Saemor Europe Alpha Fund

AUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED
31 DECEMBER 2012

AUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED **31 DECEMBER 2012**

TABLE OF CONTENTS	PAGE

FUND INFORMATION

REGISTERED OFFICE	WTC Tower E 7th Floor Prinses Margrietplantsoen 44 2595 BR The Hague The Netherlands www.saemor.com
INVESTMENT MANAGER	Saemor Capital B.V. WTC Tower E 7th Floor Prinses Margrietplantsoen 44 2595 BR The Hague The Netherlands
TRUSTEE	Stichting Bewaarder Saemor Europe Alpha Fund c/o: ANT Trust & Corporate Services N.V. Claude Debussylaan 24 1082 MD Amsterdam The Netherlands
FUND ADMINISTRATOR	Citibank Europe plc* 1 North Wall Quay Dublin 1 Ireland
PRIME BROKERS	Morgan Stanley 25 Cabot Square Canary Wharf London, E14 4QA United Kingdom UBS AG 1 Finsbury Avenue London EC2M 2PP United Kingdom
LEGAL ADVISOR	De Brauw Blackstone Westbroek N.V. Claude Debussylaan 80 1082 MD AmsterdamThe Netherlands
COMPLIANCE	CLCS B.V. Keizersgracht 433 1017 DJ Amsterdam The Netherlands
INDEPENDENT AUDITORS	Ernst & Young Accountants LLP Wassenaarseweg 80 2596 CZ The Hague The Netherlands

* Since 1 January 2012, the administration function was transferred from Citi Hedge Fund Services (Ireland) to Citibank Europe plc pursuant to a scheme of arrangement.

FUND PROFILE

Saemor Europe Alpha Fund
The Fund is an open-ended investment fund. Issue and redemption of units of participation is possible at the instigation 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
For this financial product a Key Features Document applies containing Fund information related to its costs and risks. The Key Features Document and the Prospectus is available on www.saemor.com.

Investment objective
The Funds’ objective is to achieve attractive absolute returns in the long term. Funds that aim for absolute returns in the long term are characterised by a modest volatility and a low correlation with regional equity indices. Assets can be invested in a wide range of financial instruments. The Fund makes use of combinations of long and short positions in equities, as well as derivative positions. The Fund may also use leverage to achieve the return targets or for liquidity reasons in case units of participation are redeemed. Assets will predominantly be invested in European securities. Saemor Capital B.V. has defined a Socially Responsible Investing policy with reference to the investments held by the Fund, implying that some specific companies can be excluded from the investment universe.

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

Investment Manager
Saemor Capital B.V. is the Investment Manager of the Fund and as such is responsible for 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 Investment Manager.

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

Trustee
The Trustee is Stichting Bewaarder Saemor Europe Alpha Fund. The manager of the “Stichting” is ANT Custody B.V.

Administrator and Prime Brokers
The Fund is administered by Citibank Europe plc (formerly Citi Hedge Fund Services (Ireland), Limited). The Prime Brokers of the Fund are Morgan Stanley, London, United Kingdom and UBS AG, London, United Kingdom.

SUMMARY FINANCIAL INFORMATION

	2012	2011	2010	2009	2008^
Class A (€ '000)	10	24	91	(2)	-
Class B (€ '000)	39,394	112,581	49,131	(11,499)	(3,448)
Income	**39,404**	**112,605**	**49,222**	**(11,501)**	**(3,448)**
Class A (€ '000)	(10)	(27)	(42)	(4)	-
Class B (€ '000)	(40,572)	(33,129)	(22,794)	(14,825)	(481)
Expenses and withholding taxes	**(40,582)**	**(33,156)**	**(22,836)**	**(14,829)**	**(481)**
Class A (€ '000)	-	(3)	49	(6)	-
Class B (€ '000)	(1,178)	79,452	26,337	(26,324)	(3,929)
Increase/(Decrease)	**(1,178)**	**79,449**	**26,386**	**(26,330)**	**(3,929)**
Net assets (€ '000)	447,521	524,547	446,808	440,946	21,074
Number of units of participation					
Class A	99.75	99.75	856.60	99.75	-
Class B	434,083.97	510,653.55	511,737.83	536,689.59	24,752.48
Net asset value per unit of participation					
Class A (in €)	1,112.15	1,112.26	968.03	917.00	-
Class B (in €)	1,030.70	1,026.99	871.50	821.43	851.37
Performance					
Class A (in %)	0.0	14.9	5.6	(8.3)	-
Class B (in %)	0.4	17.8	6.1	(3.5)	(14.9)
Ongoing Charges Figure# (in %)					
Class A (in %)	1.6	1.6	1.7	1.4	-
Ongoing Charges Figure# (in %)					
Class B (in %)	1.1	1.1	1.1	1.2	0.9

^ For the period from 19 June 2008 (Date of incorporation) to 31 December 2008

Figures for 2008, 2009 and 2010 are based on Total Expense Ratios

INVESTMENT MANAGER'S REPORT

For the year ended 31 December 2012

1. Performance

The Saemor Europe Alpha Fund (class B) ended 2012 with a 0.4% performance YTD, with six out of the twelve months showing positive performance. For the third year in a row, the Fund outperformed against its Equity Market Neutral peer group.

Table: Fund Performance

2012	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
Class B	-4.6	-0.5	-0.8	3.6	-1.3	1.2	0.6	0.4	1.0	-0.8	-0.5	2.1	**0.4**
Class A	-4.6	-0.5	-0.9	3.6	-1.3	1.2	0.7	0.4	1.0	-0.8	-0.5	2.1	**0.0**

Source: Citibank Europe plc.

Most hedge fund strategies posted gains over the full year. For 2012 fixed income-based relative value arbitrage hedge fund strategies were the performance leaders. These funds benefited from many opportunities in debt markets: continued low, risk-free rates, tightening credit spreads and bond purchases through quantitative easing programs. Trend-following managers (CTA and managed futures) sank into the red zone, becoming one of the lagging strategies. Equity Market Neutral strategies also struggled: a composite of Equity Market Neutral Hedge Fund indices declined 0.6% over the full year (2011: +0.6%). The abnormally low cross-sectional equity dispersion and high correlation impaired market neutral L/S equity strategies.

Table: Equity Market Neutral Hedge Fund Indices

2012	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
Equity Market Neutral	0.6	0.3	-0.3	-0.7	-1.5	-0.2	-0.1	0.4	0.3	0.0	0.4	0.3	**-0.6**

Note: The Equity Market Neutral composite is an equally weighed average of the monthly returns of the Dow Jones Credit Suisse Index, HFRX and the Barclay Hedge Fund indices.
Source: Bloomberg

2. Market review

General

European equity markets rose over 2012, with the MSCI Europe Index rising 17.3%. The euro increased marginally against the US dollar (+1.8%) and ended the year at 1.32 USD per euro. The Swiss franc never broke the 1.20 barrier set by the Swiss central bank, starting and ending the year at 1.21 CHF per euro. Oil prices declined 6% over the year as global trade and economic growth slowed. Gold prices rose some 7%, closing at 1676. Realized and implied volatilities came off substantially, with Europe's VSTOXX volatility index ending the year at 21%, having peaked in early April at 36%.

Table: Net Returns, European Equity Market

2012	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
MSCI Europe	3.8	4.1	-0.1	-1.7	-6.1	5.2	4.2	2.0	0.9	0.7	2.2	1.4	**17.3**

Note: The MSCI Europe Index (Net Total Return) measures market performance in developed European markets, including both price performance and income from dividend payments. These dividends are reinvested on the day the security is quoted ex-dividend, and after deduction of withholding tax. Source: Bloomberg

Market Developments

The year 2012 started off with negative headlines from Europe, as German Factory Orders surprisingly went down and rating agencies downgraded France, Austria, Portugal, Italy and Spain. However, US unemployment fell to a three-year low and Germany's Ifo business climate indicator showed its third consecutive rise – a sign usually perceived by the market to be a good indication of a cyclical turning point.

Along with this encouraging data, markets were also helped by ECB president Draghi, whose tone improved regarding his outlook on the Eurozone. The Greek parliament voted in favour of required austerity measures, helping the Eurogroup to decide on a €130bn loan package that set the goal for Greece to reach 120.5% debt/GDP in 2020. This will mean that private sector investors will be facing a 53.5% haircut. Following the 2nd LTRO and a better than expected China Manufacturing PMI, markets continued to rise, reaching a peak on March 16th. Equities experienced their best start in more than a decade.

Soon thereafter, gains were pared with news from the 2-day EU Summit, where Merkel stated the need for limits to be placed on how much liquidity European countries can inject into financial markets. Sentiment was further dampened with poor data released from Europe and Spain's budget deficit target raise for 2012. Further, China downgraded growth targets from the previous 8% to 7.5% and Putin was elected as Russian president.

European governments agreed to lift the overall size of the EFSF/ESM bailout funds to €800 billion, from a previously combined ceiling of €500 billion. Investors' moods were further dampened by data releases in Europe, US and China and political turmoil in The Netherlands and France. Spreads on the Spanish sovereign hit its highest levels since November 2011. The S&P downgraded Spain with a double reduction to BBB+ (from A) and Moody's downgraded 26 Italian and 16 Spanish banks.

Political uncertainty in Greece, financial instability in Spain, and economic weakness in the region as a whole remained at the forefront of market attention. Bankia's management stated on May 25th during a stock exchange announcement its need for €19 billion extra in capital, a much larger amount than originally anticipated. The euro continued its decline and Spanish yields continued to rise, with the 10 year increasing to 6.65% by May 30th.

Markets finally turned in June. Investor confidence was buoyed by the significant event of the month, the EU summit, which helped to break the negative feedback looping between sovereign and banking debt. Despite a $125 billion bailout of Spanish banks, Spanish and Italian bond yields soared. Equity markets took the outcome of the Greek election and potential complications in much the same way as they absorbed news of the Spanish bailout – by spiking, then following with a rapid fade. The UK banks came under pressure later in the month as Barclays bank was caught in a Libor rigging scandal.

The formation of a Greek coalition – along with Lagarde's comments on the IMF having raised funding commitments to $456bn due to the G20 Leader's Summit – led to a rebound in stocks across the continent.

In the US, the $267bn extension of Operation Twist was viewed as a timid move, but some found comfort in the idea that the Fed was prepared to act should data deteriorate. Equities surged from speculation over Eurobonds, the ECB's new role as the Eurozone chief bank regulator, and the ESM's threat of direct bank intervention for reducing the bank-sovereign loop.

Despite new rating downgrades and weak Chinese data, markets continued their rebound. Draghi promised to do 'whatever it takes' to save the EMU, which lit the fuse for one of the biggest rallies of the year – with Eurostoxx posting its 2nd best daily performance YTD (+408bps). The positive tone continued as it was said that the ECB would buy debt (Spanish and Italian) on the secondary market. It was announced that Spain would receive an emergency disbursement from the €100bn bailout set aside for its lenders.

Fed Chairman Bernanke pointed to the likelihood of more Fed-easing measures in coming months. Shortly thereafter Draghi introduced his bond purchase program. These so-called Outright Monetary Transactions would be without a yield target and unlimited firepower, subject to the strict conditionality of a full EFSF/ESM or a precautionary program. The purchases would be fully sterilized and future maturities purchases extended to 3 years. In the US, the Fed introduced QE3 on Thursday the 13th of September with a new round of open-ended QE and extended rate guidance to mid-2015. Markets rallied on this news, but ended more or less flat for the month as economic data in the US, China and Europe all remained lackluster. Riots in Madrid and Catalunia were offset by positive results in the Spanish stress test. Spain was the strongest performing market for the month, up 8.5%.

The last quarter finally saw macro surprises that backed up the market rally, which had been thus far based mostly on central bank action around the world. US and Chinese numbers were pleasantly and surprisingly on the upside. Meanwhile, Greece obtained a 2 year extension to meet fiscal targets where a deal reached through the troika.

The second week of November revolved around the US elections. Post Obama's re-election, increasing uncertainty around the US fiscal cliff saw treasury yields increasing sharply and equity markets under pressure. Markets bottomed on November 16th as investors expected a resolution on the US fiscal cliff to come sooner rather than later and Fed Chairman Bernanke suggesting not to step back from Quantitative Easing any time soon.

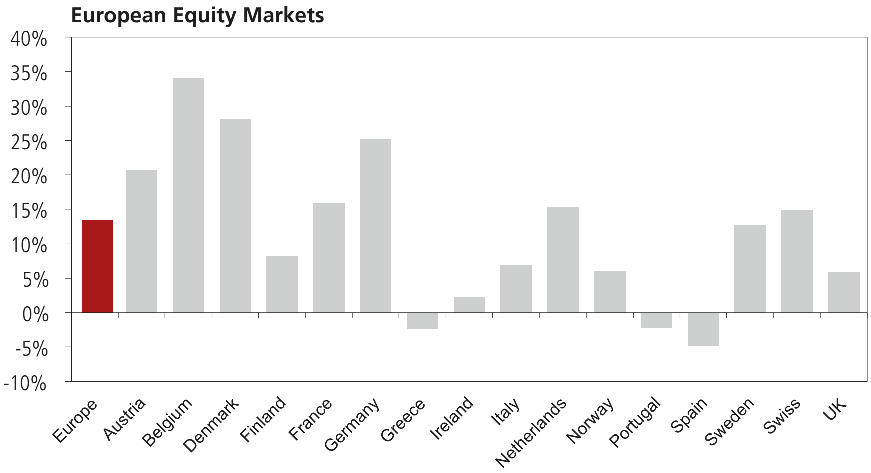
In the final week of November, Greece secured more time to reduce its budget deficit and the plan to cut its debt was then passed by the Bundestag. EU finance ministers approved a further loan disbursement of €49.1 billion to Greece and a Spanish bank aid of €39.5 billion, helping yields on the Spanish 10 year benchmark to fall to 5.25% post announcement – the lowest in eight months. The EU ministers also agreed on a single banking supervisor, with the ECB to be directly responsible for banks that have assets of more than €30 billion, taking them one step closer to a banking union.

On New Year's Eve, Democrats and Republicans finally agreed on a deal on the fiscal cliff.

Countries, Sectors & Risk Factors

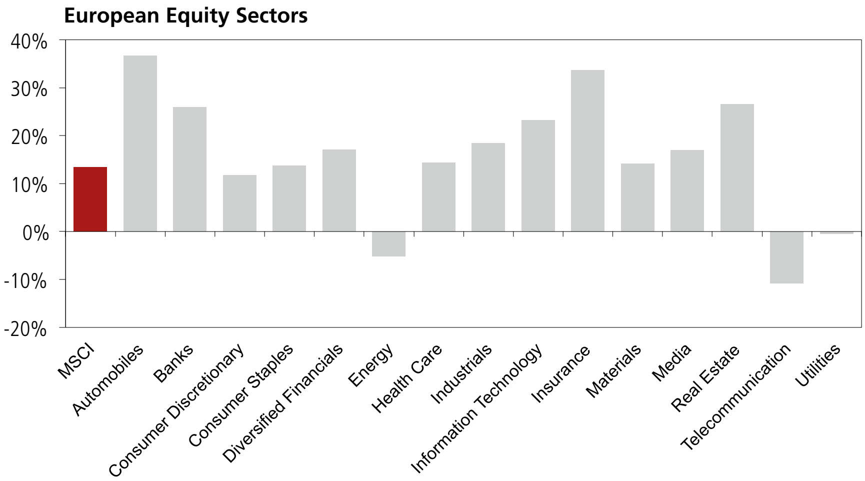
Most country equity indices were up in 2012. Of the main markets, Germany led the charts in 2012 with a 25%+ gain. Preference for safe havens continued through most of 2012, especially during the first half. Markets in Greece, Portugal and Spain were down for the year, but rose the most from YTD lows. The United Kingdom showed one of the lowest performances of the bigger markets.

Table: Performance of European equity markets in 2012



Note: These MSCI Europe country indices are free float-adjusted, market-capitalization weighted, and measure the equity market price performance.

2012 was characterized by a sector and style rotation as the markets perception of risk changed through the year. The year was distinctly split into two parts: before and after the Draghi speech. On balance high risk strongly outpaced low risk strategies and small caps marginally outperformed large caps. On the sector side, cyclicals outperformed defensives. Most sectors ended the year in positive territory, with only Telecoms, Energy and Utilities positing negative performances. Automobiles, Consumer Discretionary and Financials led the way.



Note: These MSCI Europe sector indices are free float-adjusted, market-capitalization weighted, and measure the equity market price performance of the sectors in developed Europe.

3. Investment Policy

Saemor Quadrant Model
Our stock selection is based on a dynamic multi-factor quantitative model ('the Quadrant model'), which ranks and generates implicit return forecasts for each stock in our universe. Our portfolio is constructed and rebalanced based on these ranks. The Quadrant model uses a wide variety of explanatory factors, divided into four distinct segments: Valuation, Momentum, Profitability & Growth and Quality.

We then sub-divide these quadrants into clusters, which in turn are composites of factor families. For Valuation, for example, we look at Defensive Value (e.g., P/E, dividend yield), Cyclical Value (e.g., P/B, P/S) and Fair Value (e.g., intrinsic value) measures. The model is adaptive: the weight of a factor is tactically increased or decreased according to the likelihood that the factor will continue or cease to perform in the near-term. This is achieved by understanding and monitoring factor behaviour within the pertaining economic and market environment.

We started the year by decreasing our overweight in Quality, shifting more towards Value, which had been a major underweight for most of 2011. We further increased our net beta-adjusted exposure to protect the portfolio for the traditional 'January effect' and an accompanying style reversal. Our expectations were proven correct, but our positioning turned out to be overly defensive, with the portfolio down 6% YTD halfway through February. Stocks with a strong Momentum and Quality profiles suffered, while (Deep) Value stocks triumphed.

In March we added more weight to Value factors at the expense of Quality, generally neutralizing all our dynamic style allocations. As global economic momentum was bottoming out and earnings momentum in Europe was turning as well, our models were slowly shifting towards a recovery scenario. Financial uncertainty in Europe prevented us from becoming too optimistic. In September, we added more Defensive Value and upped Earnings Momentum at the expense of Price Momentum.

Our expectation was that that Price Momentum would do worse than the historical average, both in an extended recovery scenario or a scenario of continued European uncertainty. Further, Earnings Momentum would become a more important driver for stock selection going forward. Similarly, investors would start looking more towards earnings yield as selection criteria, as soon as it becomes clearer which companies were actually recovering and profiting as opposed to the companies that still had skeletons in their closets.

Additionally, in most sectors, stable growth and perceived quality names outperformed yet again in 2012, leaving them to trade on huge valuation premiums. We expected some of these companies to start surprising on the downside or for investors to start switching to cheaper alternatives. We mostly prefer Valuation as a factor to be short on the very expensive names, while there is still uncertainty regarding the very 'cheap' sub-segment of the market.

The long and short of it
Our Long Book posted performances that were ahead of the market. Our short book lagged behind the market. Positions in Health Care, Utilities and Consumer Discretionary sectors contributed most. The net short position in Banks and Industrials was detrimental to performance. On the stock level, the short position in Credit Agricole was the largest bleeder and the long position in Coloplast the largest contributor.

The portfolio's volatility, as measured by a short-term statistical risk model, stood at 6.8% per December 31st (2011: 7.4%). The ex-ante volatility hovered between 6.5% and 10.5%. The ex-post volatility (based on 12-month daily NAV's) rose from 9.8% to 10.6% during 2012. At the end of December, gross and net leverage stood at respectively 402% and 42%. The net beta-adjusted exposure of the Fund increased temporarily in anticipation of the typical year-end effects. The gross and net leverage has averaged 371% en 6% over 2012.

4. Outlook

The fundamentals behind equity markets are supportive in terms of valuation, gearing and profitability. Corporate profitability remains high. Even Banks are showing improvement on this front. For 2013, we are cautiously optimistic and expect equity markets to benefit from monetary easing, reduced credit spreads and positive economic surprises. Risk appetite amongst investors is positive. The prospects for Europe's main trade partners, China and the US, is improving. With lead indicators rebounding and the worst of the earnings downgrades behind us, we are slowly entering the recovery phase. Strong balance sheets – outside Financials, Telco's and Utilities – could provide further support to the market and could result in Mergers & Acquisitions and share buy-backs.

European equities look inexpensive on a broad range of valuation metrics. The 12 month forward price to earnings ratio is around 11x, which is at a discount to other markets and below the long-term average. The dividend yield is much higher than the yield on 10 year Bunds or European AA corporate bonds.

That said, rising stock markets have already led to a notable re-rating for European equities, as earnings stayed almost flat in 2012. For European stocks to rerate further we will need to see evidence of earnings growth. The upcoming earnings season will show us whether this recent market rally can be backed up by fundamentals. Rising leading indicators, positive M1 money supply growth and lower credit spreads should push earnings per share in the right direction. But if low quality stocks start to see relative downgrades again, it could bring the recent risk-on positioning into question.

As the European economy remains in a recession, risks loom in the background. We could very well return to a more defensive stance at some point in the first half-year of 2013. Positive developments are to a large extent priced into markets already. There is plenty of evidence for a bottom formation in global growth, but not enough to signal a rebound. The US economy is gradually picking up, but recovery is still fragile. A further rally can come only on the wake of better-than-expected growth. Additional support for equity could come in the form of a lower risk premium (should the Spanish administration pre-emptively request Outright Monetary Transactions), or switch from credit into equity.

Sector positioning
We are short in expensive 'stable' sectors such as Consumer Staples and low Earnings Momentum in Industrials and Information Technology. On the long side, we prefer Health Care, Energy, Utilities, Telco, Consumer Discretionary and Insurance. The fund has no positions in Real Estate.

Country positioning
We have net long positions in Spain, the UK, Germany, Ireland and Italy. This is influenced by the large net long position at year's end. Switzerland and France are our main short on the country level. The Swiss market is relatively expensive. Both earnings momentum and the political situation are questionable for France.

Style positioning
Our style timing models favour overweighting Defensive Value. Both in a recovery scenario, and one where world moves toward expansion, at some point 1H2013 should benefit from Value. We continue to like Earnings Momentum. After a rise in risk appetite, we expect investors to become more discriminate in stock selection, where earnings upgrades should drive returns. We are not sure how far (low quality) cheap stocks can run, but we do expect expensive companies to underperform in any economic scenario. Investors have paid up handsomely for low volatile, stable growth companies over the last two to three years and these shares should be vulnerable in both an expansion or a renewed crisis situation. We underweight Price Momentum going into the new year.

Risk positioning
Our target volatility remains between 8 and 10 percent. The Fund is run with low (beta-adjusted) net exposure and will be predominantly market-neutral over time. Net sector weights are typically around 4%, but can go up to 15% for sectors which score poorly on amongst others price and earnings momentum measures. Individual stock positions have been initiated at maximum of 3 percent of NAV and will be sliced down as soon as they grow naturally above 3.5 percent.

Quant Models
We will continue to look for improvements in our decision-making process and specifically in the timing of our tactical factor positioning. A disciplined model that dynamically changes the factor-weights based on the prevailing market and macro-economic conditions is crucial in the current volatile environment.

5. Risk Management

Saemor Capital B.V. has formulated the Saemor Capital Fund Governance Code, which complies to the Dufas Fund Governance Principles. This code can be downloaded at: www.saemor.com.

We have devised a prudent risk management framework that is appropriate to the size and scope of the firm and operations. In Compliance, Directors and Portfolio Management meetings, risks are reviewed, identified and previously identified risks are monitored.

The undertaken investment activities may expose the Fund to financial risks such as market risk, concentration risk and liquidity risk. These risks are taken intentionally as part of the investment policy. The company's risk management policies and objectives are therefore not designed to minimize but to limit the potential impacts of these risks on the results of the Fund. Operational risk is managed by maintaining an advanced operational infrastructure. Our operational risk management recognizes the four areas of potential losses: processes, systems, people and external events. Processes and controls are developed, documented and monitored with these sources of risk in mind.

Exposures to markets, currencies or countries are described in Paragraph 9 of the Notes to 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 in 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 fund 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 modeling. 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 realized 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.

The prime broker calculates the maximum amount to be lent on the basis of all long and short securities held at the prime broker; 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.

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.

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 indebtedness of the Fund.

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.

6. Other information

Statement related to administrative organisation and internal control
The Investment Manager has a statement of operational management, which meets the requirements of the Dutch Financial Supervision Act (Wet op het financieel toezicht, or ‘Wft’) and the Dutch Market Conduct Supervision of Financial Enterprises Decree (Besluit gedragstoezicht financiële ondernemingen, or ‘Bgfo’).

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 Investment Manager of the Fund, declare that we possess a statement of operational management as defined by article 121 of the Bgfo, which meets the requirements of the Bgfo.

We have noticed nothing that would lead us to conclude that operational management does not function as described in this statement.
We therefore declare with reasonable assurance that operational management has been effective and has functioned as described throughout the reporting year.

The Hague, April 24, 2013

Sven Bouman,
on behalf of Qmetrics B.V.
Director Saemor Capital B.V.

P.P.J. van de Laar,
on behalf of Emphi B.V.
Director Saemor Capital B.V.

STATEMENT OF FINANCIAL POSITION

As at 31 December 2012

	Note	2012	2011
		€	€
Assets			
Cash and cash equivalents	4	310,565,298	354,382,837
Financial assets at fair value through profit or loss	3&9	625,614,003	665,692,918
Amounts due from brokers	5	15,113,246	61,034,991
Dividends receivable		800,043	607,778
Total assets		**952,092,590**	**1,081,718,524**
Liabilities			
Financial liabilities at fair value through profit or loss	3&9	468,102,269	517,476,041
Amounts due to brokers	5	34,748,847	34,968,919
Management fee payable	6	379,656	433,539
Performance fee payable	6	283,891	2,442,766
Dividends payable		314,699	1,398,477
Interest payable		672,143	326,127
Accrued expenses	7	69,804	125,194
Total liabilities		**504,571,309**	**557,171,063**
Net assets attributable to holders of redeemable units of participation		**447,521,281**	**524,547,461**

Class A	**2012**	**2011**	**2010**
Number of units of participation (note 11)	99.75	99.75	856.60
Net asset value per unit of participation	€ 1,112.15	€1,112.26	€ 968.03
Class B	**2012**	**2011**	**2010**
Number of units of participation (note 11)	434,083.97	510,653.55	511,737.83
Net asset value per unit of participation	€ 1,030.70	€1,026.99	€ 871.50
Total Net Asset Value	**€ 447,521,281**	**€524,547,461**	**€ 446,807,860**

See notes to the financial statements

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2012

	Note	2012	2011
		€	€
Income			
Interest income	8	460,593	1,102,687
Gross dividend income		33,734,902	24,516,482
Net gain on financial assets and liabilities at fair value through profit or loss	3	5,576,760	91,999,013
Net foreign exchange loss		(368,437)	(5,012,905)
		39,403,818	**112,605,277**
Expenses			
Dividend expense on securities sold short		(25,421,356)	(18,781,106)
Other expenses	6	(31,501)	(22,158)
Interest expense	8	(8,308,750)	(4,557,549)
Management fee	6	(4,566,299)	(4,714,362)
Performance fee	6	(283,891)	(2,469,334)
Administration fee	6	(281,573)	(280,828)
Trustee's Fee	6	(41,490)	(41,851)
Legal fees	6	(27,407)	25,361
Audit fees	6	(17,182)	(21,003)
Total expenses		**(38,979,449)**	**(30,862,830)**
Withholding taxes		(1,602,439)	(2,292,996)
(Decrease)/increase attributable to holders of redeemable unit of participation		**(1,178,070)**	**79,449,451**

See notes to the financial statement

STATEMENT OF CASH FLOWS

For the year ended 31 December 2012

	2012	2011
	€	€
Cash flows from operating activities		
(Decrease)/increase attributable to holders of redeemable units of participation	(1,178,070)	79,449,451
Adjustments to reconcile (decrease)/increase attributable to holders of redeemable units of participation to net cash provided by/(used in) operating activities:		
Decrease/(increase) in financial assets at fair value through profit or loss	40,078,915	(27,254,151)
Decrease in financial liabilities at fair value though profit or loss	(49,373,772)	(43,516,374)
Increase in dividends receivable	(192,265)	(9,558)
(Decrease)/increase in management fee payable	(53,883)	49,614
(Decrease)/increase in performance fee payable	(2,158,875)	2,442,766
(Decrease)/increase in amounts due to brokers	(220,072)	20,248,449
Decrease/(increase) in amounts due from brokers	45,921,745	(54,519,338)
Increase in interest payable	346,016	43,476
(Decrease)/increase in dividends payable	(1,083,778)	1,105,259
Decrease in accrued expenses	(55,390)	(175,525)
Net cash provided by/(used in) operating activities	**32,030,571**	**(22,135,931)**
Cash flows from financing activities		
Proceeds from issue of redeemable units of participation	1,771,130	53,000
Payments from redemptions of redeemable units of participation	(68,890,000)	(782,702)
Redemption related to equalisation deficit previous year	(8,729,240)	(980,148)
Net cash flow used in financing activities	**(75,848,110)**	**(1,709,850)**
Net decrease in cash and cash equivalents	(43,817,539)	(23,845,781)
Cash and cash equivalents at the beginning of the year	354,382,837	378,228,618
Cash and cash equivalents at the end of the year	**310,565,298**	**354,382,837**

See note 4 to the financial statements

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

For the year ended 31 December 2012

	Note	Number of shares	2012
			€
Balance at the beginning of the year		**510,753**	**524,547,461**
Decrease attributable to holders of redeemable units of participation resulting from operations for the year		-	(1,178,070)
Issue of redeemable units of participation during the year	11	1,772	1,771,130
Payments from redeemable units of participation during the year	11	(69,868)	(68,890,000)
Redemption related to equalisation deficit previous year		(8,474)	(8,729,240)
Net assets attributable to holders of redeemable units of participation at the end of the year		**434,184**	**447,521,281**

	Note	Number of shares	2011
			€
Balance at the beginning of the year		**512,594**	**446,807,860**
Increase attributable to holders of redeemable units of participation resulting from operations for the year		-	79,449,451
Issue of redeemable units of participation during the year	11	57	53,000
Payments from redeemable units of participation during the year	11	(774)	(782,702)
Redemption related to equalisation deficit previous year		(1,124)	(980,148)
Net assets attributable to holders of redeemable units of participation at the end of the year		**510,753**	**524,547,461**

See notes to the financial statements

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2012

1. FUND INFORMATION

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 trade date 27 January 2009. 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 Investment Manager holds the right to suspend redemptions in 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 Investment Manager, the Trustee and the Participant. The Investment Manager was granted the license to manage investment funds under the Financial Supervision Act (Wft) as of 9 December 2010. As of 29 July 2011 the Fund has been registered under this license at The Netherlands Authority of the Financial Markets (AFM).

The Fund's objective is to achieve attractive absolute returns in the long term by investing in securities of European companies. Funds that aim for absolute returns in the long term are characterised by a modest volatility and a low correlation with regional equity market indices. Assets can be invested in a wide range of financial instruments. The Fund makes use of combinations of long and short positions in equities, as well as derivative positions. The Fund may use leverage to achieve the return targets or for liquidity reasons in case units of participation are redeemed. Assets will predominantly be invested in European securities.

Since its incorporation and until 31 December 2012, the Saemor Europe Alpha Fund appointed Citibank Europe plc. The Administrator provides fund administration and transfer agency services to the Fund. Citibank Europe plc is based in Ireland and adheres to Irish AML rules and regulations.

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), 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.

The financial statements are presented in Euro.

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Management 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 Investment Manager and the Trustee are based and operate in Euro markets, the Fund's performance is evaluated and its liquidity is managed in euros.

New accounting standards adopted
The Fund has adopted the amendment to IAS 24 that clarifies the definitions of a related party. The new definitions emphasise a symmetrical view of related party relationships as well as clarifying in which circumstances persons and key management personnel affect related party relationships of an entity. Secondly, the amendment introduces an exemption from the general related party disclosure requirements for transactions with a government and entities that are controlled, jointly controlled or significantly influenced by the same government as the reporting entity. Details of related parties are included in section Other Notes.

New standards, amendments and interpretations to existing standards which are relevant to the Fund and not yet effective
On 12 May 2011, the International Accounting Standards Board ("IASB") issued IFRS 13 Fair Value Measurement. This standard defines fair value, provides guidance for fair value measurement and sets out disclosure requirements. IFRS 13 does not introduce any new fair value measurements but explains how to measure fair value when it is required by other IFRS's. Some of the disclosures required, including the fair value hierarchy, were already introduced in March 2009 through an amendment to IFRS 7 Financial Instruments: Disclosures. Those disclosures have been relocated to IFRS 13.

The effective date for mandatory adoption of IFRS 13 Financial Instruments will depend on the date it is adopted by the European Union. Early adoption will not be allowed before that date. As a result, the Fund has not early adopted this standard for the current reporting period. However, the Standard states that it is applicable for all accounting periods commencing on or after 1 January 2013 with early adoption permitted.

No impact on the net asset value and the results of the Fund is expected from adoption of IFRS 13.

IFRS 7 Disclosures: Offsetting Financial Assets and Financial Liabilities
On 16 December 2011, the IASB and FASB issued common disclosure requirements that are intended to help investors and other users to better assess the effect or potential effect of offsetting arrangements on a company's financial position. The new requirements are set out in Disclosures: Offsetting Financial Assets and Financial Liabilities (Amendments to IFRS 7). As part of that project the IASB also clarified aspects of IAS 32 Financial Instruments: Presentation. The amendments address inconsistencies in current practice when applying the requirements.

The amendments to IFRS 7 apply to annual periods beginning on or after 1 January 2013 and interim periods within those periods.

IFRS 9 Financial Instruments: Classification and Measurement
IFRS 9 as issued reflects the first phase of the IASB's work on the replacement of IAS 39 and applies to classification and measurement of financial assets and financial liabilities as defined in IAS 39. The standard is effective for annual periods beginning on or after 1 January 2015. In subsequent phases, the IASB will address hedge accounting and impairment of financial asset. The adoption of the first phase of IFRS 9 will have an effect on the classification and measurement of the Fund's financial assets but will potentially have no impact on classification and measurements of financial liabilities. The Fund will quantify the effect in conjunction with the other phases, when issued, to present a comprehensive picture.

IAS 1 - Financial Statement Presentation - Presentation of Items of Other Comprehensive Income (OCI)
The amendments to IAS 1 change the grouping of items presented in OCI. Items that could be reclassified (or 'recycled') to profit or loss at a future point in time (for example, upon derecognition or settlement) would be presented separately from items that will never be reclassified. The amendment affects presentation only and has no impact on the Protected Cell's financial position or performance. The amendment becomes effective for annual periods beginning on or after 1 July 2012.

(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 incurred with an opening position in equities and CFD's (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 CFD's (closing sale in case of a long position or closing buy in case of a short position) are included in the net consideration.

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 market 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 Investment 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.

All of the Fund's investments in investment funds are held for trading, with changes in fair value reflected in the Statement of Comprehensive Income. Fair value is determined based on financial data supplied independently from a third party administrator.

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 in accordance with IAS 39.

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.

(g) Contract for Difference
A contract for difference (CFD) 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 contracts for difference are recognised in the Statement of Comprehensive Income.

(h) Redeemable units of participation
The Fund has issued two classes of redeemable units of participation, Class A units and Class B units, which are redeemable at the participant's option. In accordance with IAS 32 such instruments give rise to a financial liability for the present value of the redemption amount.

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. After the "lock-up" period, the redeemable units of participation can be put back to the Fund on any dealing day for cash equal to a proportionate share of the Fund's net asset value.

(i) Subscription and redemption fees
A fee is 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 Investment Manager, is credited to the Fund and is charged to cover transaction related costs. In 2012, no subscription and redemption fees were charged.

(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
Items included in the Fund's financial statements are measured and presented using the currency of the primary economic environment in which it operates (the "functional currency"). This is the Euro, which reflects the Fund's primary trading activity, including the subscription into and redemption out of the Fund.

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 realised and unrealised gain and loss on investments.

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.

(o) 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 and UBS AG.

Margin accounts represent cash deposits with brokers, transferred as collateral against open futures or other securities. Other broker balances relate to cash balances with the Fund's Prime Brokers and amounts receivable or payable for securities transactions.

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'.

For the purpose of the Statement of Cash Flows, cash and cash equivalents consist of cash and cash equivalents as defined above.

(p) 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.

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. Consequently the Fund will be fully exempt from corporate income tax 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.

(q) 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 Investment 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.

(r) Events after statement of financial position date
The financial statements are adjusted to reflect material events that occurred between the statement of financial position date and the date when the financial statements are authorised for issue, provided they give evidence of conditions that existed at the statement of financial position date. Material events that are indicative of conditions that arose after the statement of financial position date are disclosed, but do not result in an adjustment of the financial statements themselves.

Since year end there were no material events.

3. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

Movement schedule investments

Equity securities	2012	2011
	€	€
Beginning market value 1 January	112,345,842	79,149,611
Purchase	4,414,392,087	4,911,264,117
Sale	(4,403,754,027)	(4,916,997,786)
Revaluation	10,910,283	38,929,900
Ending market value 31 December	**133,894,185**	**112,345,842**

Contracts for Difference	2012	2011
	€	€
Beginning market value 1 January	35,871,035	(1,703,257)
Purchase	32,046,398	(19,161,089)
Sale	(38,966,361)	3,666,268
Revaluation	(5,333,523)	53,069,113
Ending market value 31 December	**23,617,549**	**35,871,035**

Total	2012	2011
	€	€
Beginning value 1 January	148,216,877	77,446,354
Purchase	4,446,438,485	4,892,103,028
Sale	(4,442,720,388)	(4,913,331,518)
Revaluation	5,576,760	91,999,013
Ending market value 31 December	**157,511,734**	**148,216,877**

As at 31 December 2012 and 2011, listed equity securities at fair value through profit or loss are recorded at fair value based on quoted market prices in active markets.

	2012 €	2011 €
Net gain or loss on financial assets and financial liabilities at fair value through profit or loss*:		
Realised	53,183,470	30,225,186
Unrealised	(47,606,710)	61,773,827
Total	**5,576,760**	**91,999,013**

*The movement of €6,523,502 between the 2011 figures in comparison with the 2011 annual report within the unrealised and realised gain/losses relates to the fact that the fund has a new fund administration system which employed a different methodology for the disposal of financial instruments and the calculation of realised and unrealised gains and losses. This has no impact on the net asset value per unit of participation.

4. CASH AND CASH EQUIVALENTS

Cash represents short-term funds available to the Fund.

	2012 €	2011 €
Cash at broker	127,444,458	207,284,774
Margin accounts	183,120,840	147,098,063
	310,565,298	**354,382,837**

Cash at broker relates to cash balances with the Fund's Prime Brokers. Margin accounts represent cash deposits with brokers, transferred as collateral against open futures or other securities.

The prime broker calculates the maximum amount to be lent on the basis of all long and short securities held at the prime broker; 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 were €305,089,626 (2011: €254,112,893) with Morgan Stanley and €84,992,704 (2011: €93,494,124) with UBS AG at 31 December 2012.

5. 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.

	2012 €	2011 €
Balances due to brokers	(34,748,847)	(34,968,919)
Balances due from brokers	15,113,246	61,034,991
Amounts due (to)/from brokers	**(19,635,601)**	**26,066,072**

6. FEES AND EXPENSES

Management fee

The management fee is charged to the Fund and is credited to the Investment 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 units of participation and 1.0% of the GAV for Class B units of participation (before deduction of the accrued performance fee). The management fee is calculated each month as one twelfth (1/12) part of the annual management fee on the GAV of the Class in question on the last business day of each month. The fee is payable, in arrears following completion and finalisation each month. Management fees of €4,566,299 (2011: €4,714,362) were incurred for the year ended 31 December 2012, of which €379,656 (2011: €433,539) were payable at 31 December 2012.

Performance fee

The performance fee is charged on a unit by unit basis and is credited to the Investment 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 period 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 €283,891 (2011: €2,469,334) were incurred for the year ended 31 December 2012, of which €283,891 (2011: €2,442,766) was payable at 31 December 2012.

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 the 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 (HW) 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.

Conversely, a participant that acquires participations at a time that the HW 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 Investment 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 2012 amounted €7,353 (31 December 2011: €8,702,474.56).

Other costs charged to the assets of the Fund

	2012	2011
	€	€
Administration fees	281,573	280,828
Legal and tax advice fees	27,407	(25,361)
Audit fees	17,182	21,003
Trustee's fees	41,490	41,851
Other expenses	31,501	22,158
	399,153	**340,479**

Other expenses

	2012	2011
	€	€
Start-up expenses	-	(1,173)
Printing and stationary	(24)	(15,032)
Miscellaneous expenses	3,957	(12,090)
Subtotal other expenses (included in OCF)	**3,933**	**(28,295)**
Brokerage fees	27,568	50,453
Other expenses	**31,501**	**22,158**

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 then current Gross or Net Asset Value of a unit of Participation. 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 2012 and 2011, the Fund did not charge any subscription or redemption fees.

Ongoing Charges Figure
The Ongoing Charges Figure (OCF) is a ratio of the total ongoing costs to the average net assets of the Fund. Ongoing costs include cost of investment management and administration, plus other costs of running the fund, such as fees for custodians, regulators and auditors. Transaction costs of investments, interest expenses and performance fee are excluded from the calculation.

	Share Class	Share Class
2012	A	B
Ongoing Charges Figure	1.6%	1.1%

	Share Class	Share Class
2011	A	B
Ongoing Charges Figure	1.6%	1.1%

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 CFD's (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 CFD's (closing sale in case of a long position or closing buy in case of a short position) are included in the net consideration.

The transaction costs amounted to €2,560,017.35 in 2012 (2011: €3,404,855).

Soft dollar arrangement
The Investment Manager may chose to allocate transactions to brokers with whom the Investment Manager has concluded a commission sharing agreement (CSA). A CSA is concluded with a view to allowing the Investment 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 Investment Manager in order to pay for certain services rendered by either the broker or by a third party. The Investment Manager will, however, at all times aim for best execution. CSAs may be concluded with more than one broker.

The Fund has entered into a CSA with UBS AG in order to facilitate the purchase of research from Starmine.

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. This comparison is included in the Notes to the Financial Statements.

	Actual Costs	**Estimated costs Prospectus**
Management fee	€4,566,299	% of GAV: Class A=1.5% and Class B=1.0%
Performance fee	€283,891	% of annual increase NAV: Class A=20% and Class B=15%
Administrator fees	€281,573	Max 0.08% of NAV
Trustee fees*	€41,490	Maximum fee €32,500
Auditor's and advisor costs**	€44,589	Not Specified
Other costs***	€3,957	Not Specified

* Maximum charge amounts to €32,500 excluding VAT and indexation starting as of 2008.
** Auditor and advisor costs include audit fee, legal fee and cost of supervision. In 2012, The Fund is charged cost of supervision for the first time and these amounted €49,133.
*** 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

	2012	**2011**
	€	**€**
Securities purchase	5,543,346,823	6,368,530,148
Securities sale	5,524,431,585	6,349,484,442
Total securities transactions	**11,067,778,408**	**12,718,014,590**
Subscriptions participants	1,771,130	53,000
Redemptions particpants	68,890,000	782,702
Total movement in participations	**70,661,130**	**835,702**
Average net asset value	461,216,417	474,577,533
Turnover Rate	**2384%**	**2680%**

7. ACCRUED EXPENSES

Accrued expenses	**2012**	**2011**
	€	**€**
Administration fee	43,768	77,694
Legal and tax advice fees	(3,750)	18,000
Audit fees	15,046	15,000
Trustee's fees	10,099	10,000
Other accrued expenses	4,641	4,500
	69,804	**125,194**

Other accrued expenses	**2012**	**2011**
	€	**€**
Printing and stationery	-	1,500
Miscellaneous expenses	4,641	3,000
	4,641	**4,500**

8. INTEREST INCOME/EXPENSE AND BORROWING FEE

	2012	2011
	€	€
Interest income	460,593	1,102,687
	460,593	**1,102,687**

	2012	2011
	€	€
Interest expense	4,783,927	1,604,288
Borrowing fee	3,524,823	2,953,261
	8,308,750	**4,557,549**

Borrowing fee in 2012 and 2011 is paid fee related to stock loan activities.

9. RISK ASSOCIATED WITH FINANCIAL INSTRUMENTS

Risk management is an integral part of the investment and the operational process. 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.

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. Below the following risks are described: equity risk, currency risk, interest rate risk, credit risk and liquidity risk. Qualitative and quantitative analyses are provided where relevant to give the reader an understanding of the risk management methods used by the Investment Manager.

Fair Value Estimation

Effective 1 January 2009 the Fund adopted the Amendments to IFRS 7 Financial Instruments: Disclosures, requires enhanced disclosures about financial instruments carried at fair value and liquidity risk.

Investments measured and reported at fair value are classified and disclosed in one of the following fair value hierarchy levels based on the significance of the inputs used in measuring its fair value:

Level 1 inputs are unadjusted quoted prices in active markets for identical assets or liabilities that the Fund has the ability to access at the valuation date. An active market for the asset or liability is a market in which transactions for the asset or liability occur with sufficient frequency and volume to provide pricing information on an ongoing basis.

Level 2 inputs are inputs other than quoted prices in active markets included within Level 1 that are observable for the asset or liability, either directly or indirectly. Fair value is determined through the use of models or other valuation methodologies. Level 2 inputs include the following:

a. Quoted prices for similar assets or liabilities in active markets.
b. Quoted prices for identical or similar assets or liabilities in markets that are not active, that is, markets in which there are few transactions for the asset or liability, the prices are not current, or price quotations vary substantially either over time or among market makers, or in which little information is released publicly.
c. Inputs other than quoted prices that are observable for the asset or liability (e.g. interest rate and yield curves observable at commonly quoted intervals, volatilities, prepayment speeds, loss severities, credit risks and default rates).
d. Inputs that are derived principally from or corroborated by observable market data by statistical correlation or other means.

Level 3 inputs are unobservable inputs for the asset or liability. Unobservable inputs reflect the Fund's own assumptions about how market participants would be expected to value the asset or liability. Unobservable inputs are developed based on the best information available in the circumstances, other than market data obtained from sources independent of the Fund and might include the Fund's own data.

An investment is always categorised as level 1, 2 or 3 in its entirety. In certain cases, the fair value measurement for an investment may use a number of different inputs that fall into different levels of the fair value hierarchy. In such cases, an investment's level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement. The assessment of the significance of a particular input to the fair value measurement requires judgment and is specific to the investment.

The fair values of investments valued under Levels 1 to 3 are as follows:

Financial assets at fair value through profit or loss	31 December 2012 €	Level 1 €	Level 2 €	Level 3 €
Equity securities	573,148,199	573,148,199	-	-
Derivatives	52,465,804	-	52,465,804	-
Total	**625,614,003**	**573,148,199**	**52,465,804**	**-**

Financial liabilities at fair value through profit or loss	31 December 2012 €	Level 1 €	Level 2 €	Level 3 €
Equity securities sold short	(439,254,014)	(439,254,014)	-	-
Derivatives	(28,848,255)	-	(28,848,255)	-
Total	**(468,102,269)**	**(439,254,014)**	**(28,848,255)**	**-**

Financial assets at fair value through profit or loss	31 December 2011 €	Level 1 €	Level 2 €	Level 3 €
Equity securities	616,279,314	616,279,314	-	-
Derivatives	49,413,604	-	49,413,604	-
Total	**665,692,918**	**616,279,314**	**49,413,604**	**-**

Financial liabilities at fair value through profit or loss	31 December 2011 €	Level 1 €	Level 2 €	Level 3 €
Equity securities sold short	(503,933,473)	(503,933,473)	-	-
Derivatives	(13,542,568)	-	(13,542,568)	-
Total	**(517,476,041)**	**(503,933,473)**	**(13,542,568)**	**-**

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 Investment 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 (optimizing) 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.

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 0.017 (2011: (0.02)), calculated from a regression of the daily returns of the Fund on the MSCI Europe, from January 1 up to December 31. The ex-ante Beta measured at year end 2012 is 0.069 (2011: 0.043). *(The ex-ante Beta is measured against the MSCI Europe index. Source: Nomura TradeSpex Portfolio tool, European statistical factor risk model).

2012

Market indices	Ex-ante Beta	Change	Effect on net assets and profit	Change	Effect on net assets and profit
		%	€	%	
MSCI Europe	0.069	25	31,024,006	(25)	(31,024,066)

2011

Market indices	Ex-ante Beta	Change	Effect on net assets and profit	Change	Effect on net assets and profit
		%	€	%	
MSCI Europe	0.043	25	18,152,356	(25)	(18,152,356)

If an investment portfolio of a fund is relatively concentrated, it is considerably dependent on volatility in specific equities (idiosyncratic risk). The Investment Manager has defined several guidelines to adhere to, with respect to maximum percentages held on a security and sector level. 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 affect on the value of that portion of the Fund's assets or liabilities denominated in currencies other than the Euro.

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

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 and hence, the table below has been prepared for monetary and non-monetary items combined to meet the requirements of IFRS 7.

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. Please note that the table below is based upon the holdings as at the end of December 2012 and 2011; currency exposures continuously change.

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.

The total exposure to different currencies at 31 December 2012 was:

	Financial assets/ (liabilities) at fair value through profit or loss	Cash and amounts due from/ (to) brokers	Other assets/ (liablities)	Net currency exposure	In % of total net assets	+10% Movement	-10% Movement
	€	€	€	€	€	€	€
CHF	(46,113,155)	45,133,476	(45,532)	(1,025,211)	(0.23)%	(102,521)	102,521
DKK	20,706,284	(6,131,278)	(56)	14,574,950	3.26%	1,457,495	(1,457,495)
GBP	24,292,503	(13,298,105)	335,829	11,330,227	2.53%	1,133,023	(1,133,023)
NOK	41,868,317	(36,880,553)	(1,720)	4,986,044	1.11%	498,604	(498,604)
SEK	(269,240)	1,766,868	-	1,497,628	0.34%	149,763	(149,763)
USD	-	(360,292)	(23,326)	(383,618)	(0.09)%	(38,362)	38,362
Total	40,484,709	(9,769,884)	265,195	30,980,020	6.92%	3,098,002	(3,098,002)

Amounts in the table are based on the financial assets and financial liabilities.

The currency rate as of 31 December 2012 is as following:

	CHF	DKK	GBP	NOK	SEK	USD
FX/EUR	0.83	0.13	1.23	0.14	0.12	0.76

The total exposure to different currencies at 31 December 2011 was:

	Financial assets/ (liabilities) at fair value through profit or loss	Cash and amounts due from/ (to) brokers	Other assets/ (liablities)	Net currency exposure	In % of total net assets	+10% Movement	-10% Movement
	€	€	€	€	€	€	€
CHF	(50,700,767)	49,774,208	(52,267)	(978,826)	(0.19%)	(97,883)	97,883
DKK	18,826,942	(6,117,923)	(1,952)	12,707,067	2.42%	1,270,707	(1,270,707)
GBP	34,307,963	(29,781,899)	(307,852)	4,218,212	0.80%	421,821	(421,821)
NOK	25,618,698	(23,504,210)	(58,118)	2,056,370	0.39%	205,637	(205,637)
SEK	20,749,329	(17,936,292)	(37,088)	2,775,949	0.53%	277,595	(277,595)
USD	-	186,305	(48,841)	137,464	0.03%	13,746	(13,746)
Total	48,802,165	(27,379,811)	(506,118)	20,916,236	3.98%	2,091,623	(2,091,623)

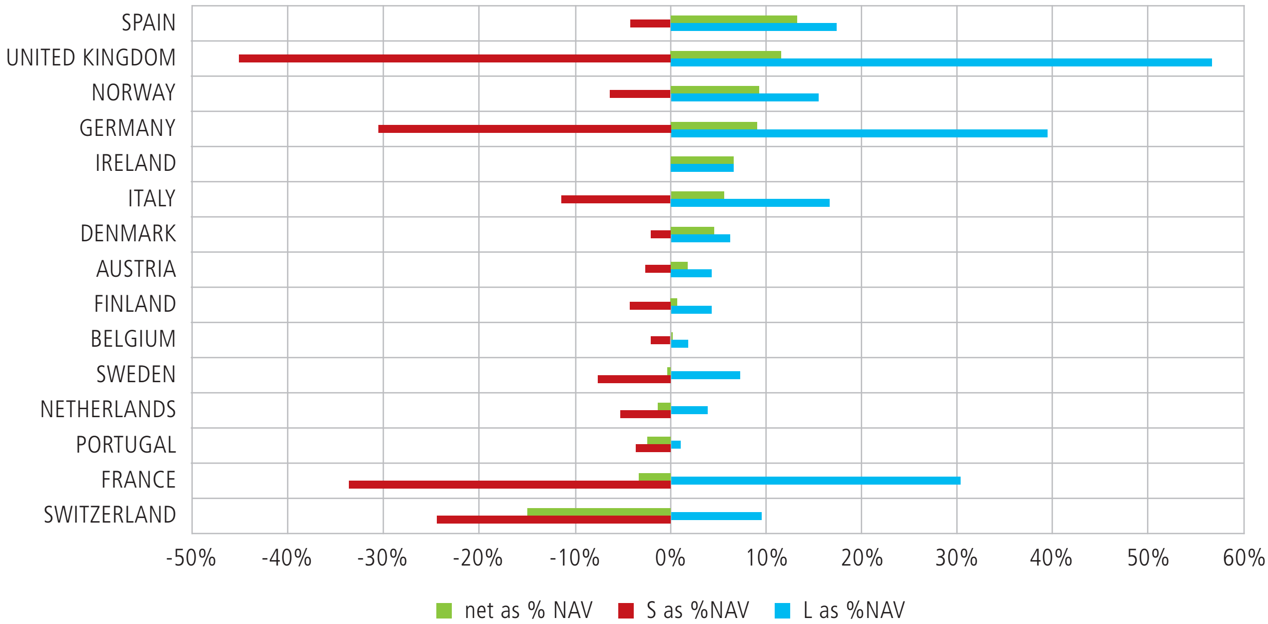
Amounts in the table are based on the financial assets and financial liabilities.

The currency rate as of 31 December 2011 is as following:

	CHF	DKK	GBP	NOK	SEK	USD
FX/EUR	1.21	7.43	0.84	7.75	8.90	1.30

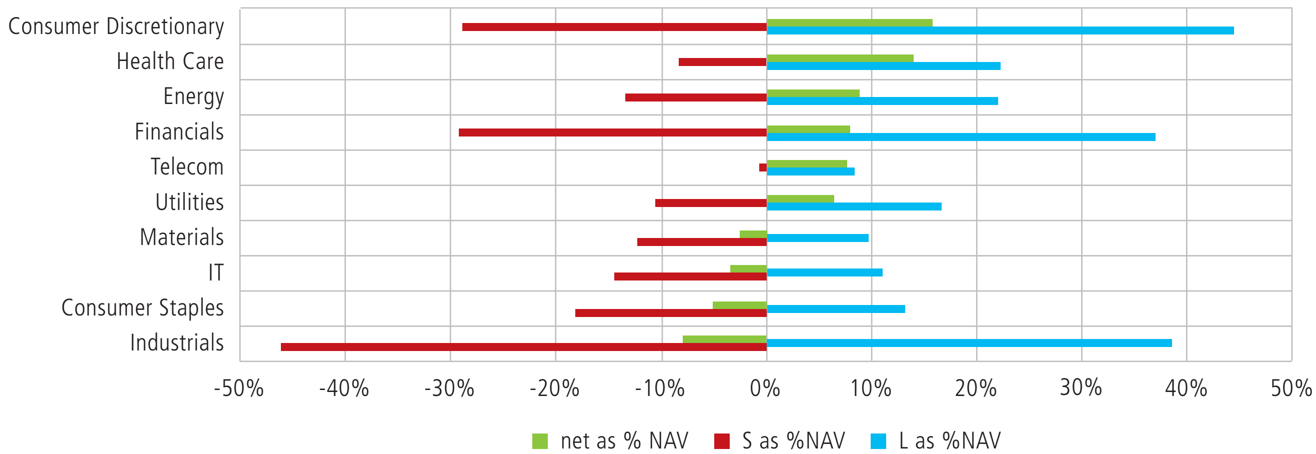
Concentration risk
The country allocation as a percentage of the NAV at the end of 2012 was as follows:

COUNTRY EXPOSURE SAEMOR EUROPE ALPHA FUND



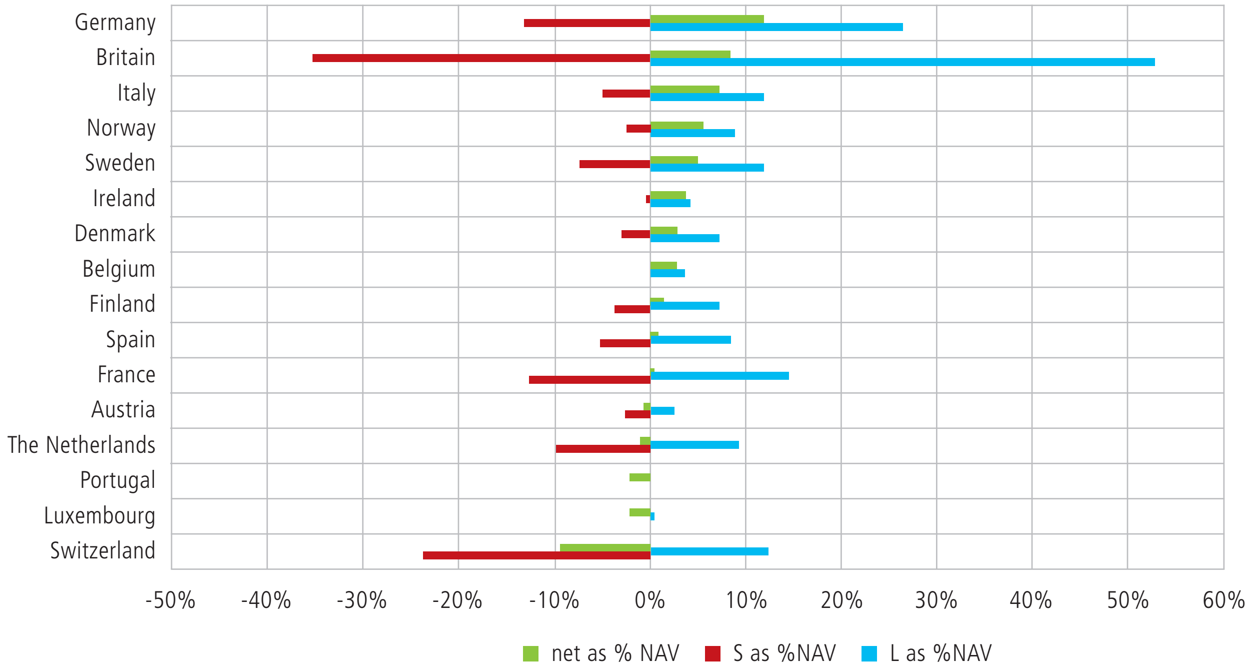
The sector allocation as a percentage of the NAV at the end of 2012 was as follows:

COUNTRY EXPOSURE SAEMOR EUROPE ALPHA FUND



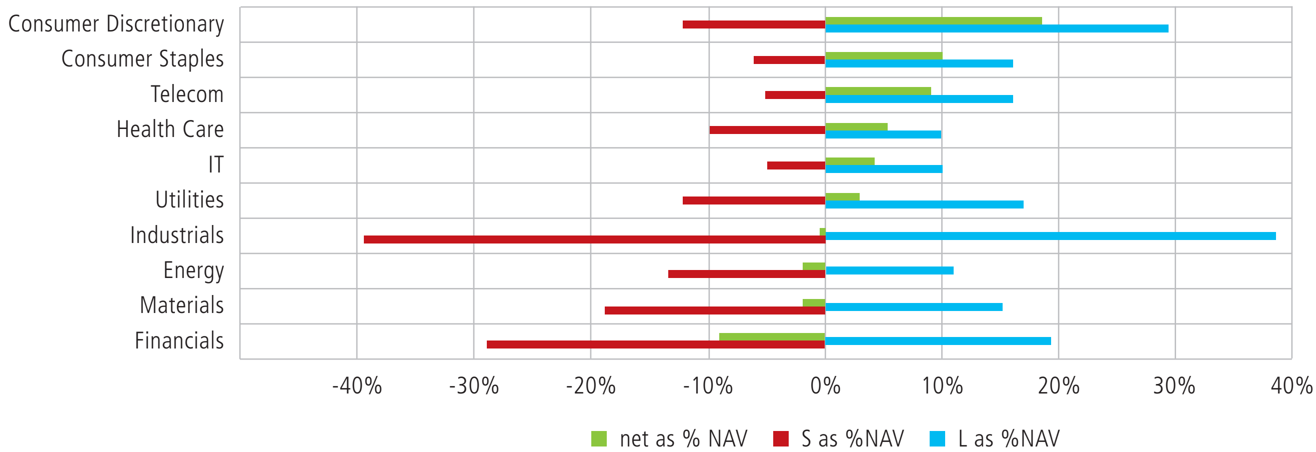
The country allocation as a percentage of the NAV at the end of 2011 was as follows:

COUNTRY EXPOSURE SAEMOR EUROPE ALPHA FUND



The sector allocation as a percentage of the NAV at the end of 2011 was as follows:

SECTOR EXPOSURE SAEMOR EUROPE ALPHA FUND



The top long and top short positions as a percentage of the NAV at the end of 2012 were as follows:

TOP LONG POSITIONS	As % NAV
Koninklijke Ahold	3.3%
Aberdeen Asset Management	3.3%
Swedbank	3.3%
Coloplast	3.2%
Royal Dutch Shell	3.2%
Next Group	3.2%
Suedzucker	3.2%
Vinci	3.2%
British Sky Broadcasting	3.2%
Roche Holding	3.2%

TOP SHORT POSITIONS	As % NAV
Aggreko	3.3%
Carrefour	3.3%
Kingfisher	3.2%
Seadrill	3.2%
Hennes & Mauritz	3.2%
Vopak	3.2%
SGS	3.2%
Pennon Group	3.2%
UBS	3.2%
Fraport	3.1%

The top long and top short positions as a percentage of the NAV at the end of 2011 were as follows:

TOP LONG POSITIONS	As % NAV
Siemens	3.7%
Astrazeneca	3.0%
RWE	3.0%
Rolls-Royce Group	2.9%
Petrofac	2.8%
Next Group	2.8%
Drax Group	2.7%
Royal Dutch Shell	2.7%
Geberit	2.7%
Morrison(W)Suprmkt	2.7%

TOP SHORT POSITIONS	As % NAV
SGS	3.0%
Sanofi San	2.9%
Intl Power	2.8%
Givaudan	2.7%
Sonova Holding	2.6%
Vopak	2.5%
Severn Trent	2.5%
HSBC Hldgs	2.4%
UBS	2.3%
Julius Baer Group	2.2%

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. Note that changing levels of interest rates may influence the value of equity securities held.

Fund exposure to direct interest rate risk in Euro at 31 December 2012 was:

2012 Assets	**Within 1 month**	**1 to 3 months**	**3 to 12 months**	**1 to 5 years**	**No stated maturity**	**Total**
	€	**€**	**€**	**€**	**€**	**€**
Financial assets at fair value through profit or loss	-	-	-	-	625,614,003	625,614,003
Amounts due from brokers	15,113,246	-	-	-	-	15,113,246
Cash and cash equivalents	310,565,298	-	-	-	-	310,565,298
Total	**325,678,544**	**-**	**-**	**-**	**625,614,003**	**951,292,547**

2012 Liabilities	**Within 1 month**	**1 to 3 months**	**3 to 12 months**	**1 to 5 years**	**No stated maturity**	**Total**
	€	**€**	**€**	**€**	**€**	**€**
Financial liabilities at fair value through profit or loss	-	-	-	-	468,102,269	468,102,269
Amounts due to brokers	34,748,847	-	-	-	-	34,748,847
Total	**34,748,847**	**-**	**-**	**-**	**468,102,269**	**502,851,116**

Fund exposure to direct interest rate risk in Euro at 31 December 2011 was:

2011 Assets	**Within 1 month**	**1 to 3 months**	**3 to 12 months**	**1 to 5 years**	**No stated maturity**	**Total**
	€	**€**	**€**	**€**	**€**	**€**
Financial assets at fair value through profit or loss	-	-	-	-	665,692,918	665,692,918
Amounts due from brokers	61,034,991	-	-	-	-	61,034,991
Cash and cash equivalents	354,382,837	-	-	-	-	354,382,837
Total	**415,417,828**	**-**	**-**	**-**	**665,692,918**	**1,081,110,746**

2011 Liabilities	**Within 1 month**	**1 to 3 months**	**3 to 12 months**	**1 to 5 years**	**No stated maturity**	**Total**
	€	**€**	**€**	**€**	**€**	**€**
Financial liabilities at fair value through profit or loss	-	-	-	-	517,476,041	517,476,041
Amounts due to brokers	34,968,919	-	-	-	-	34,968,919
Total	**34,968,919**	**-**	**-**	**-**	**517,476,041**	**552,444,960**

Credit risk
Credit risk refers to the potential loss arising if a counterparty is unable to fulfill 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:

	2012	2011
	€	€
Derivatives	52,465,804	49,413,604
Dividends & Interest receivable	800,043	607,778
Amounts due from brokers	15,113,246	61,034,991
Cash at broker	127,444,458	207,284,774
Margin Accounts	183,120,840	147,098,063
Total	**378,944,391**	**465,439,210**

Most of the Fund's derivative contracts are listed or traded on one or more recognised exchanges where a Clearing House acts as regulator.

In 2012 OTC derivative transactions were only executed with the Fund's Prime Broker Morgan Stanley.

To mitigate credit risk, two 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 year end were Baa1 (2011: A2 (Moody's)) and A- (2011: A- (S&P)). Long term ratings for UBS AG at year end were A2 (2011: AA3 (Moody's)) and A (2011: A (S&P)).

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.

To enable to short securities, the Fund borrows securities. At 31 December 2012, the Fund borrowed securities for an amount of €810,693,669 (2011: €775,220,242).

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 twenty business days 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 limited amounts of the portfolio 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 Investment Manager.

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

2012 Assets	**Within 1 month**	**1 to 3 months**	**3 to 12 months**	**1 to 5 years**	**No stated maturity**	**Total**
	€	**€**	**€**	**€**	**€**	**€**
Cash and cash equivalents	310,565,298	-	-	-	-	310,565,298
Financial assets at fair value through profit or loss	-	-	-	-	573,148,199	573,148,199
Derivatives	-	-	-	-	52,465,804	52,465,804
Amounts due from brokers	15,113,246	-	-	-	-	15,113,246
Total	**325,678,544**	**-**	**-**	**-**	**625,614,003**	**951,292,547**

2012 Liabilities	**Within 1 month**	**1 to 3 months**	**3 to 12 months**	**1 to 5 years**	**No stated maturity**	**Total**
	€	**€**	**€**	**€**	**€**	**€**
Financial liabilities at fair value through profit or loss	-	-	-	-	439,254,014	439,254,014
Derivatives	-	-	-	-	28,848,255	28,848,255
Amounts due to brokers	34,748,847	-	-	-	-	34,748,847
Total	**34,748,847**	**-**	**-**	**-**	**468,102,269**	**502,851,116**
Redeemable units of participation	-	-	447,521,281	-	-	447,521,281
Total	**34,748,847**	**-**	**447,521,281**	**-**	**468,102,269**	**950,372,397**
Forward currency contracts						
Gross cash inflow	-	-	-	-	-	-
Gross cash outflow	-	-	-	-	-	-
Total undiscounted gross						
Settled derivatives inflow	-	-	-	-	-	-
Liquidity gap	**290,929,697**	**-**	**(447,521,281)**	**-**	**157,511,734**	**920,150**

2011 Assets	Within 1 month	1 to 3 months	3 to 12 months	1 to 5 years	No stated maturity	Total
	€	€	€	€	€	€
Cash and cash equivalents	354,382,837	-	-	-	-	354,382,837
Financial assets at fair value through profit or loss	-	-	-	-	616,279,314	616,279,314
Derivatives	-	-	-	-	49,413,604	49,413,604
Amounts due from brokers	61,034,991	-	-	-	-	61,034,991
Total	**415,417,828**	**-**	**-**	**-**	**665,692,918**	**1,081,110,746**

2011 Liabilities	Within 1 month	1 to 3 months	3 to 12 months	1 to 5 years	No stated maturity	Total
	€	€	€	€	€	€
Financial liabilities at fair value through profit or loss	-	-	-	-	503,933,473	503,933,473
Derivatives	-	-	-	-	13,542,568	13,542,568
Amounts due to brokers	34,968,919	-	-	-	-	34,968,919
Total	**34,968,919**	**-**	**-**	**-**	**517,476,041**	**552,444,960**
Redeemable units of participation	-	-	524,547,461	-	-	524,547,461
Total	**34,968,919**	**-**	**524,547,461**	**-**	**517,476,041**	**1,076,992,421**
Forward currency contracts						
Gross cash inflow	-	-	-	-	-	-
Gross cash outflow	-	-	-	-	-	-
Total undiscounted gross						
Settled derivatives inflow	-	-	-	-	-	-
Liquidity gap	**380,448,909**	**-**	**(524,547,461)**	**-**	**148,216,877**	**4,118,325**

Liquidity analysis

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

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 90% of the portfolio holdings can be liquidated within three days under the assumption that we trade maximum 33% of the daily volume. The daily volume is measured by the average daily trading volume in a security over the last 3 months of 2012 (ADV).

Table 3: Liquidity profile of the Long book

	Average ADV	Max ADV	Percentage of Portfolio in % of the ADV				
			0%-25%	25%-50%	50%-100%	100%-250%	>250%
Percentage 3-months ADV	40%	215%	53%	14%	23%	10%	0%

Table 4: Liquidity profile of the Short book

	Average ADV	Max ADV	Percentage of Portfolio in % of the ADV				
			0%-25%	25%-50%	50%-100%	100%-250%	>250%
Percentage 3-months ADV	40%	205%	48%	25%	18%	9%	0%

10. 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 CFDs.

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. 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.

As of 31 December 2012 and 2011, the following derivative contracts were included in the Fund's Statement of Financial Position at fair value through profit or loss:

	Fair value assets 2012	Fair value liabilities 2012	Fair value assets 2011	Fair value liabilities 2011
	€	€	€	€
Contracts for difference	52,465,804	(28,848,255)	49,413,604	(13,542,568)
	52,465,804	**(28,848,255)**	**49,413,604**	**(13,542,568)**

The table below details the total derivatives exposure at 31 December 2012 and 31 December 2011 in Euro. 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 year end 2012 and 2011 the Fund held long and short positions in CFDs.

31-Dec-12	Net Exposure	Gross Exposure	Gross as % NAV
Equity	133,892,469	1,012,400,454	226%
CFD	55,438,978	786,096,138	176%
Total Exposure	**189,331,447**	**1,798,496,592**	
Total as % of NAV	**42%**	**402%**	**402%**

31-Dec-11	Net Exposure	Gross Exposure	Gross as % NAV
Equity	112,345,826	1,120,212,733	214%
CFD	72,519,063	568,378,532	108%
Total Exposure	**184,864,890**	**1,688,591,265**	
Total as % of NAV	**35%**	**322%**	**322%**

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.

11. 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 1,000.

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 100,000,000. Subscriptions and redemptions have a minimum size of Euro 1,000.

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 Investment Manager to hold a meeting and can add topics to the agenda.

Transactions in units of participation for Class A and Class B for the year ended 31 December 2012 and year ended 31 December 2011 were as follows:

	Number of units of participation 31 December 2012	Number of units of participation 31 December 2011
Class A		
Units of participation balance at the beginning of the year	99.75	856.60
Issue of redeemable units of participation	-	-
Redemption of redeemable units of Participation	-	(752.17)
Redemption related to equalisation deficit	-	(4.68)
Units of participation at the end of the Year	**99.75**	**99.75**

	Number of units of participation 31 December 2012	Number of units of participation 31 December 2011
Class B		
Units of participation balance at the beginning of the year	510,653.55	511,737.83
Issue of redeemable units of participation	1,772.32	57.42
Redemption of redeemable units of participation	(69,868.13)	(22.23)
Redemption related to equalisation deficit	(8,473.77)	(1,119.47)
Units of participation at the end of the year	**434,083.97**	**510,653.55**

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

Approved on behalf of the Trustee:

Stichting Bewaarder
Saemor Europe Alpha Fund
Date: 24 April 2013

Approved on behalf of the Investment Manager:

Director
Saemor Capital B.V
Date: 24 April 2013

OTHER NOTES

For the year ended 31 December 2012

1. DIVIDEND AND ALLOCATION OF RESULT

The Fund did not pay dividends in 2012. The result is included in the Net assets attributable to holders of redeemable units of participation.

2. RELATED PARTY TRANSACTIONS

Employees of directors and employees of Saemor Capital B.V. held jointly 501.93 (2011: 94.0) Units of Participation Class B in the Fund.

AEGON Investment Management B.V. held on behalf of 2 investment funds 432,218.94 (2011: 510,559.55) Units of Participation Class B and 99.75 (2011: 99.75) Units of Participation Class A. AEGON Investment Management B.V. is a 100% subsidiary of AEGON Asset Management Holding B.V., which is a 100% subsidiary of AEGON N.V. AEGON N.V. holds 100% of the shares in AEGON Asset Management Holding B.V., which holds 68% (2011: 68%) of the shares in Saemor Capital B.V.

3. 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 1 January up to 31 December.

As of 31 December 2012 and 31 December 2011 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 2012	Market Value € 31 December 2011
CSM	1,625	1,208
Delta Lloyd	987	1,040
Dexia	-	126
Fugro	890	898
Heineken	1,312	930
KPN	-	901
MAN PLC	1,115	150
PostNL	-	886
Royal Dutch Shell	-	1,095
UniCredit	641	732
Imtech	609	-
Saemor Europe Alpha Fund	455,419	95,566
Total Amount (€)	**462,598**	**103,532**

4. VOTING POLICY

The Fund does not pursue an active voting policy.

5. SUBSEQUENT EVENTS

There are no subsequent events impacting the Fund subsequent to 31 December 2012.

6. APPROVAL OF THE FINANCIAL STATEMENTS

The Trustee and the Investment Manager approved the financial statements on 24 April 2013.

To: the Board of Directors of Saemor Capital B.V. as investment manager of Saemor Europe Alpha Fund

INDEPENDENT AUDITOR'S REPORT

Report on the financial statements
We have audited the financial statements 2012 of Saemor Europe Alpha Fund, The Hague, which comprise the statement of financial position as at December 31, 2012, the statement of comprehensive income, the statement of cash flows, the statement of changes in net assets attributable to holders of redeemable units of participation for the year then ended and notes, comprising a summary of the significant accounting policies and other explanatory information.

Management's responsibility
Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards as endorsed by the European Union, the Dutch Financial Supervision Act and with Title 9 Book 2 of the Dutch Civil Code, and for the preparation of the investment manager's report in accordance with the Dutch Financial Supervision Act and with Title 9 Book 2 of the Dutch Civil Code. Furthermore management is responsible for such internal control as it determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion with respect to the financial statements
In our opinion, the financial statements give a true and fair view of the financial position of Saemor Europe Alpha Fund as at December 31, 2012, its result and its cash flows for the year then ended in accordance with International Financial Reporting Standards as endorsed by the European Union, the Dutch Financial Supervision Act and with Title 9 Book 2 of the Dutch Civil Code.

Report on other legal and regulatory requirements
Pursuant to the legal requirement under Section 2:393 sub 5 at e and f of the Dutch Civil Code, we have no deficiencies to report as a result of our examination whether the investment manager's report, to the extent we can assess, has been prepared in accordance with Title 9 of Book 2 of this Code, and whether the information as required under Section 2:392 sub 1 at b-h has been annexed. Further we report that the management board report, to the extent we can assess, is consistent with the financial statements as required by Section 2:391 sub 4 of the Dutch Civil Code.

The Hague, April 24, 2013

Ernst & Young Accountants LLP

signed by R.J. Bleijs