SaemorCapital

Europe Alpha Fund

Monthly Report – January 2016

Fund Performance

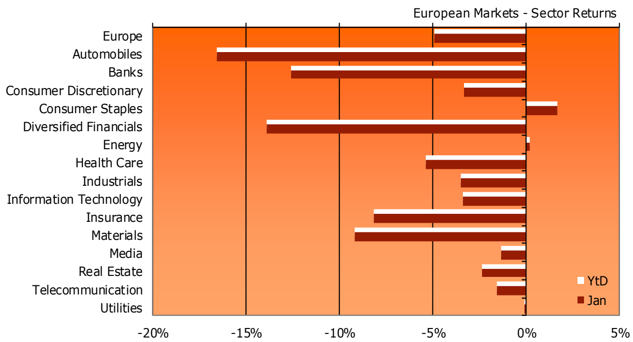
	January	**YTD**	3M	6M	1 Yr	3 Yr (ann)	5 Yr (ann)	NAV (29-Jan-2016)	Inception
Share Class B	**-4.2%**	**-4.2%**	-1.6%	-3.8%	6.7%	13.3%	11.3%	EUR 1500.45	26-Jun-2008
Share Class A	**-4.2%**	**-4.2%**	-1.9%	-4.0%	5.6%	12.0%	9.9%	EUR 1561.75	26-Jan-2009
Share Class D	**-4.2%**	**-4.2%**						EUR 957.78	31-Dec-2015

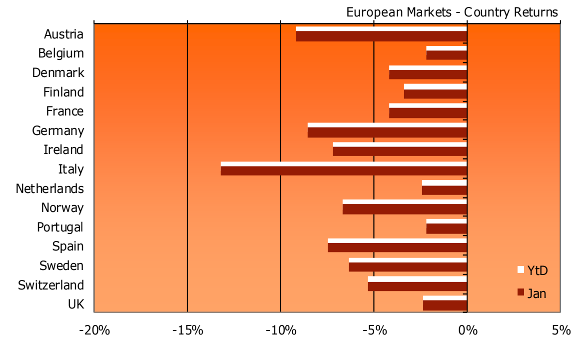
The fund suffered in January, and reversed its December gains. Both the long and short book contributed negatively to the performance. Energy stocks were the worst performers in the portfolio in aggregate, whereas Consumer Discretionary fared best. Results were also weak within the Materials and Consumer Staples sectors.

January saw a strong risk-off move globally. As macroeconomic uncertainty increased, investors continued to flock to quality. Low volatility and return-based quality factors (ROE, ROA and ROC) finished as the top performing factors. Returns for momentum factors were marginally positive. The performance of growth factor was somewhat inconclusive. Value stocks were the culprit. Only a few defensive valuation factors (dividend and cash flow yield) were moderately effective. Cyclical value which is leveraged to improving economic conditions performed poorly.

Market Developments

European equities experienced a rocky start of the year. The market declined 5%, which made this January one of the worst starts to a new year. Growing concerns over growth prospects in emerging markets and the US, the Chinese yuan, energy prices, credit spreads and geopolitics weighed on investor sentiment. All countries ended the month in negative territory. Italy lost 13% as investors refocused on the banking system's NPLs. German stocks were also heavily impacted. Most sectors recorded negative returns with Automobiles and Banks experiencing the strongest pressure. Banks were hit by the prospect of wider negative interest rates and rising defaults. Investors rotated into defensive sectors, which performed relatively well as a result. Consumer Staples and Energy stocks rose. Unsurprisingly, equity market volatility spiked. Bund, Gilt and Treasury yields dropped to the lowest levels since spring 2015. During the month European credit spreads widened to levels last seen in 2012. With the exception of precious metals, commodities suffered in January. Brent closed 5% lower. The euro-dollar rate did not move materially.





Investment Outlook & Strategy

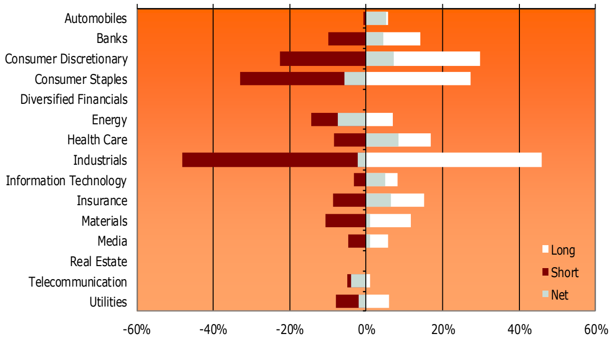
During January the Fund was tactically tilted towards cyclical value, higher beta and small cap stocks at the expense of momentum stocks. High valuations and crowding in high momentum, quality and low risk factors worried us. We also noticed their increasing correlation with macro factors like oil prices, credit spreads and emerging markets. Value stocks are the mirror picture, hence good diversifiers, which would also benefit from recent strength in the euro-area. However, as the momentum chasing-quality trade continued into the new year, this turned out to be the worst January for higher risk stocks on our records. Our tactical positioning was therefore unfruitful. We will reevaluate it in February. There are currently a lot of contradicting indicators. The probability of a recession in the US and a crisis in China is rising, which casts doubts over the global cycle and EPS outlook. If this continues, high quality names are the place to be. If, on the other hand, the commodity and credit markets settle down and the Fed and ECB 'review' and possibly 'reconsider' their monetary policy stance at their next meeting in March, sentiment could improve.

Key Portfolio Information

Total Net Assets (in mln)	€474 / $513	Net Exposure Beta-Adj	0.17
Outstanding Shares (B/A)	297080 / 18065	Beta (ex post, 3Y monthly data)	-0.01
Number of Long Positions	107	Volatility (ex ante, short-term risk model)	8.1%
Long Positions (% of NAV)	194.7%	Volatility (ex post, 3Y monthly data)	10.6%
Number of Short Positions	105	VaR (1 day / 95% conf)	0.9%
Short Positions (% of NAV)	-176.8%	Long Liquidity (avg)	0.39 days
Gross Exposure (% of NAV)	371.5%	Short Liquidity (avg)	0.37 days
Net Exposure (% of NAV)	17.9%	Portfolio Turnover (/GAV)	0.5

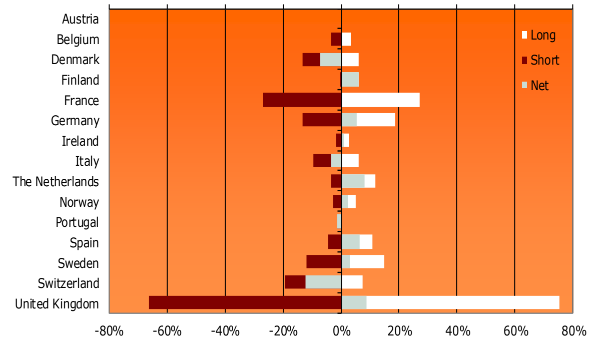
Sector Allocation (L&S as % NAV)

The Fund is net short Energy, Consumer Staples, Telecommunication, Industrials and Utilities while it is net long Health Care, Consumer Discretionary, Insurance, Automobiles, Information Technology and Banks. Positions in Materials and Media, are balanced. The Fund has no exposure in Real Estate and Diversified Financials.



Country Allocation (L&S as % NAV)

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



Top Long Positions

	Model Score	As % NAV
SWISS RE	94	3.4%
MERCK	98	3.4%
AHOLD	99	3.4%
BERKELEY	99	3.3%
RELX	100	3.3%

- Swiss Re is a leading reinsurer with a disciplined underwriting policy, even in times when insurance pricing is lackluster. The shares seem attractively valued, with a dividend that is well covered by earnings, while the balance sheet is strong. Swiss Re is also well-placed to participate in the consolidation of closed life insurance books in parts.
- Merck is a German multinational chemical, pharmaceutical and life sciences company. Its legacy Healthcare and Performance Materials franchises are robust and the consolidation of Sigma Aldrich (SIAL) drives EPS outperformance in the medium term. Merck's Healthcare pipeline adds considerable additional optionality. Valuation relative to peers remains undemanding.
- Ahold is a retailing group that operates in the US and Europe. Running up to the expected completion of the merger with Delhaize mid 2016, the company reported FY15 numbers confirming margin resilience and cash generation ahead of expectation. Benelux sales was strong, while US environment remained challenging. Whereas other European food retailers are facing various issues, Ahold stood out as having higher quality.
- Berkeley is engaged in residential-led property development focusing on urban regeneration and mixed-use developments in the United Kingdom. It has a strong reputation and an enviable position in the London and South East property markets. It continues reaping the rewards from its strong land acquisition strategy. Berkeley’s dividend yield is north of 5%, yet there is further upside in cash returns for investors.
- Reed Elsevier is a media/publishing company with customers in the scientific, medical and legal field. Business spending in North America and Europe has been strong and the company has seen strong upgrades to earnings over the last two years. First half figures surprised on the upside once again and at 17x 2016 earnings the shares are reasonably valued.

Top Short Positions

	Model Score	As % NAV
TESCO	5	-3.5%
BARRY CALLEBAUT	2	-3.4%
FRESNILLO	0	-3.4%
ASSA ABLOY	5	-3.3%
BP	24	-3.3%

- Tesco is a global food retailer. After a prolonged lackluster performance, H1 results indicated a sign of improvement which was received well by the market. However, trading has been poor and profit came amid cost cutting which may not be sustainable. Tesco still relies heavily on hypermarket formats which are declining in popularity due to demographics, urbanization and competition from online platforms and hard discounters.
- Barry Callebaut manufactures and markets cocoa, chocolate and confectionary products for the food industry. Following Barry’s disappointing 2015 full year numbers, analysts downgraded their estimates. While Q1 sales indicated some improvements in sales, industry trends remain anemic and currency headwinds persists. Margin would come under pressure amid weak cocoa product prices. The stock trades in excess of 25x PE, well above the sector.
- Fresnillo is a mining company with a focus on silver and gold. The company is trading on a large premium to the sector because it has no exposure to coal, oil, iron-ore or any other global growth related commodities. Earnings for the company have been on the downtrend as well however, since costs are high. We do not consider the company such a safe haven as many other investors and at 33x expected earnings for 2016, the stock is quite expensive.
- Assa Abloy sells locks and related security solutions. With a large exposure to the US and Europe, the company has outperformed most capital goods peers with emerging markets exposure. The shares have more than tripled over the last 3 years, vastly outperforming underlying earnings growth. With the shares at 25x PER now and earnings expectations levelling off in the second half of the year, we feel a correction is due.
- BP's profitability is under pressure owing to the lower oil price. All the 'oil majors' face a challenging pricing environ-ment, but BP's net debt is rising and management have indicated that it may raise further to help pay the dividend. Meanwhile recent results came in below trimmed forecasts.

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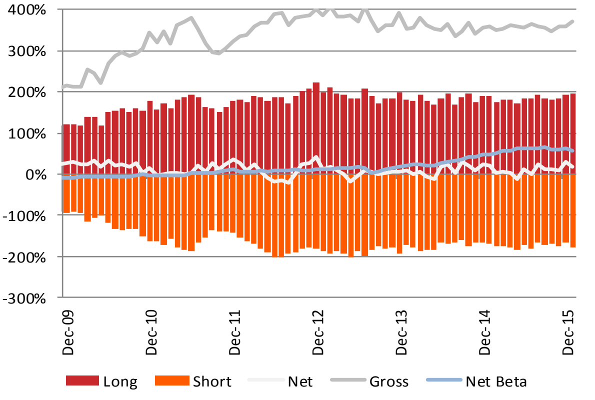
Exchange Liquidity Breakdown

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 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	94.7%	96.1%	95.4%
Within 1 Week	99.0%	99.4%	99.2%
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	**-0.7**	-0.5	-0.2	0.0	**0.0**	0.0	0.0	0.0	**-0.7**
Banks	**-1.7**	-1.5	-0.2	0.0	**2.0**	1.1	0.8	0.0	**0.2**
Consumer Discretionary	**-0.8**	-0.4	-0.5	0.1	**1.9**	1.0	0.9	0.0	**1.1**
Consumer Staples	**-0.1**	0.0	-0.1	0.0	**-0.8**	-0.8	0.0	0.0	**-0.9**
Diversified Financials	**0.0**	0.0	0.0	0.0	**0.0**	0.0	0.0	0.0	**0.0**
Energy	**-0.9**	0.0	-0.9	0.0	**-0.6**	-0.5	-0.1	0.0	**-1.5**
Health Care	**-1.4**	-0.9	-0.4	-0.2	**1.3**	0.2	0.9	0.1	**-0.2**
Industrials	**-2.2**	-0.9	-1.2	-0.1	**2.0**	0.8	1.3	0.0	**-0.1**
Information Technology	**-0.8**	-0.1	-0.7	0.0	**0.3**	0.0	0.3	0.1	**-0.4**
Insurance	**-1.0**	-0.9	-0.1	0.0	**0.4**	0.3	0.2	0.0	**-0.6**
Materials	**-1.2**	-1.1	-0.1	0.0	**0.4**	0.3	0.1	0.0	**-0.9**
Media	**0.0**	0.0	0.0	0.0	**0.3**	0.2	0.1	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	**0.0**	0.0	0.0	0.0	**0.1**	0.1	0.0	0.0	**0.1**
Utilities	**-0.2**	-0.2	0.0	0.0	**-0.1**	0.0	-0.1	0.0	**-0.3**
Cash / Other									-0.4
Total	**-11.1**	-6.4	-4.5	-0.2	**7.3**	2.6	4.5	0.2	**-4.2**

Top Contributors

Banca Pop Emilia	0.6%	Short
UBI Banca	0.6%	Short
DBV	0.4%	Short
NH Hotel Group	0.4%	Short
LafargeHolcim	0.4%	Short

Top Detractors

Vallourec	-0.6%	Long
UnipolSai	-0.5%	Long
Peugeot	-0.5%	Long
Tesco	-0.5%	Short
Societe Generale	-0.4%	Long

Monthly Fund Performance

Perf. Class B	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
2016	-4.2%												-4.2%
2015	1.2%	2.6%	3.6%	0.1%	3.4%	0.6%	0.2%	0.1%	1.3%	-3.5%	-0.6%	3.3%	12.7%
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**
2016	-4.2%												-4.2%
2015	1.1%	2.4%	3.3%	0.1%	3.2%	0.5%	0.1%	0.0%	1.2%	-3.3%	-0.6%	3.0%	11.4%
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%
Perf. Class D	**Jan**	**Feb**	**Mar**	**Apr**	**May**	**Jun**	**Jul**	**Aug**	**Sep**	**Oct**	**Nov**	**Dec**	**Year**
2016	-4.2%												-4.2%

Source: Citi Financial Services and BNY. 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. Results in 2008 and 2009 are not fully representative of our current quantitative investment strategy.

Europe Alpha Fund

Monthly Report – January 2016

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
Min Investment EUR (A/B/C/D)	25k/25m/10m/25k
Lock-up (A/B/C/D)	no/1 year/no/no
Frequency Subs & Reds	Monthly
Notice Period Subs & Reds	5 /15 days
Early Redemption Fee	max 1.0%
Man Fee (A/B/C/D)	1.5%/1.0%/1.25%/1.5%
Perf Fee (A/B/C/D)	20%/15%/17.5%/20%
Equalization (A/B/C/D)	Yes/Yes/Yes/No
High Watermark	Yes
Ongoing Charges Figure 2015 (A/B) *	1.66%/1.16%

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, depository, regulators and auditors. Transaction costs of investments, interest expenses and performance fee are excluded from the calculation.

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