MERCLIN
PATRIMONIUM

Management company: DPAS[2], delegated to Mercier Vanderlinden Asset Management

Monthly Report

Date:	August 31, 2017
Price Class R:	1 800,48 EUR
Price Class C:	1 506,38 EUR
Price Class R dis:	1 761,21 EUR
Price Class C dis:	1 488,40 EUR
Morningstar[1] 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*[3]

	YTD**	2016	2015	2014	2013	2012	2011	2010
MercLin II Pat R	**+3,16%**	+8,27%	+7,58%	+10,95%	+12,79%	+8,87%	-1,50%	+11,67%
MercLin II Pat C	**+2,88%**	+7,83%	+7,15%	+10,50%	+12,48%	-	-	-
Ranking Morningstar[1] %	***31***	*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

August was a relatively calm month with little activity in the fund. As we observed limited issuance during the summer months it gives us the opportunity to discuss one of our investments in more detail.
One of the largest positions in the fund is a subordinated bond issued by NAMA. NAMA, or National Asset Management Agency, is a company created in 2009 by the government of Ireland to buy the non-performing real estate loans of the struggling Irish banks. Overall, they acquired 12.000 loans with 60.000 properties as security.
Unlike most businesses, which aim to grow over time, NAMA's main objective is to continuously reduce their very large balance sheet while maximizing profit for the taxpayers. Thanks to an incredible recovery of the country, NAMA is now on track to achieve their goal 2 years ahead of plan as well as to increase lifetime profit expectations for taxpayers to +/- EUR 3 bn.
With total assets of EUR 7,4 bn and total equity of EUR 3 bn, NAMA expects to reimburse senior bondholders by the end of 2017, which implies that our subordinated bonds become the sole creditor. At a current yield of almost 4% to the 2020 call we feel that the low risk of the bonds are well remunerated.

TOP 5 STOCKS

1	Berkshire Hathaway	2,81%
2	Fiat Chrysler	2,60%
3	AB Inbev	2,25%
4	Fairfax Financial	2,12%
5	Microsoft	2,08%
		11,86%

TOP 5 OTHERS

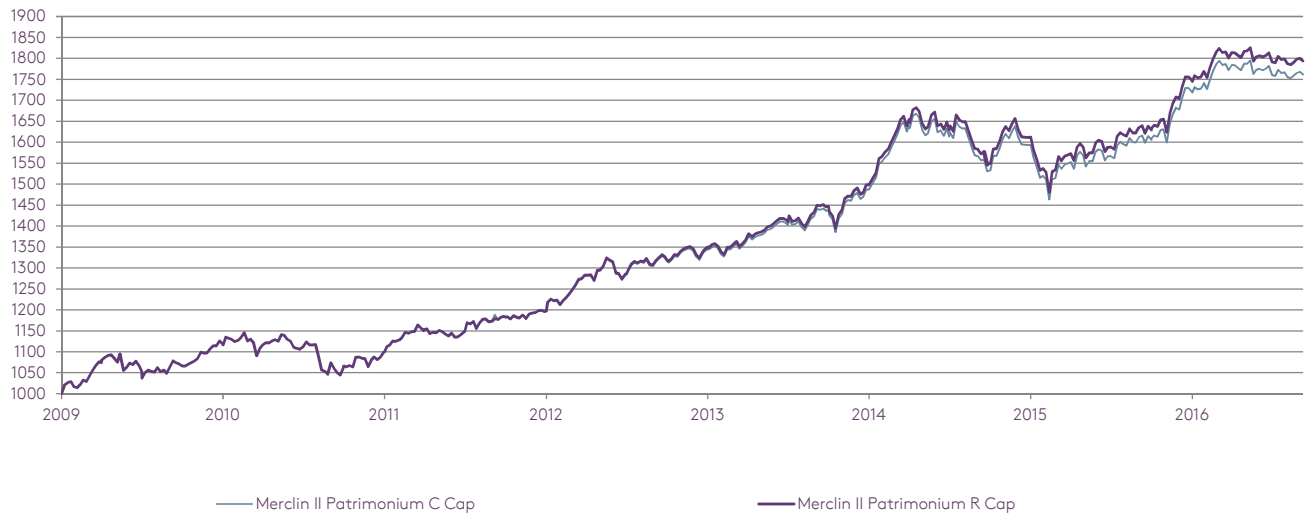
1	Nama Perp	1,20%
2	Folli Follie 2019	1,11%
3	Eurofins Perp	1,09%
4	Axa World Universal Inflation	0,79%
5	Pareto Hoyerente	0,70%
		4,89%

RETURN[3]

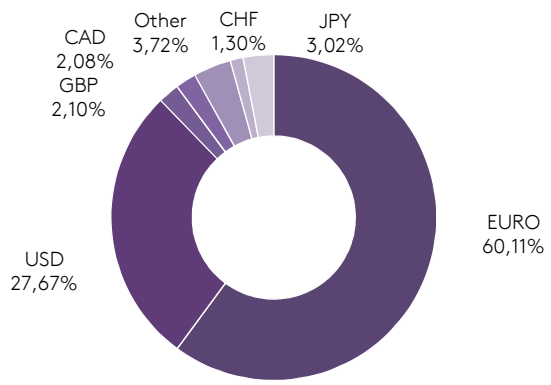
Annualized[4]	MercLin II Pat R CAP	MercLin II Pat C CAP
1 year	+10,96%	+10,51%
3 years	+7,91%	+7,48%
5 years	+8,94%	
Annualized since inception	**+7,97%**	**+8,53%**

[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.

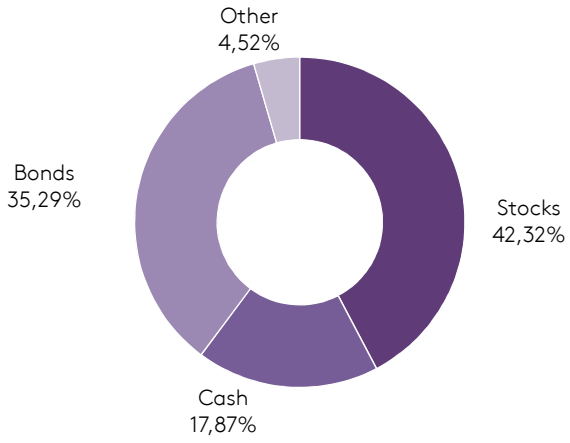
NAV GRAPH [3 4]



CURRENCY



ASSET ALLOCATION



SECTOR EXPOSURE

Banks	12,41%
Consumer Goods	12,54%
Healthcare	7,66%
Consumer Services	10,25%
Other	32,28%
Technology	7,46%
Insurance	4,55%
Industrials	4,36%
Holding Companies	3,59%
Telecom	3,04%
Oil & Gas	1,56%
Basic Materials	0,30%

BONDS

Government	0,00%
Floating Rate Investment Grade	0,00%
Floating Rate High Yield	6,28%
Corporate Investment Grade	0,74%
Corporate High Yield	6,57%
Corporate Hybrids	5,08%
Financial Senior	1,04%
Financial Subordinated	8,28%
Convertibles	4,10%
Mutual Funds	3,20%

LAST BUY - SELL

BUY

Carrefour 2023
0

SELL

Symrise 2024 0
IBM
0

INCREASE

Alliance data 2022 Tripadvisor
Ceramtec 2021 Alliance data

REDUCE

Aryzta Perp
0

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 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.
[2]Management company:	Degroof Petercam Asset Services
Manager:	Mercier Vanderlinden Asset Management
Auditor:	KPMG-audit
Maturity:	not determined
Share Price Publication:	De Tijd, L'Echo, www.merciervanderlinden.com
Minimum subscription:	1 share
Subscription fee:	Max. 3% (0% Mercier Vanderlinden)
Swing pricing:	no
Redemption fee:	0%
TOB on exit:	1,32% / max € 4000
Tax on UCITS investing more than 25% 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:	1 055 m EUR
Inception:	31/12/2009

	Management Fee	Ongoing Charge[5]	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.

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. Any subscription in the fund should be done on the basis of the prospectus and/or the KIID.

[1] For 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=F00000OUI0

In case of complaints concerning this fund, please send a email to **compliance@mvam.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/**.

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

[5] Ongoing charge: charges taken from the subfund over a year.