

SPECIAL REGISTRY CNMV: 2721. REGISTRATION DATE: 31/03/2003.

 INVESTMENT MANAGER: Belgravia Capital, SGIC, SA. REGISTERED OFFICE: Nuñez de Balboa, 120, 28006 MADRID. CNMV register: 196. Portfolio Manager: Carlos Cerezo  
 CUSTODIAN BANK: Santander Securities Services SA. (Grupo Santander) AUDITORS: Ernst & Young.

Cumulative Return since July 1999\* +349.43% vs. Stoxx 600\*\* +107.24%

AUM: € 315.85 M

**INVESTMENT POLICY**

Belgravia Epsilon FI invests in European equities. The investment objectives are to achieve positive returns and a Sharpe ratio higher than the Stoxx 600 with a volatility of returns lower than the Stoxx 600. The company varies its equity exposure at its discretion, investing the balance in money market instruments.

**MONTHLY RETURNS (%)\***

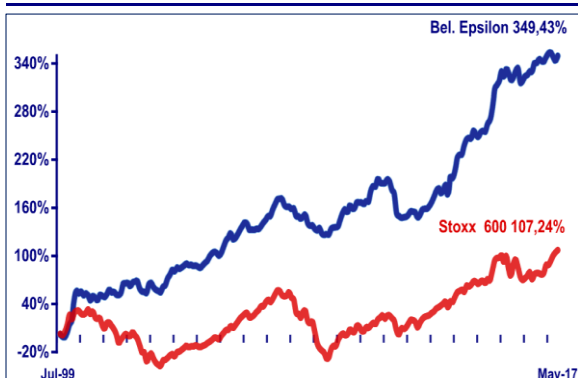
| Year | Jan.  | Feb.  | Mar.  | Apr.  | May.  | Jun.  | Jul.  | Aug.  | Sep.  | Oct.  | Nov.  | Dec.  | Cum    |
|------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|--------|
| 1999 |       |       |       |       |       |       |       | 1.97  | -2.81 | -0.37 | 6.12  | 9.51  | 14.75  |
| 2000 | 4.63  | 21.24 | 7.37  | -2.08 | 1.60  | -2.94 | 1.45  | -1.72 | -4.07 | 4.14  | -1.85 | -2.06 | 26.00  |
| 2001 | 4.72  | -0.75 | -1.05 | 2.46  | 3.80  | -2.28 | 0.64  | -2.44 | -0.38 | 1.92  | 7.61  | 0.01  | 14.60  |
| 2002 | 0.50  | -2.65 | 2.94  | 0.64  | 0.57  | -5.50 | -2.55 | -0.22 | -0.90 | 7.32  | 0.64  | -3.25 | -3.01  |
| 2003 | -1.94 | -0.79 | -1.08 | 4.37  | 1.18  | 5.30  | 2.66  | 3.61  | -1.19 | 2.52  | -0.79 | 0.95  | 15.49  |
| 2004 | 1.20  | 1.37  | -1.04 | 0.27  | -0.83 | 0.41  | -0.87 | -0.79 | 1.55  | 1.42  | 1.16  | 2.99  | 6.84   |
| 2005 | 1.96  | 1.11  | -0.90 | -1.73 | 1.91  | 3.87  | 3.53  | 1.63  | 2.49  | -3.33 | 0.60  | 2.04  | 13.72  |
| 2006 | 2.30  | 2.16  | 1.72  | -0.62 | -3.42 | 0.29  | -0.39 | 0.82  | -0.28 | 1.75  | 1.85  | 1.39  | 7.66   |
| 2007 | 1.92  | -0.08 | 3.22  | 2.48  | 2.23  | 0.23  | 0.09  | -3.03 | -0.79 | 0.12  | -1.26 | 0.28  | 5.37   |
| 2008 | -3.7  | 0.01  | -1.26 | 1.22  | 0.88  | -4.41 | -1.23 | 0.18  | -1.87 | -0.74 | 1.31  | -2.86 | -11.96 |
| 2009 | -0.84 | 0.42  | -0.06 | 3.11  | 0.59  | 0.14  | 0.43  | 4.04  | 3.12  | 1.55  | -1.63 | 3.44  | 15.10  |
| 2010 | -1.61 | 0.07  | 2.8   | -0.14 | 0.21  | -0.80 | 1.59  | -0.31 | 5.13  | 1.98  | -0.28 | 3.28  | 12.35  |
| 2011 | -1.69 | -0.08 | -0.04 | 1.7   | -0.95 | -3.51 | -1.86 | -8.73 | -1.19 | -0.92 | 0.2   | 0.14  | -16.01 |
| 2012 | 1.05  | 1.88  | -0.3  | -0.32 | -2.48 | 1.14  | 2.7   | 0.36  | -0.06 | 1.39  | 1.87  | 2.51  | 10.07  |
| 2013 | 2.74  | 1.24  | -2.22 | 1.11  | 2.53  | -3.82 | 7.71  | -0.68 | 3.09  | 5.18  | 1.15  | 0.03  | 19.05  |
| 2014 | 3.49  | 2.19  | 0.42  | -0.27 | 2.85  | -1.61 | -0.71 | 1.68  | 0.56  | -0.19 | 2.74  | 1.28  | 13.02  |
| 2015 | 5.88  | 6.12  | 1.4   | 1.29  | 2.82  | -1.67 | 2.43  | -1.33 | -2.00 | 0.83  | 1.96  | 0.72  | 19.65  |
| 2016 | -4.13 | 0.59  | 1.39  | 0.32  | 1.06  | -0.15 | 2.54  | 0.04  | 1.12  | -0.53 | -0.25 | 1.31  | 3.20   |
| 2017 | 1.07  | 0.25  | -1.17 | -1.12 | 1.33  |       |       |       |       |       |       |       | 0.35   |

**PORTFOLIO MANAGER COMMENTS**

In May, Belgravia Epsilon rose by 1.33% with an average beta of 0.07 against the Stoxx 600, which returned 1.45%. European equity market continued rising, fuelled by Macron's victory in French presidential elections and a positive earnings season in both Europe and the USA.

In May, Belgravia Epsilon had a positive performance driven by stock picking, given the insignificant market risk held throughout the month. Bes gains came from financials (Unicredito, Amundi), materials (AMG, Umicore, OCI) and telcos (TDC, OTE). Individually, Reckitt, Nestle and Albiom excelled.

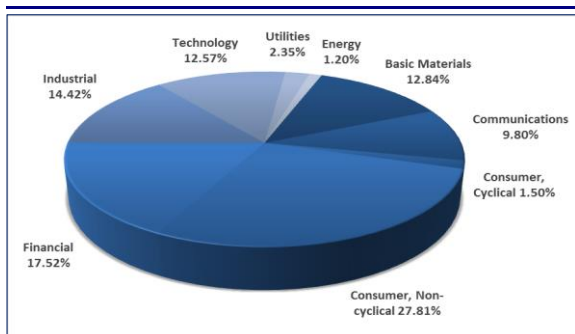
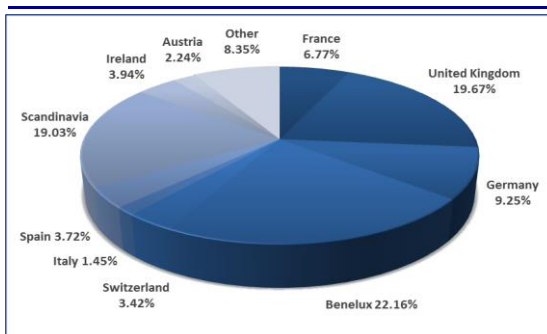
As of the 31st of May, Belgravia Epsilon had a net equity exposure of 16% and a beta of 0.04 against the Stoxx 600.

**CUMULATIVE RETURNS\***

**STATISTICS**
**B. EPSILON\*    STOXX 600**
**SINCE JULY 1999**

|                              |      |       |
|------------------------------|------|-------|
| Average Monthly Return %     | 0.74 | 0.44  |
| Annualised Return %          | 8.79 | 4.17  |
| Monthly Standard Deviation % | 2.81 | 4.46  |
| Ann. Standard Deviation %    | 9.75 | 15.46 |
| Sharpe Ratio                 | 0.75 | 0.24  |

**MAY 2017**

|                                     |        |      |
|-------------------------------------|--------|------|
| Return %                            | 1.33   | 1.45 |
| Average Gross Equity Exposure %     | 115.37 | 100  |
| Average Net Equity Exposure %       | 16.04  | 100  |
| Average Daily VaR %                 | 0.43   | 1.51 |
| Average Beta                        | 0.07   | 1    |
| Gross Equity Exposure at 31/05/17 % | 123.93 | 100  |
| Net Equity Exposure 31/05/17 %      | 15.94  | 100  |
| VaR at 31/05/17 %                   | 0.45   | 1.42 |
| Beta at 31/05/17                    | 0.04   | 1    |

**SECTORIAL ALLOCATION**

**GEOGRAPHICAL ALLOCATION**


\* From July 1999 until September 2004 the historical track record corresponds to Belgravia Beta SICAV, merged into Belgravia Epsilon FI Unit Trust in April 2017.

\*\* The Stoxx 600 series includes net dividends.

ISIN Code: ES0114353032

[www.belgraviacapital.es](http://www.belgraviacapital.es)

Bloomberg Ticker: BELEPSI SM

