

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

INVESTMENT MANAGER: Belgravia Capital, SGIIC, 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* **+372.67%** vs. Stoxx 600** **+108.68%**

AUM: € 302.52 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 | -3.70 | 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 | 2.80 | -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 | 1.70 | -0.95 | -3.51 | -1.86 | -8.73 | -1.19 | -0.92 | 0.20 | 0.14 | -16.01 |
| 2012 | 1.05 | 1.88 | -0.30 | -0.32 | -2.48 | 1.14 | 2.70 | 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 | 1.40 | 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 | 1.67 | 0.05 | -0.01 | -1.01 | 0.56 | -0.97 | 4.89 | 5.53 |

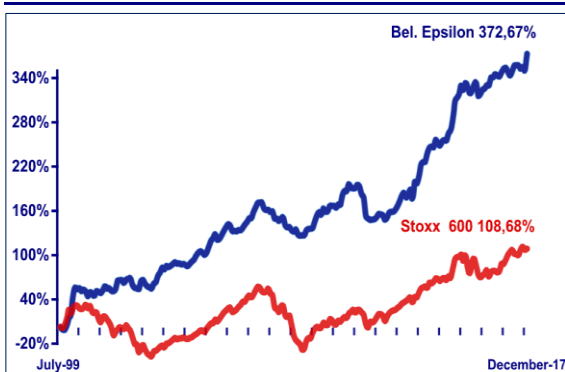
PORTFOLIO MANAGER COMMENTS

In December Belgravia Epsilon rose by 4.9% with an average beta of 0.07 against the Stoxx 600, which returned 0.72%. European equities had a mixed performance, with positive or negative returns depending on the index.

In December Belgravia Epsilon had a very positive performance due entirely to stock picking, given that market risk was nil throughout the month if excluding the position in Gemalto (subject to a cash bid). Best gains came from technology (Gemalto, SMS, Strix) and industrials (PostNL, Befesa) and, individually, ABN, AMG, Aryzta, OTE, Dufry and Albioma.

As of the 31st of December, Belgravia Epsilon had a net equity exposure of 24% and a beta of 0.13 (0.01 excluding Gemalto) against the Stoxx 600.

CUMULATIVE RETURNS*



STATISTICS

B. EPSILON* STOXX 600**

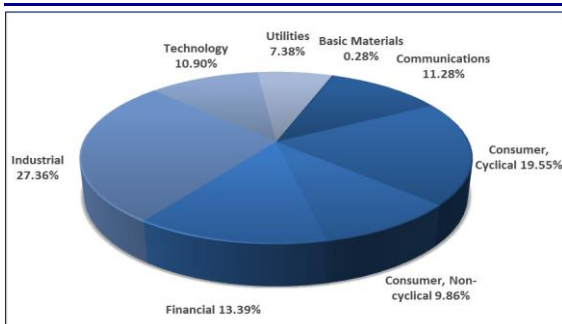
SINCE JULY 1999

| | | |
|------------------------------|------|-------|
| Average Monthly Return % | 0.74 | 0.43 |
| Annualised Return % | 8.80 | 4.08 |
| Monthly Standard Deviation % | 2.79 | 4.41 |
| Ann.Standard Deviation % | 9.66 | 15.27 |
| Sharpe Ratio | 0.77 | 0.24 |

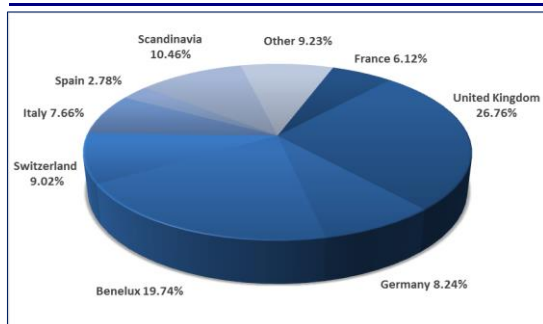
DECEMBER 2017

| | | |
|-------------------------------------|--------|------|
| Return % | 4.89 | 0.72 |
| Average Gross Equity Exposure % | 131.03 | 100 |
| Average Net Equity Exposure % | 15.13 | 100 |
| Average Daily VaR % | 0.53 | 1.14 |
| Average Beta | 0.07 | 1 |
| Gross Equity Exposure at 31/12/17 % | 125.69 | 100 |
| Net Equity Exposure 31/12/17 % | 24.31 | 100 |
| VaR at 31/12/17 % | 0.55 | 1.11 |
| Beta at 31/12/17 | 0.13 | 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

Bloomberg Ticker: BELEPSI SM

