Saemor Europe Alpha Fund

AUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED
31 DECEMBER 2014

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FUND INFORMATION

REGISTERED OFFICE	WTC Tower E 7th Floor Prinses Margrietplantsoen 44 2595 BR The Hague The Netherlands www.saemor.com
INVESTMENT MANAGER	Saemor Capital B.V. WTC Tower E 7th Floor Prinses Margrietplantsoen 44 2595 BR The Hague The Netherlands
DEPOSITARY	Citibank International Ltd Netherlands branch Schiphol Boulevard 257 1118 BH Schiphol The Netherlands
TITLE HOLDER	Stichting Saemor Europe Alpha Fund c/o: SGG Custody B.V. Claude Debussylaan 24 1082 MD Amsterdam The Netherlands
FUND ADMINISTRATOR	Citibank Europe plc 1 North Wall Quay Dublin 1 Ireland
PRIME BROKERS	Morgan Stanley 25 Cabot Square Canary Wharf London, E14 4QA United Kingdom UBS AG 1 Finsbury Avenue London EC2M 2PP United Kingdom Merrill Lynch International 2 King Edward Street London EC1A 1HQ United Kingdom
LEGAL ADVISOR	De Brauw Blackstone Westbroek N.V. Claude Debussylaan 80 1082 MD Amsterdam The Netherlands
COMPLIANCE	CLCS B.V. Keizersgracht 433 1017 DJ Amsterdam The Netherlands
INDEPENDENT AUDITOR	PricewaterhouseCoopers Accountants N.V. Fascinatio Boulevard 350 3065 WB Rotterdam 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 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 is available on www.saemor.com.

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

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

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

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

Depositary
Under the Alternative Investment Fund Manager Directive (AIFMD), effective as of 22 July 2014, the Fund appointed Citibank International Ltd Netherlands branch as Depositary of the Fund.

Effective 22 July 2014, the Stichting Bewaarder Saemor Europe Alpha Fund has been renamed into Stichting Saemor Europe Alpha Fund, reflecting its changing role into being a legal owner of the assets of the Fund.

The manager of the "Stichting" is SGG Custody B.V.

Administrator and Prime Brokers
The Fund is administered by Citibank Europe plc. The Prime Brokers of the Fund are Morgan Stanley, London, Merrill Lynch International, London and UBS AG, London, United Kingdom.

SUMMARY FINANCIAL INFORMATION

	2014	2013	2012	2011	2010
Class A (€ '000)	1,385	471	10	24	91
Class B (€ '000)	190,879	67,532	39,394	112,581	49,131
Income	**192,264**	**68,003**	**39,404**	**112,605**	**49,222**
Class A (€ '000)	(447)	(286)	(10)	(27)	(42)
Class B (€ '000)	(61,597)	(41,031)	(40,572)	(33,129)	(22,794)
Expenses and withholding taxes	**(62,044)**	**(41,317)**	**(40,582)**	**(33,156)**	**(22,836)**
Class A (€ '000)	938	185	-	(3)	49
Class B (€ '000)	129,282	26,501	(1,178)	79,452	26,337
Increase/(decrease)	**130,220**	**26,686**	**(1,178)**	**79,449**	**26,386**
Net assets (€ '000)	608,112	477,456	447,521	524,547	446,808
Number of units of participation					
Class A	2,993.50	2,826.21	99.75	99.75	856.60
Class B	434,423.60	434,247.57	434,083.97	510,653.55	511,737.83
Net asset value per unit of participation					
Class A (in €)	1,463.47	1,169.53	1,112.15	1,112.26	968.03
Class B (in €)	1,389.73	1,091.89	1,030.70	1,026.99	871.50
Performance					
Class A (in %)	25.1	5.2	0.0	14.9	5.6
Class B (in %)	27.3	5.9	0.4	17.8	6.1
Ongoing Charges Figure (in %)*					
Class A (in %)	1.62	1.59	1.58	1.57	1.74
Ongoing Charges Figure (in %)*					
Class B (in %)	1.12	1.09	1.08	1.07	1.11

*Figures for 2010 are based on Total Expense Ratios

INVESTMENT MANAGER'S REPORT

For the year ended 31 December 2014

1. Performance

The Saemor Europe Alpha Fund recorded its best year since inception. In 2014 the Fund realized a return of more than 25% (share class A 25.1%, share class B 27.3%). Ten out of twelve months showed positive performance.

Fund Performance

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	2014
Class B	2.8	3.5	0.2	-3.6	-0.1	6.5	2.3	2.1	3.8	2.7	1.2	3.3	**27.3**
Class A	2.6	3.3	0.1	-3.4	-0.1	6.1	2.2	1.9	3.5	2.5	1.2	3.1	**25.1**

Source: Citibank Europe plc.

The Fund strongly outperformed its Equity Market Neutral peer group, according to a composite of widely-followed industry indices. This composite posted mediocre returns of 2.3% (see table). Within this group, factor-driven approaches benefited from the improved stock-picking environment, as well as an increased focus on style factors by investors. In 2014 all core hedge fund strategies delivered positive returns. Hedge funds gained 2.1% for the year, which was the lowest performance since 2011. Managed futures and CTAs posted the strongest gains as heightened geopolitical risks, US dollar appreciation and plunging oil prices created a fertile environment for macro managers focused on trend following. Long/Short Equity strategies recorded a return of 3.3%, lagging long-only equities.

Equity Market Neutral Hedge Fund Composite

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	2014
Index	0.6	0.5	0.1	-0.1	-0.6	0.5	-0.2	0.5	0.1	0.6	0.4	-0.1	**2.3**

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

2. Market Review

General

European equities saw modest gains in 2014, with the MSCI Europe rising 4.7% in local currency. This marked the third consecutive year of rising equity markets. European equities lagged US (+12.7%) and Japanese (+9.5%) equity markets. The euro depreciated considerably throughout the year, declining from 1.38 US dollar to 1.21. The stronger US dollar was fuelled by talk of quantitative easing in Europe and a strong US economy where rising interest rates were on the agenda at the end of the year. The Japanese yen weakened versus the dollar in the latter part of the year as massive quantitative easing in Japan that started at the end of 2012 continued. The oil price fell almost 50% for the year. The entire decline came in the second half of the year as global economic growth stalled, while investments in US shale production caused an oversupply. When OPEC failed to reach an agreement on production cuts, the oil price went into a free-fall for the last two months of the year, ending at 57 USD per barrel. For the most part of the first half of the year, the Brent oil price had steadily traded above 100 USD. Other commodities were under pressure as well, with gold being the main exception, ending the year more or less flat around 1,200 USD per troy ounce. The VIX index closed the year at a level of 19%, slightly up from lower levels for most of the year, seeing earlier spikes in January and October when markets saw substantial pullbacks. The Vstoxx index rose from 17% to 26%, solely due to a spike in volatility in December.

European Equity Market Returns

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	**2014**
MSCI Europe	-2.2	4.8	-0.7	1.8	2.2	-0.9	-1.8	1.8	-0.2	-1.6	3.7	-2.1	**4.7**

Note: The MSCI Europe Index (Net Return, Local) measures market performance in developed European markets, including both price performance and income from dividend payments.
Source: Bloomberg

Market Developments

The trend of stronger economic growth in the US, UK and central Europe seen in 2013 continued in 2014, while emerging markets continued their struggles. This trend was best illustrated by the drop in oil and other commodity prices on the back of lackluster demand from the BRIC countries. Unemployment rates in the US dropped throughout the year and European economies where helped by interest rates reaching historically low levels.

The year 2014 started with Latvia joining the Eurozone and the US confirming Janet Yellen to become the next head of the Federal Reserve, starting February 1st. As the US avoided another embarrassing government lockdown with a bipartisan bill to cover the budget till September, the World Bank and IMF upgraded their expectations for the global economic growth in January.

With the winter Olympics in Sochi about to start, tensions in Ukraine rose, with a stand-off between pro-Western protesters and the pro-Russian president Victor Yanukovych. Markets pulled back in the last week of January and investors sold high risk stocks and companies exposed to Russia. Meanwhile the US scaled back its monthly bond purchases, further reducing risk appetite in the market. In Italy, Enrico Letta resigned as Prime Minister and was replaced by the more technocratic Matteo Renzi, the youngest Italian ever to take the job.

In March, the US announced it would probably start raising interest rates in six months time, after stopping its asset repurchase program. Markets dropped again as tensions in Ukraine saw a new dimension to them, with the new pro-Western government trying to handle a pro-Russian separatist movement in the Crimean peninsula. On March 21st, the Russian government annexed Crimea, resulting in heavy protests from Europe and the US, which in turn imposed sanctions on Russia. As it became clear that no short term resolution to the problem would be reached, but the situation also did not escalate further, equity markets rose into the summer months. Greece returned to the bond markets on April 10th, after 4 years, selling 3 billion euro of 5 year bonds yielding 4.75%.

While growth prospects were being upgraded across the North Atlantic, global growth slowed down further. Chinese industrial production growth came in at 8.7% in April, the lowest level in 5 years and the OECD lowered its global growth projection by 0.2% to 3.4%, urging the ECB to lower rates to fight deflation. Inflation expectations fell further throughout the summer, prompting the ECB to introduce negative interest rates.

With the Ukraine situation not being solved and pro-Russian rebels in the east gaining terrain and Russia cutting off gas, a new destabilizing force started to gain traction in the summer. The Islamic State (ISIS) took large parts of Northern Iraq and Syria. On August 8th the US authorized air strikes against ISIS and many European and Middle Eastern allies followed suit. Meanwhile, the oil price started a prolonged decline, partially driven by new shale supply from the US, but also continued high production by the Saudis to prevent ISIS selling illegal oil at high prices to fund its operations.

Markets took quite a hit in October, when German exports registered their biggest monthly drop in 5 years. Slower growth, a continued decline in oil prices and deflation further reinforced the search for quality as health care stocks did very well in both the up market and the down market.

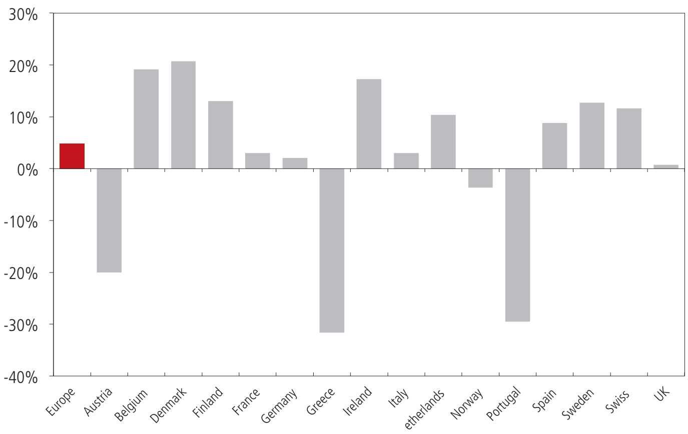
More asset purchases and talk about QE in Europe, and a slightly more modest outlook for interest rates in the US (the Fed did stop its bond purchase program which started back in 2008) were enough to turn investors bullish again. Equity markets rebounded strongly in November. Unemployment in the US came down further and lower oil and gasoline prices boosted consumer sentiment and GDP forecasts for 2015.

Just before the year ended, with the Ukraine conflict still not resolved and sanctions on Russia increasing to a point where the Ruble devaluated to record lows, European markets saw another sell-off, this time with Greece re-entering the picture. New elections gave rise to more anti-European parties and a possible bankruptcy and or exit from the euro became likely scenarios once more. European markets ended slightly up for the year, but at elevated levels of implied volatility.

Countries, Sectors & Risk Factors

Equity markets in most countries were up for the year, with Austria (-20%), Portugal (-30%) and Greece (-32%) being the standout exceptions on the downside. Investors clearly had a preference for quality and shunned the most indebted countries in Europe. Norway was also down slightly for the year as the country's economy is tightly linked to the oil price. Smaller countries such as Denmark (+21%), Belgium (+19%) and Ireland (+16%) led in 2014, while all major countries UK, Germany, France and Italy were up modestly. Switzerland, the best proxy for quality with a large tilt towards health care, gained almost 12% for the year.

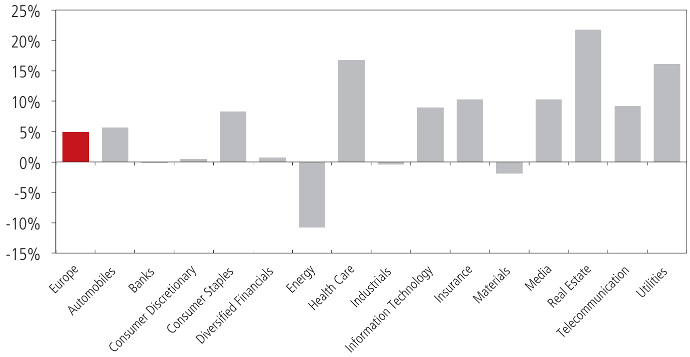
European Equity Markets, 2014 Performances by country



Note: These MSCI Europe country indices (Net Return, Local) are free float-adjusted market capitalization weighted.

Real Estate (+20%) was the best performing sector in Europe in 2014. Health Care (+17%) and Utilities (+16%) came in second and third highlighting an investor preference for more defensive sectors. Health Care benefitted from a weakening euro and M&A activity from the US, where tax benefits (so called tax inversion deals, where taking over a smaller European firm and moving domicile has material tax benefits) drove appetite for mid-cap European pharmaceutical companies. Energy (-11%), Materials (-2%) and Industrial (-1%) were down for the year, mostly as a result of weaker spending in China and declining commodity prices.

European Equity Markets, 2014 Performances by sector



Note: These MSCI Europe sector indices (Net Return, Local) are free float-adjusted market capitalization weighted.

3. Investment Policy

Our core stock selection model is based on a dynamic multi-factor quantitative model ("Saemor Quadrant model"), which ranks and generates implicit return forecasts for each stock in our universe. Our portfolio is constructed and rebalanced based on these ranks on an ongoing basis.

Saemor Quadrant Model

The Quadrant model uses a wide variety of predictive factors, divided into four distinct segments: Valuation, Momentum, Profitability & Growth and Quality. We then sub-divide these quadrants into clusters, which in turn are composites of factor families. For Valuation, for example, we look at Defensive Value (e.g. P/E, dividend yield), Cyclical Value (e.g. P/B, P/S) and Fair Value (e.g. intrinsic value) measures.

Style Timing

We started the year with a slight tilt to value, high risk and small caps, anticipating the traditional January effect. This worked well for us, despite equity markets coming off at the end of January. Nearing the end of February we moved back to a more pro-quality stance, in line with a slow-down scenario in European economies. Geo-political risk and weaker global growth further underpinned our preference for quality and profitability. We also increased our weightings in earnings momentum at the expense of cyclical value, with earnings momentum expected to do well in both a slowdown and a stable growth scenario.

The tilt towards quality and earnings momentum guided us towards Health Care stocks and away from Banks and exporters to emerging markets for most of the year. The earnings momentum picture remained largely unchanged throughout the year with the same type of companies beating and missing expectations each quarter. In the latter part of the year, our shorts in emerging market exposed stocks and oil-related names increased further as profitability and earnings momentum continued to deteriorate.

The only period when our model failed to deliver in 2014 was in April, when momentum stocks sold off and investors sought higher Beta and deep value names, style characteristics we avoided from February onwards.

We increased our tactical positioning towards quality, profitability and earnings momentum twice more in 2014, as those styles gained momentum, overall earnings revisions remained negative and economic growth softened. With the exception of cyclical value, the portfolio exposures towards our factor clusters were very high from February to December. Earnings momentum turned out to be the best performing style by far in 2014, followed by Defensive Value and Profitability & Growth. These three factor clusters are essentially the most important building blocks of our investment process. Stocks ranking well on a combination of these factors did even better, which was one of the reasons the fund performed so well in 2014.

At the end of the year, in mid December, we closed our pro-quality stance in favor of cyclical value, high risk and small cap, once again positioning ourselves for the January effect but also after a very strong two year run of quality and earnings momentum factors. Moreover, macro momentum had been rather resilient during the last two months of the year, mostly driven by the US, UK and Northern Europe. Leading indicators like the IFO edged up cautiously, indicating that economic growth in the euro-area was picking up again. Our tactical style positioning at the end of the year was more neutral than it had been for most of 2014.

The long and short of it
We made money on both the long and the short side of the portfolio, with most gains coming from the long book in sectors such as health care, industrials and consumer discretionary. On the short side, most gains were made in industrials and energy, both sectors where emerging market stocks and commodity related names performed poorly. The long book strongly outperformed the market. Stocks in the short book declined, thus contributing to the overall performance.

The top 10 contributors on a stock level were evenly split amongst longs and shorts. Higher quality names with earnings upgrades dominated the top performing longs: Pandora, Actelion, Ryanair, Yara and Shire all added between one and two percent to the overall performance. So did Drax, Serco, ASOS, Tullow Oil and Lanxess on the short side. The shorts were generally lower quality, expensive names that saw substantial earnings downgrades throughout the year. Positions that did not deliver were BHP Billiton and UCB.

The portfolio volatility as measured by a short term statistical risk model stood at 6.5% per December 31st (2013: 6.6%). The ex-post volatility based on 3 year daily NAVs ended the year at 9.3%, this is well within the guideline described in the Prospectus. At the end of December gross and net leverage stood at respectively 357% and 22%. The gross and net leverage averaged 360% and 8% over 2014, all well within the limits set out in the Prospectus.

4. Outlook
Going into 2015 we are reasonably bullish on Europe and see the strength of the North Atlantic economies driving markets higher. Earnings estimates in Europe currently do not fully reflect the stimulatory impact of the fall in the oil price and the lower euro. The equity risk premium is still very high in Europe. Equities remain cheap compared to bond markets, while excess liquidity from the ECB is supportive for risky assets. Most European companies have a free cash flow yield above their respective corporate bond yield, supporting buybacks and dividend pay-outs. We also see some worrying signals for global equities emerging. Global leading indicators and earnings revisions have recently come under pressure, with the US numbers being especially weak. The strong dollar and weak oil have been important contributory factors, while US labour seems to be gaining some pricing power. If global growth slows down, it will impact Europe with a lag.

2015 promises to be a year of increased volatility. Economic growth in the US and Northern Europe is set to remain relatively strong, whereas the BRICs and parts of Southern Europe are seeing (further) deterioration. The lower oil price should support consumer related sectors. Automobiles, Health Care and IT will continue to see some benefits.

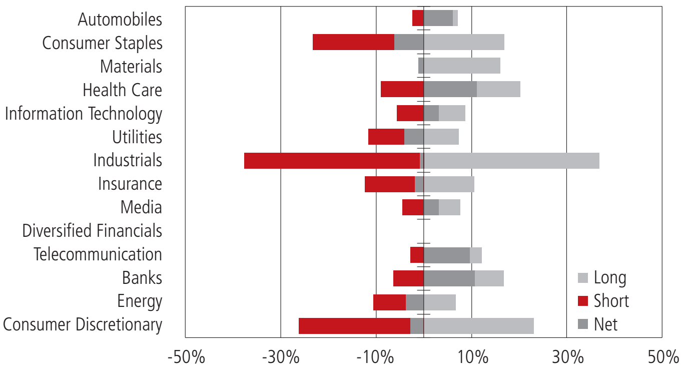
Currencies should once again be in the spotlight this year as central banks try to outdo one another with quantitative easing. The decline in the Japanese yen has been a good example of this, and a further weakening of the euro versus the dollar might prompt action from the US. The proposed interest rate increases might be postponed. At the start of 2015, the Swiss National Bank removed the Swiss franc peg to the euro. Other currency pegs as in China and Denmark could also come under pressure as global imbalances mount. The Russian ruble has been hit by the lower oil price as well as western sanctions.

Greece currently seems to cause the most uncertainty. The country is obviously bankrupt. A Greek default would result in another hit to a number of European banks' assets and a widening of spreads of higher risk countries. Fortunately, the banking system in Europe is stronger than it was three or four years ago.

Chinese growth is most likely to slow down further as the first signs of a real estate contraction are rearing their head. The weakness in the oil price and other commodities are not only a supply side phenomenon, but also a sign that construction spending and general economic growth in China are running out of steam.

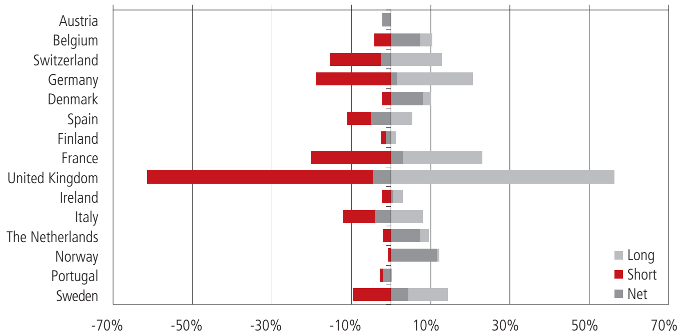
Sector positioning
Sectors in which the fund holds net long positions have a large tilt towards earnings momentum and quality factors. Health Care, Media, Telecom and Automobiles have seen a lot of upgrades over the recent months and are net long positions in the portfolio. Banks are also a net long at the beginning of the year, as a result of an improving earnings picture. The recent tactical overweight of risk and cyclical value in our models also helped the stock ranks of banking stocks. It has been a very long time since Banks have been so prominently overweighted in the portfolio, suggesting that low interest rates, decreasing high yield spreads and a stronger economy are finally finding their way to the bottom line for these companies. On the short side we continue to see Energy, Utilities, Materials and Consumer Staples, all sectors more exposed to emerging markets and/or commodity prices. Insurance is now also an underweight, for the first time in many years, the opposite of Banks.

Sector positions (31-12-2014)



Country positioning
Entering 2015, the Saemor Europe Alpha Fund is long in most countries, especially in Denmark, Belgium, France, The Netherlands, Norway and Sweden, showing a clear preference for Northern European countries. The most shorted countries were the UK, Switzerland and Italy where no clear pattern can be distinguished other than a preference for being long in stocks related to a weak euro and short in other currencies and domestically-oriented Italy.

Country positions (31-12-2014)



Style positioning
We moved towards a more neutral style positioning at the end of 2014, by overweighting cyclical value and small caps in our model at the expense of low risk, profitability and momentum. High quality and earnings momentum have done so well for two years now that we have become more cautious on those styles, which combines well with the traditional January effect. Our models still point towards a slowdown or even a recession scenario in Europe and both global growth and geo-political risk should make quality more attractive. As a result, we have chosen not to become too overweighted in cyclical value and high risk. As the full year earnings and 2015 outlooks come in, we will make up our minds about becoming more pro-risk or moving back to what has worked well for us two years running.

Risk positioning
Our target volatility remains between 8 and 10 percent. The Fund is run with low (Beta-adjusted) net exposure and is predominantly market-neutral over time. Net sector weights are typically below 6% but may be larger if the sector volatility is limited. Individual stock positions are initiated at maximally 3 percent of NAV and are sliced down as soon as they grow naturally above 3.5 percent.

Quant models
We continuously look to improve our investment process. On an annual basis we adjust our factor weights to reflect one more year of market data. Additionally we will include some new thoughts and findings with regards to factor performance, the grouping and clustering of factors and sector specific data. For 2015 our focus will be on optimizing weight limits for individual stocks, sectors and countries as well as a better understanding of optimal rebalancing and turnover schemes. Style timing will also be an ongoing field of research for us.

5. Risk Management

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

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

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

Exposures to markets, currencies or countries are described in Paragraph 10 of the Notes to the financial statements. The most important risks are described below; a more extensive list of risks is described in the Prospectus.

Risks

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

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

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

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

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

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

Derivatives
The Fund may utilise investment instruments such as exchange-traded futures, OTC options and other derivative contracts. Depending on the type of instrument, a relatively small movement in the price of a contract may result in a profit or loss that is high in proportion to the amounts of the funds actually placed as initial margin or premium paid. Because OTC transactions are not executed via an exchange, pricing may be less transparent. Additionally, OTC transactions may involve counterparty risk with respect to the unrealised profit value within the contract. 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 to a receivable, no specific collateral for that purpose is to be received but it will increase the equity part in the margin calculation.

6. Other information

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

We have assessed several aspects of operational management throughout the past financial year. We have noticed nothing in our assessments that would lead us to conclude that the description of the structural aspects of operational management within the meaning of article 121 of the Bgfo failed to meet the requirements as specified in the Wft and related regulations. Based on these findings we, as Investment Manager of the Fund, declare that we possess a statement of operational management as defined by article 121 of the Bgfo, which meets the requirements of the Bgfo.

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

AIFMD
The primary stated aim of the Alternative Investment Fund Managers Directive (AIFMD) is to increase investor protection. The Fund appointed Citibank International Limited Netherlands branch as Depository.

Saemor Capital B.V. has been granted the license to manage investment funds (as meant in Article 2:65, first paragraph, sub a, Wet op het Financieel Toezicht (WFT)). The license has automatically been converted into an AIFMD license as of 22 July 2014.

Saemor Capital B.V reviewed the existing documentations and has formalized the independent risk function. Saemor Capital B.V. complies with AIFMD, including the solvability and liquidity requirements.

Personnel
Saemor Capital B.V. has defined a remuneration policy, which among other things includes provisions on the deferral of at least 40% of the variable pay to key risk takers. The directors of Saemor Capital B.V. discuss the proposed budgeted amount for variable pay with the shareholders of Saemor Capital B.V.; 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 director, key risk taker or other employee is dependent on 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.

As of 2015, Saemor Capital B.V. will apply the AIFMD remuneration rules in relation to the publication of variable remuneration. This is in line with the ESMA Guidelines for AIFMD compliant remuneration policy (ESMA/2013/232) and the related Questions & Answers (ESMA/2014/163). According to the ESMA guidance, the AIFMD rules on variable remuneration should be applied to the first full performance period after the AIFM becomes authorized. Saemor Capital B.V. is authorized as an AIFM as of 22 July 2014. Therefore the AIFMD rules on variable remuneration will be applied for the 2015 accounting period. Other AIFMD rules apply as of 22 July 2014.

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

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

The Hague, 24 April 2015

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

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

STATEMENT OF FINANCIAL POSITION

As at 31 December 2014

	Note	2014 €	2013 €
Assets			
Financial assets at fair value through profit or loss	3	719,280,106	564,169,619
Amounts due from brokers	6	16,996,562	71,407,174
Dividends receivable		737,320	824,585
Interest receivable		184,919	-
Other assets and prepaid expenses		41,183	-
Margin accounts	5	415,756,098	340,929,860
Cash and cash equivalents	4	70,881,474	95,748,121
Total assets		**1,223,877,662**	**1,073,079,359**
Liabilities			
Financial liabilities at fair value through profit or loss	3	539,974,726	473,306,968
Amounts due to brokers	6	50,660,937	116,383,809
Dividends payable		586,959	166,651
Management fee payable	7	573,245	424,580
Performance fee payable	7	23,036,646	4,707,708
Interest payable		661,976	532,884
Equalisation credit payable	7	16,633	21,980
Accrued expenses	8	254,135	78,861
Total liabilities (excluding net assets attributable to holders of redeemable units of participation)		**615,765,257**	**595,623,441**
Net assets attributable to holders of redeemable units of participation		**608,112,405**	**477,455,918**

Net asset value per unit of participation

Class A	**2014**	**2013**	**2012**
Number of units of participation (note 13)	2,993.50	2,826.21	99.75
Net asset value per unit of participation	€1,463.47	€1,169.53	€1,112.15
Class B	**2014**	**2013**	**2012**
Number of units of participation (note 13)	434,423.60	434,247.57	434,083.97
Net asset value per unit of participation	€1,389.73	€1,091.89	€1,030.70
Total Net Asset Value	**€608,112,405**	**€477,455,918**	**€477,521,281**

See notes to the financial statements

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2014

	Note	2014	2013
		€	€
Income			
Interest income	9	273,140	129,303
Gross dividend income	10	26,375,617	30,968,055
Net gain on financial assets and liabilities at fair value through profit or loss	3	162,972,288	36,148,784
Net foreign exchange gain - cash and cash equivalent	3	2,643,219	754,833
Other income		-	1,548
Total income		**192,264,264**	**68,002,523**
Expenses			
Performance fee	7	(23,042,815)	(4,708,260)
Interest expense	8	(7,429,281)	(7,007,232)
Management fee	7	(5,495,908)	(4,587,280)
Dividend expense on securities sold short	10	(21,810,793)	(22,889,347)
Administration fee	7	(315,722)	(275,379)
Legal fees	7	(45,000)	(20,000)
Costs of supervision	7	(64,999)	(63,000)
Other expenses	7	(51,460)	(32,013)
Trustee's fee	7	(45,000)	(41,100)
Audit fees	7	(23,000)	(18,000)
Depositary fee	7	(155,468)	-
Total operating expenses		**(58,479,446)**	**(39,641,611)**
Profit before tax		**133,784,818**	**28,360,912**
Withholding taxes		(3,564,756)	(1,675,651)
Increase attributable to holders of redeemable unit of participation		**130,220,062**	**26,685,261**

See notes to the financial statements

STATEMENT OF CASH FLOWS

For the year ended 31 December 2014

	Note	2014 €	2013 €
Cash flows from operating activities			
Increase attributable to holders of redeemable units of participation		130,220,062	26,685,261
Adjust for net foreign exchange loss - cash and cash equivalent		(2,643,219)	(754,833)
Adjustment for interest income		(273,140)	(129,303)
Adjustment for dividend income		(26,375,617)	(30,968,055)
Adjustment for interest expenses		7,429,281	7,007,232
Adjustment for dividend expenses		21,810,793	22,889,347
Adjustments to reconcile net increase attributable to holders of redeemable units of participation to net cash provided/(used in) by operating activities:			
(Increase)/decrease in financial assets at fair value through profit or loss		(155,110,487)	61,444,384
Increase in financial liabilities at fair value though profit or loss		66,667,758	5,204,699
Increase in margin cash		(74,826,238)	(157,809,020)
Increase in management fee payable		148,665	44,924
Increase in performance fee payable		18,328,938	4,423,817
(Decrease)/increase in amounts due to brokers		(65,722,872)	81,634,962
Decrease/(increase) in amounts due from brokers		54,410,612	(56,293,928)
Increase in accrued expenses		175,274	9,057
(Increase) in other assets and prepaid expenses		(41,183)	-
(Decrease)/increase in equalisation credit payable		(5,347)	21,980
Cash provided by/(used in) operating activities		**(25,806,720)**	**(36,589,476)**
Interest received		88,221	129,303
Dividend received		26,462,882	30,943,513
Interest paid		(7,300,189)	(7,146,491)
Dividend paid		(21,390,485)	(23,037,395)
Net Cash provided by/(used in) operating activities		**(27,946,291)**	**(35,700,546)**
Cash flows from financing activities			
Proceeds from issue of redeemable units of participation		536,260	3,459,451
Payments from redemptions of redeemable units of participation		(105,182)	(202,722)
Cash flow related to equalisation credit/deficit previous year		5,347	(7,353)
Net cash flow provided by financing activities		**436,425**	**3,249,376**
Net decrease in cash and cash equivalents		(27,509,866)	(32,451,170)
Net foreign exchange loss - cash and cash equivalents		2,643,219	754,833
Cash and cash equivalents at the beginning of the year		95,748,121	127,444,458
Cash and cash equivalents at the end of the year	**4**	**70,881,474**	**95,748,121**

See notes to the financial statements

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

For the year ended 31 December 2014

31 December 2014	Note	Number of shares	2014
			€
Balance at the beginning of the year		**437,074**	**477,455,918**
Increase attributable to holders of redeemable units of participation resulting from operations for the year		-	130,220,062
Issue of redeemable units of participation during the year	13	407	536,260
Payments from redeemable units of participation during the year	13	(83)	(105,182)
Movement related to equalisation surplus	13	19	5,347
Net assets attributable to holders of redeemable units of participation at the end of the year		**437,417**	**608,112,405**

31 December 2013	Note	Number of shares	2013
			€
Balance at the beginning of the year		**434,184**	**447,521,281**
Increase attributable to holders of redeemable units of participation resulting from operations for the year		-	26,685,261
Issue of redeemable units of participation during the year	13	3,221	3,459,451
Payments from redeemable units of participation during the year	13	(324)	(202,722)
Redemption related to equalisation deficit previous year	13	(7)	(7,353)
Net assets attributable to holders of redeemable units of participation at the end of the year		**437,074**	**477,455,918**

See notes to the financial statements

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2014

1. FUND INFORMATION

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

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

The Fund is a Fund for Joint Account, which means that there is a contractual obligation among the Investment Manager, the Title Holder and the Participant. The Investment Manager was granted the license to manage investment funds under the Financial Supervision Act (Wft) as of 9 December 2010. As of 29 July 2011, the Fund has been registered under this license at The Netherlands Authority for the Financial Markets (AFM). Granted license (non-UCITS) to managers, was automatically transferred into an AIFM license as of 22 July 2014. Under AIFMD the Fund appointed Citibank International Ltd Netherlands branch as Depositary to be an independent custodian responsible for safekeeping of the Fund's assets. Due to the appointment of the Depositary, the role of Stichting Saemor Europe Alpha Fund has been limited into only being a legal owner of the assets of the Fund. As of 22 July 2014 the name of Stichting Bewaarder Saemor Europe Alpha Fund has been changed into Stichting Pelargos Saemor Europe Alpha Fund.

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

Since its incorporation and until 31 December 2014, the Saemor Europe Alpha Fund appointed Citibank Europe plc as Administrator. The Administrator provides fund administration and transfer agency services to the Fund. Citibank Europe plc is based in Ireland and adheres to Irish AML rules and regulations.

2. PRINCIPAL ACCOUNTING POLICIES

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

(b) Basis of preparation
The financial statements have been prepared on a historical cost basis, except for financial instruments classified at fair value through profit or loss which have been measured at fair value.

The financial statements are presented in Euro.

The preparation of financial statements in accordance 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. Management believes that the estimates utilised in preparing its financial statements are reasonable and prudent. Actual results could differ from these estimates.

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

New standards, amendments and interpretations to existing standards which are relevant to the Fund and not yet effective

IFRS 9 Financial Instruments: Classification and Measurement
The complete version of IFRS 9 replaces most of the guidance in IAS 39. IFRS 9 retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets: amortised cost, fair value through Other Comprehensive Income (OCI) and fair value through P&L. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. Investments in equity instruments are required to be measured at fair value through profit or loss with the irrevocable option at inception to present changes in fair value in OCI. There is now a new expected credit losses model that replaces the incurred loss impairment model used in IAS 39. For financial liabilities there were no changes to classification and measurement except for the recognition of changes in own credit risk in other comprehensive income, for liabilities designated at fair value, through profit or loss. IFRS 9 relaxes the requirements for hedge effectiveness by replacing the bright line hedge effectiveness tests. It requires an economic relationship between the hedged item and hedging instrument and for the 'hedged ratio' to be the same as the one management actually use for risk management purposes.

Contemporaneous documentation is still required but is different to that currently prepared under IAS 39. IFRS 9 is applicable for periods beginning on or after 1 January 2018 with earlier application permitted. The Fund will assess the impact on the financial statements by then.

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 January 2014, and have not been applied in preparing these financial statements. None of these are expected to have a material effect on the financial statements of the Fund.

New standards, amendments and interpretations to existing standards effective after 1 January 2014

Amendment to IAS 36, 'Impairment of assets' on recoverable amount disclosures
This amendment addresses the disclosure of information about the recoverable amount of impaired assets if that amount is based on fair value less costs of disposal. This amendment has no material impact on the Fund.

Amendment to IAS 39, 'Financial instruments: recognition and measurement' on novation of derivatives
This amendment provides relief from discontinuing hedge accounting when novation of a hedging instrument to a central counterparty meets specified criteria. This amendment will not have a material impact on the Fund.

IFRIC 21, 'Levies'
This is an interpretation of IAS 37, 'Provisions, contingent liabilities and contingent assets'. IAS 37 sets out criteria for the recognition of a liability, one of which is the requirement for the entity to have a present obligation as a result of a past event (known as an obligating event). The interpretation addresses what the obligating event is that gives rise to the payment of a levy and when a liability should be recognised. This amendment will not have a material impact on the Fund.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(m) Statement of Cash Flows
The Statement of Cash Flows is prepared according to the indirect method. For the purposes of the Statement of Cash Flows, financial instruments at fair value through profit or loss are included under operating activities. Cash flows from financing activities include proceeds from subscriptions and payments for redemptions of shares of the Fund.

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

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

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

(o) Cash and cash equivalents
Cash consists of cash at bank and cash equivalents consist of short-term investments available to the Fund with original maturities of three months or less and short-term, highly liquid investments that are readily

convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Cash is held with Citibank, Morgan Stanley, Merrill Lynch and UBS AG.

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'.

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

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

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

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

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

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

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

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

(r) 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.

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

(u) Collateral
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 represents cash deposits with brokers, transferred as collateral against open futures or other securities.

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

(w) Comparatives
Where this is necessary, comparative figures have been adjusted to conform to changes in presentation in the current year and from improvements of disclosures. The adjustments made have neither an impact on the total result for the year nor on the net assets attributable to holders of redeemable units of participation. These changes include the presentation and disclosure of Net foreign currency gains or losses on cash and cash equivalents and margin cash on the Statement of Financial Position.

3. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

Movement schedule investments

Equity securities	**2014**	**2013**
	€	**€**
Beginning market value 1 January	48,228,931	133,894,185
Purchase	4,208,351,645	3,610,546,074
Sale	(4,207,614,286)	(3,672,645,238)
Revaluation	93,729,566	(23,566,090)
Ending market value 31 December	**142,695,856**	**48,228,931**

Contracts for Difference	**2014**	**2013**
	€	€
Beginning market value 1 January	42,633,720	23,617,549
Purchase	-	76,431,115
Sale	(75,266,918)	(117,129,818)
Revaluation	69,242,722	59,714,874
Ending market value 31 December	**36,609,524**	**42,633,720**

Total	**2014**	**2013**
	€	€
Beginning value 1 January	90,862,651	157,511,734
Purchase	4,208,351,645	3,686,977,189
Sale	(4,282,881,204)	(3,789,775,056)
Revaluation	162,972,288	36,148,784
Ending market value 31 December	**179,305,380**	**90,862,651**

Purchase and sale on CFD investments reflect only the realised gain and loss of closing transactions.

As at 31 December 2014 and 2013, financial assets and liabilities at fair value through profit or loss were as follows:

	2014	2013
Equity securities	650,373,303	506,141,837
Contracts for Difference	68,906,803	58,027,782
Financial assets at fair value through profit or loss	**719,280,106**	**564,169,619**

	2014	2013
Equity securities	(507,677,447)	(457,912,906)
Contracts for Difference	(32,297,279)	(15,394,062)
Financial liabilities at fair value through profit or loss	**(539,974,726)**	**(473,306,968)**

Total	**179,305,380**	**90,862,651**

In note 11 risk associated with those financial instruments held are described.

As at 31 December 2014 and 2013, listed equity securities at fair value through profit or loss are recorded at fair value based on quoted market prices in active markets.

As at 31 Dec 2014 and 2013, the gain and loss breakdown of net gain or loss on financial assets and liabilities at fair value through profit or loss was as follows:

	Net gain or loss on financial assets and liabilities at fair value through profit or loss	
	2014	**2013**
Realised Gain	306,182,956	300,614,512
Unrealised Gain	258,850,313	145,407,570
Realised Loss	(164,528,043)	(281,302,006)
Unrealised Loss	(237,532,938)	(128,571,292)
Total	**162,972,288**	**36,148,784**

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

4. CASH AND CASH EQUIVALENTS

Cash represents short-term funds available to the Fund.

	2014	2013
	€	€
Cash at broker	70,881,474	95,748,121
	70,881,474	**95,748,121**

Cash at broker relates to cash balances with the Fund's Prime Brokers, subtracted from the margin requirements of Fund's Prime Brokers.

5. MARGIN ACCOUNTS

	2014	2013
	€	€
Margin accounts	415,756,098	340,929,860
	415,756,098	**340,929,860**

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

The Prime Broker calculates the maximum amount to be lent on the basis of all long and short securities held at the prime broker; this is called the total margin requirement. The Fund does not provide individual securities as collateral for each individual short security transaction. The total short position is taken into account in the calculation of margin requirement. The total amount of margin requirements with the Fund's Prime Brokers were €355,860,284 (2013: €292,579,686) with Morgan Stanley and €59,895,814 (2013: €48,350,174) with UBS AG at 31 December 2014.

6. AMOUNTS DUE FROM/(TO) BROKERS

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

As at 31 December 2014 and 31 December 2013, the following were held as amounts due to or from brokers.

	2014	2013
	€	€
Amounts due from brokers	16,996,562	71,407,174
Amounts due to brokers	(50,660,937)	(116,383,809)
	(33,664,375)	**(44,976,635)**

7. FEES AND EXPENSES

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

The management fee is set as an annual percentage of 1.5% of the gross asset value (GAV) for Class A units of participation and 1.0% of the GAV for Class B units of participation (before deduction of the accrued performance fee). The management fee is calculated each month as one twelfth (1/12) part of the annual management fee on the GAV of the Class in question on the last business day of each month. The fee is payable, in arrears following completion and finalisation each month. Management fees of €5,495,908 (2013: €4,587,280) were incurred for the year ended 31 December 2014, of which €573,245 (2013: €424,580) were payable at 31 December 2014.

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

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

Performance fees of €23,042,815 (2013: €4,708,260) were incurred for the year ended 31 December 2014, of which €23,036,646 (2013: €4,707,708) was payable at 31 December 2014.

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

The equalisation credit as of 31 December 2014 amounted €16,633 (31 December 2013: €21,980).

Conversely, a participant that acquires participations at a time that the HW exceeds the NAV per participation, at which point in time the GAV equals the NAV as no performance fee is accrued, will build up an equalisation deficit from the moment that the NAV per participation exceeds the subscription price. Any deficit will be finally settled by way of mandatory redemption of the equalisation deficit bearing Participations. The Investment Manager is entitled to the ensuing claim. Redemption will take place per the ultimate dealing day of the financial year of the Fund, or at redemption during the year. The equalisation deficit as of 31 December 2014 amounted € NIL (31 December 2013: €8,735).

Other costs charged to the assets of the Fund

	2014	2013
	€	€
Administration fees	315,722	275,379
Legal fees	45,000	20,000
Costs of supervision	64,999	63,000
Other expenses	51,460	32,013
Trustee's fees	45,000	41,100
Audit fees	23,000	18,000
Depositary fee	155,468	-
	700,649	**449,492**

Costs of supervision are fees charged by supervising authorities AFM and the Dutch Central Bank. Since 22 July 2014 the Depositary charges a fee as an annual percentage of 0.05% of the GAV at each month end. Due to the appointment of the Depositary, the role of SGG Custody B.V. has been changed and also the fee charged. The trustee fee is changed into a fix fee of 11,000 euro on an annual basis, effective on 22 July 2014.

Other expenses	**2014**	**2013**
	€	**€**
Miscellaneous expenses	3,005	2,850
Brokerage fees (excluded in Ongoing Charges Figure)	48,455	29,163
Other expenses	**51,460**	**32,013**

Subscription and redemption fees
The Fund may upon issue and redemption of a unit of Participation charge a fee up to 1.0% of the then current Gross or Net Asset Value of a unit of Participation. These costs may be charged in order to cover the costs incurred in transactions related to subscription and/or redemption and are credited to the Fund. During 2014 and 2013, the Fund did not charge any subscription or redemption fees.

Ongoing Charges Figure
The Ongoing Charges Figure (OCF) is a ratio of the total ongoing costs to the average net assets value of the Fund. Ongoing costs include cost of investment management and administration, plus other costs of running the fund, such as fees for custodians, regulators and auditors. Transaction costs of investments, interest expenses and performance fee are excluded from the calculation. The OCF will be calculated once a year, the figure as of end of 2014 and 2013 is as follow:

Ongoing Charges Figure	**Share Class A**	**Share Class B**
2014	1.62%	1.12%
2013	1.59%	1.09%

Performance fee ratio is a ratio of the total performance fee (including equalization deficit) to the average net assets value of the Fund. This ratio will be calculated once a year, as of end of 2014 and 2013 the ratio is as follow:

Performance fee ratio	**Share Class A**	**Share Class B**
2014	5.7%	4.3%
2013	1.2%	1.0%

Transaction costs
Transaction costs are costs incurred to acquire financial assets or liabilities at fair value through profit or loss. They include fees and commissions paid to agents, brokers and dealers. Transaction costs, when incurred, are immediately recognised in net gain or loss on financial assets and liabilities at fair value through profit or loss.
The transaction costs amounted to €3,342,155 in 2014 (2013: €3,482,267).

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

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

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

31 December 2014

	Actual Costs	Estimated costs Prospectus
Management fee	€5,495,908	% of GAV: Class A=1.5% and Class B=1.0%
Performance fee	€23,042,815	% of annual increase GAV: Class A=20% and Class B=15%
Administrator fees	€315,722	Max 0.08% of NAV
Trustee's fees*	€45,000	Annual fee €11,000
Independent Auditor's and advisor**	€132,999	Not Specified
Depositary fee	€155,468	0.05% of GAV
Other costs***	€3,005	Not Specified

31 December 2013

	Actual Costs	Estimated costs Prospectus
Management fee	€4,587,280	% of GAV: Class A=1.5% and Class B=1.0%
Performance fee	€4,708,260	% of annual increase GAV: Class A=20% and Class B=15%
Administrator fee	€275,379	Max 0.08% of NAV
Trustee fee*	€41,100	Maximum fee €32,500
Auditor's and advisor's costs**	€101,000	Not Specified
Other costs***	€2,850	Not Specified

* Until 21 July 2014: maximum charge amounts to €32,500 excluding VAT and indexation starting as of 2008. From 22 July 2014 on, a fixed fee of €11,000 will apply.
** Auditor's and advisor's costs include audit fee, legal fee and cost of supervision. Audit fee refers to services provided by the auditor and relate to the audit of the Financial Statements. No other services were provided by the auditor or its member firms. PricewaterhouseCoopers Accountants N.V. ("PwC") became independent auditor of the Fund effective 1 January 2014 (prior to this EY were the auditor).
*** 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	**2014 €**	**2013 €**
Securities purchase	6,541,984,249	6,735,587,584
Securities sale	6,577,223,658	6,937,880,728
Total securities transactions	**13,119,207,907**	**13,673,468,312**
Subscriptions participants	536,260	3,481,420
Redemptions participants	96,447	202,559
Total movement in participations	**632,707**	**3,683,979**
Average net asset value	536,551,054	457,612,492
Turnover Rate	**2,445%**	**2,987%**

8. ACCRUED EXPENSES

Accrued expenses	2014	2013
	€	€
Administration fee	50,050	46,871
Legal and tax advice fees	19,300	8,116
Audit fees	9,807	12,048
Trustee's fees	14,926	7,954
Depositary fee	88,892	-
Cost of supervision	64,934	(65)
Other accrued expenses	6,226	3,937
	254,135	**78,861**

9. INTEREST INCOME/EXPENSE AND BORROWING FEE

	2014	2013
	€	€
Interest income	273,140	129,303
	273,140	**129,303**

	2014	2013
	€	€
Interest expense	4,909,855	4,361,777
Borrowing fee	2,519,426	2,645,455
	7,429,281	**7,007,232**

Borrowing fee in 2014 and 2013 is a paid fee related to stock loan activities.

10. DIVIDEND INCOME/EXPENSE

	2014	2013
	€	€
Dividend income	26,375,617	30,968,055
	26,375,617	**30,968,055**

	2014	2013
	€	€
Dividend expense on securities sold short	21,810,793	22,889,347
	21,810,793	**22,889,347**

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.

Financial instruments and associated risks
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.

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 and 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 Investment Manager.

Fair Value Estimation
IFRS 13 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:

Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1). 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 2). Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

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.

The following tables analyse the fair value hierarchy of the Fund's financial assets and liabilities measured at fair value at 31 December 2014:

Financial assets at fair value through profit or loss	**31 December 2014 €**	**Level 1 €**	**Level 2 €**	**Level 3 €**
Equity securities	650,373,303	650,373,303	-	-
Derivatives	68,906,803	-	68,906,803	-
Total	**719,280,106**	**650,373,303**	**68,906,803**	**-**

Financial liabilities at fair value through profit or loss	**31 December 2014 €**	**Level 1 €**	**Level 2 €**	**Level 3 €**
Equity securities sold short	(507,678,447)	(507,677,447)	-	-
Derivatives	(32,297,279)	-	(32,297,279)	-
Total	**(539,974,726)**	**(507,677,447)**	**(32,297,279)**	**-**

Financial assets at fair value through profit or loss	**31 December 2013 €**	**Level 1 €**	**Level 2 €**	**Level 3 €**
Equity securities	506,141,837	506,141,837	-	-
Derivatives	58,027,782	-	58,027,782	-
Total	**564,169,619**	**506,141,837**	**58,027,782**	**-**

Financial liabilities at fair value through profit or loss	**31 December 2013 €**	**Level 1 €**	**Level 2 €**	**Level 3 €**
Equity securities sold short	(457,912,906)	(457,912,906)	-	-
Derivatives	(15,394,062)	-	(15,394,062)	-
Total	**(473,306,968)**	**(457,912,906)**	**(15,394,062)**	**-**

For the year ended 31 December 2014 and 31 December 2013, there were no transfers between Levels. For assets and liabilities carried 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 Investment Manager continuously monitors the (potential) determinants of the value of the securities held and the total portfolio value. As such, risk management is an integral part of investment management which comprises security selection and portfolio construction. Frequently various stock, sector and country exposures are measured and managed against the norms which have been defined for those exposures. Further the overall portfolio is monitored using various (external) portfolio risk (optimizing) systems to monitor and manage market or style exposures.

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

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

The ex-post Beta for the Fund was 0.10 (2013: 0.14), calculated from a regression of the daily returns of the Fund on the MSCI Europe, from January 1 up to December 31. The ex-ante Beta measured at year end 2014 is 0.065 (2013: 0.007). *(The ex-ante Beta is measured against the MSCI Europe index. Source: Nomura TradeSpex Portfolio tool, European statistical factor risk model).

2014

Market indices	Ex-ante Beta	Change	Effect on net assets and profit	Change	Effect on net assets and profit
		%	€	%	
MSCI Europe	0.065	25	35,046,565	(25)	(35,046,565)

2013

Market indices	Ex-ante Beta	Change	Effect on net assets and profit	Change	Effect on net assets and profit
		%	€	%	
MSCI Europe	0.007	25	3,285,716	(25)	(3,285,716)

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

IFRS 7 considers the foreign exchange exposure related to non-monetary assets and liabilities to be a component of market price risk not foreign currency risk. The Fund however monitors the exposure on all foreign currency denominated assets and liabilities and hence, the table below has been prepared for monetary and non-monetary items combined to meet the requirements of IFRS 7.

The following table demonstrates management's best estimate of the sensitivity to a reasonable change in the foreign exchange rates, with all other variables being constant, of the most representative Fund's foreign currency exposures. The currency sensitivity below is based upon a movement of exchange rates and the direct currency exposures as a result of Fund holdings which are denominated in currencies other than Euro, the functional currency of the Fund. Please note that the table below is based upon the holdings as at the end of December 2014 and 2013; currency exposures continuously change.

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

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

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

The total economic exposure to different currencies at 31 December 2014 was:

	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	(15,512,894)	26,963,713	(19,124)	11,431,695	1.88%	1,143,170	(1,143,170)
DKK	49,192,420	(29,272,718)	-	19,919,702	3.28%	1,991,970	(1,991,970)
GBP	29,732,527	(14,658,548)	(33,709)	15,040,270	2.47%	1,504,027	(1,504,027)
NOK	71,625,381	(65,717,491)	-	5,907,890	0.97%	590,789	(590,789)
SEK	28,183,027	(14,976,641)	-	13,206,386	2.17%	1,320,639	(1,320,639)
USD	-	118,855	-	118,855	0.02%	11,886	(11,886)
Total	**163,220,461**	**(97,542,830)**	**(52,833)**	**65,624,798**	**10.79%**	**6,562,481**	**(6,562,481)**

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

The currency rate as of 31 December 2014 is as following:

	CHF	DKK	GBP	NOK	SEK	USD
EUR/FX	0.83	0.13	1.29	0.11	0.11	0.83

The total economic exposure to different currencies at 31 December 2013 was:

	Financial assets/ (liabilities) at fair value through profit or loss	Cash and amounts due from/ (to) brokers	Other assets/ (liablities)	Net currency exposure	In % of total net assets	+10% Movement	-10% Movement
	€	€	€	€	€	€	€
CHF	(29,187,994)	25,776,599	(56,200)	(3,467,595)	(0.73)%	(346,760)	346,760
DKK	48,756,812	(31,582,916)	(159)	17,173,737	3.60%	1,717,374	(1,717,374)
GBP	23,367,439	(18,315,964)	356,018	5,407,493	1.13%	540,749	(540,749)
NOK	40,392,302	(30,421,396)	(4)	9,970,902	2.09%	997,090	(997,090)
SEK	1,932,619	4,573,693	-	6,506,312	1.36%	650,631	(650,631)
USD	-	(1,458)	-	(1,458)	(0.00)%	(146)	146
Total	**85,261,178**	**(49,971,442)**	**299,655**	**35,589,391**	**7.45%**	**3,558,938**	**(3,558,938)**

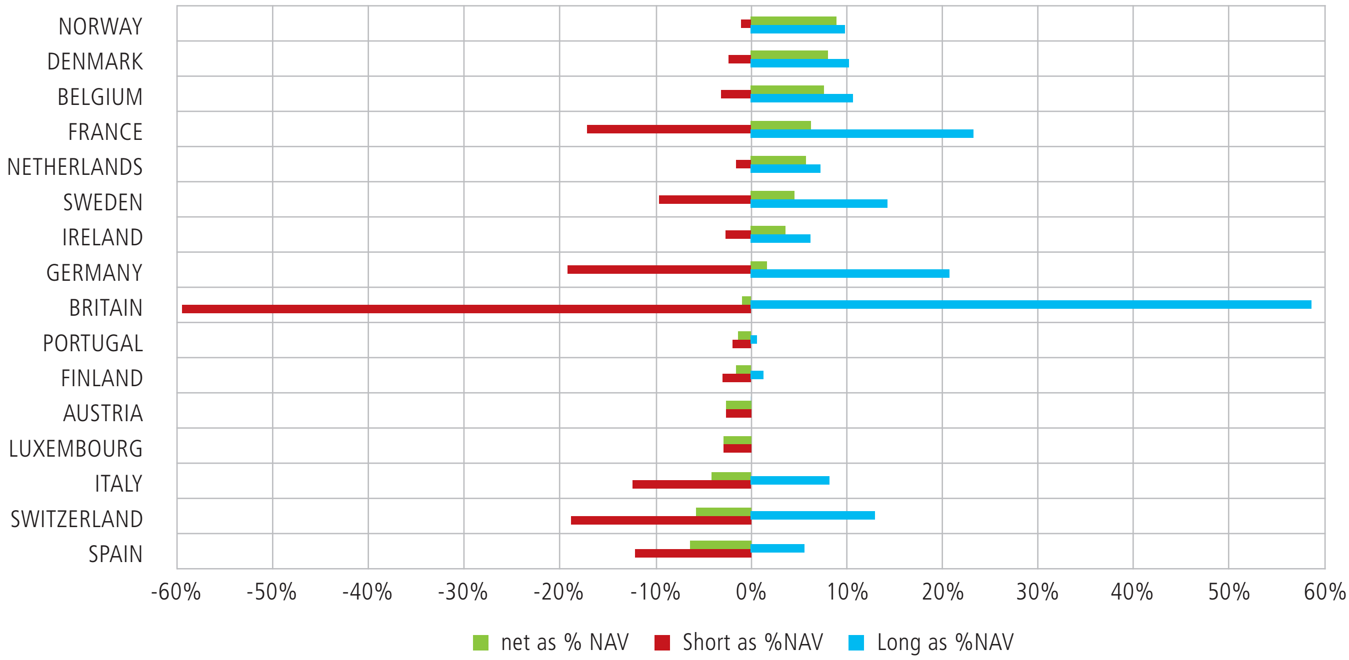
Amounts in the table are based on the financial assets and financial liabilities.

The currency rate as of 31 December 2013 is as following:

	CHF	DKK	GBP	NOK	SEK	USD
EUR/FX	0.82	0.13	1.20	0.12	0.11	0.73

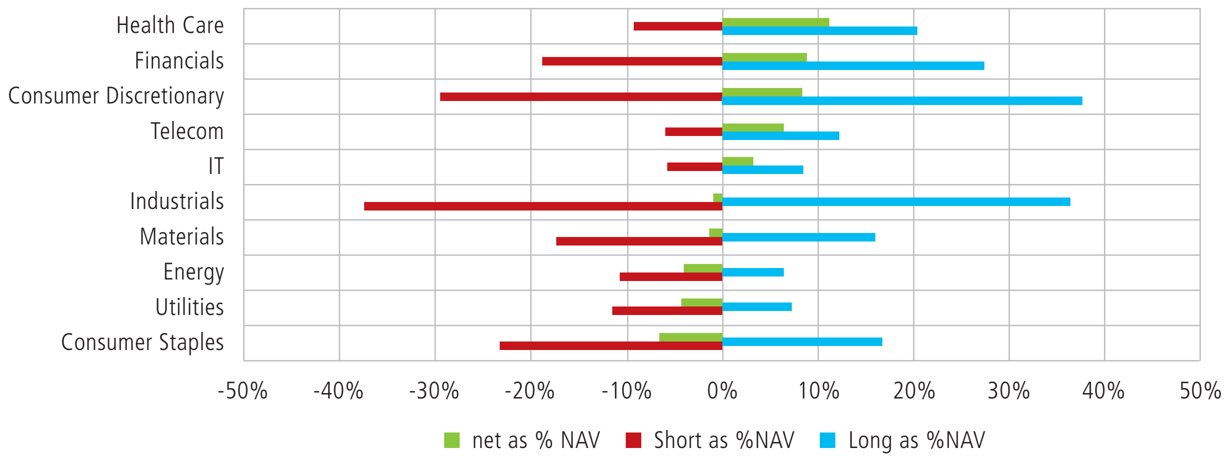
Concentration risk
The country allocation (net exposure, long positions and short positions per country) as a percentage of the NAV at the end of 31 December 2014 was as follows:

COUNTRY ALLOCATION SAEMOR EUROPE ALPHA FUND



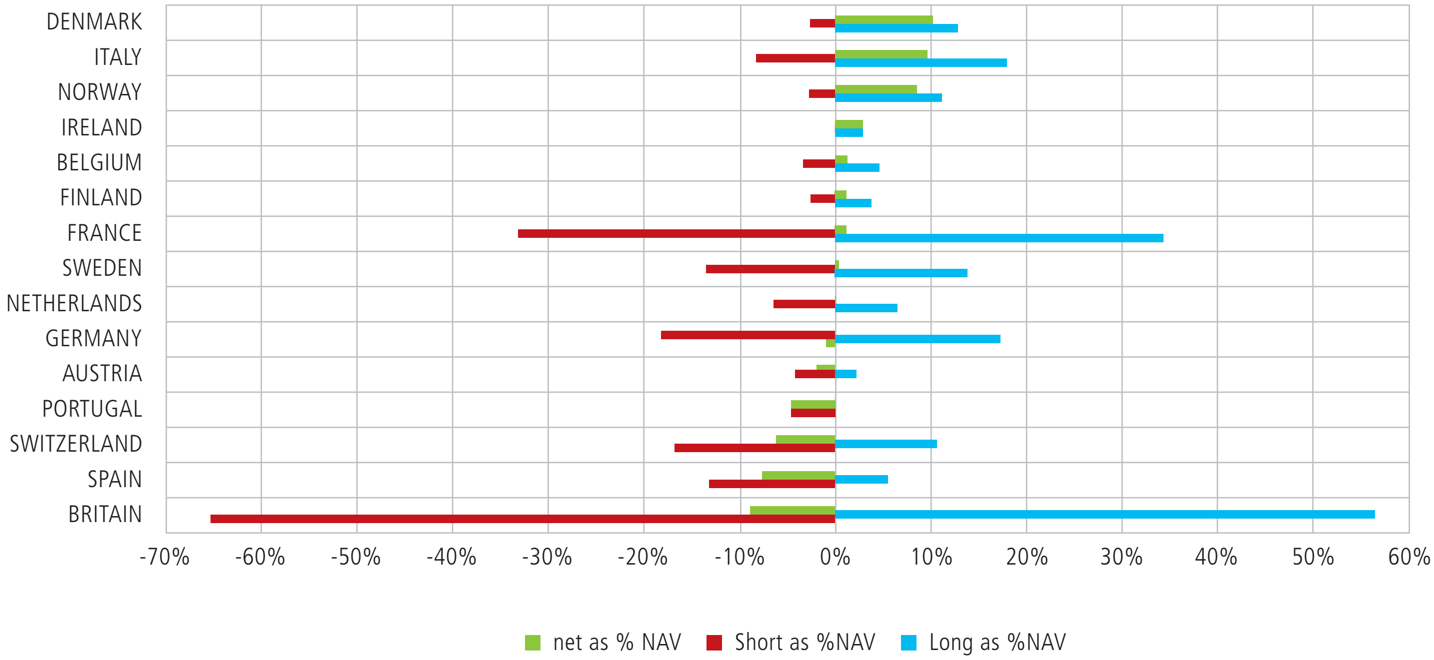
The sector allocation (net exposure, long positions and short positions per sector) as a percentage of the NAV at the end of 31 December 2014 was as follows:

SECTOR ALLOCATION SAEMOR EUROPE ALPHA FUND



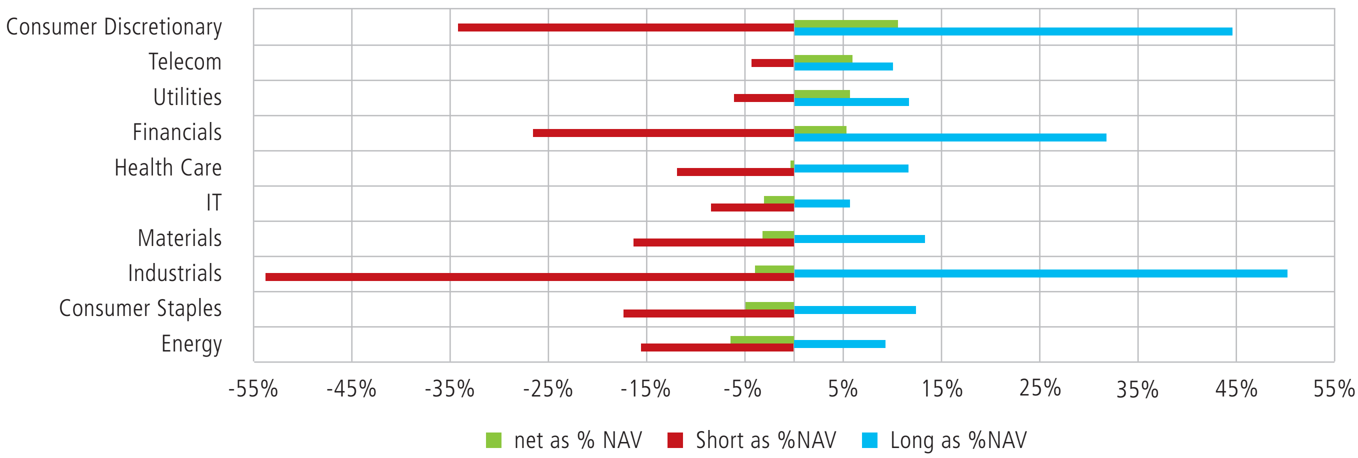
The country allocation (net exposure, long positions and short positions per sector) as a percentage of the NAV at the end of 31 December 2013 was as follows:

COUNTRY ALLOCATION SAEMOR EUROPE ALPHA FUND



The sector allocation (net exposure, long positions and short positions per sector) as a percentage of the NAV at the end of 31 December 2013 was as follows:

SECTOR ALLOCATION SAEMOR EUROPE ALPHA FUND



The top long and top short exposures as a percentage of the NAV at the end of 2014 were as follows:

TOP LONG POSITIONS 2014	As % NAV
Pandora	3.2%
Bpost	3.2%
Belgacom	3.2%
Hannover Rueck	3.2%
Shire	3.2%
Koninklijke Ahold	3.2%
Merck	3.2%
Swiss RE	3.1%
Delhaize Group	3.1%
Boskalis Westminster	3.1%

TOP SHORT POSITIONS 2014	As % NAV
Reckitt Benckiser	3.2%
Standard Life	3.2%
Lafarge	3.2%
Vivendi universal	3.1%
Diageo	3.1%
Dufry	3.1%
Intertek	3.1%
Stmicroelectronics	3.1%
Thyssenkrupp	3.0%
Volvo	3.0%

The top long and top short exposures as a percentage of the NAV at the end of 2013 were as follows:

TOP LONG POSITIONS 2013	As % NAV
Swedbank Ab	3.4%
Skandinaviska Enskilda Bank	3.4%
Merck	3.3%
Easyjet	3.3%
Bouygues	3.3%
Next	3.2%
Actelion	3.2%
Thales	3.2%
Henkel	3.1%
Howden Joinery Group	3.1%

TOP SHORT POSITIONS 2013	As % NAV
Aggreko	3.3%
Ucb	3.3%
Melrose Industries	3.3%
BBVA	3.3%
Inditex	3.2%
Thyssenkrupp	3.2%
Sgs	3.2%
ANDRITZ	3.1%
Intertek Group	3.1%
Informa	3.1%

Interest rate risk

The majority of the Fund's financial assets are non-interest-bearing. At the statement of financial position date the Fund has not invested in deposits or fixed income securities. As a result, the Fund is subject to limited direct exposure to interest rate risk due to fluctuations in the prevailing levels of market interest rates. Note that changing levels of interest rates may influence the value of equity securities held.

Fund exposure to direct interest rate risk in Euro at 31 December 2014 was:

2014 Assets	**Within 1 month**	**1 to 3 months**	**3 to 12 months**	**1 to 5 years**	**No stated maturity**	**Total**
	€	**€**	**€**	**€**	**€**	**€**
Financial assets at fair value through profit or loss	-	-	-	-	719,280,106	719,280,106
Amounts due from brokers	16,996,562	-	-	-	-	16,996,562
Margin accounts	415,756,098					415,756,098
Cash and cash equivalents	70,881,474	-	-	-	-	70,881,474
Total	**503,634,134**	**-**	**-**	**-**	**719,280,106**	**1,222,914,240**

2014 Liabilities	**Within 1 month**	**1 to 3 months**	**3 to 12 months**	**1 to 5 years**	**No stated maturity**	**Total**
	€	**€**	**€**	**€**	**€**	**€**
Financial liabilities at fair value through profit or loss	-	-	-	-	539,974,726	539,974,726
Amounts due to brokers	50,660,937	-	-	-	-	50,660,937
Total	**50,660,937**	**-**	**-**	**-**	**539,974,726**	**590,635,663**

Fund exposure to direct interest rate risk in Euro at 31 December 2013 was:

2013 Assets	**Within 1 month**	**1 to 3 months**	**3 to 12 months**	**1 to 5 years**	**No stated maturity**	**Total**
	€	**€**	**€**	**€**	**€**	**€**
Financial assets at fair value through profit or loss	-	-	-	-	564,169,619	564,169,619
Amounts due from brokers	71,407,174	-	-	-	-	71,407,174
Margin accounts	340,929,860	-	-	-	-	340,929,860
Cash and cash equivalents	95,748,121	-	-	-	-	95,748,121
Total	**508,085,155**	**-**	**-**	**-**	**564,169,619**	**1,072,254,774**

2013 Liabilities	**Within 1 month**	**1 to 3 months**	**3 to 12 months**	**1 to 5 years**	**No stated maturity**	**Total**
	€	**€**	**€**	**€**	**€**	**€**
Financial liabilities at fair value through profit or loss	-	-	-	-	473,306,968	473,306,968
Amounts due to brokers	116,383,809	-	-	-	-	116,383,809
Total	**116,383,809**	**-**	**-**	**-**	**473,306,968**	**589,690,777**

Credit risk
Credit risk refers to the potential loss arising if a counterparty is unable to fulfill its financial obligations when due. The Fund is exposed to credit risk in terms of cash deposited at banks or prime brokers, (rehypothecated) securities held at prime brokers and derivatives with other financial institutions as counterparties. The Fund's exposure in relation to financial derivative instruments and other debtors is as follows at year end:

	2014	2013
	€	€
Derivatives	68,906,803	58,027,782
Dividends & interest receivable	922,239	824,585
Amounts due from brokers	16,996,562	71,407,174
Cash at broker	70,881,474	95,748,121
Margin Accounts	415,756,098	340,929,860
Total	**573,463,179**	**566,937,522**

The Fund's derivative contracts are equity CFD's, executed with the Fund's Prime Broker Morgan Stanley.

To mitigate credit risk, two prime brokers have been legally appointed, allowing a transfer of securities and cash. Further, securities and cash are only held at, and derivatives are only executed with (investment grade) rated counterparties. Long term ratings for Morgan Stanley at year end were Baa2 (2013: Baa2 (Moody's)) and A- (2013: A- (S&P)). Long term ratings for UBS AG at year end were A2 (2013: A2 (Moody's)) and A (2013: A (S&P)).

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

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. The financial assets and liabilities which are subject to offsetting as of 31 December 2014 and as of 31 December 2013, are as follows:

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

31 December 2014	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
Investments pledged by Fund (rehypothecated equity long)	458,437,696	-	458,437,696
Derivatives	68,906,803	-	68,906,803

	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
Morgan Stanley	310,884,971	32,297,279	278,587,692
Merrill Lynch International	216,459,528	-	216,459,528

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
Derivatives	32,297,279	-	32,297,279

	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
Morgan Stanley	32,297,279	32,297,279	-

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

31 December 2013	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
Investments pledged by Fund (rehypothecated equity long)	273,937,887	-	273,937,887
Derivatives	58,027,782	-	58,027,782

	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
Morgan Stanley	203,568,389	15,394,062	188,174,327
Merrill Lynch International	128,397,280	-	128,397,280

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
Derivatives	15,394,062	-	15,394,062

	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
Morgan Stanley	15,394,062	15,394,062	-

To enable to short securities, the Fund borrows securities. At 31 December 2014, the Fund borrowed securities for an amount of €1,029,758,847 (2013: €969,413,920).

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

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 days previous notice. With regard to Class B units of participation this relates to redemption requests received after the one year lock up period. The Fund invests the majority of its assets in investments that are listed and traded in active markets and can be readily realisable as they are all listed on major European stock exchanges.

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

The liquidity of all securities is continuously monitored by the Investment Manager.

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

2014 Assets	**Within 1 month**	**1 to 3 months**	**3 to 12 months**	**1 to 5 years**	**No stated maturity**	**Total**
	€	**€**	**€**	**€**	**€**	**€**
Financial assets at fair value through profit or loss	-	-	-	-	650,373,303	650,373,303
Derivatives	-	-	-	-	68,906,803	68,906,803
Other receivables	922,239					922,239
Amounts due from brokers	16,996,562	-	-	-	-	16,996,562
Margin accounts	70,881,474					70,881,474
Cash and cash equivalents	415,756,098	-	-	-	-	415,756,098
Total	**504,556,373**	**-**	**-**	**-**	**719,280,106**	**1,223,836,479**

2014 Liabilities	**Within 1 month**	**1 to 3 months**	**3 to 12 months**	**1 to 5 years**	**No stated maturity**	**Total**
	€	**€**	**€**	**€**	**€**	**€**
Financial liabilities at fair value through profit or loss	-	-	-	-	507,677,447	507,677,447
Derivatives	-	-	-	-	32,297,279	32,297,279
Other payables and accrued expenses	25,129,594					25,129,594
Amounts due to brokers	50,660,937	-	-	-	-	50,660,937
Total	**75,790,531**	**-**	**-**	**-**	**539,974,726**	**615,765,257**
Redeemable units of participation	-	608,112,405	-	-	-	608,112,405
Total	**75,790,531**	**608,112,405**	**-**	**-**	**539,974,726**	**1,223,877,662**
Forward currency contracts						
Gross cash inflow	-	-	-	-	-	-
Gross cash outflow	-	-	-	-	-	-
Total undiscounted gross						
Settled derivatives						
inflow	-	-	-	-	-	-
Liquidity gap	**428,765,842**	**(608,112,405)**	**-**	**-**	**179,305,380**	**(41,183)**

2013 Assets	Within 1 month €	1 to 3 months €	3 to 12 months €	1 to 5 years €	No stated maturity €	Total €
Financial assets at fair value through profit or loss	-	-	-	-	506,141,837	506,141,837
Derivatives	-	-	-	-	58,027,782	58,027,782
Amounts due from brokers	71,407,174	-	-	-	-	71,407,174
Margin accounts	340,929,860					340,929,860
Cash and cash equivalents	95,748,121	-	-	-	-	95,748,121
Total	**508,085,155**	**-**	**-**	**-**	**564,169,619**	**1,072,254,774**

2013 Liabilities	Within 1 month €	1 to 3 months €	3 to 12 months €	1 to 5 years €	No stated maturity €	Total €
Financial liabilities at fair value through profit or loss	-	-	-	-	457,912,906	457,912,906
Derivatives	-	-	-	-	15,394,062	15,394,062
Amounts due to brokers	116,383,809	-	-	-	-	116,383,809
Total	**116,383,809**	**-**	**-**	**-**	**473,306,968**	**589,690,777**
Redeemable units of participation	-	477,455,918	-	-	-	477,455,918
Total	**116,383,809**	**477,455,918**	**-**	**-**	**473,306,968**	**1,067,146,695**
Forward currency contracts	-	-	-	-	-	-
Gross cash inflow	-	-	-	-	-	-
Gross cash outflow	-	-	-	-	-	-
Total undiscounted gross						
Settled derivatives	-	-	-	-	-	-
inflow	-	-	-	-	-	-
Liquidity gap	**391,701,346**	**(477,455,918)**	**-**	**-**	**90,862,651**	**5,108,079**

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.

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

The holdings in the Fund are highly liquid. The 'average' holding can be sold almost within one day under normal circumstances. The table shows that more than 88% of the portfolio holdings can be liquidated within three days under the assumption that we trade maximum 33% of the daily volume. The daily volume is measured by the average daily trading volume in a security over the last 3 months of 2014 (ADV).

Table 3: Liquidity profile of the Long book

Percentage of 3-months ADV	Average ADV	Max ADV	Percentage of Portfolio in % of the ADV				
			0%-25%	25%-50%	50%-100%	100%-250%	>250%
31-Dec-14	39%	196%	56%	17%	15%	12%	0%
31-Dec-13	50%	238%	48%	23%	11%	18%	0%

Table 4: Liquidity profile of the Short book

Percentage of 3-months ADV	Average ADV	Max ADV	Percentage of Portfolio in % of the ADV				
			0%-25%	25%-50%	50%-100%	100%-250%	>250%
31-Dec-14	32%	181%	53%	31%	14%	2%	0%
31-Dec-13	42%	208%	52%	19%	16%	13%	0%

12. DERIVATIVE CONTRACTS

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

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

As of 31 December 2014 and 2013, the following derivative contracts were included in the Fund's Statement of Financial Position at fair value through profit or loss:

	Fair value assets 2014	Fair value liabilities 2014	Fair value assets 2013	Fair value liabilities 2013
	€	€	€	€
Contracts for difference	68,906,803	(32,297,279)	58,027,782	(15,394,062)
	68,906,803	**(32,297,279)**	**58,027,782**	**(15,394,062)**

The table below details the total derivatives exposure at 31 December 2014 and 31 December 2013 in Euro. Gross exposure is the sum of absolute market value of all long and short positions. Net exposure is the balance of market value of all long and short positions. At year end 2014 and 2013 the Fund held long and short positions in equity CFDs.

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 2014 the leverage is 357% (31 December 2013: 393%)

31-Dec-14	Net Exposure	Gross Exposure	Gross as % NAV
Equity	142,695,856	1,158,050,749	190%
Contracts for difference	(6,304,035)	1,015,379,644	167%
Total Exposure	**136,391,823**	**2,173,430,393**	
Total as % of NAV	**22%**	**357%**	**357%**

31-Dec-13	Net Exposure	Gross Exposure	Gross as % NAV
Equity	48,229,963	964,053,714	202%
Contracts for difference	(22,666,784)	913,498,039	191%
Total Exposure	25,563,179	1,877,551,753	
Total as % of NAV	**5%**	**393%**	**393%**

13. REDEEMABLE UNITS OF PARTICIPATION

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

Class B has a "lock up" of one year. The minimum (initial) investment for the 'seeding' investor', employees and employees of directors is Euro 1,000 and for other Participants Euro 100,000,000. Subscriptions and redemptions have a minimum size of Euro 1,000.

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

Transactions in units of participation for Class A and Class B for the year ended 31 December 2014 and year ended 31 December 2013 were as follows:

Class A	Number of units of participation 31 December 2014	Number of units of participation 31 December 2013
Units of participation balance at the beginning of the year	2,826.21	99.75
Issue of redeemable units of participation	229.05	2,907.42
Redemption of redeemable units of participation	(79.54)	(180.96)
Redemption related to equalisation deficit	17.78	-
Units of participation at the end of the year	**2,993.50**	**2,826.21**

Class B	Number of units of participation 31 December 2014	Number of units of participation 31 December 2013
Units of participation balance at the beginning of the year	434,247.57	434,083.97
Issue of redeemable units of participation	178.20	171.23
Crystalised Transfer In	179.58	142.14
Crystalised Transfer Out	(182.29)	(142.63)
Redemption of redeemable units of participation	(0.55)	-
Redemption related to equalisation deficit	1.09	(7.14)
Units of participation at the end of the year	**434,423.60**	**434,247.57**

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

The Fund's objectives for managing capital are:

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

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

14. RELATED PARTY TRANSACTIONS

Employees of directors and employees of Saemor Capital B.V. held jointly 872.79 (31 December 2013: 696.96) Units of Participation Class B in the Fund. Saemor Capital B.V. held 1,327.16 (31 December 2013: 1,330.75) Units of Participation Class B in the Fund.

Three investment funds managed by Aegon Investment Management B.V. (AIM B.V.) held 432,218.94 (31 December 2013: 432,218.94) Units of Participation Class B and 99.75 (31 December 2013: 99.75) Units of Participation Class A.

AIM B.V. is a 100% subsidiary of Aegon Asset Management B.V., which is a 100% subsidiary of Aegon N.V. Aegon Asset Management B.V. holds 68% (31 December 2013: 68%) of the shares in Saemor Capital B.V.

15. PERSONAL INTERESTS OF DIRECTORS

In accordance with article 122 paragraph 2 Bgfo the Fund is required to list the total holdings in securities by the employees of directors in investments, which are also held by the Fund as of 1 January up to 31 December.

As of 31 December 2014 and 31 December 2013 the personal interests of the employees of directors in the Fund and which were also held by the Fund, amounted:

Stock	Market Value € 31 December 2014	Market Value € 31 December 2013
Brunel International	-	1,268
Fugro	-	897
Heineken	-	1,276
UniCredit	934	931
Imtech	-	4,393
Vopak	-	893
Saemor Europe Alpha Fund	772,151	534,905
Total Amount (€)	**773,084**	**544,563**

16. REMUNERATION

Saemor Capital B.V. has defined a remuneration policy, which among other things includes provisions on the deferral of at least 40% of the variable pay to key risk takers. The directors of Saemor Capital B.V. discuss the proposed budgeted amount for variable pay with the shareholders of Saemor Capital B.V.; 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 director, key risk taker or other employee is dependent on 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.

As of 2015, Saemor Capital B.V. will apply the AIFMD remuneration rules in relation to the publication of variable remuneration. This is in line with the ESMA Guidelines for AIFMD compliant remuneration policy (ESMA/2013/232) and the related Questions & Answers (ESMA/2014/163). According to the ESMA guidance, the AIFMD rules on variable remuneration should be applied to the first full performance period after the AIFM becomes authorized. Saemor Capital B.V. is authorized as an AIFM as of 22 July 2014. Therefore the AIFMD rules on variable remuneration will be applied for the 2015 accounting period. Other AIFMD rules apply as of 22 July 2014.

Total gross wages for all personnel amounted €1,130,759. Variable pay for all personnel amounted €978,847. In 2014 the company had on average 10.7 FTE employed (2013: 9.9). All personnel are eligible to receive variable pay. Information about an allocation of fixed and variable pay to directors, key risk takers and other personnel is not available yet. In line with ESMA Guidelines Saemor Capital B.V. will publish next year a split of the variable remuneration into the key risk takers and other personnel. Saemor Capital B.V. manages only the Saemor Europe Alpha Fund.

17. SUBSEQUENT EVENTS

The Fund appointed the Bank of New York Mellon SA/NV, Amsterdam Branch, as new Administrator and as new Depositary. These change was effective on 13th April 2015.

There are no other events impacting the Fund subsequent to 31 December 2014.

18. APPROVAL OF THE FINANCIAL STATEMENTS

Approved on behalf of the Investment Manager:

Director Saemor Capital B.V

Date: 24 April 2015

OTHER NOTES

For the year ended 31 December 2014

1. DIVIDEND AND ALLOCATION OF RESULT

The Fund did not pay dividends in 2014. The result is included in the Net assets attributable to holders of redeemable units of participation.

2. VOTING POLICY

The Fund does not pursue an active voting policy.

3. APPROVAL OF THE FINANCIAL STATEMENTS

The Investment Manager approved the financial statements on 24 April 2015.

INDEPENDENT AUDITOR'S REPORT

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

Report on the financial statements

We have audited the accompanying financial statements 2014 of Saemor Europe Alpha Fund, The Hague, which comprise the statement of financial position as at 31 December 2014, the statement of comprehensive income, the statement of cash flows, the statement of changes in net assets attributable to holders of redeemable units of participation for the year then ended and the notes, comprising a summary of significant accounting policies and other explanatory information.

Investment manager's responsibility

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

Auditor's responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Fund's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the investment manager, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of Saemor Europe Alpha Fund as at 31 December 2014, 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, the Dutch Financial Supervision Act and with Part 9 of Book 2 of the Dutch Civil Code.

Report on other legal and regulatory requirements

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

Amsterdam, 24 April 2015

PricewaterhouseCoopers Accountants N.V.

Original has been signed by: M.D. Jansen RA