

## 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

### Month in Review

April was another strong month for global equity markets. The Q1'19 optimism continued after China's economic indicators showed stabilisation, the US presented above-trend Q1'19 GDP growth of 3.2% (annualised) and President Trump continued fuelling the US / China trade agreement. Meanwhile, the ECB and the Fed continued to point to accommodative policies. Most global equity markets advanced during the month: Stoxx600 (+3.23%), S&P 500 (+3.93%) and Nikkei 225 (+4.97%), all in local currencies.

In Europe, stubbornly-low Eurozone growth data continues to be the main theme. The UK was given a Brexit extension until 31 October, removing the threat of an imminent no-deal exit. April Eurozone data continued to show manufacturing as the weak spot (PMI 51.5 vs. 51.6 in March) vs. stable services PMI (final Services 52.8 vs. 53.3 in March). The ECB left interest rates unchanged and expects it to remain at these levels until the end of 2019; no further details were given on the new long-term refinancing package for banks (TLTRO III) but Mario Draghi stated that the ECB would consider mitigating the effect of the prolonged period of negative rates in the banking intermediation. European markets had a positive month lead by Germany: Germany (+7.10%), Italy (+2.08%), France (+4.41%), Spain (+3.57%), Austria (+5.96%), Portugal (+3.53%) and UK (+1.91%), all in local currencies.

In the US, the first estimate of US Q1'19 GDP growth was much higher than expected at 3.2%, annualised. This indicates that the US economy is still growing at an above-trend pace.

Oil continued the upward trajectory following tensions in the Middle East, with Brent up 6.45% in April, ending the month at USD 72.80, while WTI was up 6.27% in the month ending at USD 63.91.

### Portfolio Development

In April, the UI-Petrus Advisers Special Situations Fund Class I was up 0.81% and Class R was up 0.75%, respectively.

### Positive Movers

Our activist position in construction materials (Wienerberger) was the main contributor for April's positive performance, the company pre-released strong numbers for Q1'19 that support its 2019 guidance. Our long position in engineering services (Arcadis) had an excellent month after the company reported very strong results for Q1'19, ahead of consensus, which resulted in a short crunch and led to a high-teens stock performance on the day. Our long position in commercial real estate (Immofinanz) had a good month outperforming the peers (Stoxx 600 Real Estate -1.13%). We proposed two candidates to the new Supervisory Board at the May AGM. Our derivative position in a financial institution also contributed positively after the stock went up c 19% in the month as the market started to discount the risk of money laundering investigations that are under way. Our trading position in a Payments Card company had a better month after the company presented reassuring Q1'19 results that offset negative rumours around accounting practices being pushed by the international press.

### Negative Movers

Our short positions with exposure to the Auto-industry had a strong month, this performance was due to a better sentiment in the month from US / China potentially getting closer to a trade deal. One of our commercial real estate stocks (CA-Immo) showed a temporary share price weakness that did not have any particular reason.

Our macro hedges contributed negatively to the performance this month as European markets had another strong month.

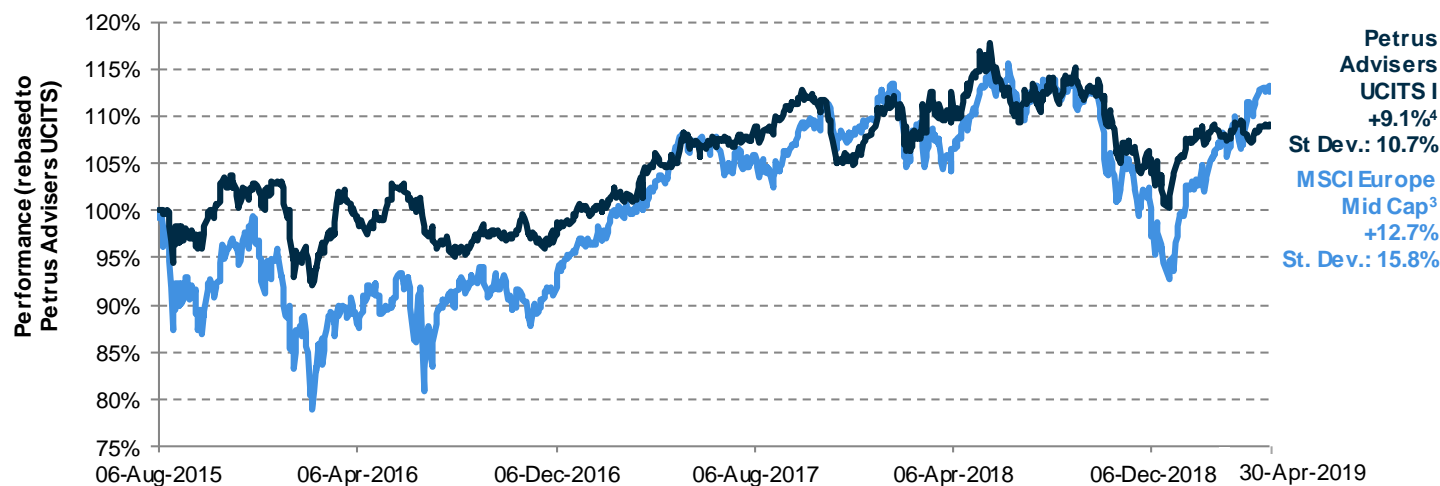
### Outlook / Strategy

We remain extremely focussed on delivering a stable risk/reward profile and will continue to actively monitor our net exposure while hedging certain market risks and add shorts opportunistically.

Past performance is not indicative of future performance.

Net of fees	UCITS <sup>2</sup>	MSCI Mid Cap Europe <sup>2</sup>
1M	0.8%	4.4%
3M	0.7%	9.8%
YTD	7.3%	18.4%
Since inception	9.1%	12.7%
CAGR Since inception	2.4%	3.2%

2) As of 30/04/2019.



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

4) Performance as of 30/04/2019.

Source: Bloomberg, Universal.

## PORTFOLIO<sup>5</sup>

Sectors	Portfolio	Countries	Portfolio
Energy	27.5%	Austria	53.2%
Real Estate	20.1%	Germany	16.4%
Banks	17.8%	Great Britain	19.3%
Materials	12.1%	Netherlands	10.7%
Transportation	7.8%	Estonia	1.4%
Food & Beverages	4.3%	Other	-4.9%
Utilities	3.7%		

5) As of 30/04/2019. Portfolio weights rebased to 100%. Excludes short derivatives.

### 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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