Saemor Europe Alpha Fund

AUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED
31 DECEMBER 2016

AUDITED FINANCIAL STATEMENTS

For the year ended 31 December 2016

FUND INFORMATION

REGISTERED OFFICE	WTC The Hague E-Tower 7th Floor Prinses Margrietplantsoen 44 2595 BR The Hague The Netherlands www.saemor.com
MANAGER	Saemor Capital B.V. WTC The Hague E-Tower, 7th Floor Prinses Margrietplantsoen 44 2595 BR The Hague The Netherlands
DEPOSITARY	The Bank of New York Mellon SA/NV WTC Building, Podium Office, B-Tower Strawinskylaan 337 1077 XX Amsterdam The Netherlands
TITLE HOLDER	Stichting Saemor Europe Alpha Fund c/o: SGG Custody B.V. Amerika Building Hoogoorddreef 15 1101 BA Amsterdam The Netherlands
ADMINISTRATOR	The Bank of New York Mellon SA/NV WTC Building, Podium Office, B-Tower Strawinskylaan 337 1077 XX Amsterdam The Netherlands
PRIME BROKERS	Morgan Stanley 25 Cabot Square Canary Wharf London, E14 4QA United Kingdom Merrill Lynch International 2 King Edward Street London EC1A 1HQ United Kingdom Barclays Bank PLC 5 The North Colonnade Canary Wharf London E14 4BB United Kingdom
LEGAL ADVISOR	De Brauw Blackstone Westbroek N.V. Claude Debussylaan 80 1082 MD Amsterdam The Netherlands
EXTERNAL COMPLIANCE OFFICER	CLCS B.V.* Keizersgracht 433 1017 DJ Amsterdam The Netherlands
INDEPENDENT AUDITOR	PricewaterhouseCoopers Accountants N.V. Fascinatio Boulevard 350 3065 WB Rotterdam The Netherlands
FINANCIAL REPORTING TO DNB	Solutional Financial Reporting B.V. Arentsburghlaan 3 2275 TT Voorburg The Netherlands

CLCS B.V. was the external compliance officer until 28 July 2016.

FUND PROFILE

Saemor Europe Alpha Fund
Saemor Europe Alpha Fund (the "Fund") is an open-ended investment fund. Issue and redemption of units of participation is possible as per instruction of the Participant as described in the Prospectus. Date of commencement of NAV calculation was 25 June 2008.

Key Features Document ("Essentiële Beleggersinformatie") and Prospectus
The Fund's Key Features Document contains information related to its costs and risks. The Key Features Document and the Prospectus are available on www.saemor.com.

Investment objective
The Fund's objective is to achieve capital appreciation in the middle to long-term through investing in a diversified portfolio that is predominantly composed of long and short positions in listed equities. The investment universe encompasses Europe, the Middle East and Africa (EMEA). Investment focus will, however, to a large extent be on European countries. The Fund aims for returns that have a low correlation with the returns of relevant market indices. The Fund is not tied to a benchmark.

Dividend
In principle the Fund does not pay dividends. The Manager is, however, authorised to decide to pay part of the capital gain available for distribution to the Participants.

Manager
Saemor Capital B.V. is the Manager of the Fund and as such is responsible for determining and implementing the investment policy. Saemor Capital B.V. is registered at The Netherlands Authority of the Financial Markets (AFM). The Saemor Europe Alpha Fund does not employ any personnel, as all services are provided by the Manager.

The Manager was incorporated on 7 April 2008 and has its registered office in The Hague. The directors of the manager are Qmetrics B.V. (directed by S. (Sven) Bouman and P.P.J. (Patrick) van de Laar).

Depositary
The Manager has appointed The Bank of New York Mellon in Amsterdam, trading as The Bank of New York Mellon SA/NV Amsterdam Branch, as Depositary of the Fund.

Stichting Saemor Europe Alpha Fund ("Stichting") is the legal owner of the assets of the Fund. The Manager of the "Stichting" is SGG Custody B.V.

Administrator
The Bank of New York Mellon SA/NV, Amsterdam Branch, is the administrator of the Fund. Certain administration services are being outsourced to BNY Mellon Fund Services (Ireland) Designated Activity Company (DAC) in Dublin, Ireland. Furthermore, certain services in relation to transfer agency are being outsourced to The Bank of New York Mellon (Luxembourg) S.A.

Prime Brokers
The Prime Brokers (the "Prime Brokers") of the Fund are Morgan Stanley, London, United Kingdom, Merrill Lynch International, London, United Kingdom and Barclays Bank PLC, London, United Kingdom.

SUMMARY FINANCIAL INFORMATION

	2016	2015	2014	2013	2012
	€ '000	€ '000	€ '000	€ '000	€ '000
Class A (€)	(210)	4,390	1,385	471	10
Class B (€)	(4,451)	108,006	190,879	67,532	39,394
Class D (€)	(15)	-	-	-	-
Income/(loss)	**(4,676)**	**112,396**	**192,264**	**68,003**	**39,404**
Class A (€)	(1,945)	(1,983)	(447)	(286)	(10)
Class B (€)	(41,284)	(48,777)	(61,597)	(41,031)	(40,572)
Class D (€)	(143)	-	-	-	-
Expenses and withholding taxes	**(43,372)**	**(50,760)**	**(62,044)**	**(41,317)**	**(40,582)**
Class A (€)	(2,155)	2,407	938	185	-
Class B (€)	(45,735)	59,229	129,282	26,501	(1,178)
Class D (€)	(158)	-	-	-	-
Increase/(decrease)	**(48,048)**	**61,636**	**130,220**	**26,686**	**(1,178)**
Net assets (€)	**433,350**	**484,118**	**608,112**	**477,456**	**447,521**
Number of units of participation					
Class A	13,315.54	11,595.18	2,993.50	2,826.21	100.00
Class B	292,854.88	297,070.52	434,423.60	434,247.57	434,083.97
Class D	1,595.94	-	-	-	-
Net asset value per unit of participation					
Class A (in €)	1,459.32	1,630.66	1,463.47	1,169.53	1,112.15
Class B (in €)	1,408.51	1,565.99	1,389.73	1,091.89	1,030.70
Class D (in €)	894.96	-	-	-	-
Performance					
Class A (in %)	(10.5)	11.4	25.1	5.2	0.0
Class B (in %)	(10.1)	12.7	27.3	5.9	0.4
Class D (in %)	(10.5)	-	-	-	-
Ongoing Charges Figure (in %)					
Class A (in %)	1.7	1.7	1.6	1.6	1.6
Class B (in %)	1.2	1.2	1.1	1.1	1.1
Class D (in %)	1.7	-	-	-	-

MANAGER'S REPORT

For the year ended 31 December 2016

1. Performance

The Saemor Europe Alpha Fund generated a performance of -10.5% for share class A and D, and -10.1% for share class B in 2016. The Fund underperformed its market neutral peer group and the broader equity hedge strategies in 2016, after strong outperformance in the previous years.

Fund Performance

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	2016
Class A	-4.2	-3.0	-1.3	-2.7	2.5	-2.5	-0.3	-3.2	1.4	4.5	-0.6	-1.3	**-10.5**
Class B	-4.2	-3.0	-1.3	-2.6	2.6	-2.5	-0.2	-3.2	1.4	4.6	-0.6	-1.2	**-10.1**
Class D	-4.2	-3.0	-1.3	-2.7	2.5	-2.5	-0.3	-3.2	1.4	4.5	-0.6	-1.3	**-10.5**

Source: BNY Mellon.

Hedge funds booked a 3.3% annual gain in 2016, posting better performance compared to a 1.4% loss over the last year. Event-driven strategies led strategy performance for 2016. Fixed income-based relative value arbitrage strategies also generated strong gains. Performance of CTA/managed futures mandated hedge funds was mixed. Macro funds benefited from the market stress in January and June, but experienced some set-backs during the remainder of the year. Commodity-focused managers did well, while managed futures, trend-following and FX-focused managers suffered. Long-short equity strategies also saw mixed returns among its sub-strategies with long-bias equity hedge funds benefiting the most from the continued rally in global equities. Equity-market neutral funds disappointed with a negative return of 3.0% (equally weighted return of Dow Jones Credit Suisse, HFRX and Barclay EMN hedge fund indices). Geographically, North America and emerging market mandates performed better than European managers. The asset base for the industry contracted in 2016, with net outflows offsetting manager performance-driven gains. The majority of the investor redemptions were in European hedge funds, which suffered the largest net asset outflows on record since 2008. As a result, there were more liquidations than launches in the European hedge fund space.

2. Market Review

European equity markets were up for the year, rising 2.6% in euro and 7.2% in local currency terms (MSCI, total return). Economic activity in Europe and the US gradually improved but most of the strength in equity markets was driven by a rebound in emerging markets' stock markets. After two years of decline for Energy and Materials, these sectors were the top performers in 2016. Industrials was the third sector posting double digit returns, while Health Care, Automobiles and Telecom (some of the best performers in previous years) all ended up in the red. Investors turned towards a more risk-on approach despite a sell-off in January and uncertainty around the UK leaving the European Union (Brexit referendum in June). Commodity prices rose in line with the rebound in emerging markets stocks, with Brent oil prices up from USD 37.3 to 56.8 USD per barrel (+52.4%). The euro declined versus the US dollar ending the year at 1.05.

The start of the year saw European equities take a dive, posting the worst first week since 1928. This, combined with the lowest US ISM manufacturing reading in six years and sluggish industrial production in China, as well as oil breaking through USD 30/bbl and European earnings recording their biggest week of downgrades since the financial crisis, fueled fears of a global recession. The laggards of 2015 were hardest hit, with Energy and Materials stocks down more than 20% in the first three weeks of the year. European earnings saw their biggest week of downgrades since the financial crisis and trading in China was halted when -5 and -7% circuit breaker trading stops were triggered.

However, markets rebounded in February, with emerging markets taking the lead after having suffered the biggest declines since 2014. Monetary policy in Europe remained accommodative as economic indicators generally came in below consensus, while corporate earnings announcements were less dramatic than feared during the sell-off.

The rebound in equities towards the end of February was not very broad based as Banks were hard hit after further write downs and exposure to energy projects. In addition, investors took profit in quality names that had performed well in the previous years.

As sentiment stabilised further in the subsequent months, Value stocks and cyclicals with emerging market exposure came to the fore, making up for significant underperformance in 2014 and 2015. First quarter earnings came in ahead of expectations and the oil price rose more than 20% in April, adding to the appeal of cyclicals. Apart from exporters with dollar exposure (e.g. Healthcare, Automobiles and IT stocks), investors also started to take profit and shy away from domestic UK names, a subset of the market that had done particularly well since 2012. The UK economy had been doing a lot better than mainland Europe for a 5 year period, but with the attention shifting to emerging markets, this was no longer the preferred investment for European investors. Moreover, the announced referendum on Brexit – scheduled for June 23rd – was gaining momentum in the polls and gave investors jitters about the prospects of domestically oriented UK stocks.

The fears about Brexit became reality in June as 52% of the voters elected to leave the European Union and Prime Minister David Cameron handed in his resignation. Prior to the referendum, polls had indicated that a Brexit was unlikely, making the actual result all the more surprising. The British pound dropped to a 31 year low whilst gold spiked and equity markets fell.

MANAGER'S REPORT (CONTINUED)

For the year ended 31 December 2016

2. Market Review (continued)

Within the UK, domestic stocks and financials were down double digits while exporters – benefitting from a weaker pound – rallied, making the UK market as a whole the best performing market in Europe. Metals and Energy stocks saw a large boost as they were both a safe haven and a play on emerging market growth. Banks across the continent were hardest hit as investors shunned riskier names.

Europe lagged other equity markets the months following Brexit as investors pulled money from actively managed equity funds, both long-only and hedge funds. The initial economic implications were limited though, with Q2 earnings coming in ahead of expectations and Citi's European Economic Surprise Index turning positive in July and August. Elsewhere, economic conditions continued to improve as well. The S&P500 recorded all-time highs in July and August.

Outflows from European equities came to a halt with the third quarter earnings season coming in stronger than expected, and more positive than the previous two quarters. After a tough first half, financials started to turn the corner, posting the most analyst's upgrades in October and November, reigniting the value performance rally that started in February. Momentum and quality names lagged in the autumn of 2016.

Cyclicals and Value stocks continued their run after Donald Trump was elected president of the United States in November. The outlook of rising protectionism did not deter investors to shift money to riskier stocks and markets continued their uptrend towards the end of the year. Expectations of a sizeable US fiscal injection, coupled with Trump's emphasis on deregulation, added further fuel to the reflation trade that had started to gain traction in previous months. Yield curves steepened with 10 year interest rates at their highest level for the year. With OPEC cutting production by 1.2 million barrels in November, Energy and Materials' stocks performed well into year-end. In December, countries from outside OPEC also agreed to reduce output. Gold, which had done well during the market turmoil in January and Brexit in June, took a hit, along with defensive sectors.

With unemployment at an 8 year low and GDP growth in the US relatively robust, the FED raised interest rates to 0.75% in December, while European monetary policy remained accommodative and unchanged towards the end of 2016.

3. Investment Policy

We started the year with a positive stance on equities and an overweight of Value at the expense of Price Momentum within our multi-factor model. After a strong performance of Quality and Momentum in the previous two years we expected a stronger than usual January effect. This did not occur, as markets declined significantly during the first three weeks of the year. The change in sentiment also led to a turn in factor trends, which impacted the Fund negatively from January 20th onwards. As the latest economic indicators showed a bigger chance of recession and earnings revisions turned strongly negative, we decided to take the tactical factor weights back to a more neutral positioning. Unfortunately this proved to be wrong once more, when markets started to rally and investors bought higher risk value stocks and took profits in quality and momentum names.

The Fund was down more than 10% during H1, driven mostly by a rebound in lower quality Energy and Materials stocks that we had in our short book. Long positions in exporters to the US and domestic UK names that had been key drivers to our strong 2014 and 2015 performance, did not perform well during the first six months of 2016. Our factor positioning remained neutral for most of the year, as macro events kept dominating the headlines and the European economy alternated between recession and recovery. Whereas economic and market activity was mirroring a recovery scenario / regime in emerging markets, the picture was more mixed in Europe and the US.

After Brexit and the second quarter earnings announcements, our earnings momentum signals were shifting away from the winners of previous years and more toward UK exporters, cyclicals and financials. As such, these names started to show up more in the Fund and positions in domestic UK names and defensives were trimmed. Price Momentum started to show a more balanced picture as well during the second half of the year. In November we added weight to Value at the expense of Quality. Our style timing models favored a more risk-on approach, with the Q3 earnings season coming in especially resilient and outflows from European equity funds coming to an end. At the end of the year we added to the risk-on value tilt, in line with the 'January effect'. In particular, cyclicals, small caps and value stocks typically do well in the month of January.

For the year, the biggest positive contributions came from long positions in cyclical stocks such as Rio Tinto, UPM Kymmene, JD Sports Fashion (one of the domestic UK names that held up well in 2016), Valeo, SCA and Metso. Our short position in Cobham also did well, as the company came out with three profit warnings during the year. Orion and Individor were long positions in Healthcare that performed very well in 2016, despite the negative sentiment towards defensive stock since February.

The paper & pulp stocks and higher quality cyclicals such as Rio Tinto in our long book unfortunately did not make up for losses in the short book. Short positions in some lower quality Materials and Energy companies rebounded dramatically. Fresnillo was the worst contributor by far as it saw several run-ups along different themes. The rebound in Materials stocks from February to April was followed by a flight to quality – silver and gold - during Brexit. A severe weakening of the British pound subsequently improved Fresnillo's earnings outlook making us close out the position. As a consequence, we missed the subsequent sell-off which materialised in the second half as investors shifted towards riskier names and the gold price came down again. Tenaris, Antofagasta, Anglo American, Lundin Petroleum were other short positions in Materials and Energy that ended up being performance detractors. Long positions in EDF (French utility) and Ladbrokes (UK gaming) were also among the main negative contributors.

The performance of the Fund and the top contributors was driven predominantly by macro events and a lack of direction in factor performance. Up until Brexit, risk-on and risk-off switched places at least 4 times. Once value factors finally made a strong and continuous run from July to November, our performance stabilised, however Momentum and Quality faired poorly, capping the upside to our strategy.

MANAGER'S REPORT (CONTINUED)

For the year ended 31 December 2016

3. Investment Policy (continued)

The portfolio volatility as measured by a short-term statistical risk model stood at 6.8% per December 30th (Year-end 2015: 6.0%). At year-end, the ex-post volatility of the portfolio was 9.1% and 8.2%, based on 3 years of respectively monthly and daily NAV's. The net beta-adjusted exposure was 13%. Gross leverage stood at 353%.

4. Outlook

We are optimistic going into the New Year. We are tactically overweight Cyclical and Defensive Value at the expense of the factor clusters Price Momentum and Profitability. The beta of the Fund is slightly positive at year-end 2016. The tailwind of positive and accelerating GDP growth in most major economies, low unemployment and strong earnings in Q3, should support equities in January. Our style timing models are still pointing towards a recovery scenario and a risk-on positioning. We expect 2016 full year earnings and the 2017 outlook to be strong, but risks around Brexit, Trump policies and elections in Europe remain high.

If and when the recovery regime rolls over into the expansion and subsequently slowdown phase, we plan to reduce our overweight in Value. The FED has started raising interest rates and economic activity has been improving for a long time, making an ongoing "recovery" scenario less likely to persist. The underperformance gap of value stocks and cyclicals versus defensives has narrowed quite substantially making a more neutral factor positioning later this year more realistic.

After record outflows seen in the summer months of 2016, we could envision a more prolonged rally in European equities and low quality value names. Despite our overweight in Cyclical Value, a situation where we have a strong and sustained low quality rally poses a risk to performance since the weight of cyclical value is too small to take advantage of this scenario. We purposefully do not make Cyclical Value a large allocation in our model because this factor correlates negatively with most other factors we use. That said, our most likely scenario is one of Europe moving to the expansion phase of the cycle. In this phase the large divergence in style returns as witnessed in the recovery phase, typically disappears. Additionally, many of our factor clusters (e.g. Defensive Value and Price Momentum) provide positive returns during the expansion phase as the correlations between factor clusters start to converge. Such an environment would bode well for our multi-factor model and stock picking in general.

5. Risk Management

We have devised a prudent risk management framework that is appropriate to the nature, scope and complexity of the activities deployed. Where relevant and possible the proportionality principle is applied when implementing applicable laws and regulations with regards to hierarchical and functional separation between risk management and other functions within Saemor Capital B.V., establishing and managing risk limits as well as regards risk measurement and risk management.

In Compliance, Directors and Portfolio Management meetings, risks are reviewed, identified and previously identified risks are monitored. Risk management is considered an integral part of the investment and the operational process. Risk management supports decision making in order to minimise unexpected losses and achieve the absolute return objective. Financial risk management encompasses all elements of our investment process from idea generation, implementation of trades, performance measurement, reporting and attribution analysis. A number of risk management systems allow us to notice any deviations to intended positioning and targets. The portfolio managers are continuously monitoring financial risks. In addition, the investment guidelines as described in the prospectus are monitored by the risk manager at least twice a month.

Operational risk management recognises the four areas of potential losses; processes, systems, people and external events. With these sources of risk in mind, processes and controls are developed, documented and monitored by the risk manager.

Exposures to markets, currencies or countries are described in Note 11 of the financial statements. The most important risks are described below; a more extensive list of risks is described in the Prospectus.

Risks

Volatility of securities held

Many factors can affect the market value of the securities invested by the Fund. Not only can factors inherent to the pertinent issuing company or the sector in which it operates influence that value; geopolitical, national developments and macro-economic factors may have an effect.

The performance of the Fund largely depends on the decisions that the Manager takes as part of the investment process, leading from identification to the implementation of investment opportunities. Investments may be geared towards an expected upswing or downswing in the value of a security; if the security moves adversely, the value of the Fund may be negatively affected.

Market risk is mitigated by the allocation of appropriate capital resources, which are determined on the basis of stress testing, sensitivity testing and modelling. Concentration risk is mitigated by diversification and an adequate number of holdings in the portfolio. The liquidity policy is aimed at maintaining assets in such proportion that it will at all times enable the manager to meet its liabilities as they arise.

Short selling

The Fund may sell equities with the purpose of buying them back later. These are borrowed, as the Fund does not hold those equities. The cost for borrowing varies and influences the return realised on the pertinent position. Conceivably, borrowed equities may need to be returned to the lender at an earlier than expected date. The value of the borrowed amount is limited to a maximum of 250% of the Net Asset Value of all (Sub)Classes of Participations.

Loans

Loans provided by the prime brokers enable the fund to enhance its gross exposure. This increases the Fund's risk profile in terms of price volatility and interest rate volatility. Theoretically, holdings purchased with borrowed funds could drop to a value that is less than the amount borrowed. The value of the loan amount is limited to a maximum of 250% of the Net Asset Value of all (Sub)Classes of Participations.

MANAGER'S REPORT (CONTINUED)

For the year ended 31 December 2016

5. Risk Management (continued)

Counterparty risk
The Fund is susceptible to the risk of counterparties of the Fund defaulting on their obligations as a result of inter alia a moratorium of payment or involuntarily liquidation.

Such counterparties include the Prime Brokers. A Prime Broker is entitled to pledge assets of the Fund to third parties to secure financing to the Fund (rehypothecation). In case of involuntary liquidation of the Prime Broker, the Fund ranks as a general creditor in respect to the value of the rehypothecated assets, with the risk that this value may not be reclaimed. The amount of rehypothecation of long assets is limited to 140% of the net indebtness of the Fund.
The risk manager is monitoring periodically this limit independently from the portfolio managers.

Derivatives
The Fund may utilise investment instruments such as exchange-traded futures, OTC options and other derivative contracts. Depending on the type of instrument, a relatively small movement in the price of a contract may result in a profit or loss that is high in proportion to the amounts of the funds actually placed as initial margin or premium paid.

Because OTC transactions are not executed via an exchange, pricing may be less transparent. Additionally, OTC transactions may involve counterparty risk with respect to the unrealised profit value within the contract.

Liabilities or receivables following from the OTC CFD contracts are taken into account in the overall margin requirement calculation which takes the total exposure into account.

6. Other information

Risk control
We have assessed several aspects of operational management throughout the past financial year. We have noticed nothing in our assessments that would lead us to conclude that the description of the structural aspects of operational management within the meaning of article 121 of the Bgfo failed to meet the requirements as specified in the Wft and related regulations. Based on these findings we, as Manager of the Fund, declare that Saemor has established a governance framework that meets the requirements of the Dutch Financial Supervision Act [Wet op het financieel toezicht, 'Wft'] and the Dutch Market Conduct Supervision of Financial Enterprises Decree [Besluit gedragstoezicht financiële ondernemingen, 'Bgfo']. We therefore declare with reasonable assurance that operational management has been effective and has functioned as described throughout the reporting year. The framework includes the separation of managerial, execution and oversight functions, and relates to the firms' strategy, conduct of business standards, investment portfolio risks, financial risks and operational risks. Risk management is considered an integral part of the investment and the operational process. Systems and procedures are in place for risk inventory and evaluation, to define risk mitigating measures and to monitor the working of those measures.

Personnel
The Fund does not employ any personnel and will not employ any personnel for the foreseeable future.

Investment
The Fund aims to achieve capital appreciation through investing in long and short positions in listed European equities. The Fund seeks to limit the downward risk while keeping correlation with the returns of relevant market indices low. (Please note that the value of the investments may fluctuate. Past performance is not necessarily a guide to future performance. The value of the product is (among others) subordinated to the developments on financial markets and, if applicable, other markets. Long and short investment opportunities are selected from the European stock universe of listed, liquid equities.

The Hague, 25 April 2017

S. Bouman,
On behalf of Qmetrics B.V.
Director Saemor Capital B.V.

P.P.J. van de Laar,
Director Saemor Capital B.V.

STATEMENT OF FINANCIAL POSITION

As at 31 December 2016

	Note	2016 €	2015 €
Assets			
Financial assets at fair value through profit or loss	3,11	521,570,749	506,335,650
Amounts due from brokers	6	32,503,194	7,965,452
Dividends receivable		582,946	1,529,653
Margin accounts	5	248,962,045	378,355,876
Cash and cash equivalents	4	129,824,035	34,043,282
Total current assets		**933,442,969**	**928,229,913**
Liabilities			
Financial liabilities at fair value through profit or loss	3,11	(447,219,223)	(417,980,995)
Amounts due to brokers	6	(51,470,071)	(14,810,822)
Dividends payable		(356,651)	(427,174)
Subscriptions received in advance	2,17	(74,000)	-
Management fee payable	7	(376,232)	(428,062)
Performance fee payable	7	-	(9,505,189)
Interest payable		(242,849)	(415,675)
Equalisation credit payable	7	-	(221,335)
Accrued expenses	8	(354,306)	(322,261)
Total current liabilities (excluding net assets attributable to holders of redeemable units of participation		**(500,093,332)**	**(444,111,513)**
Net assets attributable to holders of redeemable units of participation		**433,349,637**	**484,118,400**

Class A	**2016**	**2015**	**2014**
Number of units of participation (note 13)	13,315.54	11,595.18	2,993.50
Net asset value per unit of participation	€ 1,459.32	€ 1,630.66	€ 1,463.47
Class B			
Number of units of participation (note 13)	292,854.88	297,070.52	434,423.60
Net asset value per unit of participation	€ 1,408.51	€ 1,565.99	€ 1,389.73
Class D			
Number of units of participation (note 13)	1,595.94	-	-
Net asset value per unit of participation	€ 894.96	-	-
Total Net Asset Value	**€ 433,349,637**	**€ 484,118,400**	**€ 608,112,405**

The accompanying notes are an integral part of these condensed financial statements

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2016

	Note	2016	2015
		€	€
Income			
Interest income	9	148,377	65,675
Gross dividend income	10	23,194,221	30,768,351
Net (loss)/gain on financial assets and liabilities at fair value through			
through profit or loss	3	(30,048,675)	75,126,581
Net foreign exchange gain on cash and cash equivalents	7	1,885,397	6,137,797
Other income		144,790	297,211
Total net (loss)/income		**(4,675,890)**	**112,395,615**
Expenses			
Dividend expense on securities sold short	10	(28,504,606)	(23,490,241)
Management fee	7	(4,450,425)	(5,499,982)
Performance fee	7	(891)	(10,958,559)
Interest expense & borrowing fee	9	(6,377,120)	(7,189,410)
Audit fee	7	(30,500)	(70,907)
Administration fee	7	(395,925)	(439,006)
Depositary fee	7	(158,179)	(236,180)
Legal fee	7	(10,000)	(53,750)
Costs of supervision	7	(91,164)	(65,000)
Other expenses	7	(40,224)	(26,111)
Trustee's fee	7	(11,149)	(6,150)
Total operating expenses		**(40,070,183)**	**(48,035,296)**
(Loss)/income before tax		**(44,746,073)**	**64,360,319**
Withholding taxes		(3,301,211)	(2,724,505)
(Loss)/income after tax		**(48,047,284)**	**61,635,814**
Other comprehensive income		-	-
(Decrease)/increase attributable to holders of redeemable units of participation		**(48,047,284)**	**61,635,814**

The accompanying notes are an integral part of these condensed financial statements

STATEMENT OF CASH FLOWS

For the year ended 31 December 2016

	2016	2015
	€	€
Cash flows from operating activities		
(Decrease)/increase attributable to holders of redeemable units of participation	(48,047,284)	61,635,814
Adjustment for net foreign exchange gain - cash and cash equivalent	(1,885,397)	(6,137,797)
Adjustment for interest income	(148,377)	(65,675)
Adjustment for dividend income	(23,194,221)	(30,768,351)
Adjustment for interest expenses	6,377,120	7,189,410
Adjustment for dividend expenses	28,504,606	23,490,241
Adjustments to reconcile increase attributable to holders of redeemable units of participation to net cash provided by operating activities:		
(Increase)/decrease in financial assets at fair value through profit or loss	(15,235,099)	212,944,456
Increase/(decrease) in financial liabilities at fair value through profit or loss	29,238,228	(121,993,731)
Increase in margin cash	129,393,831	37,400,222
(Decrease) in management fee payable	(51,830)	(145,183)
Increase in subscriptions received in advance	74,000	-
(Decrease) in performance fee payable	(9,505,189)	(13,531,457)
Increase/(decrease) in amounts due to brokers	36,659,249	(35,850,115)
(Increase)/decrease in amounts due from brokers	(24,537,742)	9,031,110
Increase in accrued expenses	32,046	68,126
Decrease in other assets and prepaid expenses	-	41,183
(Decrease)/increase in equalisation credit payable	(221,337)	204,702
Cash provided by operating activities	**107,452,604**	**143,512,955**
Interest received	148,377	250,594
Dividend received	24,140,928	29,976,018
Interest paid	(6,549,946)	(7,435,711)
Dividend paid	(28,575,129)	(23,650,026)
Net cash provided by operating activities	**96,616,834**	**142,653,830**
Cash flows from financing activities		
Increase attributable to holders of redeemable units of participation	54,196,450	13,831,654
Payments from redemptions of redeemable units of participation	(57,139,264)	(199,256,771)
Cash flow related to equalisation (deficit)/surplus previous year	221,335	(204,702)
Net cash flow used in financing activities	**(2,721,479)**	**(185,629,819)**
Net increase in cash and cash equivalents	93,895,355	(42,975,989)
Adjustment for net foreign exchange gain - cash and cash equivalents	1,885,397	6,137,797
Cash and cash equivalents at the beginning of the year	34,043,282	70,881,474
Cash and cash equivalents at the end of the year	**129,824,035**	**34,043,282**

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS OF PARTICIPATION

For the year ended 31 December 2016

	Note	Number of shares	2016
			€
Balance at the beginning of the year		**308,666**	**484,118,400**
Decrease attributable to holders of redeemable units of participation resulting from operations for the year		-	(48,047,284)
Issue of redeemable units of participation during the year	13	38,505	54,196,450
Payments from redeemable units of participation during the year	13	(39,540)	(57,139,264)
Subscription related to equalisation surplus		136	221,335
Movement related to current year equalisation deficit payable		-	-
Net assets attributable to holders of redeemable units of participation at the end of the year		**307,767**	**433,349,637**

For the year ended 31 December 2015

	Note	Number of shares	2015
			€
Balance at the beginning of the year		**437,417**	**608,112,405**
Increase attributable to holders of redeemable units of participation resulting from operations for the year		-	61,635,814
Issue of redeemable units of participation during the year	13	8,663	13,831,654
Payments from redeemable units of participation during the year	13	(137,426)	(199,256,771)
Subscription related to equalisation surplus		12	16,633
Movement related to current year equalisation deficit payable		-	(221,335)
Net assets attributable to holders of redeemable units of participation at the end of the year		**308,666**	**484,118,400**

The accompanying notes are an integral part of these condensed financial statements

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2016

1. FUND INFORMATION

General
Saemor Europe Alpha Fund (the "Fund") is an open-ended investment fund incorporated on 19 June 2008. The first trade date for Class B units of participation was on 26 June 2008. Initial subscriptions for Class A units of participation were received on dealing date 27 January 2009. Initial subscriptions of Class D units of participation were received on dealing day 4 January 2016. The Fund is not listed on any stock exchange. The units of participation are registered per investor.

The Fund will, under certain conditions, be able to issue and purchase units of participation. Issue and redemption of units of participation is possible on a dealing date, which is the first business day of each month. The Manager holds the right to suspend redemptions in the case of extreme market circumstances, when effectuating the lock up on Class B units of participation or in case of a significant size of the redeemed amount. The right to suspend redemptions is explained in more detail in the Prospectus of the Fund.

The Fund is a Fund for Joint Account, which means that there is a contractual obligation among the Manager, the Title Holder and the Participant. The Manager has an Alternative Investment Fund Managers Directive (AIFMD) license and is regulated by the Netherlands Authority for the Financial Markets (AFM) and the Dutch Central Bank.

The Bank of New York Mellon SA/NV, Amsterdam branch, provides administration and transfer agency services to the Fund. Certain administration services are being outsourced to BNY Mellon Fund Services (Ireland) DAC in Dublin, Ireland. BNY Mellon Fund Services (Ireland) DAC is a licensed bank, authorised and regulated by the Central Bank of Ireland. Furthermore, certain services in relation to transfer agency are being outsourced to The Bank of New York Mellon (Luxembourg) S.A.

The Fund's objective is to achieve capital appreciation in the middle to long-term through investing in a diversified portfolio that is predominantly composed of long and short positions in listed equities. The investment universe encompasses Europe, the Middle East and Africa (EMEA). Investment focus will, however, to a large extent be on European countries. The Fund aims for returns that have a low correlation with the returns of relevant market indices. The Fund is not tied to a benchmark.

Classes of participations
The assets of the Fund are divided into several Classes of Participations, with a specific fee structure, and if applicable lock-up period, for each Class of Participations. The underlying investments and risk profile of the various Classes of Participations are identical. Each Class of Participations may be further segmented in Subclasses of Participations, each such Subclass of Participations to be denominated in a different currency.

2. PRINCIPAL ACCOUNTING POLICIES

(a) Statement of compliance
The financial statements of the Fund have been prepared in accordance with International Financial Reporting Standards (IFRS) as endorsed by the European Union (EU) and the Dutch Financial Supervision Act and Title 9 book 2 Dutch Civil Code.

(b) Basis of preparation
The financial statements have been prepared on a historical cost basis, except for financial instruments classified at fair value through profit or loss which have been measured at fair value. All accounting policies adopted by the Fund are consistent with the audited financial statements for the year ended 31 December 2016.

The financial statements are presented in Euro.

The preparation of financial statements in conformity with IFRS, as adopted by the EU, requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. The Manager believes that the estimates utilised in preparing its financial statements are reasonable and prudent. Actual results could differ from these estimates.

The Fund's functional and presentation currency is the Euro. As most holders of Units of Participation, the Manager and the Title Holder are based and operate in Euro markets, the Fund's performance is evaluated and its liquidity is managed in Euros.

There are no standards and amendments to existing standards that are effective for the first time for the financial period beginning 1 January 2016 that have a material impact on the Fund.

New standards, amendments and interpretations effective after 1 January 2016 and have not yet been early adopted by the Fund.

The below mentioned standards, amendments to standards and interpretations in issue are not yet effective, and have not been applied in preparing these financial statements. Management is currently assessing the possible impact of these new standards and interpretations.

IFRS 9 Financial Instruments (effective date 1 January 2018)
IFRS 9 replaces the multiple classification and measurement models in IAS 39: Financial instruments: Recognition and Measurement, with a single model that has initially only two classification categories: amortised cost and fair value. Classification of debt assets will be driven by the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. A debt instrument is measured at amortised cost if: a) the objective of the business model is to hold the financial asset for the collection of the contractual cash flows, and b) the contractual cash flows under the instrument solely represent payments of principal and interest.

All other debt and equity instruments, including investments in complex debt instruments and equity investments, must be recognised at fair value. All fair value movements on financial assets are taken through the statement of profit or loss, except for equity investments that are not held for trading, which may be recorded in the statement of profit or loss or in reserves (without subsequent recycling to profit or loss).

For financial liabilities that are measured under the fair value option entities will need to recognise the part of the fair value change that is due to changes in the their own credit risk in other comprehensive income rather than profit or loss. The new hedge accounting rules (released in December 2013) align hedge accounting more closely with common risk management practices.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2016

2. PRINCIPAL ACCOUNTING POLICIES (continued)

(b) basis of preparation (continued)
As a general rule, it will be easier to apply hedge accounting going forward. The new standard also introduces expanded disclosure requirements and changes in presentation.

In December 2014, the IASB made further changes to the classification and measurement rules and also introduced a new impairment model. With these amendments, IFRS 9 is now complete.

The Fund will assess the impact on the financial statements prior to the effective date.

IFRS 15 Revenue from contracts with customers (effective 1 January 2018)
The IASB has issued a new standard for the recognition of revenue. This will replace IAS 18 which covers contracts for goods and services and IAS 11 which covers construction contracts. The new standard is based on the principle that revenue is recognised when control of a good or service transfers to a customer – so the notion of control replaces the existing notion of risks and rewards.

A new five-step process must be applied before revenue can be recognised:
(i) identify contracts with customers
(ii) identify the separate performance obligation
(iii) determine the transaction price of the contract
(iv) allocate the transaction price to each of the separate performance obligations, and
(v) recognise the revenue as each performance obligation is satisfied.

Entities will have a choice of full retrospective application, or prospective application with additional disclosures. The Fund will assess the impact on the financial statements prior to the effective date.

(c) Financial instruments
Financial assets and liabilities at fair value through profit or loss
The category of financial assets and liabilities at fair value through profit or loss are categorised as financial assets and liabilities held for trading. These include equities, contracts for difference ("CFDs") and liabilities from short sales of financial instruments.

These instruments are acquired or incurred principally for the purpose of generating a profit from short-term fluctuation in price. Derivatives are categorised as held for trading, as the Fund does not designate any derivatives as hedges for hedge accounting purposes as described under IAS 39.

Initial measurement
Purchases and sales of financial instruments are accounted for at trade date. Realised gains and losses on disposals of financial instruments are calculated using the first-in-first-out ("FIFO") method. Financial instruments categorised at fair value through profit or losses are measured initially at fair value. Transaction costs are costs incurred to acquire financial assets or liabilities at fair value through profit or loss. They include fees and commissions paid to agents, brokers and dealers. Transaction costs, when incurred, are immediately recognised in net gain or loss on financial assets and liabilities at fair value through profit or loss.

Subsequent measurement
After initial measurement, the Fund measures financial instruments which are classified as at fair value through profit or loss at fair value. Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

The fair value of financial instruments traded in active markets is based on their quoted market prices or sourced from a data vendor, at the statement of financial position date without any deduction for estimated future selling costs. Financial assets are priced at their current bid prices, while financial liabilities are priced at their current offer price.

For all other financial instruments not traded in an active market and if a quoted market price is not available from a data vendor, the fair value of the financial instruments may be estimated by the Manager using valuation techniques, including use of recent arm's length market transactions, reference to the current fair value of another instrument that is substantially the same, discounted cash flow techniques, option pricing models or any other valuation technique that provides a reliable estimate of prices obtained in actual market transactions.

Subsequent changes in the fair value of financial instruments at fair value through profit or loss are recognised in the Statement of Comprehensive Income.

Where the Fund has assets and liabilities with offsetting market risks it uses mid-market prices as a basis for establishing fair values for the offsetting risk positions and applies the bid or offer price to the net position as appropriate.

(d) Recognition
The Fund recognises a financial asset or a financial liability when, and only when, it becomes a party to the contractual provisions of the instrument.

Purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the marketplace are recognised on the trade date, i.e., the date that the Fund commits to purchase or sell the asset.

(e) Derecognition
The Fund derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition.

The Fund derecognises a financial liability when the obligation specified in the contract is discharged, cancelled or expires.

(f) Offsetting financial instruments
Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2016

2. PRINCIPAL ACCOUNTING POLICIES (continued)

(g) Contract for Difference (CFD)
A contract for difference is an agreement between two parties to exchange the difference between the opening and closing value of a position in a specific financial instrument, such as quoted securities, index and foreign exchange. The daily changes in contract value are recorded as unrealised gains or losses and the Company recognises a realised gain or loss when the contract is closed. Unrealised gains and losses on CFDs are recognised through net gain on financial assets and liabilities at fair value through profit or loss in the Statement of Comprehensive Income.

(h) Redeemable units of participation
The Fund has issued three classes of redeemable units of participation, Class A units, Class B units and Class D units, which are redeemable at the participant's option. Class A and D units differ from Class B units with respect to management fees and performance fees. Redeemable units of participation can be put back to the Fund at any Dealing day for cash equal to a proportionate share of the Fund's net asset value attributable to the share class.

Units of participation are redeemable monthly. The participants of Class B units of participation are not entitled to request the Fund to redeem all or part of their redeemable units of participation during the "lock-up" period of one year from the acceptance of subscriptions.
The redeemable units of participation are carried at the redemption amount that is payable at the Statement of Financial Position date if the holder exercised the right to put the unit of participation back to the Fund.

(i) Subscription and redemption fees
A fee could be charged upon each issue, transfer or redemption of a unit of Participation of up to 1.0%. The actual fee charged is set by the Manager, is credited to the Fund and is charged to cover transaction related costs.

(j) Interest income/expense and borrowing fee
Interest income and interest expense are recognised on an accruals basis in line with the contractual terms. The majority of the interest expense in the Statement of Comprehensive Income includes CFD interest, borrowing fee and cash interest. Borrowing fee is paid fee related to stock loan activities.

(k) Expenses
Expenses are recognised in the Statement of Comprehensive Income on an accrual basis accounted in the year that the costs are incurred.

(l) Dividend income and expense
Dividends are credited to the Statement of Comprehensive Income on the dates on which the relevant securities are listed as "ex-dividend". Income is shown gross of any non-recoverable withholding taxes, which is disclosed separately in the Statement of Comprehensive Income, and net of any tax credits. Dividend expense relating to equity securities sold short is recognised when the shareholders' right to receive the payment is established.

(m) Statement of cash flows
The Statement of Cash Flows is prepared according to the indirect method. For the purposes of the Statement of Cash Flows, financial instruments at fair value through profit or loss are included under operating activities.

Cash flows from financing activities include proceeds from subscriptions and payments for redemptions of shares of the Fund.

(n) Foreign currency translation
Functional and presentation currency
The Fund's investors are mainly from the Eurozone, with the subscriptions and redemptions denominated in Euro. The performance of the Fund is measured and reported to the investors in Euro. Therefore the financial statements are presented in Euro, which is the Fund's functional and presentation currency.

(o) Foreign currency transactions
Monetary assets and liabilities denominated in currencies other than Euro are translated into Euro at the closing rates of exchange at each year-end. Transactions during the year, including purchases and sales of securities, income and expenses, are translated at the rate of exchange prevailing on the date of the transaction. Foreign currency translation gains and losses are included in net foreign exchange loss in the Statement of Comprehensive Income.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

(p) Cash and cash equivalents
Cash consists of cash at bank and cash equivalents consist of short-term investments available to the Fund with original maturities of three months or less and short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Cash is held with Morgan Stanley, Merrill Lynch International, Barclays Bank PLC and Bank of New York Mellon SA/NV.

Short-term investments that are not held for the purpose of meeting short-term cash commitments and restricted margin accounts are not considered as 'cash and cash equivalents'.

(q) Taxation
The Fund is organised as a fund for joint account ("Fonds voor gemene rekening") as defined in article 2 paragraph 2, of the Dutch Corporate Income Tax Act ("CITA") ("Wet op de vennootschapsbelasting 1969") and qualifies as a tax exempt investment fund ("Vrijgestelde Beleggingsinstelling") within the meaning of article 6a, CITA. Consequently, the Fund will be fully exempt from corporate income tax in The Netherlands.

All payments by the Fund under the participations can be made free of withholding or deduction of any taxes of whatsoever nature imposed, levied, withheld or assessed by the Netherlands or any political subdivision or taxing authority thereof or therein.

The issuance or transfer of participation, and payments under a participation, will not be subject to value added tax in the Netherlands.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2016

2. PRINCIPAL ACCOUNTING POLICIES (continued)

(q) Taxation (continued)
The subscription, issue, placement, allotment, delivery or transfer of a participation, will not be subject to registration tax, stamp duty or any other similar tax or duty payable in the Netherlands.

In some jurisdictions, investment income and capital gains are subject to withholding tax deducted at the source of the income.

The Fund presents the withholding tax separately from the gross investment income in the Statement of Comprehensive Income. For the purpose of the Cash Flow Statement, cash inflows from investments are presented net of withholding taxes, when applicable.

(r) Significant accounting estimates and judgment in applying accounting policies
Application of the accounting policies in the preparation of the fund financial statements may require the Manager to apply judgment involving assumptions and estimates concerning future results and other developments including the likelihood, timing or amount of future transactions or events.

The Fund has no significant accounting estimates that require complex estimates or significant judgment in applying its accounting policies.

(s) Short sales
The Fund makes short sales in which a borrowed security is sold in anticipation of a decline in the market value of that security. Short sales are classified as financial liabilities at fair value through profit or loss.

(t) Transaction costs
The costs charged by brokers in relation to the purchase or sale of financial instruments form the main component of the cost of a transaction. In addition, transaction-related taxes and duties such as registration tax and stamp duties may apply. Transaction costs incurred with an opening position in equities and CFDs (opening buy in case of a long position or opening sale in case of a short position) are included in the net consideration. Transaction costs incurred with the closing of a position in equities and CFDs (closing sale in case of a long position or closing buy in case of a short position) are included in the net consideration. Transaction costs are costs incurred to acquire financial assets or liabilities at fair value through profit or loss. They include fees and commissions paid to agents, brokers and dealers. Transaction costs, when incurred, are immediately recognised in net gain or loss on financial assets and liabilities at fair value through profit or loss.

(u) Other expenses
Other expenses are recognised on the statement of comprehensive income on an accruals basis.

(v) Margin accounts
Cash collateral provided by the Fund is identified in the Statement of Financial Position as margin cash and is not included as a component of cash and cash equivalents. Margin accounts represent cash deposits with brokers, transferred as collateral against open futures or other securities.

(w) Amounts due from/(to) brokers
Amounts receivable from and payable to brokers include cash balances with the Fund's Prime Brokers and amounts receivable or payable for securities transactions that have not settled at the year-end. Certain amounts of this cash results from the proceeds of trading securities sold short and may therefore be subject to withdrawal restrictions until such time as the securities are purchased by the Fund. The Fund has also purchased securities on margin and the related margin balances are secured on certain of the Fund's investments in securities.

(x) Other payables and accrued expenses
Expenses payable at year-end and accrued expenses are recognised initially at fair value and subsequently stated at amortised cost using the effective interest method.

(y) Subscriptions received in advance
Subscriptions received in advance represent accepted subscriptions made during the post statement of financial position period for which payment has been received by the Fund before year-end but for which redeemable units will only be issued in the next financial period. Subscriptions received in advance are initially recognised at fair value and subsequently stated at amortised cost using the effective interest method.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2016

3. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

Movement Schedule Investments

Equity securities	**2016**	**2015**
	€	**€**
Beginning market value 1 January	80,692,285	142,695,856
Purchase	2,895,550,875	3,434,634,342
Sale	(2,905,230,534)	(3,480,725,210)
Revaluation	(17,859,048)	(15,912,703)
Ending market value 31 December	**53,153,578**	**80,692,285**

Contracts for Difference	**2016**	**2015**
	€	**€**
Beginning market value 1 January	8,501,498	36,609,524
Purchase	381,437,117	13,787,064
Sale	(356,547,290)	(132,942,493)
Revaluation	(12,193,377)	91,047,403
Ending market value 31 December	**21,197,948**	**8,501,498**

Debt securities	**2016**	**2015**
	€	**€**
Beginning market value 1 January	(839,128)	-
Purchase	835,379	-
Sale	-	(831,009)
Revaluation	3,749	(8,119)
Ending market value 31 December	**-**	**(839,128)**

Total	**2016**	**2015**
	€	**€**
Beginning market value 1 January	88,354,655	179,305,380
Purchase	3,277,823,370	3,448,421,406
Sale	(3,261,777,824)	(3,614,498,712)
Revaluation	(30,048,675)	75,126,581
Ending market value 31 December	**74,351,526**	**88,354,655**

Purchase and sale on CFD investments reflect only the realised gains and losses of closing transactions.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2016

3. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS (continued)

For the years ended 31 December 2016 and 31 December 2015, financial assets and liabilities at fair value through profit or loss were as follows:

	2016	2015
Financial assets at fair value through profit or loss:	**€**	**€**
Equity securities	483,141,984	459,093,405
Contracts-for-difference	38,428,765	47,242,245
Financial assets at fair value through profit or loss	**521,570,749**	**506,335,650**
Financial liabilities at fair value through profit or loss:		
Debt securities	-	(839,128)
Equity securities	(429,988,406)	(378,401,120)
Contracts-for-difference	(17,230,817)	(38,740,747)
Financial liabilities at fair value through profit or loss	**(447,219,223)**	**(417,980,995)**
Total financial assets and liabilities at fair value through profit and loss	**74,351,526**	**88,354,655**

In Note 11 risks associated with those financial instruments held will be described.

For the years ended 31 December 2016 and 31 December 2015, listed equity securities at fair value through profit or loss are recorded at fair value based on quoted market prices in active markets.

For the years ended 31 December 2016 and 31 December 2015, the gain and loss breakdown of net gain or loss on financial assets and liabilities at fair value through profit or loss was as follows:

	Net gain or loss on financial assets and liabilities at fair value through profit or loss	
	2016	**2015**
	€	**€**
Realised gains	216,919,628	360,314,893
Unrealised gains	158,305,945	146,650,531
Realised losses	(280,965,073)	(205,753,805)
Unrealised losses	(124,309,176)	(226,085,038)
Total	**(30,048,675)**	**75,126,581**

The financial assets and liabilities at fair value through profit or loss are classified under category 'assets and liabilities at fair value through profit and loss' under IFRS 7 Financial Instruments: Disclosures . The remaining financial instruments are classified under category 'loans and receivables' and 'other financial liabilities' under IFRS 7.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the year ended 31 December 2016

4. CASH AND CASH EQUIVALENTS

Cash represents short-term funds available to the Fund.

	2016	2015
	€	€
Cash at brokers	115,024,201	34,043,282
Cash at synthetic brokers	14,799,834	-
Total	**129,824,035**	**34,043,282**

Cash at brokers relates to cash balances with the Fund's Prime Brokers excluding margin requirements.

5. MARGIN ACCOUNTS

Margin accounts represent cash deposits with brokers, transferred as collateral against open futures or other securities.

The Prime Brokers calculate the maximum amount to be loaned on the basis of all long and short securities held at the Prime Brokers; this is called the total margin requirement. The Fund does not provide individual securities as collateral for each individual short security transaction. The total short position is taken into account in the calculation of margin requirement. The total amount of margin requirements with the Fund's Prime Brokers was €183,321,705 (31 December 2015: €292,713,575) with Morgan Stanley and €50,856,334 (31 December 2015: €76,031,316) with Merrill Lynch International and €14,784,006 with Barclays PLC (31 December 2015: €9,610,985).

	2016	2015
	€	€
Margin accounts	248,962,045	378,355,876
Total	**248,962,045**	**378,355,876**

6. AMOUNTS DUE FROM/(TO) BROKERS

Amounts receivable from and payable to brokers include cash balances with the Fund's Prime Brokers and amounts receivable or payable for securities transactions that have not settled at the year-end. Certain amounts of this cash results from the proceeds of trading securities sold short and may therefore be subject to withdrawal restrictions until such time as the securities are purchased by the Fund. The Fund has also purchased securities on margin and the related margin balances are secured on certain of the Fund's investments in securities.

As at 31 December 2016 and 31 December 2015 the following were held as amounts due from/(to) brokers:

	2016	2015
	€	€
Balances due from brokers	32,503,194	7,965,452
Balances due to brokers	(51,470,071)	(14,810,822)
Net amounts due to brokers	**(18,966,877)**	**(6,845,370)**

7. FEES AND EXPENSES

Management fee
The management fee is charged to the Fund and is credited to the Manager. The management fee is levied once a month.

The management fee is set as an annual percentage of 1.5% of the gross asset value (GAV) for Class A and D units of Participation, 1.0% of the GAV for Class B units of Participation (before deduction of the accrued performance fee). The management fee is accrued on a monthly basis. The fee is payable in arrears following completion and finalisation each month. Management fees of €4,450,425 (31 December 2015: €5,499,982) were incurred for the year ended 31 December 2016 of which €376,232 was payable at 31 December 2016 (31 December 2015: €428,062).

Performance fee
The performance fee is charged on a unit by unit basis and is credited to the Manager. The performance fee is calculated and accrued for in each net asset calculation as at each month-end.

The performance fee is equal to 20% of the annual increase in the net asset value of the capital of Class A units of Participation. The performance fee is 15% of the annual increase in the net asset value of the capital of Class B units of Participation. The performance fee will be calculated on the basis of an annual year from calendar year-end to calendar year-end. In a year of introduction of a new Class in a specific currency, the performance fee will be based on the period from introduction date to calendar year-end. A high watermark applies.

Performance fees of €891 (31 December 2015: €10,958,559) were incurred for the year ended 31 December 2016 of which €Nil was payable at 31 December 2016 (31 December 2015: €9,505,189).

As of 4 January 2016 the Fund opened Class D units of participation. The performance fee is equal to 20% of the monthly increase in the net asset value of the capital of Class D units of participation. The performance fee for Class D units of participation will be calculated on the basis of a monthly period from calendar month-end to calendar month-end. A high watermark applied, "equalisation" method is not applicable.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2016

7. FEES AND EXPENSES (continued)

Performance fee – equalisation
The performance fee is calculated according to the "Equalisation" method, which means that each Participant pays a fee that truly corresponds to the increase in value of units of Participation that he/she holds. Participations are subscribed to against the gross asset value per unit of Participation. If the subscription price exceeds the high water mark (the "HWM") on a dealing day, an equalisation credit is granted to the Participant. Following the date of grant, the value of the equalisation credit fluctuates with the increase and decrease of the net asset value (NAV). The equalisation credit will at no time turn into a negative value, and it will not increase beyond the value at the time of issue. By issuing Participations against the value of the Participant's equalisation credit at the ultimate valuation day of the financial year of the Fund, the credit will be finally settled. The equalisation credit as of 31 December 2016 amounted to €Nil (31 December 2015: €221,335).

Conversely, a Participant that acquires Participations at a time that the HWM exceeds the NAV per Participation, at which point in time the GAV equals the NAV as no performance fee is accrued, will build up an equalisation deficit from the moment that the NAV per Participation exceeds the subscription price. Any deficit will be finally settled by way of mandatory redemption of the equalisation deficit bearing Participations. The Manager is entitled to the ensuing claim. Redemption will take place per the ultimate dealing day of the financial year of the Fund, or at redemption during the year. The equalisation deficit as of 31 December 2016 amounted to €43,434 (31 December 2015: €Nil).

Other costs charged to the assets of the Fund	**2016**	**2015**
	€	**€**
Audit fee	30,500	70,907
Administration fee	395,925	439,006
Depositary fee	158,179	236,180
Legal fee	10,000	53,750
Costs of supervision	91,164	65,000
Trustee's fee	11,149	6,150
Other expenses	40,224	26,111
	737,141	**897,104**

Costs of supervision are fees charged by the supervising authorities AFM and the Dutch Central Bank.

The depositary charges a fee as an annual percentage of 0.03% of the NAV at each month-end, subject to a minimum fee of €25,000 per annum.

The Title Holder receives a trustee fee of €11,000 on an annual basis, excluding VAT and indexation as of 2015.

Other expenses	**2016**	**2015**
	€	**€**
Miscellaneous expenses	-	795
Brokerage fees (excluded in Ongoing Charges Figure)	40,224	25,316
	40,224	**26,111**

Subscription and redemption fees
The Fund may upon issue and redemption of a unit of Participation charge a fee up to 1.0% of the subscription or redemption amount. These costs may be charged in order to cover the costs incurred in transactions related to subscription and/or redemption and are credited to the Fund. During the year ended 31 December 2016, the Fund charged redemption fees of €144,790 (31 December 2015: €297,211).

Ongoing charges figure
The Ongoing Charges Figure (OCF) is a ratio of the total ongoing costs to the average net assets value of the Fund. Ongoing costs include cost of management and administration, plus other costs of running the fund, such as fees for custodians, regulators and independent auditors. Transaction costs of investments, interest expenses and performance fee are excluded from the calculation. The OCF will be calculated once a year, the figure as of end of 2016 and 2015 is as follows:

Ongoing Charges Figure	**Share Class A**	**Share Class B**	**Share Class D**
2016	1.66%	1.16%	1.66%
2015	1.66%	1.16%	-

Performance fee ratio
Performance fee ratio is a ratio of the total performance fee (including equalisation deficit) to the average net assets value of the Fund. This ratio will be calculated once a year, as of end of 2016 and 2015 the ratio is as follows:

Performance Fee Ratio	**Share Class A**	**Share Class B**	**Share Class D**
2016	0.00%	0.01%	-
2015	2.30%	2.00%	-

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2016

7. FEES AND EXPENSES (continued)

Transaction costs
Transaction costs are costs incurred to acquire financial assets or liabilities at fair value through profit or loss. They include fees and commissions paid to agents, brokers and dealers. Transaction costs, when incurred, are immediately recognised in net gain or loss on financial assets and liabilities at fair value through profit or loss.

The transaction costs amounted to €2,752,201 in 2016 (2015: €3,415,352).

Soft dollar arrangement
The Manager may choose to allocate transactions to brokers with whom the Manager has concluded a commission sharing agreement (CSA). A CSA is concluded with a view to allowing the Manager to provide a better level of service to the Fund, with the aim of improving the results. Pursuant to a CSA, the broker receives a commission for executing a transaction that is split ('unbundled') into: 1) execution and 2) research. The sum of money received by the broker that is related to research is entered into a separate account and may be used by the Manager in order to pay for certain services rendered by either the broker or by a third party. The Manager will, however, at all times aim for best execution.

The Fund has entered into a CSA with UBS AG in order to facilitate the purchase of research from Starmine and Markit. During the year ended 31 December 2016, €46,000 (31 December 2015: €87,000) were received into the CSA account.

Comparison realised costs versus costs included in Prospectus
Article 123 paragraph 1 sub j of the Decree on the Supervision Conduct of Financial Enterprises (Bgfo) requires a comparison between the actual costs for the reporting year and the costs as mentioned in the Prospectus.

31 December 2016	**Actual Costs**	**Estimated costs Prospectus**
Management fee	€ 4,450,425	% of GAV: Class A and D=1.5% and Class B=1.0%
Performance fee	€ 891	% of annual increase GAV: Class A=20% and Class B=15% Class D=20%
Administration fee	€ 395,925	+/- of 0.095% of NAV
Trustee's fee	€ 11,149	Annual fee €11,000
Independent auditor's and advisor fee*	€ 131,664	Not Specified
Depositary fee	€ 158,179	0.03% of NAV
Other costs**	-	Not Specified

31 December 2015	**Actual Costs**	**Estimated costs Prospectus**
Management fee	€ 5,499,982	% of GAV: Class A=1.5% and Class B=1.0%
Performance fee	€ 10,958,559	% of annual increase GAV: Class A=20% and Class B=15%
Administration fee	€ 439,006	+/- of 0.08% of NAV
Trustee's fee	€ 6,150	Annual fee €11,000
Independent auditor's and advisor fee*	€ 189,657	Not Specified
Depositary fee	€ 236,180	0.03% of NAV
Other costs**	€ 795	Not Specified

* Independent auditor's and advisors' costs include audit fee, legal fee and cost of supervision. Audit fee refers to services provided by the independent auditors and relate to the audit of the Financial Statements. The independent auditor is also involved in the examination of the Prospectus of the Fund. This is recorded under the legal fee.

** Other costs include miscellaneous expenses.

Portfolio Turnover Rate
The Portfolio Turnover Rate indicates the turnover ratio of the Fund's portfolio. This rate is an indicator of how actively the investment portfolio is being altered as a consequence of investment decisions and is therefore a function of the investment policy and specifically gross exposure.

The Turnover Rate is calculated as follows:
[(Total 1 – Total 2) / X] *100
Total 1: the total amount of investment transactions (purchase and sale)
Total 2: the total amount of subscriptions and redemptions by Participants
X: average net asset value of the Fund

Portfolio Turnover Rate	**2016**	**2015**
	€	**€**
Securities purchase	5,637,963,072	6,927,821,290
Securities sale	5,684,988,897	6,976,048,702
Total securities transactions	**11,322,951,969**	**13,903,869,992**
Subscriptions participants	54,196,450	13,831,654
Redemptions participants	57,139,264	199,256,771
Total movement in participations	**111,335,714**	**213,088,425**
Average net asset value	434,865,128	543,515,812
Turnover Rate	**2,578%**	**2,519%**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2016

8. ACCRUED EXPENSES

	2016	2015
	€	€
Audit fee	22,860	33,911
Administration fee	234,073	114,625
Depositary fee	79,357	43,545
Legal and tax advice fee	12,903	51,898
Costs of supervision	-	65,164
Trustee's fee	5,113	7,477
Other accrued expenses	-	5,641
	354,306	**322,261**

9. INTEREST INCOME/EXPENSE AND BORROWING FEE

	2016	2015
	€	€
Interest income	148,377	65,675
Interest expense	(4,450,700)	(4,954,405)
Borrowing fee	(1,926,420)	(2,235,005)
	(6,228,743)	**(7,123,735)**

Borrowing fees incurred during the year resulted from borrowing securities in relation to short positions.

10. DIVIDEND INCOME/EXPENSE

	2016	2015
	€	€
Gross dividend income	23,194,221	30,768,351
Dividend expense on securities sold short	(28,504,606)	(23,490,241)
	(5,310,385)	**7,278,110**

11. RISK ASSOCIATED WITH FINANCIAL INSTRUMENTS

Risk management is an integral part of the investment and the operational process. Risk management can be distinguished in financial risk management, operational risk management and independent risk measurement. Financial risk management encompasses all elements of the investment process. A number of risk management systems allow us to notice any deviations from intended positioning and targets. Operational risk management encompasses the four areas of potential losses: processes, systems, people and external events. Risk measurement is an independent function, which is functionally separated from the operational department and portfolio management.

The Fund's investment objective is to preserve capital and then achieve absolute returns for Participants by investing in securities of European Companies. The Fund aims to achieve strong risk adjusted returns without large exposure to the overall stock market and without taking high volatility single factor risks.

Financial instruments and associated risks
The Fund will primarily invest in a diversified portfolio consisting of long and short positions in listed equities. The Fund may utilise derivative financial instruments for the purpose of risk management and for potentially improving returns.

The nature and extent of the financial instruments outstanding at the Statement of Financial Position date and the risk management policies employed by the Fund are discussed below.

The Fund is exposed to several risks. The Prospectus of the Fund describes an extensive list. The following risks are described below: equity risk, currency risk, interest rate risk, credit risk and liquidity risk. Each type of risk is arising from the financial instruments it holds and is discussed in turn below. Qualitative and quantitative analyses are provided where relevant to give the reader an understanding of the risk management methods used by the Manager.

Fair value estimation
IFRS 13 Fair Value Measurement states that when measuring fair value, the objective is to estimate the price at which an orderly transaction to sell an asset or to transfer a liability would take place between market participants at the measurement date under current market conditions (i.e. to estimate an exit price).

The Fund classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy shall have the following levels:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices); and
- Level 3 inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety shall be determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety.

If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a level 3 measurement. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgment, considering factors specific to the asset or liability.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2016

11. RISK ASSOCIATED WITH FINANCIAL INSTRUMENTS (continued)

The following tables analyse the fair value hierarchy of the Fund's financial assets and liabilities measured at fair value as at 31 December 2016 and as at 31 December 2015:

Financial assets at fair value through profit or loss	31 December 2016 €	Level 1 €	Level 2 €	Level 3 €
Equity securities	483,141,984	483,141,984	-	-
Derivatives	38,428,765	-	38,428,765	-
Total	**521,570,749**	**483,141,984**	**38,428,765**	**-**

Financial liabilities at fair value through profit or loss	31 December 2016 €	Level 1 €	Level 2 €	Level 3 €
Debt securities	-	-	-	-
Equity securities sold short	(429,988,406)	(429,988,406)	-	-
Derivatives	(17,230,817)	-	(17,230,817)	-
Total	**(447,219,223)**	**(429,988,406)**	**(17,230,817)**	**-**

Financial assets at fair value through profit or loss	31 December 2015 €	Level 1 €	Level 2 €	Level 3 €
Equity securities	459,093,405	459,093,405	-	-
Derivatives	47,242,245	-	47,242,245	-
Total	**506,335,650**	**459,093,405**	**47,242,245**	**-**

Financial liabilities at fair va-lue through profit or loss	31 December 2015 €	Level 1 €	Level 2 €	Level 3 €
Debt securities	(839,128)	(839,128)	-	-
Equity securities sold short	(378,401,120)	(378,401,120)	-	-
Derivative	(38,740,747)	-	(38,740,747)	-
Total	**(417,980,995)**	**(379,240,248)**	**(38,740,747)**	**-**

For the year ended 31 December 2016 and 31 December 2015, there were no transfers between Levels.

For assets and liabilities at amortised cost, their carrying values are a reasonable approximation of fair value.

Equity risk

Equity risk is the risk that the Fund is exposed to the volatility of the fair value of the equity securities it holds. The fair value of individual securities may fluctuate as a result of e.g. company specific news, broad market movements, interest rate risk or foreign currency movements. The Manager continuously monitors the (potential) determinants of the value of the securities held and the total portfolio value. As such, risk management is an integral part of investment management which comprises security selection and portfolio construction. Frequently various stock, sector and country exposures are measured and managed against the norms which have been defined for those exposures. Further the overall portfolio is monitored using various (external) portfolio risk (optimising) systems to monitor and manage market or style exposures.

The value of the securities the Fund holds are partly driven by general market movements. As the Fund has long and short positions in securities, the Fund aims to control its exposure to these general market movements. The following table represents management's best estimate of the effect on the Fund's total net assets due to a 25% change in the market equity price, with all other variables held constant.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2016

11. RISK ASSOCIATED WITH FINANCIAL INSTRUMENTS (continued)

The Beta is a measure of the volatility, or systematic risk, of a security or a portfolio in comparison to the market as a whole. The Beta of a portfolio can be measured by a regression of the portfolio return with the market return, i.e. the ex-post Beta. The Beta of a portfolio can also be measured as the weighted average of the Beta's of the underlying securities, i.e. the ex-ante Beta. Please note that the calculation of a Beta is based upon historical data. It gives an insight in the co-movement of the portfolio with the market as a whole; such calculated Beta can be used as a rough estimate for the co-movement going forward. Significant differences may occur between the estimate and the co-movement that occurs next year.

The ex-post Beta for the Fund was 0.086 (2015: 0.05), calculated from a regression of the daily returns of the Fund on the MSCI Europe, from 1 January to 31 December 2016. The ex-ante Beta measured at year-end 2016 is 0.068 (2015: 0.06). (Source: Nomura TradeSpex Portfolio tool, European statistical factor risk model).

2016

Market indices	Ex-ante Beta	Change	Effect on net assets and profit	Change	Effect on net assets and profit
		%	€	%	
MSCI Europe	0.068	25	25,933,555	(25)	(25,933,555)

2015

Market indices	Ex-ante Beta	Change	Effect on net assets and profit	Change	Effect on net assets and profit
		%	€	%	
MSCI Europe	0.0603	25	26,246,916	(25)	(26,246,916)

If an investment portfolio of a fund is relatively concentrated, it is considerably dependent on volatility in specific equities (idiosyncratic risk). The Manager has defined several guidelines to adhere to, with respect to maximum percentages held on a security and sector level. The Fund's investments are all well within the guidelines as described in the Prospectus. The portfolio of the Fund is fairly diversified as is illustrated by the percentages held as disclosed in the sector allocation. The long and short positions are showed separately as a percentage of the net asset value. The net exposure per sector is also stated as a percentage of the net asset value.

Currency risk
Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Fund may invest in financial instruments and enter into transactions denominated in currencies other than its functional currency (Euro).

Consequently, the Fund is exposed to risks that the exchange rate of its currency relative to other foreign currencies may change in a manner that has an adverse effect on the value of that portion of the Fund's assets or liabilities denominated in currencies other than the Euro.

IFRS 7 considers the foreign exchange exposure related to non-monetary assets and liabilities to be a component of market price risk not foreign currency risk. The Fund however monitors the exposure on all foreign currency denominated assets and liabilities.

The following table demonstrates management's best estimate of the sensitivity to a reasonable change in the foreign exchange rates, with all other variables being constant, of the most representative Fund's foreign currency exposures. The currency sensitivity below is based upon a movement of exchange rates and the direct currency exposures as a result of Fund holdings which are denominated in currencies other than Euro, the functional currency of the Fund.

The Fund has the possibility to hold and to manage currency exposures, but in principle will hedge significant exposures.

The sensitivity analysis for the currency exposures held by the Fund is based on the assumption of a 10% movement in the foreign exchange rates against the Fund's functional currency (Euro). The table below is based upon the breakdown of the assets and liabilities in the different currencies, based upon the holdings as 31 December 2016 and 31 December 2015. Currency exposures continuously change.

The Fund's currency risk is managed on a daily basis by the Manager in accordance with policies and procedures which are in place.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2016

11. RISK ASSOCIATED WITH FINANCIAL INSTRUMENTS (continued)

The total economic exposure to different currencies at 31 December 2016 was:

	Financial (liabilities)/ assets at fair value through profit or loss	Cash and amounts due from/(to) brokers	Other assets/ (liabilities)	Net currency exposure	In % of total net assets	+10% Movement	-10% Movement
	€	€	€	€	%	€	€
CHF	(31,909,243)	23,495,418	(1,303,913)	(9,717,738)	-2.24%	(971,774)	971,774
DKK	23,961,097	(6,810,822)	(8,488,870)	8,661,405	2.00%	866,141	(866,141)
GBP	6,925,824	(572,605)	(3,854,962)	2,498,257	0.58%	249,826	(249,826)
NOK	3,691,181	4,183,937	(717,123)	7,157,995	1.65%	715,800	(715,800)
SEK	12,521,749	(24,422,415)	6,318,437	(5,582,229)	-1.29%	(558,223)	558,223
USD	-	1,918,413	(86,171)	1,832,242	0.42%	183,224	(183,224)
Total	**15,190,608**	**(2,208,074)**	**(8,132,602)**	**4,849,932**	**1.12%**	**484,994**	**(484,994)**

Amounts in the table are based on the financial (liabilities)/assets.

The currency rates as of 31 December 2016 are as follows:

	CHF	DKK	GBP	NOK	SEK	USD
FX/EUR	0.93	0.13	1.17	0.11	0.10	0.95

The total economic exposure to different currencies at 31 December 2015 was:

	Financial (liabilities)/ assets at fair value through profit or loss	Cash and amounts due from/(to) brokers	Other assets/ (liabilities)	Net currency exposure	In % of total net assets	+10% Movement	-10% Movement
	€	€	€	€	%	€	€
CHF	(69,081,987)	78,860,740	(3,087,086)	6,691,667	1.38%	669,167	(669,167)
DKK	(22,460,444)	25,375,968	5,758,385	8,673,909	1.79%	867,391	(867,391)
GBP	4,865,929	552,487	895,382	6,313,798	1.30%	631,380	(631,380)
NOK	17,964,811	(13,499,423)	(879,062)	3,586,326	0.74%	358,632	(358,632)
SEK	23,749,089	(21,330,645)	(3,336,549)	(918,105)	-0.19%	(91,811)	91,811
USD	-	12,166	-	12,166	0.00%	1,217	(1,217)
Total	**(44,962,602)**	**69,971,293**	**(648,930)**	**24,359,761**	**5.02%**	**2,435,976**	**(2,435,976)**

Amounts in the table are based on the financial (liabilities)/assets.

The currency rates as of 31 December 2015 are as follows:

	CHF	DKK	GBP	NOK	SEK	USD
FX/EUR	0.92	0.13	1.36	0.10	0.11	0.92

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

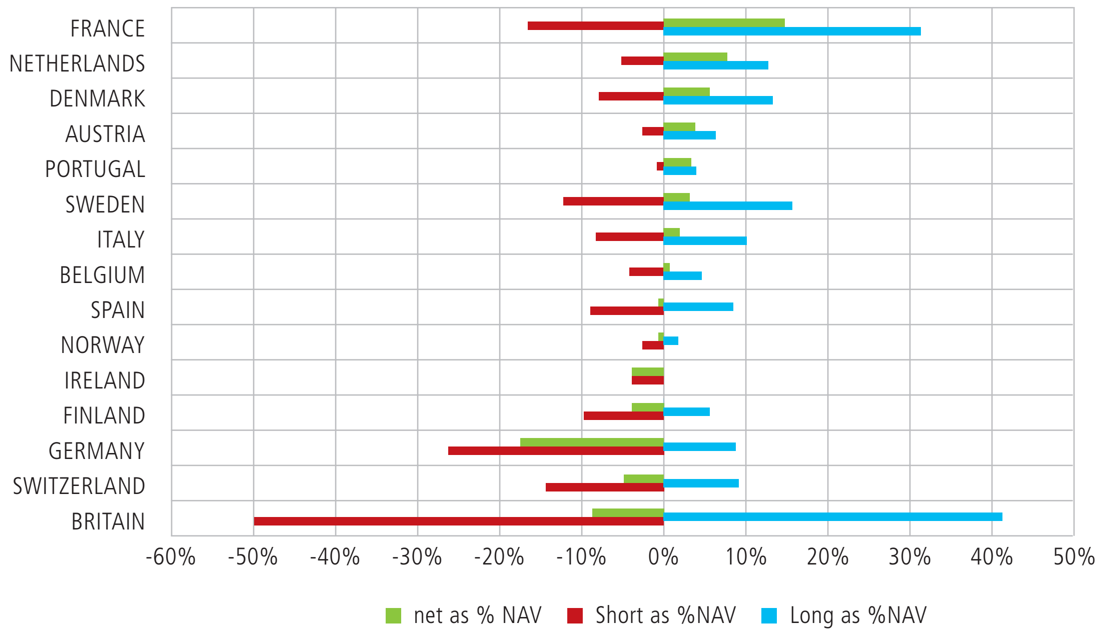
For the year ended 31 December 2016

11. RISK ASSOCIATED WITH FINANCIAL INSTRUMENTS (continued)

Concentration risk

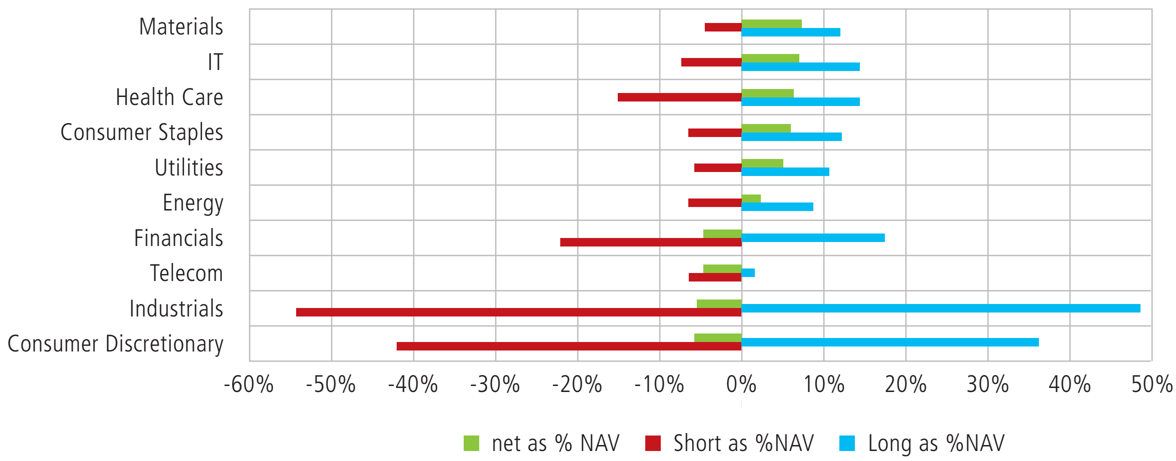
The country allocation (net exposure, long positions and short positions per country) as a percentage of the NAV at 31 December 2016 was as follows:

COUNTRY ALLOCATION SAEMOR EUROPE ALPHA FUND



The sector allocation (net exposure, long positions and short positions per sector) as a percentage of the NAV at 31 December 2016 was as follows:

SECTOR ALLOCATION SAEMOR EUROPE ALPHA FUND



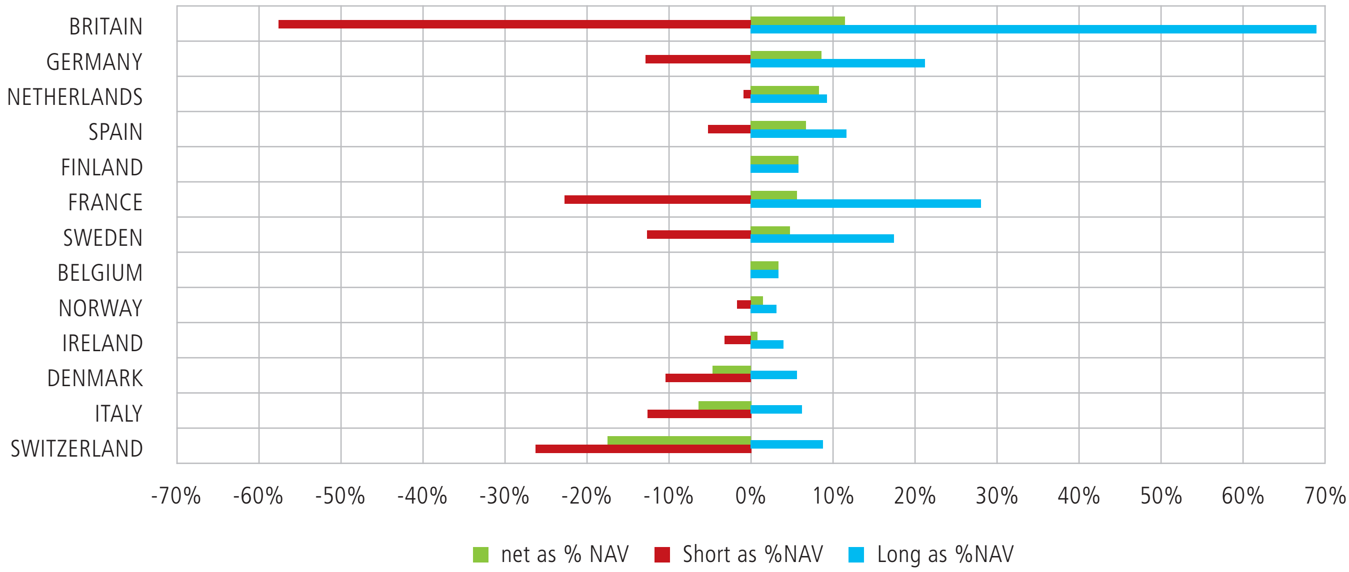
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2016

11. RISK ASSOCIATED WITH FINANCIAL INSTRUMENTS (continued)

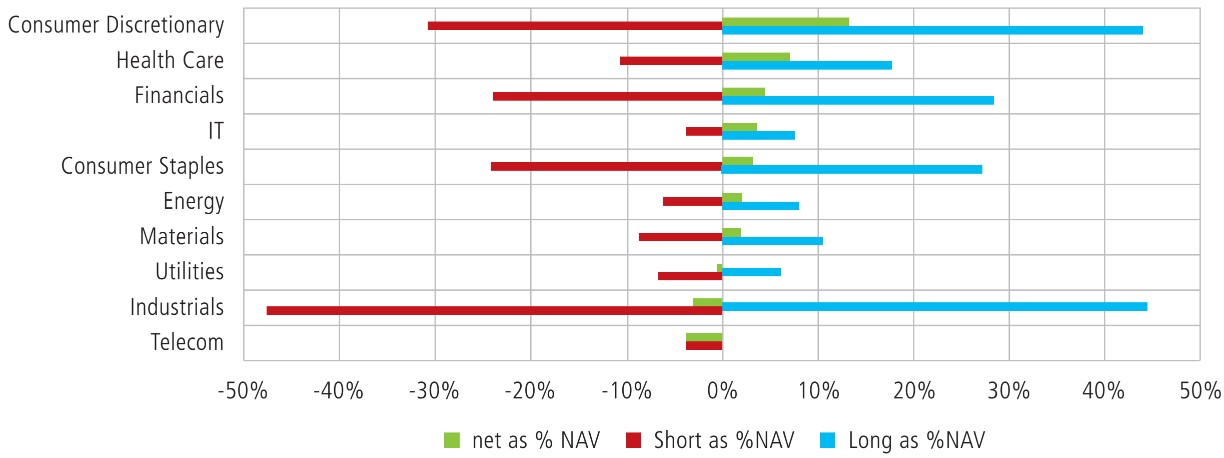
The country allocation (net exposure, long positions and short positions per country) as a percentage of the NAV at 31 December 2015 was as follows:

COUNTRY ALLOCATION SAEMOR EUROPE ALPHA FUND



The sector allocation (net exposure, long positions and short positions per sector) as a percentage of the NAV at 31 December 2015 was as follows:

SECTOR ALLOCATION SAEMOR EUROPE ALPHA FUND



NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2016

11. RISK ASSOCIATED WITH FINANCIAL INSTRUMENTS (continued)

The top long and short exposures as a percentage of the NAV as at 31 December 2016 were as follows:

TOP LONG POSITIONS 2016	As % NAV
NKT Holding	3.2%
Merck	3.2%
WPP	3.2%
Amadeus IT Group	3.2%
OMV	3.1%
Dfds	3.1%
UPM-Kymmene	3.1%
Tate & Lyle	3.0%
ST. Gobain	3.0%
SKF	3.0%

TOP SHORT POSITIONS 2016	As % NAV
Fielmann	3.2%
Anheuser-Busch InBev	3.1%
ADP Promesses	3.1%
Geberit	3.1%
Whitbread	3.1%
AIRBUS	3.1%
Svenska Handelsbanken	3.1%
Bureau Veritas	3.0%
Hennes & Mauritz	3.0%
Merlin Entertainment	3.0%

The top long and short exposures as a percentage of the NAV as at 31 December 2015 were as follows:

TOP LONG POSITIONS 2015	As % NAV
Deutsche Lufthansa	3.3%
Merck	3.3%
ACS Actividades de Construccion y Servicios	3.3%
Swedish Match	3.2%
Royal Mail	3.2%
Rio Tinto	3.2%
Persimmon	3.2%
Swiss Re	3.2%
UnipolSai	3.1%
UPM-Kymmene	3.1%

TOP SHORT POSITIONS 2015	As % NAV
Tryg	3.2%
Barry Callebaut	3.2%
Dixons Carphone	3.1%
Fresnillo	3.1%
Saab	3.1%
Assa Abloy	3.1%
Jyske Bank	3.1%
Melrose Industries	3.1%
Beiersdorf	3.1%
Geberit	3.0%

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2016

11. RISK ASSOCIATED WITH FINANCIAL INSTRUMENTS (continued)

Interest rate risk

The majority of the Fund's financial assets are non-interest-bearing. At the Statement of Financial Position date the Fund has not invested in deposits or fixed income securities. As a result, the Fund is subject to limited direct exposure to interest rate risk due to fluctuations in the prevailing levels of market interest rates. The Fund is subject to cash flow interest rate risk; however the effect is not considered material due to the short-term nature.

Fund exposure to direct interest rate risk in Euro at 31 December 2016 was:

31 December 2016	Within 1 month	1 to 3 months	3 to 12 months	1 to 5 years	No stated maturity	Total
Assets	**€**	**€**	**€**	**€**	**€**	**€**
Financial assets at fair value through profit or loss	-	-	-	-	521,570,749	521,570,749
Amounts due from brokers	32,503,194	-	-	-	-	32,503,194
Margin accounts	248,962,045	-	-	-	-	248,962,045
Cash and cash equivalents	129,824,035	-	-	-	-	129,824,035
Total	**411,289,274**	**-**	**-**	**-**	**521,570,749**	**932,860,023**

	Within 1 month	1 to 3 months	3 to 12 months	1 to 5 years	No stated maturity	Total
Liabilities	**€**	**€**	**€**	**€**	**€**	**€**
Financial liabilities at fair value through profit or loss	-	-	-	-	447,219,223	447,219,223
Amounts due to brokers	51,470,071	-	-	-	-	51,470,071
Total	**51,470,071**	**-**	**-**	**-**	**447,219,223**	**498,689,294**

Fund exposure to direct interest rate risk in Euro at 31 December 2015 was:

31 December 2015	Within 1 month	1 to 3 months	3 to 12 months	1 to 5 years	No stated maturity	Total
Assets	**€**	**€**	**€**	**€**	**€**	**€**
Financial assets at fair value through profit or loss	-	-	-	-	506,335,650	506,335,650
Amounts due from brokers	7,965,452	-	-	-	-	7,965,452
Margin accounts	378,355,876	-	-	-	-	378,355,876
Cash and cash equivalents	34,043,282	-	-	-	-	34,043,282
Total	**420,364,610**	**-**	**-**	**-**	**506,335,650**	**926,700,260**

	Within 1 month	1 to 3 months	3 to 12 months	1 to 5 years	No stated maturity	Total
Liabilities	**€**	**€**	**€**	**€**	**€**	**€**
Financial liabilities at fair value through profit or loss	-	-	-	839,128	417,141,867	417,980,995
Amounts due to brokers	14,810,822	-	-	-	-	14,810,822
Total	**14,810,822**	**-**	**-**	**839,128**	**417,141,867**	**432,791,817**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2016

11. RISK ASSOCIATED WITH FINANCIAL INSTRUMENTS (continued)

Credit risk

Credit risk refers to the potential loss arising if a counterparty is unable to fulfil its financial obligations when due. The Fund is exposed to credit risk in terms of cash deposited at banks or prime brokers, (rehypothecated) securities held at prime brokers and derivatives with other financial institutions as counterparties.

The Fund's exposure in relation to financial derivative instruments and other debtors is as follows at year-end:

	2016	2015
	€	€
Derivatives	38,428,765	47,242,245
Dividends receivable	582,946	1,529,653
Amounts due from brokers	32,503,194	7,965,452
Cash at broker	129,824,035	34,043,282
Margin Accounts	248,962,045	378,355,876
Total	**450,300,985**	**469,136,508**

The Fund's derivative contracts held were equity CFD's, executed with the Fund's Prime Broker Morgan Stanley and Barclays Bank PLC.

To mitigate credit risk, three prime brokers have been legally appointed, allowing a transfer of securities and cash. Further, securities and cash are only held at, and derivatives are only executed with (investment grade) rated counterparties. Long-term ratings for Morgan Stanley at 31 December 2016 were A3 (Moody's) (31 December 2015: A1) and BBB+ (S&P) (31 December 2015: A). Long-term ratings for Barclays Bank PLC at year-end were A1 (Moody's) (31 December 2015: A2) and A-(S&P) (31 December 2015: A-). Long-term ratings for Merrill Lynch International at year-end were - (Moody's) (31 December 2015: A) and A+ (S&P) (31 December 2015: A-).

The Prime Brokers may acquire legal title to the Fund's assets up to an amount of more than 100% (max 140%) of the value of the (i) liabilities or (ii) net indebtedness, as the case may be, of the Fund towards the relevant Prime Brokers (rehypothecation). The Fund will have a right to the redelivery of equivalent assets from the Prime Brokers. In the event of an insolvency of either party, the obligation to redeliver will be given a cash value and will form part of a set off calculation against the amount the Fund owes the Prime Brokers. To the extent that the Prime Brokers have rehypothecated assets in excess of the amount that the Fund owes, the Fund ranks as a general creditor for the excess following the operation of set-off, with the risk that such excess may not be reclaimed. The Fund continuously monitors the creditworthiness of its Prime Brokers and has appointed multiple Prime Brokers.

The Fund has entered into master netting agreements with its Prime Brokers. Under these agreements all assets and liabilities with the Prime Broker can be offset with each other.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2016

11. RISK ASSOCIATED WITH FINANCIAL INSTRUMENTS (continued)

The financial assets and liabilities which are subject to offsetting as of 31 December 2016 and as of 31 December 2015 are as follows:

Financial assets subject to offsetting, enforceable master netting agreements and similar agreements

	Gross amounts of recognised financial assets	Gross amounts of recognised financial liabilities set-off in the statement of financial position	Net amounts of financial assets presented in the statement of financial position	Related amounts not set-off in the statement of financial position: Financial instrument	Net amount
2016	**€**	**€**	**€**	**€**	**€**
Investments pledged* MS	88,760,312	-	88,760,312		88,760,312
Derivative assets MS	35,382,922	-	35,382,922	13,573,741	21,809,181
Investments pledged ML	193,181,849	-	193,181,849		193,181,849
Derivative assets Barclays	3,045,843	-	3,045,843	3,045,843	-
2015	**€**	**€**	**€**	**€**	**€**
Investments pledged* MS	101,125,712	-	101,125,712	-	101,125,712
Derivative assets MS	47,085,456	-	47,085,456	37,619,752	9,465,704
Investments pledged ML	156,885,490	-	156,885,490	-	156,885,490
Derivative assets Barclays	156,789	-	156,789	156,789	-

* rehypothecated equity long

Financial liabilities subject to offsetting, enforceable master netting agreements and similar agreements

	Gross amounts of recognised financial liabilities	Gross amounts of recognised financial assets set-off in the statement of financial position	Net amounts of financial liabilities presented in the statement of financial position	Related amounts not set-off in the statement of financial position: Financial instrument	Net amount
2016	**€**	**€**	**€**	**€**	**€**
Derivative liabilities MS	13,573,741	-	13,573,741	13,573,741	-
Derivative liabilities Barclays	3,657,075		3,657,075	3,045,843	611,232
2015	**€**	**€**	**€**	**€**	**€**
Derivative liabilities MS	37,619,752	-	37,619,752	37,619,752	-
Derivative liabilities Barclays	1,120,996	-	1,120,996	156,789	964,207

To enable short securities, the Fund borrows securities. At 31 December 2016, the Fund borrowed securities for an amount of €738,096,853 (31 December 2015: €885,110,563).

The maximum exposure in relation to financial instruments and other debtors is the carrying value of the financial assets.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2016

11. RISK ASSOCIATED WITH FINANCIAL INSTRUMENTS (continued)

Liquidity risk

Liquidity risk is the risk that the Fund will encounter difficulty in meeting obligations associated with financial liabilities.

The Fund is exposed to cash redemptions of redeemable units of participation for a monthly valuation day, with 15 business day's previous notice. With regard to Class B units of participation this relates to redemption requests received after the one year lock up period.

The Fund invests the majority of its assets in investments that are listed and traded in active markets and can be readily realisable as they are all listed on major European stock exchanges.

The Fund may invest in derivative contracts traded over the counter, which are not traded on a regulated exchange and may be illiquid. As a result, the Fund may not be able to liquidate quickly its investments in these instruments at their fair value to meet its liquidity requirements. If OTC derivative contracts are used, the counterparties will be rigorously selected and monitored. The liquidity of all securities is continuously monitored by the Manager.

The liquidity profile of the Fund's financial liabilities based on undiscounted contractual maturities is illustrated as follows:

	Within 1 month	1 to 3 months	3 to 12 months	1 to 5 years	No stated maturity	Total
Assets	**€**	**€**	**€**	**€**	**€**	**€**
Financial assets at fair value through profit or loss	-	-	-	-	483,141,984	483,141,984
Derivatives	-	-	-	-	38,428,765	38,428,765
Dividends and interest receivables	582,946	-	-	-	-	582,946
Amounts due from brokers	32,503,194	-	-	-	-	32,503,194
Margin accounts	248,962,045	-	-	-	-	248,962,045
Cash and cash equivalents	129,824,035	-	-	-	-	129,824,035
Total	**411,872,220**	**-**	**-**	**-**	**521,570,749**	**933,442,969**
Liabilities						
Financial liabilities at fair value through profit or loss	-	-	-	-	429,988,406	429,988,406
Derivatives	-	-	-	-	17,230,817	17,230,817
Other payables and accrued expenses	1,404,038	-	-	-	-	1,404,038
Amounts due to brokers	51,470,071	-	-	-	-	51,470,071
Total	**52,874,109**	**-**	**-**	**-**	**447,219,223**	**500,093,332**
Liabilities						
Redeemable units of participation	-	433,349,637	-	-	-	433,349,637
Total	**52,874,109**	**433,349,637**	**-**	**-**	**447,219,223**	**933,442,969**
Liquidity gap	**358,998,111**	**(433,349,637)**	**-**	**-**	**74,351,526**	**-**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2016

11. RISK ASSOCIATED WITH FINANCIAL INSTRUMENTS (continued)

31 December 2015	Within 1 month	1 to 3 months	3 to 12 months	1 to 5 years	No stated maturity	Total
Assets	**€**	**€**	**€**	**€**	**€**	**€**
Financial assets at fair value through profit or loss	-	-	-	-	459,093,405	459,093,405
Derivatives	-	-	-	-	47,242,245	47,242,245
Dividends and interest receivables	1,529,653	-	-	-	-	1,529,653
Amounts due from brokers	7,965,452	-	-	-	-	7,965,452
Margin accounts	378,355,876	-	-	-	-	378,355,876
Cash and cash equivalents	34,043,282	-	-	-	-	34,043,282
Total	**421,894,263**	**-**	**-**	**-**	**506,335,650**	**928,229,913**
Liabilities						
Financial liabilities at fair value through profit or loss	-	-	-	-	379,240,248	379,240,248
Derivatives	-	-	-	-	38,740,747	38,740,747
Other payables and accrued expenses	11,319,696	-	-	-	-	11,319,696
Amounts due to brokers	14,810,822	-	-	-	-	14,810,822
Total	**26,130,518**	**-**	**-**	**-**	**417,980,995**	**444,111,513**
Liabilities						
Redeemable units of participation	-	484,118,400	-	-	-	484,118,400
Total	**26,130,518**	**484,118,400**	**-**	**-**	**417,980,995**	**928,229,913**
Liquidity gap	**395,763,745**	**(484,118,400)**	**-**	**-**	**88,354,655**	**-**

There is no contractual maturity for all equity investment held, those investments are classified under no stated maturity. The below liquidity analysis provides more details related to the liquidity of those investments.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2016

11. RISK ASSOCIATED WITH FINANCIAL INSTRUMENTS (continued)

Liquidity analysis

The liquidity of the securities is continuously monitored by the Manager, who strives for being able to exit 50% of the assets in the Fund within four days, 95% in two weeks and 100% in one month time. As stated below the Fund is well within limits.

The tables stated the percentage of the assets held in 5 different classes of market liquidity. For example: 54% of the Fund in long position can be sold within one day.

The holdings in the Fund are highly liquid. The 'average' holding can be sold almost within one day under normal circumstances. The table shows that more than 88% of the portfolio holdings can be liquidated within four days under the assumption that we trade maximum 25% of the daily volume. The daily volume is measured by the average daily trading volume in a security over the last 3 months of 2016 (ADV).

Liquidity profile of the long portfolio was as follows:

Percentage of 3-months ADV	Average ADV	Max ADV	Percentage of Portfolio in% of the ADV				
			0%-25%	25%-50%	50%-100%	100%-200%	>200%
31-Dec-16	43%	201%	54%	19%	15%	12%	-
31-Dec-15	41%	216%	54%	17%	18%	11%	-

Liquidity profile of the short portfolio was as follows:

Percentage of 3-months ADV	Average ADV	Max ADV	Percentage of Portfolio in% of the ADV				
			0%-25%	25%-50%	50%-100%	100%-200%	>200%
31-Dec-16	40%	190%	52%	16%	25%	7%	-
31-Dec-15	44%	205%	40%	27%	22%	10%	1%

12. DERIVATIVE CONTRACTS

Typically, derivative contracts serve as components of the Fund's investment strategies and are utilised primarily to structure and hedge investments to enhance performance and reduce risk to the Fund. The derivative contracts that the Fund holds or issues are equity contracts for difference.

The Fund records its derivative activities on a mark-to-market basis. The Fund uses widely recognised valuation models for determining fair values of over-the-counter CFD derivatives.

For CFD financial instruments, inputs into models are based on the price of the underlying financial instruments and are therefore market observable. CFDs represent agreements that obligate two parties to exchange a series of cash flows at specified intervals based upon or calculated by reference to changes in specified prices or rates for a specified amount of an underlying asset or otherwise determined notional amount. The payment flows are usually netted against each other, with the difference being paid by one party to the other. Therefore, amounts required for the future satisfaction of the CFD may be greater or less than the amount recorded. The realised gain or loss depends upon the prices at which the underlying financial instruments of the CFD is valued at the CFD settlement date and is included in the Statement of Comprehensive Income.

Unrealised gains or losses are valued in accordance with the accounting policy stated in Note 2 and the resulting movement in the unrealised gain or loss is recorded in the Statement of Comprehensive Income.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2016

12. DERIVATIVE CONTRACTS (continued)

As of 31 December 2016 and 31 December 2015, the following derivative contracts were included in the Fund's Statement of Financial Position at fair value through profit or loss:

	Fair value assets 31 December 2016	**Fair value liabilities 31 December 2016**
	€	**€**
Contracts for difference	38,428,765	(17,230,817)

	Fair value assets 31 December 2015	**Fair value liabilities 31 December 2015**
	€	**€**
Contracts for difference	47,242,245	(38,740,747)

The table below details the total derivatives exposure at 31 December 2016 and 31 December 2015. Gross exposure is the sum of absolute market value of all long and short positions. Net exposure is the balance of market value of all long and short positions. At 31 December 2016 the Fund held long and short positions in equity CFD's.

The leverage of the Fund is a ratio between the total gross exposure and the net asset value of the Fund. The maximum leverage the Fund may have is 500%. At 31 December 2016 the leverage is 352.5% (31 December 2015: 360%).

31 December 2016	**Net Exposure**	**Gross Exposure**	**Gross as % of NAV**
Equity securities	53,153,697	913,131,193	210.7%
Contracts for difference	5,225,608	614,618,744	141.8%
Total Exposure	**58,379,305**	**1,527,749,937**	
Total as % of NAV	**13.5%**	**352.5%**	**352.5%**

31 December 2015	**Net Exposure**	**Gross Exposure**	**Gross as % of NAV**
Equity securities	78,949,541	871,503,569	180%
Contracts for difference	58,766,307	868,746,978	179%
Convertible bonds	(839,128)	839,128	-
Total Exposure	**136,876,720**	**1,741,089,675**	
Total as % of NAV	**28%**	**360%**	**360%**

13. REDEEMABLE UNITS OF PARTICIPATION

At inception of the Fund Class A and Class B units of participation were issued, both only in Euro. The (initial) investment required of a Participant in Class A is Euro 25,000. Subsequent subscriptions and redemptions have a minimum size of Euro 10,000.

Class B has a "lock up" of one year. The minimum (initial) investment for the 'seeding investor', employees and employees of directors is Euro 1,000 and for other Participants Euro 25,000,000. Subscriptions and redemptions have a minimum size of Euro 10,000.

Class D units of participation were issued as of 4 January 2016. The (initial) investment required of a Participant in Class D is Euro 25,000. Subsequent subscriptions and redemptions have a minimum size of Euro 10,000.

Each participant is entitled to cast one vote for each unit of participation. One or more Participants who jointly hold at least 10% of the total number of Participations can request the Manager to hold a meeting and can add topics to the agenda.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2016

13. REDEEMABLE UNITS OF PARTICIPATION (continued)

Transactions in units of participation for Class A, Class B and Class D for the year ended 31 December 2016 and 31 December 2015 were as follows:

Class A (EUR)	Number of units of participation 2016	Number of units of participation 2015
Units of participation balance at the beginning of the year	11,595.18	2,993.50
Issue of redeemable units of participation	6,610.29	8,607.35
Redemption of redeemable units of participation	(5,024.61)	(12.04)
Movement related to equalisation deficit/credit	134.68	6.37
Units of participation at the end of the year	**13,315.54**	**11,595.18**

Class B (EUR)	Number of units of participation 2016	Number of units of participation 2015
Units of participation balance at the beginning of the year	297,070.52	434,423.60
Issue of redeemable units of participation	29,339.48	56.12
Redemption of redeemable units of participation	(33,556.22)	(137,414.46)
Movement related to equalisation credit/deficit	1.10	5.26
Units of participation at the end of the year	**292,854.88**	**297,070.52**

Class D (EUR)	Number of units of participation 2016	Number of units of participation 2015
Units of participation balance at the beginning of the year	-	-
Issue of redeemable units of participation	2,555.24	-
Redemption of redeemable units of participation	(959.30)	-
Units of participation at the end of the year	**1,595.94**	**-**

Capital management
As a result of the ability to issue and redeem shares, the capital of the Fund can vary depending on the demand for redemptions and subscriptions to the Fund. The Fund is not subject to externally imposed capital requirements and has no legal restrictions on the issue or redemption of redeemable shares beyond those included in the Fund's constitution.

The Fund's objectives for managing capital are:

1. To achieve long-term capital appreciation;
The Fund aims for returns which have a low correlation with the returns of the market index. To achieve this objective the Fund uses investment instruments and applies an investment and risk management policy as described in the prospectus.

2. To maintain sufficient liquidity to meet redemption requests as they arise.

Note 11 'Risk associated with financial instruments' explains equity risk, currency risk, interest rate risk, credit risk and liquidity risk in more detail.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2016

14. RELATED PARTY TRANSACTIONS

Employees of directors and employees of Saemor Capital B.V. held jointly 1,327.71 (31 December 2015: 931.24) Units of Participation Class B in the Fund. Saemor Capital B.V. held Nil (31 December 2015: 401.67) Units of Participation Class B, 889.06 (31 December 2015: 866.84) Units of Participation Class A and 500 (31 December 2015: Nil) Units of Participation Class D in the Fund.

Three investment funds managed by Aegon Investment Management B.V. (AIM B.V.) held 291,522.47 (31 December 2015: 295,732.90) Units of Participation Class B, 99.75(31 December 2015: 99.75) Units of Participation Class A.

AIM B.V. is a 100% subsidiary of Aegon Asset Management Holding B.V., which is a 100% subsidiary of Aegon N.V. Aegon Asset Management Holding B.V. holds 68% (31 December 2015: 68%) of the shares in Saemor Capital B.V.

15. PERSONAL INTERESTS OF DIRECTORS

In accordance with article 122 paragraph 2 Bgfo the Fund is required to list the total holdings in securities by the employees of directors in investments, which are also held by the Fund as of 31 December 2016.

As of 31 December 2016 and 31 December 2015 the personal interests of the employees of directors in the Fund and which were also held by the Fund, amounted:

Stock	Market Value 31 December 2016 €	Market Value 31 December 2015 €
UniCredit	2,398	899
Saemor Europe Alpha Fund	881,888	871,412
Total Amount (€)	**884,286**	**872,311**

16. REMUNERATION

Saemor Capital B.V. has defined a remuneration policy. This includes among other things provisions on the deferral of at least 40% allocated bonus amounts. The directors discuss the proposed budgeted amount for variable pay with the shareholders. The directors decide on the assessment of performances of members of personnel and the amount of variable pay allocated to each member of personnel. The amount of variable pay for each employee is dependent on several weighted criteria, a.o. the performance of the relevant fund, the contribution to the (improvement) of the investment process, the contribution to (the improvement of) other company processes among which risk management, the contribution to marketing and sales, as well as the quality of activities in the execution of operational processes.

Senior management relates to the two statutory directors and one key risk taker. Other personnel include portfolio managers and all other (non-investment) staff. All employees are eligible to receive variable pay, and for all employees deferral of at least 40% of variable applies. On average the Manager had 12.8 FTE employed in 2016 (2015: 11.3).

2015	Positions	FTE	Variable remuneration €	Salary €
Senior Management	3	3	398,376	443,542
Other	14	8.8	672,355	800,264
All personnel	**17**	**11.8**	**1,070,731**	**1,243,806**

2016	Positions	FTE	Variable remuneration €	Salary €
Senior Management	3	3	241,125	443,394
Other	17	10.8	325,375	1,206,049
All personnel	**20**	**13.8**	**566,500**	**1,649,443**

In 2016 Saemor Capital B.V. was the Manager (AIFM) of the Saemor Europe Alpha Fund (an AIF). Saemor Capital B.V. was also appointed manager of a sub fund of the EGI Plurima fund, which has an equal strategy as the Saemor Europe Alpha Fund.

17. INVESTOR MONEY REGULATIONS

In response to the Central Bank of Ireland publishing the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) Investor Money Regulations 2015 for Fund Service Providers (the "Investor Money Regulations" or "IMR") in March 2015 (effective from 1 July 2016), the Investment Manager undertook, together with BNY Mellon Fund Services (Ireland) Designated Activity Company, a review of the way in which subscription, distribution and redemption monies are channelled to and from the Fund. As a result of this review, subscription and redemption monies are (effective from 1 July 2016), channelled through a cash collection account in the name of the Fund. Pending issue of the units and / or payment of subscription proceeds to an account in the name of the Fund, and pending payment of redemption proceeds or distributions, the relevant investor will be an unsecured creditor of the Fund in respect of amounts paid by or due to it. At 31 December 2016, the value of such subscriptions amounted to €74,000 and is included within cash and cash equivalents.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2016

18. DIVIDEND AND ALLOCATION OF RESULT

During the year ended 31 December 2016, the Fund did not pay dividends. The result is included in the net assets attributable to holders of redeemable units of participation.

19. SUBSEQUENT EVENTS

There are no subsequent events impacting the Fund subsequent to 31 December 2016 up to the date of approval of these financial statements.

20. APPROVAL OF THE FINANCIAL STATEMENTS

Approved on behalf of the Manager:

Director Saemor Capital B.V

Date: 25 April 2017

OTHER NOTES

For the year ended 31 December 2016

1. VOTING POLICY

The Fund does not pursue an active voting policy.

2. APPROVAL OF THE FINANCIAL STATEMENTS

The Manager approved the financial statements on 25 April 2017.

pwc

Independent auditor's report

To: the board of directors of Saemor Capital B.V., the investment manager of Saemor Europe Alpha Fund

Report on the financial statements 2016

Our opinion

In our opinion the accompanying financial statements give a true and fair view of the financial position of Saemor Europe Alpha Fund as at 31 December 2016, and of its result and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union (EU-IFRS), the Dutch Financial Supervision Act and with Part 9 of Book 2 of the Dutch Civil Code.

What we have audited

We have audited the accompanying financial statements 2016 of Saemor Europe Alpha Fund, The Hague ('the Fund').

The financial statements comprise:

- the statement of financial position as at 31 December 2016;
- the following statements for 2016: the statements of comprehensive income, cash flows and changes in net assets attributable to holders of redeemable units of participation;
- the notes, comprising a summary of the significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is EU-IFRS, the Dutch Financial Supervision Act and the relevant provisions of Part 9 of Book 2 of the Dutch Civil Code.

The basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the section 'Our responsibilities for the audit of the financial statements' of our report.

Independence

We are independent of Saemor Europe Alpha Fund in accordance with the 'Verordening inzake de onafhankelijkheid van accountants bij assuranceopdrachten' (ViO) and other relevant independence requirements in the Netherlands. Furthermore, we have complied with the 'Verordening gedrags- en beroepsregels accountants' (VGBA).

Ref.: e0400679

PricewaterhouseCoopers Accountants N.V., Fascinatio Boulevard 350, 3065 WB Rotterdam, P.O. Box 8800, 3009 AV Rotterdam, the Netherlands
T: +31 (0) 88 792 00 10, F: +31 (0) 88 792 95 33, www.pwc.nl

'PwC' is the brand under which PricewaterhouseCoopers Accountants N.V. (Chamber of Commerce 34180285), PricewaterhouseCoopers Belastingadviseurs N.V. (Chamber of Commerce 34180284), PricewaterhouseCoopers Advisory N.V. (Chamber of Commerce 34180287), PricewaterhouseCoopers Compliance Services B.V. (Chamber of Commerce 51414406), PricewaterhouseCoopers Pensions, Actuarial & Insurance Services B.V. (Chamber of Commerce 54226368), PricewaterhouseCoopers B.V. (Chamber of Commerce 34180289) and other companies operate and provide services. These services are governed by General Terms and Conditions ('algemene voorwaarden'), which include provisions regarding our liability. Purchases by these companies are governed by General Terms and Conditions of Purchase ('algemene inkoopvoorwaarden'). At www.pwc.nl more detailed information on these companies is available, including these General Terms and Conditions and the General Terms and Conditions of Purchase, which have also been filed at the Amsterdam Chamber of Commerce.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Report on the other information included in the annual report

In addition to the financial statements and our auditor's report thereon, the annual report contains other information that consists of:

- Fund information.
- Fund profile.
- Summary of financial information.
- Manager's report.
- The other information pursuant to Part 9 of Book 2 of the Dutch Civil Code.
- Supplementary information (unaudited) appendix 1 – EU Securities Financing Transactions Regulations 2016.

Based on the procedures performed as set out below, we conclude that the other information:

- is consistent with the financial statements and does not contain material misstatements;
- contains all information that is required by Part 9 of Book 2 of the Dutch Civil Code.

We have read the other information. Based on our knowledge and understanding obtained in our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements.

By performing our procedures, we comply with the requirements of Part 9 Book 2 of the Dutch Civil Code and the Dutch Standard 720. The scope of such procedures was substantially less than the scope of those performed in our audit of the financial statements.

The investment manager is responsible for the preparation of the other information, including the manager's report and the other information pursuant to Part 9 Book 2 of the Dutch Civil Code.

Responsibilities for the financial statements and the audit

Responsibilities of the investment manager

The investment manager is responsible for:

- the preparation and fair presentation of the financial statements in accordance with EU-IFRS, the Dutch Financial Supervision Act and Part 9 of Book 2 of the Dutch Civil Code, and for the preparation of the manager's report in accordance with Part 9 of Book 2 of the Dutch Civil Code; and for
- such internal control as the investment manager determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the financial statements, the investment manager is responsible for assessing the Fund's ability to continue as a going concern. Based on the financial reporting frameworks mentioned, the investment manager should prepare the financial statements using the going-concern basis of accounting unless the investment manager either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so. The investment manager should disclose events and circumstances that may cast significant doubt on the Fund's ability to continue as a going concern in the financial statements.

Our responsibilities for the audit of the financial statements

Our responsibility is to plan and perform an audit engagement in a manner that allows us to obtain sufficient and appropriate audit evidence to provide a basis for our opinion. Our audit opinion aims to provide reasonable assurance about whether the financial statements are free from material misstatement. Reasonable assurance is a high but not absolute level of assurance which makes it possible that we may not detect all misstatements. Misstatements may arise due to fraud or error. They are considered to be material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

Materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

A more detailed description of our responsibilities is set out in the appendix to our report.

Rotterdam, 25 April 2017
PricewaterhouseCoopers Accountants N.V.

Original has been signed by D.J.P. van Veen RA pwc

Appendix to our auditor's report on the financial statements 2016 of Saemor Europe Alpha Fund

In addition to what is included in our auditor's report we have further set out in this appendix our responsibilities for the audit of the financial statements and explained what an audit involves.

The auditor's responsibilities for the audit of the financial statements

We have exercised professional judgement and have maintained professional scepticism throughout the audit in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error. Our audit consisted, among other things, of the following:

- Identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the intentional override of internal control.
- Obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the investment manager.
- Concluding on the appropriateness of the investment manager's use of the going-concern basis of accounting, and based on the audit evidence obtained, concluding whether a material uncertainty exists related to events and/or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report and are made in the context of our opinion on the financial statements as a whole. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluating the overall presentation, structure and content of the financial statements, including the disclosures, and evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the investment manager regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

SUPPLEMENTARY INFORMATION (UNAUDITED) APPENDIX 1

EU SECURITIES FINANCING TRANSACTIONS REGULATIONS 2016 ("SFTR")

During the year ended 31 December 2016, additional SFTR disclosures are required for repurchase/reverse repurchase transactions, total return swaps (including contracts for difference), securities borrowing and margin lending transactions. For the year ended 31 December 2016, the Fund has not entered into any stock lending transactions and repurchase/reverse repurchase transactions.

The following table details the Fund's exposure (calculated on a net basis) to repurchase/reverse repurchase transactions, total return swaps (including contracts for difference), securities borrowing and margin lending transactions as at 31 December 2016.

31 December 2016	Counterparty country of incorporation	Reverse repurchase transactions	Total return swap (including CFD)*	Securities borrowing	Margin lending transactions
Counterparty		**€**	**€**	**€**	**€**
Morgan Stanley	United Kingdom	-	(2,575,652)	171,232,472	183,321,705
Merrill Lynch	United Kingdom	-	-	262,167,820	50,856,334
Barclays Bank	United Kingdom	-	7,801,258	-	14,784,006
Total		**-**	**5,225,606**	**433,400,292**	**248,962,045**
Total as % of NAV		**-**	**1.20%**	**100%**	**57.50%**

*the value of total TRS's is based on the aggregate gross notional value of all open positions.

The following table provides an analysis of the maturity tenor of reverse repurchase transactions, total return swaps (including contracts for difference), securities borrowing and margin lending transactions outstanding as at 31 December 2016:

31 December 2016	Reverse repurchase transactions	Total return swap (including CFD)	Securities borrowing	Margin lending transactions
Maturity tenor	**€**	**€**	**€**	**€**
1 day	-	-	-	-
2 to 7 days	-	-	-	-
8 to 30 days	-	-	-	-
31 to 90 days	-	-	-	-
91 to 365 days	-	-	-	-
more than 365 days	-	-	-	-
open transactions	-	5,225,606	433,400,292	248,962,045

The above maturity tenor analysis has been based on the respective transaction contractual maturity date. Open transactions are those transactions that are recallable or terminable on a daily basis and include securities borrowing, margin lending transactions and contracts for difference.

The Fund did not have cash and non-cash collateral received or posted by way of a title transfer collateral arrangement in respect of reverse repurchase transactions and derivative transactions in 2016.

SUPPLEMENTARY INFORMATION (UNAUDITED) APPENDIX 1 (CONTINUED)

EU SECURITIES FINANCING TRANSACTIONS REGULATIONS 2016 ("SFTR")

Security borrowing, total return swaps, margin lending transactions and re-use of Fund's assets

Securities borrowing, total return swaps and margin lending transactions are normally governed by a prime brokerage agreement with the Prime Broker(s). Under these arrangements, the Fund is required to post margin in respect of all its obligations to the Prime Broker(s) under that agreement. Each Prime Broker has a security interest over all non-cash assets held with it in the pooled custody accounts. Any of these assets can be used by the Prime Broker to cover their margin requirement for the Fund. Each Prime Broker also has the right to re-hypothecate a certain amount of the Fund's assets to use for their own proprietary purposes. The amount that each Prime Broker is permitted to re-hypothecate will be set out in its prime brokerage agreement and further details are disclosed in the Fund's prospectus. The maximum percentage of rehypothecation is 140%.

All returns and costs from stock borrowing and total return swap transactions will accrue to the Fund and are not subject to any returns or cost sharing arrangements with the Fund's Manager.

There is no profit sharing arrangement in place with the Fund to share any return earned by the Prime Broker(s) though their re-use of the Fund's assets.

The following table details the percentage of rehypothecation of the Fund as at 31 December 2016:

Re-use of Fund's asset		Rehypothecation %
Counterparty	**Country**	**31 December 2016**
Morgan Stanley	United Kingdom	50%
Merrill Lynch	United Kingdom	145%**
Barclays Bank	United Kingdom	-

** max rehypothecation is exceeded, but securities are in transit, cash equivalent is ring fenced to ensure that in the event of insolvency, full value of assets is available to the Fund.

All returns and costs from margin lending transactions will accrue to the Fund and are not subject to any returns or cost sharing arrangements with the Fund's Manager.

Repurchase/ reverse repurchase transactions

The Fund did not have a Global Master Repurchase Agreements ("GMRA") or Master Repurchase Agreements ("MRA") with its Prime Broker. There were no reverse repurchase transactions in 2016. There were no return sharing agreements with the Fund's Manager.