



# MERCLIN PATRIMONIUM

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

## Monthly Report

Date:	November 30, 2018
N.A.V. Class R:	1.775,50 EUR
N.A.V. Class C:	1.478,03 EUR
N.A.V. Class R dis:	1.716,16 EUR
N.A.V. Class C dis:	1.451,95 EUR
Morningstar <sup>1</sup> Rating™:	★★★★★

### FUND DESCRIPTION

The objective of Patrimonium, a subfund of MerclIn II SICAV, is to increase the value of your investment over the medium- to long-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
MerclIn II Pat R	-3,16%	+5,04%	+8,27%	+7,58%	+10,95%	+12,79%	+8,87%	-1,50%	+11,67%
MerclIn II Pat C	-3,51%	+4,62%	+7,83%	+7,15%	+10,50%	+12,48%	-	-	-
Ranking Morningstar <sup>1</sup> %	58	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

BUT is the third-largest furniture retailer in France with a complementary presence in electrical goods and decorating items. It directly operates 205 stores with an additional 96 franchise stores in France. The group recently published comforting results with sales increasing by a nice 3.9% year on year, against -4.4% for the market in furniture and -1.7% for the electrical goods market.

Net reported debt is now low at 2.3x EBITDA. With €209m of cash on balance sheet and a €100m undrawn credit facility, liquidity is very substantial. Management has stated that they do not plan any dividend nor bond buyback at this stage. They aim to preserve financial flexibility and could be opportunistic if specific projects or acquisition opportunities arise.

Even if the retail market is still challenging, these encouraging results improve significantly the risk/reward outlook of their bonds that suffered recently in the market selloff.

### TOP 5 STOCKS

1	Berkshire Hathaway	2,76%
2	Fairfax Financial	2,59%
3	Microsoft	2,47%
4	Alliance Data Systems	2,17%
5	Anheuser-Busch	1,77%
		11,76%

### TOP 5 OTHERS

1	Gold bullion	3,41%
2	Orbis Japan	2,93%
3	Nama Perp Call 2020	1,33%
4	Global Evolution frontier market	1,15%
5	Orbis Asia ex Japan	1,06%
		9,88%

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

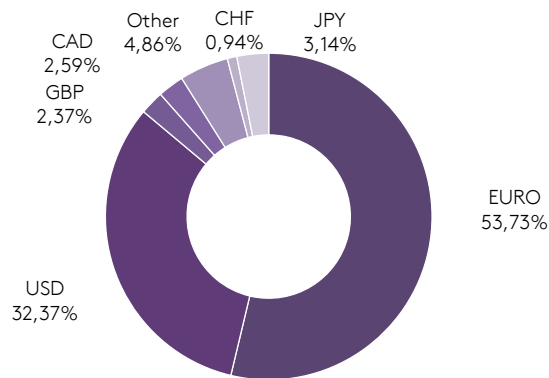
Annualized returns <sup>4</sup>	MerclIn II Pat R CAP	MerclIn II Pat C CAP
1 year	-3,95%	-4,34%
3 years	+2,33%	+1,92%
5 years	+5,69%	
Annualized since inception	+6,65%	+6,45%

<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 MerclIn 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 MerclIn II Patrimonium C Cap is 30.08.2012.

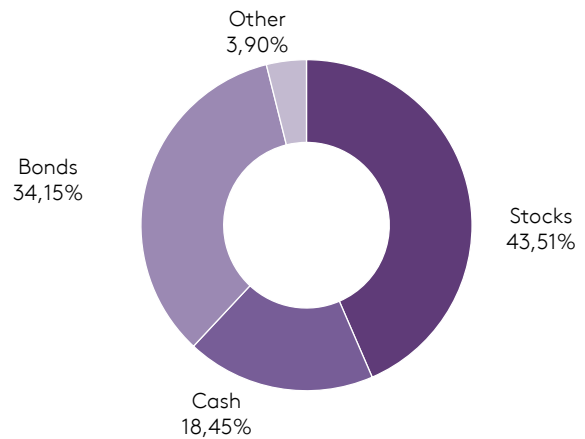
### NAV GRAPH<sup>3,4</sup>



## CURRENCY



## ASSET ALLOCATION



## SECTOR EXPOSURE

Other	17,44%
Banks	14,04%
Consumer Goods	10,24%
Consumer Services	9,18%
Technology	9,18%
Healthcare	7,38%
Insurance	3,84%
Industrials	3,72%
Holding Companies	3,52%
Telecom	2,16%
Oil & Gas	0,85%
Cash & Cash Equivalents	18,45%

## BONDS

Government	0,43%
Floating Rate Investment Grade	0,26%
Floating Rate High Yield	6,05%
Corporate Investment Grade	0,77%
Corporate High Yield	7,68%
Corporate Hybrids	2,03%
Financial Senior	0,87%
Financial Subordinated	10,18%
Convertibles	3,73%
Mutual Funds	2,15%

## LAST BUY - SELL

### BUY

Ackermans & Van Haaren	Salini 2021
Financière Apsys 2020	Trafigura 2020
KBC Perp	Unicredit Perp

### INCREASE

Alliande Data Systems	Eurofins Perp
Citigroup	Europcar 2024
Goldman Sachs	

### SELL

Adient	Ferrari
Deutsche Bank	Micro Focus
Fastenal	Standard Chartered

### REDUCE

Microsoft	
Nama Perp	

## TECHNICAL DATA

<b>Fund Name:</b>	<b>MercLin II SICAV</b>
<b>Manufacturer:</b>	Degroof Petercam Asset Services
<b>Domicile:</b>	Luxembourg
<b>Legal Status:</b>	SICAV subject to Part I of the Luxembourg law of 17 December 2010
<b>Type of shares:</b>	Capitalisation & Distribution
<b>Belgian Financial Agent:</b>	Banque Degroef Petercam S.A.
<b>Custodian:</b>	Banque Degroef Petercam Luxembourg S.A.
<b>Transfer Agent:</b>	Banque Degroef Petercam Luxembourg S.A.
<b>Management company:</b>	Degroof Petercam Asset Services
<b>Manager:</b>	Mercier Vanderlinden Asset Management
<b>Auditor:</b>	KPMG-audit
<b>Maturity:</b>	not determined
<b>N.A.V. Publication:</b>	De Tijd, L'Echo, www.merciervanderlinden.com and www.beama.be/en/nav
<b>Minimum subscription:</b>	1 share
<b>Subscription fee:</b>	Class F and R : 0% (Mercier Vanderlinden) Class C : Max. 3%
<b>Swing pricing:</b>	no
<b>Redemption fee:</b>	0%
<b>TOB on exit :</b>	1,32% / max € 4000 for Class Cap, 0% for Class Dis
<b>Tax on UCITS investing more than 10% of their assets in debt claims</b>	Yes (30%)
<b>Withholding Tax:</b>	30%
<b>N.A.V. calculation:</b>	Weekly on Thursday
<b>Subscription/Redemption:</b>	Before Thursday 2.00pm
<b>Performance fee:</b>	no
<b>Assets under management:</b>	1.189 m EUR
<b>Inception:</b>	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 Degroef 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 a 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
<b>Class R:</b>	0,8% annually	1,07%	LU0476058226	MERPATR LX
<b>Class C:</b>	1,2% annually	1,47%	LU0819995118	MERPACC LX
<b>Class R dis:</b>	0,8% annually	1,07%	LU1082460731	MERRDIS LX
<b>Class C dis:</b>	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 Degroef Petercam Luxembourg.

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