

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^{2,3}

| | YTD | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 |
|------------------------------------|---------|--------|--------|--------|--------|---------|---------|--------|--------|---------|
| MerclIn II Pat R | +11,22% | -7,51% | +5,04% | +8,27% | +7,58% | +10,95% | +12,79% | +8,87% | -1,50% | +11,67% |
| MerclIn II Pat C | +10,85% | -7,88% | +4,62% | +7,83% | +7,15% | +10,50% | +12,48% | - | - | - |
| Ranking Morningstar ¹ % | 36 | 69 | 38 | 5 | 6 | 11 | 9 | 51 | 15 | 11 |

³ 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

Alice is a multinational cable and telecommunications company that offers a full range of telecommunications services: pay-TV, broadband internet, fixed line telephony and mobile telephony. While Alice is present in Portugal, Israel and the Dominican Republic, the group's main territory is France, as that country represents over 70% of earnings. Alice France is the second-largest telecoms company in France after Orange. The French market has been challenging for many years due to the entrance of Free (Iliad) in 2012. It became very competitive among the four players, leading to a period of poor pricing discipline. However, the market has been more rational and disciplined for a few quarters now, allowing the market players to increase their prices. Alice France reported strong performance with growth in revenues and margins and strong subscriber acquisitions, which is positive for the credit. At the same time, the Alice holding company is still focusing on debt reduction thanks to the generation of positive cash and asset disposals. The company came to the market to refinance a number of bonds in September to lengthen the debt maturity profile. Therefore, the liquidity situation of Alice is comfortable. The fund has a small exposure to this company.

TOP 5 STOCKS

| | | |
|---|--------------------|---------------|
| 1 | Berkshire Hathaway | 4,03% |
| 2 | Microsoft | 2,56% |
| 3 | Fairfax Financial | 2,19% |
| 4 | Facebook | 2,17% |
| 5 | Citigroup | 2,16% |
| | | 13,11% |

TOP 5 OTHERS

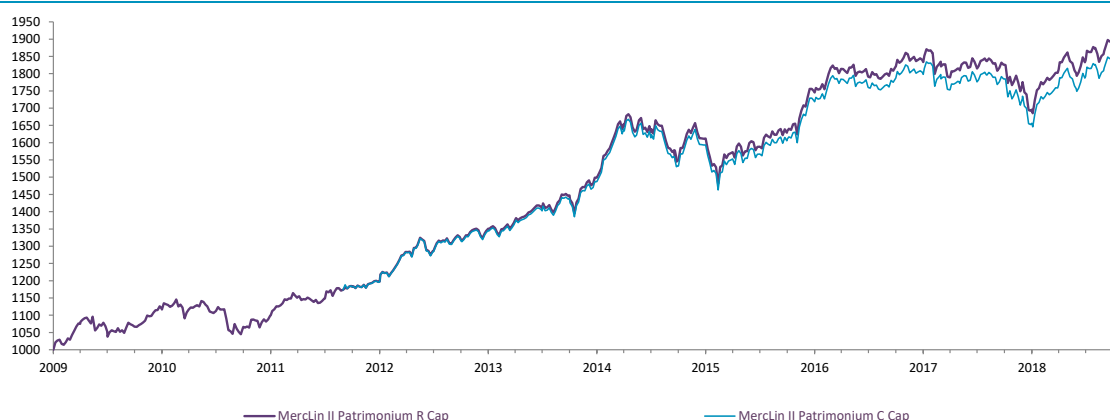
| | | |
|---|------------------------|---------------|
| 1 | Gold bullion | 6,10% |
| 2 | Orbis Japan | 3,04% |
| 3 | Orbis Emerging Markets | 1,06% |
| 4 | Pareto Hoyerente | 0,84% |
| 5 | Ruffer Total Return | 0,77% |
| | | 11,81% |

RETURN²

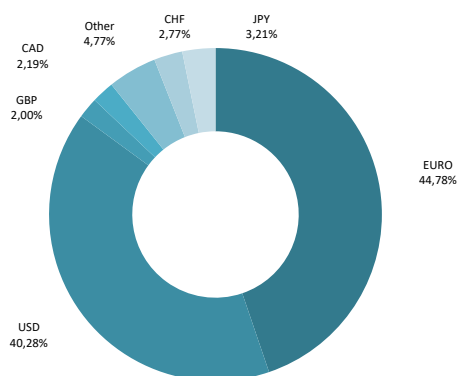
| Annualized returns ⁴ | MerclIn II Pat R CAP | MerclIn II Pat C CAP |
|---------------------------------|----------------------|----------------------|
| 1 year | +6,20% | +5,77% |
| 3 years | +4,45% | +4,03% |
| 5 years | +5,57% | +5,15% |
| Since inception | +6,66% | +6,44% |

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 actual basis for periods of over one year. Performance of the MerclIn II Patrimonium R Cap up to 30.08.2013 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.

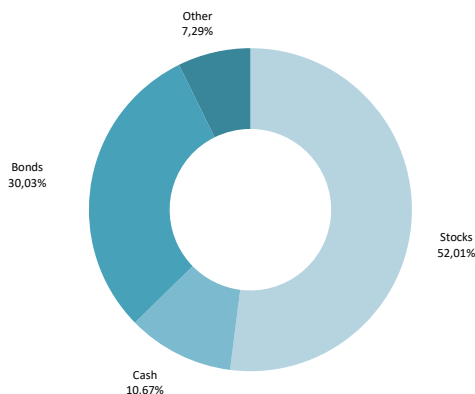
NAV GRAPH^{3,4}



CURRENCY



ASSET ALLOCATION



SECTOR EXPOSURE

| | |
|-------------------------|--------|
| Banks | 13,81% |
| Technology | 10,21% |
| Healthcare | 10,13% |
| Consumer Services | 8,76% |
| Consumer Goods | 7,66% |
| Holding Companies | 5,97% |
| Industrials | 5,00% |
| Insurance | 4,40% |
| Other | 10,67% |
| Funds | 6,62% |
| Commodities | 6,11% |
| Cash & Cash Equivalents | 10,67% |

BONDS

| | |
|--------------------------------|-------|
| Government | 2,04% |
| Floating Rate Investment Grade | 0,95% |
| Floating Rate High Yield | 4,60% |
| Corporate Investment Grade | 0,41% |
| Corporate High Yield | 6,93% |
| Corporate Hybrids | 2,93% |
| Financial Senior | 0,39% |
| Financial Subordinated | 8,59% |
| Convertibles | 2,43% |
| Mutual Funds | 0,85% |

LAST BUY - SELL

BUY

| | | |
|------------------|-----------------|---|
| Selecta FRN 2024 | Bank of America | ▲ |
| Ryanair | | |
| Booking Holdings | | |

INCREASE

| | | |
|---------------|----------------|---|
| Altice 2027 | Recordati 2025 | ▲ |
| Bam 2021 | Merck | |
| Eurofins Perp | Novartis | |

SELL

| | | |
|--------------|-------|---|
| Ineos 2024 | Baidu | ▼ |
| Jyske Perp | | |
| Sydbank Perp | | |

REDUCE

| | | |
|-----------------------|---------------|---|
| Immofinanz 2024 | Kraft Heinz | ▼ |
| ING Perp | Fiat Chrysler | |
| Alliance Data Systems | | |

TECHNICAL DATA

| | |
|---|--|
| Fund Name: | MerLin 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) |
| 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: | Weekly on Thursday |
| Subscription/Redemption: | Before Thursday 2.00pm |
| Performance fee: | no |
| Assets under management: | 1.270 m EUR |
| Inception: | 31/12/2009 |

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. 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. 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>.

| | Management Fee | Ongoing Charge ⁵ | 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.

¹ For further information about Morningstar Rating™ and Ranking Morningstar®, please visit the Morningstar website on www.morningstar.be. Specific information concerning MerLin II Patrimoine R cap can be found on <http://www.morningstar.be/be/funds/snapshot/snapshot.aspx?id=F000000UJ0>

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

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