

Portfolio Manager Commentary and Performance

Market Update

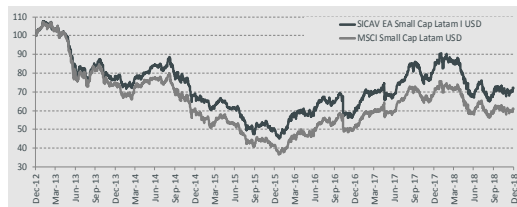
Over the latest weeks, the region has gone through a positive trend in terms of returns, mainly explained by Mexico and Brazil. In the case of Mexico, its currency has strongly appreciated against the USD, while the stock market has been flattish in local terms. Valuations are indeed at attractive levels, pricing a negative scenario, while company's fundamentals remain resilient and well positioned in case idiosyncratic risks related to the new government increase significantly. In the mid-term, we believe consumption will lead the way in Mexico, mainly on the back of social expenditure, strong remittance levels and a tight labor market, with unemployment rate at historical lows.

In the case of Brazil, Bolsonaro's speech has been welcomed by the investor community – from privatization plans, simplifying the tax regime and plans to implement measures to sustain public accounts. With this, optimism among Brazilians have reached historical highs. Thus, we believe consumption and other domestic dynamics related sector should outperform going forward, specially considering that Brazilian companies have been positively surprising consensus estimates without a strong macro rebound. We believe 2019 is poised to be a positive year for Brazil, with an attractive mix: reduction in country risk, positive news flow from the government side: reforms and measures to foster growth and attract private investments, while companies should continue reporting positive results on better domestic dynamics and leaner balance sheet and operational structures.

In this context, our fund reached a 2,16% return during December, compared to +0,74% from the index. As a result, we ended up 2018 virtually in line with our benchmark, reaching a return of -12,23%.

In terms of relative performance, our OW in Brazil had a positive impact, on our OW on EVEN, TENDA and RANDON, which were +16,5%, +8,03% and 5,2% up during the month, respectively. Our lack of exposure in Colombia also had a positive impact, mainly avoiding names such as AVIANCA, CLH and CORFICOL, which were down by 20,2%, 10,7% and 12,6% during the month.

Performance for Series I



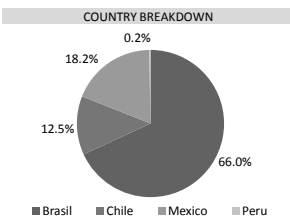
Risk Metrics	
Volatility (Annual)	24,5%
Beta	0,94
Alpha	0,9%
Tracking Error (annual)	6,14%
Information Ratio	0,09

Returns	Dec'18	3M	YTD	LTM	3Y	Since Inception
SICAV EA Small Cap Latam I	2,16%	4,04%	-12,23%	-12,23%	45,25%	-23,85%
MSCI EM Small Cap Latam	0,74%	1,63%	-11,93%	-11,93%	45,68%	-35,51%

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 Holdings and Sector Distribution



SECTOR	DEC'18	NOV'18	ISSUER	FUND	SECTOR
CONSUMER	23,4%	24,1%	BRADSPAR	4,5%	MATERIALS
CONS. STAPLES	5,5%	5,8%	CVC	4,4%	CONSUMER DIS.
REAL ESTATE	10,4%	11,5%	MET GERDAU	4,0%	MATERIALS
INDUSTRIALS	15,8%	14,5%	RANDON PART	3,2%	INDUSTRIALS
FINANCIALS	8,4%	7,9%	SONDA	3,1%	TECHNOLOGY
MATERIALS	14,4%	17,5%	DURATEX	2,9%	MATERIALS
UTILITIES	6,0%	4,8%	IGUATEMI	2,7%	REAL ESTATE
HEALTHCARE	1,7%	1,2%	BANBAJIO	2,5%	FINANCIALS
ENERGY	0,0%	0,0%	OMAB	2,4%	INDUSTRIALS
IT	6,0%	3,7%	ESTACIO	2,3%	CONSUMER DIS.
OTHERS	8,4%	9,0%	OTHERS	67,9%	

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 its 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.

ZCH AM SICAV –  
Small Cap Latam Fund

December 31<sup>st</sup> 2018

Fund Description

The ZCH 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.

Investments may be denominated in USD or in Latin American currencies. Currency risks may be hedged entirely or partially against USD through the use of financial derivative instruments including currency forwards or futures.



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

Share Classes and Fees

Class	ISIN	Bloomberg Ticker	Min. Subscription Amount (USD)	Current TER
Class I	LU1061932403	EASSCL LX	1,000,000	1,05%

TOTAL AUM US\$37,3 mn

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 Zurich. 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.