



MERCLIN PATRIMONIUM

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

Monthly Report

Date:	January 31, 2019
N.A.V. Class R:	1.775,26 EUR
N.A.V. Class C:	1.476,83 EUR
N.A.V. Class R dis:	1.715,93 EUR
N.A.V. Class C dis:	1.450,77 EUR
Morningstar ¹ 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-term. Under normal market conditions, the fund primarily invests in a diversified portfolio of equities and bonds from all countries worldwide, including from emerging market 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^{2,3}

	YTD	2018	2017	2016	2015	2014	2013	2012	2011	2010
MerclIn II Pat R	+4,69%	-7,51%	+5,04%	+8,27%	+7,58%	+10,95%	+12,79%	+8,87%	-1,50%	+11,67%
MerclIn II Pat C	+4,65%	-7,88%	+4,62%	+7,83%	+7,15%	+10,50%	+12,48%	-	-	-
Ranking Morningstar ¹ %	17	64	38	5	6	11	9	51	15	11

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

MANAGER'S COMMENT

The corporate hybrids are an interesting instrument: the issuer usually has a strong balance sheet, rated investment grade, with a strong and predictable profitability. They issue corporate debt that is subordinated to senior debt, usually to finance an acquisition, specific capital expenditures or special dividends. This asset class performed well during the first 9 months of 2018. As some of the hybrids that the fund owned were sold, the exposure to those instruments decreased from 4.3% at the beginning of 2018 to 1.7% at the end of September 2018.

The corporate hybrids underperformed over the last 3 months of 2018 with the general weakness of the markets. It has led to some opportunities. The fund increased exposure in new names by investing in Enel, Solvay, Accor and EDP. The last bond issued by EDP is the first green hybrid debt issued in Europe. The proceeds of the bond will finance renewable projects. These instruments offer average yields of more than 4% on their next call date.

TOP 5 STOCKS

1	Berkshire Hathaway	2,79%
2	Fairfax Financial	2,58%
3	Fiat Chrysler	2,47%
4	Microsoft	2,30%
5	Citigroup	1,99%
		12,13%

TOP 5 OTHERS

1	Gold bullion	4,57%
2	Orbis Japan	2,98%
3	US treasuries 2048	1,18%
4	Orbis Asia ex Japan	1,13%
5	Ruffer	0,80%
		10,66%

RETURN²

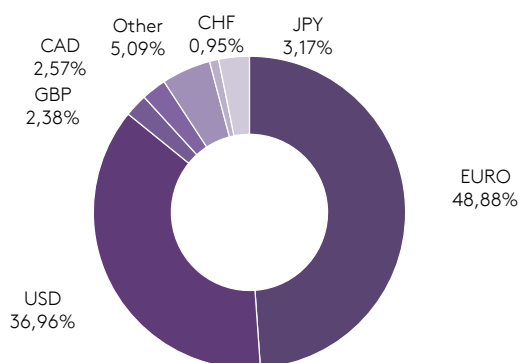
Annualized returns ⁴	MerclIn II Pat R CAP	MerclIn II Pat C CAP
1 year	-4,55%	-4,94%
3 years	+4,90%	+4,48%
5 years	+5,80%	+5,37%
Annualized since inception	+6,52%	+6,26%

⁴ 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.

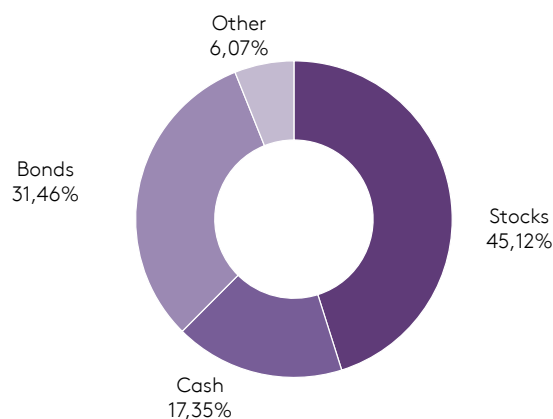
NAV GRAPH^{3,4}



CURRENCY



ASSET ALLOCATION



SECTOR EXPOSURE

Banks	12,87%
Consumer Goods	10,48%
Technology	9,20%
Consumer Services	9,18%
Healthcare	6,47%
Industrials	4,33%
Insurance	3,89%
Holding Companies	3,63%
Telecom	2,28%
Oil & Gas	1,07%
Other	19,28%
Cash & Cash Equivalents	17,32%

BONDS

Government	1,65%
Floating Rate Investment Grade	0,26%
Floating Rate High Yield	6,14%
Corporate Investment Grade	0,80%
Corporate High Yield	6,57%
Corporate Hybrids	2,81%
Financial Senior	0,87%
Financial Subordinated	7,76%
Convertibles	3,60%
Mutual Funds	1,00%

LAST BUY - SELL

BUY

Accor Perp	Tizir 2022
eBay	Vivat Perp
EDP Perp	US Treasury 2048

INCREASE

Facebook	Fiat Chrysler
BNP Paribas	Altice 2022
Goldman Sachs	Atalian 2025

SELL

Henkel
ADS 2022
Euronav 2022

REDUCE

Adient	Teva 2026
Barclays 2023	
Eurofins Perp	

TECHNICAL DATA

Fund Name:	MerLin 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:	1.189 m EUR
Inception:	31/12/2009

	Management Fee	Ongoing Charge ⁵	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.

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. 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@mvm.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>.

MerLin 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.

¹ For further information about Morningstar Rating™ and Ranking Morningstar®, please visit the Morningstar website on www.morningstar.be.

Specific information concerning MerLin II Patrimonium 'R' cap can be found on <http://www.morningstar.be/be/funds/snapshot/snapshot.aspx?id=F000000UI0>

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

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