be made in the future on taxes applicable to investors may affect the profitability that they obtain from the project.
- **ESG RISK:** Sustainability risk means any environmental, social or governance event or condition that, if it were to occur, could have an actual or potential material adverse effect on the value of the investment.
- **RISK FROM INVESTMENT IN DERIVATIVE INSTRUMENTS:** Investments in derivatives carry additional risks due to the leverage involved, which makes them particularly sensitive to price changes in the underlying. In addition, over-the-counter derivatives trading may involve additional risks, such as counterparty default.

Investor`s signature  
 Fund prospectus read, received and agreed

Date



# Important information

**This is a marketing communication.** Past performance is not a reliable indicator of future results. If the currency in which the past performance is displayed differs from the currency of the country in which the investor resides, then the investor should be aware that due to the exchange rate fluctuations the performance shown may be higher or lower if converted into the investor's local currency.

Please refer to the prospectus of MARCH RAIF SA SICAV-RAIF before making any final investment decisions, available at <https://www.march-am.com/>. The sub-fund RAIF and its sub-fund MARCH ENDOWMENTS are currently registered in Spain for public distribution. The investments described may carry a number of risks described in the prospectus. For more information about our sustainable and responsible investment criteria, please access <https://www.march-am.com/en/about-us/sustainable-and-responsible-investment/>.

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For further details please contact:

**March A.M.**  
Castelló, 74, 28006 Madrid, Spain.  
+34 91 426 37 00

[www.march-am.com](https://www.march-am.com)  
[www.bancamarch.es](https://www.bancamarch.es)

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# Appendix Banca March`s Fees

March Endowment	ISIN	Class	Min Investment	Global Fee	Inducement to Banca March	TER *
Class SD-EUR Acc	LU2616039694	SD	1.000.000 €	0,80%	50,00%	1,05%
Class SD-EUR Dis	LU2616039777	SD	1.000.000 €	0,80%	50,00%	1,05%
Class A-EUR Acc	LU2616039850	A	500.000 €	1,05%	50,00%	1,30%
Class A-USD hedged Acc	LU2616039934	A	500.000 €	1,05%	50,00%	1,30%
Class A-EUR Dis	LU2616040197	A	500.000 €	1,05%	50,00%	1,30%
Class A-USD hedged Dis	LU2616040270	A	500.000 €	1,05%	50,00%	1,30%
Class B-EUR Acc	LU2616040353	B	3.000.000 €	0,90%	50,00%	1,15%
Class B-USD hedged Acc	LU2616040437	B	3.000.000 €	0,90%	50,00%	1,15%
Class B-EUR Dis	LU2616040510	B	3.000.000 €	0,90%	50,00%	1,15%
Class B-USD hedged Dis	LU2616040601	B	3.000.000 €	0,90%	50,00%	1,15%
Class P-EUR Acc	LU2616040783	P	5.000.000 €	0,80%	50,00%	1,05%
Class P-USD hedged Acc	LU2616040866	P	5.000.000 €	0,80%	50,00%	1,05%
Class P-EUR Dis	LU2616040940	P	5.000.000 €	0,80%	50,00%	1,05%
Class P-USD hedged Dis	LU2616041088	P	5.000.000 €	0,80%	50,00%	1,05%

\* Estimated TER at March Endowments` launch date. Includes all the costs that the client will bear for their investment.

Investment vehicle exempt from subscription, redemption and custody fees by Banca March