PETRUSADVISERS

Petrus Advisers UCITS Fund – I Class

April 30, 2018

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.

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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

April was a positive month for global equity markets, especially in Europe, which showed the best monthly returns thus far in 2018. Geopolitical tensions cooled, as the leaders of North and South Korea held formal peace talks. Global indices ended the month in the green: Stoxx600 (+3.90%), S&P 500 (+0.27%) and Nikkei 225 (+4.72%), all in local currencies.

In Europe, the ECB committed to its bond-buying programme until September 2018 and interest rates are on “hold until necessary.” Eurozone economic data remains in expansionary territory, albeit at lower levels. Inflation slowed again this month, with preliminary CPI at 1.2%, April “flash” manufacturing PMIs at 56.2 vs consensus 56.0 (prior 56.0), while services hit 54.7 vs. consensus of 55.0 (prior 55.0). European markets had a particularly strong month: Germany (+4.26%), Italy (7.00%), France (+6.84%), Spain (3.96%), Austria (+1.16%), Portugal (+1.97%) and UK (+6.42%), all in local currencies.

In the US, President Trump softened his belligerent tone towards Chinese trade, and hinted at a possible free-trade agreement.

The EUR depreciated 2.00% to end the month at 1.2078 EUR / USD. The USD strength has pushed emerging markets to underperform in April.

Oil prices had a positive month after the International Energy Agency signalled a re-balancing of global supply and demand. The unceasing geopolitical risks in the Middle East continued to put a premium on Oil. Brent was up 6.97% per end of the month at USD 75.17 / barrel, a level last seen in 2014, and WTI was up 5.59%.

Portfolio Development

The UI-Petrus Advisers Special Situations Fund I was up 3.16% in April.

Positive Movers

The main contributor to our improved April performance was our long activist position in real estate (CA Immo) as the share price continued to increase on the back of Starwood Capital’s voluntary partial offer at €27.5 / share. We continue to believe €32 / share is the minimum fair value or the company. Our second-best performer was our activist position online brokerage. We lead an intense Q&A session at the AGM based on a list of questions made public ahead of the 4 May AGM. This, combined with the strong performance of peers in the space drove the stock price higher. Our long conviction position in the luxury sector rose in April after the company reported stellar, consensus-beating operational results for the first quarter. Our long activist position in oil field services had a positive month supported by the outperformance of oil and the EURUSD depreciation. These factors combined with perceived progress on a major development also drove the share price performance of our long conviction upstream oil and gas position higher.

Negative Movers

The main detractor was our core position financial services with exposure to the Czech Republic as it traded ex-dividend. Our long position in financials with exposure to Austria, CEE and Russia underperformed due to concerns around Russian sanctions. Our activist long position with exposure to oil & gas refining in the Czech Republic – a special situation - de-rated as liquidity of the stock shrinks closer to the expected squeeze-out. Our residential real estate short hedge went against us as the European sector performed well.

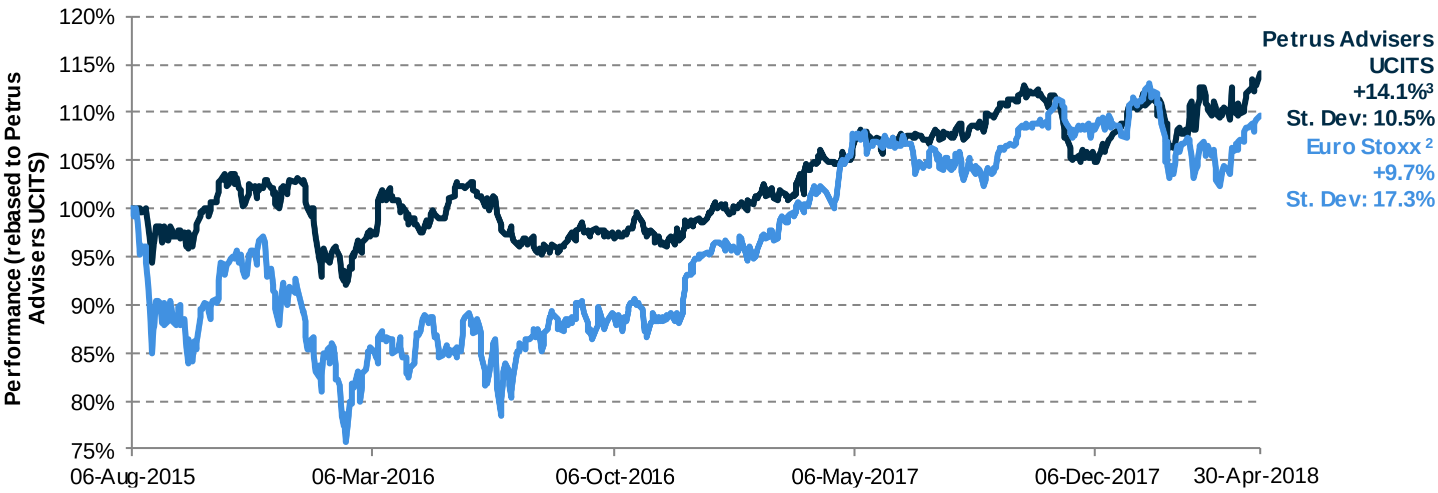
Outlook / Strategy

We remain cautiously optimistic about European equity markets for 2018. Despite a very positive economic outlook and strong performance in many markets, rising volatility and interest rates, combined with historically elevated relative valuation levels make us nervous. Hence, we continue to focus on adding special situations with downside protection and on driving catalysts in our activist positions.

Past performance is not indicative of future performance.

Net of fees	UCITS[1]	EuroStoxx	DAX
1M	3.2%	5.0%	4.3%
3M	3.1%	(1.2)%	(4.4)%
YTD	4.9%	2.1%	(2.4)%
Since inception	14.1%	9.7%	8.9%
CAGR Since inception	4.9%	3.4%	3.2%

1) *As of 30/04/2018.*



2) *Total return index (includes dividends).*
3) *Performance as of 30/04/2018.*
Source: Bloomberg, Universal.

PORTFOLIO[4]

Sectors	Portfolio
Real Estate	25.4%
Financials	24.7%
Energy	14.1%
Materials	12.1%
Consumer Discretionary	8.4%
Industrials	3.1%
Others	12.2%

Countries	Portfolio
Austria	43.9%
Germany	24.3%
Czech Republic	10.5%
France	6.5%
Netherlands	5.3%
Britain	4.5%
Others	5.0%

4) *As of 30/04/2018.*