

MC Value & Defensive

"Sub-Fund of the SICAV governed by Belgian law Merit Capital Global Investment Fund

The objective of the Value & Defensive sub-fund is to achieve a balanced composition of a portfolio made up of asset classes, equities, corporate and government bonds, real estate and cash investments, with the aim of maintaining purchasing power and prosperity.

In the short term, the necessary shifts in emphasis can be made on the basis of fundamental insights into the development of financial opportunities and risks.

These fundamental insights are based on expected changes in interest rates, inflation expectations, expected risk premiums on equities and corporate bonds, market liquidity and the economic cycle. Such changes are made on a weekly basis, to the extent that the planned change requires an adjustment of more than 1% of the total portfolio. **The sub-fund invests primarily in the shares of other investment funds.**

Benchmark

The sub-fund's benchmark, which is used to calculate the performance fee, is a combination of the JPM Government Bonds 3 Yr TR EUR (33.3%), the IBOXX EUR Corp TR (33.3%) and the BarCap US Credit TR USD (33.4%).

The Benchmark is not intended for the composition of the portfolio.

Risk and reward profile



This risk and reward indicator reflects the historical volatility of the fund over a period of 5 years. Historical data used to calculate the above indicator may not be a reliable indicator of the fund's future risk profile. The lowest category (category 1) does not mean that the investment is risk-free. It is always the case that the price of shares can rise or fall. There is no guarantee that the risk and reward categories will remain unchanged.

The layout may vary over time. The fund belongs to category 4 because its value is subject to relatively small fluctuations. This means that the probability of profit and the risk of loss can be medium. The following risks may not be (sufficiently) reflected by the above indicator:

***Interest rate risk:** the company invests in bonds. The value of bonds depends on the development of capital market interest rates.

***Credit risk:** the company invests in bonds. Bond issuers may default.

***Foreign exchange risk:** a significant portion of the fund may be invested in equities denominated in another currency. As these currencies are in principle not hedged, there is an exchange rate risk.

***Inflation risk:** the purchasing power of the invested euro and therefore of the investment may decrease due to currency devaluation. For a complete overview of the risks of this sub-fund, please refer to the prospectus.

Existence

This sub-fund is of unlimited duration.

Costs (Class R)

You pay these costs to cover the day-to-day operation of the fund, including marketing and distribution costs. These costs limit the growth potential of your investment.

One-off costs that are charged before or after your investment.

Entry fee 3.00%

Withdrawal charge 0.00%

A stock exchange tax is charged on exit: it amounts to 1.32% for capitalization shares with a maximum of EUR 4,000. For distribution shares, this is 0.00%.

Modification of sub-fund 2.00%

This is the maximum amount that could be deducted from your money before it is invested.

Charges taken from the fund over a period of one year

Management costs 1.50%

Current charges 2.28%

Charges taken from the fund under certain specific conditions.

Performance fee 10.00% per annum of the outperformance against the reference index (33.3% of the return of the JP Morgan Government bonds over 3 years (in EUR), 33.3% of the return of the Iboxx EUR Corp TR (in EUR) and 33.3% of the return of the Barclays Capital US credit TR (in USD). No performance fee was charged to the fund in the last year.

The mentioned entry and exit charges are maximums. In some cases you will pay less, you can check this with your financial advisor. The running costs relate to the annual costs; they are calculated on 31.12.2018. This figure may vary from year to year. The percentage of running costs does not take into account: performance fees as well as portfolio transaction costs except in the case of entry and exit fees paid by the fund when purchasing shares of another collective investment undertaking. For a complete overview of the risks and costs of this fund, please refer to the prospectus and the key investor information, which are available on the website and free of charge at our offices.

Withholding tax on dividends distributed by the distribution shares 30%.

Other taxation applicable to individuals resident in Belgium: More than 10% of the assets of the VALUE & DEFENSIVE Sub-Fund is invested in debt-claims as referred to in Article 19bis of the Income Tax Code 1992. When repurchasing his capitalisation shares, the investor, as a natural person, will, within the framework of the normal management of his private assets, be subject to a 30% withholding tax on the part of the amount obtained from the **income (interest, capital losses and capital gains) originating from** debt claims as referred to in article 19bis of the Income Tax Code 1992.

Practical information

Custodian: CACEIS Bank, Belgium Branch is the custodian of this fund.

Additional information: Further information about Value & Defensive, as well as the prospectus and the most recent (semi-)annual report can be obtained free of charge at the registered office, at the financial service provider CACEIS Belgium, Havenlaan 86C bus 320, 1000 Brussels. On the website you will also find the most recent NIW and any additional information.

Tax legislation: This fund is subject to the tax legislation in Belgium, which may have an impact on your personal tax situation. The tax treatment depends on your specific status and may change. For more details, we advise you to contact professional advisors.

Specific Information: This document describes one class of one sub-fund of the Merit Capital Global Investment Fund Sicav. The prospectus and the (semi-)annual reports are drawn up for the entire SICAV. Merit Capital Global Investment Fund is a Sicav under Belgian law with several sub-funds that meet the requirements of the UCITS Directive. In order to protect investors, the assets and liabilities of each sub-fund of the SICAV are legally separated from those of other sub-funds.

Fund information: Under certain conditions, you have the right to exchange your shares for shares in another sub-fund. For more information, please refer to the relevant section in the prospectus.

Publication of the net asset value: the net asset value is published in the financial press (De Tijd and l'Echo) and can also be obtained from Merit Capital NV, from the institution that performs the financial service and from the registered office of the Sicav. The Board of Directors has the right, within the limits set by law, to decide to extend or limit the places of publication.

We recommend that you read the key investor information document and the prospectus before making the decision to invest.

For complaints:

Contact Merit Capital's Compliance Department in writing (by letter, fax or e-mail).

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