

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

Lucy Alexander alexander@petrusadvisers.com Tel: +44 (0) 20 7933 8833 Mob.: +44 (0) 7710 762 964	Michelle Tully tully@petrusadvisers.com +44 (0) 20 7933 8834 +44 (0) 7979 593 669
--	---

www.petrusadvisers.com

FUND DETAILS

Reference portfolio	Eurostoxx Total Return ATX Total Return DAX
Fund inception date	06-Aug-15
Share classes	Institutional
Base currency	€
Hedging	none
Dealing / Valuation	Every full banking day, which is simultaneously a stock exchange day in Luxembourg, London and Frankfurt
Liquidity	T+3
High watermark	yes
Min. investment	€ 250,000
Subsequent investment	€ 10,000
Appropriation of earnings	distributing
Management company	Universal-Investment-Luxembourg S.A.
Custodian	State Street Bank Luxembourg S.C.A.
Price reporting	Daily
ISIN	LU1214677046
Securities identification number (WKN) / Ticker	A14Q69 UIPASIE LX

COMMENTARY

Macro

March was a month marked by the continued correction of global equity markets. Markets were dragged on one side by raising trade tensions between US and China, and on the other side by the Federal Reserve interest rate hike announcement, supposedly 1 out of 4 hikes this year. Most global indices ended the month in negative territory: Stoxx600 (-2.31%), S&P 500 (-2.69%) and Nikkei 225 (-2.78%), all in local currencies.

In Europe, ECB's Draghi confirmed asset purchases were intended to run until the end of September 2018 or "beyond if necessary", a signal that shook European markets as investors expect the accommodative monetary policy to be withdrawn in the coming 12 months. Eurozone economic data pointed to a slowdown: inflation remains muted with March CPI at 1%, March "flash" manufacturing PMIs came in at 56.6 vs consensus 58.1, prior 58.6, while services hit 55.0 vs. consensus of 56.0 (prior 56.2). European markets had a difficult month: Germany (-2.73%), Italy (-0.87%), France (-2.88%), Spain (-2.44%), Austria (-1.37%), Portugal (-1.15%) and UK (-2.42%), all in local currencies.

In the US, President Trump announced the imposition of tariffs on Chinese steel and aluminium imports and a temporary exception for Europe and other countries. China hit back with a [threatened] up to 25% tax on some imported goods from the US. The FED announced an interest rate hike (from 1.50% to 1.75%) and promoted the idea of 3 more interest rate hikes this year.

The EUR rose by 1.07% to end the month at 1.2324 EUR / USD.

Oil prices regained their positive trend in March with Brent up 6.83% [YTD] and WTI up 13.88%.

Portfolio Development

The UI-Petrus Advisers Special Situations Fund I was down 0.14% in March.

Positive Movers

The main contributor to our March performance were our long positions in real estate (Immofinanz / CA Immo) with exposure to Germany, Austria, and CEE as a US based Real Estate company launched a voluntary offer for stakes in both companies. While the offer price of €27.50 / CAI share is below our publicly stated fair value of €32 / share, we believe the Starwood offer is a very positive step. Our long position in an Italian telecommunications provider also outperformed as shares responded well to the proposal of a new slate of directors by an activist fund in the April AGM along with a detailed restructuring plan. This news opened investors eyes to the depressed valuation at which the company had been trading in recent months. Our core position in the financial services sector with exposure to the Czech Republic outperformed on strong economic data in the area.

Negative Movers

Our activist position in construction materials underperformed as the company presented FY 2017 results. Although the results were not a surprise, the market seems to be worried about the company's ability to deliver on FY 18 guidance. On the positive side our industry hedge smoothed this. Our activist position in oil field services continued to underperform despite outstanding cash generation from its portfolio of long-term leases. We remain confident that the company will show new business growth this year. Our residential real estate short went against us as the sector performed well. Our core position in the airline industry was hit by a broad-based drawdown in the sector and news that its major competitor plans to fly to Eastern Europe where the airline is currently the number one player. Our conviction pick in the financials sector underperformed during the month as the company increased provisions for a litigation process in the US, increasing uncertainty about when this process will be settled.

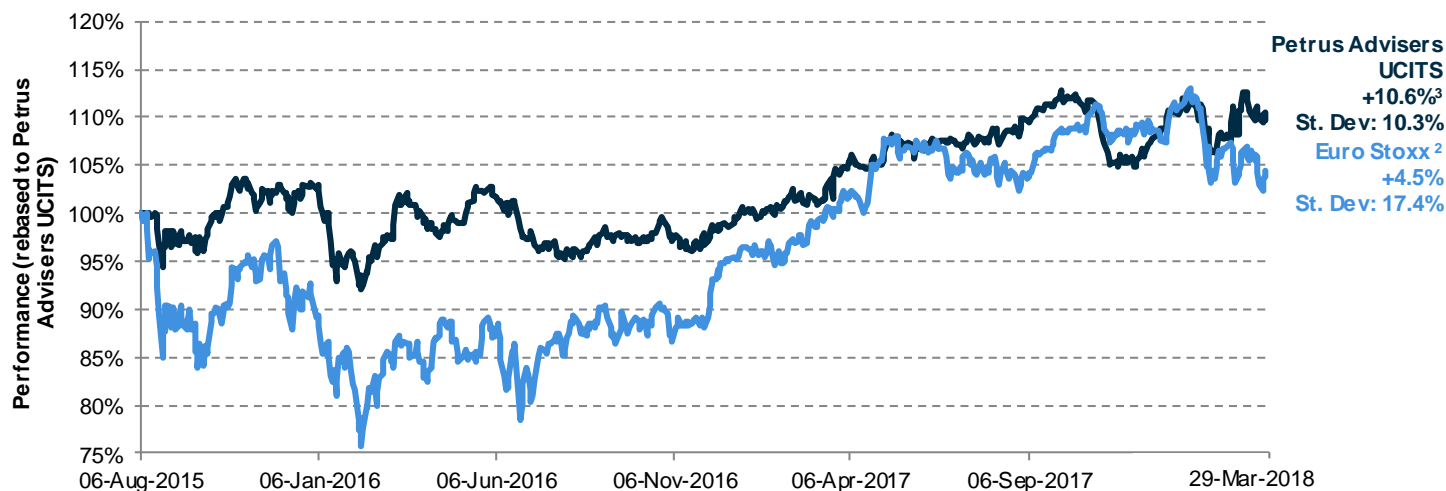
Outlook / Strategy

We expect market volatility to last and valuation levels are generally still elevated. At the same time we remain positive with respect to the macro environment in our core markets. Our response to this situation is a combination of (i) full focus on driving the 9 long conviction activist cases we currently have in the portfolio, (ii) a higher share of special sits and (iii) increasing and improving our idiosyncratic short book.

Past performance is not indicative of future performance.

Net of fees	UCITS ¹	EuroStoxx	DAX
1M	(0.1)%	(2.1)%	(2.7)%
3M	1.7%	(2.8)%	(6.4)%
YTD	1.7%	(2.8)%	(6.4)%
Since inception	10.6%	4.5%	4.4%
CAGR Since inception	3.9%	1.7%	1.6%

1) As of 29/03/2018.



2) Total return index (includes dividends).

3) Performance as of 29/03/2018.

Source: Bloomberg, Universal.

PORTFOLIO⁴

Sectors	Portfolio	Countries	Portfolio
Financials	28.1%	Austria	44.4%
Real Estate	25.7%	Germany	30.1%
Materials	14.4%	Czech Republic	7.6%
Energy	7.5%	Britain	5.4%
Consumer Discretionary	5.4%	Italy	3.4%
Industrials	4.2%	Netherlands	3.2%
Others	14.7%	Others	5.9%

4) As of 29/03/2018.

Past performance is not indicative of future performance. This document does not constitute an offer to sell nor a solicitation to invest.

Petrus Advisers Ltd, Company Number 08288908 is a company incorporated as private limited by shares, having its registered office situated in England and Wales with the registered office address of 8th Floor, 6 New Street Square, London EC4A 3AQ. Petrus Advisers Ltd is authorised and regulated by the Financial Conduct Authority (FRN: 702813).