First quarter 2018
Date of Report: 30th December 2017

Quarterly Report

Our View on the Markets

INDEX

2 Macroeconomic View
3 Fixed Income
4 Equities
5 Commodities and Currencies
6 Latin America

Predictions

We have come to the end of an extraordinary year, with a macroeconomic situation at a peak, with most assets closing the year with more than satisfactory accumulated returns and hardly any volatility. This looks difficult to repeat.

We are firm believers in not making predictions. It is far more productive to direct our efforts to properly understanding the scenario and adapting our portfolios appropriately. It is vital to have them ready for the unexpected, rather than for what we think might happen. However, it is a festive tradition for those of us who work in markets to try to foretell what the new year will bring, to see if we hit the nail on the head and win the fortune-teller of the year award. Strategists usually anticipate more of the same and this year is no exception. If you believe the consensus ("average" opinions), at the very least, 2018 will start out as 2017 ended. Maybe it will. Or maybe it won't. Peter Lynch (one of the best investors in history) said that for the purpose of predicting the future, "if all economists of the world were laid end to end, it wouldn't be a bad thing".

The scenario certainly remains very favourable for the markets and they might just continue to hand out joy in the manner of the Three Kings. The economy has been unexpectedly robust for a few months and we have to look back years, if not decades, to find similar figures to today's for many of the metrics. Without inflation, the central banks are granting us extraordinarily lax monetary policies which can only be withdrawn gradually. Without attractive official interest rates, investors - who seldom know how to keep still - are looking to squeeze out the very last drop of return to be had from every corner of the market.

But all this is already discounted and the equities and fixed income valuations would not get along well at all in different scenarios. In theory, financial assets price in investor expectations at all times, so we must ask ourselves: what could surprise investors and in what way? The truth is that it is difficult to imagine what could be better. However, and without thinking the worst, we believe that there are several critical factors to be monitored which could complicate life in the market. The main factor is inflation. It is the bedrock that sustains all the others. If it rebounds, it could force central banks to be less kind or, worse, interest rates for long-term government issues could shoot up. This could cause a domino effect both inside and outside fixed income, because the prices of many assets have risen more because of comparison with zero interest rates rather than due to the fundamentals themselves.

While fundamentals remain solid, which we believe will be the case, we will try to take advantage but invest at half throttle. Only if volatility increases (it is currently at unprecedented levels) may there be interesting opportunities to buy, which we could only make the most of if we have space in the portfolios.

David Macià, CFA
Chief Investment Officer

Strategy

Asset allocation (2018 Q1)

Monetary	↑
Fixed Income	↓
Equities	→

Fixed Income

GOVERNMENT:	
USA	↓
Eurozone	↓
INVESTMENT GRADE:	
USA	↓
Eurozone	↓
HIGH YIELD:	
USA	↓
Eurozone	↓
EMERGING MARKETS	↑

Equities

USA	↓
Eurozone	↑
Japan	↑
Emerging Markets	↑

Commodities

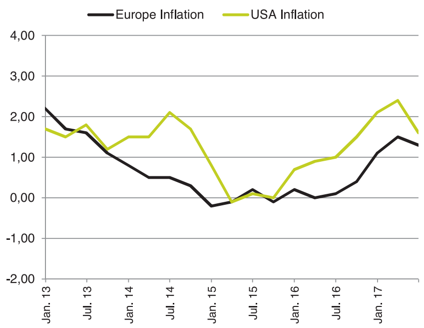
Oil	↓
Gold	↓

Currencies

EUR/USD	→

Macroeconomic View

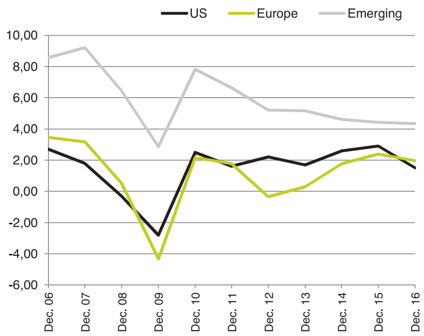
Europe and US Inflation



Source: Bloomberg

Inflationnary pressures remain subdued.

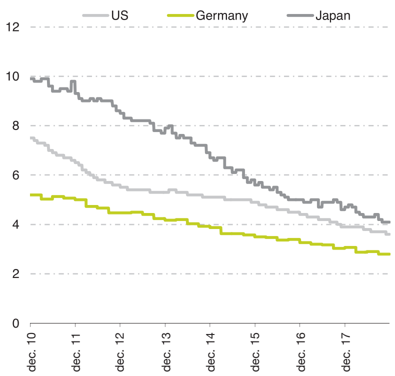
GDP Growth in US, Europe and Emerging Markets



Source: Bloomberg

The world economy is experiencing the broadest synchronized expansion in more than a decade.

Unemployment rate in US, Germany and Japan



Source: Bloomberg

Inflationary pressuress have remained subdued despite tight labour markets.

Dynamics are set to change in 2018

Consensus expects robust global growth, modest inflation and low policy rates for 2018. The main risk to this goldilocks macro environment, in our view, is a rise in inflation obliging markets to discount a faster pace in the normalisation of monetary policies.

The world economy is experiencing the broadest synchronised expansion in more than a decade, as developed and emerging countries continue to gain strength. Although there may be a pause in momentum, it is hard to see what could derail the economy, at least in the short term. Looking at developed economies, for the first time the euro area grew much faster than expected in 2017 and PMIs point to continued robustness. Economies that have underperformed, such as France and Italy, are seeing their growth rates catch up with the rest of the region, while Germany continues to lead.

Although the US is in a much later stage of the cycle, growth in 2017 was also much higher than expected, as the economy benefitted from the global recovery, continued favourable financial conditions, a weaker dollar and subdued inflation and wage growth despite a tight labour market. As for Japan, the biggest surprise has been the strong recovery in corporate investment spending. In fact, the key theme behind continued global growth in 2018 is improving capex. The fact that last year was free of headwinds has allowed corporate confidence to make a comeback. Indeed, companies had been putting off investment projects in recent years due to the high volatility in the global economy. Moreover, investment could be especially strong in the US, where the proposed tax reform provides an immediate incentive to ramp up investment spending. As for emerging markets, China will continue to slow as the government puts more emphasis on controlling public debt and addresses structural issues. However, growth in emerging markets has become more broad-based and less dependent on China, benefitting from the strong growth in the rest of the world. Furthermore, structural reforms have made their economies more immune to a stronger dollar and higher interest rates. Finally, higher commodity prices have provided a tailwind, especially for Latin America. So what could derail this positive outlook? In 2017, the rise in populism was probably the main risk on investors' minds. However, political events during the coming year are unlikely to cause anything like the existential fears caused by the French elections in 2017. The Italian economy, as mentioned, is on the road to recovery, which should stop anti-establishment parties from gaining traction. Moreover, the new election system favours coalitions, which is particularly detrimental to the populist Five Star party. In Europe, the UK will probably continue to lag behind as Brexit negotiations drag on and the odds of another general election rise. The uncertainty that continues to reign is sure to have a negative impact on the economy but it should be limited to the UK.

What could derail growth in 2018? In our opinion, the main headwind lurking in the background is inflation.

In our opinion, the main headwind lurking in the background is inflation. Inflationary pressures have remained subdued despite strong growth and a tight labour market in many countries such as the US and Germany. However, inflation lags GDP growth by around six quarters, so the stronger growth that started in the second half of 2016 should start to impact inflation soon. A sharp rise in inflation could surprise markets and lead them to anticipate a faster normalisation in monetary policies, putting upward pressure on long-term rates, which in turn could weigh on global growth.

Jadwiga Kitovitz, CFA
Head of Multi-Asset Management and Institutional Accounts

Fixed Income

2018, the beginning of normalisation

We are approaching a new period of change in central bank monetary policy, which could pave the way for increased yields on bonds, resulting in an impact on price.

In a scenario of positive economic outlook, with a feeling of high confidence, improved employment and an increase in private consumption **(which will doubtless characterise 2018), it is the beginning of the end for ultra-expansive monetary policies.** Inflation, the key variable to monitor, remains low, but the chances of surprise increases in inflation are higher than in previous years, particularly within a more dynamic context of economic expansion that is influencing an acceleration in salary growth.

The major risk in fixed income is duration and when the risk premiums will be normalised. The rally could continue if the process of rising interest rates is gradual. Continuing to invest is a must, because there is also a risk of missing out, but there is no room for complacency. **We can distinguish two halves for the year**: The first, in which the monetary status quo continues to reign with liquidity in excess (although less than previous years) thanks to the continued strong support from the ECB. And the second, when we know the decision regarding the continuity of QE, a time in which we must be prepared to face higher volatility because a sharp reduction in the various asset purchasing programmes could have an impact on the yield of various assets.

The major risk is duration and when the risk premiums will be normalised. If rates increase gradually, the rally will continue.

What can we expect from the different classes of fixed income assets? In government bonds, which have seen a sharp rise in global debt (an increase of 40% since 2008 according to the Bank for International Settlements), a higher volume of net issues and higher inflationary pressures, will push bond yields up.

In credit, on a fundamental level the backdrop is positive (good macro and micro data, good reception of the primaries, expected improvement in ratings and low default rate - High Yield average: <2%), but with such low yields, risk is higher. Therefore, we must be cautious. Selection in credit takes on even more importance, if that is possible, in the investment process and the credit spread we demand must compensate the risk assumed. For the moment, we prefer the combination of credit quality, mid-curve investments and greater subordination. In particular, the financial sector has been well capitalised and the metrics have improved. It has also benefitted from a rate increase and foreseeable reduced regulation.

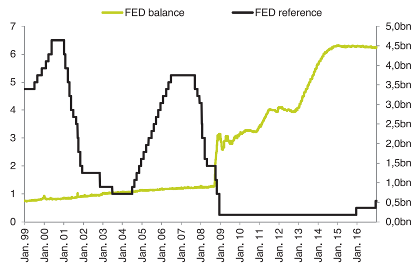
Fundamentals in **emerging countries** continue to improve, in line with the good macro data that we are seeing globally, alongside improvements in the current account balance and currency reserves. They help to diversify the portfolio and offer more interesting yield than the developed markets. They are contributing to the global acceleration because the stabilisation of their currencies has caused significant disinflation, which has allowed some central banks (Brazil, Russia, India and Indonesia) to relax their financial conditions. The search for yield continues and inflows in these assets are expected to continue in turn.

Given the envisaged scenario, greater flexibility and internationalisation in investments will be necessary in order to make the most of a larger asset universe.

“May the (fixed income) force be with you” in 2018.

Josep M Pon, CIIA
Head of Fixed Income

Conventional vs. Unconventional monetary policy



Source: Bloomberg

Unconventional monetary policy has kept rates low.

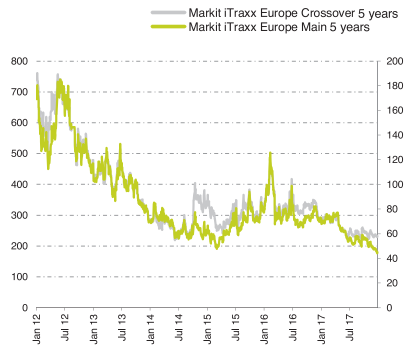
Debt-to-GDP

Country	Debt-to-GDP
Japan	222.2%
Greece	179.4%
Italy	132.5%
Portugal	130.4%
Singapore	112.9%
Belgium	106.0%
Canada	99.4%
Spain	99.4%
France	96.4%
United Kingdom	89.3%
Austria	84.6%
United States	76.5%
Ireland	72.9%
Germany	68.4%

Source: Bloomberg

The debt-to-GDP percentage in developed countries is high.

Credit spread EUR

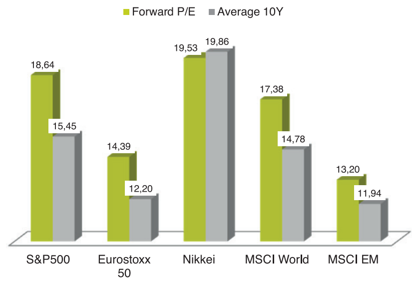


Source: Bloomberg

Spreads remain at all-time lows, both for Investment Grade and High Yield bonds.

Equities

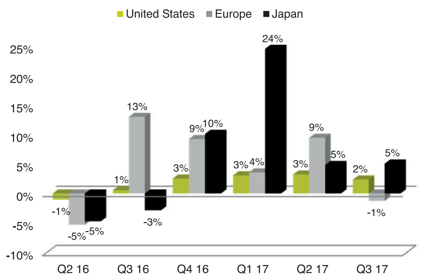
World Stock Markets P/E



Source: Bloomberg

Valuations look stretched in most regions, especially in the US with forward P/Es trading well above their 10-year averages.

World Stock Markets EPS



Source: Bloomberg

Third quarter earnings in most regions turned positive thanks to favourable base effects in both commodities and financials.

2017 market performance

	Closed to 29/12/2017	Price	2017 %	2016 %
USA	S&P 500	2,673.61	21.82%	11.95%
	DJ Indus. Avg	24,719.22	28.11%	16.50%
	NASDAQ 100	6,396.42	32.99%	7.27%
EUROPE	DJ Euro STOXX 50 € Pr	3,503.96	9.95%	4.83%
	France (CAC 40)	5,312.56	12.54%	8.81%
	Spain (Ibex 35)	10,043.90	11.25%	2.55%
	UK (FTSE 100)	7,687.77	11.95%	19.15%
	Germany (DAX)	12,917.64	12.51%	6.87%
	Switzerland (SWISS)	9,381.87	17.88%	-3.39%
	Italy (FTSE MIB 30)	21,853.34	16.90%	-6.51%
	Netherlands (AEX)	544.58	16.52%	13.60%
JAPAN	TOPIX	1,817.56	22.20%	0.31%
	NIKKEI 225	22,764.94	21.29%	2.38%
EMERGING MARKETS	Mexico	49,354.42	10.11%	7.92%
	Brazil	76,402.08	26.86%	38.93%
	Argentina	30,065.61	77.72%	44.90%
	China	3,307.17	8.75%	-10.50%
	India	34,056.83	29.56%	3.47%
	Korea	2,467.49	22.25%	5.15%
	Russia	2,109.74	-0.13%	32.77%

Source: Bloomberg

Returns in Europe lagged well behind the US in 2017. Perhaps we will see a reversal of that in 2018.

2018: More upside or caveat emptor?

The S&P 500 is up roughly 250% since the lows of 2009. There have been multiple strong years for the market since the Great Recession of 2008 and 2017 was just another of them. The question is, will 2018 also turn out to be one of these superior years, or will we finally have what some believe to be an overdue bear market?

The S&P 500 is likely to end 2017 up by about 20%, although most of those gains were achieved in the first two months and last three months of the year. During January and February, the market continued the rally that began with the election of Donald Trump. Investors were enthusiastic to participate in the "reflation trade" and chased after industrial and financial stocks. Once March arrived, however, the reflation trade's momentum had died away. The hope of a stronger economy driven by tax reform fizzled as the Republican Party failed to pass any meaningful legislation. However, the Republicans were able to pull together during the fourth quarter of the year and the possibility of tax reform once again began to tease the markets higher. Towards the end of November, we saw two events conspire to cause a sharp rally. The first was the appointment of the dovish Jay Powell as the next Fed Chair and the second was tangible progress in the Senate's efforts to pass the tax reform.

Now that 2017 is behind us, we need to consider which direction the market will take and what will be in or out of favour. The bear story is that if the economy gets off to a fast start in 2018 and inflation finally begins to pick up, we could see a more aggressive Fed. If the Fed feels the need to raise rates five or six times to keep inflation in check, it could derail the market's rally. The Fed's latest interest rate projections (the "dot plot") point to the potential for three rate hikes in 2018. The Fed funds futures market, however, is only pricing in the probability of two rate hikes in 2018. We are reminded that the Fed raised rates three times in 2017 and the stock market climbed higher in perfect step with those rate hikes. Could we see more of the same in 2018?

> The bear story is that if inflation begins to pick up, we could see a hawkish Fed which could derail the rally

Valuation is another concern for the US markets as the S&P is trading at 20x 2017 consensus EPS, which seems stretched. It also makes European equities seem attractive in comparison, as sales are picking up, economic sentiment is at its highest levels in years and valuation is not expensive. Still, we need to keep in mind the fact that US earnings are expected to grow 10% in 2018. This brings the S&P's forward multiple down to a more reasonable 18x and it does not include the benefit of the reduction in the corporate tax rate from 35% to 21%, nor the benefit of share shrinkage fuelled by the repatriation of cash.

Stylistically, the tech sector helped growth stocks outperform value stocks in 2017, but many Wall Street analysts expect value style investing to return to favour in 2018. This makes sense when we consider that tech stocks will not benefit greatly from the tax reform, as they reap more than 50% of their profits from overseas, and the big winners of tax reform (industrials, telecoms and financials) are, for the most part, considered to be value. However, it is worth mentioning that the big cap technology names have large amounts of cash overseas and will be able to repatriate it in 2018. If financials, industrials and possibly even tech stocks are poised to do well in 2018, then what isn't? Namely, the bond proxy stocks (utilities, REITs, and consumer staples), which earn a high percentage of their revenue domestically, but typically do not perform well when interest rates are expected to rise.

Charlie Castillo
Senior Portfolio Manager

Commodities and Currencies

COMMODITIES

The Three Kings bear nickel, not coal

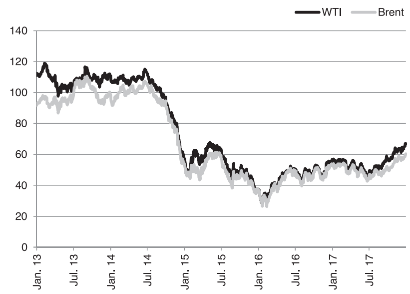
Commodities saw a return of around +4% in 2017, following a very strong 2016, although there are significant discrepancies between them. Industrial metals rose +24%, while agricultural raw materials closed the year again with a drop of -11%.

And what can we expect in 2018? Oil and gold do not look good. The extension of OPEC production cuts benefitted oil in 2017, but the impact was balanced out by increased shale production in the US. The EIA estimates that there will continue to be increased shale production in 2018, which should put downward pressure on the price. Gold usually performs badly when central banks wind back monetary stimuli (or when they announce that they will do so). However, its status as a safe-haven asset has allowed it to end 2017 in the black, particularly when the threats from North Korea were stronger. The backdrop for gold will be similar in 2018.

Yet there are super trends that we believe will positively influence some commodities. Such is the case of nickel, which in recent months has benefitted from environmental regulation changes in the Philippines and Indonesia. The new regulations have boosted the price because nickel is nowadays used in over 70% of batteries in electric vehicles (including Tesla and the Chevy Bolt). However, the growing demand for electric vehicles is not yet discounted in the price of nickel, because if just 15 million EVs are manufactured between now and 2025, demand for this metal should increase by around 40%. This would in all likelihood cause a supply shortage and a consequent price increase.

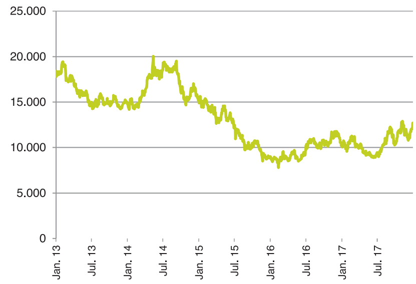
Miguel Ángel Rico
Investment analyst

WTI and Brent



Source: Bloomberg
Stability follows volatility.

Nickel



Source: Bloomberg
Future trend still not reflected.

CURRENCIES

The euro to resume strength in 2018

The multi-year rise in the dollar came to an end in 2017, as the greenback corrected over 13% against the euro, despite a slight rebound at the end of the year. Although the bounce might still have legs if growth continues to surprise on the upside, lifting expectations for the next rate hike, we think it will be short-lived. The tax reform is almost fully priced in and the impact on the economy should be modest. What really matters for the dollar is the markets' assessment of the Fed's leeway to tighten rather than the timing of the next rate increase. Despite the positive impact of the tax reform and a potential improvement in capex, the US is in the later stages of the cycle. Other regions, however, such as the Eurozone and emerging countries are still in the expansion phase, lending support to their currencies. Moreover, we continue to believe that the current level of interest rates in the Eurozone does not mirror the underlying macro situation. As the Eurozone growth continues to pick up speed and political risk recedes (we do not see political events in Italy, Catalonia or Germany as significant), we believe the market will start to factor in a more hawkish central bank, thereby giving structural support to the euro.

As for the yen, we feel it is too premature to consider a change in the Bank of Japan's policy. Prime Minister Abe, with a solid majority, ensures policy continuity and support for the BoJ's current leadership and accommodative policies. Furthermore, inflationary pressures remain subdued. However, a surprise spike in inflation could shift market expectations on interest rates and bolster the yen. Remember that the yen acts as a safe haven when markets turn ugly!

Jadwiga Kitovitz, CFA
Head of Multi-Asset Management
and Institutional Accounts

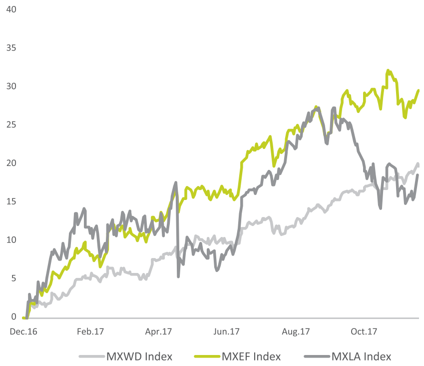
Exchange Rate EUR/USD

Source: Bloomberg

We think the recent bounce in the dollar will be short-lived and the euro should see further upside during 2018.

Latin America

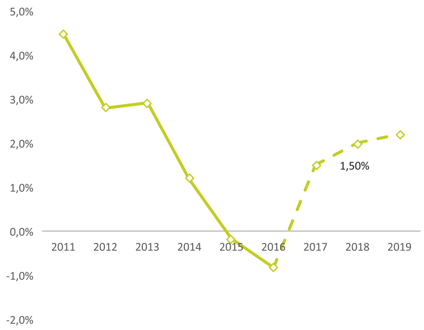
Emerging Equities vs. Global Equities



Source: Bloomberg

LatAm equities performance was positive, achieving a return close to that of global equities.

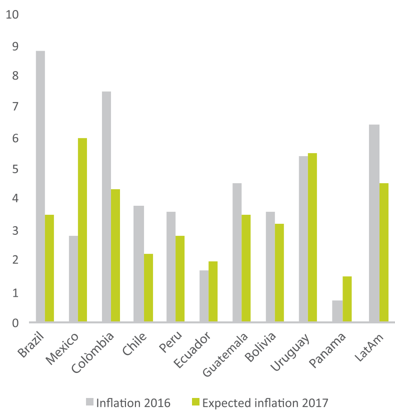
Expected growth



Source: CEPAL

Latin America bottomed out in 2016 and the region's economy is expected to continue improving over the next two years.

Expected inflation



Source: Capital Economics

2017 was characterised by disinflation in most Latin American countries. This is unusual as the region's principal feature is high inflation.

Latin America: A promising start

2017 was a positive year for Latin America. Most countries showed a trend towards economic recovery and disinflation. Economic activity in almost all economies is expected to continue improving in 2018. However, political uncertainty will cause some turbulence.

Signs of economic recovery have been absent from Latin America in recent years. The aftermath of the sharp drop in commodity prices, corruption scandals and the general deterioration of the macroeconomic situation has been persistent. But the outlook has improved. This is demonstrated by factors such as real GDP growth and inflation in most of the countries in the region. Latin America, as a whole, grew almost 1.5% in 2017 after a reduction of -0.8% in 2016. For its part, inflation in the region (excluding Venezuela and Argentina) fell 6.4% in 2016 and 4.5% in 2017. As a result, some central banks (Brazil and Colombia) have had leeway to relax their monetary policies and drive further economic growth, a factor that has limited the fixed income increase in local currency.

The odds are that the recovery trend will continue and the region will experience growth of between 2% and 2.2% in the next two years, also benefitting from synchronised global growth. These expectations were reflected in the MSCI Emerging Markets Latin America Index in USD, which increased around 20% in 2017, below the 35% of the MSCI Emerging Markets Index, but with gains similar to global equities.

We must remember that Latin America is undergoing a transformation. By way of example, in the past, Brazil's large cap companies have characteristically been raw materials producers. Nowadays, however, banks and consumer companies, two sectors that should profit from the economic recovery, occupy this position. This trend is synchronised, as the financial sector is currently among those with most weight in the stock indices in Colombia, Peru and Chile, something that was unthinkable at the beginning of the 21st century.

And there is more good news. 2018 is set to be a promising year for the region for three main reasons. Firstly, it is likely that the LatAm macroeconomic conditions will continue to improve, due to the reactivation of economic activity, the adjustment of tax and commercial deficits and the dissipation of temporary shocks that affected prices. Secondly, the eternal foe of Latin American currencies appears to be keeping its distance. The US dollar is not expected to strengthen because sharp hikes in interest rates from the US Federal Reserve are not on the horizon. This is because inflation in the world's leading economy may take even longer to arrive due to structural changes, like the impact of technology on prices. And thirdly, the demand for assets in the region from international investors in search for yield and diversification in a low interest rate global scenario and abundant liquidity plays a decisive role in investments around Latin America.

> The odds are that the recovery will continue and the region will grow between 2% and 2.2% in the coming years.

2018 is not risk free and, in Latin America, turbulence will be generated mainly by the presidential elections in Colombia, Mexico and Brazil in May, July and October respectively. These elections will put to the test the structural reforms required by the region and the continuity of market-friendly policies, as there is a possibility that parties rejecting the status quo may come to power. Such uncertainty will fuel volatility in various assets in the region and currencies will probably experience downward pressure. Similarly, the sideways trend seen in JP Morgan's Latin America Currency Index, which closed 2017 at around 0.6%, will be threatened. The road ahead looks pleasant enough, but while there are obstacles on the radar, we will just have to strap in tight.

Diego Fernando Agudelo López
Analyst Latam

Disclaimer

This document has been prepared by Credit Andorrà Financial Group.

This document is for distribution only as may be permitted by law. It is not directed to, or intended for, distribution or use by any person or entity who is a citizen or resident of or located in any jurisdiction where such distribution, publication, availability or use would be contrary to law or regulation or would subject Crèdit Andorrà Financial Group to any registration or licensing requirement within such jurisdiction. The information contained in this document represents the opinion of Crèdit Andorrà Financial Group's analysts on markets and could be modified and/or updated without prior warning. This document is published for general background information purposes, and although the information and data herein are obtained from sources believed to be reliable, neither Crèdit Andorrà Financial Group nor any of its analysts guarantee or take the responsibility that the information contained herein is complete or accurate. Financial analysts and any other relevant people involved in the preparation and dissemination of this document are independent of those holding a significant interest in the purpose of the report. In no event, a compensation has been received from issuers or there is a commitment or engagement in order to produce favourable reports. Statements included in this document, including opinions, projections and estimates, are nonfactual in nature and assume certain economic conditions and industry developments, and constitute only current opinions that are subject to change without notice. Certain information contained herein constitutes "forward-looking statements", which can be identified by the use of forward-looking terminology such as "may", "will", "should", "expect", "anticipate", "project", "estimate", "intend", "continue" or "believe", or the negatives thereof or other variations thereon or comparable terminology. Due to various risks and uncertainties, actual events or results or their actual performance may substantially differ from those reflected or contemplated in such forward-looking statements. As a result, they must not be taken into account either as a reliable source of future performances or guarantee to reach such outcomes. Data related to outcomes of financial instruments, financial indices, financial measures or investment services that may be contained in this document, may be conditioned by commissions, fees, taxes or associated expenses to be borne by such gross results, prompting, among other things, a decrease on the outcomes that may be either higher or lower depending on the particular circumstances of the investor.

This document does not constitute an offer on behalf of Crèdit Andorrà Financial Group nor any of its analysts. This document is not in any case intended to be taken as a buy or sell personal recommendation on neither assets, nor a representation that any investment strategy or recommendation is suitable or appropriate to an investor's individual circumstances. Neither this document not its contents shall form the basis of any contract, commitment or decision of any kind. The relevant readers shall make their decisions based on their own analysis and with the advice of independent advisors that they deem appropriate. In any case, it will not be understood that in distributing the present document neither Crèdit Andorrà Financial Group nor its analysts are making any personal investment recommendations. Trading in financial markets can involve considerable risks and requires constant monitoring of current positions. Neither Crèdit Andorrà Financial Group nor its analysts, employees or managers assume any liability for any investment or disinvestment decisions based on this publication, nor for any losses that could result from investment or disinvestment decisions based on this document. Any statements contained in this document referred to information, opinions or data provided by a third party will represent in any case Crèdit Andorrà Financial Group's interpretation of such data, provided either publicly or through a subscription service. Such use and interpretation have not been reviewed by the aforementioned third party; therefore, neither Crèdit Andorrà Financial Group, its affiliates nor its analysts offer any guarantees, either express or implicit, regarding their accuracy, integrity or correctness.

The information contained in this publication is strictly confidential. No part of this publication may be reproduced, transformed, distributed, published, forwarded or used in any manner without the prior written permission of its author. Any publication, modification or update of this material is subject to variable periodicity and does not imply any obligation on behalf of Crèdit Andorrà Financial Group.

Note for:

- **Andorran investors:** this document has been prepared by Crèdit Andorrà Financial Group, and it is distributed by either Crèdit Andorrà, SA or Credi-Invest, SA, both entities authorised, regulated and supervised by the *Institut Nacional Andorrà de Finances* (INAF).
- **Spanish investors:** this document has been prepared by Crèdit Andorrà Financial Group and it is distributed by Banco Alcalá, SA, entity authorised, regulated and supervised by the *Banco de España* and the *Comisión Nacional del Mercado de Valores* (CNMV).
- **US investors:** this document has been prepared by Crèdit Andorrà Financial Group and it is distributed by Beta Capital Management, LLC (IARD No. 154894), a registered investment adviser approved to conduct business on October 2012, and authorized, regulated and supervised by the *US Securities and Exchange Commission (S.E.C.)*.
- **Luxembourg investors:** this document has been prepared by Crèdit Andorrà Financial Group and it is distributed by Banque de Patrimoines Privés, SA, entity authorised, regulated and supervised by the *Commission de Surveillance du Secteur Financier* (CSSF).
- **Swiss investors:** this document has been prepared by Crèdit Andorrà Financial Group and it is distributed by Private Investment Management, SA, entity authorised, regulated and supervised by the *Association Suisse des Gérants de Fortune*. This document is not a product of any "Financial Research Unit" and it is not subject to the "*Directives on the Independence of Financial Research*" of the Swiss Bankers Association. This document has not been prepared in accordance with the legal and regulatory requirements that promote the independence of research and it is not subject to any prohibition on dealing ahead of the dissemination of investment research. Therefore, regulatory restrictions on Crèdit Andorra Financial Group dealing in any financial instruments mentioned at any time before it is distributed do not apply.
- **Mexico investors:** this document has been prepared by Crèdit Andorrà Financial Group and it is distributed by CA México Asesores Patrimoniales en Inversiones Independientes, SA de CV., entity authorised, regulated and supervised by the *Comission Nacional Bancaria y de Valores.*
- **Panama investors:** this document has been prepared by Crèdit Andorrà Financial Group and it is distributed by either Banco Crèdit Andorrà (Panamá), SA, entity authorised, regulated and supervised by the *Superintendencia de Bancos* and the *Superintendencia del Mercado de Valores* (SMV), or Private Investment Management Advisors Panamá, S.A., entity authorised, regulated and supervised by the *Superintendencia del Mercado de Valores* (SMV).

Research

Crèdit Andorrà Financial Group

Research

Crèdit Andorrà Financial Group