

Date:	October 31, 2020
N.A.V. Class R:	1.846,03 EUR
N.A.V. Class C:	1.525,01 EUR
N.A.V. Class R dis:	1.754,67 EUR
N.A.V. Class C dis:	1.472,81 EUR
Morningstar <sup>1</sup> Rating™:	****

## Monthly Report

### 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<sup>2,3</sup>

	YTD	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
MercLin II Pat Class R	-5,74%	+15,49%	-7,51%	+5,04%	+8,27%	+7,58%	+10,95%	+12,79%	+8,87%	-1,50%	+11,67%
MercLin II Pat Class C	-6,05%	+15,03%	-7,88%	+4,62%	+7,83%	+7,15%	+10,50%	+12,48%	-	-	-
Ranking Morningstar <sup>1</sup> %	76	18	69	38	5	6	11	9	51	15	11

<sup>3</sup> 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

For a few years now, banks have been pushed by increased regulation to clean up their balance sheet and focus on their core business. As a result, they are selling their non-performing loans at a substantial discount to debt collectors' companies. These latter are expert in collecting the overdue receivables with a higher multiple than the acquisition price.

Lowell is one of the largest players in Europe and is active in the UK, Germany, Austria and the Scandinavian countries. The company has released quite resilient results during the last few quarters, good collections, ongoing margin enhancement and further reduction in collection costs.

In October, Lower did a refinancing of all its bonds by extending the debt maturity profile. Moreover, the shareholders (Permira – a private equity fund) injected GBP 600 million of new equity, allowing the company to deleverage. This transaction is credit-positive and shows the strong support of the sponsors for the business.

The company is anticipating large-scale NPL opportunities in a post-COVID 19 environment and now has the balance sheet and liquidity to selectively acquire new portfolios in 2021. The fund has an exposure on the bond that will be repaid and has just invested in new bonds that came with an attractive risk-return.

### TOP 5 STOCKS

1	Berkshire Hathaway	3,73%
2	Microsoft	3,30%
3	Facebook	3,09%
4	Alphabet	2,34%
5	Novartis	1,74%
		<b>14,20%</b>

### TOP 5 OTHERS

1	Gold Amundi	4,19%
2	Ishares MSCI EM Asia	1,80%
3	Pareto Nordic Cross Credit	1,18%
4	Dividends Futures 2022	1,01%
5	DB Credit Europe 2022	0,84%
		<b>9,02%</b>

### RETURN<sup>2</sup>

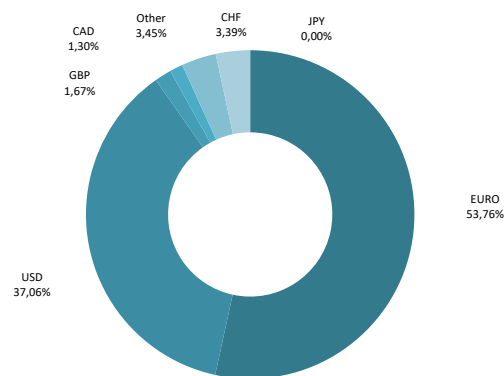
Annualized returns <sup>4</sup>	MercLin II Pat R CAP	MercLin II Pat C CAP
1 year	-2,12%	-2,51%
3 years	-0,00%	-0,41%
5 years	+2,59%	+2,17%
10 years	+5,52%	
Since inception	+5,82%	+5,30%

<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.

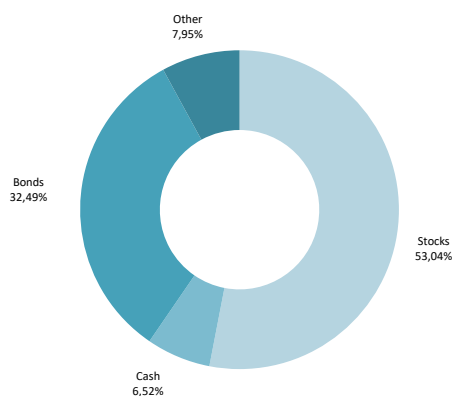
### NAV GRAPH<sup>3,4</sup>



## CURRENCY



## ASSET ALLOCATION



## SECTOR EXPOSURE

Technology	16,06%
Healthcare	11,29%
Banks	10,03%
Holding Companies	6,54%
Insurance	6,51%
Industrials	5,75%
Consumer Goods	5,67%
Consumer Services	5,49%
Other	17,26%
Funds	4,64%
Commodities	4,24%
Cash & Cash Equivalents	6,52%

## BONDS

Government	1,60%
Floating Rate Investment Grade	1,09%
Floating Rate High Yield	2,63%
Corporate Investment Grade	0,39%
Corporate High Yield	7,00%
Corporate Hybrids	3,78%
Financial Senior	0,00%
Financial Subordinated	9,59%
Convertibles	5,24%
Mutual Funds	1,18%

## LAST BUY - SELL

### BUY

Akka Perp	Rossini 2025	▲
Bekaert 3.32		
Renault Perp		

### INCREASE

Medtronic	Atradius 2044	▲
Prosus	Credit Agricole Perp	
Univar	Neopost Perp	

### SELL

Aercap Perp	Cirsa 2025	▼
Aston Martin 2022	Mohawk 2027	
Burger King 2023		

### REDUCE

Aercap	Citigroup	▼
Apple	Microsoft	
Brembo	Liberbank 2027	

## 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 17 December 2010
Type of shares:	Capitalisation & Distribution
Belgian Financial Service Provider:	Banque Degroof Petercam S.A.
Custodian:	Banque Degroof Petercam Luxembourg S.A.
Transfer Agent:	Degroof Petercam Asset Services
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:	Daily
Subscription/Redemption:	Before 11am
Performance fee:	No
Assets under management:	1.153 m EUR
Inception:	31/12/2009

	Management Fee	Ongoing Charge <sup>5</sup>	ISIN	Bloomberg
Class R:	0,8% annual	1,08%	LU0476058226	MERPATR LX
Class C:	1,2% annual	1,47%	LU0819995118	MERPACC LX
Class R dis:	0,8% annual	1,08%	LU1082460731	MERRDIS LX
Class C dis:	1,2% annual	1,48%	LU1082460491	MERPACD LX

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

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

### 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.

<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 MercLin II Patrimonium R cap can be found on <http://www.morningstar.be/funds/snapshot/snapshot.aspx?id=F00000OUI0>

<sup>2</sup> Source data: Bloomberg, Morningstar & Banque Degroof Petercam Luxembourg.

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

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). 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](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>.