

SAEMOR CAPITAL B.V.

Financial Information 2018

The Hague
5 June 2019

Company information

Statutory directors

Qmetrics B.V.
P.P.J. van de Laar

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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 as investment manager of a UCIT 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 2018

Introduction

Saemor realized a net profit of €416,605.

The Saemor Europe Alpha Fund (hereafter: the Fund) realized a 2.2% return for Class B. The amount of outstanding shares of the Fund fell marginally. Assets under management of the Fund decreased from €444 million to €431 million; the assets of external mandates managed amounted to € 6.8 million.

Business developments

Challenging market

2018 turned out to be a challenging year for investors, owing to rising political, macro and policy uncertainty. It was a very difficult environment for hedge funds, which recorded their worst annual result since 2011 (-5.0%). Every main hedge fund strategy index lost. European equity markets sold off during the last 3 months of the year; in 2018 key indices were down over 10% on a net total return basis.

Business development

The relative good return of our Fund in 2018 is a positive stimulus for business and product development in 2019. Several reasons contributed to a delay of the start of a UCIT fund on an Amundi platform, where Saemor will be appointed as investment manager. The launch is now expected to be in the third quarter of 2019.

Legal & Compliance

We have implemented and/or amended several procedures and policies as a result of Markets In Financial Instruments Directive II (MIFID II) and GDPR.

The manager formed a dedicated task force to obtain an overview of the impact of Brexit on fund operations, as well as to formulate the need for action. With the fund's service providers all potential operational changes were discussed, and if relevant any mitigating action was taken. One of the prime broker counterparties migrated in March 2019 from its UK entity to a French entity.

Technology

We continued our data normalization project, as well as our project to rebuild our front office models into more modular building blocks, enabling us to faster construct, backtest and manage alternative investment propositions. These propositions can differ from our flagship strategy in terms of investment universe, alpha drivers, ESG overlay and risk parameters.

Personnel

The company had on average 14.1 FTE (2017: 13.8) employed. Twenty-one persons were employed by Saemor at the end of the year. As of 1 August 2018 Patrick van de Laar has been appointed as a director on a full time basis as of 1 August 2018.

Pension provider Aegon has not renewed the contract which terminated after 10 years. Our pension advisor has inventorised several alternatives; after careful assessment we have selected NN as a new provider. The new pension arrangement is a defined contribution scheme; costs for Saemor will increase slightly.

Financials

Saemor has paid a regular dividend of €137,529 (50% of net profit 2017) and an extra dividend of €5,574,010. The realized net profit 2018 amounted to €416,605. The managing board proposes to distribute dividends of €415,826. The remainder of the profit will be added to the Other Reserves.

The current assets of Saemor are sufficient to meet its current short term, current long term and foreseeable near future financial obligations.

Outlook

We expect to become appointed as a manager of an Amundi UCIT fund, which is scheduled for launch in the third quarter of 2019.

The manager continues to follow ongoing (regulatory) changes in relation to Brexit closely, and will take further action if needed to ensure smooth operations of the fund.

We do not foresee a further major impact of Brexit on our company in the short term.

Saemor strives to continuously improve its investment processes. During 2019, we will migrate our core processes to Python code and further systematize our processes. Saemor will continue to invest in technology, with the aim to

improve efficiencies in the mid and back office for operational and reporting purposes, as well as to apply new information technology to advance our portfolio management. Under normal market conditions, we expect Saemor to be profitable in 2019.

The Hague, 5 June 2019

Qmetrics B.V.
S. Bouman

P.P.J. van de Laar

Balance sheet as at 31 December 2018

(Before profit distribution)

ASSETS	31 December 2018	31 December 2017
	€	€
Fixed assets		
Property and equipment	4,690	10,738
Hardware	9,198	12,198
	13,888	22,936
Current assets		
Accounts receivable	406,466	423,356
Units of participations in Funds	2,008,553	1,977,528
Corporate income tax	-	218,738
Current account related parties	31,328	-
Other current assets	29,377	158,926
	2,475,724	2,778,548
Bank	4,244,394	9,162,561
	4,244,394	9,162,561
Total assets	6,734,006	11,964,045
	€	€
LIABILITIES		
Equity		
Share capital	20,225	20,225
Ordinary share premiums	479,775	479,775
Other reserve	4,318,090	9,755,172
Net Result	416,605	274,457
	5,234,695	10,529,629
Long term liability	224,417	273,909
	224,417	273,909
Current		
Tax	122,727	13,383
Other current liabilities	1,152,167	1,147,124
	1,274,894	1,160,507
Total liabilities	6,734,006	11,964,045

Profit and loss account 1 January - 31 December 2018

P&L	2018	2017
	€	€
Performance fee	20,039	26,784
Management fee	4,178,110	4,178,956
Revenues from fees	4,198,149	4,205,740
Other revenues	2,037	26,322
Total revenues	4,200,186	4,232,062
Total costs	-3,693,844	-4,004,899
Investment results	31,025	133,927
Other income	7,828	7,828
Interest	-2,464	-15,775
Result before tax	542,731	353,143
Corporate income tax	-126,126	-78,686
Result after tax	416,605	274,457

Cash flow statement 1 January - 31 December 2018

(Indirect method)

CASHFLOW STATEMENT	2018	2017
	€	€
Earnings from operations	506,342	227,163
Adjustments for		
Depreciation	9,048	8,504
Change in receivables	302,823	-118,679
Change in liabilities	64,895	233,024
Due corporate tax	-126,126	-78,686
	250,640	44,163
Cash flow from operations	756,982	271,326
Investment results	31,025	133,927
Investments in fixed assets	-	-9,389
Cash flow from investments	31,025	124,538
Interest	-2,464	-15,775
Dividends paid	-5,711,538	-141,575
Cash flow from financing	-5,714,002	-157,350
Other income	7,828	7,828
Cash flow from other	7,828	7,828
Change in cash	-4,918,167	246,342

Summary 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 2018. 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 fee is 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's agreement with Aegon Levensverzekering N.V., under which the latter grants the post retirement benefits to employees of Saemor, was discontinued at the end of 2018. Effective January 1, 2019, Saemor entered into an agreement with a new pension plan provider for its staff to replace Aegon.

Notes to the balance sheet

- Accounts receivable at 31 December 2018 refer to management fee of December 2018 and performance fee of 2018 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 € 415,826 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 the 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 2018.