



# MERCLIN PATRIMONIUM

Management company: DPAS<sup>2</sup>, delegated to Mercier Vanderlinden Asset Management

## Monthly Report

Date:	February 28, 2018
Price Class R:	1.834,40 EUR
Price Class C:	1.531,70 EUR
Price Class R dis:	1.794,39 EUR
Price Class C dis:	1.513,41 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-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<sup>\*3</sup>

	YTD**	2017	2016	2015	2014	2013	2012	2011	2010
<b>MerLin II Pat R</b>	<b>+0,05%</b>	+5,04%	+8,27%	+7,58%	+10,95%	+12,79%	+8,87%	-1,50%	+11,67%
<b>MerLin II Pat C</b>	<b>-0,01%</b>	+4,62%	+7,83%	+7,15%	+10,50%	+12,48%	-	-	-
Ranking Morningstar <sup>1</sup> %	60	38	5	6	11	9	51	15	11

\* These annual (except YTD) performance numbers are based on historical data and are no guarantee for future results.

\*\*YTD is the cumulative performance since the 1st of January of the current calendar year.

### MANAGERS' COMMENT

Last month we introduced in the portfolio a new exchangeable bond issued and guaranteed by Damm, a privately-owned brewer situated in Catalonia, Spain exchangeable in Ebro Foods shares.

Damm owner of the Estrella-Damm beer brand is a dominant player in its domestic market with more than EUR 1bn in revenues and almost no debt. It holds an 11% stake in Ebro Foods and has used this participation to issue an exchangeable bond with a maturity in December 2023 and a 1% coupon. Ebro Foods on the other hand is a well-managed company primarily active in pasta and rice, with well-known brands like Panzani, Bosto or Lustucru showing decent growth in recent years. We were able to buy the bond around par, offering thus a low positive yield to maturity.

What we like about this bond, is that Damm is a solid company, hence offering limited downside risk. More importantly, the bond comes with an option to convert our investment into Ebro Food shares at a price of EUR 23.71 a share while Ebro Foods shares are currently around EUR 20. This means that if the share price surpasses the conversion price within 5,5 years, our investment will benefit from all the positive stock performance above this threshold. This is typically the kind of investments we look for: limited downside risk and unlimited upside potential.

### TOP 5 STOCKS

1	Berkshire Hathaway	2,97%
2	Microsoft	2,50%
3	Fairfax Financial	2,48%
4	ADS	2,15%
5	Fiat	2,12%
		12,22%

### TOP 5 OTHERS

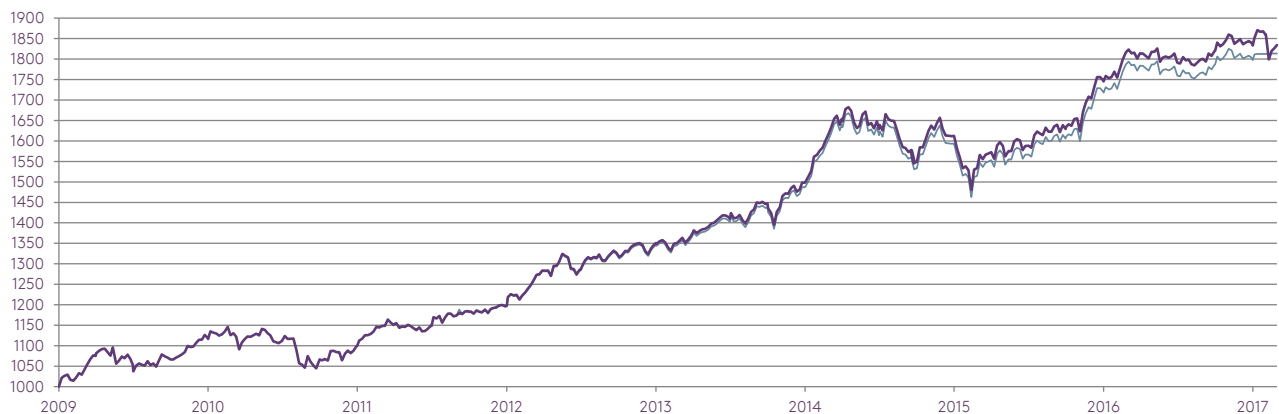
1	Nama Perp Call 2020	1,10%
2	Folli Follie 2019	1,11%
3	Steinhoff 2023	0,84%
4	Unicredit Abaar 2022	0,79%
5	Eurofins Perp call 2023	0,72%
		4,56%

### RETURN<sup>4</sup>

Annualized <sup>4</sup>	MerLin II Pat R CAP	MerLin II Pat C CAP
1 year	+1,02%	+0,61%
3 years	+4,32%	+3,90%
5 years	+8,00%	
Annualized since inception	+7,71%	+8,06%

<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.

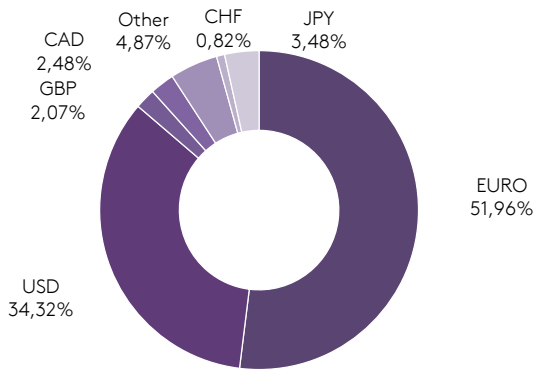
### NAV GRAPH<sup>3 4</sup>



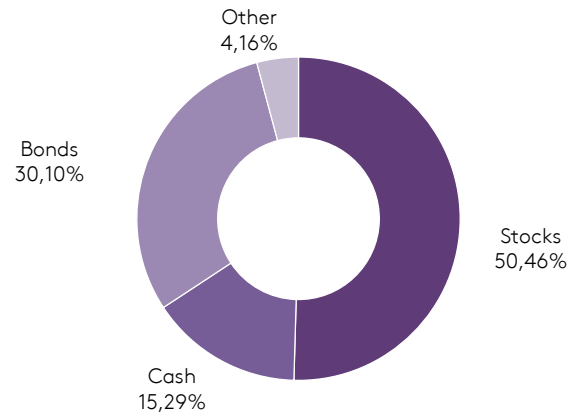
— Merclin II Patrimonium C Cap

— Merclin II Patrimonium R Cap

## CURRENCY



## ASSET ALLOCATION



## SECTOR EXPOSURE

Banks	13,83%
Consumer Services	12,07%
Consumer Goods	10,90%
Technology	8,99%
Healthcare	7,15%
Holding Companies	4,69%
Industrials	4,48%
Insurance	4,09%
Telecom	2,60%
Oil & Gas	1,73%
Basic Materials	0,10%
Other	29,37%

## BONDS

Government	0,00%
Floating Rate Investment Grade	0,00%
Floating Rate High Yield	6,95%
Corporate Investment Grade	1,18%
Corporate High Yield	3,65%
Corporate Hybrids	2,98%
Financial Senior	0,93%
Financial Subordinated	6,81%
Convertibles	5,88%
Mutual Funds	1,72%

## LAST BUY - SELL

### BUY

Dammes 2023  
Lloyds Perp  
Sisal 2022

### INCREASE

Aldesa 2021  
Ineos 2024  
Infogroup 2022

Deutsche Bank  
L Brands  
Sanofi

### SELL

Accor Perp  
DB perp

### REDUCE

Axa Perp

## TECHNICAL DATA

<b>Fund Name:</b>	MerLin II SICAV
<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 December 2010
<b>Type of shares:</b>	Capitalisation & Distribution
<b>Belgian Financial Agent:</b>	Banque Degroof Petercam S.A.
<b>Custodian:</b>	Banque Degroof Petercam Luxembourg S.A.
<b>Transfer Agent:</b>	Banque Degroof 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>Share Price Publication:</b>	De Tijd, L'Echo, www.merciervanderlinden.com
<b>Minimum subscription:</b>	1 share
<b>Subscription fee:</b>	Max. 3% (0% Mercier Vanderlinden)
<b>Swing pricing:</b>	no
<b>Redemption fee:</b>	0%
<b>TOB on exit:</b>	1,32% / max € 4000
<b>Tax on UCITS investing more than 25% 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>	1.133 m EUR
<b>Inception:</b>	31/12/2009

	Management Fee	Ongoing Charge <sup>5</sup>	ISIN	Bloomberg
<b>Klasse R:</b>	0,8% annually	1,10%	LU0476058226	MERPATR LX
<b>Klasse C</b>	1,2% annually	1,50%	LU0819995118	MERPACC LX
<b>Klasse R dis:</b>	0,8% annually	1,09%	LU1082460731	MERRDIS LX
<b>Klasse C dis:</b>	1,2% annually	1,50%	LU1082460491	MERPACD LX

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

1 2 3 **4** 5 6 7

Typically lower risks and rewards Typically higher risks and rewards

**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](http://www.merciervanderlinden.com). Any subscription in the fund should be done on the basis of the prospectus and/or the KIID.

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

<sup>5</sup> Ongoing charge: charges taken from the subfund over a year.

<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 MerLin 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](mailto: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/>.