

REPORT ON COMPLIANCE WITH THE CODE OF CONDUCT FOR TEMPORARY INVESTMENTS

The governing bodies of the Association approved, in their meetings held on October 20, 2019, the current Code of Conduct for Temporary Investments, in order to comply and adapt to the needs of the Association the Agreement of the Board of the Spanish Stock Market Commission dated February 20, 2019, that approved the Code of Conduct for Temporary Investments in financial markets by non-profit organizations.

According to the new Code of Conduct, the Board of Directors prepared this annual report on the degree of compliance with the principles and recommendations contained in the Code of Conduct and in the regulations in force. This Report was submitted, together with the Annual Accounts, to the General Assembly held on March 24, 2021, which approved the Report. The Report will also be made available to members and the general public, and will be published on the Association's website.

Evolution of the portfolio during 2020

The portfolio performed well in 2020, continuing the progressive recovery from the losses incurred in 2017-2018. The performance has been enhanced by the conservative approach in the management of the portfolio, that has been maintained during 2020, with some minor adjustments.

Year 2020 saw a generalized increase in the volatility of financial assets. The exercise was totally conditioned by the development of the pandemic and for the partial or total slowing of the economic activity worldwide.

By March the portfolio had registered a loss close to 10%. In the following months, the implementation of economic stimulus programs by Central Banks through the purchase of assets, and the relative improvement in the evolution of the pandemic, led to the expectation of a quick recovery of the markets.

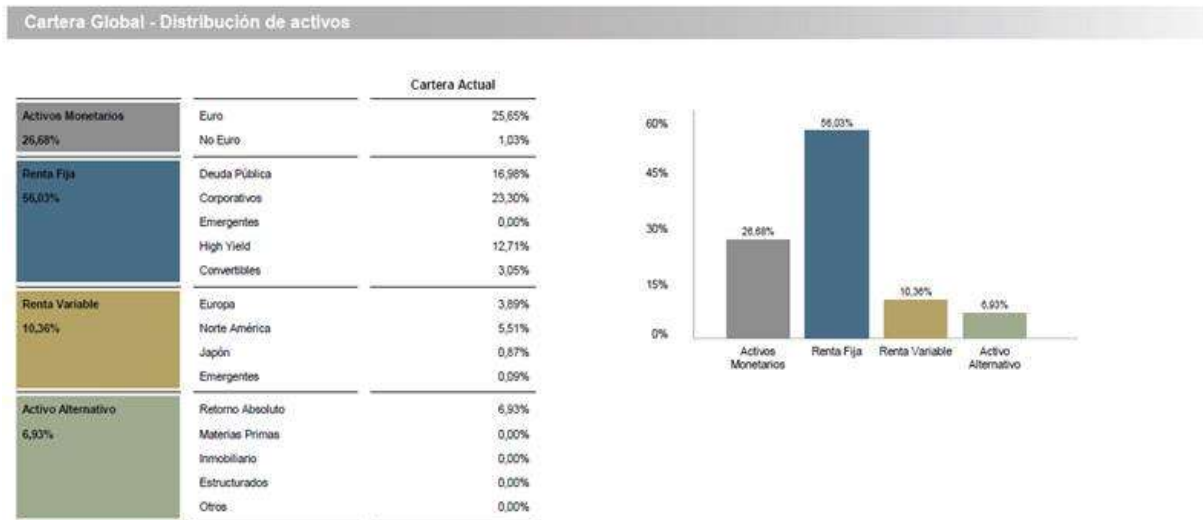
In this context, the portfolio quickly recovered from the losses, a trend that extended until the end of the year. In this way, the existing portfolio at the end of the year registered a global gain of 2.23%.

During 2020 the portfolio was partially restructured, concluding the process of disinvestment in the fund that was responsible for most of the cumulated losses. The policy of adding funds within the recommended kind, in terms of volatility and expected return, has been maintained.

Composition of the portfolio as of December 31, 2020

NAME OF THE FUND	INITIAL INVESTMENT	REASONABLE VALUE AS OF 31-12-20
HEND GRM UK ABS RET R EU	100,000.00	100,455.61
CAIXABANK CRECIMIENTO, FI CLASE Plus	300,000.00	298,108.08
PICTET MULTI ASSET GLB	200,000.00	207,672.68
INVESTEC GLOBAL MULTI A	100,000.00	102,065.32
ROBECO SAM EURO SDG	100,000.00	101,970.69
CAIXABANK ESTRATEGIA FLEXIBLE	293,000.00	302,635.64
JUPITER GLB CONV "L" (EUR)	146,499.98	160,387.32
ROBECO ALL STRATEGY EURO BONDS	177,194.28	176,846.12

The breakdown of the portfolio by type of asset was as follows:



Activos monetarios = Monetary Assets; Renta Fija = Bonds; Renta Variable = Equity; Activos Alternativos = Other Assets

At the end of the year equity investments represented 10.36 % of the portfolio, with a predominance of USA equity as compared with European shares.

The volatility at the end of 2020 stood at 3.42%, within the limit required by the Code of Conduct, that establishes that “The investments shall have at any given time a maximum SRRR of 3 on a scale to 7 for the whole portfolio”. A 3 level SRRR corresponds to a volatility between 2% and 5%.

The requirement of maintaining a “maximum SRRR of 4 for each of the investment funds that constitute the portfolio” was also fulfilled. The SRRR for the different funds were the following:

	ISIN	SRRI
HEND GRM UK ABS RET R EU	LU0490786174	4/7
CAIXABANK CRECIMIENTO, FI CLASE Plus	ES0164540033	4/7
PICTET MULTI ASSET GLB	LU0941349192	3/7
INVESTEC GLOBAL MULTI A	LU1570387610	4/7
ROBECO SAM EURO SDG	LU0503372608	4/7
CAIXABANK ESTRATEGIA FLEXIBLE	ES0137656007	4/7
JUPITER GLB CONV "L" (EUR)	LU0522255313	4/7
ROBECO ALL STRATEGY EURO BONDS	LU0085135894	3/7

Conclusions

Taking into account the organization's risk profile, the portfolio has had a positive performance that has allowed to offset a significant part of the losses accumulated until 2018, although the global balance since the beginning of the current investment policy is still negative.

The divestment in the fund that was responsible for most of the cumulated losses, as well as the sale of another fund for technical reasons, led to a negative impact in the 2020 Profit and Loss Account, for an amount of 34,654 euros. On the other hand, as of December 31, 2020, the unrealized gains of the existing portfolio were 33,447 euros.

Therefore, with the positive outcome of an improvement in the historical performance of the investment strategy, the organisation complied with the Code of Conduct during 2020.