



REPORT ON COMPLIANCE WITH THE CODE OF CONDUCT FOR TEMPORARY INVESTMENTS

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

According to the 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 the regulations in force. The Report was submitted and approved, together with the Annual Accounts, by the April 3, 2024 General Assembly. The Report will be made available to Members and the general public, and will be published on the Association's website.

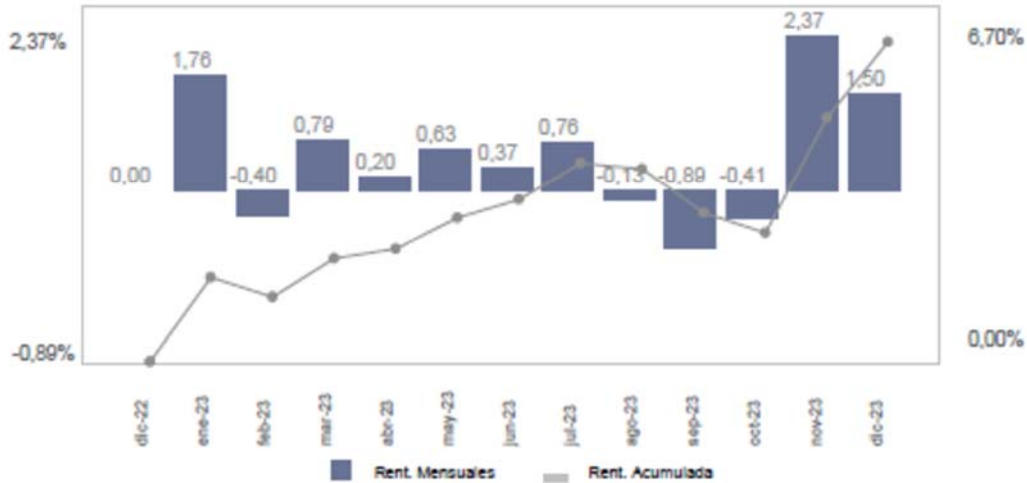
Evolution of the portfolio during 2022

Club de Madrid maintained during 2023 the portfolio created in February 2022 for an amount of 1,300,000 euros in two managed portfolios operated by Caixabank (*Cartera Master Tranquilidad* and *Cartera Master Patrimonio*) and in a fund investing in floating rate notes. The portfolio has a conservative approach with total exposure to stock markets of just below 20%.

Throughout 2023, the market behaved very erratically. January and February, along with November and December, emerged as the most positive months, with a decline observed from August to October. In late October/early November, the yield curve began to fall, leading to significant increases in the fixed income assets that were already part of the portfolio. Expectations of interest rate cuts in the US increased following positive inflation data. In Europe, both inflation figures and weak PMI data supported the notion that there was no need for further interest rate hikes, favouring the strong performance of fixed income assets. In this context the fixed income portfolio, that maintains long positions in European duration and active exposure to the duration, performed very positively.

Total return of the portfolio in 2023 has been 6.7% with the evolution shown in the graph below:

>> Rentabilidad de la cartera en el año 2023 (%)



The evolution of each component of the portfolio has been linked to the respective % of investment in stock markets:

Posición									
Producto	Fecha	Divisa	Efectivo Divisa	Efectivo EUR	Porcentaje Posición	Revaloriz. Divisa	Rentab. 12 meses	Rentab. año en curso	Rentab. anualizada
Fondos de Inversión									
F Dws Floating Rate Not Lo (eur)	31/12/2023	EUR	207.310,64	207.310,64	15,85%	0,00%	4,40%	4,40%	4,40%
Total Fondos de Inversión				207.310,64	15,85%		4,46%	4,46%	4,46%
Carteras									
Cartera Master Patrimonio	31/12/2023	EUR	504.922,73	504.922,73	38,61%	0,00%	9,22%	9,22%	9,22%
Cartera Master Tranquilidad	31/12/2023	EUR	595.581,73	595.581,73	45,54%	0,00%	5,43%	5,43%	5,43%
Total Carteras				1.100.504,46	84,15%		7,13%	7,13%	7,13%
Total				1.307.815,10	100,00%		6,70%	6,70%	6,70%

The DWS floating rate notes fund is characterized by its strong performance during periods of rising interest rates. This is attributed to the fact that it updates the coupons it collects every 3, 6, or 12 months, allowing it to swiftly benefit from the improvement in yield. It has delivered a return of 4.46%.

Meanwhile, the Master Tranquilidad portfolio yielded a return of 5.43% in 2023. This portfolio typically maintains exposure to equity investments at 15%, and while fixed income portfolio had an average duration of maturities of approximately 1.8 years during 2023. Over the past few months, there has been an extension of durations in the fixed income portfolio, currently standing at 2.82 years. This is particularly advantageous as it mitigates the risk of reinvestment at maturity, especially during a period when interest rates have reached their peak. We maintain long positions in European duration and maintain active exposure to US duration. In the equity markets, positive momentum has persisted, with contributions across all geographical regions in our portfolio. Particularly noteworthy is the performance of European funds, such as CaixaBank Master Renta Variable Europa, FI, and CaixaBank Master Renta Variable España, FI.

Finally, the Master Patrimonio Portfolio yielded a return of 9.22%, thanks to investments in equities, which constituted approximately 45% of the portfolio. Equity investment has been carried out in sectors that have done well such as consumer goods, technology and financial products. The duration of the fixed income portfolio is shorter than that of the Master Tranquilidad portfolio. However, in this case, the positioning in duration has also been supported



in both European and American fixed income, taking advantage of the expected slowdown in inflation, which makes further rate hikes less likely.

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

	ISIN	SRRI
DWS FLOATING RATE NOTES LC	LU0034353002	2/7
Master Tranquilidad	N/A	3/7
Master Patrimonio	N/A	4/7

Composition of the portfolio as of December 31, 2023

NAME OF THE FUND/MANAGED PORTFOLIO	INITIAL INVESTMENT	REASONABLE VALUE AS OF 31-12-23
FUND DWS FLOATING RATE	200,000	207,310.64
PORTFOLIO MÁSTER TRANQUILIDAD	582,000 (1)	595,581.55
PORTFOLIO MÁSTER PATRIMONIO	485,000 (1)	504,922.55

(1) discounting the 3% incentive to investment

Conclusions and perspectives

As expected, during 2023 the portfolio recovered the accumulated losses from 2022, with an increase in value of 82,123 euros.

As already explained, the current portfolio focuses on two delegated portfolios, one with low risk and another with moderate risk, complemented by a floating rate notes fund. The combined exposure to equity investments is 20%. Looking ahead to 2024, the analysis of the context and economic forecasts indicate that the interest rate hike has achieved its intended goal of slowing down the economy and reducing inflation. A "soft landing" for the economy is expected. Given this scenario, we are exploring with CaixaBank the possibility of a tactical reduction in the weight of equities and the construction of a fixed income portfolio with longer durations. This approach aims to mitigate the risk of reinvestment at maturity. This would involve transferring a portion of the balances (40% - 50%) currently held in those delegated portfolios to a new fixed income portfolio.

Regarding the floating rate notes fund, although it performs well in rising interest rate scenarios due to frequent interest rate updates, the opposite is true in periods of decline. The idea would be to exit this fund at a certain point and invest that money in the mentioned fixed income fund.

These changes are currently being assessed at the time of writing to be implemented later in the year.

On the other hand, starting in February 2024 cash surpluses are being invested in short-term, highly liquid bonds, specifically Spanish Treasury bills.