

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

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	1 share
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)	A14Q69
Bloomberg Ticker	UIPASIE LX

COMMENTARY

August saw a decoupling of European and US equity markets' development. European markets fell on investor concerns around Italy and Turkey. Despite the trade war talks, the US had a positive month with companies reaching new highs. Global indices ended the month mixed: Stoxx600 (-2.39%), S&P 500 (+3.03%) and Nikkei 225 (+1.38%), all in local currencies.

In Europe, the month was marked by new worries surrounding Italy's GDP deficit as Italy's Vice Prime Minister, Luigi di Maio, admitted the country could violate the EU's 3% deficit limit if increased public spending were required to boost the economy. The diplomatic tensions between the US and Turkey led the Turkish Lira to depreciate substantially against the EUR (-32.31%) and saw Turkey-exposed European banks suffer. The Brexit process continued with plentiful headlines, but little meaningful news. August Eurozone "flash" manufacturing PMI of 54.6 vs consensus 55.1 (prior 55.1) and services PMI of 54.4 vs. consensus of 54.3 (prior 54.4). European markets had a very negative month: Germany (-3.45%), Italy (-8.76%), France (-1.90%), Spain (-4.78%), Austria (-3.55%), Portugal (-3.51%) and UK (-4.08%), all in local currencies.

Oil prices recovered some ground after the sell-off last month. Brent ended up 4.27% at USD 77.42 / barrel; and WTI was up 1.51%.

Portfolio Development

The UI-Petrus Advisers Special Situations Fund I share class was up 0.46% in August.

Positive Movers

Our activist position in construction materials, Wienerberger, was our best performer in August. The company followed our demand and announced 2020 cost savings targets that are c. €75 million higher than previous targets. Our activist positions in real estate (Immofinanz and CA Immo) were once again among our top performers, the re-rating was in line with other European peers. Our long activist position in oil field services had a stellar month as the company announced it had settled pending litigation in Brazil. The penalty was in line with the company's provisions and considerably below market expectations. Our short conviction position in oil field services performed well as a transaction in the offshore vessel market revealed lower than expected asset values, leading to a negative reaction from shareholders.

Negative Movers

Our activist position in online brokerage, comdirect, reversed the strong performance from previous months. Commerzbank, its largest shareholder with 82.27% stake, announced the potential market entry by its Polish subsidiary Mbank into Germany which could potentially compete with comdirect. The project was eventually called off by Commerzbank at the end of the month.

Our long conviction positions in financials underperformed due to the negative sentiment in European Financials driven by the stalling Turkish economy (EuroStoxx Banks Index - 10.77%).

Our conviction long position in telecoms with exposure to Italy and LatAm endured a difficult month mainly due to corporate governance uncertainties and a valuation downgrade from a research house. Furthermore, Italian macroeconomic concerns weighed on the stock.

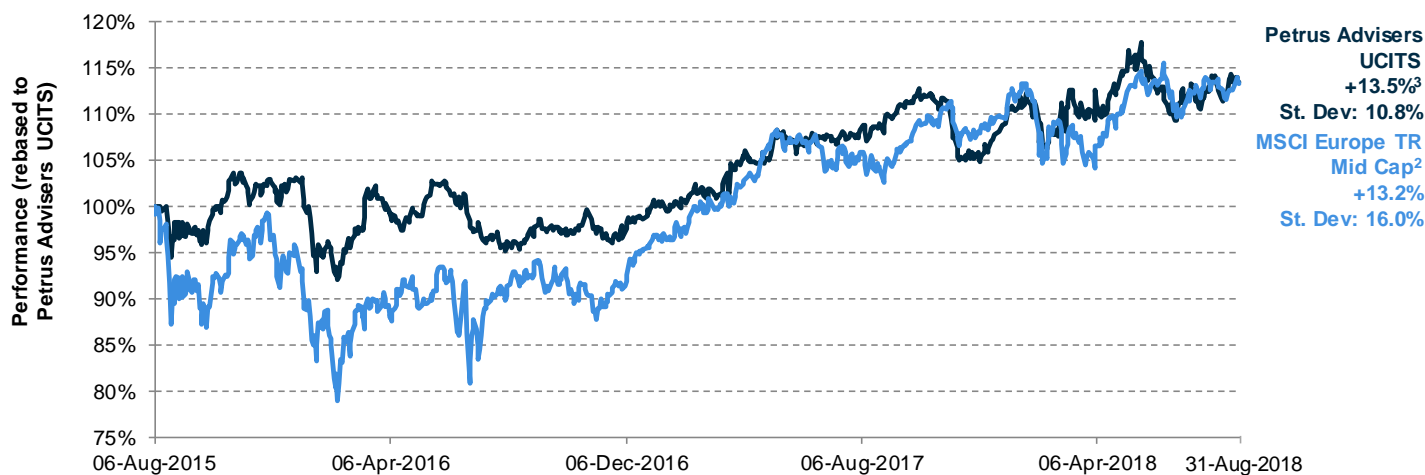
Outlook / Strategy

European equity markets endured a turbulent August mostly due to the geopolitical events in Italy and Turkey. Our main contributor in August was our activist position in construction materials where we drove positive returns through robust engagement with management and supervisory board. We remain cautiously optimistic on European equities and continue to increase our short book with a focus on fundamentally-driven positions with a short-term catalyst.

Past performance is not indicative of future performance.

Net of fees	UCITS ¹	MSCI Mid Cap ²
1M	0.5%	(0.3)%
3M	(1.5)%	0.7%
YTD	4.4%	3.3%
Since inception	13.5%	13.2%
CAGR Since inception	4.2%	4.1%

1) As of 31/08/2018.



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

3) Performance as of 31/08/2018.

Source: Bloomberg, Universal.

PORTFOLIO⁴

Sectors	Portfolio
Real Estate	27.2%
Financials	19.7%
Materials	13.6%
Consumer discretionary	10.2%
Energy	8.9%
Industrials	5.8%
Others	14.6%

Countries	Portfolio
Austria	50.8%
Germany	14.5%
Netherlands	7.6%
Britain	5.9%
France	5.7%
Czech Republic	3.3%
Others	12.2%

4) As of 31/08/2018.

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

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