



MERCLIN INSTITUTIONAL

Management company: Degroof Petercam Asset Services; management delegated to Mercier Vanderlinden Asset Management

Monthly Report

Date: December 31, 2018

N.A.V. Class R 1.731,81 EUR

N.A.V. Class F 1.074,53 EUR

Important Notice: Minimum subscription amount: 250.000,00 EUR
Reserved for eligible investors

FUND DESCRIPTION

MercLin Institutional Equity Fund RDT-DBI (sub-fund of MercLin Institutional Fund) meets the requirements imposed by the applicable regulations to benefit from the Definitely Taxed Income regime (DBI-RDT): the sub-fund distributes at least 90% of the received income, after deducting salaries, commissions and charges. The company-shareholder can – as of income year 2018 – deduct 100% from the taxable basis of the income distributed by the sicav resulting from dividends or from capital gains on shares, which meet the requirements of the DBI-RDT deduction. The fund follows the equity strategies of the MercLin Global Equity fund.

RESULTS^{2,3}

	YTD	2017	2016	2015	2014	2013	2012	2011
MerclIn DBI/RDT R	-10,14%	+5,74%	+8,74%	+12,98%	+20,14%	+22,74%	+7,97%	+1,53%
MerclIn DBI/RDT F	-10,01%	+5,95%	+8,94%	⁷	⁷	⁷	⁷	⁷
MSCI AC World Euro ⁶	-4,85%	+8,89%	+11,09%	+8,76%	+18,61%	+17,49%	+14,34%	-4,25%

³ It concerns annual (except YTD) performance numbers based on historical data and which are no guarantee of future results. YTD is a cumulative return over a period from the 1st of January of the current year till a given date (see above) in the current year.

⁶ MSCI AC World Euro Net dividend reinvested. The investment policy of the subfund does not include a tracking error objective with the benchmark. Performances of the subfund may therefore vary from the performance of the benchmark.

MANAGER'S COMMENT

The rise of company earnings, combined with the sharp drop in the markets, has led to the majority of stocks being significantly less expensive than a year ago. Quite a few companies are valued as if the world was on the brink of a huge economic crisis. It has been a long time since a portfolio has held so many stocks that are mainly below their historical average valuation. A significant number of stocks could increase 30% or more to reach 'correct' multiples. What is cheap can obviously become even cheaper. On the stock market, there are always exaggerations in both directions, upward as well as downward. For the long-term investor, at current prices the portfolio nonetheless offers a significant margin of safety with a very good potential. Happy New Year!

TOP 10 STOCKS

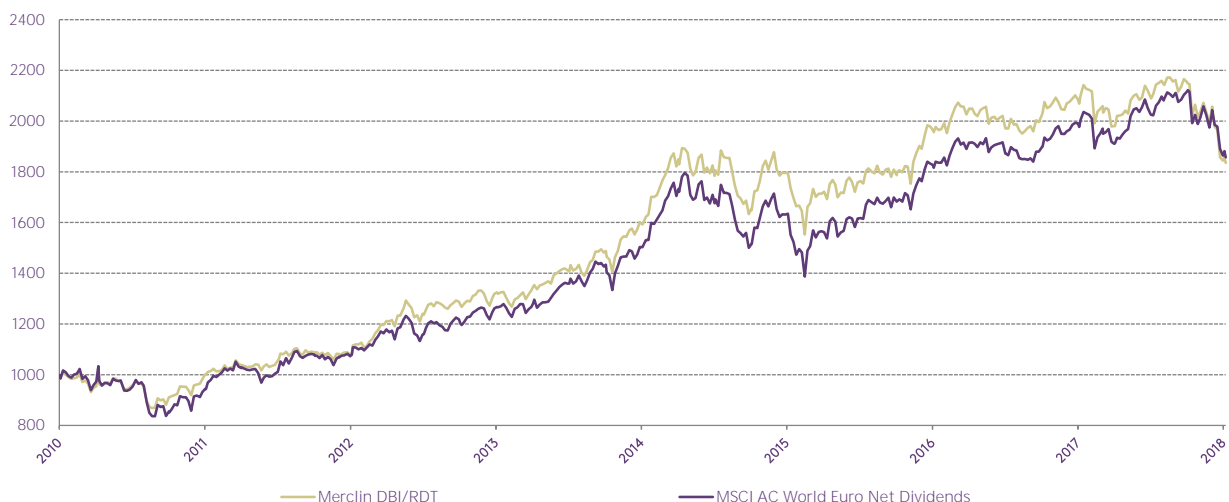
1	Berkshire Hathaway	7,47%
2	Fairfax Financial	6,05%
3	Microsoft	4,98%
4	Alliance Data Systems	4,67%
5	Alphabet	4,63%
6	Fiat Chrysler	4,27%
7	AB InBev	3,87%
8	Citigroup	3,80%
9	Medtronic	3,53%
10	Johnson & Johnson	3,48%
		46,75%

RETURN²

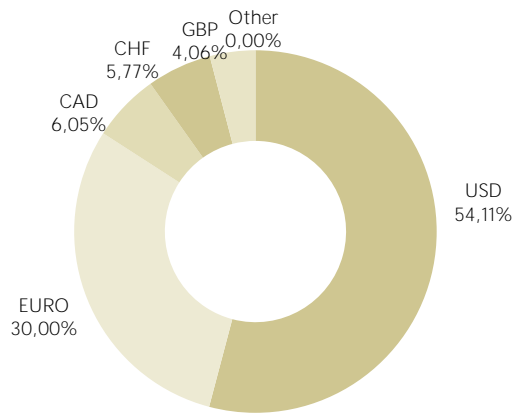
Annualized Returns ⁴	MercLin DBI/RDT R	MercLin DBI/RDT F	Benchmark ²
1 year	-9,94%	-9,81%	-4,85%
3 years	+1,62%	⁷	+4,80%
5 years	+7,43%	⁷	+8,23%
Ann. since inception	+8,19%	+8,26%	+8,02%
Cum. since inception	+88,00%	+23,75%	+88,16%

⁴ The return figures indicated above do not include commissions eventually linked to the issuing and redemption of shares. These are annualised returns based on historical data, which offer no guarantee of future returns.

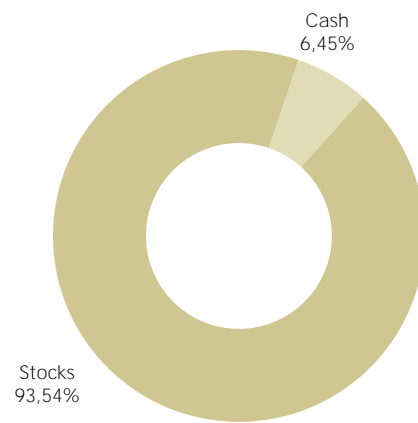
NAV GRAPH^{3, 4}



CURRENCY



ASSET ALLOCATION



GEOGRAPHICAL EXPOSURE

USA	54,11%
Euro Zone	23,54%
Other	12,52%
Switzerland	5,77%
Great Britain	4,06%
Emerging Markets	0,00%
Japan	0,00%

SECTOR EXPOSURE

Consumer Staples	28,00%
Financials	17,83%
Information Technology	15,76%
Healthcare	13,83%
Holding Companies	8,96%
Consumer Discretionary	8,09%
Other	6,46%
Industrial Goods & Services	1,07%
Energy	0,00%

LAST BUY-SELL

BUY

INCREASE

Kraft Heinz
Goldman Sachs

SELL

REDUCE

Sofina

TECHNICAL DATA

Fund Name:	MercLin Institutional Fund
ISIN Merclin DBI/RDT R:	BE6213770470
ISIN Merclin DBI/RDT F:	BE6282942588
Bloomberg:	MERCINS BB
Domicile:	Guimardstraat 19, BE-1040 Brussels, Belgium
Legal status:	Belgian institutional SICAV with sub-funds in financial instruments and liquid assets
Type of shares:	Distribution
Management company:	Degroof Petercam Asset Services S.A.
Financial Agent:	Banque Degroof Petercam N.V.
Custodian:	Banque Degroof Petercam N.V.
Delegation of the administration:	Banque Degroof Petercam Luxembourg S.A., Brussels branch
Delegation of intellectual management:	Mercier Vanderlinden Asset Management
Distributor:	Banque Degroof Petercam N.V.
Auditor:	PwC
Maturity:	Not determined
N.A.V. publication:	www.merciervanderlinden.com
Minimum subscription amount Merclin DBI/RDT R:	250.000,00 EUR
Minimum subscription amount Merclin DBI/RDT F:	50.000.000,00 EUR
Subscription fee:	Class F and R : 0% (Mercier Vanderlinden)
TOB on exit:	No
Withholding Tax:	30%
Tax on UCITS investing more than 10% of their assets in debt claims:	No
Performance Fee:	No
Anti-Dilution Protection:	0,08% at Subscription, 0,08% at Redemption
N.A.V. calculation:	Weekly on Thursday
Subscription/Redemption:	Before Thursday 1:15 PM
Assets Under Management:	296,7 m EUR
Inception:	17/11/2010

	Management Fee	Ongoing Charge ⁵	ISIN
Class R	0,8% annual	0,90%	BE6213770470
Class F	0,6% annual	0,69%	BE6282942588

Risk Indicator :

1	2	3	4	5	6	7
Lower risk						Higher risk
Potentially lower rewards					Potentially higher rewards	
Does not mean a risk-free investment						

The value of an investment in a sub-fund increases or decreases over time. At the time of resale, the price of your shares may be less than the original price, representing a loss. If you invest in a sub-fund whose currency is different from your own, exchange rate fluctuations can also reduce your gains or increase your losses.

The above risk level is calculated on the basis of the sub-fund's volatility over the medium term (i.e. on the basis of actual changes in its value over the last five years or on a simulation, if the subfund was created within that period). The volatility of the sub-fund may increase or decrease over time, which may change its risk level.

The subfund's risk level reflects the following factor(s):

Equity investments have greater volatility and higher risk than investments in bonds and money market instruments. The risk level does not reflect the potential impact of unusual market conditions or unforeseen events that may increase risk or trigger other risks such as:

- Counterparty risk: the subfund can lose money as a result of the failure of a market player with which it does business.
- Credit risk: risk associated with bonds becoming worthless when the issuer of the bond is not able to repay its debt on maturity.
- Liquidity risk: some financial securities may be impossible to sell quickly at a given time or may have to be sold at a discount.
- Management risk: under abnormal market conditions, the usual management techniques may be ineffective or unfavourable.
- Operating risk: in any market, and especially in the emerging markets, the subfund may lose some or all of its money if there is a failure in the custody of assets or in case of fraud, corruption, political actions or any other adverse event.

In case of complaints concerning this fund, please send an email to compliance@mvmv.eu. If you do not obtain a satisfactory response, you can always contact the Ombudsman of the financial services sector through the website: <http://www.ombudsfin.be/en/individuals/introduce-complaint/>.

The information document and the periodic reports are available free of charge with the financial agent: Banque Degroof Petercam S.A., 44 rue de l'Industrie, B-1040 Brussels. Every investor took note of the information document and any subscription should be made on the basis of this document.

² Source data: Bloomberg, Morningstar & Banque Degroof Petercam Luxembourg.

⁵ Ongoing charge: charges taken from the subfund over a year (including management fees).

⁷ No information available for this period as Class F was only created in 2016.