

Monthly Report

FUND DESCRIPTION

MercLin Institutional Equity Fund RDT-DBI (sub-fund of MercLin Institutional Fund) meets the requirements imposed by the applicable regulations to benefit from the Definitively Taxed Income regime (DBI-RDT): the sub-fund distributes at least 90% of the received income, after deducting salaries, commissions and charges. The company-shareholder can – as of income year 2018 – deduct 100% from the taxable basis of the income distributed by the sicav resulting from dividends or from capital gains on shares, which meet the requirements of the DBI-RDT deduction. The fund follows the equity strategies of the MercLin Global Equity fund.

RESULTS^{2,3}

	YTD	2019	2018	2017	2016	2015	2014	2013	2012	2011
MercLin DBI/RDT R	-0,37%	+24,93%	-10,14%	+5,74%	+8,74%	+12,98%	+20,14%	+22,74%	+7,97%	+1,53%
MercLin DBI/RDT F	-0,35%	+25,18%	-10,01%	+5,95%	-	-	-	-	-	-
MSCI AC World Euro ⁶	+0,17%	+28,93%	-4,85%	+8,89%	+11,09%	+8,76%	+18,61%	+17,49%	+14,34%	-4,25%

³ It concerns annual (except YTD) performance numbers based on historical data and which are no guarantee of future results. YTD is a cumulative return over a period from the 1st of January of the current year till a given date (see above) in the current year.

⁶ MSCI AC World Euro Net dividend reinvested. The investment policy of the subfund does not include a tracking error objective with the benchmark. Performances of the subfund may therefore vary from the performance of the benchmark.

MANAGER'S COMMENT

In terms of fund turnover, January was a quiet month. What follows is a revisit of the 2019 buys: Interactive Brokers and AerCap. The lowest-cost global online broker Interactive Brokers has reported recent momentum in client growth, returning to high double-digit percentage growth. Earnings in 2019 were broadly flat, as US interest rates came down and trading activity last year was helped by market turmoil in Q4. With signs of reaccelerating growth the stock is arguably being weighed down by US brokerage price war headlines which should - contrary to all US peers - not have any impact on earnings power as IB's low take rate on trading remains flat if a client chooses the "zero commissions" trading tier. Regarding growth, 85% of current account growth is originating outside the US. In many countries, no product comes close to IB's global and low cost capabilities, and market penetration is around 1%. The long growth runway should allow for steady value accretion as this highly-automated broker bears many fixed costs. AerCap, the world's largest commercial aircraft lessor, has continued to de-risk to a point where its holistic risk profile is the safest it has been historically. This was done through a combination of de-levering and continuous sales of riskier older aircraft above book value, thereafter using the proceeds to buy back a higher-quality portfolio below book value. Interestingly, smaller and riskier players continue to be acquired at above 110% of book value. AerCap stands to benefit from tightening supply attributable to further delays in the return of the 737 MAX and any possible logistics issues arising thereafter. AerCap should be able to continue compounding book value above 10% per year as it is structurally advantaged through scale and has a long and stellar capital allocation track record.

TOP 10 STOCKS

1	Berkshire Hathaway	7,00%
2	Fairfax Financial	5,18%
3	Microsoft	5,13%
4	Alphabet	4,63%
5	Goldman Sachs	4,11%
6	Citigroup	4,00%
7	Facebook	3,91%
8	Medtronic	3,29%
9	Johnson & Johnson	3,26%
10	AB InBev	3,25%
		43,76%

RETURN²

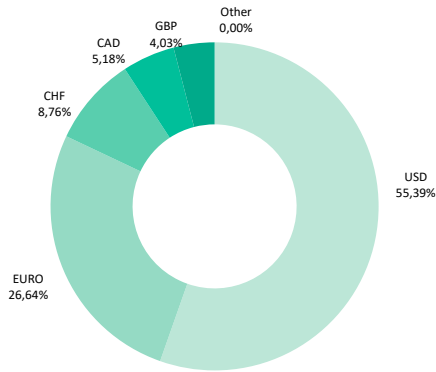
Annualized Returns ⁴	MercLin DBI/RDT R	MercLin DBI/RDT F	Benchmark ²
1 year	+15,06%	+15,29%	+20,15%
3 years	+5,06%	+5,25%	+9,39%
5 years	+6,29%	-	+8,79%
Ann. since inception	+9,72%	+7,49%	+10,25%
Cum. since inception	+132,56%	+34,18%	+143,00%

⁴ The return figures indicated above do not include commissions eventually linked to the issuing and redemption of shares. These are annualized returns based on historical data, which offer no guarantee of future returns.

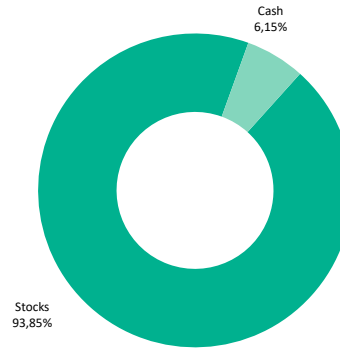
NAV GRAPH^{3, 4}



CURRENCY



ASSET ALLOCATION



GEOGRAPHICAL EXPOSURE

USA	59,02%
Euro Zone	21,83%
Switzerland	9,34%
Other	5,52%
Great Britain	4,29%
Emerging Markets	0,00%
Japan	0,00%

SECTOR EXPOSURE

Financials	20,28%
Healthcare	20,93%
Consumer Goods	17,35%
Information Technology	17,61%
Holding Companies	12,41%
Consumer services	7,53%
Industrials	3,89%
Other	0,00%
Energy	0,00%

LAST BUY - SELL

BUY



INCREASE

Berkshire Hathaway	▲
Goldman Sachs	
Inditex	

SELL



REDUCE

Alliance Data Systems	▼
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TECHNICAL DATA

Fund Name:	MercLin Institutional Fund
ISIN MercLin DBI/RDT R:	BE6213770470
ISIN MercLin DBI/RDT F:	BE6282942588
Bloomberg:	MERCINS BB
Domicile:	Rue de l'Industrie 44, 1040 Brussels, Belgium
Legal status:	Belgian institutional SICAV with sub-funds in financial instruments and liquid assets
Type of shares:	Distribution
Management company:	Degroof Petercam Asset Services S.A.
Financial Agent:	Banque Degroof Petercam S.A.
Custodian:	Bank Degroof Petercam Luxembourg N.V., Brussels branch
Delegation of the administration:	Degroof Petercam Asset Services S.A.
Delegation of intellectual management:	Mercier Vanderlinden Asset Management
Distributor:	Banque Degroof Petercam N.V.
Auditor:	PwC
Maturity:	Not determined
N.A.V. publication:	www.merciervanderlinden.com
Minimum subscription amount MercLin DBI/RDT R:	250.000,00 EUR
Minimum subscription amount MercLin DBI/RDT F:	50.000.000,00 EUR
Subscription fee:	Class F and R : 0% (Mercier Vanderlinden)
TOB on exit:	No
Withholding Tax:	30%
Tax on UCITS investing more than 10% of their assets in debt claims:	No
Performance Fee:	No
Anti-Dilution Protection:	0,08% at Subscription, 0,08% at Redemption
N.A.V. calculation:	Weekly on Thursday
Subscription/Redemption:	Before Thursday 1:15 PM
Assets Under Management:	369,0 m EUR
Inception:	17/11/2010

	Management Fee	Ongoing Charge ⁵	ISIN
Class R	0,8% annual	0,90%	BE6213770470
Class F	0,6% annual	0,69%	BE6282942588

Risk indicator:

1	2	3	4	5	6	7
Lower risk						Higher risk
Potentially lower rewards					Potentially higher reward	
Does not mean a risk-free investment						

The value of an investment in a sub-fund increases or decreases over time. At the time of resale, the price of your shares may be less than the original price, representing a loss. If you invest in a sub-fund whose currency is different from your own, exchange rate fluctuations can also reduce your gains or increase your losses.

The above risk level is calculated on the basis of the sub-fund's volatility over the medium term (i.e. on the basis of actual changes in its value over the last five years or on a simulation, if the subfund was created within that period). The volatility of the sub-fund may increase or decrease over time, which may change its risk level.

The subfund's risk level reflects the following factor(s):

Equity investments have greater volatility and higher risk than investments in bonds and money market instruments. 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.
- 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.

In case of **complaints** concerning this fund, please send an 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/>.

The **information document** and the **periodic reports** are available free of charge with the financial agent: Banque Degroof Petercam S.A., 44 rue de l'Industrie, B-1040 Brussels. Every investor took note of the information document and any subscription should be made on the basis of this document.

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

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