Audit Report on Financial Statements
issued by an Independent Auditor

BUY & HOLD CAPITAL, S.G.I.I.C., S.A.
Financial Statements and Management Report
for the year ended
December 31, 2020

Building a better
working world

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AUDIT REPORT ON FINANCIAL STATEMENTS ISSUED BY AN INDEPENDENT AUDITOR

Free translation of a report and financial statements originally issued in Spanish. In the event of discrepancy, the Spanish-language version prevails

To the shareholders of BUY & HOLD CAPITAL, S.G.I.I.C., S.A.:

Opinion

We have audited the financial statements of BUY & HOLD CAPITAL, S.G.I.I.C., S.A. (the Company), which comprise the statement of financial position at December 31, 2020, the statement of profit or loss, the statement of changes in equity and the notes to the financial statements for the year then ended.

In our opinion, the accompanying financial statements present fairly, in all material respects, the Company's equity and financial position at December 31, 2020 and its financial performance and cash flows for the year then ended, in accordance with applicable financial reporting regulations (itemized in note 2 of the financial statements) and, specifically, the accounting principles and criteria contained therein.

Basis for opinion

We conducted our audit in accordance with prevailing audit regulations in Spain. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report.

We are independent of the Company in accordance with the ethical requirements, including those related to auditor independence, that are relevant to our audit of the financial statements in Spain as required by prevailing audit regulations. Note in this regard that we have not provided any non-audit services nor have any situations or circumstances arisen that might have compromised our mandatory independence in a manner prohibited by the afore mentioned requirements.

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

More relevant audit issues

Most relevant audit issues are those matters that, in our professional judgment, were the most significant assessed risks of material misstatements in our audit of the financial statements of the current period. These risks were addressed in the context of our audit of the financial statements as a whole, and in forming our audit opinion thereon, and we do not provide a separate opinion on these risks.

Fees accrued in relation to the management of undertakings for collective investment (UCITS)

Description	As indicated in notes 1 and 11.1 of the accompanying annual financial statements, the Company's core business is the management of three mutual funds, nine open-ended mutual funds, or SICAVs, and one pension fund, and the provision of advisory services. Those activities generated fee and commission income totaling 1,980,015.69 euros during the year ended December 31, 2020. Given that fee income is the Company's main source of revenue, we deemed its analysis a key audit matter.
Our response	As part of our audit work, we obtained an understanding of and evaluated the Company's internal control procedures in relation to the process of calculating and recognizing fee and commission income. In addition, we conducted substantive audit tests, notably including the re-calculation of all of the management fees accrued in 2020 on the basis of the fee terms and conditions stipulated in the prospectuses corresponding to each of the UCITS under management and verification of the key inputs used (assets under management and UCITS performance) using the corresponding supporting documents to check the fees accrued by the Company.

Other information: Management report

Other information refers exclusively to the 2020 management report, the preparation of which is the responsibility of the Company’s directors and is not an integral part of the financial statements.

Our audit opinion on the financial statements does not cover the management report. In conformity with prevailing audit regulations in Spain, our responsibility in terms of the management report is to assess and report on the consistency of the management report with the financial statements based on the knowledge of the entity obtained during the audit, and to assess and report on whether the content and presentation of the management report are in conformity with applicable regulations. If, based on the work carried out, we conclude that there are material misstatements, we are required to disclose them.

Based on the work performed, as described in the above paragraph, the information contained in the management report is consistent with that provided in the 2020 financial statements and their content and presentation are in conformity with applicable regulations.

Directors' responsibility for the financial statements

The directors are responsible for the preparation of the accompanying financial statements so that they give a true and fair view of the equity, financial position and results of the Company, in accordance with the regulatory framework for financial information applicable to the Company in Spain, identified in Note 2 to the accompanying financial statements, and for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with prevailing audit regulations in Spain will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with prevailing audit regulations in Spain, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit 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 Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of the director's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors of the Company regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

From the significant risks communicated with the Company's directors, we determine those that were of most significance in the audit of the financial statements of the current period and are therefore the most significant assessed risks.

We describe those risks in our auditor's report unless law or regulation precludes public disclosure about the matter.

ERNST & YOUNG, S.L.
(Registered in the Official Register of Auditors under No. S0530)

(signed in the original version)

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José Carlos Hernández Barrasús
(Registered in the Official Register of Auditors under No. 21981)

April 29, 2021

BUY & HOLD CAPITAL,
SOCIEDAD GESTORA DE INSTITUCIONES
DE INVERSIÓN COLECTIVA, S.A.

Financial Statements and Management Report
for the year ended
December 31, 2020

CONTENTS

BUY & HOLD CAPITAL,
SOCIEDAD GESTORA DE INSTITUCIONES DE INVERSIÓN COLECTIVA, S.A.

Statement of financial position
at December 31
(Euros)

ASSETS	Note	2020	2019
1. Cash	**5**	**332.45**	**387.02**
2. Financial assets held for trading		**-**	**-**
2.1. Debt securities		-	-
2.2. Equity instruments		-	-
2.3. Trading derivatives		-	-
2.4. Other financial assets		-	-
Memorandum item: Loaned or advanced as collateral		-	-
3. Other financial assets at fair value through profit or loss		**-**	**-**
3.1. Debt securities		-	-
3.2. Equity instruments		-	-
3.3. Other financial assets		-	-
Memorandum item: Loaned or advanced as collateral		-	-
4. Available-for-sale financial assets		**1,145,326.92**	**363,892.67**
4.1. Debt securities		-	-
4.2. Equity instruments	**6.1.1**	1,145,326.92	363,892.67
Memorandum item: Loaned or advanced as collateral		-	-
5. Loans and receivables		**228,404.64**	**1,105,733.03**
5.1. Due from financial brokers	**6.1.2.1**	44,459.38	28,050.24
5.2. Loans and advances to customers	**6.1.2.2**	182,367.24	776,077.72
5.3. Other financial assets	**6.1.2.3**	1,578.02	301,605.07
Memorandum item: Loaned or advanced as collateral		-	-
6. Held-to-maturity investments		**-**	**-**
Memorandum item: Loaned or advanced as collateral		-	-
7. Hedging derivatives		**-**	**-**
8. Non-current assets held for sale		**-**	**-**
8.1. Debt securities		-	-
8.2. Equity instruments		-	-
8.3. Property, plant and equipment		-	-
8.4. Other		-	-
		-	
9. Equity investments		**-**	**-**
9.1. Group companies		-	-
9.2. Jointly controlled entities		-	-
9.3. Associates		-	-
10. Pension-linked insurance agreements		**-**	**-**
11. Property, plant and equipment	**7**	**95,395.44**	**109,129.44**
11.1. For own use		95,395.44	109,129.44
11.2. Investment properties		-	-
12. Intangible assets	**8**	**165,874.39**	**187,947.68**
12.1. Goodwill		-	-
12.2. Other intangible assets		165,874.39	187,947.68
13. Tax assets	**12**	**45,087.42**	**23,849.52**
13.1. Current		22,734.11	9,917.94
13.2. Deferred		22,353.31	13,931.58
14. Other assets	**9**	**29,297.85**	**27,363.40**
TOTAL ASSETS		**1,709,025.21**	**1,818,302.76**

BUY & HOLD CAPITAL,
SOCIEDAD GESTORA DE INSTITUCIONES DE INVERSIÓN COLECTIVA, S.A.

Statement of financial position
at December 31
(Euros)

LIABILITIES AND EQUITY	Note	2020	2019
1. Financial liabilities held for trading		**-**	**-**
2. Other financial liabilities at fair value through profit and loss		**-**	**-**
3. Financial liabilities at amortized cost		**114,434.17**	**247,008.01**
3.1. Due to financial brokers	**6.2.1**	220.00	160,085.99
3.2. Due to customers	**6.2.2**	114,214.17	86,922.02
3.3. Debentures and subordinated liabilities		-	-
3.4. Other financial liabilities		-	-
4. Hedging derivatives		**-**	**-**
5. Liabilities associated with non-current assets held for sale		**-**	**-**
6. Provisions		**-**	**-**
6.1. Provisions for pensions and similar obligations		-	-
6.2. Provisions for taxes and other legal contingencies		-	-
6.3. Other provisions		-	-
7. Tax liabilities		**40,692.84**	**57,118.42**
7.1. Current	**12**	-	39,902.12
7.2. Deferred	**12**	40,692.84	17,216.30
8. Other liabilities		**44,011.05**	**56,019.84**
TOTAL LIABILITIES		**199,138.06**	**360,146.27**
OWN FUNDS	**10**	**1,406,183.73**	**1,445,381.73**
1. Capital	**10**	**677,084.00**	**677,084.00**
1.1. Issued		677,084.00	677,084.00
1.2 *Less: Uncalled capital*		-	-
2. Share premium	**10**	**320,491.30**	**320,491.30**
3. Reserves	**10**	**447,070.54**	**25,479.66**
4. Other equity instruments		**-**	**-**
5. *Less: own shares*		**-**	**-**
6. Profit/(loss) for the year	**4**	**(38,462.11)**	**422,326.77**
7. *Less: dividends and remuneration*			
VALUATION ADJUSTMENTS		**103,703.42**	**12,774.76**
1. Available-for-sale financial assets	**6.1.1**	**103,703.42**	**12,774.76**
2. Cash flow hedges		**-**	**-**
3. Hedges of net investment in foreign operations		**-**	**-**
4. Exchange differences		**-**	**-**
5. Other valuation adjustments		**-**	**-**
GRANTS, DONATIONS AND BEQUESTS RECEIVED		**-**	**-**
TOTAL EQUITY		**1,509,887.15**	**1,458,156.49**
TOTAL EQUITY AND LIABILITIES		**1,709,025.21**	**1,825,948.22**
MEMORANDUM ITEMS			
1. Collateral and guarantees conferred		-	-
2. Other contingent liabilities		-	-
3. Forward securities sale-purchase commitments		-	-
4. Own securities loaned		-	-
5. Payment commitments under underwriting agreements		-	-
6. Derivatives		-	-
7. Other risk and commitment accounts		-	-
TOTAL CONTINGENCY AND COMMITMENT ACCOUNTS		**196,489,010,95**	**191,876,784.79**
1. Deposited securities		-	-
2. Portfolios under management	**1**	196,489,010,95	191,876,784.79
3. Other memorandum accounts		-	-
TOTAL MEMORANDUM ACCOUNTS		**196,489,010,95**	**191,876,784.79**

BUY & HOLD CAPITAL,
SOCIEDAD GESTORA DE INSTITUCIONES DE INVERSIÓN COLECTIVA, S.A.

Statement of profit or loss for the years ended
December 31
(Euros)

	Note	2020	2019
1. Interest and similar income (+)		0.02	-
2. Interest and similar expense (-)		(214.71)	(2,035.63)
NET INTEREST INCOME (+/-)		**(214.69)**	**(2,035.63)**
3. Income on equity instruments (+)		-	-
4. Fee and commission income (+)	11.1	1,596,490.62	1,980,015.69
5. Fee and commission expense (-)		(32,301.56)	-
6. Net trading income (+/-)		**35,221.62**	**17,142.30**
6.1. Held for trading (+/-)		-	-
6.2. Other financial instruments at fair value through profit and loss (+/-)	6.1.1.1	35,221.62	17,142.30
6.3. Other financial instruments not measured at fair value through profit or loss (+/-)		-	-
6.4. Other (+/-)		-	-
7. Net exchange differences (+/-)		(709.87)	(149.66)
8. Other operating income (+)		89.31	151.80
9. Other operating expense (-)		(10,078.63)	(1,052.31)
GROSS MARGIN (+/-)		**1,588,496.80**	**1,994,072.19**
10. Staff costs (-)	11.2	(672,013.03)	(539,128.28)
11. General expenses (-)	11.3	(926,767.08)	(857,085.69)
12. Depreciation and amortization (-)	7 & 8	(40,704.45)	(35,729.44)
13. Provisions (net) (+/-)		-	-
14. Financial asset impairment loss (net) (+/-)		**-**	**-**
14.1. Loans and advances (+/-)		-	-
14.2. Other financial instruments not measured at fair value through profit or loss (+/-)		-	-
OPERATING INCOME/(LOSS) (+/-)		**(50,987.76)**	**562,128.78**
15. Impairment losses on other assets (net) (+/-)		-	-
15.1. Property and equipment (+/-)		-	-
15.2. Intangible assets (+/-)		-	-
15.3. Other (+/-)		-	-
16. Gains /(losses) on derecognition of assets not classified as non-current assets held for sale (+/-)		-	-
17. Gain on a bargain purchase		-	-
18. Gains /(losses) on non-current assets held for sale not classified as discontinued operations (+/-)		-	-
PROFIT/(LOSS) BEFORE TAX (+/-)		**(50,987.76)**	**562,128.78**
19. Income tax (-)	12	12,525.65	(139,802.01)
PROFIT/(LOSS) FOR THE YEAR FROM CONTINUING OPERATIONS (+/-)		**(38,462.11)**	**422,326.77**
20. Profit/(loss) from discontinued operations (net) (+/-)			
PROFIT/(LOSS) FOR THE YEAR (+/-)		**(38,462.11)**	**422,326.77**

BUY & HOLD CAPITAL,
SOCIEDAD GESTORA DE INSTITUCIONES DE INVERSIÓN COLECTIVA, S.A.

Statement of total changes in equity for the years ended
December 31
(Euros)

A) STATEMENT OF RECOGNIZED INCOME AND EXPENSE FOR THE YEARS ENDED DECEMBER 31

	2020	2019
A) Profit/(loss) for the year (+/-)	**(38,462.11)**	**422,326.77**
B) OTHER RECOGNIZED INCOME/EXPENSE (+/-)		
1. Available-for-sale financial liabilities (+/-)	**121,238.21**	79,202.59
a) Remeasurement gains/(losses) (+/-)	156,459.83	96,344.89
b) Amounts reclassified to profit or loss (+/-)	(35,221.62)	(17,142.30)
c) Other reclassifications (+/-)	-	-
2. Cash flow hedges (+/-)	-	-
a) Remeasurement gains/(losses) (+/-)	-	-
b) Amounts reclassified to profit or loss (+/-)	-	-
c) Amounts reclassified at initial measurement of hedged items (+/-)	-	-
d) Other reclassifications (+/-)	-	-
3. Hedges of net investment in foreign operations (+/-)	-	-
a) Remeasurement gains/(losses) (+/-)	-	-
b) Amounts reclassified to profit or loss (+/-)	-	-
c) Other reclassifications (+/-)	-	-
4. Exchange differences (+/-)	-	-
a) Remeasurement gains/(losses) (+/-)	-	-
b) Amounts reclassified to profit or loss (+/-)	-	-
c) Other reclassifications (+/-)	-	-
5. Non-current assets held for sale (+/-)		
a) Remeasurement gains/(losses) (+/-)	-	-
b) Amounts reclassified to profit or loss (+/-)	-	-
c) Other reclassifications (+/-)	-	-
6. Actuarial gains/(losses) on pension plans (+/-)	-	-
7. Other recognized income and expense (+/-)	-	-
8. Income tax (+/-)	(30,309.55)	(19,800.65)
TOTAL RECOGNIZED INCOME AND EXPENSE FOR THE YEAR (A+B)	**52,466.55**	**481,728.71**

BUY & HOLD CAPITAL,
SOCIEDAD GESTORA DE INSTITUCIONES DE INVERSIÓN COLECTIVA, S.A.

Statement of total changes in equity for the years ended
December 31
(Euros)

B) STATEMENT OF TOTAL CHANGES IN EQUITY FOR THE YEARS ENDED DECEMBER 31

	Total equity							
	Capital	**Share premium**	**Reserves**	**Profit/(loss) for the year**	**Total own funds**	**Valuation adjustments**	**Grants, donations and bequests received**	**Total equity**
Balance at Dec. 31, 2019	**677,084.00**	**320,491.30**	**270,760.54**	**(241,530.88)**	**1,026,804.96**	**(46,627.18)**	**-**	**980,177.78**
Total recognized income/(expense)	-	-	-	422,326.77	422,326.77	59,401.94	-	481,728.71
Distribution of dividends	-	-	-	-	-	-	-	-
Trading in own equity instruments (net)	-	-	-	-	-	-	-	-
Transfers between equity items	-	-	(241,530.88)	241,530.88	-	-	-	-
Increase/(decrease) in equity in connection with business combinations	-	-	-	-	-	-	-	-
Share-based payments								
Other increases/(decreases) in equity	-	-	(3,750)	-	(3,750)	-	-	(3,750)
Balance at Dec. 31, 2019	**677,084.00**	**320,491.30**	**25,479.66**	**422,326.77**	**1,445,381.73**	**12,774.76**	**-**	**1,458,156.49**
Correction of errors	**-**	**-**	(735.89)	**-**	(735.89)	**-**	**-**	(735.89)
Restated balance at Jan 1, 2020	**677,084.00**	**320,491.30**	**24,743.77**	**422,326.77**	**1,444,645.84**	**12,774.76**	**-**	**1,457,420.60**
Total recognized income/(expense)	-	-	-	(38,462.11)	38,462.11	90,928.66	-	52,466.55
Distribution of dividends	-	-	-	-	-	-	-	-
Trading in own equity instruments (net) (note 10)	-	-	-	-	-	-	-	-
Transfers between equity items	-	-	422,326.77	(422,326.77)	-	-	-	-
Increase/(decrease) in equity in connection with business combinations	-	-	-	-	-	-	-	-
Share-based payments	-	-	-	-	-	-	-	-
Other increases/(decreases) in equity	-	-	-	-	-	-	-	-
Balance at Dec. 31, 2020	**677,084.00**	**320,491.30**	**447,070.54**	**(38,462.11)**	**1,406,183.73**	**103,703.42**	**-**	**1,509,887.15**

1. CORPORATE INFORMATION

Buy & Hold Capital, Sociedad Gestora de Instituciones de Inversión Colectiva, S.A. (hereinafter, the "Company") was incorporated in Spain as an open-ended limited-liability company called Buy & Hold Asesores, E.A.F.I., S.L., on September 21, 2012 (as placed on record before a notary public in Valencia, Mr. Diego Simó Sevilla). The Company is registered in the Valencia Companies Register under Tome 9,536, Book 6,818, Folio 71, Sheet V-150764.

On May 11, 2017, the Company resolved at a General and Universal Meeting of shareholders to transform itself into a public limited company (*sociedad anónima*), as provided for in Spanish Law 3/2009 and other prevailing company law, and, further, to come an undertakings for collective investment in transferable securities ("UCITS") management company, as contemplated in Spanish Law 35/2003 and Royal Decree 1082/2012. The Company had previously obtained authorization for its transformation from the Spanish securities markets regulator (hereinafter, the "CNMV"), on April 6, 2017.

UCITS management companies are regulated by Spanish Law 35/2003, of November 4, 2003 on Undertakings for Collective Investments, as subsequently amended by Law 31/2011, of October 4, 2011, Law 22/2014 of November 12, 2014, Royal Decree 1082/2012, of July 13, 2012 (amended by Royal Decree 83/2015, of February 13, 2015), which enacted Law 35/2003 (November 4, 2003), enacting implementing regulations for Law 35/2003, and adapted these undertakings' tax regime, Law 44/2002 of November 22, 2002 and Law 26/2003, of July 17, 2003, which took effect on February 5, 2004.

The Company was registered in the Administrative Register of UCITS Management Companies kept by the CNMV under entry no. 256 on June 2, 2017.

Its corporate object is the management of investments, the control and management of risks, the administration, representation and management of investment fund and entity subscriptions and redemptions and any other of the activities that UCITS management companies are permitted to carry out under article 40 of Law 35/2003 on Undertakings for Collective Investment.

The Company's registered office is located in Valencia, at calle la Cultura 1-1.

At December 31, 2020, the Company was managing a total of 13 UCITS and one pension fund with aggregate assets of 196,489,010.95 euros, broken down as follows:

CNMV REGISTRATION No.	NAME	ASSETS UNDER MANAGEMENT AT YEAR-END 2020	ASSETS UNDER MANAGEMENT AT YEAR-END 2019
5.202	B&H ACCIONES EUROPA FI	11,701,106.03	6,502,331.77
5.203	B&H RENTA FIJA FI	13,460,560.81	18,398,379.34
5.204	B&H FLEXIBLE FI	9,811,583.92	8,164,966.32
4.292	BH EUROPA FLEXIBLE SICAV, S.A.	11,658,087.83	11,367,739.62
259	BMS BLUE CHIPS SICAV SA	8,748,455.68	8,661,759.65
165	BMS CARTERA SICAV, S.A.	9,465,728.44	9,337,294.05
586	DICASTILLO INVERSIONES SICAV, S.A.	3,251,723.62	3,603,542.64
1.287	INVERSIONES LLONER SICAV, S.A.	17,087,403.77	17,323,024.31
2.954	UNIVERSAL INVERSIONES SICAV, S.A.	7,319,369.15	7,444,637.18
FP	B&H JUBILACIÓN PP	1,530,835.98	1,427,815.98
4.291	BH RENTA FIJA EUROPA SICAV S.A.	-	14,387,857.49
2.609	PIGMANORT SICAV S.A.	-	16,970,308.19
1.324	REX ROYAL BLUE SICAV, S.A.	-	68,287,128.25
5429	B&H DEUDA, FI	18,171,357.49	-
EXT	Buy & Hold Luxembourg – B&H EQUITY	53,903,815.93	-
EXT	Buy & Hold Luxembourg – B&H FLEXIBLE	15,200,352.67	-
EXT	Buy & Hold Luxembourg- B&H BONDS	15,178,629.63	-
	Total	**196,489,010.95**	191,876,784.79

Effects of the COVID-19 Pandemic

On March 11, 2020, the World Health Organization escalated the status of the public health crisis triggered by COVID-19 to that of a global pandemic. The speed at which events are unfolding, in Spain and abroad, and the extraordinary resulting circumstances constitute an unprecedented health crisis of untold magnitude, that has impacted the macroeconomic environment and the evolution of business. In 2020 a series of measures were taken to mitigate the economic and social ramifications of the pandemic. Those measures included restrictions on individual mobility. More specifically, the Spanish government has passed a raft of measures to help mitigate the situation: it declared an initial state of alarm (via Royal Decree 463/2020, of March 14, 2020), which was lifted on July 1, 2020, and approved a series of extraordinary emergency measures to combat the economic and social ramifications of COVID-19 (including Royal Decree-Law 8/2020, of March 17, 2020 and Royal Decree-Law 11/2020 of March 31, 2020). At the date of authorizing the accompanying financial statements for issue, Spain was subject to a second state of alarm, declared via Royal Decree 926/2020 (October 25, 2020), approved initially until November 9, 2020 and subsequently extended, by means of Royal Decree 956/2020 (November 3, 2020) until May 9, 2021.

The pandemic is having consequences for the economy in general and for the Company's activities in particular, mainly by affecting financial asset valuations and, by extension, the value of assets under management of the Company. The effects in the months to come are uncertain and will depend largely on the direction taken by the pandemic.

2. BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS

The 2020 financial statements were prepared on the basis of CNMV Circular 7/2008. That Circular effectively adapts the Spanish General Accounting Plan enacted by means of Royal Decree 1514/2007 for investment service providers.

These financial statements were prepared by the directors of the Company and will be submitted for approval by at the general meeting. They are expected to be approved without modification.

The figures included in the financial statements are expressed in euros, rounded to two decimal places, unless otherwise indicated.

As allowed under Standard #8 of Circular 7/2008, the Company has opted not to present a statement of cash flows.

2.1 Fair presentation

The accompanying financial statements were prepared from the Company's auxiliary accounting records in accordance with prevailing accounting legislation to give a true and fair view of its equity, financial position and performance. The statement of cash flows has been prepared to present accurately the origin and usage of the Company’s monetary assets such as cash and cash equivalents.

2.2 Comparison of information

As required under Spanish company law, the Company discloses comparative information in respect of the previous reporting period for all amounts disclosed in the 2019 balance sheet, statement of profit or loss, statement of changes in equity and statement of cash flows. The notes to the financial statements also include comparative information for narrative and descriptive disclosures in respect of the previous reporting period, except when an accounting standard specifically permits or requires otherwise.

2.3 Critical issues regarding the measurement and estimation of uncertainty

In preparing the accompanying financial statements, the Company's management uses estimates to measure certain of the assets, liabilities, income and expenses recognized and for the contingent liability disclosures. Those estimates were made on the basis of the best available information at year-end. However, the uncertainty inherent in those estimates means that future events could oblige the directors to modify them in the next financial year, prospectively if warranted.

In addition to other relevant information regarding the estimation of uncertainty at the reporting date, the key assumptions regarding the future that imply a considerable risk that the carrying amounts of assets and liabilities may require material adjustment in the next financial year relate to the measurement of the Company's financial assets (note 3.1.1).

2.4 Restatement for errors

No material errors warranting the restatement of the amounts presented in the 2019 financial statements were identified during the preparation of the accompanying financial statements for 2020.

2.5 Going concern

The information contained in these annual financial statements was prepared assuming that the Company will continue to operate for the foreseeable future; accordingly, the accounting policies were not applied in order to determine either net asset value with a view to full or partial sale or the amount that might be obtained from a hypothetical liquidation.

3. RECOGNITION AND MEASUREMENT STANDARDS

3.1. Financial instruments

3.1.1 Financial assets

Financial assets are classified into the following categories for reporting purposes:

a) Loans and advances (loans and other receivables)

This category includes loans to financial brokers, loans to customers and trade and non-trade receivables.

Following initial recognition at fair value (transaction price), these financial assets are measured at amortized cost. Accrued interest is recognized in profit and loss using the effective interest rate method.

Trade receivables and certain other headings within this category such as advances, loans to employees and dividends receivable that fall due within less than one year from the reporting date and do not carry a contractual interest rate are measured at their nominal value both upon initial recognition and for subsequent measurement purposes, when the effect of not discounting the related cash flows is not material, unless these items become impaired.

b) Available-for-sale financial assets

This category includes debt securities and interests in undertakings for collective investment that have not been classified in any of the other financial asset categories.

Initial recognition and subsequent measurement

These assets are initially recognized and subsequently measured at fair value, without deducting any transaction costs that may be incurred to sell them.

Changes in fair value are recognized directly in equity until the asset is derecognized or determined to be impaired, at which time the cumulative gain or loss recognized in equity is reclassified to profit or loss.

Interest earned on financial assets

Interest income accrued on financial assets after their acquisition date is recognized as income in the income statement. Interest income is recognized using the effective interest method.

To the end, when financial assets are initially recognized, any explicit interest accrued but not past due is recognized separately, as a function of when it falls due.

Derecognition of financial assets

When a financial asset is derecognized, the difference between the consideration received, net of attributable transaction costs, and the carrying amount of the financial asset, plus any amounts deferred in equity, determines the amount of the gain or loss and is recognized in profit or loss for the year.

Impairment of financial assets

When there is objective evidence that a financial asset or group of financial assets has become impaired, its carrying amount is written down by the amount of the impairment by recognizing the impairment loss in the income statement.

Objective evidence of financial asset impairment exists when one or more events occurring after its initial recognition has an impact on the estimated future cash flows of a debt instrument or on the carrying amount of an equity instrument and that impact can be reliably estimated. Losses expected to arise as a result of future events are only recognized when such events occur, regardless of their probability of occurrence.

In testing its investments in listed equity instruments for indications of impairment, the Company tests for significant or prolonged declines in their market value, to which end it establishes time and/or percentage thresholds for comparing the average cost of the instruments with their quoted prices. Specifically, the time horizon and percentage thresholds established by the Company as indicating a significant or prolonged decline in market value are (i) a decline of over 40% in market value with respect to the average investment cost or (ii) a market value of less than acquisition cost for over 18 months.

3.1.2 Financial liabilities

Financial instruments issued, incurred or assumed by the Company, whose economic substance directly or indirectly contractually obliges the Company to deliver cash or another financial asset or to exchange financial assets or liabilities with third parties on unfavorable terms, are classified as financial liabilities.

The financial liabilities classified by the Company as financial liabilities at amortized cost relate to amounts due to financial brokers, amounts due to individual customers and trade and non-trade accounts payable.

Following initial recognition at fair value (transaction price), these financial liabilities are measured at amortized cost and the interest accrued is recognized in profit or loss using the effective interest rate method.

Nevertheless, trade payables that mature within less than one year from the reporting date with no contractual interest rate, as well as called-up payments on equity investments, payment of which is scheduled in the short term, are carried at their nominal value upon initial recognition and for subsequent measurement purposes so long the effect of not discounting the cash flows is not material.

Derecognition of financial liabilities

Financial liabilities are derecognized when the implicit obligation is extinguished. The difference between the carrying amount of the financial liability extinguished and the consideration paid is recognized in the income statement in the year in which the payment takes place.

3.2 Property, plant and equipment

Property and equipment is measured at acquisition or production cost, including any indirect taxes that are not directly recoverable from the tax authorities, and is carried net of accumulated depreciation and any impairment loss.

Depreciation is calculated on a straight-line basis based on the assets’ cost less residual value as a function of their individual useful lives.

Every year the Company tests its assets for impairment. Impairment losses on items of property and plant and any subsequent reversals are recognized as an expense or as income, respectively, in the statement of profit or loss.

3.3 Intangible assets

The assets recognized as intangible assets, mainly software, meet the identifiability requirement and are presented net of accumulated amortization and any impairment losses.

They are measured at acquisition or production cost. They are generally amortized on a systematic basis over their useful life, which does not exceed three years.

They are tested for impairment at least annually and are deemed impaired when their carrying amounts exceed their recoverable amounts. Impairment losses and any subsequent reversals are recognized as an expense or as income, respectively, in the statement of profit or loss.

3.4 Tax assets

This heading includes all tax assets, whether current or deferred. Current tax assets correspond to taxes receivable within 12 months from the reporting date; deferred tax assets include income tax recoverable in future years in respect of deductible differences between the tax bases of assets and liabilities and their carrying amounts and those arising from unused tax losses and tax credits.

3.5 Other assets

This heading presents the net balance of any assets that do not belong in any other financial assets category, including deposits made by the Company to guarantee leases, inventories, if any, the negative differences between pension plan obligations and the value of the plan assets subject to recognition and advances and loans to employees, among other assets. This heading also includes all asset accrual accounts except for those corresponding to income from accrued interest.

3.6 Income and expense

Income and expense are recognized on an accrual basis, as stipulated in CNMV Circular 7/2008.

3.7 Fees and commissions

Fees and commissions charged for services rendered over a specific period of time, irrespective of whether or not this term can be extended, are taken to the income statement over the period during which they are performed.

3.8 Personnel expenses and share-based payments

Personnel expenses are generally recognized in accordance with the accrual principle, i.e., when the services are rendered by the employees.

3.9 Income tax

Income tax is considered an expense for the year and is presented as such in the income statement. The related charge includes current tax and the change in deferred taxes.

However, the income tax related to items for which changes in value are recognized directly in equity is also recognized in equity and not in profit or loss; the changes in the value of these items are presented net of the related tax effects.

The Company does not recognize deferred tax assets or liabilities when they originate from the initial recognition of an asset or liability in transactions other than business combinations that affect neither accounting nor taxable profit.

The Company recognizes deferred tax assets for all deductible temporary differences and the carryforward of unused tax credits and unused tax losses to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilized, except as disallowed under prevailing legislation.

At each reporting date the Company reassesses recognized and unrecognized deferred taxes. Based on the outcome of that assessment, the Company derecognizes a previously recognized deferred tax asset if its recovery is no longer deemed probable and recognizes a previously unrecognized deferred tax asset to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rate expected to apply in the period in which they reverse, as required by enacted tax laws, and in the manner in which it reasonably expects to recover or settle the deferred tax asset or liability, respectively.

Deferred tax assets and deferred tax liabilities are not discounted and are classified as non-current assets or non-current liabilities, regardless of the date they are expected to be realized or settled.

3.10 Foreign currency transactions

The Company's functional and presentational currency is the euro.

Assets and liabilities denominated in foreign currency are measured the closing exchange rate published by the European Central Bank. Differences arising from changes with respect to historic exchange rates are recognized as follows:

- All exchange differences arising from the translation or settlement of monetary items are recognized in profit or loss for the period.

- In the case of non-monetary investments measured at fair value, such as investments in equity instruments classified as available-for-sale financial assets, losses and gains on which are recognized in equity, the exchange differences included in the pertinent losses and gains are recognized directly in equity, separately disclosing the exchange-related portion of the change in the value of the corresponding non-monetary asset.

- When the losses or gains deriving from a non-monetary item, such as investments in equity instruments classified as available-for-sale financial assets or other financial assets at fair value through profit or loss are recycled to profit or loss, the exchange differences included in the related losses or gains are also reclassified to profit or loss for the period.

3.11 Related party balances and transactions

The Company defines its related parties in line with the rules set forth in Standard #54 of CNMV Circular 7/2002.

Transactions with related parties are carried out on an arm's length basis.

4. PROPOSED APPROPRIATION OF PROFIT/(LOSS)

The directors propose the following application of profit for 2020, subject to ratification by the shareholders in general meeting:

	Euros	
	(Proposed appropriation) 2020	**(Ratified appropriation) 2019**
Profit/(loss) for the year	(38,462.11)	422,326.77
Appropriation to:		
Legal reserve	-	42,232.68
Voluntary reserves	-	380,094.09
Other	(38,462.11)	-
Total	**(38,462.11)**	**422,326.77**

5. CASH

The breakdown of this statement of financial position heading at December 31 is as follows:

	Euros	
	2020	2019
Cash	332.45	387.02
	332.45	**387.02**

6. FINANCIAL INSTRUMENTS

6.1 Financial assets

6.1.1 Available-for-sale financial assets

The breakdown of this statement of financial position heading at December 31 is as follows:

	Euros	
	2020	2019
Shares in UCITs	1,145,326.92	363,892.67
	1,145,326.92	**363,892.67**

During the 2020 financial year, the Company acquired 24,562 class C shares in BH Flexible F.I, 33,100 shares in BH Renta Fija, F.I, 30,000 shares in B&H Deuda F.I, 113,626 shares in Buy & Hold Luxembourg- B&H BONDS, and 122.898 shares in Buy & Hold Luxembourg - B&H FLEXIBLE, at a cost of 200,000.00 euros, 300,000.00 euros, 275,741.28 euros, 115,126.05 euros and 125,000.00 euros, respectively.

In 2020, it sold all its shares held in Class A shares in B&H Flexible, F.I., in Class A and C in B&H Acciones, F.I., and its sahares held in BH Renta Fija Europa, S.I.C.A.V., S.A. and Pigmanort, S.I.C.A.V., S.A. In addition, the Company sold 17,253 class C shares in B&H Renta Fija, F.I. These transactions generated a gain of €35,221.62 which was recorded under the heading "Result on financial transactions (net)" in the income statement (at 2019, transactions generated a gain of €17,142.30).

In 2019, the Company acquired 20,501 Class C shares in B&H Renta Fija, F.I., 94,574 shares in BH Renta Fija Europa, S.I.C.A.V., S.A., and 1,250 shares in Pigmanort, S.I.C.A.V., S.A., at a cost of 213,652.60 euros, 104,884.40 euros and 25,081.55 euros, respectively.

The fair value of the Company's investments in undertakings for collective investment was calculated using their reported redemption values as of the reporting date. At December 31, 2020, the Company had earned capital gains of 133.355,80 euros on those investments, which are recognized, net of the corresponding tax effect (29.652,38 euros, within deferred tax liabilities; refer to note 12), in equity, specifically under "Valuation adjustments", in the amount of 103,703.42 euros.

At December 31, 2019, the Company had earned capital gains of 17,033.01 euros on those investments, which are recognized, net of the corresponding tax effect (4,258.25 euros, within deferred tax liabilities), in equity, specifically under "Valuation adjustments", in the amount of 12,774.76 euros

No impairment losses were recognized in either 2020 or 2019.

6.1.2 Loans and receivables

6.1.2.1 Due from financial brokers

The breakdown of this statement of financial position heading at December 31 is as follows:

	Euros	
	2020	**2019**
Demand deposits	44,459.38	28,050.24
	44,459.38	**28,050.24**

The accounts classified as "Demand deposits" in the table above earn interest at market rates and are unrestricted.

6.1.2.2 Loans and advances to customers

The breakdown of this statement of financial position heading at December 31 is as follows:

	Euros	
	2020	**2019**
Management fees receivable (notes 11.1 & 13)	174,165.20	767,875.59
Advances and other transactions	8,202.14	8,202.14
	182,367.24	**776,077.72**

At December 31, 2020, invoiced UCITS management fees and commissions due amounted to 143,981.03 euros, while the performance fees accrued in respect of the management of the UCITS under the Company's management stood at 30,184.17 euros. At December 31, 2019, invoiced UCITS management fees and commissions due amounted to 119,019.09 euros, while the performance fees accrued in respect of the management of the UCITS under the Company's management stood at 644,735.43 euros.

At December 31, 2020 and 2019, as stipulated in the prospectuses corresponding to investments in the Class A and D shares of B&H Flexible, F.I., B&H Renta Fija, F.I. and B&H Acciones Europa, F.I., three mutual funds managed by the Company, the fees accrued for management services will only be collected if, by a specific date set in each of the fund's prospectuses, the fund's net asset value was higher than that same fund's net asset value during the period elapsing between the registration of the fund and December 31, 2017 (Class A) and December 31, 2019 (Class D). If that condition is not met, this fee will not be paid to the Company and will rather be returned to the holders of the Class A and D shares in the said funds on the established date, irrespective of the net asset value at which they purchased their shares.

Against that backdrop, in 2020, the Company recognized management fees derived on the Class A shares in B&H Flexible, F.I., in the amount of 26,282.05 euros, given that the fee vesting date stipulated for that share class in the corresponding prospectus was December 31, 2020 and the net asset value on that date was higher than the highest net asset value during the initial benchmark period. The fees accrued have been recognized under fee and commission income in the Company's 2020 statement of profit or loss.

In 2019, the Company recognized management fees on the Class A shares in B&H Renta Fija, FI in the amount of 14,186.33 euros, given that the fee vesting date stipulated for that share class in the corresponding prospectus was June 30, 2019 and the net asset value on that date was higher than the highest net asset value during the initial benchmark period.

In 2020 and 2019, the Company did not recognize any revenue in respect of management fees in relation to the rest of the Class A and D shares of the funds under its management totaling 67,691.90 euros (2019: 47.898,62 euros), as it deems that income to be a contingent asset.

6.1.2.3 Other financial assets.

At December 31, 2019, this statement of financial position heading mainly comprises 300,000 euros placed on deposit by the Company at Santander Securities, S.A. on behalf of B&H Deuda, F.I., a fund that at year-end 2019 was in the process of being incorporated by the Company.

That fund was duly registered with the CNMV on February 7, 2020.

6.2 Financial liabilities

6.2.1 Due to financial brokers

At both reporting dates, this statement of financial position heading reflects the balance drawn down against a credit facility extended to the Company by a bank with a limit of 165,000.00 euros; the loan accrues interest at a rate of 1.05% of the balance drawn.

6.2.2 Due to customers

At year-end 2020, this heading mainly comprises balances due to several creditors in respect of debts generated in the course of the Company's activities in the amount of 114,214.17 euros (year-end 2019: 86,922.02 euros).

7. PROPERTY, PLANT AND EQUIPMENT

The reconciliation of the balances comprising this financial statement of position heading at the beginning and end of both reporting periods is as follows:

	Euros				
	Dec. 31, 2018	**Additions**	**Dec. 31, 2019**	**Additions**	**Dec. 31, 2020**
Buildings	10,615.92	-	10,615.92	-	10,615.92
Plant	41,846.23	7,356.99	49,203.22	-	49,203.22
Furniture and fittings	78,333.76	-	78,333.76	-	78,333.76
Computer equipment	16,603.47	1,109.91	17,713.38	4,864.03	22,577.41
Other items of PP&E	4,505.96	-	4,505.96	-	4,505.96
Accumulated depreciation	(32,903.11)	(18,339.69)	(51,242.80)	(18,598.03)	(69,840.83)
	119,002.23	**(9,872.79)**	**109,129.44**	**(13,734.00)**	**95,395.44**

At December 31, 2020 and 2019, the Company had fully depreciated items of property, plant and equipment still in use with a gross carrying amount of 1,199.00 euros.

These assets are depreciated on a straight-line basis over their useful lives. The table below shows the rates of depreciation applied by asset category:

	%
Plant	10%
Furniture and fittings	10%
Computer equipment	25%
Other items of PP&E	10%

No significant amounts of property, plant or equipment were subject to use or title restrictions, retired from service or pledged as security for liabilities at either year-end.

The Company had no material contractual commitments for the acquisition or sale of property, plant or equipment at either year-end.

The Company has not recognized any impairment losses on any of item of property, plant and equipment.

8. INTANGIBLE ASSETS

The reconciliation of the balances comprising this financial statement of position heading at the beginning and end of both reporting periods is as follows:

	Euros				
	Dec. 31, 2018	**Additions**	**Dec. 31, 2019**	**Additions**	**Dec. 31, 2020**
Software	148,155.26	70,345.33	218,500.59	33.13	218,533.72
Accumulated amortization	(13,163.16)	(17,389.75)	(30,552.91)	(22,106.42)	(52,659.33)
	134,992.10	**52,955.58**	**187,947.68**	**(22,106.42)**	**165,874.39**

In 2019, the Company invested in software for the management of the UCITS that are in the process of being merged with a fund in Luxembourg.

The Company had no fully amortized intangible assets still in use at either year-end.

9. OTHER ASSETS

The breakdown of "Other assets" at December 31:

	Euros	
	2020	**2019**
Prepaid expenses	13,453.95	12,213.40
Security deposits extended	15,150.00	15,150.00
Other items	693.90	-
	29,297.85	**27,363.40**

"Prepaid expenses" main comprise the premium on the Company's director liability insurance policy at both year-ends.

“Security deposits extended” corresponds in full to the deposit extended to the landlord of the offices in which the Company carries on its business activities at both year-ends.

10. EQUITY

The breakdown of equity at year-end is set out in the next table:

	Euros	
	2020	**2019**
OWN FUNDS		
Capital	677,084.00	677,084.00
Share premium	320,491.30	320,491.30
Legal reserve	68,602.65	1,666.60
Voluntary reserves	378,467.89	23,813.06
Profit/(loss) for the year	(38,462.11)	422,326.77
Valuation adjustments	103,703.42	12,774.76
TOTAL EQUITY	**1,509,887.15**	**1,458,156.49**

a) Capital and share premium

At both year-ends, the Company’s share capital consisted of 677,084 bearer shares with a par value of 1.00 euros each, all fully paid. All the shares carry identical voting and dividend rights.

On May 11, 2017, the Company's shareholders resolved at a Universal General Meeting to increase capital by 308,321.00 euros (with a charge against unrestricted reserves), as provided for in article 303.1 of Spain's Corporate Enterprises Act. The capital increase was executed by creating and issuing 308,321 new shares, each with a unit par value of one euro. Those shares carry the same rights as those already outstanding at the time and were allocated to the Company's shareholders in proportion to their existing shareholdings. The Company incurred 1,256.72 euros of expenses in connection with the rights issue, which were recognized against reserves.

It was also agreed at that same shareholders' meeting to transform the Company into a public limited company (*sociedad anónima*), as provided for in Spanish Law 3/2009 and other prevailing company law. That transformation changed the legal status of the shares but did not change their par value. As a result, the Company's share capital was divided into 316,654 shares with a unit par value of one euro, all belonging to the same class and series and all fully paid in.

The shareholders further resolved at that meeting to increase capital by 135,710.00 euros via the creation of 135,710 new shares, each with a unit par value of one euro. That share issue was completed with a share premium of 145,209.70 euros, which is equivalent to 1.07 euros per share.

Lastly, at a separate Universal General Meeting held on September 25, 2017, the Company's shareholders agreed to increase capital by 224,720.00 euros via the creation of 224,720 new shares, each with a unit par value of one euro. That share issue was completed with a share premium of 175,281.60 euros, which is equivalent to 0.78 euros per share.

The Company's shareholder structure at both year-ends:

	No. of shares		Shareholding, %	
	2020	**2019**	**2020**	**2019**
Julián Pascual Huerta	341,632	341,657	50.46%	50.46%
Antonio Aspas Romano	192,180	192,156	28.38%	28.38%
Rafael Varela de Vargas	143,272	135,417	21.16%	20.00%
José María Sainz-Pardo Zaragoza	-	7,854	-	1.16%
	677,084	**677,084**	**100.00%**	**100.00%**

b) Legal reserve

Companies must transfer 10% of profit for the year to a legal reserve until this reserve is equivalent to at least 20% of share capital. This reserve cannot be distributed to shareholders and may only be used to offset income statement losses provided no other reserves are available. Under certain circumstances, this reserve can also be used increase capital by the amount exceeding 10% of share capital *pro forma* for the increase. The Company’s legal reserve met the 20% threshold at both year-ends.

c) Voluntary and merger reserves

The voluntary and merger reserves are unrestricted, the only limitations being the amount of start-up expenses and the conditions that their distribution (i) must not reduce share capital; or (ii) cause a breach of the minimum capital requirements outlined in note 16.11. INCOME AND EXPENSES

11.1 Fees and commission income

This statement of profit or loss heading comprises the remuneration received by the Company from the UCITS it manages. Management fees are calculated daily as an annual percentage of the net asset value of the UCITS under management and are paid monthly or quarterly.

All of the fees received in 2020 and 2019 correspond to the management of UCITS in Spain.

The fees accrued in 2020 for the management of the SICAVs (open-end mutual funds), mutual funds and pension fund itemized in note 1 amounted to 763,740.41 euros, 816,260.95 euros 6,452.96 euros, respectively, of which 174,165.20 euros was pending collection at year-end 2020 (note 6.1.2.2).

The fees accrued in 2019 for the management of the SICAVs (open-end mutual funds), mutual funds and pension fund itemized in note 1 amounted to 1,747,029.34 euros, 213,779.96 euros and 6,439.63 euros, respectively, of which 763,754.52 euros was pending collection at year-end 2019 (note 6.1.2.2).

The Company also provides advisory services to a SICAV that is managed by Urquijo Gestión, S.A. for which it accrued fees totaling 10,036.30 euros (2019: 12,766.76 euros), of which there were not pending collection at December 31, 2020 (1,161.96 euros at year-end 2019).

As disclosed in note 6.1.2.2, in 2020, the Company also recognized management fee income related to the Class A shares of B&H Flexible, FI in the amount of 26,282.05 euros, specifically in relation to fees earned between that fund's registration with the CNMV and December 31, 2020, given delivery of the related remuneration milestones stipulated in the fund's prospectus

11.2 Employee benefits expense

The breakdown of this statement of profit or loss heading in 2020 and 2019:

	Euros	
	2020	**2019**
Wages and salaries	571,475.11	457,297.22
Social security contributions	91,808.61	73,644.06
Other staff costs	8,729.31	8,187.00
	672,013.03	**539,128.28**

The average headcount and year-end 2020 and 2019 headcounts by job category and gender are as follows:

	Average		Year-end			
			2020		2019	
	2020	**2019**	**Men**	**Women**	**Men**	**Women**
Executives	3	3	3	-	3	-
Skilled professionals	7	7	3	3	4	3
	10	**10**	**6**	**3**	**7**	**3**

The Company had no employees with a disability of a severity of more than 33% in either 2020 or 2019.

11.3 General expenses

The breakdown of this statement of profit or loss heading:

	Euros	
	2020	**2019**
Rent and fees (note 13)	48,485.78	49,597.66
Repairs and upkeep	15,208.36	512.06
Independent professional services	307,441.62	368,696.88
Insurance premiums	17,349.43	23,733.17
Banking and similar services	1,793.91	655.49
Advertising and publicity	71,960.89	56,308.78
Other services	422,770.12	335,189.02
Utilities	21,255.00	20,861.46
Taxes other than income tax	20,501.97	1,531.17
	926,767.08	**857,085.69**

In 2020, "Independent professional services" in the table above mainly includes consultancy and audit services. In 2019, 34,833.33 euros corresponded to amounts invoiced by the Company's shareholders and directors for the provision of financial advice (note 13), which had been settled at January 31, 2020.

"Other services" in both years include the Company's contribution to the national investment guarantee scheme and a number of levies paid to the CNMV and “Fondo de Garantía de Depósitos”, FOGAIN. This heading also includes miscellaneous expenses related with software purchased for the management of the investment funds in Luxembourg.

12. TAX MATTERS

Taxable profit, determined in accordance with prevailing tax legislation, is subject to taxation at a rate of 25%. Nevertheless, taxable income may be reduced by certain deductions in keeping with prevailing tax legislation.

The table below reconciles accounting profit/(loss) for the year and taxable profit (tax loss) in 2020 and 2019:

	Statement of profit or loss	
	Increases/(decreases)	
Euros	**2020**	**2019**
Accounting income before taxes	**(50,987.76)**	**562,128.78**
Permanent differences	3,427.62	27,879.25
Temporary differences		
- Limit on deductibility of amortization	15,692.18	13,350.43
Taxable income/(tax loss)	(31,867.96)	603,358.46
Application / amount not applied of the capitalization reserve	-	(13,734.11)
Utilization of tax losses and tax credits	-	(342,590.61)
Taxable income before deductions	(31,867.96)	247,033.74
Reduction for equalization reserve	24,703.37	(24,703.37)
Taxable income/(tax loss)	(7,164.59)	222,330.37
Gross tax payable, before deductions and withholdings	-	55,582.59
Deductions	-	(12,950.00)
Withholdings	22,734.11	2,730.47
Corporate income tax receivable/payable	**22,734.11**	**39,902.12**

Tax expense was calculated as follows:

	Euros	
	2020	**2019**
Taxable income at rate of 25%	12,525.65	(139,802.01)
Income tax	**12,525.65**	**(139,802.01)**

In accordance with prevailing tax legislation, income tax returns cannot be considered final until they have been inspected by the tax authorities or until the four-year inspection period has elapsed.

At year-end 2020, the Company has its books open to inspection in respect of all applicable taxes for the last four years. The Company's tax advisors believe that the probability of occurrence of tax liabilities other than those recognized is remote.

Tax assets break down as follows:

Current tax assets	Euros 2020	Euros 2019
Receivable in respect of withholdings	22,734.11	9,917.94
Other	-	-
	22,734.11	**9,917.94**

Deferred tax assets	Euros 2020	Euros 2019
Deferred tax assets - available-for-sale financial assets (note 6.1.2.1)	16,258.34	13,350.43
Deductible temporary differences	1,791.15	-
Unused tax losses	4,303.82	-
Unused tax credits	-	-
Other		
	22,353.31	**13,350.43**

Tax liabilities break down as follows:

Tax liabilities	Euros 2020	Euros 2019
Current tax liabilities		
Income tax	-	39,902.12
VAT	3,694.50	15,928.43
Withholdings	37,655.47	30,483.37
Social security payable	7,965.32	9,709.83
	49,315.29	**96,023.75**
Deferred tax liabilities		
Equalization reserve	-	6,175.84
Deferred tax liabilities - available-for-sale financial assets	40,692.84	11,040.46
	40,692.84	**17,216.30**

The Company has estimated taxable income for the next five years (the projection period considered to be sufficiently credible) on the basis of its business plan.

13. RELATED-PARTY TRANSACTIONS AND BALANCES

The Company views the UCITS under management and its key management personnel (the Company's directors) as its related parties.

Director disclosures

The members of the Company's Board of Directors received € 319,386.00 for the provision of services (December 31, 2019: € 34,833.33 for the provision of services and 226,180.00 euros of remuneration and termination benefits). As of December 31, 2020 and 2019, the Company had not extended any loans to the member of its Board or assumed any pension or life insurance commitments in respect of current or former directors at either year-end.

The Company did not pay any civil liability insurance premiums on behalf of its directors in 2020 or 2019.

For the purposes of article 229 of Spain's Corporate Enterprises Act, the directors have stated that they are not party to conflicts with respect to the Company's interests.

The transactions entered into with the UCITS under management in 2020 and 2019 and the resulting year-end balances are shown below:

	Euros	
	2020	**2019**
Assets		
Management fees receivable (note 6.1.2.2)	174,165.20	763,754.52
Expenses		
General expenses (note 11.3)	-	34,500.00
Income		
Fee and commission income (note 11.1)	1,586,454.32	1,967,248.93

14, DISCLOSURES CONCERNING THE ENVIRONMENT AND GREENHOUSE GAS EMISSION ALLOWANCES

The Company's directors believe the environmental risks deriving from its business activities to be minimal and adequately covered; accordingly, they do not anticipate additional liabilities in this respect. The Company did not incur expenses or receive grants in respect of environmental protection work in either 2019 or 2018. Lastly, the Company has not held any greenhouse gas emission allowances.

15. RISK MANAGEMENT

15.1 Market risk

Market risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as interest rates, foreign exchange rates and equity prices.

15.1.1 Interest-rate risk

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair values of financial instruments. The Company's managers have established limits and controls designed to manage this risk factor.

15.1.2 Exchange-rate risk

The Company was not significantly exposed to exchange-rate risk at either year-end.

15.1.3 Price risk

Price risk is the risk of unfavorable changes in the fair values of assets as a result price changes triggered by factors specific to the financial instrument itself or factors affecting all instruments traded in the market.

The Company measures the risk exposure of its financial investment portfolio periodically using value-at-risk methodology (VaR) which expresses the maximum expected loss for a specific time interval on the basis of the historic performance of a security or portfolio. The VaR of the financial investment portfolio (at a 1-day interval and confidence level of 98%) was 1.08% at year-end 2020 (1.08% at year-end 2019).

15.1.4 Liquidity risk

Liquidity risk is defined as the risk that the Company will encounter difficulty in securing liquid funds or accessing them in sufficient amount and at an acceptable cost to meet its payment obligations in due course.

15.1.5 Credit risk

Credit risk is the risk that the counterparty to a financial instrument will cause a financial loss for the Company by failing to discharge an obligation. It is the Company's policy to enter into financial instruments with reputable counterparties.

The Company does not expect to incur material losses as a result of breach of counterparty obligations.

The following table shows total credit risk exposure at December 31:

	Euros	
	2020	**2019**
Demand deposits (note 6.1.2.1)	44,459.38	28,050.24
Loans and advances to customers (note 6.1.2.2)	182,367.24	776,077.72
Other financial assets (note 6.1.2.3)	1,578.02	301,605.07
	228,404.64	**1,105,733.03**

"Demand deposits" are the amounts held by the Company at banks.

"Loans and advanced to customers" mainly comprise balances receivable from the UCITS managed by the Company in the amount of 174,165.20 euros (year-end 2019: 763,754.52 euros) (note 6.1.2.2).

16. CAPITAL MANAGEMENT

The Company's capital management policy is designed to maintain the capital needed to meet regulatory requirements and cover the capital requirements intrinsic to its business operations by investing in low-risk assets.

The regulations governing the UCITS management companies outlined in note 1 include having to maintain a minimum level of own funds in relation to assets under management.

Article 33 of Royal Decree 83/2015 amends article 100.1) of Royal Decree 1082/2012, which regulates the calculation of eligible and minimum capital such that the Company's own funds cannot fall below one of the following two thresholds:

a) Minimum share capital of 125,000 euros, grossed up by:

- 0.02% of the cash value of the assets of the UCITS administered or managed by the Company in respect of the portion of such assets in excess of 250 million euros, including portfolios it is managing under delegation. Under no circumstances may the initial capital requirement plus this top-up exceed 10 million euros.

- The additional sum of capital referred to in the paragraph above may be covered up to 50% by a guarantee in the same amount from a credit institution or insurance provider. Any such credit institution or insurer must be domiciled in a European Union member state or a third country provided that the latter is bound by prudential requirements that, in the opinion of the CNMV, are equivalent to those stipulated in European Union law.

- In order to cover potential exposures as a result of professional liability in relation to the activities that may be performed by management companies that manage UCITS that are not authorized under Directive 2009/65/EC, of July 13, 2009, private equity firms or closed-end mutual funds, such firms must either:

    i) Hold sufficient additional own funds to cover their potential liability deriving from professional negligence.

    'Sufficient additional own funds' for such purposes shall be understood to equal 0.01% of the assets under management of UCITS not authorized under Directive 2009/65/EC, of July 13, 2009.

    ii) Or take out professional negligence civil liability insurance.

    For the purpose of calculating the minimum capital requirement referred to in the paragraphs above, the assets of UCITS under management, private equity firms and closed-end mutual funds will be deducted by the amounts of any investments held by them in other such institutions that are in turn managed by the same management company.

b) 25% of the fixed overhead expensed in the prior-year statement of profit or loss. Overhead is deemed to include personnel expenses, general expenses, contributions and taxes, depreciation and amortization and other operating charges. That amount of overhead may be adjusted when business volumes have varied substantively year-on-year, a circumstance deemed to have been met when overhead increases or decreases by 25% with respect to total prior-year expenditure, the latter calculated on a year-to-date basis.

Irrespective of the amount implied by these requirements, a management company's capital may at no time fall below the amount stipulated in article 97.1 Regulation (EU) No. 575/2013 of the European Parliament and of the Council, of 26 June 2013, on prudential requirements for credit institutions and investment firms, amending Regulation (EU) No. 648/2012.

The calculation of eligible capital in relation to the Company's minimum capital requirements at December 31, 2020 and 2019 is as follows:

	Euros	
Minimum capital:	**2020**	**2019**
Minimum share capital	125,000.00	125,000.00
In relation to assets under management	-	-
Additional capital for exposure to professional liability	-	-
	125,000.00	**125,000.00**
Overhead	1,429,772.61	1,573,636.17
25% of overhead	357,443.15	393,409.04
Total minimum capital	**357,443.15**	**393,409.04**

	Euros	
Eligible capital:	**2020**	**2019**
Capital	677,084.00	677,084.00
Reserves	447,070.54	354,710.12
Share premium	320,491.30	320,491.30
Positive valuation adjustments	103,703.42	12,774.76
Retained earnings (prior-year losses)	(38,462.11)	(325,480.46)
Intangible assets	(165,874.39)	(188,310.55)
Total eligible capital	**1,344,012.76**	**851,269.17**
Capital surplus / (shortfall)	**986,569.61**	**457,860.13**

17. CUSTOMER SERVICE DISCLOSURES

Article 17 of Spanish Economy Ministry Order ECO/734/2004, of March 11, 2004, obliges customer attention departments and services and financial institutions’ customer ombudsmen, if any, to present their boards with a report each year outlining the work performed by them in the preceding year.

Two customer claims were received in 2020; both were settled in favor of the claimants (no claims received in 2019).

Nor were any complaints or claims lodged before the Bank of Spain and/or the CNMV in 2020 or 2019.

18. OTHER DISCLOSURES

Audit fees

The Company’s financial statements are audited by Ernst & Young, S.L. The fees accrued (i.e., irrespective of when they were invoiced) for auditing the financial statements for the year ended December 31, 2020 amounted to 5,500.00 euros (2019: 5,500.00 euros). The Company did not incur any fees for services other than account auditing services provided by its auditor or any of its auditor's related parties.

Information on late payments to suppliers. Additional Provision Three, 'Disclosure requirement' of Law 15/2010 (July 5, 2010)

	2020	**2019**
	(Days)	**(Days)**
Average supplier payment term	39	31
Paid transactions ratio	39	31
Outstanding transactions ratio	39	31
	(Thousands of euros)	**(Thousands of euros)**
Total payments made	866,434.65	791,962.69
Total payments outstanding	114,214.67	86,922.02

19. EVENTS AFTER THE REPORTING PERIOD

No significant events warranting disclosure have taken place between year-end and the date on which the Board of Directors of the Company authorized these financial statements for issue.

20. EXPLANATION ADDED FOR TRANSLATION TO ENGLISH

These financial statements are a free translation of those originally issued in Spanish. In the event of discrepancy, the Spanish-language version prevails. These financial statements are presented on the basis of the Spanish financial reporting framework applicable to the entity (see note 2). Certain accounting practices applied by the Company that conform with that regulatory framework may not conform with other generally accepted accounting principles and rules.

MANAGEMENT REPORT

Markets

Although the onset of the first global pandemic in a century triggered the biggest stock market correction in a decade during the first quarter of 2020, the massive fiscal and monetary support packages rolled out by the western world helped the equity and fixed income markets to recover everywhere during the following quarters. In addition, during the last quarter, the presentation of much better than expected efficacy results for the first COVID vaccines and their rapid approval by the medicine agencies in Europe, the UK and the US gave the financial markets an additional boost.

Although it is not expected that wide swathes of the population will be vaccinated sooner than the second quarter of 2021, the market, as is its wont, has moved on and is discounting a return to normality this summer, driving the cyclical stocks and those most affected by the pandemic higher.

That improved economic sentiment is evident in the rally in oil prices, which have topped $50/bbl for first time since last March, and the depreciation of the dollar, reflecting its traditional safe-haven function.

On the stock markets, that renewed confidence translated into heady gains in new economy IPOs such as those of AirBnB and Doordash, whose shares soared by over 100% in early trading, and to a rally in stocks related with renewable energies. Those gains leave us concerned that investors in those sectors are being overly optimistic.

The average return on the UCITS managed by the Company was -0.2%.

Outlook

Vaccination momentum should stall the pandemic's spread within a few months' time, allowing companies to get back to normal and generating momentum in their earnings in tandem.

Nevertheless, we believe that equity market valuations are currently overstretched, particularly in the high-tech and renewable energy sectors, as are fixed-income valuations, as is evident in the low prevailing risk premiums and the volume of emissions at negative rates, which account for nearly a third of all bonds outstanding, leaving the markets vulnerable to potential bad news.

At any rate, research before investment, whether in equities or fixed income, in the companies comprising our portfolio, leave us confident that the risk-return trade-off on the stocks held in our portfolio will enable us to outperform the market.

The key risks that could affect the fund include the following:

Any issue with the efficacy of the vaccines, whether on account of new virus mutations or unanticipated side effects.

An increase in inflation warranting a rate hike, which would have significant ramifications for the equity and fixed-income markets.

Surplus optimism in the markets could mean that any piece of bad news could have a significant adverse effect on the financial markets.

An uptick in interest rates would increase the borrowing costs of companies and governments, possibly defaults higher.

Geopolitical risks

Possible European intervention in response to surplus indebtedness in some of the countries most affected by the crisis.

Heightened tension or even confrontation between the US and Iran or the US and China.

Business performance

In 2020, the uncertainty caused by the pandemic and the virtually flat performance of the UCITS managed by the entity meant that even though assets under management increased by just over 2%, performance fees fell sharply.

From a business point of view, the management company was inspected for the first time by the securities market regulator, the CNMV, which did not detect any shortcomings of significance (the minor areas for improvement were sorted out during the first quarter of 2021).

At December 31, 2020, the Company had nine employees, six men and three women.

Income from fees and commissions amounted to 1,596,490.62 euros, down 19% from 2019, due to the drop in performance fees. Of the total, 1,557,172.70 euros correspond to fixed UCITS management fees, 10,036.30 euros to portfolio advisory and management fees and 29,281.62 euros to performance fees.

The Company earned 35,221.62 euros on trading in 2020.

Employee benefits expense amounted to 672,013.03 euros, up 24% from 2019.

The Company reported an after-tax loss of 38,462.11 euros in 2020, shaped by the drop in performance fees.

Payments to suppliers

The Company paid its trade suppliers within the terms stipulated in Spanish Law 15/2010.

Events after the reporting date

The six SICAVs managed by the management company were merged into its Luxembourg fund in January 2021.

Changes in the board composition

There were no boardroom changes in 2020. The Company's Board of Directors is made up of three members.

Research, development and environmental protection activities

The nature of the Company's business meant it did not invest in any of these activities in 2020.

Purchase/sale of own shares

The Company did not buy or sell any own shares in 2020.

Outlook

We expect that completion of the merger of the SICAVs currently under management with the new Luxembourg funds, coupled with the launch of new investment classes with retrocession fees, will facilitate their marketing through bank networks and to institutional investors, ultimately translating into growth in assets under management.

We also expect both the equity and fixed-income markets to perform well as the pandemic comes under control, economic activity returns to normal and corporate earnings expectations look up.

BUY & HOLD CAPITAL,
SOCIEDAD GESTORA DE INSTITUCIONES DE INVERSIÓN COLECTIVA, S.A.

Authorization to issue the 2020 financial statements

At a meeting held on March 31, 2021, the members of the Board of Directors authorized the issuance of the annual financial statements that comprises Statement of financial position, Statement of profit or loss, Statement of changes in equity, Notes to the financial statements, and management report of Buy & Hold Capital, S.G.I.I.C., S.A. for the year ended December 31, 2020,.

Madrid, March 31, 2021

D, Julián Pascual Huerta
Chairman

D, Rafael Valera de Vargas
Director

D, Antonio Aspas Romano
Secretary and Director