

## INVESTMENT OBJECTIVE AND POLICY

The objective of the Fund is to generate high absolute returns from long/short investing in Core Europe applying an active / entrepreneurial approach. Focus is on undervalued equities with low correlation to overall market, mainly in the mid-cap segment. We prefer companies with stable cash flow and/or restructuring potential. The Fund pursues active engagement with management teams and boards and benefits from strong focus on liquidity, risk and exposure management.

Active hedging techniques will be employed to cushion market volatility and protect the portfolio from adverse external shocks.

## CONTACT

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## FUND DETAILS

<b>Fund inception date</b>	06-Aug-15
<b>Share classes</b>	Institutional
<b>Base currency</b>	€
<b>Hedging</b>	none
<b>Dealing / Valuation</b>	Every full banking day, which is simultaneously a stock exchange day in Luxembourg, London and Frankfurt
<b>Liquidity</b>	T+3
<b>High watermark</b>	yes
<b>Min. investment</b>	€ 250,000
<b>Subsequent investment</b>	1 share
<b>Appropriation of earnings</b>	distributing
<b>Management company</b>	Universal-Investment-Luxembourg S.A.
<b>Custodian</b>	State Street Bank Luxembourg S.C.A.
<b>Price reporting</b>	Daily
<b>ISIN</b>	LU1214677046
<b>Securities identification number (WKN)</b>	A14Q69
<b>Bloomberg Ticker</b>	UIPASIE LX

## COMMENTARY

### Macro

February was the second consecutive month of positive performance for global equity markets. The momentum derived mainly from the other side of the Atlantic with the imminent US / China trade deal, the Fed's comments about a more accommodative monetary policy - possibly helped by muted inflation figures (1.6% in January vs. 1.9% in December) - and the near complete and positively surprising earnings season in the US and Europe. Equity markets showed significant gains: Stoxx600 (+3.94%), S&P 500 (+2.97%) and Nikkei 225 (+2.94%), all in local currencies.

In Europe, the political landscape is again in focus with Spanish Prime Minister, Pedro Sanchez, announcing snap elections for April after failing to secure support to approve 2019's budget. Brexit remained in unclear territory, but the market seems to believe an extension of the Article 50 negotiation is the most likely scenario as we approach the 29 March deadline, pushing the Pound up 1.84% vs. Euro in the month.

The Eurozone showed further signs of slowdown: the manufacturing final PMI printed 49.3, below January's 50.5 and below 50.0 level for the first time since June 2013. The final services PMI printed 52.8, higher than January's 51.2 record. Despite this, European markets advanced, a reflection of the dramatic December mark-down: Germany (+3.07%), Italy (+4.71%), France (+4.96%), Spain (+2.44%), Austria (+1.86%), Portugal (+1.10%) and UK (+1.52%), all in local currencies.

In the US, President Trump signalled a deal with China was imminent and the delay in the application of tariffs in imports from China (should have started 1 March). GDP for the 4th Quarter of 2018 came in at 2.6%, a positive surprise vs. the 2.2% estimated; albeit a moderate cooling from the 3.4% in 3rd Quarter 2018.

Oil prices were up during the month with OPEC signalling further discipline: Brent up 6.69%, ending the month at USD 66.03, and WTI up 6.38%.

### Portfolio Development

The UI - Petrus Advisers Special Situations UCITS Fund I was down 0.50% in February.

### Positive Movers

Our activist position in oil field services - SBM Offshore – is up 26.5% year-to-date. The stock re-rated following strong earnings combined with improved transparency around SBM's strong cash generation, a substantial increase of its dividend, as well as a substantial announced share buyback programme. We had demanded these measures over the course of recent months.

Our activist position in online brokerage & banking – comdirect – rebounded in line with the European Banking (Stoxx Banks +7.70%). Our activist position in a Czech financial institution – Moneta Money Bank - reported a strong set of results for FY 2018. We publicly advocated that the company not acquire Air Bank and Home Credit and have welcomed the decision of Moneta to abandon the proposed acquisition.

Our real estate hedges contributed positively during the month reflecting poor sector performance.

### Negative Movers

Our activist positions in commercial real estate - CA Immo and Immofinanz – had a soft month after a double-digit rally in January in line with the sector (Stoxx 600 Real Estate was down 1.76% in the month). Our portfolio hedges contributed negatively reflecting the overall positive momentum in equity markets.

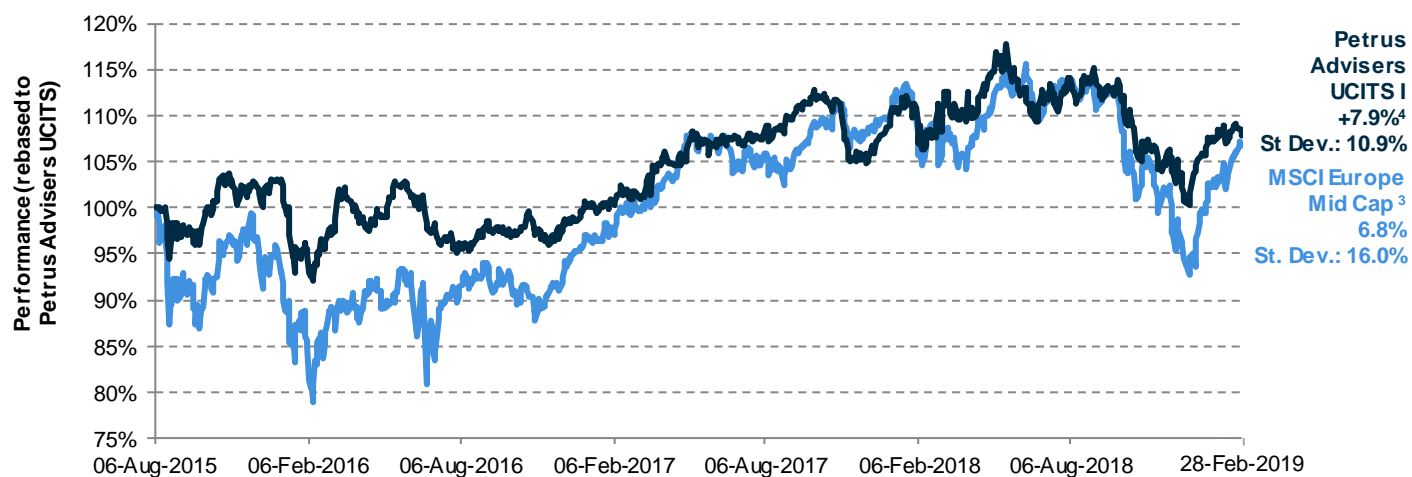
### Outlook / Strategy

We see the strong first two months as a reaction to equity markets corrections in Q4 2018 that were overdone. Our macro view remains cautious for equity markets as we feel that slower economic growth combined with political uncertainty around a number of issues (Brexit, trade wars, etc.) will result in continued volatility of markets going forward. Self-help is the key theme for our portfolio. Also, we stand by our investment cases that we re-underwrote in Q4 of last year and see significant value in our portfolio from strong cash flow generation and operating improvement measures.

Past performance is not indicative of future performance.

Net of fees	UCITS <sup>2</sup>	MSCI Mid Cap <sup>2</sup>
1M	(0.5)%	4.8%
3M	1.6%	5.4%
YTD	6.1%	12.9%
Since inception	7.9%	6.8%
CAGR Since inception	2.1%	1.9%

2) As of 28/02/2019.



3) MSCI Europe Mid Cap Net Return EUR Index - total return index, includes dividends.

4) Performance as of 28/02/2019.

Source: Bloomberg, Universal.

## PORTFOLIO<sup>5</sup>

Sectors	Portfolio
Energy	18.1%
Real Estate	16.7%
Indices	16.0%
Industrials	14.9%
Financials	14.0%
Consumer Discretionary	5.5%
Materials	4.4%

Countries	Portfolio
Austria	32.1%
Germany	22.0%
Others	13.9%
Great Britain	10.0%
Europe	9.0%
Netherlands	8.5%

5) As of 28/02/2019.

### Disclaimer

The information provided is for information purposes only and does not constitute a solicitation to buy or sell shares in the fund. Any investment with the Petrus UCITS fund should form part of a diversified portfolio and be considered a long-term investment. Prospective investors should be aware that returns over the short term may not match potential long term returns and should always seek independent financial advice before making any investment decision. **Investors should be aware that past performance is no guarantee of future performance and returns.** The value of an investment and any income from it can rise or fall with market fluctuations and an investor may lose the amount originally invested.

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