Saemor Europe Alpha Fund

ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED
31 DECEMBER 2019

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For the year ended 31 December 2019

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FUND INFORMATION

REGISTERED OFFICE	WTC The Hague E-Tower 7th Floor Prinses Margrietplantsoen 44 2595 BR The Hague The Netherlands www.saemor.com
MANAGER	Saemor Capital B.V. WTC The Hague E-Tower, 7th Floor Prinses Margrietplantsoen 44 2595 BR The Hague The Netherlands
DEPOSITARY	The Bank of New York Mellon SA/NV WTC Building, Podium Office, B-Tower Strawinskylaan 337 1077 XX Amsterdam The Netherlands
LEGAL OWNER	Stichting Saemor Europe Alpha Fund c/o: IQ EQ Custody B.V. (formerly SGG Custody B.V.) Amerika Building Hoogoorddreef 15 1101 BA Amsterdam The Netherlands
ADMINISTRATOR	The Bank of New York Mellon SA/NV WTC Building, Podium Office, B-Tower Strawinskylaan 337 1077 XX Amsterdam The Netherlands
PRIME BROKERS	Morgan Stanley 25 Cabot Square Canary Wharf London, E14 4QA United Kingdom Bank of America Securities Europe S.A. 112 Avenue Kléber 75116 Paris France Barclays Bank PLC 5 The North Colonnade Canary Wharf London E14 4BB United Kingdom
LEGAL ADVISOR	De Brauw Blackstone Westbroek N.V. Claude Debussylaan 80 1082 MD Amsterdam The Netherlands
INDEPENDENT AUDITOR	PricewaterhouseCoopers Accountants N.V. Fascinatio Boulevard 350 3065 WB Rotterdam The Netherlands
FINANCIAL REPORTING TO DNB	Solutional Financial Reporting B.V. Arentsburghlaan 3 2275 TT Voorburg The Netherlands

FUND PROFILE

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

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

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

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

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

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

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

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

Administrator
The Bank of New York Mellon SA/NV, Amsterdam Branch, is the administrator of the Fund, and is listed in the trade register held by the Amsterdam Chamber of Commerce under number 34363596. Certain administration services are being outsourced to BNY Mellon Fund Services (Ireland) Designated Activity Company (DAC) in Dublin, Ireland. The Administrator was incorporated under Irish law on 31 May 1994 and is registered under number 218007 with the Companies Registration Office in Ireland. Furthermore, certain services in relation to transfer agency are being outsourced to The Bank of New York Mellon (Luxembourg) SA/NV which is registered with the Luxembourg Trade and Companies Register under number B 105.087.

Prime Brokers
The Prime Brokers (the "Prime Brokers") of the Fund are Morgan Stanley, London, United Kingdom, Bank of America Securities Europe S.A, Paris, France and Barclays Bank PLC, London, United Kingdom.

SUMMARY OF FINANCIAL INFORMATION

	2019	2018	2017	2016	2015
	€ '000	**€ '000**	**€ '000**	**€ '000**	**€ '000**
Class A (€)	(39)	1.702	2.381	(210)	4390
Class B (€)	(4.776)	42.185	61.825	(4.451)	108.006
Class D (€)	(31)	244	277	(15)	-
Income/(loss)	**(4.846)**	**44.131**	**64.483**	**(4.676)**	**112.396**
Class A (€)	(267)	(1.312)	(1.179)	(1.945)	(1.983)
Class B (€)	(32.792)	(32.514)	(30.613)	(41.284)	(48.777)
Class D (€)	(211)	(188)	(137)	(143)	-
Expenses and withholding taxes	**(33.270)**	**(34.014)**	**(31.929)**	**(43.372)**	**(50.760)**
Class A (€)	(306)	390	1.202	(2.155)	2.407
Class B (€)	(37.568)	9.671	31.212	(45.735)	59.229
Class D (€)	(242)	56	140	(158)	-
(Decrease)/increase	**(38.116)**	**10.117**	**32.554**	**(48.048)**	**61.636**
Net assets (€)	**425.616**	**424.752**	**444.213**	**433.350**	**484.118**
Number of units of participation					
Class A	2.392,65	10.281,86	10.466,77	13.315,54	11.595,18
Class B	299.608,02	261.305,63	280.131,86	292.854,88	297.070,52
Class D	3.109,31	2.399,91	1.988,11	1.595,94	-
Net asset value per unit of participation					
Class A (in €)	1.429,57	1.593,62	1.567,31	1.459,32	1.630,66
Class B (in €)	1.400,14	1.553,82	1.520,35	1.408,51	1.565,99
Class D (in €)	869,01	977,33	961,19	895,96	-
Performance					
Class A (in %)	(10,3)	1,7	7,4	(10,5)	11,4
Class B (in %)	(9,9)	2,2	7,9	(10,1)	12,7
Class D (in %)	(11,1)	1,7	7,4	(10,5)	-
Ongoing Charges Figure (in %)					
Class A (in %)	1,7	1,7	1,7	1,7	1,7
Class B (in %)	1,2	1,2	1,2	1,2	1,2
Class D (in %)	1,7	1,7	1,7	1,7	-

MANAGER'S REPORT

For the year ended 31 December 2019

1. Performance

Saemor Europe Alpha Fund fell 9.9% for unit Class B and 10.3% and 11.1% for unit Classes A and D respectively in 2019. The Fund underperformed its market neutral peer group, where it outperformed the peer group in 2018. Class A and Class D both have equal management and performance fees percentages. Differences in performance between Class A and Class D resulted from different movements in the performance fee that materialised. Class A has an annual reset (if above the high watermark) whereas Class D has a monthly reset. Class D reached its high watermark in January, where in the remainder of January and March positive performances, and hence performance fees, were realised.

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	2019
Class A	5,3%	-0,2%	0,6%	-5,9%	-2,3%	1,0%	-2,0%	-4,7%	2,6%	-1,4%	-1,5%	-1,9%	**-10,3%**
Class B	5,3%	-0,1%	0,7%	-5,9%	-2,3%	1,0%	-1,9%	-4,6%	2,6%	-1,4%	-1,4%	-1,9%	**-9,9%**
Class D	5,3%	-0,2%	0,7%	-6,8%	-2,3%	1,0%	-2,0%	-4,7%	2,6%	-1,4%	-1,5%	-1,9%	**-11,1%**

Source: BNY Mellon

After the challenging year of 2018, last year marked the industry's best one-year performance in a decade. Hedge funds returned 9.5%, supported by strong gains across equities, fixed income and commodities. Performance was led by long/short equity hedge strategies, and as usual this came with a wide dispersion on the manager level. Managed futures slightly lagged, with trend followers leading the pack. Equity market neutral hedge funds delivered disappointing returns in 2019. Especially, Equity Market Neutral quantitative managers experienced some patches of notably poor performance.

2. Market Review

European equity markets rose 24% in local currency (MSCI Europe net TR) and 26% in euro terms, which was largely in line with global markets. After a sharp drop in equities at the end of 2018, markets rebounded strongly in the first four months of 2019 and grinded higher for the remainder of the year. Renewed and continued balance sheet expansion in Europe and the US fuelled investor appetite. Interest rates for government bonds up to 10 years reached record negative levels in most of western Europe. As investors searched for yield elsewhere, stock prices were pushed higher. Yet, this performance went hand in hand with deteriorating economic sentiment, falling interest rate expectations, a US – China tariff war and declining profits. As a result, 2019 market appreciation was all about multiple expansion instead of earnings growth.

After the US yield curve inverted at the end of 2018 and emerging market economic activity deteriorated, market participants became more cautious. The absence of a recession and no further escalation of trade wars throughout the year (a Phase 1 trade deal was reached between the US and China during Q4) increased the demand for equities. The FED benchmark rate topped out during Q1, which provided a floor in investor sentiment. The effects of Brexit news became more and more muted throughout the year, resulting in more relief than angst when a UK exit from the European Union became final with the landslide victory of the Conservative Party with Boris Johnson as Britain's new prime minister. Economic growth in the US and Europe was moderately positive and industrial production in China bottomed out towards the end of the year. The US unemployment number continued to drop throughout the year, which helped the consumer and IT sectors.

Every sector in Europe posted positive returns for the year. Consumer Discretionary (+38%) and IT (+37%) were among the top sector standouts, where Industrials (+34%), Insurance (+29%), Health Care (+28%) and Utilities (+28%) also posted strong returns. At the other end of the table, Banks (+12%), Media (+11%), Energy (+5%) and Telecom (+3%) stood out.

On a country level Ireland (+40%), The Netherlands (+34%), Denmark (+31%) and Switzerland (+30%) saw considerable gains in their respective indices, while Finland (+12%), Norway (+12%), Spain (+14%) and the UK (+16%) lagged the rest of Europe.

Volatility dropped throughout the year and currency moves were muted. Gold and Oil rose around 20% year-on-year.

3. Investment Policy

Our multi-factor approach, which combines Value, Momentum, Profitability & Growth as well as Quality factors failed to deliver in a market that was largely dominated by (geo-) politics and central bank policy. The lack of performance of both Value and Momentum strategies was noteworthy, as usually one of these performs well when the other does not. The Value Momentum combination suffered its worst annual performance of the last 30 years. Not one single factor in our model posted double digit returns and limited factor dispersion made timing/rotation difficult as well. Momentum and Profitability factors did well during the start of the year but faded towards the year-end, while Value made up some of its losses during the last quarter of the year.

We started the year with a small overweight in Value which we increased twice throughout the year. This worked out well in January, when markets rebounded and Value outperformed. During the first quarter of the year the Fund was up nearly 6%. From February through September Value lost a lot of ground however and other factor clusters did not compensate. The underperformance of Value during most of the year was in line with declining bond yields. Our overweight in Value helped limit the damage during the last quarter of 2019, when Value reached historically high yield spreads and rebounded.

MANAGER'S REPORT (CONTINUED)

For the year ended 31 December 2019

3. Investment Policy (continued)

Price Momentum outperformed Earnings Momentum in 2019, but both strategies ended in the red. The weak performance of Earnings Momentum highlights the lack of direction within equity markets. Investors did not reward stocks with earnings upgrades and quarter-on-quarter serial correlation in earnings surprises was absent as well. Uncertainty around trade tariffs and Brexit made it hard for analysts and investors to pick winners and losers consistently.
Despite a lack of outperformance from Profitability and Quality factors, earnings yield spreads for different measures of quality reached historic highs in the second half of the year. This went hand in hand with historically high yield spreads for Value, comparable with spreads seen during the IT bubble at the end of the previous century.

The underperformance of the Fund was mostly driven by stock selection effects. Contrary to most previous years, quarterly earnings announcements did not help the strategy and neither did corporate actions. On the country level, the net short position of Swiss stocks was detrimental to performance. The net effects of implicit sector selection were much better, as the Fund held net long positions in IT, Industrials and Health Care for most of the year and was net short in Banks and Telecom as well. The biggest detractor on a sector level was a continued dislike of expensive Consumer Discretionary stocks.

4. Outlook

During the first quarter of 2020, the world was hit by a pandemic, COVID-19. The coronavirus has taken the world by surprise, and a resulting deep global recession now appears unavoidable. Markets did not take these developments well and most equity indices recorded their fastest ever switch from bull to bear market. European equities experienced one of their worst starts to the year ever. Volatility surged as severe risk aversion and flight to safety was exacerbated by de-leveraging and liquidation of assets. This has acted as a catalyst to expose many extremes, which do not bode well for the Fund. Heading into 2020, our style timing models continued to point towards a recovery scenario in Europe. In addition, value spreads and the premium paid for Quality remained at very elevated levels. However, during the market rout in March, the cycle abruptly decelerated to a severe recessionary macro environment, exceptional factor movements were seen as investors added to already crowded low risk names, while selling value stocks. These polarized valuations with Quality trading further away from Value have temporarily impacted the efficacy of our multifactor model.

We continue to believe in the principles behind our stock selection model. Our approach is to build long and short positions based upon economic fundamentals that have proven over decades to be profitable. Based on recent experiences, we are working on improvements to our investment process, which will be implemented in the coming months. With markets being shaken, there should be opportunities for excess returns going forward.

We believe that our systematic but pragmatic approach to investing will help us realise some of these in order to recoup lost ground. Towards the summer, markets are likely to focus on two completely unpredictable future events. The first is the gradual relaxation of the various lock-downs that are in place and which are crippling almost every economy; the second is the creation of a Covid-19 vaccine. We can expect large and potentially volatile "relief / junk rallies" when there is positive news about these two events and correspondingly large "flight-to-quality" slumps if the situation does not pan out as hoped.

At the end of December, the Fund has net long positions in Industrials, IT, Health Care and Utilities and holds net short positions in Consumer stocks, Chemicals and Financials. On a country level, the Fund is net long in the Netherlands, Austria and the Iberian peninsula, whereas Switzerland, Germany and Denmark are disliked by our model.

The portfolio's volatility as measured by a short-term statistical risk model stood at 6% per year-end. The ex-post volatility of the Fund based on daily returns was 8.1% (1-year period). Gross and net leverage stood at respectively 361% and 1%. The net beta of the book was slightly positive.

5. Risk Management

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

In Risk/Compliance, Directors and Portfolio Management meetings, risks are reviewed, identified and previously identified risks are monitored.

Risk management is considered an integral part of the investment and the operational process. Risk management supports decision making in order to minimize unexpected losses and achieve the absolute return objective. A number of risk management systems allow us to notice any deviations to intended positioning and targets. The portfolio managers are monitoring the financial risk management continuously. In addition, the investment guidelines as described in the prospectus are monitored by the risk manager.

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

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

MANAGER'S REPORT (CONTINUED)

For the year ended 31 December 2019

5. Risk Management (continued)

Risks

Volatility of securities held

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

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

Market risk is mitigated by the allocation of appropriate capital resources, which are determined on the basis of stress testing, sensitivity testing and modelling. Concentration risk is mitigated by diversification and an adequate number of holdings in the portfolio.

The liquidity policy is aimed at maintaining assets in such proportion that it will at all times enable the manager to meet its liabilities as they arise.

Short selling

The Fund may sell equities with the purpose of buying them back later. These are borrowed, as the Fund does not hold those equities. The cost for borrowing varies and influences the return 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.

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.

Strict collateral and margining rules mitigate the risk that the Fund would ever be in a position where meeting financial obligations would be endangered. The COVID-19 outbreak did not have an impact on the obligations, collateral rules or ability to finance or to short stocks.

Counterparty risk

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

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

The risk manager is monitoring periodically this limit independently from the portfolio managers.

We have not seen a significant deterioration of the creditworthiness of counterparties of the Fund as a result of the COVID-19 crisis. We work with a panel of high quality counterparties, and although a downgrading of one or more of them remains a possibility, we believe that the current mix of counterparties mitigates any credit risk sufficiently.

Liquidity risk

The Fund invests in liquid listed equity instruments, hold directly or via a swap (delta one derivative). When the COVID-19 crisis unfolded we have seen spreads widening, but volumes remained or have even increased. The Manager has not been unable to execute upon its investment policy (which takes execution costs into account) nor was the Fund been unable to meet any financial obligations. In combination with a gating clause available in the Fund's prospectus, the remaining unitholders are well protected against liquidity risk.

Operational risk

The outbreak of COVID-19 has had relatively little impact on the operations of Saemor. The BCP ("Business Continuity Plan") plan was activated. Counterparties and business parties have been contacted regarding their BCP and all staff started working from home with no disruptions in daily work procedures.

Derivatives

The Fund may utilise investment instruments such as exchange-traded futures, OTC options and other derivative contracts. Depending on the type of instrument, a relatively small movement in the price of a contract may result in a profit or loss that is high in proportion to the amounts of the funds actually placed as initial margin or premium paid. Because OTC transactions are not executed via an exchange, pricing may be less transparent. Additionally, OTC transactions may involve counterparty risk with respect to the unrealised profit value within the contract. Liabilities or receivables following from the OTC CFD contracts are taken into account in the overall margin requirement calculation which takes the total exposure into account.

Thus, when positive unrealised results under the CFD contract leads to a receivable, no specific collateral for that purpose is to be received but it will increase the equity part in the margin calculation.

MANAGER'S REPORT (CONTINUED)

For the year ended 31 December 2019

5. Risk Management (continued)

Risk appetite

The risk appetite as defined by the Manager acts as the main guidance in setting the boundaries within which the Manager is willing to take certain risks in pursuit of its strategic objectives. The Manager reviews the extent to which it is prepared to accept these risks, as explained in following key risk areas:

Strategic risks

The Manager is willing to accept certain risks as it endeavors to achieve its objectives. Objectives are formulated in terms of organic growth, or in terms of activities which are adjacent to current activities.

Financial risks

The Manager manages its financial risks in order to provide unitholder return based on cash flow performance whilst at the same time ensuring that it maintains sufficient liquidity and solvability to secure the growth of the Fund and comply with Internal Capital Adequacy Assessment Process ("ICAAP") requirements.

Operational risks

With an integrated approach to quality, the Manager has a minimal appetite to a loss of assets in the execution of any of its activities. All key operational risks are documented and mitigating measures are formulated. Rationale for outsourcing like Fund administration may also be the minimisation of operational risk.

Compliance risks

In its pursuit of continued outstanding governance and compliance, the Manager has strong policies and controls in place to support the policy of the Fund's Compliance Manual and any applicable laws and regulations. Legal risks relating to the Fund and the Manager are minimised.

Portfolio investment risks

A set of tolerance levels are defined for these exposures. Various metrics are used to manage and monitor ex post and ex ante risks, as formulated in the Fund's internal portfolio risk guidelines policy. Total volatility is monitored and target maxima are set at ex ante levels for the variance of returns and VAR levels. We do not support unwarranted exposure to significant concentration risk, and mitigate by defining maxima to country, sector and stock exposure level.

We have a minimal appetite for liquidity risk. Liquidity is measured in terms of average daily volumes, and is a crucial factor for a security to be admitted to the investment universe. Portfolio liquidity is managed in adhering to the redemption requirements, as described in the Fund's prospectus.

We do not consider currency risk as a direct source of alpha, and mitigate to minimal significant levels taking cost efficiency into account.

Financing risks (repayments, interest rates, short borrow rates) are monitored and taken into account in determining a favorable risk return trade off of individual positions or total (net/gross) exposures. Credit risk (equal to Counterparty risk of the prime brokers) is not a source of alpha and is monitored and mitigated as far as possible.

6. Other information

Risk control

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

Personnel

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

Investment

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

Research fees

During the year ended 31 December 2019, research fees were charged to the Fund to pay for investment research. As at 31 December 2019, the Fund had been charged research fees in excess of the research expenses which were less than budgeted. The excess is to be taken into account for setting the new expense budget.

MANAGER'S REPORT (CONTINUED)

For the year ended 31 December 2019

6. Other information (continued)

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

Senior management in 2019 relates to the two statutory directors. Other personnel include portfolio managers and all other (non-investment) staff. All employees are eligible to receive variable pay, and for all employees deferral of at least 40% of variable applies. On average the company had 14.4 FTE employed in 2019 (2018: 14.1).

There are no personnel at Saemor Capital B.V. with a total remuneration of EUR 1 million or more in 2019 and in 2018.

2019	**Positions**	**FTE**	**Variable remuneration**	**Salary**
			€	**€**
Senior Management	2	2	€76.502	€282.032
Other	19	12,4	€258.761	€1.304.672
All personnel	**21**	**14,4**	**€335.263**	**€1.586.704**

2018	**Positions**	**FTE**	**Variable remuneration**	**Salary**
			€	€
Senior Management	2	1,7	€166.754	€293.489
Other	19	12,4	€388.426	€1.222.629
All personnel	**21**	**14,1**	**€555.180**	**€1.516.118**

Saemor Capital B.V. is the manager of the Saemor Alpha Fund, Saemor Capital B.V. was also appointed manager of a sub-fund of the EGI Plurima Fund.

The Hague, 8 May 2020

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

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

STATEMENT OF FINANCIAL POSITION

As at 31 December 2019

	Note	2019 €	2018 €
Current assets			
Financial assets at fair value through profit or loss	3,11	530.339.600	501.075.132
Amounts due from brokers	6	22.561.726	25.130.967
Dividends receivable		1.002.155	427.394
Margin accounts	5	205.601.436	231.152.341
Cash and cash equivalents	4	203.790.333	90.268.666
Total current assets		**963.295.250**	**848.054.500**
Current liabilities			
Financial liabilities at fair value through profit or loss	3,11	(513.077.834)	(408.703.551)
Amounts due to brokers	6	(23.075.399)	(13.236.527)
Dividends payable		(582.975)	(563.938)
Management fee payable	7	(376.039)	(368.904)
Equalisation fee payable	7	(36)	-
Interest payable		(362.182)	(234.094)
Accrued expenses	8	(205.125)	(195.837)
Total current liabilities (excluding net assets attributable to holders of redeemable units of participation)		**(537.679.590)**	**(423.302.851)**
Net assets attributable to holders of redeemable units of participation		**425.615.660**	**424.751.649**

Class A	**2019**	**2018**	**2017**
Number of units of participation (note 13)	2.392,65	10.281,86	10.466,77
Net asset value per unit of participation	€ 1.429,57	€ 1.593,62	€ 1.567,31
Class B			
Number of units of participation (note 13)	299.608,02	261.305,63	280.131,86
Net asset value per unit of participation	€ 1.400,14	€ 1.553,82	€ 1.520,35
Class D			
Number of units of participation (note 13)	3.109,31	2.399,91	1.988,11
Net asset value per unit of participation	€ 869,01	€ 977,33	€ 961,19
Total Net Asset Value	**€ 425.615.660**	**€ 424.751.649**	**€ 444.213.175**

The accompanying notes are an integral part of these financial statements

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2019

	Note	2019	2018
		€	€
Income			
Interest income	9	363.592	399.844
Gross dividend income	10	30.607.594	29.313.957
Net (loss)/gain on financial assets and liabilities at fair value through profit or loss	3	(39.218.671)	14.828.579
Net foreign exchange gain/(loss) on cash and cash equivalents	3	3.402.150	(411.184)
Total (loss)/income		**(4.845.335)**	**44.131.196**
Expenses			
Dividend expense on securities sold short	10	(17.136.238)	(16.185.055)
Management fee	7	(4.014.702)	(4.407.003)
Performance fee	7	(294.367)	(37.419)
Interest expense and borrowing fee	9	(7.218.919)	(8.268.454)
Research fee	7	(553.994)	(516.177)
Audit fee	7	(33.333)	(31.775)
Administration fee	7	(362.034)	(377.420)
Depositary fee	7	(143.132)	(159.411)
Legal fee	7	(10.000)	(12.000)
Costs of supervision	7	(86.288)	(67.545)
Other expenses	7	(113.551)	(68.785)
Trustee fee	7	(13.537)	(13.538)
Total expenses		**(29.980.095)**	**(30.144.582)**
(Loss)/profit before tax		**(34.825.430)**	**13.986.614**
Withholding taxes		(3.290.868)	(3.869.205)
(Loss)/profit after tax		**(38.116.298)**	**10.117.409**
(Decrease)/increase attributable to holders of redeemable units of participation		**(38.116.298)**	**10.117.409**

The accompanying notes are an integral part of these financial statements

STATEMENT OF CASH FLOWS

For the year ended 31 December 2019

	2019	2018
	€	€
Cash flows from operating activities		
(Decrease)/increase attributable to holders of redeemable units of participation	(38.116.298)	10.117.409
Adjustment for net foreign exchange (gain)/loss - cash and cash equivalents	(3.402.150)	411.184
Adjustment for interest income	(363.592)	(399.844)
Adjustment for dividend income	(30.607.594)	(29.313.957)
Adjustment for interest expense and borrowing fee	7.218.919	8.268.454
Adjustment for dividend expenses	17.136.238	16.185.055
Adjustments to reconcile (decrease)/increase attributable to holders of redeemable units of participation to net cash provided by operating activities:		
(Increase)/decrease in financial assets at fair value through profit or loss	(29.264.468)	8.855.131
Increase/(decrease) in financial liabilities at fair value through profit or loss	104.374.283	(41.147.910)
Decrease in margin cash	25.550.905	59.470.882
Increase/(decrease) in management fee payable	7.135	(16.366)
Increase/(decrease) in amounts due to brokers	9.838.872	(30.197.064)
Decrease in amounts due from brokers	2.569.241	11.005.430
Increase/(decrease) in accrued expenses	9.288	(41.468)
Increase in equalisation credit payable	36	-
Cash provided by operating activities	**64.950.815**	**13.196.936**
Interest received	363.592	399.844
Dividend received	30.032.833	29.802.397
Interest paid	(7.090.831)	(8.261.724)
Dividend paid	(17.117.201)	(15.785.204)
Net cash provided by operating activities	**71.139.208**	**19.352.249**
Cash flows from financing activities		
Increase attributable to holders of redeemable units of participation	95.548.841	984.210
Payments from redemptions of redeemable units of participation	(56.419.085)	(30.068.779)
Cash flow related to equalisation (deficit) previous year	(149.447)	(494.366)
Net cash flow provided by/(from) financing activities	38.980.309	(29.578.935)
Net increase/(decrease) in cash and cash equivalents	**110.119.517**	**(10.226.686)**
Adjustment for net foreign exchange gain/(loss) - cash and cash equivalents	3.402.150	(411.184)
Cash and cash equivalents at the beginning of the year	90.268.666	100.906.536
Cash and cash equivalents at the end of the year	**203.790.333**	**90.268.666**

The accompanying notes are an integral part of these financial statements

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

For the year ended 31 December 2019

	Note	Number of units	2019
			€
Balance at the beginning of the year		**273.987**	**424.751.649**
(Decrease) attributable to holders of redeemable units of participation resulting from operations for the year		-	(38.116.298)
Issue of redeemable units of participation during the year	13	66.859	95.548.841
Payments from redeemable units of participation during the year	13	(35.640)	(56.419.085)
Redemptions related to equalisation deficit in previous year	13	(96)	(149.447)
Net assets attributable to holders of redeemable units of participation at the end of the year		**305.110**	**425.615.660**

For the year ended 31 December 2018		Number of units	2018
			€
Balance at the beginning of the year		**292.587**	**444.213.175**
Increase attributable to holders of redeemable units of participation resulting from operations for the year		-	10.117.409
Issue of redeemable units of participation during the year	13	802	984.210
Payments from redeemable units of participation during the year	13	(19.077)	(30.068.779)
Redemptions related to equalisation deficit in previous year	13	(325)	(494.366)
Net assets attributable to holders of redeemable units of participation at the end of the year		**273.987**	**424.751.649**

The accompanying notes are an integral part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2019

1. FUND INFORMATION

General
Saemor Europe Alpha Fund (the "Fund") is an open-ended investment fund incorporated on 19 June 2008. The Fund is incorporated with its registered office in The Hague on 21 April 2008 and is listed in the trade register held by The Hague Chamber of Commerce under number 27317677. The registered office is WTC E-Tower, 7th Floor, Prinses Margrietplantsoen 43, 2595 AM The Hague, The Netherlands. The first trade date for Class B units of participation was on 26 June 2008. Initial subscriptions for Class A units of participation were received on dealing date 27 January 2009. Initial subscriptions of Class D units of participation were received on dealing day 4 January 2016. The Fund is not listed on any stock exchange. The units of participation are registered per investor.

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

The Fund is a Fund for Joint Account, which means that there is a contractual obligation among the Manager, the Legal Owner and the Participant. The Manager has an Alternative Investment Fund Managers Directive ("AIFMD") license and is regulated by The Netherlands Authority for the Financial Markets (AFM) and the Dutch Central Bank. The AIFMD license has an extension for the following investment services, which may be provided to professional investors only; (i) individual portfolio management, (ii) investment advice and (iii) receiving and transmitting investment orders.

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

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

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

2. PRINCIPAL ACCOUNTING POLICIES

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

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 accounting policies adopted in the preparation of the financial statements are consistent with those followed in the preparation of the Fund's financial statements for the year ended 31 December 2018, except for the adoption of new standards, amendments and interpretations effective from 1 January 2019.

The financial statements are presented in Euros (€).

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

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

Standards and amendments to existing standards effective 1 January 2019
There are no standards and amendments to existing standards that are effective on 1 January 2019, that have had a material effect on the financial statements of the Fund.

New standards, amendments and interpretations effective after 1 January 2019
A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 January 2019, and have not been adopted in preparing these financial statements. None of these have had a material effect on the financial statements of the Fund.

(b) Financial instruments
Financial assets and liabilities at fair value through profit or loss
For Net Asset Value ("NAV") purposes, the valuation of financial assets and liabilities is calculated in accordance with the Prospectus. For financial statements purposes, financial assets and liabilities have been valued in accordance with IFRS using the policies outlined below.

At 31 December 2019 and 31 December 2018, there are no material differences between these valuation methods.

In accordance with IFRS 9, the Fund classifies its financial assets and liabilities at initial recognition into the categories of financial assets and financial liabilities as discussed below.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2019

2. PRINCIPAL ACCOUNTING POLICIES (continued)

(b) Financial instruments (continued)

Classification
A financial asset and liability are measured at fair value through profit or loss if:

i. its contractual terms do not give rise to cash flows on specified dates that are solely payments of principal and interest (SPPI) on the principal amount outstanding; or
ii. it is not held within a business model whose objective is either to collect contractual cash flows, or to both collect contractual cash flows and sell; or
iii. at initial recognition, it is irrevocably designated as measured at fair value through profit or loss when doing so eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

The Fund classifies its investments as financial assets or financial liabilities at fair value through profit or loss at inception.

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

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

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

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

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

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

(c) 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.

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

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

(e) 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.

(f) 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 Fund recognises a realised gain or loss when the contract is closed. Unrealised gains and losses on CFDs are recognised through '(loss)/net gain on financial assets and liabilities at fair value through profit or loss' in the Statement of Comprehensive Income.

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

Units of participation are redeemable monthly. The Participants of Class B units of participation are not entitled to request the Fund to redeem all or part of their redeemable units of participation during the "lock-up" period of one year from the acceptance of subscriptions.

The redeemable units of participation are carried at the redemption amount that is payable at the Statement of Financial Position date if the holder exercised the right to put the unit of participation back to the Fund.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2019

2. PRINCIPAL ACCOUNTING POLICIES (continued)

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

(i) 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.

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

(k) 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 unitholders' right to receive the payment is established.

(l) 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 units of participation of the Fund.

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

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

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

(n) Cash and cash equivalents
Cash consists of cash at bank, 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, Bank of America Securities Europe S.A and Barclays Bank PLC.

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'.

(o) 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 participation, will not be subject to value added tax in The Netherlands.

The subscription, issue, placement, allotment, delivery or transfer of participation, will not be subject to registration tax, stamp duty or any other similar tax or duty payable in The Netherlands.

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2019

2. PRINCIPAL ACCOUNTING POLICIES (continued)

(r) 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 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.

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

(t) Research fee
Research fees are paid from a separate research payment account ("RPA") managed by the Manager. This is funded by charges collected alongside transaction commissions on a research charge collection account ("RCA"), the "Transactional Method". The Manager has set up RCA's with several brokers. Research commission is collected by these brokers and twice monthly the surplus is transferred to the RPA.

(u) Other expenses
Other expenses are recognised on the Statement of Comprehensive Income on an accruals basis.

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

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

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2019

3. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

Movement Schedule Investments

Equity securities	**2019**	**2018**
	€	**€**
Beginning market value 1 January	79.084.001	37.616.723
Purchase	3.263.327.647	2.794.292.214
Sale	(3.291.242.006)	(2.763.850.363)
Revaluation	(42.636.191)	11.025.427
Ending market value 31 December	**8.533.451**	**79.084.001**

Contracts for Difference	**2019**	**2018**
	€	**€**
Beginning market value 1 January	13.287.579	22.462.079
Purchase	748.454.531	607.451.316
Sale	(756.431.315)	(620.428.968)
Revaluation	3.417.520	3.803.152
Ending market value 31 December	**8.728.315**	**13.287.579**

Total	**2019**	**2018**
	€	**€**
Beginning market value 1 January	92.371.581	60.078.802
Purchase	4.011.782.177	3.401.743.531
Sale	(4.047.673.321)	(3.384.279.331)
Revaluation	(39.218.671)	14.828.579
Ending market value 31 December	**17.261.766**	**92.371.581**

Purchases and sales on CFD investments reflect only the realised gains and losses of closing transactions.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2019

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

For the years ended 31 December 2019 and 31 December 2018, financial assets and liabilities at fair value through profit or loss were as follows:

	2019	2018
Financial assets at fair value through profit or loss:	**€**	**€**
Equity securities	500.181.599	452.293.025
Contracts for difference	30.158.001	48.782.107
Financial assets at fair value through profit or loss	530.339.600	501.075.132
Financial liabilities at fair value through profit or loss:		
Equity securities	(491.648.148)	(373.209.024)
Contracts for difference	(21.429.686)	(35.494.527)
Financial liabilities at fair value through profit or loss	(513.077.834)	(408.703.551)
Total financial assets and liabilities at fair value through profit and loss	**17.261.766**	**92.371.581**

In Note 11, risks associated with those financial instruments held are described.

As at 31 December 2019 and 31 December 2018, listed equity securities and CFD's at fair value through profit or loss are recorded at fair value based on quoted market prices in active markets.

As at 31 December 2019 and 31 December 2018, the gain and loss breakdown of net gain or loss on financial assets and liabilities at fair value through profit or loss was as follows:

	2019	2018
	€	**€**
Realised gains	210.510.529	200.458.452
Unrealised gains	154.170.389	163.480.233
Realised losses	(217.870.313)	(189.517.328)
Unrealised losses	(186.029.276)	(159.592.778)
Total	**(39.218.671)**	**14.828.579**

The financial assets and liabilities at fair value through profit or loss are classified under category 'assets and liabilities at fair value through profit and loss'.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2019

4. CASH AND CASH EQUIVALENTS

Cash represents short-term funds available to the Fund.

	2019	2018
	€	€
Cash at brokers	203.790.333	90.268.666
Total	**203.790.333**	**90.268.666**

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

5. MARGIN ACCOUNTS

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

The Prime Brokers calculate the maximum amount to be loaned on the basis of all long and short securities held at the Prime Brokers; this is called the total margin requirement. The Fund does not provide individual securities as collateral for each individual short security transaction. The total short position is taken into account in the calculation of margin requirement. The total amount of margin requirements with the Fund's Prime Brokers was €103,354,589 (31 December 2018: €142,819,829) with Morgan Stanley and €67,231,366 (31 December 2018, Merrill Lynch International: €47,084,319) with Bank of America Securities Europe S.A. and €35,015,481 with Barclays Bank PLC (31 December 2018: €41,248,193).

	2019	2018
	€	€
Margin accounts	205.601.436	231.152.341
Total	**205.601.436**	**231.152.341**

6. AMOUNTS DUE (TO)/FROM 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 the securities are purchased by the Fund. The Fund has also purchased securities on margin and the related margin balances are secured on certain of the Fund's investments in securities.

As at 31 December 2019 and 31 December 2018 the following were held as amounts due (to)/from brokers:

	2019	2018
	€	€
Balances due from brokers	22.561.726	25.130.967
Balances due to brokers	(23.075.399)	(13.236.527)
Net amounts due (to)/from brokers	**(513.673)**	**11.894.440**

7. FEES AND EXPENSES

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

The management fee is set as an annual percentage of 1.5% of the gross asset value (GAV) for Class A and D units of participation, 1.0% of the GAV for Class B units of participation (before deduction of the accrued performance fee). The management fee is accrued on a monthly basis. The fee is payable in arrears following completion and finalisation each month. Management fees of €4,014,702 (31 December 2018: €4,407,003) were incurred for the year ended 31 December 2019 of which €376,039 was payable at 31 December 2019 (31 December 2018: €368,904).

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

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

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2019

7. FEES AND EXPENSES (continued)

Performance fee (continued)
Performance fees of €294,367 (31 December 2018: €37,419) were incurred for the year ended 31 December 2019 of which €Nil was payable at 31 December 2019 (31 December 2018: €Nil).

Performance fee – equalisation
The performance fee is calculated according to the "Equalisation" method, which means that each Participant pays a fee that truly corresponds to the increase in value of units of participation that he/she holds. Participations are subscribed to against the gross asset value per unit of participation. If the subscription price exceeds the high water mark (the "HWM") on a dealing day, an equalisation credit is granted to the Participant. Following the date of grant, the value of the equalisation credit fluctuates with the increase and decrease of the net asset value (NAV). The equalisation credit will at no time turn into a negative value, and it will not increase beyond the value at the time of issue. By issuing participations against the value of the Participant's equalisation credit at the ultimate valuation day of the financial year of the Fund, the credit will be finally settled. The equalisation credit as at 31 December 2019 amounted to €36 (31 December 2018: €Nil).

Conversely, a Participant that acquires participations at a time that the HWM exceeds the NAV per participation, at which point in time the GAV equals the NAV as no performance fee is accrued, will build up an equalisation deficit from the moment that the NAV per participation exceeds the subscription price. Any deficit will be finally settled by way of mandatory redemption of the equalisation deficit bearing participations. The Manager is entitled to the ensuing claim. Redemption will take place per the ultimate dealing day of the financial year of the Fund, or at redemption during the year. The equalisation deficit as at 31 December 2019 amounted to €Nil (31 December 2018: €149,447).

Other costs charged to the assets of the Fund	2019	2018
	€	€
Administration fee	362.034	377.420
Audit fee	33.333	31.775
Costs of supervision	86.288	67.545
Depositary fee	143.132	159.411
Legal fee	10.000	12.000
Other expenses	113.551	68.785
Trustee fee	13.537	13.538
Total	**761.875**	**730.474**

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

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

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

Other expenses	2019	2018
	€	€
Miscellaneous expenses	2.334	1.665
Brokerage fees (excluded in Ongoing Charges Figure)	111.217	67.120
Total	**113.551**	**68.785**

Subscription and redemption fees
The Fund may upon issue and redemption of a unit of participation charge a fee up to 1.0% of the subscription or redemption amount. These costs may be charged in order to cover the costs incurred in transactions related to subscription and/or redemption and are credited to the Fund. During the year ended 31 December 2019, the Fund charged redemption fees of €Nil (31 December 2018: €Nil).

Ongoing charges figure
The Ongoing Charges Figure (OCF) is a ratio of the total ongoing costs to the average net assets value of the Fund. Ongoing costs include cost of management and administration, plus other costs of running the Fund, such as fees for custodians, regulators and independent auditor. Transaction costs of investments, interest expenses and performance fee are excluded from the calculation. The OCF will be calculated once a year, the figure as at 31 December 2019 and 31 December 2018 is as follows:

Ongoing Charges Figure	Share Class A	Share Class B	Share Class D
2019	1,67%	1,17%	1,67%
2018	1,65%	1,15%	1,65%

Performance fee ratio
Performance fee ratio is a ratio of the total performance fee (including equalisation deficit) to the average net assets value of the Fund. This ratio will be calculated once a year, as at 31 December 2019 and 31 December 2018 the ratio is as follows:

Performance Fee Ratio	Share Class A	Share Class B	Share Class D
2019	0,00%	0,07%	0,78%
2018	0,01%	0,04%	0,00%

Transaction costs
Transaction costs are costs incurred to acquire financial assets or liabilities at fair value through profit or loss. They include execution fees and other charges like stamp duty and exchange fee paid to agents, brokers and dealers. Transaction costs, when incurred, are immediately recognised in net gain or loss on financial assets and liabilities at fair value through profit or loss. The transaction costs as at 31 December 2019 amounted to €1,549,960 (31 December 2018: €1,658,912).

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2019

7. FEES AND EXPENSES (continued)

Research fees
The Fund holds Research Collection Accounts (RCA) at its executing brokers. The broker receives a commission for executing a transaction that is split into (1) an execution fee and (2) a research fee. The money received by the broker that is related to research is entered into a separate account with the broker, the RCA. Collected monies on the RCA are periodically transferred to the Research Payment Account (RPA) held by the Manager. The Manager makes use of the "Transactional Method" to fund its RPA. The Manager uses the received monies to procure research offered by research service providers, with the aim of improving the results of the Fund. The total amount of research fees during the year ended 31 December 2019 amounted to €553,994 (31 December 2018: €516,177).

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

31 December 2019	Actual Costs	Estimated costs Prospectus
Management fee	€ 4.014.702	% of GAV: Class A and D=1.5% and Class B=1.0%
Performance fee	€ 294.367	% of annual increase GAV: Class A=20% and Class B=15% and Class D=20%
Administration fee	€ 362.034	+/- of 0.095% of NAV
Trustee fee	€ 13.537	Annual fee €11,000
Independent auditor's and advisor fee*	€ 129.621	Not Specified
Depositary fee	€ 143.132	0.03% of NAV
Other costs**	€ 1.024	Not Specified

31 December 2018	Actual Costs	Estimated costs Prospectus
Management fee	€ 4.407.003	% of GAV: Class A and D=1.5% and Class B=1.0%
Performance fee	37.419	% of annual increase GAV: Class A=20% and Class B=15% and Class D=20%
Administration fee	€ 377.420	+/- of 0.095% of NAV
Trustee fee	€ 13.538	Annual fee €11,000
Independent auditor's and advisor fee*	€ 111.320	Not Specified
Depositary fee	€ 159.411	0.03% of NAV
Other costs**	€ 1.665	Not Specified

* Independent auditor's and advisors' costs include audit fee, legal fee and cost of supervision. Audit fee refers to services provided by the independent auditor and relate to the audit of the Financial Statements.

** 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	2019	2018
	€	€
Securities purchase	4.434.131.254	5.550.332.944
Securities sale	4.482.891.116	5.521.172.539
Total securities transactions	**8.917.022.370**	**11.071.505.483**
Subscriptions participants	95.548.841	984.210
Redemptions participants	56.419.085	30.068.779
Total movement in participations	**151.967.926**	**31.052.989**
Average net asset value	403.185.231	434.800.261
Turnover Rate	**2,174%**	**2,539%**

8. ACCRUED EXPENSES

	2019	2018
	€	€
Audit fee	33.297	12.850
Administration fee	64.453	64.416
Depositary fee	24.384	25.069
Legal and tax advice fee	1.154	12.184
Costs of supervision	75.462	75.073
Trustee fee	4.104	4.809
Other accrued expenses	2.271	1.436
Total	**205.125**	**195.837**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the year ended 31 December 2019

9. INTEREST INCOME/EXPENSE AND BORROWING FEE

	2019	2018
	€	€
Interest income	363.592	399.844
Interest expense	(4.377.565)	(5.271.936)
Borrowing fee	(2.841.354)	(2.996.518)
Total	**(6.855.327)**	**(7.868.610)**

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

10. DIVIDEND INCOME/EXPENSE

	2019	2018
	€	€
Gross dividend income	30.607.594	29.313.957
Dividend expense on securities sold short	(17.136.238)	(16.185.055)
Total	**13.471.356**	**13.128.902**

11. RISK ASSOCIATED WITH FINANCIAL INSTRUMENTS

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

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

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

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

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

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2019

11. RISK ASSOCIATED WITH FINANCIAL INSTRUMENTS (continued)

Fair value estimation (continued)

The following tables analyse the fair value hierarchy of the Fund's financial assets and liabilities measured at fair value as at 31 December 2019 and as at 31 December 2018:

Financial assets at fair value through profit or loss	31 December 2019 €	Level 1 €	Level 2 €	Level 3 €
Equity securities	500.181.599	500.181.599	-	-
Derivatives	30.158.001	-	30.158.001	-
Total	**530.339.600**	**500.181.599**	**30.158.001**	**-**

Financial liabilities at fair value through profit or loss	31 December 2019 €	Level 1 €	Level 2 €	Level 3 €
Equity securities sold short	(491.648.148)	(491.648.148)	-	-
Derivatives	(21.429.686)	-	(21.429.686)	-
Total	**(513.077.834)**	**(491.648.148)**	**(21.429.686)**	**-**

Financial assets at fair value through profit or loss	31 December 2018 €	Level 1 €	Level 2 €	Level 3 €
Equity securities	452.293.025	452.293.025	-	-
Derivatives	48.782.107	-	48.782.107	-
Total	**501.075.132**	**452.293.025**	**48.782.107**	**-**

Financial liabilities at fair value through profit or loss	31 December 2018 €	Level 1 €	Level 2 €	Level 3 €
Equity securities sold short	(373.209.024)	(373.209.024)	-	-
Derivative	(35.494.527)	-	(35.494.527)	-
Total	**(408.703.551)**	**(373.209.024)**	**(35.494.527)**	**-**

For the year ended 31 December 2019 and 31 December 2018, there were no transfers between levels.

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

Equity risk

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

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2019

11. RISK ASSOCIATED WITH FINANCIAL INSTRUMENTS (continued)

Equity risk (continued)

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

The ex-post Beta for the Fund was 0.052 (2018: -0.06), calculated from a regression of the daily returns of the Fund on the MSCI Europe, from 1 January to 31 December 2019. The ex-ante Beta measured at year-end 2019 is 0.01 (2018: 0.05).

Market index	Ex-ante Beta	Change	Effect on net assets and profit	Change	Effect on net assets and profit
2019		**%**	**€**	**%**	**€**
MSCI Europe	0,01	25	3.838.855	(25)	(3.838.855)

Market index	Ex-ante Beta	Change	Effect on net assets and profit	Change	Effect on net assets and profit
2018		**%**	**€**	**%**	**€**
MSCI Europe	0,05	25	19.195.593	(25)	(19.195.593)

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

Currency risk

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

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

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

The following table demonstrates management's best estimate of the sensitivity to a reasonable change in the foreign exchange rates, with all other variables being constant, of the most representative Fund's foreign currency exposures. The currency sensitivity below is based upon a movement of exchange rates and the direct currency exposures as a result of Fund holdings that 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 31 December 2019 and 31 December 2018; 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, based upon the holdings as 31 December 2019 and 31 December 2018. Currency exposures continuously change.

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2019

11. RISK ASSOCIATED WITH FINANCIAL INSTRUMENTS (continued)

Currency risk (continued)

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

	Financial assets/ (liabilities) at fair value through profit or loss	Cash and amounts due from/(to) brokers	Other assets/ (liabilities)	Net currency exposure	In % of total net assets	+10% Movement	-10% Movement
	€	€	€	€	%	€	€
CHF	(59.822.836)	51.814.081	444.038	(7.564.717)	-1,78%	(756.472)	756.472
DKK	(21.510.338)	8.583.725	3.480.863	(9.445.750)	-2,22%	(944.575)	944.575
GBP	18.237.088	(24.653.786)	(72.192)	(6.488.890)	-1,52%	(648.889)	648.889
NOK	(12.554.937)	7.572.148	1.760.832	(3.221.957)	-0,76%	(322.196)	322.196
SEK	15.650.092	(6.284.322)	(3.191.254)	6.174.516	1,45%	617.452	(617.452)
USD	-	1.240.460	-	1.240.460	0,29%	124.046	(124.046)
Total	**(60.000.931)**	**38.272.306**	**2.422.287**	**(19.306.338)**	**-4,54%**	**(1.930.634)**	**1.930.634**

The currency rates as at 31 December 2019 are as follows:

	CHF	DKK	GBP	NOK	SEK	USD
FX/EUR	0,92	0,13	1,18	0,10	0,10	0,89

	Financial assets/ (liabilities) at fair value through profit or loss	Cash and amounts due from/(to) brokers	Other assets/ (liabilities)	Net currency exposure	In % of total net assets	+10% Movement	-10% Movement
	€	€	€	€	%	€	€
CHF	(56.014.119)	54.287.655	2.840.532	1.114.068	0,26%	111.407	(111.407)
DKK	(6.491.887)	(3.879.531)	3.736.739	(6.634.679)	-1,56%	(663.468)	663.468
GBP	(5.314.665)	7.244.258	(6.943.615)	(5.014.022)	-1,18%	(501.402)	501.402
NOK	(16.811.264)	23.357.434	2.139.806	8.685.976	2,04%	868.598	(868.598)
SEK	48.843.391	(55.551.075)	(169.628)	(6.877.312)	-1,62%	(687.731)	687.731
USD	-	670.932	-	670.932	0,16%	67.093	(67.093)
Total	**(35.788.544)**	**26.129.673**	**1.603.834**	**(8.055.037)**	**-1,90%**	**(805.503)**	**805.503**

The currency rates as at 31 December 2018 are as follows:

	CHF	DKK	GBP	NOK	SEK	USD
FX/EUR	0,89	0,13	1,11	0,10	0,10	0,87

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

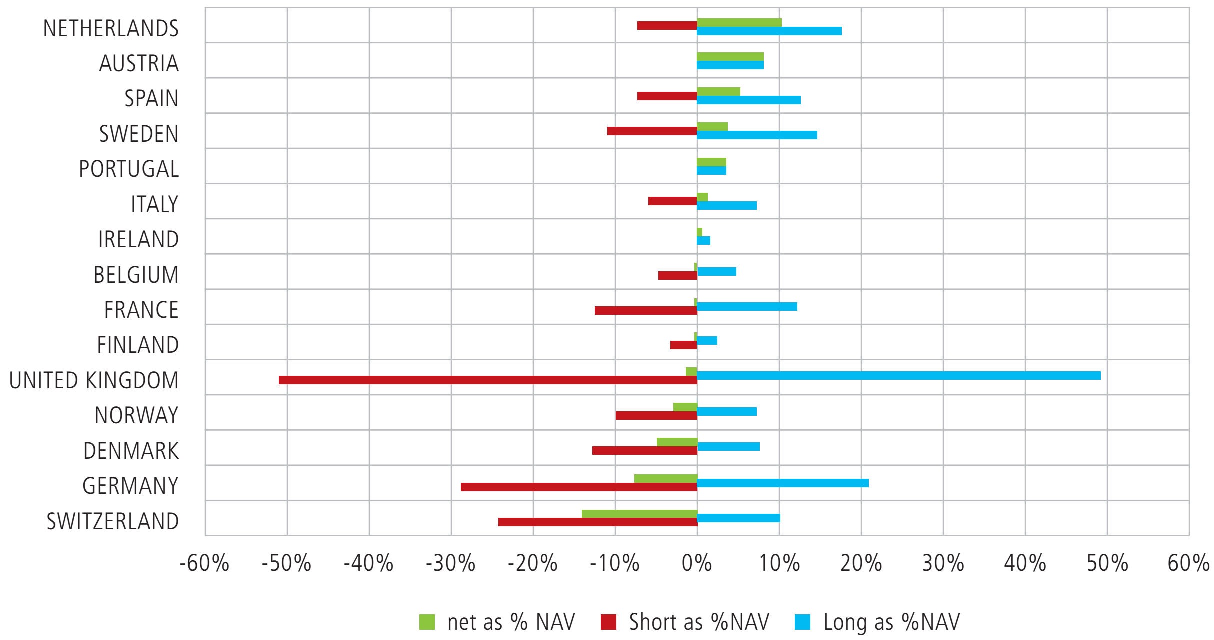
For the year ended 31 December 2019

11. RISK ASSOCIATED WITH FINANCIAL INSTRUMENTS (continued)

Concentration risk

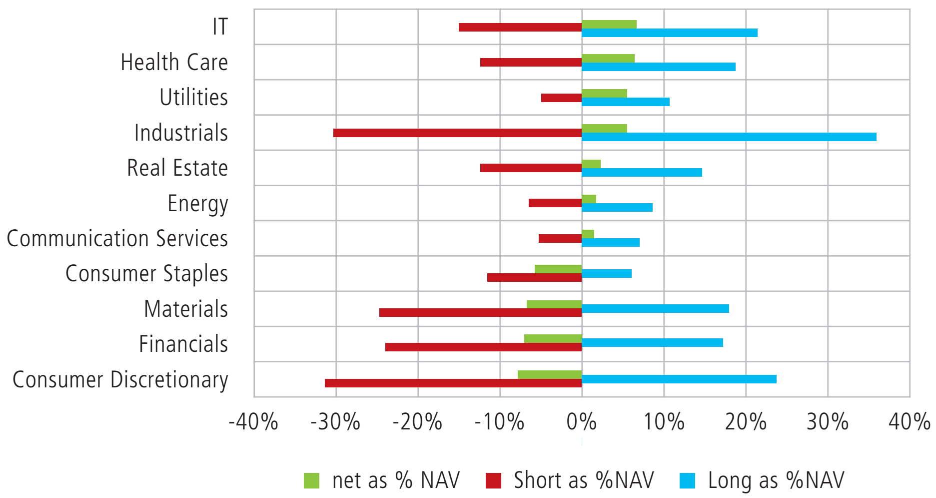
The country allocation (net exposure, long positions and short positions per country) as a percentage of the NAV at 31 December 2019 was as follows:

COUNTRY ALLOCATION SAEMOR EUROPE ALPHA FUND 2019



The sector allocation (net exposure, long positions and short positions per sector) as a percentage of the NAV at 31 December 2019 was as follows:

SECTOR ALLOCATION SAEMOR EUROPE ALPHA FUND 2019



NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

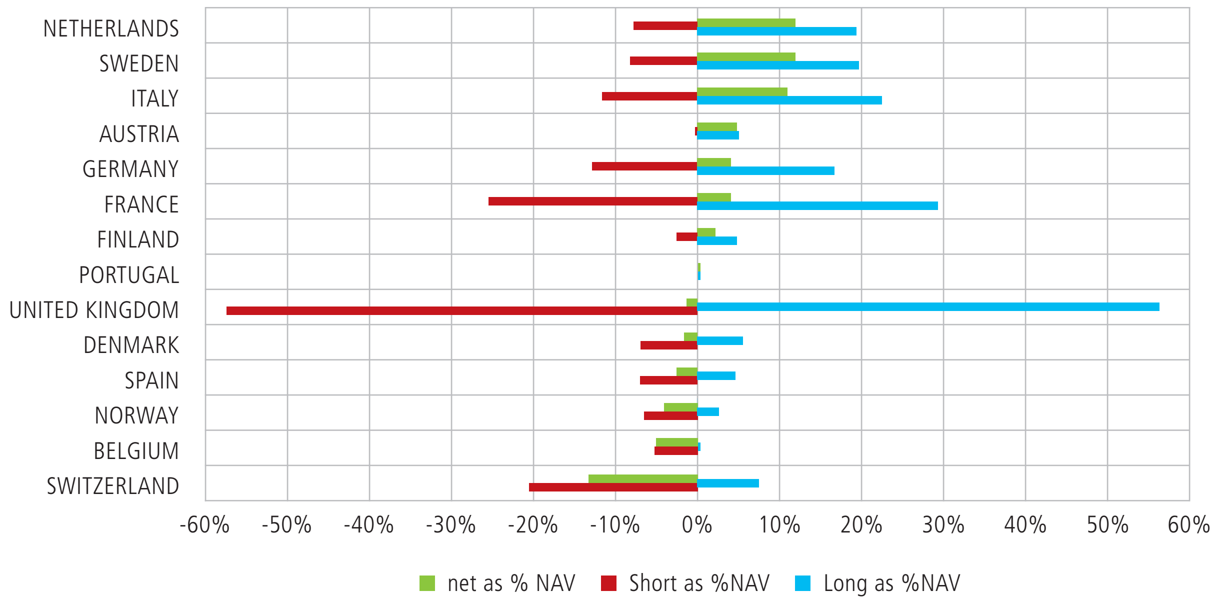
For the year ended 31 December 2019

11. RISK ASSOCIATED WITH FINANCIAL INSTRUMENTS (continued)

Concentration risk (continued)

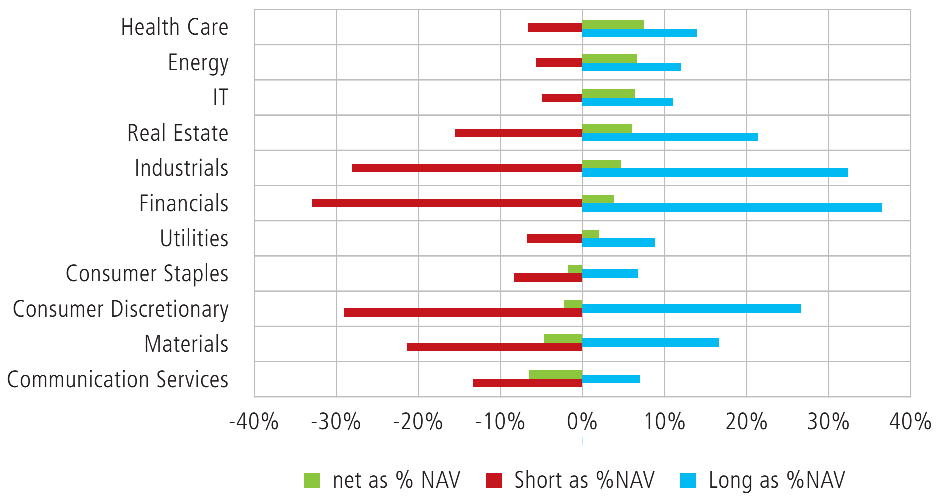
The country allocation (net exposure, long positions and short positions per country) as a percentage of the NAV at 31 December 2018 was as follows:

COUNTRY ALLOCATION SAEMOR EUROPE ALPHA FUND 2018



The sector allocation (net exposure, long positions and short positions per sector) as a percentage of the NAV at 31 December 2018 was as follows:

SECTOR ALLOCATION SAEMOR EUROPE ALPHA FUND 2018



NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2019

11. RISK ASSOCIATED WITH FINANCIAL INSTRUMENTS (continued)

Concentration risk (continued)

The top long and short exposures as a percentage of the NAV as at 31 December 2019 were as follows:

TOP LONG POSITIONS 2019	As % NAV
Aviva	2,7%
Roche	2,7%
GlaxoSmithKline	2,7%
Tate & Lyle	2,7%
Bawag	2,7%
Aroundtown	2,7%
ACS	2,6%
Aperam	2,6%
Eiffage	2,6%
Telenet	2,6%

TOP SHORT POSITIONS 2019	As % NAV
Nokia	2,7%
Knorr-Bremse	2,6%
Daimler	2,6%
Alcon	2,6%
ICADE	2,6%
Swiss Re	2,6%
Bankia	2,6%
Orsted	2,6%
Symrise	2,6%
IMCD	2,6%

The top long and short exposures as a percentage of the NAV as at 31 December 2018 were as follows:

TOP LONG POSITIONS 2018	As % NAV
IAG	3,2%
Sandvik	3,1%
Legal & General	3,1%
Burberry	3,1%
Berkeley	3,1%
Credit Agricole	3,1%
Societe Generale	3,1%
NN Group	3,1%
Roche	3,1%
Volvo	3,1%

TOP SHORT POSITIONS 2018	As % NAV
Rolls-Royce	3,2%
Rentokil	3,2%
Standard Chartered	3,2%
Credit Suisse	3,1%
Airbus	3,1%
ICADE	3,1%
Yara	3,1%
Swiss Re	3,1%
Tryg	3,1%
Vifor Pharma	3,1%

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2019

11. RISK ASSOCIATED WITH FINANCIAL INSTRUMENTS (continued)

Interest rate risk

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

Fund exposure to direct interest rate risk in Euro at 31 December 2019 was:

31 December 2019	Within 1 month	1 to 3 months	3 to 12 months	1 to 5 years	No stated maturity	Total
Assets	**€**	**€**	**€**	**€**	**€**	**€**
Financial assets at fair value through profit or loss	-	-	-	-	530.339.600	530.339.600
Amounts due from brokers	22.561.726	-	-	-	-	22.561.726
Margin accounts	205.601.436	-	-	-	-	205.601.436
Cash and cash equivalents	203.790.333	-	-	-	-	203.790.333
Total	**431.953.495**	**-**	**-**	**-**	**530.339.600**	**962.293.095**
Liabilities						
Financial liabilities at fair value through profit or loss	-	-	-	-	513.077.834	513.077.834
Amounts due to brokers	23.075.399	-	-	-	-	23.075.399
Total	**23.075.399**	**-**	**-**	**-**	**513.077.834**	**536.153.233**

Fund exposure to direct interest rate risk in Euro at 31 December 2018 was:

31 December 2018	Within 1 month	1 to 3 months	3 to 12 months	1 to 5 years	No stated maturity	Total
Assets	**€**	**€**	**€**	**€**	**€**	**€**
Financial assets at fair value through profit or loss	-	-	-	-	501,075,132	501,075,132
Amounts due from brokers	25,130,967	-	-	-	-	25,130,967
Margin accounts	231,152,341	-	-	-	-	231,152,341
Cash and cash equivalents	90,268,666	-	-	-	-	90,268,666
Total	**346,551,974**	**-**	**-**	**-**	**501,075,132**	**847,627,106**
Liabilities						
Financial liabilities at fair value through profit or loss	-	-	-	-	408,703,551	408,703,551
Amounts due to brokers	13,236,527	-	-	-	-	13,236,527
Total	**13,236,527**	**-**	**-**	**-**	**408,703,551**	**421,940,078**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2019

11. RISK ASSOCIATED WITH FINANCIAL INSTRUMENTS (continued)

Credit risk

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

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

	2019	2018
	€	€
Derivatives	30.158.001	48.782.107
Dividends receivable	1.002.155	427.394
Amounts due from brokers	22.561.726	25.130.967
Cash and cash equivalents	203.790.333	90.268.666
Margin accounts	205.601.436	231.152.341
Total	**463.113.651**	**395.761.475**

In 2019 and 2018, the Fund's derivative contracts held were equity CFD's, executed with the Fund's Prime Brokers Morgan Stanley and Barclays Bank PLC.

To mitigate credit risk, three prime brokers have been legally appointed, allowing a transfer of securities and cash. Further, securities and cash are only held at, and derivatives are only executed with (investment grade) rated counterparties. Long-term ratings for Morgan Stanley at 31 December 2019 were A1 (Moody's) (31 December 2018: A1) and A+ (S&P) (31 December 2018: A+). Long-term ratings for Barclays Bank PLC at 31 December 2019 were Baa3 (Moody's) (31 December 2018: Baa2) and BBB (S&P) (31 December 2018: BBB-). Long-term ratings for Merrill Lynch International at 31 December 2019 were A2 (Moody's) (31 December 2018: A3) and NR (S&P) (31 December 2018: NR).

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

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2019

11. RISK ASSOCIATED WITH FINANCIAL INSTRUMENTS (continued)

Credit risk (continued)
The financial assets and liabilities, which are subject to offsetting as at 31 December 2019 and as at 31 December 2018 are as follows:

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

	Gross amounts of recognised financial assets	Gross amounts of recognised financial liabilities set-off in the Statement of Financial Position	Net amounts of financial assets presented in the Statement of Financial Position	Related amounts not set-off in the Statement of financial Position: Financial instrument	Net amount
2019	**€**	**€**	**€**	**€**	**€**
Investments pledged* MS	81.223.348	-	81.223.348	-	81.223.348
Derivative assets MS	13.219.540	-	13.219.540	12.565.239	654.301
Investments pledged ML	227.808.785	-	227.808.785	-	227.808.785
Derivative assets Barclays	16.938.462	-	16.938.462	8.864.447	8.074.015
2018	**€**	**€**	**€**	**€**	**€**
Investments pledged* MS	97.506.049	-	97.506.049	-	97.506.049
Derivative assets MS	41.350.066	-	41.350.066	20.559.484	20.790.582
Investments pledged ML	178.264.746	-	178.264.746	-	178.264.746
Derivative assets Barclays	7.432.041	-	7.432.041	7.432.041	-

* rehypothecated equity long

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

	Gross amounts of recognised financial liabilities	Gross amounts of recognised financial assets set-off in the Statement of Financial Position	Net amounts of financial liabilities presented in the Statement of Financial Position	Related amounts not set-off in the Statement of Financial Position: Financial instrument	Net amount
2019	**€**	**€**	**€**	**€**	**€**
Derivative liabilities MS	12.565.239	-	12.565.239	12.565.239	-
Derivative liabilities Barclays	8.864.447	-	8.864.447	8.864.447	-
2018	**€**	**€**	**€**	**€**	**€**
Derivative liabilities MS	20.559.484	-	20.559.484	20.559.484	-
Derivative liabilities Barclays	14.935.043	-	14.935.043	7.432.041	7.503.002

To enable short securities, the Fund borrows securities. At 31 December 2019, the Fund borrowed securities for an amount of €767,972,403 (31 December 2018: €720,664,873).

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2019

11. RISK ASSOCIATED WITH FINANCIAL INSTRUMENTS (continued)

Liquidity risk

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

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

The Fund invests the majority of its assets in investments that are listed and traded in active markets; all listed on major European stock exchanges. The Manager, who aims to be able to exit 50% of the assets in the Fund within one week and 95% within one month, will continuously monitor the liquidity of all securities.

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

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

31 December 2019	Within 1 month	1 to 3 months	3 to 12 months	1 to 5 years	No stated maturity	Total
Assets	**€**	**€**	**€**	**€**	**€**	**€**
Financial assets at fair value through profit or loss	-	-	-	-	500.181.599	500.181.599
Derivatives	-	-	-	-	30.158.001	30.158.001
Dividends receivable	1.002.155	-	-	-	-	1.002.155
Amounts due from brokers	22.561.726	-	-	-	-	22.561.726
Margin accounts	205.601.436	-	-	-	-	205.601.436
Cash and cash equivalents	203.790.333	-	-	-	-	203.790.333
Total	**432.955.650**	**-**	**-**	**-**	**530.339.600**	**963.295.250**
Liabilities						
Financial liabilities at fair value through profit or loss	-	-	-	-	491.648.148	491.648.148
Derivatives	-	-	-	-	21.429.686	21.429.686
Other payables and accrued expenses	1.526.357	-	-	-	-	1.526.357
Amounts due to brokers	23.075.399	-	-	-	-	23.075.399
Total	**24.601.756**	**-**	**-**	**-**	**513.077.834**	**537.679.590**
Liabilities						
Redeemable units of participation	-	425.615.660	-	-	-	425.615.660
Total	**24.601.756**	**425.615.660**	**-**	**-**	**513.077.834**	**963.295.250**
Liquidity gap	**408.353.894**	**(425.615.660)**	**-**	**-**	**17.261.766**	**-**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2019

11. RISK ASSOCIATED WITH FINANCIAL INSTRUMENTS (continued)

Liquidity risk (continued)

31 December 2018	Within 1 month	1 to 3 months	3 to 12 months	1 to 5 years	No stated maturity	Total
Assets	**€**	**€**	**€**	**€**	**€**	**€**
Financial assets at fair value through profit or loss	-	-	-	-	452.293.025	452.293.025
Derivatives	-	-	-	-	48.782.107	48.782.107
Dividends receivable	427.394	-	-	-	-	427.394
Amounts due from brokers	25.130.967	-	-	-	-	25.130.967
Margin accounts	231.152.341	-	-	-	-	231.152.341
Cash and cash equivalents	90.268.666	-	-	-	-	90.268.666
Total	**346.979.368**	**-**	**-**	**-**	**501.075.132**	**848.054.500**
Liabilities						
Financial liabilities at fair value through profit or loss	-	-	-	-	373.209.024	373.209.024
Derivatives	-	-	-	-	35.494.527	35.494.527
Other payables and accrued expenses	1.362.773	-	-	-	-	1.362.773
Amounts due to brokers	13.236.527	-	-	-	-	13.236.527
Total	**14.599.300**	**-**	**-**	**-**	**408.703.551**	**423.302.851**
Liabilities						
Redeemable units of participation	-	424.751.649	-	-	-	424.751.649
Total	**14.599.300**	**424.751.649**	**-**	**-**	**408.703.551**	**848.054.500**
Liquidity gap	**332.380.068**	**(424.751.649)**	**-**	**-**	**92.371.581**	**-**

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2019

11. RISK ASSOCIATED WITH FINANCIAL INSTRUMENTS (continued)

Liquidity analysis

The tables stated the percentage of the assets held in 5 different classes of market liquidity. For example: 63% of the Fund in long position can be sold within one day.

The holdings in the Fund are highly liquid. The 'average' holding can be sold within two days under normal circumstances. The table shows that more than 87% of the portfolio holdings can be liquidated within four days under the assumption that we trade maximum 25% of the daily volume. The daily volume is measured by the average daily trading volume in a security over the last 3 months of 2019 (ADV).

Liquidity profile of the long portfolio was as follows:

Percentage of	Average ADV	Max ADV	Percentage of Portfolio in% of the ADV				
3-months ADV			0%-25%	25%-50%	50%-100%	100%-200%	>200%
31 December 2019	47%	203%	46%	18%	23%	11%	1%
31 December 2018	31%	172%	63%	17%	12%	8%	-

Liquidity profile of the short portfolio was as follows:

Percentage of	Average ADV	Max ADV	Percentage of Portfolio in% of the ADV				
3-months ADV			0%-25%	25%-50%	50%-100%	100%-200%	>200%
31 December 2019	33%	187%	53%	24%	17%	6%	-
31 December 2018	24%	156%	67%	22%	10%	1%	-

12. DERIVATIVE CONTRACTS

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2019

12. DERIVATIVE CONTRACTS (continued)

As at 31 December 2019 and 31 December 2018, the following derivative contracts were included in the Fund's Statement of Financial Position at fair value through profit or loss:

31 December 2019	Fair value assets	Fair value liabilities
	€	€
Contracts for difference	30.158.001	(21.429.686)
Total derivative contracts	**30.158.001**	**(21.429.686)**

31 December 2018	Fair value assets	Fair value liabilities
	€	€
Contracts for difference	48.782.107	(35.494.527)
Total derivative contracts	**48.782.107**	**(35.494.527)**

The table below details the total derivatives exposure at 31 December 2019 and 31 December 2018. Gross exposure is the sum of absolute market value of all long and short positions. Net exposure is the balance of market value of all long and short positions. At 31 December 2019 the Fund held long and short positions in equity CFD's.

The leverage of the Fund is a ratio between the total gross exposure and the net asset value of the Fund. The maximum leverage the Fund may have is 500%. At 31 December 2019 the leverage is 360.8% (31 December 2018: 361.5%).

31 December 2019	Net Exposure	Gross Exposure	Gross as % of NAV
	€	€	
Equity securities	(4.475.735)	543.712.361	127,8%
Contracts for difference	8.533.629	991.829.694	233,0%
Total Exposure	4.057.894	1.535.542.055	
Total as % of NAV	**1,0%**	**360,8%**	**360,8%**

31 December 2018	Net Exposure	Gross Exposure	Gross as % of NAV
	€	€	
Equity securities	79.083.999	825.502.102	194,3%
Contracts for difference	10.937.644	710.145.322	167,2%
Total Exposure	90.021.643	1.535.647.424	
Total as % of NAV	**21,2%**	**361,5%**	**361,5%**

13. REDEEMABLE UNITS OF PARTICIPATION

At inception of the Fund Class A and Class B units of participation were issued, both only in Euro. The (initial) investment required of a Participant in Class A is Euro 25,000. Subsequent subscriptions and redemptions have a minimum size of Euro 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 25,000,000. Subscriptions and redemptions have a minimum size of Euro 1,000.

Class D units of participation were issued as of 4 January 2016. The (initial) investment required of a Participant in Class D is Euro 25,000. Subsequent subscriptions and redemptions have a minimum size of Euro 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 Manager to hold a meeting and can add topics to the agenda.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2019

13. REDEEMABLE UNITS OF PARTICIPATION (continued)

Transactions in units of participation for Class A, Class B and Class D for the year ended 31 December 2019 and 31 December 2018 were as follows:

Class A (EUR)	Number of units of participation 2019	Number of units of participation 2018
Units of participation balance at the beginning of the year	10.281,86	10.466,77
Issue of redeemable units of participation	1.305,49	33,20
Redemption of redeemable units of participation	(9.194,03)	(215,54)
Movement related to equalisation deficit	(0,67)	(2,57)
Units of participation at the end of the year	**2.392,65**	**10.281,86**

Class B (EUR)		
Units of participation balance at the beginning of the year	261.305,63	280.131,86
Issue of redeemable units of participation	64.566,89	349,95
Redemption of redeemable units of participation	(26.169,01)	(18.853,67)
Movement related to equalisation deficit	(95,49)	(322,51)
Units of participation at the end of the year	**299.608,02**	**261.305,63**

Class D (EUR)		
Units of participation balance at the beginning of the year	2.399,91	1.988,11
Issue of redeemable units of participation	986,62	419,80
Redemption of redeemable units of participation	(277,22)	(8,00)
Units of participation at the end of the year	**3.109,31**	**2.399,91**

Capital management

As a result of the ability to issue and redeem units, 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 units beyond those included in the Fund's constitution.

The Fund's objectives for managing capital are:

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

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

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2019

14. RELATED PARTY TRANSACTIONS

Employees of directors and employees of Saemor Capital B.V. held jointly 1,797.1 (31 December 2018: 1,617.2) Units of Participation in Class B of the Fund. Saemor Capital B.V. held 889.06 (31 December 2018: 889.06) Units of Participation Class A and 500 (31 December 2018: 500) Units of Participation Class D in the Fund.

Three investment funds managed by Aegon Investment Management B.V. (AIM B.V.) held 297,806.17 (31 December 2018: 259,683.72) Units of Participation Class B, 99.75 (31 December 2018: 99.75) Units of Participation Class A.

AIM B.V. is a 100% subsidiary of Aegon Asset Management Holding B.V., which is a 100% subsidiary of Aegon N.V. Aegon Asset Management Holding B.V. holds 68% (31 December 2018: 68%) of the shares in Saemor Capital B.V.

The related party transactions were made on terms equivalent to those that prevail in arm's length transactions.

15. PERSONAL INTERESTS OF DIRECTORS

In accordance with article 122 paragraph 2 Bgfo the Fund is required to list the total holdings in securities by the employees of directors in investments, which are also held by the Fund as at 31 December 2019.

As at 31 December 2019 and 31 December 2018 the personal interests of the employees of directors in the Fund and which were also held by the Fund, amounted to:

Stock	Market Value 31 December 2019 €	Market Value 31 December 2018 €
UniCredit	221	168
Saemor Europe Alpha Fund	884.773	971.965
Total Amount (€)	**884.994**	**972.133**

16. DIVIDEND AND ALLOCATION OF RESULT

During the year ended 31 December 2019 and 31 December 2018, the Fund did not pay dividends. The result is included in the net assets attributable to holders of redeemable units of participation.

17. INVESTOR MONEY REGULATIONS

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

18. EU SECURITIES FINANCING TRANSACTIONS REGULATION 2016 ("SFTR")

As at 31 December 2019 and 31 December 2018, additional SFTR disclosures are required for repurchase/reverse repurchase transactions, total return swaps (including contracts for difference), securities borrowing, securities lending and margin lending transactions. For the year ended 31 December 2019, the Fund has not entered into any stock lending transactions and repurchase/reverse repurchase transactions (31 December 2018: Nil).

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2019

18. EU SECURITIES FINANCING TRANSACTIONS REGULATION 2016 ("SFTR") (continued)

The following table details the Fund's exposure (calculated on a net basis) to repurchase/reverse repurchase transactions, total return swaps (including contracts for difference), securities borrowing and margin lending transactions as at 31 December 2019 and 31 December 2018.

31 December 2019	Counterparty country of incorporation	Reverse repurchase transactions	Total return swap (including CFD)*	Securities borrowing	Margin lending transactions
Counterparty		**€**	**€**	**€**	**€**
Morgan Stanley	United Kingdom	-	(24.506.516)	245.635.300	103.354.589
Merrill Lynch	United Kingdom	-	-	248.243.055	67.231.366
Barclays Bank	United Kingdom	-	20.030.784	-	35.015.481
Total		**-**	**(4.475.732)**	**493.878.355**	**205.601.436**
Total as % of NAV		**-**	**-1,1%**	**116,0%**	**48,3%**

31 December 2018	Counterparty country of incorporation	Reverse repurchase transactions	Total return swap (including CFD)*	Securities borrowing	Margin lending transactions
Counterparty		**€**	**€**	**€**	**€**
Morgan Stanley	United Kingdom	-	(39.813.073)	119.736.654	142.819.829
Merrill Lynch	United Kingdom	-	-	251.324.437	47.084.319
Barclays Bank	United Kingdom	-	50.750.717	-	41.248.193
Total		**-**	**10.937.644**	**371.061.091**	**231.152.341**
Total as % of NAV		**-**	**2,6%**	**87,4%**	**54,4%**

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

The following table provides an analysis of the maturity tenor of reverse repurchase transactions, total return swaps (including contracts for difference), securities borrowing and margin lending transactions outstanding as at 31 December 2019:

31 December 2019	Reverse repurchase transactions	Total return swap (including CFD)	Securities borrowing	Margin lending transactions
Maturity tenor	**€**	**€**	**€**	**€**
1 day	-	-	-	-
2 to 7 days	-	-	-	-
8 to 30 days	-	-	-	-
31 to 90 days	-	-	-	-
91 to 365 days	-	-	-	-
more than 365 days	-	-	-	-
open transactions	-	(4.475.732)	493.878.355	205.601.436

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2019

18. EU SECURITIES FINANCING TRANSACTIONS REGULATION 2016 ("SFTR") (continued)

The following table provides an analysis of the maturity tenor of reverse repurchase transactions, total return swaps (including contracts for difference), securities borrowing and margin lending transactions outstanding as at 31 December 2018:

31 December 2018	Reverse repurchase transactions	Total return swap (including CFD)	Securities borrowing	Margin lending transactions
Maturity tenor	**€**	**€**	**€**	**€**
1 day	-	-	-	-
2 to 7 days	-	-	-	-
8 to 30 days	-	-	-	-
31 to 90 days	-	-	-	-
91 to 365 days	-	-	-	-
more than 365 days	-	-	-	-
open transactions	-	10.937.644	371.061.091	231.152.341

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

The Fund had cash collateral received or posted in respect of the daily marking-to-market of outstanding CFD positions. For the year ended 31 December 2019, the amount posted in the initial and variation margin account was €62,536,690 (31 December 2018: €34,956,056).

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

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

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

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

The following table details the value of the re-use of Fund's assets, analysed per counterparty and currency as at 31 December 2019 and 31 December 2018.

Re-use of Fund's asset Counterparty	Country	Currency	Rehypothecation % 31 December 2019
Morgan Stanley	United Kingdom	€	129%
Merrill Lynch	United Kingdom	€	140%
Barclays Bank	United Kingdom	€	-

Re-use of Fund's asset Counterparty	Country	Currency	Rehypothecation % 31 December 2018
Morgan Stanley	United Kingdom	€	78%
Merrill Lynch	United Kingdom	€	121%
Barclays Bank	United Kingdom	€	-

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2019

18. EU SECURITIES FINANCING TRANSACTIONS REGULATION 2016 ("SFTR") (continued)

Security borrowing, total return swaps, margin lending transactions and re-use of Fund's assets (continued)
All returns and costs from margin lending transactions will accrue to the Fund and are not subject to any returns or cost sharing arrangements with the Fund's Manager.

Repurchase/ reverse repurchase transactions
The Fund did not have a Global Master Repurchase Agreements ("GMRA") or Master Repurchase Agreements ("MRA") with its Prime Broker. There were no reverse repurchase transactions in 2019 and 2018. There were no return sharing agreements with the Fund's Manager.

19. SUBSEQUENT EVENTS

During the first quarter of 2020, the world was hit by a pandemic, COVID-19. The Manager has carried out a detailed evaluation of the impact of this crisis on the financial results and position of the Fund as well as on the Fund's operations, resulting in the following findings:

1. The outbreak of COVID19 has had relatively little impact on the operations of the Manager. The Business Continuity Plan was activated. All staff started working from home with no disruptions in daily work procedures.

2. Counterparties and service providers (Prime brokers, Depositary, Administrator) have been contacted regarding their Business Continuity Plans. Business Continuity Plans were working well, where all operational processes have been running smoothly up to the time of this report.

3. The Fund is running limited liquidity risk as the vast majority of the Fund's investments in listed European equities offer sufficient market liquidity to service possible client redemptions. If there would be a liquidity issue, the Fund's prospectus allows for the activation of a gating clause.

4. The Fund's credit risk is monitored and mitigated by having a multiple prime broker set up, working with reputable counterparties (Morgan Stanley, Bank of America, Barclays). Their credit ratings have not changed since the beginning of the crisis.

The Manager concluded that up to the date of this report, the impact of the Covid-19 crisis on the operations of the Fund has been limited. The volatility of equity markets as seen in March 2020 had its impact though on the investment performance. In March volatility surged, as severe risk aversion and flight to safety was exacerbated by de-leveraging and liquidation of assets. This has acted as a catalyst to expose many extremes, which did not bode well for the Fund, which recorded a performance of -14.2% (Class B) in March; April was up 2.85% again.

Saemor will continue to monitor the situation around COVID-19 and take action where necessary. As the outbreak of the virus may cause further uncertainty with a potential negative impact on the performance and volatility of the equity market, and therefore on the performance of the Fund, the Manager will monitor the related risks as described above closely. Although, as described above, it is currently not possible to estimate and/or quantify the future effects of the Coronavirus outbreak, the Manager believes that, to their best knowledge and the assessment made, there is no material uncertainty with regard to the going concern assumption used in preparing the financial statements of the Fund.

There are no other subsequent events impacting the Fund subsequent to 31 December 2019 up to the date of approval of these financial statements.

20. APPROVAL OF THE FINANCIAL STATEMENTS

Approved on behalf of the Manager:

Director Saemor Capital B.V

Date: 8 May 2020

OTHER NOTES

For the year ended 31 December 2019

1. VOTING POLICY

The Fund did not pursue an active voting policy.

2. APPROVAL OF THE FINANCIAL STATEMENTS

The Manager approved the financial statements on 8 May 2020

To the Board of Directors of Saemor Capital B.V. as Manager of Saemor Europe Alpha Fund

Independent auditor's report

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

Report on the financial statements 2019

Our opinion

In our opinion, the financial statements of Saemor Europe Alpha Fund ('the Fund') give a true and fair view of the financial position of the Fund as at 31 December 2019, and of its result and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union (EU-IFRS) and with Part 9 of Book 2 of the Dutch Civil Code.

What we have audited

We have audited the accompanying financial statements 2019 of Saemor Europe Alpha Fund, The Hague.

The financial statements comprise:

- the statement of financial position as at 31 December 2019;
- the following statements for 2019: the statements of comprehensive income, changes in net assets attributable to holders of redeemable units of participation and cash flows; and
- the notes, comprising the significant accounting policies and other explanatory information.

The financial reporting framework applied in the preparation of the financial statements is EU-IFRS and the relevant provisions of Part 9 of Book 2 of the Dutch Civil Code.

The basis for our opinion

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

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

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Independence

We are independent of Saemor Europe Alpha Fund in accordance with the 'Wet toezicht accountants-organisaties' (Wta, Audit firms supervision act), the 'Verordening inzake de onafhankelijkheid van accountants bij assuranceopdrachten' (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence requirements in the Netherlands. Furthermore, we have complied with the 'Verordening gedrags- en beroepsregels accountants' (VGBA, Dutch Code of Ethics).

Emphasis of Matter related to the uncertainty related to the effects of the COVID-19 virus

We draw attention to Note 19 in the financial statements in which the manager has described the possible impact and consequences of the COVID-19 (orona) virus on the Fund and the environment in which the Fund operates as well as the measures taken and planned to deal with these events or circumstances. This note also indicates that uncertainties remain and that currently it is not reasonably possible to estimate the future impact. Our opinion is not modified in respect of this matter.

Report on the other information included in the annual report

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

- the fund information;
- the fund profile;
- the summary of financial information;
- the manager's report; and
- the other information pursuant to Part 9 of Book 2 of the Dutch Civil Code.

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

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

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

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

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

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Responsibilities for the financial statements and the audit

Responsibilities of the manager

The manager is responsible for:

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

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

Our responsibilities for the audit of the financial statements

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

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

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

Rotterdam, 8 May 2020
PricewaterhouseCoopers Accountants N.V.

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

Appendix to our auditor's report on the financial statements 2019 of Saemor Europe Alpha Fund

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

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

We have exercised professional judgement and have maintained professional scepticism throughout the audit in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our audit consisted, among other things, of the following:

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

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