

Portfolio Manager Commentary and Performance

Market Update

November was a weak month for the Latam Equity market, mainly explained by profit taking as we approach the end of the year, and political noises. Chile and Brazil explain the bulk of the performance. In the case of Chile, results from the first round of presidential elections were less benign for the pro-market candidate, reducing visibility for the second round. In Brazil, uncertainty regarding the approval of the pension reform continues to hit the market, despite better than expected corporate and macro results. Argentina was also on the negative side, mainly explained by corruption investigations related to Banco Macro's controller – impacting negatively the rest of the market. On the positive side, the government continues to rapidly advance with the reform agenda. Finally, Peru and Colombia had a positive performance, mainly explained by higher commodities prices and reduction in reference interest rates.

In this context, the MSCI Small Cap Latam Index posted a 3.17% decline, while our fund reached a 3.91% decrease during the month. The Latam Equity Market (MSCI Latin America) decreased by 2.9% in November.

**Brazil:** Macro readings continue to positively surprise the market, demonstrating the recovery path is on track. 3Q17 GDP growth was +1.4% y/y, accelerating from +0.4% from 2Q17. Growth was driven by Private Consumption (+2.2%) and Exports (+7.6%), while investments were virtually flat at -0,5% y/y and above the 6.7% decrease from 2Q17. 3Q17 earnings season has already finished and results on the small cap side were above expectations. We remain OW in Brazil.

**Mexico:** MXN posted a 2.8% appreciation during the month, while the equity market was virtually flat in local currency. Macro readings were somewhat discouraging on the back of still higher than expected inflation, weaker SSS growth and lower consumer confidence. Additionally, Banxico's governor was finally replaced and market expects an additional rate hike before year end. On politics, the Minister of Finance, Jose Antonio Meade, resigned to his position to pursue a presidential candidacy's. The last round of NAFTA negotiations took place in Nov and so far, no significant agreements have been announced. We remain UW in Mexico.

**Chile:** it's all about presidential elections – first voting round posted weaker than expected results for the pro-market candidate, Sebastián Piñera, providing little visibility for the upcoming second round (Dec 17th). On the macro side, 3Q17 GDP growth reached +2.3%, above 0.9% in 2Q), mainly driven by private consumption and lower imports., but imports continue on the negative side with a 3.9% decrease. We remain neutral in Chile.

**Colombia:** 3Q17 GDP growth reached 2%, from 1.2% in 2Q17, mainly driven by both Private and Government consumption. Retail sales was +1.4% y/y, suggesting most of the negative impact from the VAT increase is fading away. Additionally, the Central Bank decreased its rate by 25bps to 4.75%, which should further support consumption. Lack of positive triggers and relevant downward risks at a company level in the Small Cap Investment universe lead us to remain UW in Colombia.

**Argentina:** government has rapidly advanced with its reform agenda – currently both the fiscal and capital markets reform are waiting for low chamber and senate approval, respectively. We remain OW in Argentina as we believe reforms approvals could further boost the economy and the company's earnings recovery.

EuroAmerica AM SICAV – Small Cap Latam Fund

November 30<sup>th</sup>, 2017

Fund Description

The EuroAmerica AM SICAV – Small Cap Latam Fund seeks to provide long-term capital growth by investing principally in equity securities issued by Latin American companies, and American Depositary Receipts of small capitalized Latin American companies. The Fund aims to achieve diversification in terms of sectors offering a core exposure to the Latin American stock markets and to companies listed on a stock Exchange outside the Latin American region, but which generate a significant part of their income in or from Latin America and/or which have their registered office in Latin America. The investment manager seeks to add value primarily through stock selection.



Giovanna Musa and Ricardo Fernandez. Co-Portfolio Managers for the Latam Equity Strategies at EuroAmerica Investments.

Share Classes and Fees

| Class   | ISIN         | Bloomberg Ticker | Min. Subscription Amount (USD) | Current TER |
|---------|--------------|------------------|--------------------------------|-------------|
| Class I | LU1061932403 | EASSCLI LX       | 1,000,000                      | 1.07%       |

Asset Under Management

| AUM               |
|-------------------|
| USD 39,852,455.86 |

Disclosure for Switzerland: The state of origin of the Fund is Luxembourg. This document may only be distributed in or from Switzerland to qualified investors within the meaning of Ar. 10 Para. 2, 3bis and 3ter CISA. The Representative in Switzerland is ACOLIN Fund Services AG, Stadelhoferstrasse 18, CH-8001 Zurich, whilst the Paying Agent is Neue Helvetische Bank AG, Seefeldstrasse 215, 8008 Zürich. In respect of the units distributed in or from Switzerland, the place of performance and jurisdiction is at the registered office of the Swiss representative.

The basic documents of the Fund as well as the annual and, if applicable, semi-annual report may be obtained free of charge at the registered office of the Swiss Representative.

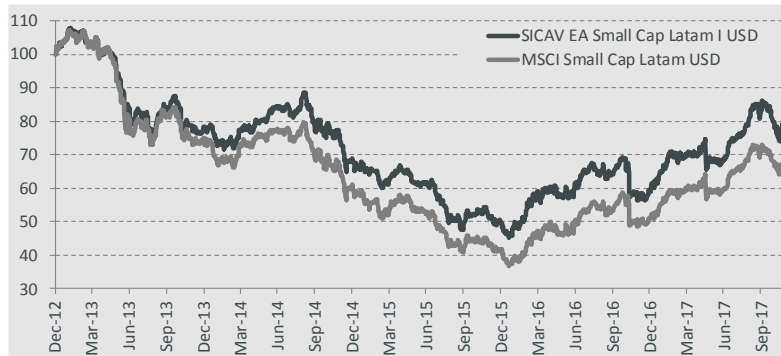


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In terms of contribution, our off-benchmark position in Argentina continued to benefit the performance, with ARCO and LOMA posting a 5.0% and 2.1% return during the month, respectively. Peru also had a relative positive contribution, mainly explained by our position in ALICORP (+1,45% in USD terms).

On the negative front, our OW in Brazil had a negative impact following a strong correction across the board. In this context, we highlight MGLU, SMILES and RANDON, with returns of -10.8%, -12.2% and -8.1%, respectively, partially offset by our OW in TUPY (+8.3%). Chile also had a negative contribution mainly explained by our off-benchmark position in BESALCO, which was down by 28.4% during the month, partially offset by our UW in SONDA and IAM (-11.9% and 13.5% in USD, respectively).

Performance for Series I



| Risk Metrics*           |        |
|-------------------------|--------|
| Volatility (Annual)     | 18,16% |
| Beta                    | 1,09   |
| Alpha                   | -2,46% |
| Tracking Error (annual) | 4,28%  |
| Information Ratio       | 0,04   |

\*YTD

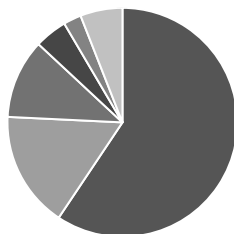
| Year                       | Jan   | Feb   | Mar   | Apr   | May   | Jun    | Jul   | Aug    | Sep    | Oct   | Nov    | Dec   | YTD    |
|----------------------------|-------|-------|-------|-------|-------|--------|-------|--------|--------|-------|--------|-------|--------|
| <b>2013</b>                |       |       |       |       |       |        |       |        |        |       |        |       |        |
| EA Small Cap Latam D       | 6,1%  | 0,2%  | -2,7% | -2,5% | -6,6% | -10,8% | -3,5% | -6,1%  | 9,3%   | 1,2%  | -6,6%  | -0,2% | -21,5% |
| MSCI EM Small Cap Latam    | 5,7%  | -0,3% | -1,5% | -2,6% | -9,2% | -11,6% | -3,9% | -4,1%  | 8,2%   | -0,8% | -6,7%  | -0,3% | -25,2% |
| <b>2014</b>                |       |       |       |       |       |        |       |        |        |       |        |       |        |
| EA Small Cap Latam D       | -6,1% | 0,3%  | 4,9%  | -0,3% | 4,0%  | 4,7%   | -2,9% | 6,9%   | -10,3% | 1,4%  | -4,4%  | -9,0% | -12,0% |
| MSCI EM Small Cap Latam    | -8,6% | 0,5%  | 6,1%  | 0,4%  | 2,6%  | 3,3%   | -4,0% | 5,8%   | -11,4% | 0,1%  | -4,4%  | -8,5% | -18,4% |
| <b>2015</b>                |       |       |       |       |       |        |       |        |        |       |        |       |        |
| SICAV EA Small Cap Latam I | -5,9% | 0,3%  | -5,0% | 6,0%  | -6,1% | -0,7%  | -5,8% | -10,6% | -5,0%  | 6,5%  | -1,9%  | -3,4% | -28,3% |
| MSCI EM Small Cap Latam    | -9,4% | 2,6%  | -7,4% | 7,3%  | -5,3% | -1,7%  | -6,8% | -10,5% | -4,3%  | 5,4%  | -2,9%  | -2,6% | -31,6% |
| <b>2016</b>                |       |       |       |       |       |        |       |        |        |       |        |       |        |
| SICAV EA Small Cap Latam I | -3,0% | 7,2%  | 14,8% | 2,2%  | -4,8% | 7,0%   | 6,5%  | -2,2%  | 0,2%   | 7,1%  | -14,5% | 0,8%  | 19,8%  |
| MSCI EM Small Cap Latam    | -7,0% | 4,6%  | 16,1% | 5,5%  | -7,1% | 8,7%   | 6,9%  | 0,2%   | -1,3%  | 8,7%  | -12,7% | 1,2%  | 22,2%  |
| <b>2017</b>                |       |       |       |       |       |        |       |        |        |       |        |       |        |
| SICAV EA Small Cap Latam I | 10,2% | 6,3%  | 0,0%  | 1,4%  | -3,4% | 1,0%   | 9,2%  | 6,4%   | 3,8%   | -3,9% | -3,9%  |       | 29,1%  |
| MSCI EM Small Cap Latam    | 8,9%  | 5,2%  | 1,6%  | 1,6%  | -2,5% | 1,5%   | 9,7%  | 6,0%   | 2,0%   | -4,3% | -3,2%  |       | 28,5%  |

Note: Until 28 February 2015, performance data is for the EuroAmerica Small Cap LatAm D, which is a mutual fund offered in Chile; an identical strategy is employed in the Series I.

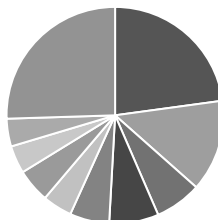
Source: Bloomberg.

Portfolio Breakdown

Portfolio Statistics: Top 5 Country and Top 10 Sector Distributions



- BRAZIL
- MEXICO
- CHILE
- ARGENTINA
- PERU
- CASH



- Consumer
- Real Estate
- Financial
- Industrial
- Steel
- Transportation
- Mining
- Utilities
- Food & Bev.
- Others

Top Holdings

| Issuer        | % Fund       | Sector           |
|---------------|--------------|------------------|
| SMILES        | 3,8%         | CONSUMER         |
| GOL           | 3,7%         | TRANSPORT        |
| ESTACIO       | 3,6%         | EDUCATION        |
| USIMINAS      | 3,4%         | STEEL            |
| VIA VAREJO    | 3,4%         | CONSUMER         |
| IGUATEMI      | 3,0%         | REAL STATE       |
| BRADSPAR      | 2,8%         | MINING           |
| MAGALUIZA     | 2,5%         | CONSUMER         |
| PARAUCO       | 2,5%         | REAL STATE       |
| ALSEA         | 2,3%         | FOOD & BEVERAGES |
| <b>OTHERS</b> | <b>69,6%</b> |                  |

This mutual fund is managed by EuroAmerica Administradora General de Fondos. Find out about the essential characteristics of each mutual fund investment, which are contained in the rules of procedure and contract underwriting fees. Profitability or profit obtained in the past by this fund does not guarantee that it will be repeated in the future. The values of the shares of the mutual funds are variable.