SaemorCapital

Europe Alpha Fund

Monthly Report – June 2015

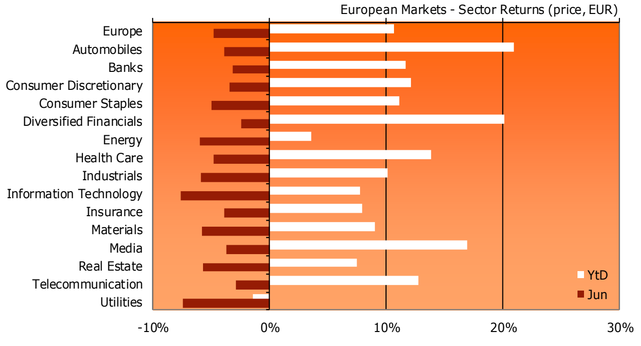
Fund Performance

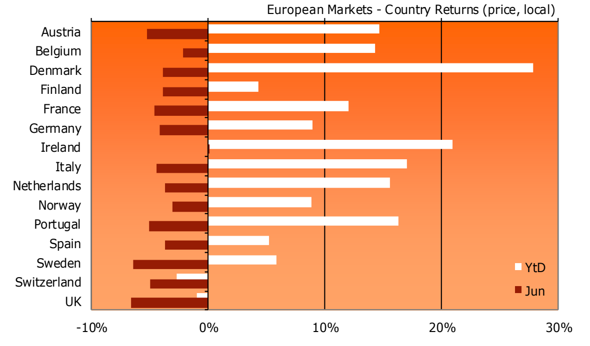
	June	**YTD**	3M	6M	1 Yr	3 Yr (ann)	5 Yr (ann)	NAV (30-Jun-2015)	Inception
Share Class B	**0.6%**	**12.0%**	4.2%	12.0%	30.4%	15.8%	12.8%	EUR 1556.4478	26-Jun-2008
Share Class A	**0.5%**	**11.0%**	3.8%	11.0%	28.0%	14.5%	11.4%	EUR 1624.9692	26-Jan-2009

The Fund recorded a gain of 0.6%, the 13th month in a row of positive performance. In June the long book contributed negatively and the short book positively, due to the negative direction of the market. The longs outperformed the market. Short positions in Industrials added the most. Short positions in Zodiac, G4S and Sobi topped the contributors list, whereas Ocado was detrimental to the performance. Whilst the markets were weighed down by events in Greece and China, our multi-factor quant model performance was positive. Our balanced strategy seems to be able to curtail this macro risk. Defensive Value underperformed as did Profitability and Quality factors. High dividend yield and quality stocks tend to underperform in rising rate environments. Performance of other factor clusters, notably Growth and Earnings Momentum was robust. Cyclical Value and Price Momentum also ended up in positive territory. High beta stocks were left behind, while small caps outperformed.

Market Developments

June proved to be the worst month for European equities this year as the deteriorating situation in Greece took centre stage. Two trading days before month-end, markets dropped sharply on the news that the Greek government broke off negotiations and called for a referendum. Greece missed its bundled €1.5bn payment to the IMF. Data out of Europe was mixed. The eurozone composite PMI came in stronger than expected, whilst German Ifo business climate fell more than expected. The worst sector performers were Information Technology, Utilities, Energy, Industrials and Materials. On the other hand, Financials, Telecoms and Automobiles outperformed. Markets in the UK and Sweden lost more than 6%, while Ireland was the only market to squeeze out a small gain. Most other equity markets and asset classes were down. Chinese equities sold off severely on concerns about the sustainability of its economic growth. Gilt, Treasury and Bund yields rose 20 to 30 bps. Bunds dropped in the beginning of June, driven by stronger than expected eurozone inflation data and a dovish FOMC meeting, but they eased towards the end of the month. Credit spreads finished the month wider across the board. Commodity prices also had a difficult time. Soft commodities had a strong rebound, but industrial metals and oil finished the month lower. Exchange rates remained volatile. The euro resumed its downtrend in May after bouncing back in April, while the British pound was largely unchanged against US dollar. Volatility rose, but not dramatically. Markets dropped in an orderly fashion as investors felt there was little risk of contagion in medium term.





Investment Outlook & Strategy

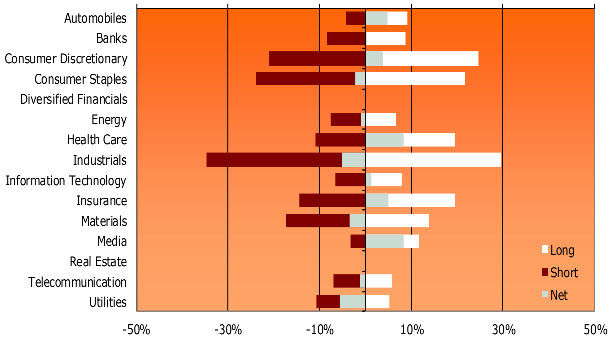
Since the end of May, we have taken a neutral position on most factor clusters and we continue our unbiased exposure to macro factors. We expect a volatile sideways market for the next couple of months. Since May, the European business cycle is marginally in a slowdown phase. Earnings revision trends also weakened in June. The crisis in Greece, possible Fed rate action and the moderation of Chinese growth could hamper earnings growth. A default and Grexit scenario has never seemed more likely. Nonetheless, contagion effects will be limited as Europe's corporate and financial sector has slashed its exposure to Greece and the eurozone has upped its firewalls. Moreover, signs that global macro-economic cycle is starting to turn in a synchronized way are emerging. By and large the current situation seems like a temporary pause in a continued uptrend for the European economy. With rates expected to rise but remain low, the search for yield will continue and the risk of a major correction remains small.

Key Portfolio Information

Total Net Assets (in mln)	€556 / $620	Net Exposure Beta-Adj	0.18
Outstanding Shares (B/A)	350027 / 6899	Beta (ex post, 3Y monthly data)	-0.03
Number of Long Positions	112	Volatility (ex ante, short-term risk model)	6.7%
Long Positions (% of NAV)	183.8%	Volatility (ex post, 3Y monthly data)	9.8%
Number of Short Positions	109	VaR (1 day / 95% conf)	0.7%
Short Positions (% of NAV)	-170.9%	Long Liquidity (avg)	0.27 days
Gross Exposure (% of NAV)	354.7%	Short Liquidity (avg)	0.33 days
Net Exposure (% of NAV)	13.0%	Portfolio Turnover (/GAV)	0.5

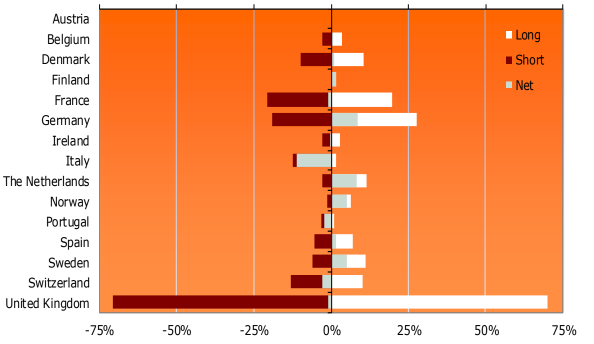
Sector Allocation (L&S as % NAV)

The Fund is net short Utilities, Industrials, Materials and Consumer Staples while it is net long Media, Health Care, Insurance, Automobiles and Consumer Discretionary. Positions in Telecommunications, Banks, Energy and Information Technology are balanced.



Country Allocation (L&S as % NAV)

German, Dutch, Swedish, Norwegian, Finnish, and Spanish stocks are overweighted in the portfolio, whereas stocks in Italy, Switzerland, Portugal, France and the United Kingdom, are underrepresented. The Fund is neutral in Denmark, Belgium and Ireland and has no holdings in Austria.



Top Long Positions

	Model Score	As % NAV
PEUGEOT	99	3.2%
ITV	95	3.1%
SANOFI	97	3.1%
FREENET	97	3.0%
PLAYTECH	98	3.0%

- Peugeot is a French manufacturer of automobiles and light commercial vehicles. The company is undergoing fundamental restructuring of its operations. Positive trends are apparent in the increasing capacity utilization, reduction of labor costs and the stabilization of its market share. Positive pricing, product mix and currency gains more than offset weaker volume growth due to weakness in Russia. Peugeot’s strong momentum were driven by improvement in its earnings and the quality in its growth.
- ITV is a UK broadcasting company which has been a long position in the fund for many years. Earnings continue to grow on the back of a strong UK economy. 2015 and 2016 earnings have seen steady upgrades since the start of the year with steady audience figures, muted competition and strong advertising growth. At 15x earnings, the company seems reasonably priced.
- Sanofi is a global and diversified health care company. Its Q1-2015 results were strong, showing signs of turnaround in its business EPS. This was mainly driven by improved margin on productivity gains and lower R&D costs. Genzyme, its biotech subsidiary in rare diseases, and the animal health unit remain the bright spots. Sanofi shares are trading well below the average of large pharma companies, while its earnings momentum is increasing steadily.
- Freenet is a German cable operator, offering internet and mobile and fixed telephone services. Cable in Germany has seen a rise in market share and the German market is relatively benign to begin with. The company is adding customers and is expected to raise dividends, banking on healthy cash flow generation and a strong balance sheet.
- Playtec provides software for online and mobile gaming, mostly geared towards the gambling / betting industry. The outlook for 2015 and beyond was strong and Q1 numbers have strengthened the case. The company is taking over Plus500 which operates in the security space and its first trading update has been taken positively by the market.

Top Short Positions

	Model Score	As % NAV
DUFRY	4	-4.0%
TESCO	0	-3.2%
KERING	5	-3.1%
TRYG	3	-3.1%
UCB	13	-3.0%

- Dufry is a Swiss based travel retail company operating duty-free shops at airports, cruise liners, seaports and other touristic locations. Higher concession fees are eating away its future profits, while its topline growth is hampered by subdued demand from emerging markets. Whereas the potential synergy with WDF is well priced in, the execution risk remains. With a trailing PE exceeding 100x, Dufry is among the most expensive stock in the sector.
- Tesco is a global food retailer, operating mainly in the UK. In its domestic market, Tesco is most exposed to the low growth environment and structural decline of the sector, in addition to extreme competitive pressure. The company issued five profit warnings last year as its UK sales fell, while its international business underperformed. Uncertainties loom as the group is undertaking a transformation to address the issues, including the damage caused by the accounting scandal.
- Kering designs, manufactures and markets luxury apparels and accessories. The company sees continuing EPS downgrades. Uncertainties around Gucci remain, as it is hard to control costs and cut marketing budget in the midst of a repositioning strategy. Puma brand is facing margin pressure from its dollar sourcing. Kering scores unfavorably across nearly all valuation, momentum and quality metrics compared to its peers.
- Tryg is a Danish insurer that sells general insurance throughout Scandinavia. Though well-run, Tryg's growth is expected to be modest. Shares in the company are valued at a considerable premium to their European peers, however. Even the stability of the Nordic countries hardly compensate for this premium, in our view.
- UCB is a biopharmaceutical company specializing in treatment of central nervous system disorders and immunology. It has rerated to above 32x forward PE, owing to a substantial margin guidance in 2018. This excessive valuation and the lack of sustainable positive catalysts in its pipeline pose considerable risk. 50% of UCB’s sales is generated by two drugs, Cimzia and Vimpat. Both are facing the competitive threat from biosimilars and other branded products.

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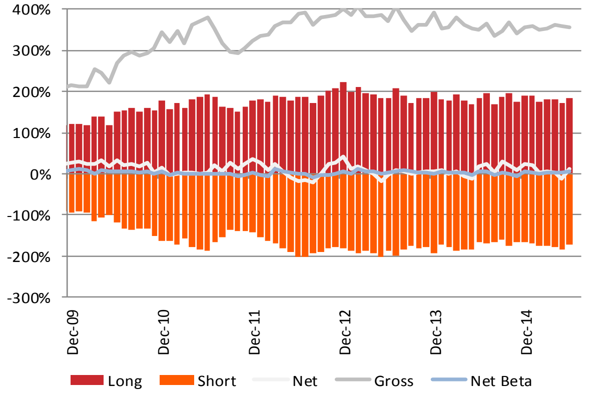
Exchange Liquidity Breakdown

The holdings in the Fund are highly liquid. The table below shows the percentage of securities in the portfolio which can be unwound within a particular period of time. The calculation is based on the assumption that maximum 25% of average daily volume (ADV, based on most recent 3 months) in a security can be traded per day. A higher participation rate is possible but will result in market impact costs. Under current market circumstances over 95% of the portfolio can be liquidated within 3 days if we trade one-quarter of the ADV per day.

Liquidity	Long	Short	Portfolio
Within 3 Days	97.0%	98.0%	98.0%
Within 1 Week	100.0%	100.0%	100.0%
Within 2 Weeks	100.0%	100.0%	100.0%
Within 1 Month	100.0%	100.0%	100.0%

Market Exposure

The Fund applies leverage but is typically run with low (beta-adjusted) net exposure and will be predominantly market-neutral over time.



Monthly Performance Contribution by Sector and Market Capitalization (%)

	Long	> 5bn	1-5bn	< 1bn	**Short**	> 5bn	1-5bn	< 1bn	**Total**
Automobiles	**-0.3**	-0.3	0.0	0.0	**0.1**	0.1	0.0	0.0	**-0.2**
Banks	**-0.3**	-0.3	0.0	0.0	**0.2**	0.3	-0.1	0.0	**-0.1**
Consumer Discretionary	**-0.1**	0.2	-0.2	-0.1	**-0.6**	-0.1	-0.4	0.0	**-0.7**
Consumer Staples	**-0.6**	-0.5	0.0	0.0	**0.7**	0.5	0.2	0.0	**0.1**
Diversified Financials	**0.0**	0.0	0.0	0.0	**0.0**	0.0	0.0	0.0	**0.0**
Energy	**-0.3**	-0.3	-0.1	0.0	**0.0**	0.1	-0.2	0.0	**-0.4**
Health Care	**-0.6**	-0.6	0.0	0.0	**0.6**	0.1	0.5	0.0	**0.0**
Industrials	**-0.8**	-0.7	-0.1	0.0	**2.9**	2.4	0.6	-0.1	**2.1**
Information Technology	**-0.2**	0.0	-0.2	0.0	**0.3**	0.2	0.0	0.1	**0.0**
Insurance	**-0.1**	0.0	-0.1	0.0	**0.8**	0.7	0.0	0.0	**0.6**
Materials	**-1.2**	-0.8	-0.4	0.0	**1.1**	1.0	0.1	0.0	**-0.1**
Media	**-0.4**	-0.4	0.0	0.0	**0.1**	0.0	0.0	0.0	**-0.3**
Real Estate	**0.0**	0.0	0.0	0.0	**0.0**	0.0	0.0	0.0	**0.0**
Telecommunication	**-0.1**	-0.1	0.0	0.0	**0.2**	0.2	0.0	0.0	**0.2**
Utilities	**-0.5**	-0.5	0.0	0.0	**0.5**	0.2	0.2	0.0	**0.0**
Cash / Other									-0.6
Total	**-5.5**	-4.3	-1.1	-0.1	**6.7**	5.7	1.0	0.0	**0.6**

Top Contributors

Zodiac	0.4%	Short
G4S	0.3%	Short
Sobi	0.3%	Short
Standard Life	0.3%	Short
Beiersdorf	0.3%	Short

Top Detractors

Ocado	-0.5%	Short
Metro	-0.3%	Long
BHP Billiton	-0.3%	Long
Evraz	-0.3%	Long
Royal Dutch Shell	-0.3%	Long

Monthly Fund Performance

Perf. Class B	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
2015	1.2%	2.6%	3.6%	0.1%	3.4%	0.6%							12.0%
2014	2.8%	3.5%	0.2%	-3.6%	-0.1%	6.5%	2.3%	2.1%	3.8%	2.7%	1.2%	3.3%	27.3%
2013	0.0%	0.5%	2.4%	1.4%	-1.9%	3.2%	-2.9%	-9.5%	2.1%	6.5%	2.4%	2.6%	5.9%
2012	-4.6%	-0.5%	-0.8%	3.6%	-1.3%	1.2%	0.6%	0.4%	1.0%	-0.8%	-0.5%	2.1%	0.4%
2011	0.7%	-1.7%	0.7%	0.0%	1.6%	4.5%	1.0%	-0.7%	2.4%	2.2%	3.2%	2.7%	17.8%
2010	0.7%	1.8%	1.4%	-1.2%	1.0%	-0.1%	-1.6%	0.5%	1.6%	2.0%	1.9%	-1.9%	6.1%
2009*	5.0%	-0.4%	-1.0%	-3.1%	-1.3%	0.8%	-2.5%	-2.1%	-0.8%	2.7%	-0.5%	0.0%	-3.5%
2008*							1.0%	-6.0%	-5.3%	-5.8%	-0.8%	1.4%	-14.9%

Perf. Class A	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
2015	1.1%	2.4%	3.3%	0.1%	3.2%	0.5%							11.0%
2014	2.6%	3.3%	0.1%	-3.4%	-0.1%	6.1%	2.2%	1.9%	3.5%	2.5%	1.2%	3.1%	25.1%
2013	0.0%	0.5%	2.2%	1.3%	-1.9%	3.0%	-2.8%	-9.5%	2.1%	6.4%	2.2%	2.4%	5.2%
2012	-4.6%	-0.5%	-0.9%	3.6%	-1.3%	1.2%	0.7%	0.4%	1.0%	-0.8%	-0.5%	2.1%	0.0%
2011	0.7%	-1.7%	0.7%	-0.1%	1.6%	4.0%	0.8%	-0.6%	1.9%	1.7%	2.6%	2.5%	14.9%
2010	0.7%	1.8%	1.4%	-1.2%	0.9%	-0.2%	-1.6%	0.4%	1.5%	2.0%	1.8%	-2.0%	5.6%
2009*	0.5%	-0.4%	-0.9%	-3.1%	-1.7%	0.7%	-2.5%	-2.2%	-0.9%	2.7%	-0.6%	-0.1%	-8.3%

Source: Citi Financial Services. Inception: June 26th, 2008 (B) and Jan 26th, 2009 (A). Returns are based on official month-end NAVs (Net Asset Value figures).
Returns are net of all fees for a Day one investor in the fund. The fees and Total Expense Ratio are mentioned on page 4 of this newsletter and the EBI document.
* Results in 2008 and 2009 are not fully representative of our current quantitative investment strategy. During 2009 we have reshaped our investment team to a more quantitative profile and have given risk management and portfolio optimization a prominent role in our day-to-day process.

SaemorCapital

Europe Alpha Fund

Monthly Report – June 2015

Investment Objective

The Saemor Europe Alpha Fund is a market-neutral long/short equity fund. The Fund aims to generate consistent returns of more than 8% per annum in bull and bear markets while keeping volatility around 8-10%. The Fund is run with low (beta-adjusted) net exposure and will be predominantly market-neutral over time.

Fund Highlights

Our alpha strategy encompasses an innovative quant factor model that is designed to add value during all phases of the business cycle and most market environments.

Fund Facts

Universe	Europe / EMEA
Currency share class	EUR
Minimum Investment EUR (A/C/B)	10k/50m/100m
Lock-up (A/C/B)	none/none/1 year
Frequency Subs & Reds	Monthly
Notice Period Subs & Reds	5 /15 days
Early Redemption Fee	max 1.0%
Management Fee (A/C/B)	1.5%/1.25%/1.0%
Performance Fee (A/C/B)	20%/17.5%/15%
High Watermark	Yes
Ongoing Charges Figure 2014 (A/B) *	1.62%/1.12%

Management

Manager	Saemor Capital
Administrator **	BNY Mellon Fund Services
Depositary **	Bank of New York Mellon
Prime Brokers	Morgan Stanley, BoA ML, Barclays
Auditor	PwC
Title Holder	SGG Custody B.V.
Legal	De Brauw Blackstone Westbroek
Compliance	CLCS
Fund Domicile	The Netherlands
Fund Structure	FGR (fund for joint account)
Tax Structure	VBI (tax exempt)

* The Ongoing Charges Figure (OCF) is a ratio of the total ongoing costs to the average net assets of the Fund. Ongoing costs include cost of investment management and administration, plus other costs of running the fund, such as fees for custodians, regulators and auditors. Transaction costs of investments, interest expenses and performance fee are excluded from the calculation.
** As of March 13th, 2015

Contact Information

Saemor Capital
WTC, E-Tower 7th floor
Prinses Margrietplantsoen 44
2595 BR The Hague
The Netherlands
Tel +31 (70) 756 8070
www.saemor.com

Erwin de Kleijn – Investor Relations Manager
erwindekleijn@saemor.com
Tel +31 (70) 756 8009
Mob +31 (6) 5209 4812
Mary Kahng – Investor Relations Manager
marykahng@saemor.com
Tel +31 (70) 756 8007
Mob +31 (6) 1384 8931