



MERCLIN PATRIMONIUM Monthly Report



Date:	June 30, 2017
Price Class R:	1 792,13 EUR
Price Class C:	1 500,43 EUR
Price Class R dis:	1 753,04 EUR
Price Class C dis:	1 482,52 EUR
Morningstar 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.

PERFORMANCE*

	YTD	2016	2015	2014	2013	2012	2011	2010
MercLin II Pat R	+2,68%	+8,27%	+7,58%	+10,95%	+12,79%	+8,87%	-1,50%	+11,67%
MercLin II Pat C	+2,47%	+7,83%	+7,15%	+10,50%	+12,48%	-	-	-
Ranking Morningstar %	50	5	6	11	9	51	15	11

* These performance numbers are based on historical data and are no guarantee for future results.

MANAGERS' COMMENT

In June, for the first time, we were able to evaluate the new loss-absorbing mechanism of an insolvent bank: the Spanish bank Banco Popular was deemed unsustainable by the ECB and the national regulator. As a result, the AT1 subordinated bonds and the shares have been fully depreciated and the Tier2 subordinated bonds have been converted into new shares. These new shares were then bought by Banco Santander for 1 symbolic Euro. The successful goal of this mechanism of resolution was to protect the depositors of Banco Popular, without the intervention of the State.

In order to cover the doubtful loans of Banco Popular, Banco Santander will proceed with a capital increase of 7 billion EUR in the coming months. This increase in provisions has put a lot of pressure on the other Spanish banks: Banco Popular's loan coverage rate will increase to 69%, while most banks have a 40-50% coverage ratio.

One bank particularly underperformed: Liberbank. We took advantage of this contagion effect to initiate a position of the Tier 2 bond maturing in 2027 (with an early redemption option in 2022). This bond had lost up to 20 points since its highest price while the balance sheet structure and capitalization ratios are good and doubtful loans have been declining sharply for months.

TOP 5 STOCKS

1	Berkshire Hathaway	2,64%
2	AB Inbev	2,23%
3	Microsoft	2,13%
4	Alliance Data Systems	1,86%
5	Fairfax Financial	1,80%
		10,66%

TOP 5 OTHERS

1	Folli Follie 2019	1,39%
2	Nama Perp	1,23%
3	Eurofins Perp	1,14%
4	Axa World Universal Inflation	0,84%
5	Pareto Hoyerente	0,69%
		5,29%

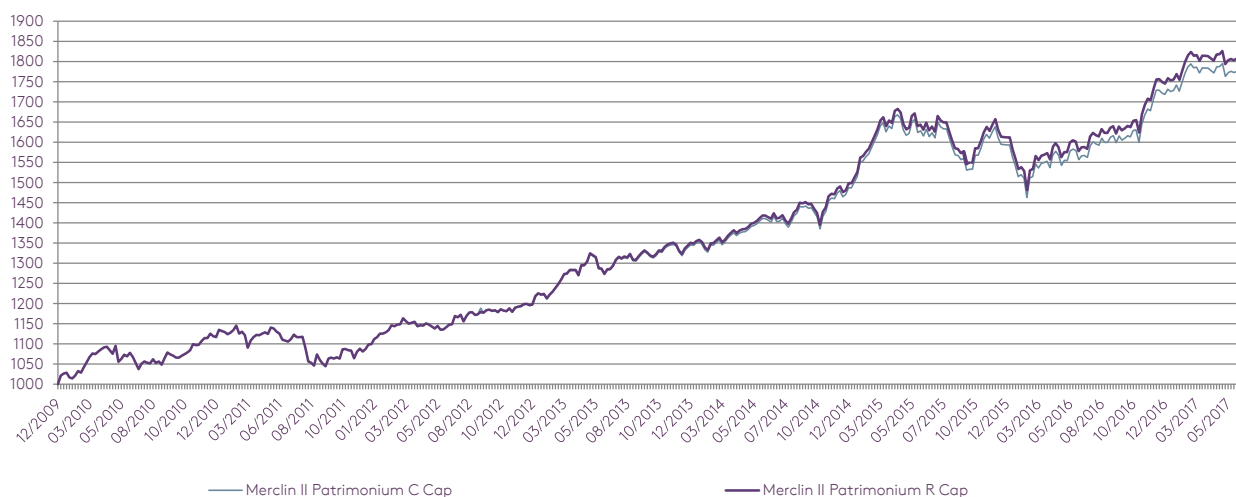
RETURN³

Annualized ¹	MercLin II Pat R CAP	MercLin II Pat C CAP
1 year	+12,83%	+12,37%
3 years	+8,32%	+7,89%
5 years	+9,31%	

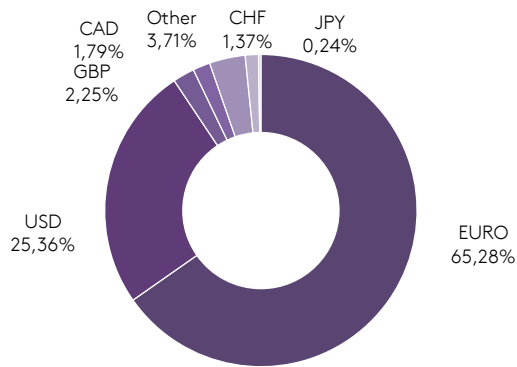
Annualized	+8,09%	+8,75%
------------	--------	--------

¹ 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 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.

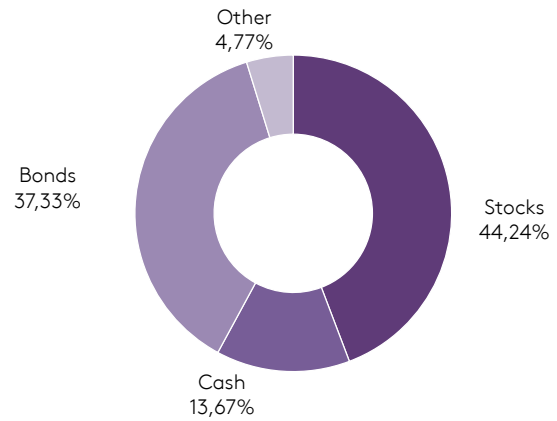
NAV GRAPH³



CURRENCY



ASSET ALLOCATION



SECTOR EXPOSURE

Banks	12,38%
Consumer Goods	9,70%
Healthcare	8,03%
Consumer Services	10,45%
Other	31,87%
Technology	7,97%
Insurance	5,37%
Industrials	6,00%
Holding Companies	3,70%
Telecom	3,10%
Oil & Gas	1,12%
Basic Materials	0,31%

BONDS

Government	0,00%
Floating Rate Investment Grade	0,00%
Floating Rate High Yield	6,17%
Corporate Investment Grade	0,77%
Corporate High Yield	6,17%
Corporate Hybrids	5,49%
Financial Senior	1,03%
Financial Subordinated	9,05%
Convertibles	5,38%
Mutual Funds	3,27%

LAST BUY - SELL

BUY

Argan 2023
KBC Perp
UPC 2023

INCREASE

Intralot 2021
Matterhorn 2023
Unicredit 2022

Dollar tree

SELL

Banco Mare 2026

REDUCE

0
0

TECHNICAL DATA

Fund Name:	MercLin II SICAV
Domicile:	Luxembourg
Legal Status:	SICAV subject to Part I of the Luxembourg law of 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
Share Price Publication:	De Tijd, L'Écho, www.merciervanderlinden.com
Minimum subscription:	1 share
Subscription fee:	Max. 3% (0% Mercier Vanderlinden)
Maturity:	not determined
Redemption fee:	0%
Swing pricing:	no
TOB on exit:	1,32% / max € 4000
Tax on UCITS investing more than 25% of their ass:	Yes, 30%
Withholding tax:	30%
N.A.V. calculation:	Weekly on Thursday
Subscription/Redemption:	Before Thursday 2.00pm
Assets under management:	1 020 m EUR
Inception:	31/12/2009

	Management Fee	Ongoing Charge ²	ISIN	Bloomberg
Klasse R:	0,8% annually	1,10%	LU0476058226	MERPATR LX
Klasse C:	1,2% annually	1,50%	LU0819995118	MERPACC LX
Klasse R dis:	0,8% annually	1,09%	LU1082460731	MERRDIS LX
Klasse C dis:	1,2% annually	1,50%	LU1082460491	MERPACD LX

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

Typically lower risks and rewards ↑ Typically higher risks and rewards

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.

² Ongoing charge: charges taken from the subfund over a year.

³ Source data: Bloomberg, Morningstar & Bank Degroof Petercam Luxembourg. Reference period January 1st to December 31st, except for actual year, where reference period is January 1st to date of this report.

¹For further information about Morningstar Rating™ and Ranking Morningstar®, please visit the Morningstar website on www.morningstar.be. Specific information concerning MercLin II Patrimonium 'R' cap can be found on <http://www.morningstar.be/be/funds/snapshot/snapshot.aspx?id=F000000UI0>. 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/>.