

SAEMOR CAPITAL B.V.

Financial Figures 2016

The Hague
25 April 2017

Company information

Statutory directors

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Company profile

Saemor Capital B.V. (hereafter: Saemor) is a specialist in quantitative investment management, focused on absolute return generation. The company was established on April 7th in 2008. Saemor is the investment manager of the Saemor Europe Alpha Fund (launched June 2008) and is appointed by EGI as investment manager of the Plurima Apuano Dynamic Equity fund. Both funds strive for capital growth by taking long and short exposures in securities related to European companies.

Saemor, incorporated and domiciled in the Netherlands, is a private limited liability company organized under Dutch law and recorded in the Commercial Register of The Hague under its registered address at Prinses Margrietplantsoen 44, 2595 BR, The Hague. The statutory objectives of the company are:

1. to act as a manager of one or more funds for joint account;
2. to conduct the management over and to be (managing) director of one or more other investment institutions, companies and legal entities; and
3. to invest assets in any other way, whether or not at the risk and expense of third parties; as well as to participate in, to take an interest in any other way in, to conduct the management of other business enterprises of whatever nature, furthermore to finance third parties, in any way to provide security or undertake the obligations of third parties and finally all activities which are incidental to or which may be conducive to any of the foregoing.

Saemor has been granted the license to manage investment funds (as meant in *Article 2:65, first paragraph, sub a, Wet Financieel Toezicht*) by Autoriteit Financiële Markten as of 9 December 2010. As of 22 July 2014, this license has been transferred into the AIFMD license. Saemor has been granted the license to offer additional services (as meant in *Article 2:67, 2nd paragraph, sub a, sub b and sub d Wet Financieel Toezicht*) by Autoriteit Financiële Markten as of 1 March 2017.

Summary of 2016

Introduction

Saemor Capital realized a net profit of € 283,562. The Saemor Europe Alpha Fund (the Fund) had a challenging year in terms of performance, with a 10% negative return. The number of investors in our Fund increased during 2016, but the Assets under Management fell. The amount of outstanding participations in share class A rose from 11,595 to 13,316. The number of outstanding participations in share class B decreased from 297,071 to 292,855, due to a rebalancing by our cornerstone investor. At the start of the year share class D was initiated (1,596 participations at year-end).

Market environment

2016 was characterized by strong market, factor and sector reversals. Correlations were unusually polarised for most of 2016. Equity markets were mostly driven by macro developments. Macro-economic regime shifts between recession and recovery caused erratic factor behaviour. The Brexit referendum and the US presidential elections were major political events that caused upheaval on financial markets. These swings made it challenging to take long/short views based on a fundamental multi-factor model. 2016 could be characterized as a "bad year for good companies", as stocks with above-average quality & growth characteristics posted their worst annual return relative to those with the opposite characteristics since the financial crisis.

Some hedgefund categories did well, but the sector rotations, factor unwinds, crowding, derisking and asymmetric political surprises resulted in the first, albeit small negative alpha year in years for long short equity funds and market neutral funds in particular.

Business developments

As of 1 January 2016, the Saemor Europe Alpha Fund introduced a share class D. Equalisation credit and equalisation deficit are not applicable

to Class D. This will enable wealth managers and depot banks to comingle orders of their clients, without them having to allocate the credits or deficits to the individual client level.

In May 2016 the Plurima Apuano Dynamic Equity Fund was launched, for which Saemor has been appointed as investment manager. Assets under management of the fund at launch was 11.6 million euro.

The contract with our cornerstone investor Aegon has been extended and now includes an automatic annual renewal clause.

We applied in 2016 at Autoriteit Financiële Markten (AFM) for an extension of our AIFMD license in order to be able to manage individual client portfolios. This license has been granted by AFM as of 1 March 2017.

The company had on average 12.8 FTE (2015: 11.2). Twenty people were employed by Saemor at the end of the year. In addition, four persons work for the company on a consultancy basis.

Outlook

We expect the capital raising climate to improve. European hedge funds suffered the largest net asset outflows on record since 2008. Flows seem to have turned for the better lately, based on an improving outlook for the European economy coupled with attractive valuations. European shares are far cheaper on many valuation measures than those in the U.S. The investment environment also improved with fundamentals taking centre stage again. Company-specific news is increasingly the main driver of stock prices.

Saemor intends to launch a Cayman based fund during the course of 2017. Furthermore, Saemor has been appointed as investment manager of a UCIT funds directed by Amundi. The launch is scheduled for second quarter.

The investment strategy of these funds will be similar to that of the Saemor Europe Alpha Fund.

As the investment business becomes more data-driven, due in part to regulatory and investor demands, the quality of operations and operating platforms will become an increasingly important competitive factor. Saemor will continue to invest in technology, with the aim to improve efficiencies and controls in the mid and back office, compliance, investor relations and security. As a quant manager we are well positioned to apply new information technologies, eg in the field of machine-learning techniques, to advance our portfolio management.

Financials

Saemor realized a net profit of € 283,562. Assets under management decreased from € 484 million to € 443 million.

The managing board proposes to distribute dividends of € 141,781 in line with the pay-out ratio policy of 50%. The remainder of the profit will be added to the other reserves.

Under normal market conditions we expect Saemor to be profitable in 2017.

The Hague, 25 April 2017

P.P.J. van de Laar

On behalf of Qmetrics B.V.:
S. Bouman

Balance sheet per 31 December 2016

(Before profit distribution)

ASSETS	31 December 2016	31 December 2015
	€	€
Fixed assets		
Property and equipment	17,145	18,158
Hardware	4,906	2,194
	22,051	20,352
Current assets		
Accounts receivable	394,599	9,933,228
Units of participations in Funds	1,843,601	2,078,770
Corporate income tax	412,223	-
Current account related parties	1,522	-
Other current assets	7,924	527,976
	2,659,869	12,539,974
Bank	8,916,219	9,931,999
	8,916,219	9,931,999
Total assets	11,598,139	22,492,325
LIABILITIES	31 December 2016	31 December 2015
	€	€
Equity		
Share capital	20,225	20,225
Ordinary share premiums	479,775	479,775
Other reserve	9,613,184	8,947,644
Net Result	283,563	1,337,009
	10,396,747	10,784,653
Long term liability	330,314	172,828
	330,314	172,828
Current liabilities		
Tax	51,220	346,997
Other current liabilities	819,858	11,187,847
	871,078	11,534,844
Total liabilities	11,598,139	22,492,325

Profit and loss account 1 January - 31 December 2016

P&L	2016	2015
	€	€
Revenues		
Performance fee	6,942	332,377
Management fee	4,265,611	4,421,229
Revenues from fees	4,272,553	4,753,606
Other revenues	25,000	25,000
Total revenues	4,297,553	4,778,606
Total costs	3,767,497	3,881,019
Investment results	-250,452	337,094
Other income	86,476	7,828
Interest result	-1,123	42,169
Result before tax	364,957	1,284,678
Corporate income tax	81,394	-52,331
Result after tax	283,563	1,337,009

Cash flow statement 1 January - 31 December 2016

(Indirect method)

CASHFLOW STATEMENT	31 December 2016	31 December 2015
	€	€
Earnings from operations	530,056	897,587
Adjustments for		-
Depreciation	7,500	8,949
Change in receivables	9,880,105	13,177,730
Change in liabilities	-10,506,280	-14,217,433
Due corporate tax	-81,394	52,331
	-700,069	(978,423)
Cash flow from operations	-170,013	-80,836
Investment results	-250,452	337,094
Investments in fixed assets	-9,200	-
Cash flow from investments	-259,652	337,094
Interest result	-1,123	42,169
Dividends paid	-671,470	-343,826
Cash flow from financing	-672,593	-301,657
Other income	86,477	7,828
Cash flow from other	86,477	7,828
Change in cash	-1,015,781	-37,571

Notes

General

The financial statements of Saemor are drawn up in accordance with the provisions of Title 9, Book 2 of the Dutch Civil Code and the firm pronouncements in the Dutch Accounting Standards, as published by the Dutch Accounting Standards Board ('Raad voor de Jaarverslaggeving') and the Dutch Financial Supervision Act. The valuation principles and method of determining the result are the same as those used in the previous year.

Accounting policies

- Fixed assets are valued at historical cost including directly attributable costs, less straight-line depreciation based on the expected future life and impairments.
- Receivables are recognised initially at fair value and subsequently measured at amortised cost.
- Saemor is investor in the Saemor Europe Alpha Fund. The units of participation held are valued against fair value, i.e. the Net Asset Value per participation of the funds as of 31 December 2016. Profits respectively losses due to increases respectively decreases of the value of the Units of Participation are recognized directly in the Profit and Loss account.
- Cash and cash equivalents represent bank balances and deposits with terms of less than twelve months.
- On initial recognition current liabilities are recognised at fair value. On initial recognition long-term liabilities are recognised at fair value.
- Performance fees are accrued when the net asset value of each (sub)class of the Fund exceeds the prevailing high watermark (the highest net asset value on previous financial year ends of the Fund). As per the last Valuation Day of the financial year the actual amount due over that year is calculated for each (sub)class of Participations and any amount due is made payable by the Fund to the Investment Manager.
- Management fees are the monthly fees due from the managed fund.
- Costs are determined on a historical basis and are attributed to the reporting year to which they relate.
- Material fixed assets are depreciated over their estimated useful lives as from the inception of their use.
- Saemor has entered into an agreement with Aegon Levensverzekering N.V., under which the latter grants the post retirement benefits to employees of Saemor. Saemor disburses premium to Aegon Levensverzekering N.V. There are no other obligations in addition to the premiums paid.

Notes to the balance sheet

- Accounts receivable at 31 December 2016 refer to management fee of December 2016 and performance fee of 2016 due by the funds managed.
- The financial instruments held by Saemor Capital B.V. are not traded in an active market. The net asset values of the participations in the Saemor Europe Alpha Fund and participations in the Plurima Apuano Dynamic Equity Fund are calculated by the respective Fund Administrators. The value calculations are based on the observable market prices of the underlying assets.
- Cash is not subject to any restrictions.
- The managing board proposes to distribute a dividend of € 141,781 and to add the remainder of the profit to the other reserves.
- The long term liability is longer than one year but shorter than 5 years, and refers to deferred variable remuneration.

Notes on the profit and loss account items

- As seeding, large and long term committed investors, affiliated entities related to Aegon Group N.V. who participate in the Saemor Europe Alpha Fund receive a full discount on performance fee.
- The management fee is payable monthly in arrears and due as per the first day of the subsequent month. As seeding, large and long-term committed investors, affiliated entities related to Aegon Group N.V. who are participants in the Saemor Europe Alpha Fund received a discount.
- Saemor has defined a remuneration policy. This includes among other things provisions on the deferral of at least 40% allocated bonus amounts. The directors discuss the proposed budgeted amount for variable pay with the shareholders. The directors decide on the assessment of performances of members of personnel and the amount of variable pay allocated to each member of personnel. The amount of variable pay for each employee is dependent on several weighted criteria, a.o. the performance of the relevant fund, the contribution to the(improvement) of the investment process, the contribution to (the improvement of) other company processes.
- There were no subsequent events in the period post 31 December 2016.