
MERCHBANC SICAV

Société d'Investissement à Capital Variable
Luxembourg

Annual report, including audited financial statements
for the year ended September 30, 2016

R.C.S. Luxembourg B-51646

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MERCHBANC SICAV

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MERCHBANC SICAV

Management and Administration

BOARD OF DIRECTORS OF THE COMPANY

Chairwoman

Mrs. Véronique GILLET (Chairwoman since June 24, 2016)
Independent Director, Luxembourg, Grand-Duchy of Luxembourg

Directors

Mrs. Céline MALPERTUIS (Chairwoman until June 24, 2016)
Independent Director, Geneva, Switzerland

Mr. Yvon LAURET
Independent Director, Luxembourg, Grand-Duchy of Luxembourg

Conducting Officers (until June 30, 2016)

Mrs. Véronique GILLET
Independent Director, Luxembourg, Grand-Duchy of Luxembourg

Mr. Yvon LAURET
Independent Director, Luxembourg, Grand-Duchy of Luxembourg

ADMINISTRATION

Registered Office

11/13, Boulevard de la Foire, L-1528 Luxembourg, Grand-Duchy of Luxembourg

Management Company (since July 1, 2016)

BIL Manage Invest S.A.
42, rue de la Vallée
L-2661 Luxembourg

Investment Manager and Distributor

Merchbolsa, Agencia de Valores S.A.
279, Diputación, E-08007 Barcelona, Spain

Custodian and Principal Paying Agent, Central Administrative Agent, Registrar and Transfer Agent and Domiciliary Agent

RBC Investor Services Bank S.A.
14, Porte de France, L-4360 Esch-sur-Alzette, Grand-Duchy of Luxembourg

Cabinet de Révision Agréé

Deloitte Audit, *Société à responsabilité limitée*
560, rue de Neudorf, L-2220 Luxembourg, Grand-Duchy of Luxembourg

MERCHBANC SICAV

General Information

The Annual General Meeting of shareholders of the Company is held at the registered office of the Company or at such other place in Luxembourg on the last Wednesday of the month of January in each year at 3.00 p.m., or if any such day is not a bank business day in Luxembourg, on the next following bank business day in Luxembourg.

Notices of all general meetings are sent to each holder of registered shares by post at least eight days prior to the meeting at their addresses in the register of shareholders. Such notices include the agenda and specify the time and place of the meeting and the conditions of admission and refer to the requirements of Luxembourg law with regard to the necessary quorum and majorities required for the meeting.

Annual reports, including audited financial statements are published within four months after the financial year-end and unaudited semi-annual reports are published within two months after the end of the relevant period. Such reports are made available at the registered office of the Company during normal business hours. The financial year of the Company starts on the first day of October in each year and ends on the last day of September of the following year.

The net asset values and the issue, conversion and sale prices of the shares in any sub-fund are made public and available at the registered office of the Company.

Under current legislation, shareholders are not subject to any capital gains, income, withholding, inheritance or other taxes in Luxembourg (except for shareholders domiciled, resident or having a permanent establishment in Luxembourg, or non-residents of Luxembourg who hold more than 10% of the Shares of the Company and who dispose of all or part of their holdings within 6 months from the date of acquisition or in some limited cases, some former residents of Luxembourg who hold more than 10% of the Shares of the Company).

Investors should consult their professional advisers on the possible tax or other consequences of buying, holding, converting, transferring or selling any of the shares under the laws of their countries of citizenship, residence or domicile.

A detailed schedule of portfolio changes of each sub-fund is available free of charge upon request at the registered office of the Company.

In accordance with the Law of December 17, 2010 on undertakings for collective investment, as amended, and with the approval of the *Commission de Surveillance du Secteur Financier* ("CSSF"), the Board of Directors of Merchbank SICAV has decided to appoint BIL Manage Invest S.A. (« BMI ») as third party Management Company for Merchbank SICAV.

Under this new arrangement effective since July 1, 2016, BIL Manage Invest S.A. is responsible on a day-to-day basis, under the supervision of the Board of Directors of the Company, for providing administration, marketing and investment management in respect of all sub-funds, with the possibility to delegate part or all of such functions to third parties, provided that it retains responsibility and oversight over such delegates. The Management Company has delegated these functions to the existing providers:

- Merhbolsa, Agencia de Valores, S.A., continues to be the Investment Manager and Distributor and,
- RBC Investor Services Bank S.A., continues to be the Principal Paying Agent, Central Administrative Agent, Registrar and Transfer Agent and Domiciliary Agent.

MERCHBANC SICAV

Directors' Report to the shareholders for the year ended September 30, 2016

Evolution of the sub-funds

Merchbanc SICAV - Global in USD

As of September 30, 2016, the total net assets of the sub-fund are 6,907,753.28 USD, and the net asset value per share is 16.536 USD. The performance of the sub-fund for the fiscal year period September 30, 2015 to September 30, 2016 has been 8.51%.

The composition of the portfolio of the sub-fund as of September 30, 2016 is: 94.80% invested in equities of which 1.72% is quoted in the Swiss stock exchange markets, 8.37% is quoted in the Euro zone stock exchange markets, 3.19% is quoted in the Japanese stock exchange markets, 81.52% is quoted in the United States of America stock exchange markets; 3.69% is invested in options on shares, and 3.21% is held in cash.

As of September 30, 2016, the exposure of the sub-fund in currencies different from USD is of 15.02%.

The top five stocks are Portola Pharmaceuticals (8.15%), Incyte (8.05%), Twitter Inc. (7.34%), Gilead Sciences (5.73%), and Qualcomm (4.46%). These stocks represent 33.73% of the total portfolio of the sub-fund.

Merchbanc SICAV - Cube

As of September 30, 2016, the total net assets of the sub-fund are 10,185,469.98 Euro, and the net asset value per share is 175.246 Euro. The performance of the fund for the period September 30, 2015 to September 30, 2016 has been 22.29%.

The composition of the portfolio of the sub-fund as of September 30, 2016 is: 92.74% invested in equities of which 89.58% is quoted in the United States of America stock exchange markets, 3.17% is quoted in the European zone stock markets; 6.58% is invested in options on shares, and 0.41% is held in cash.

As of September 30, 2016, the exposure of the sub-fund in currencies different from Euro is of 96.48%.

The top five stocks are Incyte Corp. (9.89%), Mellanox Technologies (8.32%), BaiduCom ADR (4.77%), Bank of America (4.10%), and Lululemon Athletica (3.73%). These stocks represent 30.81% of the total portfolio of the sub-fund.

Merchbanc SICAV - Mayolas

As of September 30, 2016, the total net assets of the sub-fund are 3,804,935.02 Euro, and the net asset value per share is 9.655 Euro. The performance of the fund for the period September 30, 2015 to September 30, 2016 has been -2.94%.

The composition of the portfolio of the sub-fund as of September 30, 2016 is: 66.49% is invested in fixed income securities of which 25.77% is invested in United States of America Government securities, 21.71% is invested in Spanish Government Securities, and 19.01% is invested in German Government securities; 14.85% is invested in equities quoted in the Euro zone stock exchange markets, and 18.49% is held in cash.

The exposure of the sub-fund in currencies different from Euro is of 50.88%.

The equities in the portfolio have been selected by the Investment Manager's team, and as of September 30, 2016 the stocks are Grupo Ezentis (9.66%), Thrombogenics (2.42%), and Quabit (2.78%). These stocks represent 14.85% of the total portfolio of the sub-fund.

Merchbanc SICAV - Merchrenta

As of September 30, 2016, the total net assets of the sub-fund are 18,227,338.45 Euro, and the net asset value per share is 10.089 Euro. The performance of the sub-fund for the period September 30, 2015 to September 30, 2016 has been 2.87%.

The composition of the portfolio of the sub-fund as at September 30, 2016 is: 94.95% is invested in fixed income securities of which 83.57% is invested in Bonds (corporate and governmental), 0.38% is invested in Convertible Bonds, and 11% is invested in Treasury Bills; and 12.34% is held in cash. The average rating of the securities is BBB. The modified duration of the sub-fund is 3.21.

The exposure of the sub-fund in currencies different from Euro is of 5.01%.

Merchbanc SICAV - Merch-Fontemar

As of September 30, 2016, the total net assets of the sub-fund are 2,844,075.70 Euro, and the net asset value per share is 9.883 Euro. The performance of the fund for the period September 30, 2015 to September 30, 2016 has been 0.13%.

The composition of the portfolio of the sub-fund as of September 30, 2016 is: 62.38% is invested in fixed income securities of which 41.18% is invested in government securities issued by the Kingdom of Spain, and 21.20% is invested in Corporate Bonds; 28.02% is invested in equities of which 2.17% is quoted in the Swiss stock exchange markets, 8.00% is quoted in the Euro zone stock exchange markets 17.85% is quoted in the United States of America stock exchange markets; and 8.90% is held in cash.

The exposure of the sub-fund in currencies different from Euro is of 8.33%.

MERCHBANC SICAV

Directors' Report to the shareholders for the year ended September 30, 2016 (continued)

The top five stocks are Qualcomm (4.40%), Bank of America (4.16%), Gilead Sciences (3.34%), Apple (2.62%), and Splunk Inc. (1.91%). These stocks represent 16.43% of the total portfolio of the sub-fund.

Merchbanc SICAV - Merch-Universal

As of September 30, 2016, the total net assets of the sub-fund are 9,533,663.13 Euro, and the net asset value per share is 10.007 Euro. The performance of the fund for the period September 30, 2015 to September 30, 2016 has been 2.23%.

The composition of the portfolio of the sub-fund as of September 30, 2016 is: 27.36% is invested in fixed income securities of which 18.38% are government securities issued by the Kingdom of Spain, and 8.98% are invested in Corporate Bonds; 59.30% is invested in equities of which 7.07% is quoted in the Swiss stock exchange markets, 13.04% is quoted in the Euro zone stock exchange markets, 0.86% is quoted in the Japanese stock exchange markets, 38.33% is quoted in the United States of America stock exchange markets and 13.35% is held in cash.

The exposure of the sub-fund in currencies different from Euro is of 15.05%.

The top five stocks are Bank of America (5.70%), Qualcomm (3.84%), Allianz (3.74%), Roche Holding (2.75%), and Apple (2.74%). These stocks represent 18.78% of the total portfolio of the sub-fund.

Merchbanc SICAV - Merchfondo

As of September 30, 2016, the total net assets of the sub-fund are 10,028,857.32 Euro, and the net asset value per share is 9.543 Euro. The performance of the fund for the period September 30, 2015 to September 30, 2016 has been 6.47%.

The composition of the portfolio of the sub-fund as of September 30, 2016 is: 90.81% is invested in equities of which 1.66% are quoted in the Swiss stock exchange markets, 8.04% are quoted in the Euro zone stock exchange markets, 2.58% are quoted in the Japanese stock exchange markets, 78.52% are quoted in the United States of America stock exchange markets; 3.64% is invested in options on shares, and 6.13% is held in cash.

The top five stocks are Portola Pharmaceuticals (8.06%), Incyte (7.95%), Twitter Inc. (7.37%), Gilead Sciences (5.62%), and Qualcomm (4.38%). These stocks represent 33.38% of the total portfolio of the sub-fund.

The exposure of the sub-fund in currencies different from Euro is of 53.25%.

Merchbanc SICAV - Fixed Income in USD

As of September 30, 2016, the total net assets of the sub-fund are 3,456,395.65 USD, and the net asset value per share is 6.556 USD. The performance of the fund for the period September 30, 2015 to September 30, 2016 has been 2.71%.

The composition of the portfolio of the sub-fund as at September 30, 2016 is: 94.07% invested in fixed income securities of which 58.29% is invested in Bonds, 30.30% is invested in United States of America Government securities, and 5.48% is invested in Convertible Bonds; and 4.86% is held in cash. The modified duration of the sub-fund is 0.10.

The Board of Directors of
Merchbanc SICAV

December 13, 2016

To the shareholders of
Merchbanc SICAV
Luxembourg

REPORT OF THE RÉVISEUR D'ENTREPRISES AGRÉÉ

Following our appointment by the annual general meeting of the shareholders dated January 27, 2016 we have audited the accompanying financial statements of Merchbanc SICAV (the "Company"), and of each of its sub-funds, which comprise the statement of net assets and the statement of investments as at September 30, 2016 and the statement of operations and changes in net assets for the year then ended, and a summary of significant accounting policies and other notes of the financial statements.

Responsibility of the Board of Directors of the Company for the financial statements

The Board of Directors of the Company is responsible for the preparation and fair presentation of these financial statements in accordance with Luxembourg legal and regulatory requirements relating to the preparation of the financial statements and for such internal control as the Board of Directors of the Company determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Responsibility of the réviseur d'entreprises agréé

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing as adopted for Luxembourg by the *Commission de Surveillance du Secteur Financier*. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the *réviseur d'entreprises agréé's judgement*, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the *réviseur d'entreprises agréé* considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors of the Company, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of Merchbanc SICAV and of each of its sub-funds as at September 30, 2016 and of the results of their operations and changes in their net assets for the year then ended in accordance with the Luxembourg legal and regulatory requirements relating to the preparation of the financial statements.

Other matter

Supplementary information included in the annual report has been reviewed in the context of our mandate but has not been subject to specific audit procedures carried out in accordance with the standards described above. Consequently, we express no opinion on such information. However, we have no observation to make concerning such information in the context of the financial statements taken as a whole.

For Deloitte Audit, *Cabinet de révision agréé*



Ilias Ntougas, *Réviseur d'entreprises agréé*
Director

Luxembourg, January 4, 2017

MERCHBANC SICAV

Combined Statement of Net Assets as at September 30, 2016

		Merchbanc SICAV - Global in USD	Merchbanc SICAV - Cube	Merchbanc SICAV - Mayolas	Merchbanc SICAV - Merchrenta	Merchbanc SICAV - Merch- Fontemar	Merchbanc SICAV - Merch- Universal
	Note	USD	EUR	EUR	EUR	EUR	EUR
ASSETS							
Investments in securities at market value	(2)	6,548,826	9,446,131	3,095,112	17,306,008	2,571,035	8,261,693
Options purchased		254,900	669,842	0	0	0	0
Cash at banks		240,509	41,441	711,525	3,781,969	256,060	1,287,878
Amounts receivable on sale of investments		34,788	102,681	11,431	0	18,664	0
Amounts receivable on subscriptions		0	0	0	0	0	0
Interest and dividends receivable		2,884	3,543	10,780	224,559	10,341	13,184
Net unrealised profit on futures contracts	(6)	0	0	0	0	939	5,444
Other assets		2,425	1,269	771	0	0	2,301
TOTAL ASSETS		7,084,332	10,264,907	3,829,619	21,312,536	2,857,039	9,570,500
LIABILITIES							
Margin payable to broker	(2)	0	0	5,940	43,681	1,869	8,278
Amounts payable on purchase of investments		43,862	53,964	0	2,859,607	0	0
Amounts payable on redemptions		46,439	0	0	124,259	0	0
Net unrealised loss on futures contracts	(6)	0	0	6,994	13,115	0	0
Management fees payable	(3)	10,205	10,315	2,362	18,678	4,358	14,307
Performance fees payable	(3)	64,199	0	0	0	0	0
Taxes and expenses payable	(5)	11,872	15,158	9,378	24,836	6,733	14,237
Interest payable		2	0	10	1,022	3	15
TOTAL LIABILITIES		176,579	79,437	24,684	3,085,198	12,963	36,837
TOTAL NET ASSETS		6,907,753	10,185,470	3,804,935	18,227,338	2,844,076	9,533,663
Net asset value per share		16.536	175.246	9.655	10.089	9.883	10.007
Number of shares outstanding		417,733.145	58,120.841	394,087.904	1,806,697.439	287,776.180	952,722.831

The accompanying notes form an integral part of these financial statements.

MERCHBANC SICAV

Combined Statement of Net Assets (continued) as at September 30, 2016

		Merchbanc SICAV - Merchfondo	Merchbanc SICAV - Fixed Income in USD	Total
	Note	EUR	USD	EUR
ASSETS				
Investments in securities at market value	(2)	9,107,660	3,251,451	58,511,403
Options purchased		364,803	0	1,261,545
Cash at banks		647,035	171,276	7,092,460
Amounts receivable on sale of investments		61,929	0	225,672
Amounts receivable on subscriptions		0	46,433	41,333
Interest and dividends receivable		3,856	17,423	284,339
Net unrealised profit on futures contracts	(6)	8,011	0	14,394
Other assets		1,479	0	7,980
TOTAL ASSETS		10,194,773	3,486,583	67,439,126
LIABILITIES				
Margin payable to broker	(2)	8,011	0	67,779
Amounts payable on purchase of investments		67,079	0	3,019,694
Amounts payable on redemptions		6	17,505	181,185
Net unrealised loss on futures contracts	(6)	0	2,109	21,986
Management fees payable	(3)	13,371	2,254	74,481
Performance fees payable	(3)	60,568	0	117,715
Taxes and expenses payable	(5)	16,874	8,319	105,190
Interest payable		7	0	1,059
TOTAL LIABILITIES		165,916	30,187	3,589,089
TOTAL NET ASSETS		10,028,857	3,456,396	63,850,037
Net asset value per share		9.542	6.556	
Number of shares outstanding		1,050,970.588	527,218.248	

The accompanying notes form an integral part of these financial statements.

MERCHBANC SICAV

Combined Statement of Operations and Changes in Net Assets for the year ended September 30, 2016

		Merchbanc SICAV - Global in USD	Merchbanc SICAV - Cube	Merchbanc SICAV - Mayolas	Merchbanc SICAV - Merchrenta
	Note	USD	EUR	EUR	EUR
NET ASSETS AT THE BEGINNING OF THE YEAR		7,933,970	8,045,180	9,442,316	4,829,553
INCOME					
Dividends, net	(2)	58,732	56,336	35,942	0
Interest on bonds, net	(2)	0	0	34,295	502,186
Bank interest, net	(2)	4	0	1,106	11
Other income		595	0	0	0
TOTAL INCOME		59,331	56,336	71,343	502,197
EXPENSES					
Management fees	(3)	112,005	96,190	31,965	134,424
Performance fees	(3)	64,199	0	0	0
Custodian bank fees		7,164	8,538	6,390	10,799
Domiciliation, administration and registrar and transfer agent fees		47,832	23,039	22,722	55,000
Audit fees, printing and publishing expenses		10,095	12,752	9,415	15,822
Directors fees		10,938	11,314	8,377	14,262
Subscription tax	(4)	3,421	5,103	2,620	7,877
Bank charges and correspondent fees	(8)	33,894	56,536	4,982	22,148
Bank interest		151	394	1,355	5,440
Other charges	(7)	2,880	3,846	2,772	5,541
TOTAL EXPENSES		292,579	217,712	90,598	271,313
NET PROFIT/(LOSS) FROM INVESTMENTS		(233,248)	(161,376)	(19,255)	230,884
Net realised profit/(loss) on sale of investments	(2)	271,807	1,522,457	6,737	662,129
Net realised profit/(loss) on sale of options	(2)	(350,770)	496,103	0	0
Net realised profit/(loss) on futures contracts	(2)	0	0	322	(188,990)
Net realised profit/(loss) on foreign exchange	(2)	(4,199)	(12,078)	12,319	(7,447)
NET REALISED PROFIT/(LOSS)		(316,410)	1,845,106	123	696,576
Change in net unrealised appreciation/(depreciation) on investments		495,142	(247,049)	(182,778)	21,438
Change in net unrealised (depreciation) on options	(2)	298,905	246,524	0	0
Change in net unrealised appreciation/(depreciation) on futures contracts	(2)	0	0	(66,436)	(13,115)
NET INCREASE/(DECREASE) IN NET ASSETS AS A RESULT OF OPERATIONS		477,637	1,844,581	(249,091)	704,899
EVOLUTION OF THE CAPITAL					
Subscriptions of shares		576,090	367,375	5	22,134,780
Redemption of shares		(2,079,944)	(71,666)	(5,388,295)	(9,441,894)
Currency Translation	(2)	0	0	0	0
NET ASSETS AT THE END OF THE YEAR		6,907,753	10,185,470	3,804,935	18,227,338

The accompanying notes form an integral part of these financial statements.

MERCHBANC SICAV

Combined Statement of Operations and Changes in Net Assets (continued) for the year ended September 30, 2016

		Merchbanc SICAV - Merch-Fontemar	Merchbanc SICAV - Merch-Universal	Merchbanc SICAV - Merchfondo	Merchbanc SICAV - Fixed Income in USD
	Note	EUR	EUR	EUR	USD
NET ASSETS AT THE BEGINNING OF THE YEAR		2,727,172	8,804,783	9,454,499	4,336,696
INCOME					
Dividends, net	(2)	18,191	95,012	77,335	0
Interest on bonds, net	(2)	13,219	11,546	0	49,242
Bank interest, net	(2)	0	0	117	0
Other income		0	0	481	0
TOTAL INCOME		31,410	106,558	77,933	49,242
EXPENSES					
Management fees	(3)	48,676	147,997	134,390	22,201
Performance fees	(3)	0	0	60,568	0
Custodian bank fees		3,939	8,046	8,008	4,440
Domiciliation, administration and registrar and transfer agent fees		23,306	22,764	39,987	41,671
Audit fees, printing and publishing expenses		3,988	11,309	11,617	5,428
Directors fees		3,912	12,349	12,091	5,777
Subscription tax	(4)	1,566	4,679	4,514	1,879
Bank charges and correspondent fees	(8)	8,014	8,059	39,429	3,425
Bank interest		1,121	2,695	1,278	16
Other charges	(7)	1,101	3,709	3,671	2,754
TOTAL EXPENSES		95,623	221,607	315,553	87,591
NET PROFIT/(LOSS) FROM INVESTMENTS		(64,213)	(115,049)	(237,620)	(38,349)
Net realised profit/(loss) on sale of investments	(2)	40,170	142,089	(68,462)	35,817
Net realised profit/(loss) on sale of options	(2)	0	0	(653,409)	0
Net realised profit/(loss) on futures contracts	(2)	11,953	(5,808)	(33,263)	3,813
Net realised profit/(loss) on foreign exchange	(2)	(9,668)	(33,676)	(14,193)	(106)
NET REALISED PROFIT/(LOSS)		(21,758)	(12,444)	(1,006,947)	1,175
Change in net unrealised appreciation/(depreciation) on investments		3,655	194,158	1,016,500	81,732
Change in net unrealised (depreciation) on options	(2)	0	0	471,499	0
Change in net unrealised appreciation/(depreciation) on futures contracts	(2)	1,487	15,243	16,233	(2,109)
NET INCREASE/(DECREASE) IN NET ASSETS AS A RESULT OF OPERATIONS		(16,616)	196,957	497,285	80,798
EVOLUTION OF THE CAPITAL					
Subscriptions of shares		1,411,324	541,130	937,090	461,897
Redemption of shares		(1,277,804)	(9,207)	(860,017)	(1,422,995)
Currency Translation	(2)	0	0	0	0
NET ASSETS AT THE END OF THE YEAR		2,844,076	9,533,663	10,028,857	3,456,396

The accompanying notes form an integral part of these financial statements.

MERCHBANC SICAV

Combined Statement of Operations and Changes in Net Assets (continued) for the year ended September 30, 2016

	Total
	EUR
Note	
NET ASSETS AT THE BEGINNING OF THE YEAR	54,283,965
INCOME	
Dividends, net	(2) 335,097
Interest on bonds, net	(2) 605,079
Bank interest, net	(2) 1,238
Other income	1,010
TOTAL INCOME	942,424
EXPENSES	
Management fees	(3) 713,106
Performance fees	(3) 117,715
Custodian bank fees	56,049
Domiciliation, administration and registrar and transfer agent fees	266,490
Audit fees, printing and publishing expenses	78,721
Directors fees	77,184
Subscription tax	(4) 31,077
Bank charges and correspondent fees	(8) 172,388
Bank interest	12,432
Other charges	(7) 25,654
TOTAL EXPENSES	1,550,816
NET PROFIT/(LOSS) FROM INVESTMENTS	(608,392)
Net realised profit/(loss) on sale of investments	(2) 2,578,953
Net realised profit/(loss) on sale of options	(2) (469,546)
Net realised profit/(loss) on futures contracts	(2) (212,392)
Net realised profit/(loss) on foreign exchange	(2) (68,575)
NET REALISED PROFIT/(LOSS)	1,220,048
Change in net unrealised appreciation/(depreciation) on investments	1,319,431
Change in net unrealised (depreciation) on options	(2) 984,095
Change in net unrealised appreciation/(depreciation) on futures contracts	(2) (48,465)
NET INCREASE/(DECREASE) IN NET ASSETS AS A RESULT OF OPERATIONS	3,475,109
EVOLUTION OF THE CAPITAL	
Subscriptions of shares	26,315,673
Redemption of shares	(20,167,041)
Currency Translation	(2) (57,669)
NET ASSETS AT THE END OF THE YEAR	63,850,037

The accompanying notes form an integral part of these financial statements.

MERCHBANC SICAV

Changes in the number of shares for the year ended September 30, 2016

	Merchbanc SICAV - Global in USD USD	Merchbanc SICAV - Cube EUR	Merchbanc SICAV - Mayolas EUR	Merchbanc SICAV - Merchrenta EUR	Merchbanc SICAV - Merch- Fontemar EUR	Merchbanc SICAV - Merch- Universal EUR
Registered Shares						
Number of shares outstanding at the beginning of the year	520,638.576	56,142.167	949,252.797	492,401.696	276,305.896	899,476.231
Number of shares issued	35,992.618	2,357.870	0.491	2,273,430.180	142,193.403	54,168.144
Number of shares redeemed	(138,898.049)	(379.196)	(555,165.384)	(959,134.437)	(130,723.119)	(921.544)
Number of shares outstanding at the end of the year	417,733.145	58,120.841	394,087.904	1,806,697.439	287,776.180	952,722.831

Statistics

	Merchbanc SICAV - Global in USD USD	Merchbanc SICAV - Cube EUR	Merchbanc SICAV - Mayolas EUR	Merchbanc SICAV - Merchrenta EUR	Merchbanc SICAV - Merch- Fontemar EUR	Merchbanc SICAV - Merch- Universal EUR
Total Net Asset Value						
September 30, 2016	6,907,753	10,185,470	3,804,935	18,227,338	2,844,076	9,533,663
September 30, 2015	7,933,970	8,045,180	9,442,316	4,829,553	2,727,172	8,804,783
September 30, 2014	8,553,113	8,026,057	9,554,818	-	-	-
NAV per share at the end of the year						
September 30, 2016	16.536	175.246	9.655	10.089	9.883	10.007
September 30, 2015	15.239	143.300	9.947	9.808	9.870	9.789
September 30, 2014	17.611	161.783	10.021	-	-	-

The accompanying notes form an integral part of these financial statements.

MERCHBANC SICAV

Changes in the number of shares (continued) for the year ended September 30, 2016

	Merchbanc SICAV - Merchfondo EUR	Merchbanc SICAV - Fixed Income in USD USD
Registered Shares		
Number of shares outstanding at the beginning of the year	1,054,954.064	679,465.094
Number of shares issued	101,437.461	72,783.460
Number of shares redeemed	(105,420.937)	(225,030.306)
Number of shares outstanding at the end of the year	1,050,970.588	527,218.248

Statistics (continued)

	Merchbanc SICAV - Merchfondo EUR	Merchbanc SICAV - Fixed Income in USD USD
Total Net Asset Value		
September 30, 2016	10,028,857	3,456,396
September 30, 2015	9,454,499	4,336,696
September 30, 2014	-	-
NAV per share at the end of the year		
September 30, 2016	9.542	6.556
September 30, 2015	8.962	6.383
September 30, 2014	-	-

The accompanying notes form an integral part of these financial statements.

MERCHBANC SICAV

Merchbanc SICAV - Global in USD

Statement of Investments as at September 30, 2016

(expressed in USD)

Description	Face Value	Currency	Cost	Market value	% net assets
Transferable securities and money market instruments listed on an official stock exchange listing or dealt in on another regulated market					
Shares					
France					
AIR LIQUIDE	500	EUR	53,608	53,614	0.78
AXA	3,000	EUR	60,085	63,832	0.92
			113,693	117,446	1.70
Germany					
ALLIANZ SE /NAM. VINKULIERT	130	EUR	18,633	19,292	0.28
			18,633	19,292	0.28
Israel					
CHECK POINT SOFTWARE TECHNO	1,500	USD	74,899	116,415	1.69
MELLANOX TECHNOLOGIES LTD	5,900	USD	230,541	255,175	3.69
			305,440	371,590	5.38
Japan					
CANON INC.	4,000	JPY	122,607	115,348	1.67
FANUC CORP — SHS	200	JPY	30,282	33,557	0.49
HONDA MOTOR CO. LTD	1,500	JPY	50,716	42,723	0.62
TOYOTA MOTOR CORP.	500	JPY	28,823	28,502	0.41
			232,428	220,130	3.19
Spain					
ACERINOX SA	13,960	EUR	155,828	184,664	2.67
BCO BILBAO VIZ. ARGENTARIA /NAM.	22,000	EUR	186,719	133,015	1.93
BCO POP ESP ISS. 13	100,000	EUR	358,059	123,686	1.79
			700,606	441,365	6.39
Switzerland					
CIE FINANCIERE RICHEMONT SA	1,100	CHF	64,990	67,030	0.97
GARMIN	2,800	USD	116,155	134,708	1.95
ROCHE HOLDING AG /GENUSSSCHEIN	210	CHF	55,858	52,095	0.75
			237,003	253,833	3.67
United States of America					
AKAMAI TECHNOLOGIES INC.	2,500	USD	103,202	132,475	1.92
APPLIED MATERIALS INC.	8,900	USD	170,041	268,335	3.88
ARISTA NETWORKS INC.	800	USD	49,922	68,064	0.99
BRISTOL MYERS SQUIBB CO.	1,500	USD	53,531	80,880	1.17
CITIGROUP INC.	4,000	USD	165,477	188,920	2.73
COACH INC.	5,400	USD	222,782	197,424	2.86
CORNING INC.	8,000	USD	126,969	189,200	2.74
CUMMINS INC	430	USD	41,689	55,105	0.80
FREEPOR MCMORA. COPPER & GOLD	20,800	USD	244,763	225,888	3.27
GILEAD SCIENCES INC.	5,000	USD	432,379	395,600	5.73
INCYTE CORP.	5,900	USD	439,932	556,311	8.05
INTUITIVE SURGICAL INC.	150	USD	75,133	108,724	1.57
JPMORGAN CHASE & CO.	2,000	USD	109,627	133,180	1.93
LULULEMON ATHLETICA INC.	4,000	USD	226,950	243,920	3.53
MERCK	1,500	USD	49,470	93,615	1.36

The accompanying notes form an integral part of these financial statements.

MERCHBANC SICAV

Merchbanc SICAV - Global in USD

Statement of Investments (continued) as at September 30, 2016

(expressed in USD)

Description	Face Value	Currency	Cost	Market value	% net assets
MORGAN STANLEY	2,000	USD	35,594	64,120	0.93
NETAPP INC.	3,700	USD	144,173	132,534	1.92
PORTOLA PHARMACEUTICALS INC.	24,800	USD	721,648	563,208	8.15
QUALCOMM INC.	4,500	USD	286,608	308,250	4.46
SPLUNK INC.	4,500	USD	245,024	264,060	3.82
TABLEAU SOFTWARE INC.	2,050	USD	120,286	113,303	1.64
TOLL BROTHERS	5,400	USD	169,828	161,244	2.33
TWITTER INC.	22,000	USD	611,477	507,100	7.34
WHOLE FOODS MARKET INC.	2,600	USD	91,085	73,710	1.07
			4,937,590	5,125,170	74.19
Total - Shares			6,545,393	6,548,826	94.80
Options					
United States of America					
CALL BANK OF AMERICA CORP 18/11/16 16	2,700	USD	97,600	124,200	1.80
CALL BANK OF AMERICA CORP 21/10/16 16	4,000	USD	163,025	116,000	1.68
CALL LULULEMON ATHLETICA INC 18/11/16 60	50	USD	16,610	14,700	0.21
			277,235	254,900	3.69
Total - Options			277,235	254,900	3.69
Total - Transferable securities and money market instruments listed on an official stock exchange listing or dealt in on another regulated market			6,822,628	6,803,726	98.49
TOTAL INVESTMENT PORTFOLIO			6,822,628	6,803,726	98.49

The accompanying notes form an integral part of these financial statements.

MERCHBANC SICAV

Merchbanc SICAV - Global in USD

Investment Breakdowns as at September 30, 2016

(expressed as a percentage of net assets)

Geographic breakdown	%	Economic breakdown	%
United States of America	77.88	Internet software	17.40
Spain	6.39	Biotechnology	13.78
Israel	5.38	Pharmaceuticals and cosmetics	13.00
Switzerland	3.67	Banks and financial institutions	11.86
Japan	3.19	News transmission	7.20
France	1.70	Textile	6.60
Germany	0.28	Holding and finance companies	6.59
	98.49	Electronic semiconductor	5.55
		Other services	3.69
		Precious metals	3.27
		Mines, heavy industries	2.67
		Office equipment, computers	1.92
		Insurance	1.20
		Retail	1.07
		Mechanics, machinery	0.80
		Chemicals	0.78
		Automobile industry	0.62
		Electronics and electrical equipment	0.49
			98.49

The accompanying notes form an integral part of these financial statements.

MERCHBANC SICAV

Merchbanc SICAV - Cube

Statement of Investments as at September 30, 2016

(expressed in EUR)

Description	Face Value	Currency	Cost	Market value	% net assets
Transferable securities and money market instruments listed on an official stock exchange listing or dealt in on another regulated market					
Shares					
Bermuda					
LAZARD LTD CL. A	5,500	USD	206,073	178,013	1.75
			206,073	178,013	1.75
British Virgin Islands					
MICHAEL KORS HOLDINGS LTD	5,000	USD	213,796	208,252	2.04
			213,796	208,252	2.04
Cayman Islands					
BAIDU INC. -A- /ADR	3,000	USD	252,463	486,211	4.77
			252,463	486,211	4.77
Curacao					
SCHLUMBERGER LTD	3,000	USD	220,571	210,005	2.06
			220,571	210,005	2.06
Israel					
CHECK POINT SOFTWARE TECHNO	5,000	USD	381,713	345,425	3.39
MELLANOX TECHNOLOGIES LTD	22,000	USD	892,630	846,982	8.32
			1,274,343	1,192,407	11.71
Netherlands					
MOBILEYE NV	4,000	USD	161,158	151,576	1.49
			161,158	151,576	1.49
Singapore					
BROADCOM LIMITED	1,500	USD	189,915	230,354	2.26
			189,915	230,354	2.26
Spain					
AMADEUS IT HOLDING SR. A	6,000	EUR	225,690	266,820	2.62
BCO BILBAO VIZ. ARGENTARIA /NAM.	10,329	EUR	94,524	55,591	0.55
			320,214	322,411	3.17
Switzerland					
GARMIN	2,000	USD	76,707	85,651	0.84
			76,707	85,651	0.84
United States of America					
AKAMAI TECHNOLOGIES INC.	6,000	USD	199,722	283,016	2.78
ALNYLAM PHARMACEUTICALS INC	1,500	USD	116,220	90,502	0.89
ALPHABET INC -C-	500	USD	234,157	345,954	3.40
AMERICAN EXPRESS CO.	3,000	USD	159,213	171,017	1.68
ARISTA NETWORKS INC.	4,000	USD	225,364	302,937	2.97
BANK OF AMERICA CORP.	30,000	USD	394,623	417,928	4.10
BLUEBIRD BIO INC	1,500	USD	87,680	90,502	0.89
BOFI HOLDING INC.	10,000	USD	199,555	199,395	1.96

The accompanying notes form an integral part of these financial statements.

MERCHBANC SICAV

Merchbanc SICAV - Cube

Statement of Investments (continued) as at September 30, 2016

(expressed in EUR)

Description	Face Value	Currency	Cost	Market value	% net assets
BOSTON SCIENTIFIC CORP.	15,000	USD	250,974	317,785	3.12
COACH INC.	8,500	USD	322,128	276,625	2.72
CORNING INC.	10,000	USD	125,666	210,522	2.07
EBAY INC.	6,000	USD	114,661	175,717	1.72
INCYTE CORP.	12,000	USD	365,078	1,007,192	9.89
KITE PHARMA INC	2,000	USD	101,898	99,448	0.98
LULULEMON ATHLETICA INC.	7,000	USD	341,941	379,972	3.73
PALO ALTO NETWORKS INC.	1,500	USD	211,134	212,743	2.09
PAYPAL HOLDINGS INC.	6,000	USD	162,420	218,818	2.15
PORTOLA PHARMACEUTICALS INC.	17,500	USD	550,234	353,770	3.47
PRICELINE COM INC.	150	USD	180,533	196,478	1.93
PUMA BIOTECH	2,000	USD	115,635	119,370	1.17
QUALCOMM INC.	4,000	USD	211,042	243,902	2.39
RED HAT INC.	2,000	USD	136,794	143,902	1.41
VMWARE INC.	4,000	USD	236,743	261,171	2.56
WHOLE FOODS MARKET INC.	5,000	USD	165,464	126,179	1.24
WILLIAMS-SONOMA INC	3,000	USD	173,984	136,406	1.34
			5,382,863	6,381,251	62.65
Total - Shares			8,298,103	9,446,131	92.74
Options					
United States of America					
CALL GILEAD SCIENCES INC. 21/10/16 75	600	USD	246,392	237,671	2.33
CALL GOLDMAN SACHS GROUP INC. 18/11/16 155	400	USD	376,251	348,941	3.43
CALL GOLDMAN SACHS GROUP INC. 21/10/16 163	100	USD	70,675	28,930	0.28
CALL MONSANTO CO 21/10/16 100	200	USD	147,194	43,617	0.43
PUT MONSANTO CO 21/10/16 100	200	USD	24,575	10,683	0.11
			865,087	669,842	6.58
Total - Options			865,087	669,842	6.58
Total - Transferable securities and money market instruments listed on an official stock exchange listing or dealt in on another regulated market			9,163,190	10,115,973	99.32
TOTAL INVESTMENT PORTFOLIO			9,163,190	10,115,973	99.32

The accompanying notes form an integral part of these financial statements.

MERCHBANC SICAV

Merchbanc SICAV - Cube

Investment Breakdowns as at September 30, 2016

(expressed as a percentage of net assets)

Geographic breakdown	%	Economic breakdown	%
United States of America	69.23	Internet software	27.92
Israel	11.71	Biotechnology	12.22
Cayman Islands	4.77	Pharmaceuticals and cosmetics	10.52
Spain	3.17	Banks and financial institutions	10.04
Singapore	2.26	Other services	8.32
Curacao	2.06	Holding and finance companies	6.70
British Virgin Islands	2.04	Textile	6.45
Bermuda	1.75	Retail	6.34
Netherlands	1.49	News transmission	4.46
Switzerland	0.84	Office equipment, computers	2.26
	99.32	Petrol	2.06
		Photography and optics	1.49
		Chemicals	0.54
			99.32

The accompanying notes form an integral part of these financial statements.

MERCHBANC SICAV

Merchbanc SICAV - Mayolas

Statement of Investments as at September 30, 2016

(expressed in EUR)

Description	Face Value	Currency	Cost	Market value	% net assets
Transferable securities and money market instruments listed on an official stock exchange listing or dealt in on another regulated market					
Bonds					
Germany					
GERMANY 0.50% 14-12.04.19	500,000	EUR	513,625	515,230	13.54
GERMANY 1% 14-22.02.19	200,000	EUR	207,720	208,196	5.47
			721,345	723,426	19.01
Spain					
SPAIN 2.1% 13-30.04.17	815,000	EUR	832,686	826,165	21.71
			832,686	826,165	21.71
United States of America					
USA 0.875% 12-31.01.17 TBO	950,000	USD	849,027	847,035	22.26
			849,027	847,035	22.26
Total - Bonds			2,403,058	2,396,626	62.98
Treasury Bills					
United States of America					
USA 0% 16-15.12.16 TB	150,000	USD	133,242	133,473	3.51
			133,242	133,473	3.51
Total - Treasury Bills			133,242	133,473	3.51
Shares					
Belgium					
THROMBOGENICS NV	31,711	EUR	372,055	91,962	2.42
			372,055	91,962	2.42
Spain					
GRUPO EZENTIS SA	644,550	EUR	615,378	367,394	9.65
QUABIT INMOBILIARIA SA /REIT	66,451	EUR	158,375	105,657	2.78
			773,753	473,051	12.43
Total - Shares			1,145,808	565,013	14.85
Total - Transferable securities and money market instruments listed on an official stock exchange listing or dealt in on another regulated market			3,682,108	3,095,112	81.34
TOTAL INVESTMENT PORTFOLIO			3,682,108	3,095,112	81.34

The accompanying notes form an integral part of these financial statements.

MERCHBANC SICAV

Merchbanc SICAV - Mayolas

Investment Breakdowns as at September 30, 2016

(expressed as a percentage of net assets)

Geographic breakdown	%	Economic breakdown	%
Spain	34.14	States, provinces and municipalities	66.49
United States of America	25.77	News transmission	9.65
Germany	19.01	Real estate companies	2.78
Belgium	2.42	Pharmaceuticals and cosmetics	2.42
	81.34		81.34

The accompanying notes form an integral part of these financial statements.

MERCHBANC SICAV

Merchbanc SICAV - Merchrenta

Statement of Investments as at September 30, 2016

(expressed in EUR)

Description	Face Value	Currency	Cost	Market value	% net assets
Transferable securities and money market instruments listed on an official stock exchange listing or dealt in on another regulated market					
Bonds					
Cayman Islands					
BBV INTL FIN. 7% 95-01.12.25	300,000	USD	304,253	301,589	1.66
CKH FIN 16 0.875% 16-03.10.24	750,000	EUR	744,082	744,247	4.08
			1,048,335	1,045,836	5.74
Colombia					
COLOMBIA RE 3.875% 16-22.03.26	200,000	EUR	226,800	226,358	1.24
			226,800	226,358	1.24
France					
AIR FRANCE 6.25% 15 -PERP	200,000	EUR	196,600	198,184	1.09
EDF 5% 14 -PERP	400,000	EUR	402,368	396,744	2.17
GROUPAMA 6.375% (FRN) 14 -PERP	500,000	EUR	459,610	461,315	2.53
TOTAL SA 3.369% 16 -PERP	200,000	EUR	200,000	200,000	1.10
			1,258,578	1,256,243	6.89
Germany					
ENBW 3.375% 16-05.04.77	500,000	EUR	496,995	497,765	2.73
RWE AG 3.5% 15-21.04.75	100,000	EUR	75,224	87,161	0.48
			572,219	584,926	3.21
Great Britain					
SANTANDER 1.125% 16-08.09.23	200,000	EUR	199,038	201,074	1.10
			199,038	201,074	1.10
Italy					
ITALY 2.7% 16-01.03.47 /BTP	1,000,000	EUR	1,105,600	1,099,650	6.03
			1,105,600	1,099,650	6.03
Luxembourg					
GESTAMP FDG 3.5% 16-31.12.23	500,000	EUR	515,800	515,500	2.83
TCOM IT CAP 7.2% 06-18.07.36	300,000	USD	271,420	284,933	1.56
			787,220	800,433	4.39
Mexico					
PEMEX 5.125% 16-15.03.23	200,000	EUR	202,942	223,094	1.23
			202,942	223,094	1.23
Netherlands					
ATRADIUS FI 5.25% 14-23.09.44	200,000	EUR	171,000	173,086	0.95
EDP FIN BV 1.125% 16-12.02.24	600,000	EUR	595,764	580,434	3.18
FIAT INVEST 3.75% 16-29.03.24	200,000	EUR	208,740	206,274	1.13
GRUPO ANTOL 4.75% 14-01.04.21	200,000	EUR	208,500	206,820	1.13
RABOBK 5.5% 15 -PERP	200,000	EUR	200,010	199,634	1.10
REPSM 4.5% 15-25.03.75	100,000	EUR	89,152	93,851	0.52

The accompanying notes form an integral part of these financial statements.

MERCHBANC SICAV

Merchbanc SICAV - Merchrenta

Statement of Investments (continued) as at September 30, 2016

(expressed in EUR)

Description	Face Value	Currency	Cost	Market value	% net assets
TELEFONICA 3.75% 16 -PERP	100,000	EUR	100,000	99,918	0.55
VW INTL FIN 4.625% 14 -PERP	300,000	EUR	308,625	306,195	1.68
			1,881,791	1,866,212	10.24
Spain					
AUDASA 4.75% 14-01.04.20	400,000	EUR	436,000	429,604	2.36
BANESTO 5.5% 04 -PERP.	880,000	EUR	879,817	878,618	4.82
BANESTO FRN 04 -PERP	100,000	EUR	62,500	51,600	0.28
BANKIA 4% 14-22.05.24	300,000	EUR	287,865	297,876	1.64
BANKINTER 6.375% 09-11.09.19	200,000	EUR	229,750	228,202	1.25
BCO POP ESP 8.255 11-14.10.21	350,000	EUR	353,500	350,175	1.92
BCO SAB 5.625% 16-06.05.26	300,000	EUR	300,000	313,887	1.72
CAIXABANK 5% 13-14.11.23	300,000	EUR	318,450	318,264	1.75
CAMPOFRIO FD 3.375% 15.03.22	300,000	EUR	308,691	308,649	1.69
CELLNEX TEL 2.375% 16-16.01.24	200,000	EUR	198,350	204,886	1.13
CELLNEX TEL 3.125% 15-27.07.22	100,000	EUR	101,450	108,123	0.59
CRITERIA CA 1.625% 15-21.04.22	300,000	EUR	307,110	304,665	1.67
FERIA MUESTRA. 6.04% 02-10.06.27	300,000	EUR	334,560	354,000	1.94
HIPERCOR 3.875% 15-19.01.22	200,000	EUR	210,700	211,642	1.16
IBERCAJA BC 5% 15-28.07.25	700,000	EUR	650,670	649,019	3.56
METROVACESA 2.375% 16-23.05.22	900,000	EUR	914,999	949,491	5.21
SANTANDER FIN. 5.75% 04 -PERP	500,000	EUR	500,233	502,585	2.76
SPAIN 4% 13-06.03.18	1,000,000	USD	943,192	922,411	5.06
			7,337,837	7,383,697	40.51
United States of America					
GEN ELEC 5% 16 -PERP /PREF	400,000	USD	383,024	378,633	2.08
GLAXOSMIT 2.8% 13-18.03.23	178,000	USD	169,662	166,291	0.91
			552,686	544,924	2.99
Total - Bonds			15,173,046	15,232,447	83.57
Convertible Bonds					
Spain					
LIBERBANK 7% 13-17.07.18 CV	118,000	EUR	113,913	69,521	0.38
			113,913	69,521	0.38
Total - Convertible Bonds			113,913	69,521	0.38
Treasury Bills					
Spain					
SPAIN 0% 16-16.06.17 TB	2,000,000	EUR	2,000,441	2,004,040	11.00
			2,000,441	2,004,040	11.00
Total - Treasury Bills			2,000,441	2,004,040	11.00
Total - Transferable securities and money market instruments listed on an official stock exchange listing or dealt in on another regulated market			17,287,400	17,306,008	94.95
TOTAL INVESTMENT PORTFOLIO			17,287,400	17,306,008	94.95

The accompanying notes form an integral part of these financial statements.

MERCHBANC SICAV

Merchbanc SICAV - Merchrenta

Investment Breakdowns as at September 30, 2016

(expressed as a percentage of net assets)

Geographic breakdown	%	Economic breakdown	%
Spain	51.89	States, provinces and municipalities	23.33
Netherlands	10.24	Holding and finance companies	23.28
France	6.89	Banks and financial institutions	18.04
Italy	6.03	Public services	5.38
Cayman Islands	5.74	Real estate companies	5.21
Luxembourg	4.39	Transportation	3.45
Germany	3.21	Insurance	2.53
United States of America	2.99	Petrol	2.33
Colombia	1.24	News transmission	2.27
Mexico	1.23	Automobile industry	2.26
Great Britain	1.10	Electronics and electrical equipment	2.08
	94.95	Miscellaneous	1.94
		Food and distilleries	1.69
		Consumer goods	1.16
			94.95

The accompanying notes form an integral part of these financial statements.

MERCHBANC SICAV

Merchbanc SICAV - Merch-Fontemar

Statement of Investments as at September 30, 2016

(expressed in EUR)

Description	Face Value	Currency	Cost	Market value	% net assets
Transferable securities and money market instruments listed on an official stock exchange listing or dealt in on another regulated market					
Bonds					
Canada					
BARRICK GOLD 6.95% 01.04.19	75,000	USD	74,771	74,461	2.62
			74,771	74,461	2.62
Great Britain					
TESCO 3.375% 11-02.11.18	100,000	EUR	105,300	105,774	3.72
			105,300	105,774	3.72
Netherlands					
REPSM 4.375% 12-20.02.18	100,000	EUR	104,000	105,827	3.72
			104,000	105,827	3.72
United States of America					
EMC 1.875% 13-01.06.18	100,000	USD	85,273	86,879	3.05
FREEMPORT MC 2.375% 13-15.03.18	160,000	USD	117,216	140,227	4.93
PHILLIPS 2.95% 12-01.05.17	100,000	USD	91,199	89,853	3.16
			293,688	316,959	11.14
Total - Bonds			577,759	603,021	21.20
Treasury Bills					
Spain					
SPAIN 0% 15-09.12.16 TB	250,000	EUR	250,150	250,275	8.80
SPAIN 0% 15-14.10.16 TB	200,000	EUR	200,180	200,026	7.03
SPAIN 0% 15-18.11.16 TB	200,000	EUR	200,340	200,148	7.04
SPAIN 0% 16-10.03.17 TB	120,000	EUR	120,178	120,179	4.23
SPAIN 0% 16-17.02.17 TB	200,000	EUR	200,280	200,268	7.04
SPAIN 0% 16-20.01.17 TB	200,000	EUR	200,280	200,236	7.04
			1,171,408	1,171,132	41.18
Total - Treasury Bills			1,171,408	1,171,132	41.18
Shares					
France					
AIR LIQUIDE	400	EUR	39,513	38,180	1.34
AXA	2,800	EUR	60,178	53,032	1.87
SANOFI-AVENTIS	300	EUR	24,355	20,292	0.71
TOTAL SA	750	EUR	33,335	31,627	1.11
			157,381	143,131	5.03
Germany					
ALLIANZ SE /NAM. VINKULIERT	410	EUR	60,076	54,161	1.91
			60,076	54,161	1.91

The accompanying notes form an integral part of these financial statements.

MERCHBANC SICAV

Merchbanc SICAV - Merch-Fontemar

Statement of Investments (continued) as at September 30, 2016

(expressed in EUR)

Description	Face Value	Currency	Cost	Market value	% net assets
Netherlands					
UNILEVER CERT. OF SHS	300	EUR	10,792	12,323	0.43
			10,792	12,323	0.43
Spain					
BCO BILBAO VIZ. ARGENTARIA /NAM.	3,306	EUR	25,628	17,793	0.63
			25,628	17,793	0.63
Switzerland					
CIE FINANCIERE RICHEMONT SA	470	CHF	35,183	25,494	0.89
NESTLE /ACT NOM	250	CHF	16,576	17,535	0.62
ROCHE HOLDING AG /GENUSSSCHEIN	85	CHF	20,819	18,770	0.66
			72,578	61,799	2.17
United States of America					
APPLE INC.	740	USD	71,036	74,468	2.62
BANK OF AMERICA CORP.	8,500	USD	118,881	118,413	4.16
GILEAD SCIENCES INC.	1,350	USD	123,376	95,079	3.34
MERCK	210	USD	11,152	11,666	0.41
QUALCOMM INC.	2,050	USD	114,522	125,000	4.40
SPLUNK INC.	1,040	USD	55,084	54,324	1.91
TWITTER INC.	1,400	USD	28,987	28,725	1.01
			523,038	507,675	17.85
Total - Shares			849,493	796,882	28.02
Total - Transferable securities and money market instruments listed on an official stock exchange listing or dealt in on another regulated market			2,598,660	2,571,035	90.40
TOTAL INVESTMENT PORTFOLIO			2,598,660	2,571,035	90.40

The accompanying notes form an integral part of these financial statements.

MERCHBANC SICAV

Merchbanc SICAV - Merch-Fontemar

Investment Breakdowns as at September 30, 2016

(expressed as a percentage of net assets)

Geographic breakdown	%	Economic breakdown	%
Spain	41.81	States, provinces and municipalities	41.18
United States of America	28.99	Precious metals	7.55
France	5.03	Office equipment, computers	5.67
Netherlands	4.15	Banks and financial institutions	4.79
Great Britain	3.72	Holding and finance companies	4.61
Canada	2.62	News transmission	4.40
Switzerland	2.17	Petrol	4.27
Germany	1.91	Insurance	3.78
	90.40	Retail	3.72
		Biotechnology	3.34
		Internet software	2.92
		Pharmaceuticals and cosmetics	1.78
		Chemicals	1.34
		Food and distilleries	1.05
			90.40

The accompanying notes form an integral part of these financial statements.

MERCHBANC SICAV

Merchbanc SICAV - Merch-Universal

Statement of Investments as at September 30, 2016

(expressed in EUR)

Description	Face Value	Currency	Cost	Market value	% net assets
Transferable securities and money market instruments listed on an official stock exchange listing or dealt in on another regulated market					
Bonds					
United States of America					
EMC 1.875% 13-01.06.18	325,000	USD	277,136	282,354	2.96
FREEPORT MC 2.375% 13-15.03.18	305,000	USD	217,153	267,308	2.80
			494,289	549,662	5.76
Great Britain					
TESCO 3.375% 11-02.11.18	290,000	EUR	306,240	306,745	3.22
			306,240	306,745	3.22
Total - Bonds			800,529	856,407	8.98
Treasury Bills					
Spain					
SPAIN 0% 15-09.12.16 TB	500,000	EUR	500,300	500,550	5.25
SPAIN 0% 15-18.11.16 TB	750,000	EUR	751,275	750,555	7.88
SPAIN 0% 16-20.01.17 TB	500,000	EUR	500,700	500,590	5.25
			1,752,275	1,751,695	18.38
Total - Treasury Bills			1,752,275	1,751,695	18.38
Shares					
France					
AIR LIQUIDE	1,460	EUR	141,616	139,357	1.46
AXA	14,264	EUR	288,027	270,160	2.83
SANOFI-AVENTIS	3,601	EUR	288,127	243,572	2.56
TOTAL SA	1,236	EUR	55,258	52,122	0.55
			773,028	705,211	7.40
Germany					
ALLIANZ SE /NAM. VINKULIERT	2,700	EUR	385,677	356,670	3.74
BMW-BAYER. MOTORENWERKE	495	EUR	47,688	37,031	0.39
			433,365	393,701	4.13
Israel					
MELLANOX TECHNOLOGIES LTD	3,050	USD	118,775	117,422	1.23
			118,775	117,422	1.23
Japan					
CANON INC.	3,200	JPY	94,647	82,142	0.86
			94,647	82,142	0.86
Spain					
BCO BILBAO VIZ. ARGENTARIA /NAM.	20,716	EUR	146,849	111,494	1.17

The accompanying notes form an integral part of these financial statements.

MERCHBANC SICAV

Merchbanc SICAV - Merch-Universal

Statement of Investments (continued) as at September 30, 2016

(expressed in EUR)

Description	Face Value	Currency	Cost	Market value	% net assets
BCO POP ESP ISS. 13	29,506	EUR	90,967	32,486	0.34
			237,816	143,980	1.51
Switzerland					
CIE FINANCIERE RICHEMONT SA	2,853	CHF	211,930	154,756	1.62
LINDT & SPRUENGLI /PARTIZ	24	CHF	115,775	123,476	1.30
NESTLE /ACT NOM	1,902	CHF	126,206	133,407	1.40
ROCHE HOLDING AG /GENUSSSCHEIN	1,189	CHF	293,783	262,556	2.75
			747,694	674,195	7.07
United States of America					
AKAMAI TECHNOLOGIES INC.	2,200	USD	93,765	103,773	1.09
ALPHABET INC -C-	140	USD	62,801	96,867	1.01
APPLE INC.	2,600	USD	246,004	261,643	2.74
BANK OF AMERICA CORP.	39,000	USD	526,312	543,306	5.70
BOSTON SCIENTIFIC CORP.	8,142	USD	103,192	172,494	1.81
CITIGROUP INC.	1,500	USD	46,857	63,063	0.66
COACH INC.	4,601	USD	134,621	149,735	1.57
FREEPORT MCMORA. COPPER & GOLD	12,300	USD	115,379	118,905	1.25
GILEAD SCIENCES INC.	2,867	USD	247,027	201,920	2.12
INCYTE CORP.	1,430	USD	81,272	120,024	1.26
INTUITIVE SURGICAL INC.	276	USD	124,841	178,078	1.87
LULULEMON ATHLETICA INC.	2,700	USD	136,018	146,560	1.54
MERCK	1,731	USD	91,882	96,165	1.01
NETAPP INC.	2,901	USD	92,970	92,499	0.97
PEPSICO INC.	1,141	USD	95,782	110,474	1.16
PORTOLA PHARMACEUTICALS INC.	5,500	USD	147,421	111,185	1.16
QUALCOMM INC.	6,000	USD	329,550	365,854	3.84
SPLUNK INC.	3,600	USD	181,052	188,043	1.97
TABLEAU SOFTWARE INC.	1,700	USD	63,442	83,638	0.88
TOLL BROTHERS	5,570	USD	162,670	148,051	1.55
TWITTER INC.	9,000	USD	249,131	184,663	1.94
			3,331,989	3,536,940	37.10
Total - Shares			5,737,314	5,653,591	59.30
Total - Transferable securities and money market instruments listed on an official stock exchange listing or dealt in on another regulated market			8,290,118	8,261,693	86.66
TOTAL INVESTMENT PORTFOLIO			8,290,118	8,261,693	86.66

The accompanying notes form an integral part of these financial statements.

MERCHBANC SICAV

Merchbanc SICAV - Merch-Universal

Investment Breakdowns as at September 30, 2016

(expressed as a percentage of net assets)

Geographic breakdown	%	Economic breakdown	%
United States of America	42.86	States, provinces and municipalities	18.38
Spain	19.89	Pharmaceuticals and cosmetics	11.16
France	7.40	Banks and financial institutions	7.87
Switzerland	7.07	Internet software	6.89
Germany	4.13	Office equipment, computers	6.67
Great Britain	3.22	Insurance	6.57
Israel	1.23	Precious metals	4.05
Japan	0.86	Food and distilleries	3.86
	86.66	News transmission	3.84
		Biotechnology	3.38
		Retail	3.22
		Holding and finance companies	3.17
		Textile	3.11
		Chemicals	1.46
		Other services	1.23
		Electronic semiconductor	0.86
		Petrol	0.55
		Automobile industry	0.39
			86.66

The accompanying notes form an integral part of these financial statements.

MERCHBANC SICAV

Merchbanc SICAV - Merchfondo

Statement of Investments as at September 30, 2016

(expressed in EUR)

Description	Face Value	Currency	Cost	Market value	% net assets
Transferable securities and money market instruments listed on an official stock exchange listing or dealt in on another regulated market					
Shares					
France					
AIR LIQUIDE	800	EUR	78,277	76,360	0.76
AXA	5,000	EUR	88,925	94,700	0.94
			167,202	171,060	1.70
Germany					
ALLIANZ SE /NAM. VINKULIERT	180	EUR	23,151	23,778	0.24
			23,151	23,778	0.24
Israel					
CHECK POINT SOFTWARE TECHNO	2,400	USD	160,883	165,804	1.65
MELLANOX TECHNOLOGIES LTD	9,500	USD	379,077	365,742	3.65
			539,960	531,546	5.30
Japan					
CANON INC.	5,200	JPY	143,102	133,481	1.33
FANUC CORP — SHS	300	JPY	39,869	44,806	0.45
HONDA MOTOR CO. LTD	1,600	JPY	42,878	40,566	0.40
TOYOTA MOTOR CORP.	800	JPY	42,029	40,594	0.40
			267,878	259,447	2.58
Spain					
ACERINOX SA	20,992	EUR	239,687	247,181	2.46
BCO BILBAO VIZ. ARGENTARIA /NAM.	35,000	EUR	281,393	188,370	1.88
BCO POP ESP ISS. 13	160,000	EUR	464,077	176,160	1.76
			985,157	611,711	6.10
Switzerland					
CIE FINANCIERE RICHEMONT SA	1,850	CHF	146,721	100,350	1.00
GARMIN	4,300	USD	158,878	184,149	1.84
ROCHE HOLDING AG /GENUSSSCHEIN	300	CHF	78,775	66,246	0.66
			384,374	350,745	3.50
United States of America					
AKAMAI TECHNOLOGIES INC.	4,000	USD	229,772	188,677	1.88
APPLIED MATERIALS INC.	14,300	USD	261,586	383,786	3.83
ARISTA NETWORKS INC.	1,280	USD	77,114	96,940	0.97
BRISTOL MYERS SQUIBB CO.	2,400	USD	137,296	115,193	1.15
CITIGROUP INC.	5,000	USD	211,162	210,210	2.10
COACH INC.	8,800	USD	301,123	286,388	2.86
CORNING INC.	12,800	USD	242,897	269,468	2.69
CUMMINS INC	650	USD	57,425	74,148	0.74
FREEMONT MCMORA. COPPER & GOLD	33,000	USD	311,214	319,014	3.18
GILEAD SCIENCES INC.	8,000	USD	682,207	563,432	5.62
INCYTE CORP.	9,500	USD	632,962	797,361	7.95
INTUITIVE SURGICAL INC.	230	USD	106,469	148,398	1.48

The accompanying notes form an integral part of these financial statements.

MERCHBANC SICAV

Merchbanc SICAV - Merchfondo

Statement of Investments (continued) as at September 30, 2016

(expressed in EUR)

Description	Face Value	Currency	Cost	Market value	% net assets
JPMORGAN CHASE & CO.	3,100	USD	174,642	183,754	1.83
LULULEMON ATHLETICA INC.	6,400	USD	362,541	347,403	3.46
MERCK	2,000	USD	106,866	111,109	1.11
MORGAN STANLEY	1,600	USD	47,628	45,661	0.45
NETAPP INC.	5,300	USD	177,150	168,992	1.68
PORTOLA PHARMACEUTICALS INC.	40,000	USD	1,055,847	808,617	8.06
QUALCOMM INC.	7,200	USD	432,988	439,024	4.38
SPLUNK INC.	7,100	USD	379,897	370,863	3.70
TABLEAU SOFTWARE INC.	3,200	USD	206,324	157,436	1.57
TOLL BROTHERS	8,800	USD	273,683	233,904	2.33
TWITTER INC.	36,000	USD	912,593	738,651	7.36
WHOLE FOODS MARKET INC.	4,000	USD	134,642	100,944	1.01
			7,516,028	7,159,373	71.39
Total - Shares			9,883,750	9,107,660	90.81
Options					
United States of America					
CALL BANK OF AMERICA CORP 18/11/16 16	4,300	USD	137,769	176,073	1.76
CALL BANK OF AMERICA CORP 21/10/16 16	6,500	USD	238,215	167,794	1.67
CALL LULULEMON ATHLETICA INC 18/11/16 60	80	USD	23,220	20,936	0.21
			399,204	364,803	3.64
Total - Options			399,204	364,803	3.64
Total - Transferable securities and money market instruments listed on an official stock exchange listing or dealt in on another regulated market			10,282,954	9,472,463	94.45
TOTAL INVESTMENT PORTFOLIO			10,282,954	9,472,463	94.45

The accompanying notes form an integral part of these financial statements.

MERCHBANC SICAV

Merchbanc SICAV - Merchfondo

Investment Breakdowns as at September 30, 2016

(expressed as a percentage of net assets)

Geographic breakdown	%	Economic breakdown	%
United States of America	75.03	Internet software	17.13
Spain	6.10	Biotechnology	13.57
Israel	5.30	Pharmaceuticals and cosmetics	12.46
Switzerland	3.50	Banks and financial institutions	11.00
Japan	2.58	News transmission	7.07
France	1.70	Textile	6.53
Germany	0.24	Holding and finance companies	6.02
	94.45	Electronic semiconductor	5.16
		Other services	3.65
		Precious metals	3.18
		Mines, heavy industries	2.46
		Office equipment, computers	1.68
		Insurance	1.18
		Retail	1.01
		Chemicals	0.76
		Mechanics, machinery	0.74
		Electronics and electrical equipment	0.45
		Automobile industry	0.40
			94.45

The accompanying notes form an integral part of these financial statements.

MERCHBANC SICAV

Merchbanc SICAV - Fixed Income in USD

Statement of Investments as at September 30, 2016

(expressed in USD)

Description	Face Value	Currency	Cost	Market value	% net assets
Transferable securities and money market instruments listed on an official stock exchange listing or dealt in on another regulated market					
Bonds					
Canada					
BARRICK GOLD 6.95% 01.04.19	110,000	USD	122,994	122,686	3.55
			122,994	122,686	3.55
United States of America					
AM EX 6.15% 07-28.08.17	130,000	USD	138,853	135,485	3.92
BECTON DICK 1.8% 14-15.12.17	180,000	USD	180,901	180,857	5.23
CORNING 1.5% 15-08.05.18	200,000	USD	197,100	199,660	5.78
EMC 1.875% 13-01.06.18	160,000	USD	149,029	156,158	4.52
FREEMPORT MC 2.375% 13-15.03.18	220,000	USD	186,095	216,605	6.27
GILEAD SC 3.05% 11-01.12.16	128,000	USD	130,239	128,410	3.71
MER LY 6.875% 08-25.04.18	160,000	USD	175,780	172,488	4.99
PHILLIPS 2.95% 12-01.05.17	120,000	USD	121,800	121,129	3.50
TOLL 4% 13-31.12.18	175,000	USD	182,788	181,129	5.24
USA 0.5% 15-28.02.17 /TBO	200,000	USD	199,875	200,070	5.79
USA 0.5% 15-31.01.17 /TBO	200,000	USD	199,656	200,086	5.79
			1,862,116	1,892,077	54.74
Total - Bonds			1,985,110	2,014,763	58.29
Convertible Bonds					
United States of America					
TWITTER 1% 14-15.09.21 /CV	200,000	USD	181,000	189,500	5.48
			181,000	189,500	5.48
Total - Convertible Bonds			181,000	189,500	5.48
Treasury Bills					
United States of America					
USA 0% 16-22.06.17 TB	200,000	USD	199,350	199,309	5.77
USA 0% 16-25.05.17 TB	300,000	USD	298,985	299,132	8.65
USA 0% 16-27.04.17 TB	200,000	USD	199,317	199,491	5.77
USA 0% 16-30.03.17 TB	350,000	USD	348,635	349,256	10.11
			1,046,287	1,047,188	30.30
Total - Treasury Bills			1,046,287	1,047,188	30.30
Total - Transferable securities and money market instruments listed on an official stock exchange listing or dealt in on another regulated market			3,212,397	3,251,451	94.07
TOTAL INVESTMENT PORTFOLIO			3,212,397	3,251,451	94.07

The accompanying notes form an integral part of these financial statements.

MERCHBANC SICAV

Merchbanc SICAV - Fixed Income in USD

Investment Breakdowns as at September 30, 2016

(expressed as a percentage of net assets)

Geographic breakdown	%	Economic breakdown	%
United States of America	90.52	States, provinces and municipalities	41.88
Canada	3.55	Precious metals	9.82
	94.07	Banks and financial institutions	8.91
		News transmission	5.78
		Internet software	5.48
		Holding and finance companies	5.24
		Pharmaceuticals and cosmetics	5.23
		Office equipment, computers	4.52
		Biotechnology	3.71
		Petrol	3.50
			94.07

The accompanying notes form an integral part of these financial statements.

MERCHBANC SICAV

Notes to the financial statements as at September 30, 2016

NOTE 1 - GENERAL

MERCHBANC SICAV (the “Company”) is an open-ended investment Company with variable capital, incorporated in the Grand Duchy of Luxembourg as a “société anonyme” pursuant to the law of August 10, 1915 as amended and qualifies as a “Société d’Investissement à Capital Variable” (“SICAV”) pursuant to part I of the Law of December 17, 2010 relating to undertakings for collective investment as amended.

On July 1, 2016 the Company appointed BIL Manage Invest S.A. as Management Company.

The Company was incorporated in Luxembourg on July 14, 1995 for an unlimited period, with an initial capital of USD 45,000. The latest amendments to the Articles of Incorporation of the Company were made on July 9, 2015. The restated Articles of Incorporation were published in the “Mémorial, Recueil des Sociétés et Associations” of Luxembourg. The Company is registered with the “Registre de Commerce et des Sociétés”, Luxembourg, under number B-51646.

The capital of the Company is represented by Shares of no par value and shall at any time be equal to the total net assets of the Company.

The Articles of Incorporation of the Company are on file with the “Registre de Commerce et des Sociétés” of Luxembourg, where they may be consulted and where copies may be obtained upon payment of the Registrar’s costs.

The financial year (“Financial Year”) of the Company starts on the first day of October in each year and ends on the last day of September of the following year.

As of September 30, 2016, the Company had eight active sub-funds:

- Merchbanc SICAV - Global in USD (expressed in USD)
- Merchbanc SICAV - Cube (expressed in EUR)
- Merchbanc SICAV - Mayolas (expressed in EUR)
- Merchbanc SICAV - Merchrenta (expressed in EUR)
- Merchbanc SICAV - Merch-Fontemar (expressed in EUR)
- Merchbanc SICAV - Merch-Universal (expressed in EUR)
- Merchbanc SICAV - Merchfondo (expressed in EUR)
- Merchbanc SICAV - Fixed Income in USD (expressed in USD)

The Articles of Incorporation of the Company allow the Board of Directors of the Company to create additional sub-funds.

The Company’s objective is to provide subscribers with a variety of sub-funds investing in a wide range of transferable securities and money market instruments on a worldwide basis and featuring a diverse array of investment objectives, including capital growth and income, while retaining the administrative advantages of one single corporate entity.

Shareholders may convert shares of any sub-fund into shares of any other existing sub-fund in accordance with the conditions set out in the prospectus.

MERCHBANC SICAV

Notes to the financial statements as at September 30, 2016 (continued)

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Company are presented in accordance with Luxembourg rules and regulatory requirements relating to Undertakings for Collective Investment. They are presented in accordance with accounting policies generally accepted in Luxembourg.

a) Valuation of investment securities

1 - The value of securities, money market instruments and/or financial derivative instruments which are quoted or dealt in on any stock exchange or dealt in on another regulated market shall be in respect of each security, the last known price, and if such securities are dealt in on several markets, on the basis of the latest known price on the stock exchange which is normally the principle market for such security.

The prices used for the valuation are the one as at September 30, 2016 for all sub-funds except for the sub-fund Merchbanc SICAV - Merchrenta for which the prices used for the valuation are the last available one at the date of calculation of the Net Asset Value (prices as at September 29, 2016).

2 - In the event that any of the securities held in any portfolio on the relevant valuation day are not quoted or dealt in on a stock exchange or another regulated market or, for any of the securities, no price quotation is available, or if the price as determined pursuant to above paragraph 1) is not in the opinion of the Board of Directors of the Company representative of the fair market value of the relevant securities, the value of such securities is determined based on the reasonably foreseeable sales price determined prudently and in good faith by the Board of Directors of the Company.

b) Income

Dividends are accounted for on the ex-dividend date. Interest income is recorded on an accrual basis. Discounts on zero coupon bonds are accounted as adjustments to interest income.

c) Net realised profit / (loss) on sale of investments

The net realised profit / (loss) on sale of investments is calculated on the basis of the average cost of the securities sold.

d) Foreign exchange translation of each sub-fund

The total columns of the combined statement of net assets and of the combined statement of operations and changes in net assets are the sum of the financial statements of each sub-fund and are expressed in EUR. Bank accounts, other net assets and market value of the investment portfolio expressed in currencies other than EUR are translated into EUR at applicable exchange rates at September 30, 2016.

Income and expenses in currencies other than EUR are translated into EUR at exchange rates prevailing at the transaction date.

Exchange rates used as at September 30, 2016:

1 EUR = 1.467825 AUD

1 EUR = 1.091383 CHF

1 EUR = 0.866788 GBP

1 EUR = 113.890274 JPY

1 EUR = 1.123400 USD

e) Currency translation

Opening net assets are maintained at the closing rate of the previous year. Exchange differences arising in aggregate are included in the combined statement of operations and changes in net assets for the year under "currency translation".

f) Cost of investment securities of each sub-fund

Cost of investment securities expressed in currencies other than the sub-fund's currency is translated into the sub-fund's currency at the exchange rate applicable at the purchase date.

g) Valuation of futures

The valuation of futures admitted to an official listing or any other organised market is based on the last known price. Futures that are not listed or traded on a stock exchange or any other organised market are valued at their probable market value estimated conservatively and in good faith by the Board of Directors of the Company. The futures contracts open as at September 30, 2016 are detailed in note 6.

The margin calls are disclosed under "Margin payable to broker" in the Combined Statement of Net Assets.

MERCHBANC SICAV

Notes to the financial statements as at September 30, 2016 (continued)

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Net realised and changes in net unrealised appreciation/(depreciation) are recorded in the combined statement of operations and changes in net assets.

h) Valuation of options

Valuation of options traded on a regulated market are valued at the last bid price on the valuation date. Net realised and changes in net unrealised appreciation/(depreciation) are recorded in the combined statement of operations and changes in net assets. The options are disclosed in the Statement of Investments.

NOTE 3 - MANAGEMENT, PERFORMANCE AND MANAGEMENT COMPANY FEES

As remuneration for its services, the Investment Manager receives from the Company a monthly fee at the following annual rates applicable on the average net assets of each sub-fund :

- 1.50% for Merchbanc SICAV - Global in USD
- 0.90% for Merchbanc SICAV - Cube
- 0.45% for Merchbanc SICAV - Mayolas
- 0.90% for Merchbanc SICAV - Merchrenta
- 1.50% for Merchbanc SICAV - Merch-Fontemar
- 1.50% for Merchbanc SICAV - Merch-Universal
- 1.35% for Merchbanc SICAV - Merchfondo
- 0.50% for Merchbanc SICAV - Fixed Income in USD

The Company also pays to the Investment Manager an additional performance fee at the following percentages on the increase in the total net assets of the concerned sub-funds calculated over a 12 month-period corresponding in practice to the financial year:

- Maximum 10% for Merchbanc SICAV - Global in USD
- No performance fee for Merchbanc SICAV - Cube
- Maximum 10% for Merchbanc SICAV - Mayolas
- No performance fee for Merchbanc SICAV - Merchrenta
- No performance fee for Merchbanc SICAV - Merch-Fontemar
- No performance fee for Merchbanc SICAV - Merch-Universal
- Maximum 9% for Merchbanc SICAV - Merchfondo
- No performance fee for Merchbanc SICAV - Fixed Income in USD

This calculation, in respect of the sub-funds, is based on the total net asset figures before deduction of the accrued performance fee and is adjusted for any proceeds received on subscriptions and/or for any amount paid on redemptions.

The performance fee is calculated at the end of each financial year (last day of September) and is payable yearly at the beginning of the subsequent financial year.

The performance will be measured independently of the positive or negative performance of the previous financial year, any negative performance for a financial year will not carry over into the following years.

In consideration for its Management Company Services, the Management Company is entitled since July 1, 2016 to receive out of the assets of each sub-fund an annual fee for an amount of up to 0.09% of the aggregate Net Asset Value of the sub-funds.

Irrespective of the sub-fund's net asset value, the Management Company is entitled since July 1, 2016 to an annual minimum fee amounting to EUR 60,000 the first year as from July 1, 2016 and after the first year amounting to EUR 65,000 for the eight existing sub-funds and an additional EUR 10,000 for each additional sub-fund launched afterwards.

MERCHBANC SICAV

Notes to the financial statements as at September 30, 2016 (continued)

NOTE 4 - SUBSCRIPTION TAX

Under current law and practice, the Company is not liable to any Luxembourg income tax, nor are dividends paid by the Company liable to any Luxembourg withholding tax. The Company is, however, liable in Luxembourg to a tax of 0.05% per annum of its net assets, such tax being payable quarterly and calculated on the basis of the net assets of all its sub-funds at the end of the relevant quarter.

No subscription tax is payable on the assets held by the Company in other UCITS already subject to that tax in Luxembourg.

NOTE 5 - TAXES AND EXPENSES PAYABLE

	Merchbanc SICAV - Global in USD	Merchbanc SICAV - Cube	Merchbanc SICAV - Mayolas	Merchbanc SICAV - Merchrenta	Merchbanc SICAV - Merch- Fontemar	Merchbanc SICAV - Merch- Universal
	USD	EUR	EUR	EUR	EUR	EUR
Subscription tax (Note 4)	852	1,281	477	2,279	354	1,188
Custodian bank fees, domiciliation, administration and registrar and transfer agent fees	3,008	2,440	1,921	5,664	2,831	2,370
Audit fees, printing and publication expenses	8,012	11,437	6,980	16,893	3,548	10,679
	11,872	15,158	9,378	24,836	6,733	14,237

	Merchbanc SICAV - Merchfondo	Merchbanc SICAV - Fixed Income in USD
	EUR	USD
Subscription tax (Note 4)	1,237	432
Custodian bank fees, domiciliation, administration and registrar and transfer agent fees	4,940	3,459
Audit fees, printing and publication expenses	10,697	4,428
	16,874	8,319

NOTE 6 - FUTURES CONTRACTS

As at September 30, 2016, the counterparty for the outstanding futures contracts is Altura Markets, S.V., S.A.

As at September 30, 2016, the Company has the following outstanding futures contracts:

Quantity	Description	Maturity date	Commitment in EUR	Net unrealised gain / (loss)
Merchbanc SICAV - Mayolas				
(2)	EUR/CHF SPOT CROSS	19/12/2016	(249,592)	1,111 EUR
(2)	EUR/USD SPOT -CROSS RATES	19/12/2016	(250,956)	(545) EUR
(18)	EURO STOXX 50 PR	16/12/2016	(538,920)	(7,560) EUR
			(1,039,468)	(6,994) EUR

MERCHBANC SICAV

Notes to the financial statements as at September 30, 2016 (continued)

NOTE 6 - FUTURES CONTRACTS (continued)

Quantity	Description		Maturity date	Commitment in EUR	Net unrealised gain / (loss)
Merchbanc SICAV - Merchrenta					
13	EUR/USD SPOT -CROSS RATES	PURCHASE	19/12/2016	1,629,925	(145) EUR
(9)	EURO BUND	SALE	08/12/2016	(1,002,924)	(12,760) EUR
(6)	EURO-BUXL-FUTURES	SALE	08/12/2016	(1,022,304)	240 EUR
(3)	SPAIN 4.65% 10-30.7.25	SALE	08/12/2016	(399,084)	(450) EUR
				(794,387)	(13,115) EUR

Quantity	Description		Maturity date	Commitment in EUR	Net unrealised gain / (loss)
Merchbanc SICAV - Merch-Fontemar					
7	EUR/USD SPOT -CROSS RATES	PURCHASE	19/12/2016	878,349	1,869 EUR
(1)	EURO BUND	SALE	08/12/2016	(111,436)	(930) EUR
				866,913	939 EUR

Quantity	Description		Maturity date	Commitment in EUR	Net unrealised gain / (loss)
Merchbanc SICAV - Merch-Universal					
5	EUR/CHF SPOT CROSS	PURCHASE	19/12/2016	623,979	(2,835) EUR
31	EUR/USD SPOT -CROSS RATES	PURCHASE	19/12/2016	3,889,832	8,279 EUR
				4,513,811	5,444 EUR

Quantity	Description		Maturity date	Commitment in EUR	Net unrealised gain
Merchbanc SICAV - Merchfondo					
30	EUR/USD SPOT -CROSS RATES	PURCHASE	19/12/2016	3,764,354	8,011 EUR
				3,764,354	8,011 EUR

Quantity	Description		Maturity date	Commitment in EUR	Net unrealised (loss)
Merchbanc SICAV - Fixed Income in USD					
(3)	10Y TREASURY NOTES USA	SALE	20/12/2016	(393,375)	(2,109) USD
				(393,375)	(2,109) USD

MERCHBANC SICAV

Notes to the financial statements as at September 30, 2016 (continued)

NOTE 7 - OTHER CHARGES

	Merchbanc SICAV - Global in USD	Merchbanc SICAV - Cube	Merchbanc SICAV - Mayolas	Merchbanc SICAV - Merchrenta	Merchbanc SICAV - Merch- Fontemar	Merchbanc SICAV - Merch- Universal
	USD	EUR	EUR	EUR	EUR	EUR
CSSF fees	1,280	1,789	1,903	2,141	651	1,817
Insurance fees	713	1,029	389	1,564	321	942
Other	237	19	51	48	35	19
Legal fees	650	1,009	429	1,788	94	931
	2,880	3,846	2,772	5,541	1,101	3,709

	Merchbanc SICAV - Merchfondo	Merchbanc SICAV - Fixed Income in USD
	EUR	USD
CSSF fees	1,759	834
Insurance fees	912	398
Other	31	23
Legal fees	969	1,499
	3,671	2,754

NOTE 8 - TRANSACTION FEES

For the year ended September 30, 2016, the following sub-funds of the Company incurred transaction costs relating to purchase or sale of transferable securities, money market instruments, derivatives or other eligible assets as follows:

- Merchbanc SICAV - Global in USD	5,461 USD
- Merchbanc SICAV - Cube	5,886 EUR
- Merchbanc SICAV - Mayolas	2,103 EUR
- Merchbanc SICAV - Merchrenta	0 EUR
- Merchbanc SICAV - Merch-Fontemar	724 EUR
- Merchbanc SICAV - Merch-Universal	1,625 EUR
- Merchbanc SICAV - Merchfondo	6,356 EUR
- Merchbanc SICAV - Fixed Income in USD	878 USD

These transaction costs are composed of brokerage costs and are included in cost of securities.

For bonds, transaction costs are included in the spread.

The transaction amounts included under the heading "Bank charges and correspondent fees" in the "Statement of Operations and Changes in Net Assets" are composed of contractual transaction fees and are not included in the table above.

NOTE 9 - GLOBAL EXPOSURE

The Board of Directors of the Company has chosen to adopt the commitment approach as the method for determining global exposure.

However, where the use of financial derivative instruments such as purchase of options, does not generate incremental exposure for the sub-fund, the underlying exposure need not be included in the commitment calculation, and thus when assessing the issuer-concentration risk the global exposure will be calculated using the maximum potential loss as a result of default by the issuer.

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Notes to the financial statements as at September 30, 2016 (continued)

NOTE 9 - GLOBAL EXPOSURE (continued)

European Directive 2014/91/EU amending Directive 2009/65/EC on undertakings for collective investment in transferable securities, which is applicable to the fund, came into force on March 18, 2016. It is implemented in national law under the Luxembourg Act of May 10, 2016 implementing Directive 2014/91/EU. Due to these new regulations, the fund is required to publish information relating to the remuneration of identified employees within the meaning of the Act in the annual report. The management company will have such remuneration-related information by the time of the next annual financial statement, so that this information will be included in the fund's next annual report. It is expected that the management company's remuneration policy will be available on the website <http://www.bilmanageinvest.lu> by September 2017.

NOTE 10 - SUBSEQUENT EVENTS

Following the receipt of a total redemption request representing 100% of the total net assets under management of the Merchbanc SICAV - Mayolas sub-fund, the Board of Directors of the Company has decided the closure of the Merchbanc SICAV - Mayolas sub-fund with effect as of January 10, 2017.