Saemor Europe Alpha Fund

ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED
31 DECEMBER 2018

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For the year ended 31 December 2018

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FUND INFORMATION

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DEPOSITARY	The Bank of New York Mellon SA/NV WTC Building, Podium Office, B-Tower Strawinskylaan 337 1077 XX Amsterdam The Netherlands
LEGAL OWNER	Stichting Saemor Europe Alpha Fund c/o: SGG Custody B.V. Amerika Building Hoogoorddreef 15 1101 BA Amsterdam The Netherlands
ADMINISTRATOR	The Bank of New York Mellon SA/NV WTC Building, Podium Office, B-Tower Strawinskylaan 337 1077 XX Amsterdam The Netherlands
PRIME BROKERS	Morgan Stanley 25 Cabot Square Canary Wharf London, E14 4QA United Kingdom Merrill Lynch International 2 King Edward Street London EC1A 1HQ United Kingdom Barclays Bank PLC 5 The North Colonnade Canary Wharf London E14 4BB United Kingdom
LEGAL ADVISOR	De Brauw Blackstone Westbroek N.V. Claude Debussylaan 80 1082 MD Amsterdam The Netherlands
INDEPENDENT AUDITOR	PricewaterhouseCoopers Accountants N.V. Fascinatio Boulevard 350 3065 WB Rotterdam The Netherlands
FINANCIAL REPORTING TO DNB	Solutional Financial Reporting B.V. Arentsburghlaan 3 2275 TT Voorburg The Netherlands

FUND PROFILE

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

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

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

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

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

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

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

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

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

Prime Brokers
The Prime Brokers (the "Prime Brokers") of the Fund are Morgan Stanley, London, United Kingdom, Merrill Lynch International, London, United Kingdom and Barclays Bank PLC, London, United Kingdom.

SUMMARY OF FINANCIAL INFORMATION

	2018	2017	2016	2015	2014
	€ '000	€ '000	€ '000	€ '000	€ '000
Class A (€)	1,702	2,381	(210)	4,390	1385
Class B (€)	42,185	61,825	(4,451)	108,006	190,879
Class D (€)	244	277	(15)	-	-
Income/(loss)	**44,131**	**64,483**	**(4,676)**	**112,396**	**192,264**
Class A (€)	(1,312)	(1,179)	(1,945)	(1,983)	(447)
Class B (€)	(32,514)	(30,613)	(41,284)	(48,777)	(61,597)
Class D (€)	(188)	(137)	(143)	-	-
Expenses and withholding taxes	**(34,014)**	**(31,929)**	**(43,372)**	**(50,760)**	**(62,044)**
Class A (€)	390	1,202	(2,155)	2,407	938
Class B (€)	9,671	31,212	(45,735)	59,229	129,282
Class D (€)	56	140	(158)	-	-
Increase/(decrease)	**10,117**	**32,554**	**(48,048)**	**61,636**	**130,220**
Net assets (€)	**424,752**	**444,213**	**433,350**	**484,118**	**608,112**
Number of units of participation					
Class A	10,281.86	10,466.77	13,315.54	11,595.18	2,993.50
Class B	261,305.63	280,131.86	292,854.88	297,070.52	434,423.60
Class D	2,399.91	1,988.11	1,596	-	-
Net asset value per unit of participation					
Class A (in €)	1,593.62	1,567.31	1,459.32	1,630.66	1,463.47
Class B (in €)	1,553.82	1,520.35	1,408.51	1,565.99	1,389.73
Class D (in €)	977.33	961.19	895	-	-
Performance					
Class A (in %)	1.7	7.4	(10.5)	11.4	25.1
Class B (in %)	2.2	7.9	(10.1)	12.7	27.3
Class D (in %)	1.7	7.4	(10.5)	-	-
Ongoing Charges Figure (in %)					
Class A (in %)	1.7	1.7	1.7	1.7	1.6
Class B (in %)	1.2	1.2	1.2	1.2	1.1
Class D (in %)	1.7	1.7	1.7	-	-

MANAGER'S REPORT

For the year ended 31 December 2018

1. Performance

The Saemor Europe Alpha Fund was up +2.2% for share class B, and +1.7% for share classes A and D in 2018. The Fund outperformed its market neutral peer group.

Fund Performance

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	**2018**
Class A	-0.2	-1.4	3.0	1.0	1.2	0.0	-3.7	-1.4	3.1	-1.3	-3.9	5.6	**1.7**
Class B	-0.2	-1.3	3.0	1.1	1.1	0.0	-3.5	-1.4	3.2	-1.2	-3.9	5.7	**2.2**
Class D	-0.2	-1.4	3.0	1.0	1.2	0.0	-3.7	-1.4	3.1	-1.3	-3.9	5.6	**1.7**

Source: BNY Mellon

2018 turned out to be a very 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, while the return dispersion between funds was larger than usual. Especially funds with emerging markets exposure lost a lot of ground. With a loss of 5.7%, long/short equity hedge funds fared better than the broader equity indices. Equity market neutral funds ended in negative terrain as well (-3.3% per cent).

2. Market Review

European equity markets declined in 2018, with most of the pullback coming in the last 3 months of the year. Key indices were down over 10% on a net total return basis. Equity markets had difficulty finding direction during the first 3 quarters, when economic activity and earnings announcements were still in line with a late-cycle expansion. However, investors started becoming more worried about of the economic outlook in Q4. Earnings revisions also turned negative after Q3, putting further pressure on markets.

Markets were up for most of January, with corporate earnings surprising on the upside and economic data looking good as well. High risk and Value strategies did well, in line with the typical January effect. Unemployment in the US continued its 2017 downward trend and would stay on that path for the entire year. Economic surprises reached their peak in Europe and the US and subsequently faded, causing a sell-off in equities in February. The VIX had its biggest percentage gain in history on February 5th, coming off a very low base. The Trump administration imposed tariffs on USD 50 billion worth of Chinese imports in March, starting a trade war that would not reach a conclusion in 2018.

After reaching a 12-month low in March, markets rebounded in April. The 10-year US bond yield topped 3% for the first time since 2013. First quarter earnings re-assured investors, pushing one of Europe's and the US' longest economic expansions and bull markets on for yet another quarter. Oil prices rose as well, reaching 80 dollars per barrel in May. Political uncertainty in Spain and Italy dominated markets in Europe in May. Italy's shift toward expansionary fiscal policy weighed heavily on Italian government bonds and lead to rising tensions with the European Commission as well as credit rating downgrades. Banks fared poorly under these circumstances. Global trade worries increased further during Q2, putting pressure on Automobiles and Materials. Meanwhile, risks of a no-deal Brexit rose. On balance, European equity markets finished the first half of the year on a flat note.

July saw a bit of a relief rally in Europe, as companies remained largely unaffected by US-China trade wars. The second quarter earnings reports came in above expectations on the sales level, but were slightly disappointing on the earnings side. Higher interest rates and tariff wars started to take hold in China, with growth expectations for 2018 and 2019 being downgraded by economists. The Fed continued to raise short-term interest rates on the back of buoyant economic activity, while the ECB started to wind down its asset purchases related to its quantitative easing (QE) program to EUR 15 billion per month and to wrap it up entirely at the end of December. Politics remained on the forefront in Europe, with Brexit talks breaking down and Italy in a budget standoff. Despite this and continued outflows from European equity funds, markets held up well. Equity markets were up for the quarter, while oil prices topped out on October 3rd.

Equity markets took a dive in Q4. It was the worst end to the year since the global financial crisis in 2008. Cyclicals in particular were hit hard. The effects of a global slowdown started to have a strong impact on earnings estimates. EPS revisions reached a 2.5 year low in November. Concerns over worldwide demand coincided with late-cycle cost inflation, both on the labour and the materials side. As risks of a recession increased, investors rotated from Growth into Value. The oil price proved to be a good proxy for global growth concerns, dropping from 86 to 53 dollars per barrel in an almost straight line. Initially, exporting sectors such as mining, capital goods and chemicals took the biggest hit, but the risk-off frenzy spread to riskier and more expensive domestic sectors in December, such as banks and general retail. Forward risk indicators such as VIX and VSTOXX reached their highest levels since June '16, the month of the Brexit referendum. They started the year near record low levels.

For the full year, cyclical sectors declined the most, with Automobiles and Banks losing down 25%. Real Estate, Industrials and Materials also suffered losses of 13 to 14%. Defensive sectors, notably Health Care outperformed as well. The underperformance of cyclicals versus defensives was most pronounced during the market downturn seen from the end of September onward. Tariff wars between the US and China coincided with or amplified an economic slowdown in China in H2. On a country basis, aggregate returns were all negative as well, with the exception of Finland. However, Austria, Belgium, and Ireland were all down more than 20% and German stocks declined 18%. The UK finished in the better half of the pack, despite ongoing Brexit woes. The other main markets France and Switzerland recorded similar losses of 8 to 9%. The euro weakened moderately versus the US dollar. The German 10-year US interest rate fell y-o-y, in contrast to the US, where rates peaked in November. Oil declined 20%, from 66.9 to 53.8 dollar per barrel of Brent Crude. Forward volatility risk proxies reached their highest levels since the Brexit referendum in June 2016, having started the year near-record lows.

MANAGER'S REPORT (CONTINUED)

For the year ended 31 December 2018

3. Investment Policy

From a style perspective, most of 2018 could be summarized as directionless. Our multi-factor model ended the year around zero. Value, Momentum and Quality remain the key building blocks of our multi factor model. Major factors rotated heavily in 2018. Value severely underperformed, with some factors posting the strongest negative performance since the Tech bubble (1999). On a sector-neutral basis, the loss amounted to -14% for Cyclical Value and Fair Value, while Defensive Value only fell -3%. The yield curve and rising recession risks have driven the underperformance of Cyclical Value. Momentum strategies did reasonably well for most of the year, but dipped into negative territory in Q4. Earnings Momentum typically does well in a slowdown, but not so much in a contraction, so this was in line with worsening market conditions since September. Profitability (+9%) & Growth (+1%) and Quality (+4%) factors were the only real positive standouts in the model in 2018, but still not producing double digit return spreads.

We started the year with a tactical overweight in Cyclical Value and Small Caps, but switched to a slowdown scenario in February. This meant being overweight Earnings Momentum and Quality at the expense of Value. After a prolonged global economic expansion that started in the second half of 2011, our style timing models were calling for a more risk-averse market environment to take hold in 2018. As its conviction grew, we added more weight to Profitability and Quality factors during the summer. In the fourth quarter, the model signalled that we had moved from slowdown into contraction territory. At the start of December, we decreased the weight of Earnings Momentum factors (which had worked very well since 2014) and went overweight Defensive Value, while keeping our overweight in Quality / Stability. Being overweight Profitability and Quality factor clusters for the entire year -save January- was beneficial to the Fund.

During the course of the year, the sector positioning of the Fund became more defensive. Whereas we started the year with overweight's in cyclical sectors such as Automobiles, Insurance and IT, we ended the year with long positions in Utilities, Energy and Health Care. Earnings momentum trends pointed our stock selection model towards Mining and Industrials for a good part of the year, but along with a slowdown in global economic activity and tariff wars between China and the US this preference has faded.

We are slowly seeing the effects in earnings announcements and subsequent analyst revisions. As Q2 and Q3, earnings came in below expectations in Europe and the rest of the world, the Fund gradually became more geared towards defensive stocks. The tactical positioning in December towards a contraction scenario cemented this further. Though our sector positioning is not downright defensive just yet, the individual stocks we hold within each sector tend to be the higher quality names.

On an individual stock level, the biggest positive contributors were short positions in Deutsche Bank, Metro Bank, Zalando and Osram. The most negative contributors were mostly long positions in cyclical names, like Covestro, SSAB and Electrocomponents.

The portfolio volatility as measured by a short-term statistical risk model stood at 7.2% per 31 December 2018 (31 December 2017: 6.8%) with gross leverage at 362%. The net beta-adjusted exposure fluctuated around zero with a margin of 7% throughout the year, and ended the year at 4.8%. At year-end, the ex-post volatility of the portfolio was 9.0%, based on 3 years of monthly as well as daily NAV's.

4. Outlook

Heading into 2019, the Fund has overweight Defensive Value and Quality at the expense of Momentum. Quality – specifically Stability – should do well if a recession scenario further unfolds. Both in a contraction and a recovery, Defensive Value factors tend to work reasonably well. It is also a good hedge if markets rebound in January after the dislocations created by the rising volatility during the fourth quarter. Moreover, the Defensive Value tilt prevents the portfolio from being over-exposed to individual over-priced quality stocks. Momentum traditionally shows below average pay-offs in either a recession or a recovery scenario, hence our underweight there. Note that, Earnings Momentum remains the second biggest component of our multi-factor model, even after tactically lowering its weight.

After a substantial market sell-off in December and significant underperformance of Cyclicals versus Defensives since September, the Manager sees risk to the upside as well as the downside at the start of the New Year. Rebalancing by financial institutions could provide a recovery in equity markets. Moreover, after two quarters of negative earnings announcements, expectations for full year earnings and 2019 corporate outlooks are quite subdued, where any improvement could fuel a relief rally. On top of that, economic activity in Europe and the US has slowed down but consumer and corporate behaviour is still favourable. On the negative side, we see a strong slowdown in global economic growth. The situation in China is particularly worrisome. While the extreme volatility and low quality of China's economic data makes it hard to read the signals, most data indicate that growth is to slow further. Politics remain the wild card for 2019. Tariff wars and an increasingly divided political climate could affect global economic activity. In Europe, ongoing Brexit discussions and an unbalanced Italian budget are the most pressing issues. With rising global recession risks, central banks could start to reflate monetary policy again.

The Fund has overweight positions in defensive sectors such as Health Care, Utilities and Real Estate. Our stock selection model prefers cyclicality in IT and Consumer Discretionary to manufacturing sectors such as Industrials, Materials (specifically Chemicals) and Automobiles. Within most sectors, the model prefers the lower Beta stocks with more attractive valuations. The Fund has a net short position in Switzerland, as most stocks are expensive there. Our largest overweight's are in The Netherlands, Sweden and Italy, which implies no clear regional bias. The Fund has a neutral position in the UK.

5. Risk Management

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

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

MANAGER'S REPORT (CONTINUED)

For the year ended 31 December 2018

5. Risk Management (continued)

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

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

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

Risks

Volatility of securities held

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

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

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

Short selling

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

Loans

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

Counterparty risk

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

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

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 that takes the total exposure into account.

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

6. Other information

Risk control

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

MANAGER'S REPORT (CONTINUED)

For the year ended 31 December 2018

6. Other information (continued)

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

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

Brexit
With Brexit approaching, the Manager formed a dedicated task force to obtain an overview of impact of this development on fund operations, as well as to formulate the need for action. Any potential impact on the fund due to changes at service provider's side of the Fund was taken into consideration. When relevant, mitigating action was taken, 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. Prime broker Merrill Lynch International decided to migrate its business from its UK entity to a French entity. The migration date was 20 March 2019.

Research fees
The Manager uses a wide range of external investment research from amongst others investment banks and independent research providers to help make appropriate investment decisions. Following the introduction of MiFID II, fund managers are required to unbundle research fees from execution costs ("research unbundling"). The Manager uses a number of investment banks who provide a broad range of research services and other services. The Manager also makes use of niche players who provide a single or small number of research products. The selection of research service providers is independent from the selection of brokers for execution services. Research fees are funded by charges collected alongside transaction commissions, the so-called "Transactional Method". The Manager aims to collect the amount to cover the research budget. There are processes in place to properly monitor the amounts paid for research. If there is a surplus in the research payment account at the end of a period, the Manager may decide to rebate those monies to the Fund or to offset it against the research budget and charge calculated for the following period. Annually, the Manager will review its research service providers and the research fees of the previous year. Based on a reasonable assessment, the management board will set the annual external research budget related to the Fund's strategies.

Remuneration
Saemor Capital B.V. has defined a remuneration policy. This includes among other things provisions on the deferral of at least 40% allocated bonus amounts. The directors discuss the proposed budgeted amount for variable pay with the 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 among which risk management, the contribution to marketing and sales, as well as the quality of activities in the execution of existing company processes.

Senior management in 2018 relates to the two statutory directors. Other personnel include portfolio managers and all other (non investment) staff. All employees are eligible to receive variable pay, and for all employees deferral of at least 40% of variable applies. On average the company had 14.1 FTE employed in 2018 (2017: 13.8).

There are no personnel at Saemor Capital B.V. with a total remuneration of EUR 1 million or more in 2017 and in 2018.

2018	**Positions**	**FTE**	**Variable remunera-tion**	**Salary**
			€	**€**
Senior Management	2	1.7	€166,754	€293,489
Other	19	12.4	€388,426	€1,222,629
All personnel	**21**	**14.1**	**€555,180**	**€1,516,118**

2017	**Positions**	**FTE**	**Variable remunera-tion**	**Salary**
			€	**€**
Senior Management	2	1.5	€251,682	€265,657
Other	19	12.3	€578,881	€1,207,447
All personnel	**21**	**13.8**	**€830,563**	**€1,473,104**

Saemor Capital B.V. is the manager of the Saemor Alpha Fund, Saemor Capital B.V. was also appointed manager of a sub-fund of the EGI Plurima fund, which has an equal strategy as the Saemor Europe Alpha Fund.

The Hague, 18 April 2019

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

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

STATEMENT OF FINANCIAL POSITION

As at 31 December 2018

	Note	2018 €	2017 €
Current assets			
Financial assets at fair value through profit or loss	3,11	501,075,132	509,930,263
Amounts due from brokers	6	25,130,967	36,136,397
Dividends receivable		427,394	915,834
Margin accounts	5	231,152,341	290,623,223
Cash and cash equivalents	4	90,268,666	100,906,536
Total current assets		**848,054,500**	**938,512,253**
Current liabilities			
Financial liabilities at fair value through profit or loss	3,11	(408,703,551)	(449,851,461)
Amounts due to brokers	6	(13,236,527)	(43,433,591)
Dividends payable		(563,938)	(164,087)
Management fee payable	7	(368,904)	(385,270)
Interest payable		(234,094)	(227,364)
Accrued expenses	8	(195,837)	(237,305)
Total current liabilities (excluding net assets attributable to holders of redeemable units of participation)		**(423,302,851)**	**(494,299,078)**
Net assets attributable to holders of redeemable units of participation		**424,751,649**	**444,213,175**

Class A	**2018**	**2017**	**2016**
Number of units of participation (note 13)	10,281.86	10,466.77	13,315.54
Net asset value per unit of participation	€ 1,593.62	€ 1,567.31	€ 1,459.32
Class B			
Number of units of participation (note 13)	261,305.63	280,131.86	292,854.88
Net asset value per unit of participation	€ 1,553.82	€ 1,520.35	€ 1,408.51
Class D			
Number of units of participation (note 13)	2,399.91	1,988.11	1,596
Net asset value per unit of participation	€ 977.33	€ 961.19	€ 895
Total Net Asset Value	**€ 424,751,649**	**€ 444,213,175**	**€ 433,349,637**

The accompanying notes are an integral part of these financial statements

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2018

	Note	2018	2017
		€	€
Income			
Interest income	9	399,844	341,974
Gross dividend income	10	29,313,957	23,299,909
Net gain on financial assets and liabilities at fair value through profit or loss	3	14,828,579	43,510,718
Net foreign exchange (loss) on cash and cash equivalents	7	(411,184)	(2,669,522)
Total income		**44,131,196**	**64,483,079**
Expenses			
Dividend expense on securities sold short	10	(16,185,055)	(16,812,655)
Management fee	7	(4,407,003)	(4,405,807)
Performance fee	7	(37,419)	-
Interest expense & borrowing fee	9	(8,268,454)	(6,978,331)
Research fee	7	(516,177)	-
Audit fee	7	(31,775)	(40,689)
Administration fee	7	(377,420)	(383,109)
Depositary fee	7	(159,411)	(155,476)
Legal fee	7	(12,000)	(2,000)
Costs of supervision	7	(67,545)	(67,545)
Other expenses	7	(68,785)	(62,169)
Trustee fee	7	(13,538)	(13,537)
Total expenses		**(30,144,582)**	**(28,921,318)**
Profit before tax		**13,986,614**	**35,561,761**
Withholding taxes		(3,869,205)	(3,007,331)
Profit after tax		**10,117,409**	**32,554,430**
Increase attributable to holders of redeemable units of participation		**10,117,409**	**32,554,430**

The accompanying notes are an integral part of these financial statements

STATEMENT OF CASH FLOWS

For the year ended 31 December 2018

	2018	2017
	€	€
Cash flows from operating activities		
Increase attributable to holders of redeemable units of participation	10,117,409	32,554,430
Adjustment for net foreign exchange gain - cash and cash equivalent	411,184	2,669,522
Adjustment for interest income	(399,844)	(341,974)
Adjustment for dividend income	(29,313,957)	(23,299,909)
Adjustment for interest expense & borrowing fee	8,268,454	6,978,331
Adjustment for dividend expenses	16,185,055	16,812,655
Adjustments to reconcile increase attributable to holders of redeemable units of participation to net cash provided by/(used in) operating activities:		
Decrease in financial assets at fair value through profit or loss	8,855,131	11,640,486
(Decrease)/increase in financial liabilities at fair value through profit or loss	(41,147,910)	2,632,238
(Decrease)/increase in margin cash	59,470,882	(41,661,178)
(Decrease)/increase in management fee payable	(16,366)	9,038
(Decrease) in subscriptions received in advance	-	(74,000)
(Decrease) in amounts due to brokers	(30,197,064)	(8,036,480)
Decrease/(increase) in amounts due from brokers	11,005,430	(3,633,203)
(Decrease) in accrued expenses	(41,468)	(117,001)
Cash provided by/(used in) operating activities	**13,196,936**	**(3,867,045)**
Interest received	399,844	341,974
Dividend received	29,802,397	22,967,021
Interest paid	(8,261,724)	(6,993,816)
Dividend paid	(15,785,204)	(17,005,219)
Net cash provided by/(used in) operating activities	**19,352,249**	**(4,557,085)**
Cash flows from financing activities		
Increase attributable to holders of redeemable units of participation	984,210	600,000
Payments from redemptions of redeemable units of participation	(30,068,779)	(22,247,458)
Cash flow related to equalisation (deficit) previous year	(494,366)	(43,434)
Net cash flow from financing activities	**(29,578,935)**	**(21,690,892)**
Net (decrease) in cash and cash equivalents	(10,226,686)	(26,247,977)
Adjustment for net foreign exchange gain - cash and cash equivalents	(411,184)	(2,669,522)
Cash and cash equivalents at the beginning of the year	100,906,536	129,824,035
Cash and cash equivalents at the end of the year	**90,268,666**	**100,906,536**

The accompanying notes are an integral part of these financial statements

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

For the year ended 31 December 2018

	Note	Number of shares	2018
			€
Balance at the beginning of the year		**292,587**	**444,213,175**
Increase attributable to holders of redeemable units of participation resulting from operations for the year		-	10,117,409
Issue of redeemable units of participation during the year	13	802	984,210
Payments from redeemable units of participation during the year	13	(19,077)	(30,068,779)
Redemptions related to equalisation deficit in previous year		(325)	(494,366)
Net assets attributable to holders of redeemable units of participation at the end of the year		**273,987**	**424,751,649**

For the year ended 31 December 2017

	Note	Number of shares	2017
			€
Balance at the beginning of the year		**307,767**	**433,349,637**
Increase attributable to holders of redeemable units of participation resulting from operations for the year		-	32,554,430
Issue of redeemable units of participation during the year	13	600	600,000
Payments from redeemable units of participation during the year	13	(15,749)	(22,247,458)
Redemptions related to equalisation deficit in previous year		(31)	(43,434)
Net assets attributable to holders of redeemable units of participation at the end of the year		**292,587**	**444,213,175**

The accompanying notes are an integral part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2018

1. FUND INFORMATION

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

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

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

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

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

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

2. PRINCIPAL ACCOUNTING POLICIES

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

The financial statements have been prepared on a historical cost basis, except for financial instruments classified at fair value through profit or loss, which have been measured at fair value. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the preparation of the Fund's financial statements for the year ended 31 December 2017, except for the adoption of new standards, amendments and interpretations effective from 1 January 2018.

The financial statements are presented in Euros (€).

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

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

New standards, amendments and interpretations effective after 1 January 2018 and have not yet been early adopted by the Fund.

The below mentioned standards, amendments to standards and interpretations in issue are not yet effective, and have not been applied in preparing these financial statements. Management is currently assessing the possible impact of these new standards and interpretations.

IFRS 16, 'Leases' (effective January 2019)
IFRS 16 is effective for annual reporting periods beginning on or after 1 January 2019.
The objective of IFRS 16 is to report information that (a) faithfully represents lease transactions and (b) provides a basis for users of financial statements to assess the amount, timing and uncertainty of cash flows arising from leases. To meet that objective, a lessee should recognise assets and liabilities arising from a lease.

IFRS 16 introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. A lessee is required to recognise a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make.

A lessee measures right-of-use assets similarly to other non-financial assets (such as property, plant and equipment) and lease liabilities similarly to other financial liabilities. As a consequence, a lessee recognises depreciation of the right-of-use asset and interest on the lease liability. The depreciation would usually be on a straight-line basis.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2018

2. PRINCIPAL ACCOUNTING POLICIES (continued)

(a) basis of preparation (continued)
In the statement of cash flows, a lessee separates the total amount of cash paid into principal (presented within financing activities) and interest (presented within either operating or financing activities) in accordance with IAS 7.

Assets and liabilities arising from a lease are initially measured on a present value basis. The measurement includes non-cancellable lease payments (including inflation-linked payments), and includes payments to be made in optional periods if the lessee is reasonably certain to exercise an option to extend the lease, or not to exercise an option to terminate the lease. The initial lease asset equals the lease liability in most cases.

The lease asset is the right to use the underlying asset and is presented in the statement of financial position as part of property, plant and equipment or as its own line item.

The Fund did not trade in lease transactions. In the Manager's opinion, adoption of IFRS 16 would have no material impact on the recognition, measurement or disclosures in the Fund's financial statements.

Standards and amendments to existing standards effective 1 January 2018

IFRS 9 Financial Instruments: Classification and Measurement
IFRS 9 'Financial Instruments' became effective for annual periods beginning on or after 1 January 2018. It addressed the classification, measurement and derecognition of financial assets and liabilities and replaces the multiple classification and measurement models in IAS 39.

Derivative and equity instruments are measured at fair value through profit or loss unless, for equity instruments not held for trading, an irrevocable option is taken to measure at fair value through other comprehensive income. IFRS 9 also introduces a new expected credit loss (ECL) impairment model.

IFRS 9 has been applied retrospectively by the Fund and did not result in a change to the classification or measurement of financial instruments. The Fund's investment portfolio continues to be classified as fair value through profit or loss and other financial assets which are held for collection continue to be measured at amortised cost. There was no material impact on adoption from the application of the new impairment model.

IFRS 15 Revenue from Contracts with Customers
The Fund has adopted IFRS 15 Revenue from Contracts with Customers on its effective date of 1 January 2018. The adoption of IFRS 15 has had no impact on the financial statements of the Fund.

At the date of authorisation of the financial statements, there were a number of other Standards and Interpretations, which were in issue but not yet effective. Management anticipates that the adoption of these Standards and Interpretations in future periods will have no material impact on the financial statements of the Fund.

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

At 31 December 2018 and 31 December 2017, there are no material differences between these valuation methods.

In the current year, the Fund has adopted IFRS 9 Financial Instruments. Comparative figures for the year ended 31 December 2017 have not been restated. Therefore, financial instruments in the comparative period are still accounted for in accordance with IAS 39 Financial Instruments: Recognition and Measurement.

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

In applying that classification, a financial asset or financial liability is considered to be held for trading if it is acquired or incurred principally for the purpose of selling or repurchasing in the short term. Derivatives are also categorised as held for trading, as the Fund does not designate any derivatives as hedges in a hedging relationship. Therefore, they meet the held-for-trading criteria and are required to be measured at fair value through profit or loss.

Initial measurement
Purchases and sales of financial instruments are accounted for at trade date. Realised gains and losses on disposal of financial instruments are calculated using the first-in-first-out ("FIFO") method. Financial instruments categorised at fair value through profit or loss are measured initially at fair value. Transaction costs are costs incurred to acquire financial assets or liabilities at fair value through profit or loss. They include fees and commissions paid to agents, advisers, brokers and dealers. Transactions costs, when incurred, are immediately recognised in 'net 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 that are classified as at fair value through profit or loss at fair value. Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

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

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

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2018

2. PRINCIPAL ACCOUNTING POLICIES (continued)

(b) Financial instruments (continued)

Subsequent measurement (continued)

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

(c) Recognition

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

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

(d) Derecognition

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

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

(e) Offsetting financial instruments

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

(f) Contract for Difference

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

(g) Redeemable units of participation

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

(h) Subscription and redemption fees

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

(i) Interest income/expense and borrowing fee

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

(j) Expenses

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

(k) Dividend income and expense

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

(l) Statement of Cash Flows

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

(m) Foreign currency translation

Functional and presentation currency

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

Foreign currency transactions

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

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

(n) Cash and cash equivalents

Cash consists of cash at bank, cash equivalents consist of short-term investments available to the Fund with original maturities of three months or less, and short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Cash is held with Morgan Stanley, Merrill Lynch International and Barclays Bank PLC.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2018

2. PRINCIPAL ACCOUNTING POLICIES (continued)

(n) Cash and cash equivalents (continued)
Short-term investments that are not held for the purpose of meeting short-term cash commitments and restricted margin accounts are not considered as 'cash and cash equivalents'.

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

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

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

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

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

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

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

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

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

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

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

(t) Research fee
Research fees are incurred by the Fund by using the "Transactional Method".

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2018

3. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

Movement Schedule Investments

Equity securities	2018	2017
	€	€
Beginning market value 1 January	37,616,723	53,153,578
Purchase	2,794,292,214	3,223,740,017
Sale	(2,763,850,363)	(3,236,302,971)
Revaluation	11,025,427	(2,973,901)
Ending market value 31 December	**79,084,001**	**37,616,723**

Contracts for Difference	2018	2017
	€	€
Beginning market value 1 January	22,462,079	21,197,948
Purchase	607,451,316	427,908,746
Sale	(620,428,968)	(473,129,234)
Revaluation	3,803,152	46,484,619
Ending market value 31 December	**13,287,579**	**22,462,079**

Total	2018	2017
	€	€
Beginning market value 1 January	60,078,802	74,351,526
Purchase	3,401,743,531	3,651,648,763
Sale	(3,384,279,331)	(3,709,432,205)
Revaluation	14,828,579	43,510,718
Ending market value 31 December	**92,371,581**	**60,078,802**

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2018

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

For the years ended 31 December 2018 and 31 December 2017, financial assets and liabilities at fair value through profit or loss were as follows:

	2018	2017
	€	€
Financial assets at fair value through profit or loss:		
Equity securities	452,293,025	470,469,156
Contracts for difference	48,782,107	39,461,107
Financial assets at fair value through profit or loss	501,075,132	509,930,263
Financial liabilities at fair value through profit or loss:		
Equity securities	(373,209,024)	(432,852,433)
Contracts for difference	(35,494,527)	(16,999,028)
Financial liabilities at fair value through profit or loss	(408,703,551)	(449,851,461)
Total financial assets and liabilities at fair value through profit and loss	**92,371,581**	**60,078,802**

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

As at 31 December 2018 and 31 December 2017, listed equity securities and CFD's at fair value through profit or loss are recorded at fair value based on quoted market prices in active markets.

As at 31 December 2018 and 31 December 2017, 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:

	2018	2017
	€	€
Realised gains	200,458,452	242,291,341
Unrealised gains	163,480,233	127,569,962
Realised losses	(189,517,328)	(196,015,054)
Unrealised losses	(159,592,781)	(130,335,531)
Total	**14,828,576**	**43,510,718**

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 9. The remaining financial instruments are classified under category 'financial assets and liabilities at amortised costs' under IFRS 9.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2018

4. CASH AND CASH EQUIVALENTS

Cash represents short-term funds available to the Fund.

	2018	2017
	€	€
Cash at brokers	90,268,666	100,906,536
Total	**90,268,666**	**100,906,536**

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

5. MARGIN ACCOUNTS

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

The Prime Brokers calculate the maximum amount to be loaned on the basis of all long and short securities held at the Prime Brokers; this is called the total margin requirement. The Fund does not provide individual securities as collateral for each individual short security transaction. The total short position is taken into account in the calculation of margin requirement. The total amount of margin requirements with the Fund's Prime Brokers was €142,819,829 (31 December 2017: €221,036,853) with Morgan Stanley and €47,084,319 (31 December 2017: €50,310,784) with Merrill Lynch International and €41,248,193 with Barclays Bank PLC (31 December 2017: €19,275,586).

	2018	2017
	€	€
Margin accounts	231,152,341	290,623,223
Total	**231,152,341**	**290,623,223**

6. AMOUNTS DUE FROM/(TO) BROKERS

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

As at 31 December 2018 and 31 December 2017 the following were held as amounts due from/(to) brokers:

	2018	2017
	€	€
Balances due from brokers	25,130,967	36,136,397
Balances due to brokers	(13,236,527)	(43,433,591)
Net amounts due to brokers	**11,894,440**	**(7,297,194)**

7. FEES AND EXPENSES

Management fee

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

The management fee is set as an annual percentage of 1.5% of the gross asset value (GAV) for Class A and D units of participation, 1.0% of the GAV for Class B units of participation (before deduction of the accrued performance fee). The management fee is accrued on a monthly basis. The fee is payable in arrears following completion and finalisation each month. Management fees of €4,407,003 (31 December 2017: €4,405,807) were incurred for the year ended 31 December 2018 of which €368,904 was payable at 31 December 2018 (31 December 2017: €385,270).

Performance fee

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

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

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

Performance fees of €37,419 (31 December 2017: € Nil) were incurred for the year ended 31 December 2018 of which €Nil was payable at 31 December 2018 (31 December 2017: €Nil).

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2018

7. FEES AND EXPENSES (continued)

Performance fee – equalisation
The performance fee is calculated according to the "Equalisation" method, which means that each Participant pays a fee that truly corresponds to the increase in value of units of participation that he/she holds. Participations are subscribed to against the gross asset value per unit of participation. If the subscription price exceeds the high water mark (the "HWM") on a dealing day, an equalisation credit is granted to the Participant. Following the date of grant, the value of the equalisation credit fluctuates with the increase and decrease of the net asset value (NAV). The equalisation credit will at no time turn into a negative value, and it will not increase beyond the value at the time of issue. By issuing participations against the value of the Participant's equalisation credit at the ultimate valuation day of the financial year of the Fund, the credit will be finally settled. The equalisation credit as at 31 December 2018 amounted to €Nil (31 December 2017: €4,036).

Conversely, a Participant that acquires participations at a time that the HWM exceeds the NAV per participation, at which point in time the GAV equals the NAV as no performance fee is accrued, will build up an equalisation deficit from the moment that the NAV per participation exceeds the subscription price. Any deficit will be finally settled by way of mandatory redemption of the equalisation deficit bearing participations. The Manager is entitled to the ensuing claim. Redemption will take place per the ultimate dealing day of the financial year of the Fund, or at redemption during the year. The equalisation deficit as at 31 December 2018 amounted to €149,447 (31 December 2017: €490,330).

Other costs charged to the assets of the Fund

	2018	2017
	€	€
Administration fee	377,420	383,109
Audit fee	31,775	40,689
Costs of supervision	67,545	67,545
Depositary fee	159,411	155,476
Legal fee	12,000	2,000
Other expenses	68,785	62,169
Trustee fee	13,538	13,537
	730,474	**724,525**

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

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

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

Other expenses	**2018**	**2017**
	€	**€**
Miscellaneous expenses	1,665	1,531
Brokerage fees (excluded in Ongoing Charges Figure)	67,120	60,638
	68,785	**62,169**

Subscription and redemption fees
The Fund may upon issue and redemption of a unit of participation charge a fee up to 1.0% of the subscription or redemption amount. These costs may be charged in order to cover the costs incurred in transactions related to subscription and/or redemption and are credited to the Fund. During the year ended 31 December 2018, the Fund charged redemption fees of €Nil (31 December 2017: €Nil).

Ongoing charges figure
The Ongoing Charges Figure (OCF) is a ratio of the total ongoing costs to the average net assets value of the Fund. Ongoing costs include cost of management and administration, plus other costs of running the fund, such as fees for custodians, regulators and independent auditor. Transaction costs of investments, interest expenses and performance fee are excluded from the calculation. The OCF will be calculated once a year, the figure as at 31 December 2018 and 31 December 2017 is as follows:

Ongoing Charges Figure	**Share Class A**	**Share Class B**	**Share Class D**
2018	1.65%	1.15%	1.65%
2017	1.65%	1.15%	1.65%

Performance fee ratio
Performance fee ratio is a ratio of the total performance fee (including equalisation deficit) to the average net assets value of the Fund. This ratio will be calculated once a year, as at 31 December 2018 and 31 December 2017 the ratio is as follows:

Performance Fee Ratio	**Share Class A**	**Share Class B**	**Share Class D**
2018	0.01%	0.04%	0.00%
2017	0.02%	0.12%	0.00%

Transaction costs
Transaction costs are costs incurred to acquire financial assets or liabilities at fair value through profit or loss. They include execution fees and other charges like stamp duty and exchange fee paid to agents, brokers and dealers. Transaction costs, when incurred, are immediately recognised in net gain or loss on financial assets and liabilities at fair value through profit or loss. The transaction costs as at 31 December 2018 amounted to €1,658,912 (31 December 2017: €2,581,225).

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2018

7. FEES AND EXPENSES (continued)

Research fees
The Fund holds Research Collection Accounts (RCA) at its executing brokers. The broker receives a commission for executing a transaction that is split into (1) an execution fee and (2) a research fee. The money received by the broker that is related to research is entered into a separate account with the broker, the RCA. Collected monies on the RCA are periodically transferred to the Research Payment Account (RPA) held by the Manager. The Manager makes use of the "Transactional Method" to fund its RPA. The Manager uses the received monies to procure research offered by research service providers, with the aim of improving the results of the Fund. The total amount of research fees during the year ended 31 December 2018 amounted to €516,177 (31 December 2017: €Nil).

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

31 December 2018	Actual Costs	Estimated costs Prospectus
Management fee	€ 4,407,003	% of GAV: Class A and D=1.5% and Class B=1.0%
Performance fee	€ 37,419	% of annual increase GAV: Class A=20% and Class B=15% Class D=20%
Administration fee	€ 377,420	+/- of 0.095% of NAV
Trustee fee	€ 13,538	Annual fee €11,000
Independent auditor's and advisor fee*	€ 111,320	Not Specified
Depositary fee	€ 159,411	0.03% of NAV
Other costs**	€ 1,665	Not Specified

31 December 2017	Actual Costs	Estimated costs Prospectus
Management fee	€ 4,405,807	% of GAV: Class A and D=1.5% and Class B=1.0%
Performance fee	-	% of annual increase GAV: Class A=20% and Class B=15% Class D=20%
Administration fee	€ 383,109	+/- of 0.095% of NAV
Trustee fee	€ 13,537	Annual fee €11,000
Independent auditor's and advisor fee*	€ 110,234	Not Specified
Depositary fee	€ 155,476	0.03% of NAV
Other costs**	€ 1,531	Not Specified

* Independent auditor's and advisors' costs include audit fee, legal fee and cost of supervision. Audit fee refers to services provided by the independent auditor and relate to the audit of the Financial Statements. The independent auditor is also involved in the examination of the Prospectus of the Fund. This is recorded under the legal fee.

** 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

	2018	2017
	€	€
Securities purchase	5,550,332,944	5,600,327,836
Securities sale	5,521,172,539	5,652,314,953
Total securities transactions	**11,071,505,483**	**11,252,642,789**
Subscriptions participants	984,210	600,000
Redemptions participants	30,068,779	22,247,458
Total movement in participations	**31,052,989**	**22,847,458**
Average net asset value	434,800,261	429,767,898
Turnover Rate	**2,539%**	**2,613%**

8. ACCRUED EXPENSES

	2018	2017
	€	€
Audit fee	12,850	12,899
Administration fee	64,416	106,179
Depositary fee	25,069	37,039
Legal and tax advice fee	12,184	7,219
Costs of supervision	75,073	67,545
Trustee fee	4,809	5,044
Other accrued expenses	1,436	1,380
	195,837	**237,305**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2018

9. INTEREST INCOME/EXPENSE AND BORROWING FEE

	2018	2017
	€	€
Interest income	399,844	341,974
Interest expense	(5,271,936)	(4,258,673)
Borrowing fee	(2,996,518)	(2,719,658)
	(7,868,610)	**(6,636,357)**

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

10. DIVIDEND INCOME/EXPENSE

	2018	2017
	€	€
Gross dividend income	29,313,957	23,299,909
Dividend expense on securities sold short	(16,185,055)	(16,812,655)
	13,128,902	**6,487,254**

11. RISK ASSOCIATED WITH FINANCIAL INSTRUMENTS

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

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

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

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

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

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2018

11. RISK ASSOCIATED WITH FINANCIAL INSTRUMENTS (continued)

Fair value estimation (continued)

The following tables analyse the fair value hierarchy of the Fund's financial assets and liabilities measured at fair value as at 31 December 2018 and as at 31 December 2017:

Financial assets at fair value through profit or loss	31 December 2018 €	Level 1 €	Level 2 €	Level 3 €
Equity securities	452,293,025	452,293,025	-	-
Derivatives	48,782,107	-	48,782,107	-
Total	**501,075,132**	**452,293,025**	**48,782,107**	**-**

Financial liabilities at fair value through profit or loss	31 December 2018 €	Level 1 €	Level 2 €	Level 3 €
Equity securities sold short	(373,209,024)	(373,209,024)	-	-
Derivatives	(35,494,527)	-	(35,494,527)	-
Total	**(408,703,551)**	**(373,209,024)**	**(35,494,527)**	**-**

Financial assets at fair value through profit or loss	31 December 2017 €	Level 1 €	Level 2 €	Level 3 €
Equity securities	470,469,156	470,469,156	-	-
Derivatives	39,461,107	-	39,461,107	-
Total	**509,930,263**	**470,469,156**	**39,461,107**	**-**

Financial liabilities at fair value through profit or loss	31 December 2017 €	Level 1 €	Level 2 €	Level 3 €
Equity securities sold short	(432,852,433)	(432,852,433)	-	-
Derivative	(16,999,028)	-	(16,999,028)	-
Total	**(449,851,461)**	**(432,852,433)**	**(16,999,028)**	**-**

For the year ended 31 December 2018 and 31 December 2017, there were no transfers between levels.

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

Equity risk

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

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2018

11. RISK ASSOCIATED WITH FINANCIAL INSTRUMENTS (continued)

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

The ex-post Beta for the Fund was -0.06 (2017: 0.17), calculated from a regression of the daily returns of the Fund on the MSCI Europe, from 1 January to 31 December 2018. The ex-ante Beta measured at year-end 2018 is 0.05 (2017: 0.00).

2018

Market indices	Ex-ante Beta	Change	Effect on net assets and profit	Change	Effect on net assets and profit
		%	€	%	
MSCI Europe	0.05	25%	19,195,593	(25)	(19,195,593)

2017

Market indices	Ex-ante Beta	Change	Effect on net assets and profit	Change	Effect on net assets and profit
		%	€	%	
MSCI Europe	-	25	0	(25)	-

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

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

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

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

The following table demonstrates management's best estimate of the sensitivity to a reasonable change in the foreign exchange rates, with all other variables being constant, of the most representative Fund's foreign currency exposures. The currency sensitivity below is based upon a movement of exchange rates and the direct currency exposures as a result of Fund holdings that are denominated in currencies other than Euro, the functional currency of the Fund. Please note that the table below is based upon the holdings as at 31 December 2018 and 31 December 2017; currency exposures continuously change.

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

The sensitivity analysis for the currency exposures held by the Fund is based on the assumption of a 10% movement in the foreign exchange rates against the Fund's functional currency (Euro). The table below is based upon the breakdown of the assets and liabilities in the different currencies, based upon the holdings as 31 December 2018 and 31 December 2017. Currency exposures continuously change.

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2018

11. RISK ASSOCIATED WITH FINANCIAL INSTRUMENTS (continued)

Currency risk (continued)

The total economic exposure to different currencies at 31 December 2018 was:

	Financial (liabilities)/ assets at fair value through profit or loss	Cash and amounts due from/(to) brokers	Other (liabilities)/ assets	Net currency exposure	In % of total net assets	+10% Movement	-10% Movement
	€	€	€	€	%	€	€
CHF	(56,014,119)	54,287,655	2,840,532	1,114,068	0.26%	111,407	(111,407)
DKK	(6,491,887)	(3,879,531)	3,736,739	(6,634,679)	-1.56%	(663,468)	663,468
GBP	(5,314,665)	7,244,258	(6,943,615)	(5,014,022)	-1.18%	(501,402)	501,402
NOK	(16,811,264)	23,357,434	2,139,806	8,685,976	2.04%	868,598	(868,598)
SEK	48,843,391	(55,551,075)	(169,628)	(6,877,312)	-1.62%	(687,731)	687,731
USD	-	670,932	-	670,932	0.16%	67,093	(67,093)
Total	**(35,788,544)**	**26,129,673**	**1,603,834**	**(8,055,037)**	**-1.90%**	**(805,503)**	**805,503**

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

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

	CHF	DKK	GBP	NOK	SEK	USD
FX/EUR	0.89	0.13	1.11	0.10	0.10	0.87

The total economic exposure to different currencies at 31 December 2017 was:

	Financial (liabilities)/ assets at fair value through profit or loss	Cash and amounts due from/(to) brokers	Other (liabilities)/ assets	Net currency exposure	In % of total net assets	+10% Movement	-10% Movement
	€	€	€	€	%	€	€
CHF	(24,976,185)	19,607,439	(2,034,795)	(7,403,541)	-1.67%	(740,354)	740,354
DKK	(13,832,819)	5,230,307	9,830,317	1,227,805	0.28%	122,781	(122,781)
GBP	17,024,352	(12,856,394)	1,951,819	6,119,777	1.38%	611,978	(611,978)
NOK	2,703,561	(4,424,263)	3,049,348	1,328,646	0.30%	132,865	(132,865)
SEK	51,029,067	(53,100,218)	(1,198,212)	(3,269,363)	-0.74%	(326,936)	326,936
USD	-	51,135	43,400	94,535	0.02%	9,454	(9,454)
Total	**31,947,976**	**(45,491,994)**	**11,641,877**	**(1,902,141)**	**-0.43%**	**(190,212)**	**190,212**

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

The currency rates as at 31 December 2017 are as follows:

	CHF	DKK	GBP	NOK	SEK	USD
FX/EUR	0.85	0.13	1.13	0.10	0.10	0.83

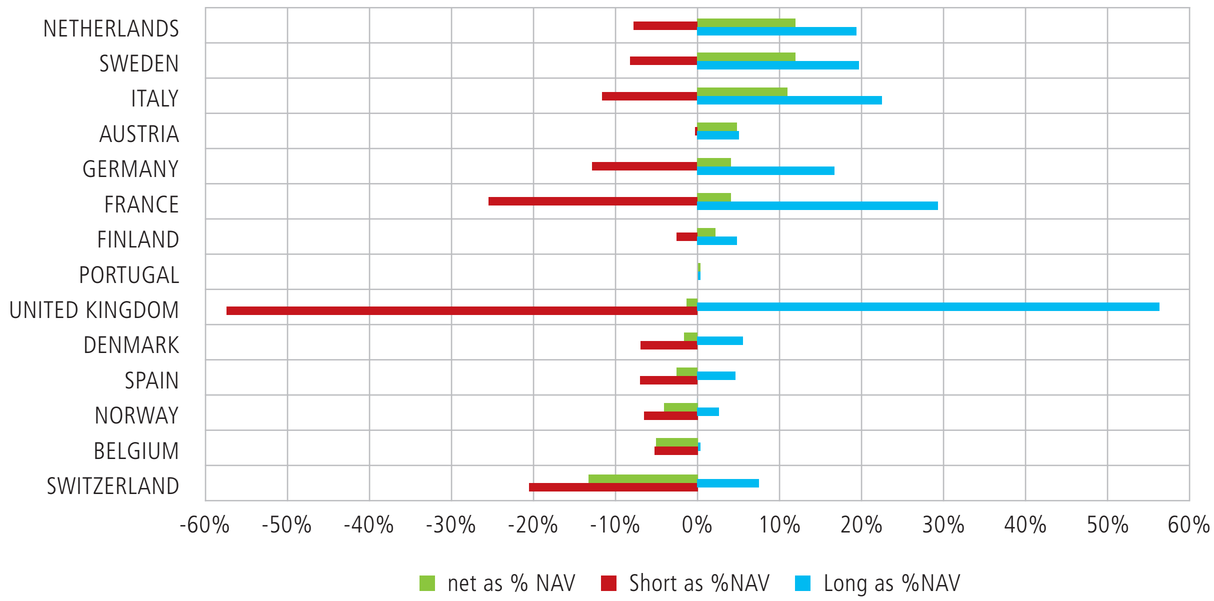
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2018

11. RISK ASSOCIATED WITH FINANCIAL INSTRUMENTS (continued)

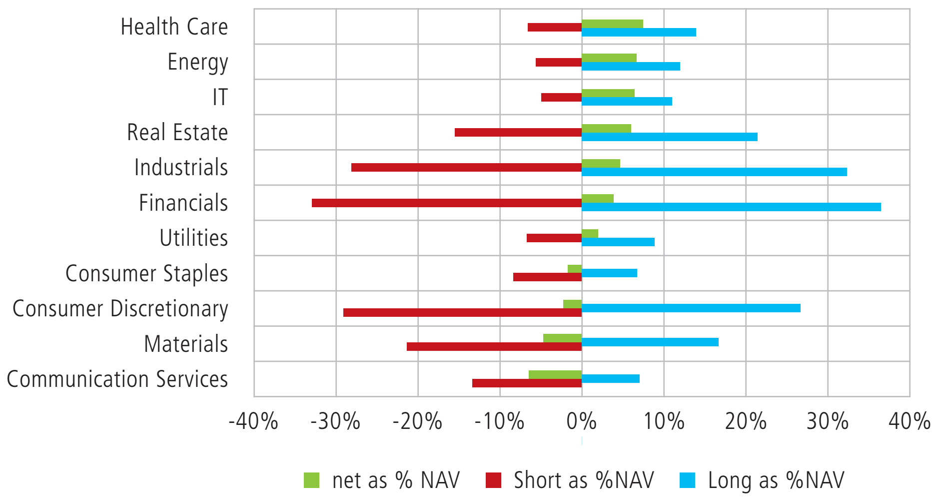
Concentration risk
The country allocation (net exposure, long positions and short positions per country) as a percentage of the NAV at 31 December 2018 was as follows:

COUNTRY ALLOCATION SAEMOR EUROPE ALPHA FUND 2018



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

SECTOR ALLOCATION SAEMOR EUROPE ALPHA FUND 2018



NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

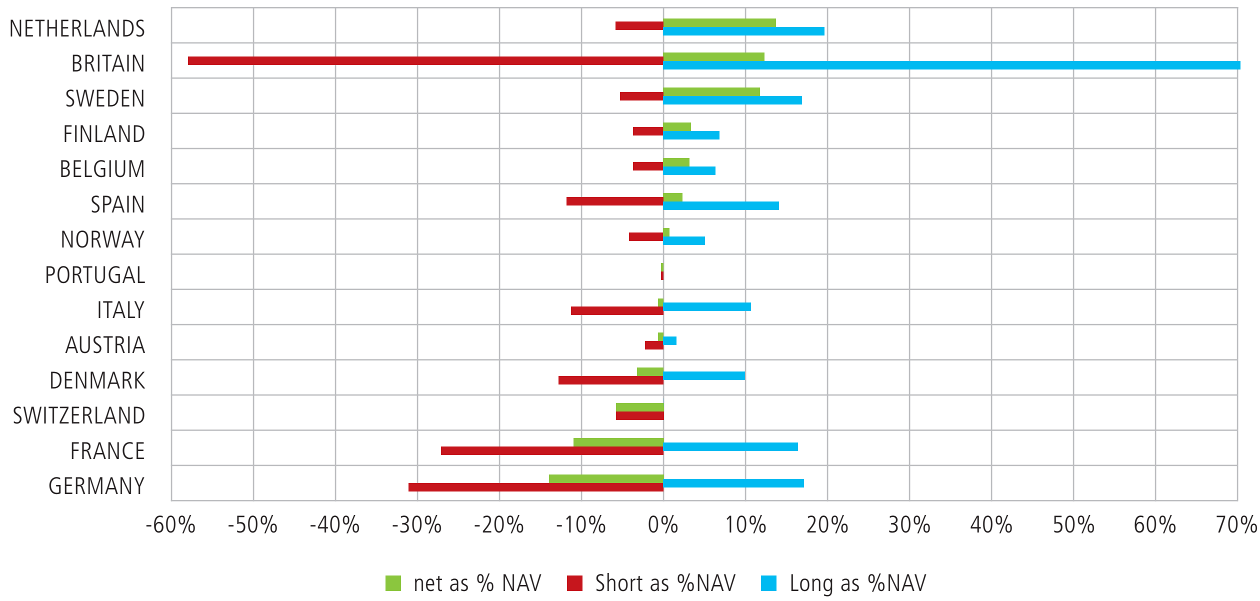
For the year ended 31 December 2018

11. RISK ASSOCIATED WITH FINANCIAL INSTRUMENTS (continued)

Concentration risk (continued)

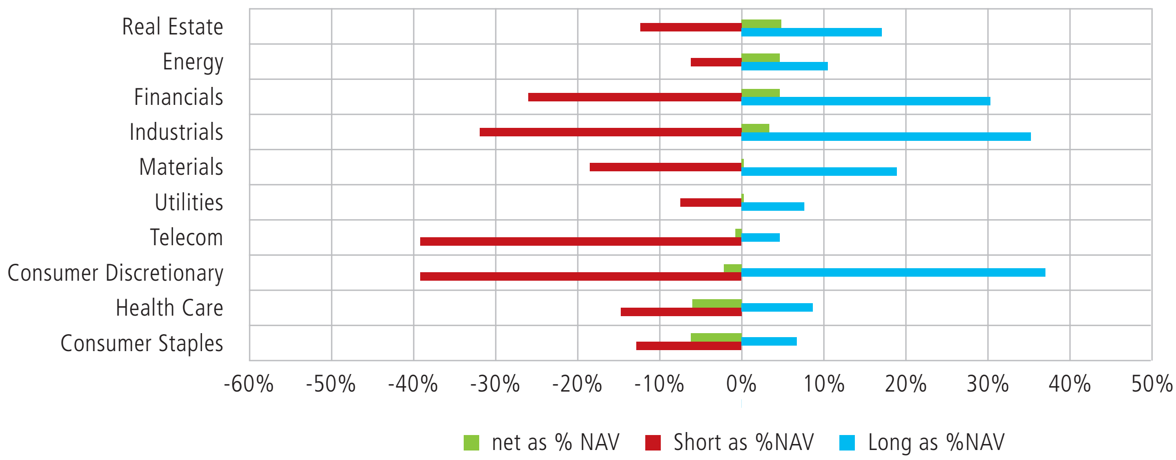
The country allocation (net exposure, long positions and short positions per country) as a percentage of the NAV at 31 December 2017 was as follows:

COUNTRY ALLOCATION SAEMOR EUROPE ALPHA FUND 2017



The sector allocation (net exposure, long positions and short positions per sector) as a percentage of the NAV at 31 December 2017 was as follows:

SECTOR ALLOCATION SAEMOR EUROPE ALPHA FUND 2017



NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2018

11. RISK ASSOCIATED WITH FINANCIAL INSTRUMENTS (continued)

Concentration risk (continued)

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

TOP LONG POSITIONS 2018	As % NAV
IAG	3.2%
Sandvik	3.1%
Legal & General	3.1%
Burberry	3.1%
Berkeley	3.1%
Credit Agricole	3.1%
Societe Generale	3.1%
NN Group	3.1%
Roche	3.1%
Volvo	3.1%

TOP SHORT POSITIONS 2018	As % NAV
Rolls-Royce	3.2%
Rentokil	3.2%
Standard Chartered	3.2%
Credit Suisse	3.1%
Airbus	3.1%
ICADE	3.1%
Yara	3.1%
Swiss Re	3.1%
Tryg	3.1%
Vifor Pharma	3.1%

The top long and short exposures as a percentage of the NAV as at 31 December 2017 were as follows:

TOP LONG POSITIONS 2017	As % NAV
Faurecia	3.5%
Fiat Chrysler Automobiles	3.3%
UCB	3.3%
Kindred Group	3.2%
Amadeus IT Group	3.2%
ACS Actividades de Construccion y Servicios	3.2%
BE Semiconductor Industries	3.2%
Rockwool International	3.1%
ABN AMRO Group	3.1%
Philips Lighting	3.1%

TOP SHORT POSITIONS 2017	As % NAV
Accor	3.2%
Carrefour	3.2%
Melrose Industries	3.2%
Chr Hansen Holding	3.1%
Merlin Entertainment	3.1%
Standard Chartered	3.1%
Coloplast	3.1%
K+S	3.1%
Metro Bank	3.0%
Davide Campari-Milano	3.0%

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2018

11. RISK ASSOCIATED WITH FINANCIAL INSTRUMENTS (continued)

Interest rate risk

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

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

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

Fund exposure to direct interest rate risk in Euro at 31 December 2017 was:

31 December 2017	**Within 1 month**	**1 to 3 months**	**3 to 12 months**	**1 to 5 years**	**No stated maturity**	**Total**
Assets	**€**	**€**	**€**	**€**	**€**	**€**
Financial assets at fair value through profit or loss	-	-	-	-	509,930,263	509,930,263
Amounts due from brokers	36,136,397	-	-	-	-	36,136,397
Margin accounts	290,623,223	-	-	-	-	290,623,223
Cash and cash equivalents	100,906,536	-	-	-	-	100,906,536
Total	**427,666,156**	**-**	**-**	**-**	**509,930,263**	**937,596,419**
Liabilities						
Financial liabilities at fair value through profit or loss	-	-	-	-	449,851,461	449,851,461
Amounts due to brokers	43,433,591	-	-	-	-	43,433,591
Total	**43,433,591**	**-**	**-**	**-**	**449,851,461**	**493,285,052**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2018

11. RISK ASSOCIATED WITH FINANCIAL INSTRUMENTS (continued)

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

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

	2018	2017
	€	€
Derivatives	48,782,107	39,461,107
Dividends receivable	427,394	915,834
Amounts due from brokers	25,130,967	36,136,397
Cash and cash equivalents	90,268,666	100,906,536
Margin accounts	231,152,341	290,623,223
Total	**395,761,475**	**468,043,097**

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

To mitigate credit risk, three prime brokers have been legally appointed, allowing a transfer of securities and cash. Further, securities and cash are only held at, and derivatives are only executed with (investment grade) rated counterparties. Long-term ratings for Morgan Stanley at 31 December 2018 were A1 (Moody's) (31 December 2017: A3) and A+ (S&P) (31 December 2017: BBB+). Long-term ratings for Barclays Bank PLC at 31 December 2018 were Baa2 (Moody's) (31 December 2017: Baa2) and BBB- (S&P) (31 December 2017: BBB). Long-term ratings for Merrill Lynch International at 31 December 2018 were A3 (Moody's) (31 December 2017: A3) and NR (S&P) (31 December 2017: NR).

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

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2018

11. RISK ASSOCIATED WITH FINANCIAL INSTRUMENTS (continued)

Credit risk (continued)
The financial assets and liabilities, which are subject to offsetting as at 31 December 2018 and as at 31 December 2017 are as follows:

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

	Gross amounts of recognised financial assets	Gross amounts of recognised financial liabilities set-off in the Statement of Financial Position	Net amounts of financial assets presented in the Statement of Financial Position	Related amounts not set-off in the Statement of financial Position: Financial instrument	Net amount
2018	**€**	**€**	**€**	**€**	**€**
Investments pledged* MS	97,506,049	-	97,506,049	-	97,506,049
Derivative assets MS	41,350,066	-	41,350,066	20,559,484	20,790,582
Investments pledged ML	178,264,746	-	178,264,746	-	178,264,746
Derivative assets Barclays	7,432,041	-	7,432,041	7,432,041	-
2017	**€**	**€**	**€**	**€**	**€**
Investments pledged* MS	62,014,756	-	62,014,756	-	62,014,756
Derivative assets MS	30,015,780	-	30,015,780	14,411,334	15,604,446
Investments pledged ML	204,681,840	-	204,681,840	-	204,681,840
Derivative assets Barclays	9,445,327	-	9,445,327	2,587,694	6,857,633

* rehypothecated equity long

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

	Gross amounts of recognised financial liabilities	Gross amounts of recognised financial assets set-off in the Statement of Financial Position	Net amounts of financial liabilities presented in the Statement of Financial Position	Related amounts not set-off in the Statement of Financial Position: Financial instrument	Net amount
2018	**€**	**€**	**€**	**€**	**€**
Derivative liabilities MS	20,559,484	-	20,559,484	20,559,484	-
Derivative liabilities Barclays	14,935,043	-	14,935,043	7,432,041	7,503,002
2017	**€**	**€**	**€**	**€**	**€**
Derivative liabilities MS	14,411,334	-	14,411,334	14,411,334	-
Derivative liabilities Barclays	2,587,694	-	2,587,694	2,587,694	-

To enable short securities, the Fund borrows securities. At 31 December 2018, the Fund borrowed securities for an amount of €720,664,873 (31 December 2017: €806,352,042).

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2018

11. RISK ASSOCIATED WITH FINANCIAL INSTRUMENTS (continued)

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

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

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

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

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

31 December 2018	**Within 1 month**	**1 to 3 months**	**3 to 12 months**	**1 to 5 years**	**No stated maturity**	**Total**
Assets	**€**	**€**	**€**	**€**	**€**	**€**
Financial assets at fair value through profit or loss	-	-	-	-	452,293,025	452,293,025
Derivatives	-	-	-	-	48,782,107	48,782,107
Dividends receivable	427,394	-	-	-	-	427,394
Amounts due from brokers	25,130,967	-	-	-	-	25,130,967
Margin accounts	231,152,341	-	-	-	-	231,152,341
Cash and cash equivalents	90,268,666	-	-	-	-	90,268,666
Total	**346,979,368**	**-**	**-**	**-**	**501,075,132**	**848,054,500**
Liabilities						
Financial liabilities at fair value through profit or loss	-	-	-	-	373,209,024	373,209,024
Derivatives	-	-	-	-	35,494,527	35,494,527
Other payables and accrued expenses	1,362,773	-	-	-	-	1,362,773
Amounts due to brokers	13,236,527	-	-	-	-	13,236,527
Total	**14,599,300**	**-**	**-**	**-**	**408,703,551**	**423,302,851**
Liabilities						
Redeemable units of participation	-	424,751,649	-	-	-	424,751,649
Total	**14,599,300**	**424,751,649**	**-**	**-**	**408,703,551**	**848,054,500**
Liquidity gap	**332,380,068**	**(424,751,649)**	**-**	**-**	**92,371,581**	**-**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2018

11. RISK ASSOCIATED WITH FINANCIAL INSTRUMENTS (continued)

Liquidity risk (continued)

31 December 2017	Within 1 month	1 to 3 months	3 to 12 months	1 to 5 years	No stated maturity	Total
Assets	**€**	**€**	**€**	**€**	**€**	**€**
Financial assets at fair value through profit or loss	-	-	-	-	470,469,156	470,469,156
Derivatives	-	-	-	-	39,461,107	39,461,107
Dividends receivable	915,834	-	-	-	-	915,834
Amounts due from brokers	36,136,397	-	-	-	-	36,136,397
Margin accounts	290,623,223	-	-	-	-	290,623,223
Cash and cash equivalents	100,906,536	-	-	-	-	100,906,536
Total	**428,581,990**	**-**	**-**	**-**	**509,930,263**	**938,512,253**
Liabilities						
Financial liabilities at fair value through profit or loss	-	-	-	-	432,852,433	432,852,433
Derivatives	-	-	-	-	16,999,028	16,999,028
Other payables and accrued expenses	1,014,026	-	-	-	-	1,014,026
Amounts due to brokers	43,433,591	-	-	-	-	43,433,591
Total	44,447,617	-	-	-	449,851,461	494,299,078
Liabilities						
Redeemable units of participation	-	444,213,175	-	-	-	444,213,175
Total	**44,447,617**	**444,213,175**	**-**	**-**	**449,851,461**	**938,512,253**
Liquidity gap	**384,134,373**	**(444,213,175)**	**-**	**-**	**60,078,802**	**-**

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2018

11. RISK ASSOCIATED WITH FINANCIAL INSTRUMENTS (continued)

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

The holdings in the Fund are highly liquid. The 'average' holding can be sold almost within one day under normal circumstances. The table shows that more than 92% of the portfolio holdings can be liquidated within four days under the assumption that we trade maximum 25% of the daily volume. The daily volume is measured by the average daily trading volume in a security over the last 3 months of 2018 (ADV).

Liquidity profile of the long portfolio was as follows:

Percentage of	Average ADV	Max ADV	Percentage of Portfolio in% of the ADV				
3-months ADV			0%-25%	25%-50%	50%-100%	100%-200%	>200%
31-Dec-18	31%	172%	63%	17%	12%	8%	-
31-Dec-17	33%	172%	68%	13%	11%	8%	-

Liquidity profile of the short portfolio was as follows:

Percentage of	Average ADV	Max ADV	Percentage of Portfolio in% of the ADV				
3-months ADV			0%-25%	25%-50%	50%-100%	100%-200%	>200%
31-Dec-18	24%	156%	67%	22%	10%	1%	-
31-Dec-17	35%	173%	54%	25%	11%	9%	-

12. DERIVATIVE CONTRACTS

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2018

12. DERIVATIVE CONTRACTS (continued)

As at 31 December 2018 and 31 December 2017, the following derivative contracts were included in the Fund's Statement of Financial Position at fair value through profit or loss:

31 December 2018	Fair value assets	Fair value liabilities
	€	€
Contracts for difference	48,782,107	(35,494,527)
Total derivative contracts	**48,782,107**	**(35,494,527)**

31 December 2017	Fair value assets	Fair value liabilities
	€	€
Contracts for difference	39,461,107	(16,999,028)
Total derivative contracts	**39,461,107**	**(16,999,028)**

The table below details the total derivatives exposure at 31 December 2018 and 31 December 2017. Gross exposure is the sum of absolute market value of all long and short positions. Net exposure is the balance of market value of all long and short positions. At 31 December 2018 the Fund held long and short positions in equity CFD's.

The leverage of the Fund is a ratio between the total gross exposure and the net asset value of the Fund. The maximum leverage the Fund may have is 500%. At 31 December 2018 the leverage is 361.5% (31 December 2017: 376.2%).

31 December 2018	Net Exposure	Gross Exposure	Gross as % of NAV
	€	€	
Equity securities	79,083,999	825,502,102	194.3%
Contracts for difference	10,937,644	710,145,322	167.2%
Total Exposure	90,021,643	1,535,647,424	
Total as % of NAV	**21.2%**	**361.5%**	**361.5%**

31 December 2017	Net Exposure	Gross Exposure	Gross as % of NAV
	€	€	
Equity securities	37,616,581	903,321,071	203.4%
Contracts for difference	8,497,557	767,774,162	172.8%
Total Exposure	46,114,138	1,671,095,233	
Total as % of NAV	**10.4%**	**376.2%**	**376.2%**

13. REDEEMABLE UNITS OF PARTICIPATION

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

Class B has a "lock-up" of one year. The minimum (initial) investment for the 'seeding investor', employees and employees of directors is Euro 1,000 and for other Participants Euro 25,000,000. Subscriptions and redemptions have a minimum size of Euro 1,000.

Class D units of participation were issued as of 4 January 2016. The (initial) investment required of a Participant in Class D is Euro 25,000. Subsequent subscriptions and redemptions have a minimum size of Euro 1,000.

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2018

13. REDEEMABLE UNITS OF PARTICIPATION (continued)

Transactions in units of participation for Class A, Class B and Class D for the year ended 31 December 2018 and 31 December 2017 were as follows:

Class A (EUR)	Number of units of participation 2018	Number of units of participation 2017
Units of participation balance at the beginning of the year	10,466.77	13,315.54
Issue of redeemable units of participation	33.20	3.14
Redemption of redeemable units of participation	(215.54)	(2,851.79)
Movement related to equalisation deficit/credit	(2.57)	(0.12)
Units of participation at the end of the year	**10,281.86**	**10,466.77**

Class B (EUR)	Number of units of participation 2018	Number of units of participation 2017
Units of participation balance at the beginning of the year	280,131.86	292,854.88
Issue of redeemable units of participation	349.95	93.32
Redemption of redeemable units of participation	(18,853.67)	(12,785.63)
Movement related to equalisation credit/deficit	(322.51)	(30.71)
Units of participation at the end of the year	**261,305.63**	**280,131.86**

Class D (EUR)	Number of units of participation 2018	Number of units of participation 2017
Units of participation balance at the beginning of the year	1,988.11	1,595.94
Issue of redeemable units of participation	419.80	503.24
Redemption of redeemable units of participation	(8.00)	(111.07)
Units of participation at the end of the year	**2,399.91**	**1,988.11**

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 1,617.2 (31 December 2017: 1,269.9) Units of Participation in Class B of the Fund. Saemor Capital B.V. held 889.06 (31 December 2017: 889.06) Units of Participation Class A and 500 (31 December 2017: 500) Units of Participation Class D in the Fund.

Three investment funds managed by Aegon Investment Management B.V. (AIM B.V.) held 259,683.72 (31 December 2017: 278,706.20) Units of Participation Class B, 99.75 (31 December 2017: 99.75) Units of Participation Class A.

AIM B.V. is a 100% subsidiary of Aegon Asset Management Holding B.V., which is a 100% subsidiary of Aegon N.V. Aegon Asset Management Holding B.V. holds 68% (31 December 2017: 68%) of the shares in Saemor Capital B.V.

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

15. PERSONAL INTERESTS OF DIRECTORS

In accordance with article 122 paragraph 2 Bgfo the Fund is required to list the total holdings in securities by the employees of directors in investments, which are also held by the Fund as at 31 December 2018.

As at 31 December 2018 and 31 December 2017 the personal interests of the employees of directors in the Fund and which were also held by the Fund, amounted to:

Stock	Market Value 31 December 2018 €	Market Value 31 December 2017 €
UniCredit	168	265
Saemor Europe Alpha Fund	971,965	951,913
Total Amount (€)	**972,133**	**952,178**

16. DIVIDEND AND ALLOCATION OF RESULT

During the year ended 31 December 2018 and 31 December 2017, the Fund did not pay dividends. The result is included in the net assets attributable to holders of redeemable units of participation.

17. INVESTOR MONEY REGULATIONS

In response to the Central Bank of Ireland publishing the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) Investor Money Regulations 2015 for Fund Service Providers (the “Investor Money Regulations” or “IMR”) in March 2015 (effective from 1 July 2016), the Manager undertook, together with BNY Mellon Fund Services (Ireland) Designated Activity Company, a review of the way in which subscription, distribution and redemption monies are channelled to and from the Fund. As a result of this review, subscription and redemption monies are (effective from 1 July 2016), channelled through a cash collection account in the name of the Fund. Pending issue of the units and / or payment of subscription proceeds to an account in the name of the Fund, and pending payment of redemption proceeds or distributions, the relevant investor will be an unsecured creditor of the Fund in respect of amounts paid by or due to it. At 31 December 2018, the value of such subscriptions received in advance amounted to €Nil (31 December 2017: € Nil).

18. EU SECURITIES FINANCING TRANSACTIONS REGULATION 2016 (“SFTR”)

As at 31 December 2018 and 31 December 2017, additional SFTR disclosures are required for repurchase/reverse repurchase transactions, total return swaps (including contracts for difference), securities borrowing, securities lending and margin lending transactions. For the year ended 31 December 2018, the Fund has not entered into any stock lending transactions and repurchase/reverse repurchase transactions (31 December 2017: Nil).

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2018

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

The following table details the Fund's exposure (calculated on a net basis) to repurchase/reverse repurchase transactions, total return swaps (including contracts for difference), securities borrowing and margin lending transactions as at 31 December 2018 and 31 December 2017.

31 December 2018	Counterparty country of incorporation	Reverse repurchase transactions	Total return swap (including CFD)*	Securities borrowing	Margin lending transactions
Counterparty		**€**	**€**	**€**	**€**
Morgan Stanley	United Kingdom	-	(39,813,073)	119,736,654	142,819,829
Merrill Lynch	United Kingdom	-	-	251,324,437	47,084,319
Barclays Bank	United Kingdom	-	50,750,717	-	41,248,193
Total		**-**	**10,937,644**	**371,061,091**	**231,152,341**
Total as % of NAV		**-**	**2.6%**	**87.4%**	**54.4%**

31 December 2017	Counterparty country of incorporation	Reverse repurchase transactions	Total return swap (including CFD)*	Securities borrowing	Margin lending transactions
Counterparty		**€**	**€**	**€**	**€**
Morgan Stanley	United Kingdom	-	(24,644,390)	113,163,471	221,036,853
Merrill Lynch	United Kingdom	-	-	313,550,278	50,310,784
Barclays Bank	United Kingdom	-	33,141,930	-	19,275,586
Total		**-**	**8,497,540**	**426,713,749**	**290,623,223**
Total as % of NAV		**-**	**1.9%**	**96.1%**	**65.4%**

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

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

31 December 2018	Reverse repurchase transactions	Total return swap (including CFD)	Securities borrowing	Margin lending transactions
Maturity tenor	**€**	**€**	**€**	**€**
1 day	-	-	-	-
2 to 7 days	-	-	-	-
8 to 30 days	-	-	-	-
31 to 90 days	-	-	-	-
91 to 365 days	-	-	-	-
more than 365 days	-	-	-	-
open transactions	-	10,937,644	371,061,091	231,152,341

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2018

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

The following table provides an analysis of the maturity tenor of reverse repurchase transactions, total return swaps (including contracts for difference), securities borrowing and margin lending transactions outstanding as at 31 December 2017:

31 December 2017	Reverse repurchase transactions	Total return swap (including CFD)	Securities borrowing	Margin lending transactions
Maturity tenor	**€**	**€**	**€**	**€**
1 day	-	-	-	-
2 to 7 days	-	-	-	-
8 to 30 days	-	-	-	-
31 to 90 days	-	-	-	-
91 to 365 days	-	-	-	-
more than 365 days	-	-	-	-
open transactions	-	8,497,539	426,713,749	290,623,223

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

The Fund had cash collateral received or posted in respect of the daily marking-to-market of outstanding CFD positions. For the year ended 31 December 2018, the amount posted in the initial and variation margin account was €34,956,056 (31 December 2017: (€5,407,766).

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

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

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

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

The following table details the value of the re-use of Fund's assets, analysed per counterparty and currency as at 31 December 2018 and 31 December 2017.

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

Re-use of Fund's asset Counterparty	Country	Currency	Rehypothecation % 31 December 2017
Morgan Stanley	United Kingdom	€	44%
Merrill Lynch	United Kingdom	€	123%
Barclays Bank	United Kingdom	€	-

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2018

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

All returns and costs from margin lending transactions will accrue to the Fund and are not subject to any returns or cost sharing arrangements with the Fund's Manager.

Repurchase/ reverse repurchase transactions
The Fund did not have a Global Master Repurchase Agreements ("GMRA") or Master Repurchase Agreements ("MRA") with its Prime Broker. There were no reverse repurchase transactions in 2018 and 2017. There were no return sharing agreements with the Fund's Manager.

19. SUBSEQUENT EVENTS

There are no subsequent events impacting the Fund subsequent to 31 December 2018 up to the date of approval of these financial statements.

20. APPROVAL OF THE FINANCIAL STATEMENTS

Approved on behalf of the Manager:

Director Saemor Capital B.V

Date: 18 April 2019

OTHER NOTES

For the year ended 31 December 2018

1. VOTING POLICY

The Fund does not pursue an active voting policy.

2. APPROVAL OF THE FINANCIAL STATEMENTS

The Manager approved the financial statements on 18 April 2019

Independent auditor's report

To: the general meeting of unit holders

Report on the financial statements 2018

Our opinion

In our opinion, Saemor Europe Alpha Fund's financial statements give a true and fair view of the financial position of the fund as at 31 December 2018, and of its result and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union (EU-IFRS) and with Part 9 of Book 2 of the Dutch Civil Code.

What we have audited

We have audited the accompanying financial statements 2018 of Saemor Europe Alpha Fund, The Hague ('the fund').

The financial statements comprise:

- the statement of financial position as at 31 December 2018;
- the following statements for 2018: the statements of comprehensive income, changes in net assets attributable to holders of redeemable units of participation and cash flows;
- the notes, comprising the significant accounting policies and other explanatory information.

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

The basis for our opinion

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

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

TCZSAUNMTV6R-765000174-80

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

Report on the other information included in the annual report
In addition to the financial statements and our auditor's report thereon, the annual report contains other information that consists of:
- the fund information;
- the fund profile;
- the summary of financial information;
- the manager's report;
- the other information pursuant to Part 9 of Book 2 of the Dutch Civil Code.

Based on the procedures performed as set out below, we conclude that the other information:
- is consistent with the financial statements and does not contain material misstatements;
- contains the information that is required by Part 9 of Book 2 of the Dutch Civil Code.

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

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

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

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

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

Our responsibilities for the audit of the financial statements

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

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

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

Rotterdam, 18 April 2019
PricewaterhouseCoopers Accountants N.V.

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

Appendix to our auditor's report on the financial statements 2018 of Saemor Europe Alpha Fund

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

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

We have exercised professional judgement and have maintained professional scepticism throughout the audit in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error. Our audit consisted, among other things of the following:

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

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