1st Quarter Letter to Investors
03/31/2020
MAGALLANES VALUE INVESTORS, S.A. SGIIC

"And it came to pass in the six hundredth and first year, in the first month, the first day of the month, the waters were dried up from off the earth: and Noah removed the covering of the ark, and looked, and, behold, the face of the ground was dry."

Genesis 8:13

"They presented him the words: 'And this, too, shall pass.' How much it expresses! How chastening in the hour of pride! How consoling in the depths of affliction! "And this, too, shall pass."

Abraham Lincoln, speech
to the Wisconsin State
Agricultural Society (1859)

Magallanes Value Investors, S.A. SGIIC / C.I.F. A87130167 / N.º de la CNMV: 239 C/ Lagasca, 88 4º, 28001 Madrid

Dear Investor,

Performance for the first quarter of 2020 has been -34.6% for the Iberian fund, -31.8% for the European fund and -32.4% for the Microcaps fund.

Given the extraordinary events we are currently going through due to the rapid spread of Covid-19, our greatest wish from Magallanes is that our investors, as well as their families and friends, are in good health. We also would like to send our best wishes to those who have fallen ill and we wish them a speedy recovery.

We also want to thank the efforts of the health workers and all those who are fighting this pandemic with their work and we applaud the solidarity that society is showing.

Over the past few weeks and as a result of the worsening situation, we have compiled a large amount of information as a result of our high volume of communications with our investors and the companies in our portfolios.

Below, in a Q&A format, we discuss the most important aspects of how Covid-19 could affect the current state of affairs, the foreseeable impact on the economy, the impact on Magallanes' portfolios, on capital flows, as well as on our daily operations.

How has the situation in general developed since Magallanes' last statement?

Since our previous statement on March 11, unfortunately the situation has worsened significantly.

Most of the global economy is experiencing an unprecedented economic paralysis, in fact 64% of the world's GDP is under some form of lockdown according to *Oxford Economics*. The shock has been worse than the one experienced in the financial crisis of 2008 in terms of speed and severity. In just a few weeks, stock markets have fallen close to -40% and credit spreads have risen to 2008 levels.

The impact on the economy seems to have been equally devastating, with some investment banks already publishing their estimates. Goldman Sachs has just lowered its estimate of US GDP to fall by -9% for the first quarter and -34% for the second quarter in annualized terms. Even the US Treasury Secretary Steve Mnuchin has warned of the possibility of the unemployment rate skyrocketing to 20%. And for Spain, the American bank foresees a historical contraction of -9.7% in 2020.

In a recent conversation with the Bank of Spain, they informed us that for the moment, they have made the decision to stop publishing GDP estimates in the short term, just as the Bank of France and the US Federal Reserve have done so.

The previous data is undoubtedly alarming, although it is also fair to say that the general consensus among investment banks, as well as the Bank of Spain itself is that we could see a rapid and strong recovery of activity towards the end of the year and by 2021, possibly V-shaped. Additionally, the same investment bank estimates growth of +5.5% for the US for 2021, and +8.5% for Spain.

In our many conversations with companies, they convey to us that never before have they seen such a situation. In some cases, firms have seen absolutely no revenue. The common thread coming from practically every company is, "we don't know the impact it will have on our accounts" and "this (unknown) impact will depend on the duration of the current crisis, which we also don't know."

The unprecedented monetary and fiscal measures taken in the US last week, consisting of the Federal Reserve's virtually unlimited purchase of assets, making it the de facto "lender of last resort", and approval by Congress of an aid package of up to 2 trillion dollars have served as a respite for the downward spiral.

In Europe, the ECB launched an emergency plan of 750,000 million euros to combat the effects of the pandemic. On Thursday 9th of April after several failed attempts, EU finance ministers finally agreed on a €540 billion package to support member States, companies and workers in the coronavirus crisis, after The Netherlands and Italy overcame their differences[1]. Spain, one of the hardest hit countries by the pandemic together with Italy, announced an aid plan to mobilize about 20% of national GDP on March 17th.

There is no doubt that in the very short term all of the above measures represent an immediate firebreak to the aforementioned downward spiral. However, it leaves important questions open for the future: greater fiscal pressure, greater government debt, greater public intervention in the running of businesses and financial markets. It remains to be seen how all this will play out.

How have the values of the companies in the portfolios been affected and what is the impact on funds?

Before we take a look at the impact of the coronavirus on our companies, it is important to remember that our analysis is based on our own estimates and forecasts, from the evolution of businesses in the future and their financial results. These estimates are exposed to risk factors and circumstances that could affect the companies' incomes, cash flow and balance sheets in such a way that they may not turn out to be accurate. This analysis is based on a scenario of gradual recovery to levels prior to the current crisis.

Therefore, what we explain below is valid today but it may not be so valid for the following month as a consequence of the speed at which events are taking place.

[1] https://www.consilium.europa.eu/en/press/press-releases/2020/04/09/report-on-the-comprehensive-economic-policy-response-to-the-covid-19-pandemic/

Another very important observation to take into account is the distinction between the impact on the income statements that the current situation may have this year compared to the effect on the intrinsic value of companies in the long term. For example, and for purely illustrative purposes, the fact that Inditex may lose half of its sales this year does not mean that its value as a company is automatically 50% lower.

The market has become a real-time thermometer of the negative situation of the moment in which we live, to the point of almost perfect synchronicity between the number of new daily infections and stock market declines. We look at our portfolios and we see that the market has severely punished our companies, with falls of over -50% in some cases, when the possible real effect could affect the results of the next quarter, perhaps a year, but not for an entire lifetime.

The fundamental value of a business is the present value of its cash flows from today until Judgement Day. The reduction or temporary absence of profits in the short term (one quarter or one year) should not significantly alter the fundamental value of the business.

Faced with price drops of -10% in a single day for some stocks, it is difficult for us to believe that the fundamental value of such businesses falls in the same proportion. We are convinced that this is not the case. Rather, it shows panicked sellers willing to sell shares below their true fundamental value.

It is worth rereading the words of Graham in the face an investor’s emotions, who overcome by indiscriminate falls in the market, "would be better off if his stocks had no market quotation at all, for he would then be spared the mental anguish caused by other persons’ mistakes of judgment."

In fact, while the price of our shares has fallen by around -30%, their intrinsic value has hardly changed significantly.

Keeping in mind the caveats and observations about the estimates we made at the beginning, we have carried out an analysis of the potential impact of both Covid-19 and the oil price war on the values of our portfolios.

We have grouped our investments into three categories depending on the anticipated impact:

1) Neutral or positive impact: Companies with minimal impact, no impact or even a positive impact in some cases. On average, the change in the theoretical value of these businesses is 0%. This estimate is conservative as there are companies with a positive effect that we nevertheless prefer not to include in the calculation. It is important to remember that just because they do not have an appreciable impact on value does not mean that they do not have a more or less notable impact on their income statements this year; in fact, most will.

2) Moderate or indeterminate impact: Companies that show a profit drop in the current year, generally with two lost quarters, and progressive recovery until reaching the previous level of earnings between the third and fourth year. The average impact on the fundamental value is around 10%.

3) High Impact: Companies that see practically all the current year's profit disappear, slowly recovering to previous levels between the fifth and sixth year. On average, we calculate a reduction in permanent value of around 20%.

Magallanes European Equity

70% of the European portfolio is in the neutral/positive category, 20% in the moderate category and 10% in high. The weighted average impact results in a downward revision of the theoretical value of the fund of -4%, which means that at the end of March, its upside potential is around +140%

In terms of valuation, the portfolio is trading at 4.5x EV/EBITDA, 0.9x book value and 5.2% dividend yield.

Neutral/positive impact:

Dräger, one of the top positions in the fund, is a clear beneficiary of the current situation. As a world leader in the manufacture of ventilators, **Dräger** has seen its orders in this business area multiply by three compared to previous years.

Euronav, the undisputed benchmark in the oil tanker sector, is a beneficiary of the current anomalous situation of extremely low oil prices and of production increases in Saudi Arabia. This has triggered the demand for VLCC ships to transport oil for land-stockage, and for floating storage purposes as well, sharply increasing the daily rates charged for renting an oil tanker.

On top of the aforementioned companies among others, we can add **Carrefour**, **Savencia** and **Nokia** to this section.

Moderate impact:

Among other companies in the moderate impact group, we find **ArcelorMittal.** Although it is true that the demand for steel will drop significantly in the year, the company is in a very healthy financial situation, with the ability to generate cash flow in an even worse scenario than the current one. Additionally, activity is expected to return in the not too distant future, with a more than foreseeable rapid recovery in previous world steel volumes once restrictions are lifted.

Moller-Maersk, linked to world trade through its container shipping business, will obviously be impacted in the short term by the general paralysis of the world economy. Nevertheless, its robust balance sheet, its ability to generate cash flow, its position of market dominance, together with the return of activity sooner or later will enable it to gradually recover to levels of activity similar to those seen before the current crisis erupted.

Companies like **Metro AG** and **Porsche AG** also fall into this category.

High impact:

AkerBP has been doubly affected by Covid-19 and the oil price war and as such is a clear example of a firm that is has been highly impacted by the current situation. In a matter of weeks, the stock fell from 300NOK to 100NOK; a clear reflection of the drop in the price of crude oil, from $60 in February to $25 at the end of March. The company's rapid adjustment in production expenses from $10 to $7 per barrel, the reduction of exploration and investment expenses by 20% respectively and the very advantageous Norwegian tax treatment means its cash break-even (a level at which they do not need to borrow to continue operating) is $25 per barrel. After incorporating these adjustments into our valuation model, and valuing the long-term price of oil at $55, our target price stands at 300NOK, against a historical purchase cost for our portfolio of 139NOK.

The current crisis is also having a significant impact on the oil drilling companies **Drilling Company of 1972** and **Shelf Drilling**, as well as the car manufacturer **Renault**.

Magallanes Iberian Equity

70% of the Iberian portfolio falls into the neutral/positive category, with 19% in the moderate category and 11% in high. The weighted average impact results in a downward revision of the theoretical value of the fund of -4.2%, which means that, at the end of March, its upside potential is around +136%.

In terms of valuation, the portfolio is trading at 6x EV/EBITDA, 1.2x book value and 6% dividend yield.

Neutral/positive Impact:

The integrated paper manufacturer **Iberpapel**, with a weight of 4%, is a company considered an essential activity by government decree, which allows it to continue operating. We confirmed this in our conversation with the management team that this is at obviously lower volumes than usual, but positively stable prices. We understand that at least in terms of ‘special paper’ (paper for bags, packaging, labels ...) it can even be benefitted. Along with the formidable net cash position of close to half of its market capitalization, it is one of the companies that will pass through the current crisis with little impact on its fundamental value, or it could possibly even strengthen.

Companies such as **Faes Farma**, **FCC**, **Sonae** and **Miquel y Costas**, among others, also come under this section.

Moderate impact:

The **Navigator** paper division of the Portuguese company **SEMAPA** should be able to endure in a similar fashion to **Iberpapel**, however its cement division could well suffer in the short and medium term due to lower consumption as a result of the ceasing of construction and infrastructure activities. However, the combined effect of both businesses has a marginally negative effect, just 10%.

In addition, companies such as **Lingotes Especiales** and **Metrovacesa** are also in this category.

High impact:

The Covid-19 crisis is undoubtedly having a high impact on **Meliá Hotels** within the Iberian portfolio. The current situation of lack of revenue makes management of the company very difficult. The tourism sector is possibly the most affected in this crisis, including airlines, cruises, hotels and travel agencies. Despite the negativity of the current situation, in our conversation with the company we were given some hopeful news: the management team's reaction has been immediate implementing a 50% reduction in the salary of the central services staff with the management team at the head, the immediate elimination of variable costs such as advertising, representation, etc. The property value of its assets is 3.5 billion euros, compared to a current capitalization of less than 900 million. And most importantly, unlike what happened in 2009, the company today has a much more healthy and robust debt situation. Moreover, the fact that the company is controlled and managed by a family gives us peace of mind. However, all of the above does not mean that the impact, at least this year and possible beyond, is very negative until it recovers pre-crisis levels, which is why we classify **Meliá** as a high-impact company.

Along with **Meliá**, **Repsol** and **Gestamp** are the other companies in this category.

Magallanes Microcaps Europe

75% of the Microcaps portfolio falls into the neutral/positive category, with 18% in the moderate category and 7% in high. The weighted average impact results in a downward revision of the fund's theoretical value of -3.3%, which means that, at the end of March, its upside potential could be around +150%.

Regarding valuation, the portfolio is trading at 4.5x EV/EBITDA, 0.8x book value and 5% dividend yield.

Neutral/positive impact:

Italian Wine Brands, the leading producer and distributor of wine in Italy, with a 4.5% weight in the portfolio, is a company whose impact ranges from neutral to slightly positive. As it's a company within the food and drink sector, its activity has remained open during the closure of other businesses. In addition to distributing its products online, it does so above all to supermarkets and other establishments selling directly to the public, whose activity these days is at its highest. Its low-debt financial situation and its high cash generation makes us very optimistic to have a company like this in the portfolio in the current complex situation.

Companies such as **Banca Sistema, KRKA** or **Sol SpA**, among others, would also fall into this category.

Moderate impact:

KSB is an industry leader in the manufacture of hydraulic pumps and valves worldwide. It is affected partly due to its exposure to oil, specifically the energy division, although its solid balance sheet and its high upside make the revision of valuation not hugely significant.

In addition, companies like **Ferronordic** or **FNM** also fall into this category.

High impact:

IPCO is one of the most affected companies in the Microcaps fund. Following the collapse of the oil price in recent weeks, the company has acted rapidly and announced for 2020 a capex cut of $85m and $40m to $105m in exploration expenses depending on production levels and oil price. **IPCO** has decided to stop production in areas that do not have positive cash generation in the current situation. This will allow the company to maximize financial flexibility and protect its balance sheet in the current low-oil-price situation. After adjusting our model for a long-term oil price of $55, the target price is currently at 37SEK, an upside of over +150%.

On The Beach Group and **Safestyle** complete the companies whose valuations have been the most affected within the Microcaps fund.

Having seen the impact on funds, what happens if the current situation continues longer than expected?

If confronted with a situation of greater deterioration, the remaining factor is the degree of survival of the companies; something that is determined by their financial situation. Those companies capable of surviving a worsening of the current and negative environment will be the winners when the situation returns to normal.

In this sense, we have carried out an exhaustive analysis of the robustness of the balance sheets of our portfolios, taking into account various metrics that we understand fully include the degree of leverage: the debt to EBITDA ratio, the percentage of debt over total assets and finally, the coverage in years of financial expenses for operating profit or EBIT.

In relation to the above, it could be the case that we stop buying certain companies due to a high deterioration of their leverage, with the low valuation level that these companies could reach being irrelevant.

In summary, our funds have low debt ratios, both in terms of EBITDA multiples and in the ratio of debt to total assets as well as the wide coverage of financial expenses which could reach several years without the need for refinancing.

For the European fund, the data is as follows: 1.5x Net Debt/EBITDA, 18% Net Debt/total assets and 6.7 years of interest coverage.

For the Iberian fund, 1.4x Net Debt/EBITDA, 18% Net Debt/total assets and 9.8 years of interest coverage.

And finally, in the Microcaps fund, 0.8x Net Debt/EBITDA, 11% Net Debt/total assets and 8.8 years of interest coverage.

Are you seeing any opportunities in such a depressed market?

Yes, we are seeing opportunities. Companies that we have been following for some time and whose price has finally dropped enough. Specifically, in Europe we have started building a position in a leading German chemical company in their respective business areas, in an excellent financial situation and valuation multiples of less than 4x EBITDA in a depressed earnings environment. Our upside potential is to multiply by almost 3x. There are also other companies that we are evaluating entering in the other Funds. However, the most important part of the high activity experienced in the past few weeks in the portfolios has been carried out specifically within the positions of the funds themselves, where we have weighted those values that have been most unfairly punished in our opinion. We have also partially trimmed positions with better stock market performance.

If the situation has worsened, why not sell now, or wait to buy when the situation calms down?

There is no clear answer to that question. I refer to what Sir John Templeton once said, "The moment of maximum pessimism, is the best moment to buy". I would add that it is impossible to know where the bottom of the market is, but it is not so difficult to know when one buys far, very far, below market highs, and that generally works.

I would add that now, more than ever, one should remember the "investor paradox", assuming that the investor is a rational person whose job it is to invest. Sometimes he falls into the contradiction of not doing it because they never find the right moment. When the market is calm it is very common to hear people say, “I shouldn’t buy now, I’d better wait for a correction", but when that correction comes, the same investors defend themselves saying ,”well, I still shouldn’t buy now, the situation is complicated, I will wait for things to clear up and then I'll buy.” The result is that money is never invested.

Experience tells us that selling in the worst moments of the market is when investment errors materialize. It also tells us that time is on our side; large capital losses can be recovered in average periods of seven years, as we saw in our description of the 'Anatomy of the Stock Exchange' in previous communications.

Are you seeing significant outflows in the funds?

The answer is no. The quality of a fund management company like Magallanes is measured by the quality of its investors, and they have proven to be faithful to our investment philosophy since our launch more than five years ago. In a complex environment such as the one we are currently experiencing, it is especially worth noting that throughout the month of March, Magallanes recorded net inflows of money for an amount of around 4 million euros.

Furthermore, I would like to underline the unprecedented insider activity by the Magallanes staff and management team, with an aggregate investment rate that would qualify as the highest in the history of the company after the initial capital contributed in its foundation in late 2014.

How is the current lockdown situation affecting the daily functioning of Magallanes?

Our work is classed as part of Financial Services which is categorized as essential in the latest decree approved by the Spanish government. At Magallanes we continue to operate without incident, guaranteeing operations in the funds' portfolios and with clients with complete normality, through the entire workforce working from home using secure online operations. Our analysis, as detailed throughout the letter, remains at its highest level, with a large number of daily conference and video calls, as well as calls among the different members of the company's management team.

Thank you

In a highly complex and unprecedented time, we want to thank our investors for their understanding. The entire team remains at your disposal for any information or management regarding your investments, balances, operations and any other suggestions or doubts that you may have.

We are convinced that as impossible or difficult as it may seem right now, this situation will pass.

Yours sincerely,

Iván Martín Aránguez, CFA
Investment Director

ANNEX. RETURNS BY FUND AND CLASS as of 03/31/2020

MAGALLANES IBERIAN EQUITY, FI

FUND	NAV	1 MONTH	3 MONTHS	6 MONTHS	12 MONTHS	2020	2019	2018	2017	2016	2015 [1]	SINCE INCEPTION	INVESTMENT LEVEL
Magallanes Iberian Equity FI "M"	93,3413	**-24,77%**	**-34,70%**	**-31,44%**	**-35,52%**	**-34,70%**	**6,02%**	**-9,22%**	**15,45%**	**15,48%**	**8,04%**	**-9,48%**	97,2%
Iberian benchmark		-20,61%	-27,29%	-24,03%	-23,06%	**-27,29%**	15,38%	-11,59%	12,13%	0,52%	-5,73%	-21,00%	
Magallanes Iberian Equity FI "P"	95,7777	**-24,74%**	**-34,62%**	**-31,27%**	**-35,20%**	**-34,62%**	**6,55%**	**-8,76%**	**16,03%**	**16,09%**	**6,32%**	**-8,97%**	97,2%
Iberian benchmark		-20,61%	-27,29%	-24,03%	-23,06%	**-27,29%**	15,38%	-11,59%	12,13%	0,52%	-11,27%	-25,81%	
Magallanes Iberian Equity FI "E"	99,5849	**-24,69%**	**-34,50%**	**-31,01%**	**-34,71%**	**-34,50%**	**7,35%**	**-8,07%**	**16,91%**	**16,91%**	**12,72%**	**-0,42%**	97,2%
Iberian benchmark		-20,61%	-27,29%	-24,03%	-23,06%	**-27,29%**	15,38%	-11,59%	12,13%	0,52%	2,57%	-13,80%	

[1] *Class M 29/01/2015; Class P 26/02/2015; Class E 09/01/2015. Returns net of fees. Iberian benchmark: 80% Ibex35 Net TR + 20% PSI20 Net TR.*

MAGALLANES VALUE INVESTORS UCITS IBERIAN EQUITY – LUXEMBURGO

FUND	NAV	1 MONTH	3 MONTHS	6 MONTHS	12 MONTHS	2020	2019	2018	2017	2016 [1]	2015	SINCE INCEPTION	INVESTMENT LEVEL
Magallanes Iberian Equity Lux "R"	83,2809	**-24,66%**	**-34,71%**	**-31,56%**	**-35,74%**	**-34,71%**	**5,68%**	**-9,61%**	**14,79%**	**16,33%**	**-**	**-16,72%**	98,8%
Iberian benchmark		-20,61%	-27,29%	-24,03%	-23,06%	**-27,29%**	15,38%	-11,59%	12,13%	0,52%	-	-17,28%	
Magallanes Iberian Equity Lux "I"	85,1838	**-24,63%**	**-34,63%**	**-31,39%**	**-35,42%**	**-34,63%**	**6,21%**	**-9,14%**	**15,42%**	**16,99%**	**-**	**-14,82%**	98,8%
Iberian benchmark		-20,61%	-27,29%	-24,03%	-23,06%	**-27,29%**	15,38%	-11,59%	12,13%	0,52%	-	-17,28%	

[1] *Class R 31/12/2015; Class I 31/12/2015. Returns net of fees. Iberian benchmark: 80% Ibex35 Net TR + 20% PSI20 Net TR.*

MAGALLANES EUROPEAN EQUITY, FI

FUND	NAV	1 MONTH	3 MONTHS	6 MONTHS	12 MONTHS	2020	2019	2018	2017	2016	2015 [1]	SINCE INCEPTION	INVESTMENT LEVEL
Magallanes European Equity FI "M"	93,0388	**-19,12%**	**-31,85%**	**-27,28%**	**-27,12%**	**-31,85%**	**21,48%**	**-19,19%**	**19,52%**	**12,89%**	**3,47%**	**-6,59%**	97,4%
European benchmark		-14,35%	-22,59%	-18,17%	-13,53%	**-22,59%**	26,05%	-10,57%	10,24%	2,58%	0,42%	-0,91%	
Magallanes European Equity FI "P"	95,4997	**-19,08%**	**-31,76%**	**-27,10%**	**-26,75%**	**-31,76%**	**22,09%**	**-18,78%**	**20,12%**	**13,45%**	**4,23%**	**-3,89%**	97,4%
European benchmark		-14,35%	-22,59%	-18,17%	-13,53%	**-22,59%**	26,05%	-10,57%	10,24%	2,58%	0,43%	-0,90%	
Magallanes European Equity FI "E"	99,2819	**-19,03%**	**-31,64%**	**-26,83%**	**-26,20%**	**-31,64%**	**23,01%**	**-18,17%**	**21,02%**	**14,31%**	**4,29%**	**-0,72%**	97,4%
European benchmark		-14,35%	-22,59%	-18,17%	-13,53%	**-22,59%**	26,05%	-10,57%	10,24%	2,58%	9,77%	8,32%	

[1] *Class M 27/01/2015; Class P 29/01/2015; Class E 09/01/2015. Returns net of fees. European benchmark: MSCI Europe Net TR.*

MAGALLANES VALUE INVESTORS UCITS EUROPEAN EQUITY – LUXEMBURGO

FUND	NAV	1 MONTH	3 MONTHS	6 MONTHS	12 MONTHS	2020	2019	2018	2017	2016 [1]	2015	SINCE INCEPTION	INVESTMENT LEVEL
Magallanes European Equity Lux "R"	87,7525	**-19,30%**	**-31,99%**	**-27,52%**	**-27,58%**	**-31,99%**	**20,89%**	**-19,43%**	**19,11%**	**18,30%**	**-**	**-6,65%**	98,0%
European benchmark		-14,35%	-22,59%	-18,17%	-13,53%	**-22,59%**	26,05%	-10,57%	10,24%	9,39%	-	5,23%	
Magallanes European Equity Lux "I"	89,7116	**-19,27%**	**-31,90%**	**-27,34%**	**-27,21%**	**-31,90%**	**21,50%**	**-19,00%**	**19,76%**	**27,76%**	**-**	**2,54%**	98,0%
European benchmark		-14,35%	-22,59%	-18,17%	-13,53%	**-22,59%**	26,05%	-10,57%	10,24%	19,66%	-	15,11%	
Magallanes European Equity Lux "P"	91,0273	**-19,24%**	**-31,84%**	**-27,20%**	**-26,93%**	**-31,84%**	**21,96%**	**-18,70%**	**20,16%**	**12,08%**	**-**	**-8,97%**	98,0%
European benchmark		-14,35%	-22,59%	-18,17%	-13,53%	**-22,59%**	26,05%	-10,57%	10,24%	2,58%	-	-1,32%	
Magallanes European Equity Lux "ING"	65,3500	**-16,92%**	**-28,87%**	**-27,31%**	**-25,24%**	**-28,87%**	**14,72%**	**-19,91%**	**-**	**-**	**-**	**-34,65%**	98,0%
European benchmark		-14,35%	-22,59%	-18,17%	-13,53%	**-22,59%**	26,05%	-10,57%	-	-	-	-14,67%	

[1] *Class R 29/01/2016; Class I 12/02/2016; Class P 31/12/2015; Class ING 17/01/2018. Returns net of fees. European benchmark: MSCI Europe Net TR.*

MAGALLANES MICROCAPS EUROPE, FI

FUND	NAV	1 MONTH	3 MONTHS	6 MONTHS	12 MONTHS	2020	2019	2018	2017 [1]	2016	2015	SINCE INCEPTION	INVESTMENT LEVEL
Magallanes Microcaps Europe, FI "B"	65,5209	**-23,25%**	**-32,42%**	**-25,87%**	**-30,32%**	**-32,42%**	**10,59%**	**-21,98%**	**12,37%**	**-**	**-**	**-34,48%**	91,1%
European benchmark		-21,64%	-28,38%	-19,25%	-19,12%	**-28,38%**	22,39%	-13,38%	8,14%	-	-	-17,89%	
Magallanes Microcaps Europe, FI "C"	64,8494	**-23,28%**	**-32,53%**	**-26,18%**	**-30,69%**	**-32,53%**	**10,10%**	**-22,18%**	**7,81%**	**-**	**-**	**-37,67%**	91,1%
European benchmark		-21,64%	-28,38%	-19,25%	-19,12%	**-28,38%**	22,39%	-13,38%	7,22%	-	-	-18,60%	

[1] *Class B 17/03/2017; Class C 31/03/2017. Returns net of fees. European benchmark: MSCI Europe Micro Cap Net Total Return.*