



# MERCILIN PATRIMONIUM

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

## Monthly Report

Date:	October 31, 2018
N.A.V. Class R:	1.775,88 EUR
N.A.V. Class C:	1.478,84 EUR
N.A.V. Class R dis:	1.716,53 EUR
N.A.V. Class C dis:	1.452,74 EUR
Morningstar <sup>1</sup> Rating™:	★★★★★

### FUND DESCRIPTION

The objective of the fund is to increase the value of your investment over the medium- to long-term. Under normal market conditions, the fund primarily invests in a diversified portfolio of equities and bonds from all countries worldwide, including from emerging countries.

The fund may invest directly in equities or bonds, or indirectly by investing in units of other investment funds or in certificates of deposit. In order to take advantage or hedge against market fluctuations, or for effective portfolio management, the sub-fund may use derivatives.

The Fund Manager will select the various investment classes, sectors and countries in a flexible manner, on the basis of macroeconomic and financial criteria. This fund is suitable for investors who understand the risks of the fund and who wish to invest for a minimum investment horizon of 3 to 5 years.

### RESULTS<sup>2,3</sup>

	YTD	2017	2016	2015	2014	2013	2012	2011	2010
<b>MerLin II Pat R</b>	<b>-3,14%</b>	+5,04%	+8,27%	+7,58%	+10,95%	+12,79%	+8,87%	-1,50%	+11,67%
<b>MerLin II Pat C</b>	<b>-3,46%</b>	+4,62%	+7,83%	+7,15%	+10,50%	+12,48%	-	-	-
Ranking Morningstar <sup>1</sup> %	<b>43</b>	38	5	6	11	9	51	15	11

<sup>3</sup> These performance numbers are based on historical data and are no guarantee for future results. YTD: Performance since the 1st of January of the current calendar year. This is a cumulative return.

### MANAGER'S COMMENT

While equity markets corrected sharply during the month, bond markets remained remarkably stable providing some protection for the fund. The decision was taken to reduce slightly from 50 to 45 % the equity exposure at the beginning of the month on mounting geopolitical uncertainty, rising US yields and commodity prices. The exposure was subsequently increased to gold and cash in the fund.

This increased cash position should provide some stability to the fund in the current turbulent times on equity markets, but more importantly it should offer the opportunity to reinvest it in opportunities that will inevitably arise when fund managers become forced sellers due to redemptions in their funds or when exaggerated pessimism creates interesting entry points in new opportunities.

### TOP 5 STOCKS

1	Berkshire Hathaway	2,76%
2	Fairfax Financial	2,67%
3	Microsoft	2,62%
4	Alliance Data Systems	2,26%
5	Anheuser-Busch	1,71%
		12,02%

### TOP 5 OTHERS

1	Gold bullion	3,40%
2	Nama Perp Call 2020	1,51%
3	Global Evolution frontier market	1,13%
4	Steinhoff 2023	0,85%
5	RBS Perp	0,83%
		7,72%

### RETURN<sup>2</sup>

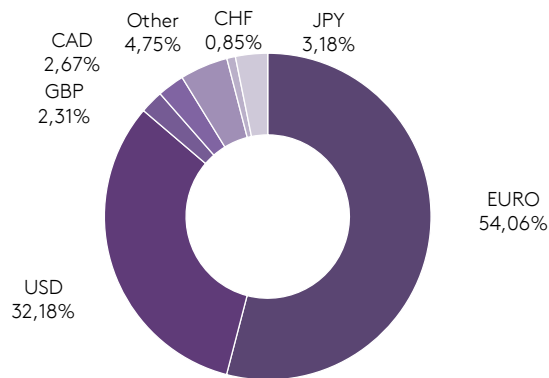
Annualized returns <sup>4</sup>	MerLin II Pat R CAP	MerLin II Pat C CAP
1 year	-3,81%	-4,20%
3 years	+3,01%	+2,59%
5 years	+5,78%	
Annualized since inception	+6,71%	+6,54%

<sup>4</sup> The return figures indicated above do not include commissions eventually linked to the issuing and redemption of shares, nor stock exchange turnover tax. Based on historical data, which offer no guarantee of future returns and can even be misleading. Performance is calculated on a cumulative basis for periods under one year and on an actuarial basis for periods of over one year. Performance of the MerLin II Patrimonium R Cap up to 30.06.2013 were achieved under the scope of a fund governed by Section II of the Law of 17 December 2010 on undertakings for collective investment. Inception of MerLin II Patrimonium C Cap is 30.08.2012.

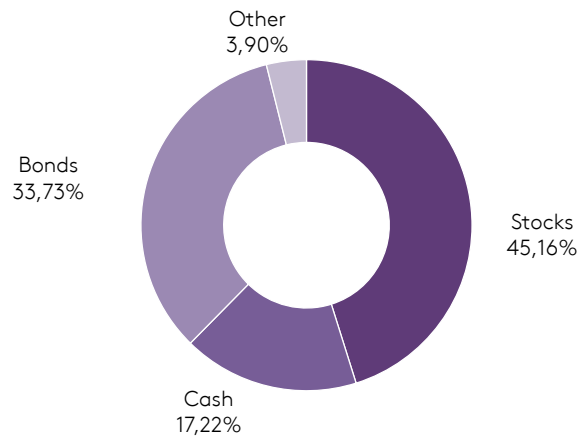
### NAV GRAPH<sup>3, 4</sup>



## CURRENCY



## ASSET ALLOCATION



## SECTOR EXPOSURE

Banks	14,64%
Consumer Goods	10,27%
Consumer Services	10,11%
Technology	9,32%
Healthcare	7,00%
Industrials	4,09%
Insurance	4,02%
Holding Companies	3,59%
Telecom	2,19%
Oil & Gas	0,73%
Other	16,82%
Cash & Cash Equivalents	17,22%

## BONDS

Government	0,43%
Floating Rate Investment Grade	0,26%
Floating Rate High Yield	6,72%
Corporate Investment Grade	0,77%
Corporate High Yield	6,77%
Corporate Hybrids	1,65%
Financial Senior	0,89%
Financial Subordinated	9,84%
Convertibles	4,22%
Mutual Funds	2,18%

## LAST BUY - SELL

### BUY

Henkel Rossini 2025  
Mohawk  
Bank Van Breda Perp

### INCREASE

ADS RBS Perp  
L Brands  
Tencent

### SELL

Aryzta Perp  
Renault Perp

### REDUCE

Aspen Insurance  
Casino 2024  
Picard 2023

## TECHNICAL DATA

Fund Name:	MercLin II SICAV
Manufacturer:	Degroof Petercam Asset Services
Domicile:	Luxembourg
Legal Status:	SICAV subject to Part I of the Luxembourg law of 17 December 2010
Type of shares:	Capitalisation & Distribution
Belgian Financial Agent:	Banque Degroof Petercam S.A.
Custodian:	Banque Degroof Petercam Luxembourg S.A.
Transfer Agent:	Banque Degroof Petercam Luxembourg S.A.
Management company:	Degroof Petercam Asset Services
Manager:	Mercier Vanderlinden Asset Management
Auditor:	KPMG-audit
Maturity:	not determined
N.A.V. Publication:	De Tijd, L'Echo, www.merciervanderlinden.com and www.beama.be/en/nav
Minimum subscription:	1 share
Subscription fee:	Class F and R : 0% (Mercier Vanderlinden) Class C : Max. 3%
Swing pricing:	no
Redemption fee:	0%
TOB on exit :	1,32% / max € 4000 for Class Cap, 0% for Class Dis
Tax on UCITS investing more than 10% of their assets in debt claims	Yes (30%)
Withholding Tax:	30%
N.A.V. calculation:	Weekly on Thursday
Subscription/Redemption:	Before Thursday 2.00pm
Performance fee:	no
Assets under management:	1.188 m EUR
Inception:	31/12/2009

The prospectus, the KIID and the periodic reports are available free of charge from the Belgian representative of the financial agent: Bank Degroof Petercam S.A., 44 rue de l'Industrie, B-1040 Brussels or on [www.merciervanderlinden.com](http://www.merciervanderlinden.com). Every investor took note of the prospectus and/or KIID and any subscription should be made on the basis of these documents.

In case of complaints concerning this fund, please send an email to [compliance@mnam.eu](mailto:compliance@mnam.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.ombudsfm.be/en/individuals/introduce-complaint>.

MercLin II SICAV is a 'société d'investissement à capital variable' (investment company with variable capital), subject to part I of the Luxembourg Law of 17 December 2010 relating to undertakings for collective investment since 20/06/2014 (subject to part II before that date) and to the European Savings Taxation Directive.

	Management Fee	Ongoing Charge <sup>5</sup>	ISIN	Bloomberg
Class R:	0,8% annually	1,07%	LU0476058226	MERPATR LX
Class C:	1,2% annually	1,47%	LU0819995118	MERPACC LX
Class R dis:	0,8% annually	1,07%	LU1082460731	MERRDIS LX
Class C dis:	1,2% annually	1,47%	LU1082460491	MERPACD LX

Risk indicator: please consult the KIID and/or the Prospectus for more details.



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

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.
- Risk of derivatives: some derivatives may increase the volatility of the subfund or expose the subfund to losses that are higher than the price of the derivatives.
- 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.

<sup>1</sup> For further information about Morningstar Rating™ and Ranking Morningstar®, please visit the Morningstar website on [www.morningstar.be](http://www.morningstar.be). Specific information concerning MercLin II Patrimoine 'R' cap can be found on <http://www.morningstar.be/be/funds/snapshot/snapshot.aspx?id=F00000OU10>

<sup>2</sup> Source data: Bloomberg, Morningstar & Banque Degroof Petercam Luxembourg.

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