SaemorCapital

Europe Alpha Fund

Monthly Report – July 2016

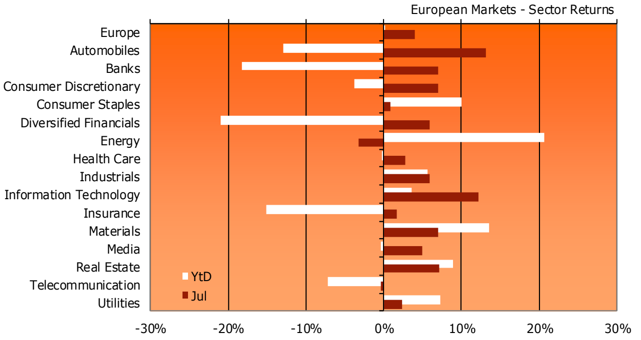
Fund Performance

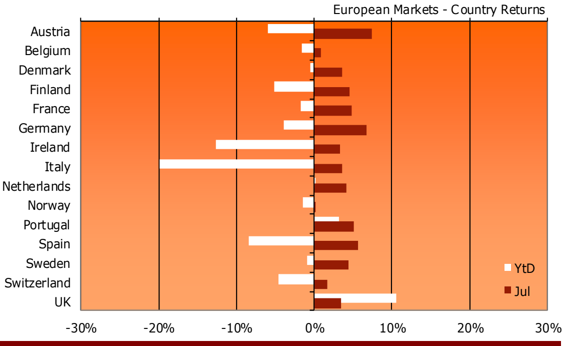
	July	YTD	3M	6M	1 Yr	3 Yr (ann)	5 Yr (ann)	NAV (29-Jul-2016)	Inception
Share Class B	**-0.2%**	**-10.8%**	-0.2%	-6.9%	-10.4%	9.7%	8.4%	EUR 1396.99	26-Jun-2008
Share Class A	**-0.3%**	**-11.1%**	-0.3%	-7.1%	-10.9%	8.5%	7.2%	EUR 1450.46	26-Jan-2009
Share Class D	**-0.3%**	**-11.0%**	-0.3%	-7.1%				EUR 889.53	31-Dec-2015

The Saemor Europe Alpha Fund retreated 0.2% in July. The portfolio was cautiously positioned going into the month, expecting further pressure on earnings expectations following Brexit. Stocks that sold off after Brexit and which were subsequently hit by negative earnings revisions performed well in July, however. Due to their weakened momentum these stocks ranked lower in our models. Our short book fared poorly as markets rose and investors moved back into these reversal and other riskier names. In addition, short positions in Zalando, Fresnillo, Kering and AMS were detrimental to performance as these companies all recorded strong H1 numbers. Most of the top contributors came from long positions in exporters. Long positions in UPM, Metso, Valeo, Software AG and Nexans all contributed 30 to 50 basispoints. ARM was another top contributor, after it received a take-over bid from Softbank Japan. In our multi-factor stock selection model, value factors were the best performing investment styles during the market rebound, whereas earnings and price momentum did poorly. Most quality metrics also showed lackluster results as investors embraced risk.

Market Developments

European equity markets rallied 4% in July and bounced back to pre-Brexit levels. Measures of market fear have clearly moderated, with the VStoxx falling to 20, which was surprising given the uncertainties caused by Brexit. Expectations about further monetary policy easing contributed to risk-on sentiment. Globally, the economic newsflow came in better-than-expected, as indicated by a multi-year high of Citi Economic Surprise Index. Investors expect that the near-term negative UK growth impact from the referendum will be limited. Eurozone data showed decent resilience post Brexit. Earnings season got off to a strong start with the majority of companies beating expectations, the strongest results in years. Most surprises stem from cost management. As a result, Europe shows net EPS upgrades and a improving trend in EPS revisions. All countries ended the month in the green. The best performing countries for the month of July were Austria, Germany and Spain. Norway, Belgium, Switzerland and the UK lagged. Most sectors posted positive returns, with Energy and Telecommunications being the sole exceptions. Automobiles and Information Technology strongly beat the broader market. Bund, Gilt and Treasury yields were flattish over the month, hovering steadily around their all-time lows. Peripheral spreads tightened post Brexit. Returns for credit markets were also positive. The euro appreciated against the US dollar and UK pound, by 0.9% and 1.2% respectively. Commodities fell sharply, as oil prices dropped 14%. Precious metals performed strongly.





Investment Outlook & Strategy

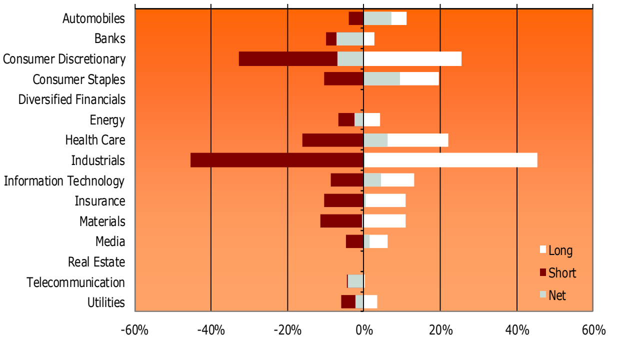
We remain cautious on European equity markets and continue to be neutrally positioned in our multi-factor model. With political risk rising and global equity valuations not offering much room for error, we do not see much reason for the recent market rebound to last. Moreover, August and September are typically not the best months for equity markets. Our stock selection model is increasingly pointing towards defensive names after earnings downgrades to financials and domestic cyclicals in the UK. Most low beta names look relatively expensive and over-owned though. Exporting sectors such as Capital Goods and IT that also rank well in our model are looking more attractive in comparison. This is helped by a rebound in emerging market equities and commodities since February this year. Risks to our cautious positioning could be strong economic momentum, strongly rising global bond yields and a continued risk-on stance by global investors, moving back into the most lagging European financials.

Key Portfolio Information

Total Net Assets (in mln)	€419 / $469	Net Exposure Beta-Adj	0.04
Outstanding Shares (B/A)	282103 / 16640	Beta (ex post, 3Y monthly data)	0.09
Number of Long Positions	117	Volatility (ex ante, short-term risk model)	5.5%
Long Positions (% of NAV)	176.0%	Volatility (ex post, 3Y monthly data)	10.9%
Number of Short Positions	124	VaR (1 day / 95% conf)	0.7%
Short Positions (% of NAV)	-170.2%	Long Liquidity (avg)	0.33 days
Gross Exposure (% of NAV)	346.2%	Short Liquidity (avg)	0.28 days
Net Exposure (% of NAV)	5.8%	Portfolio Turnover (/GAV)	0.6

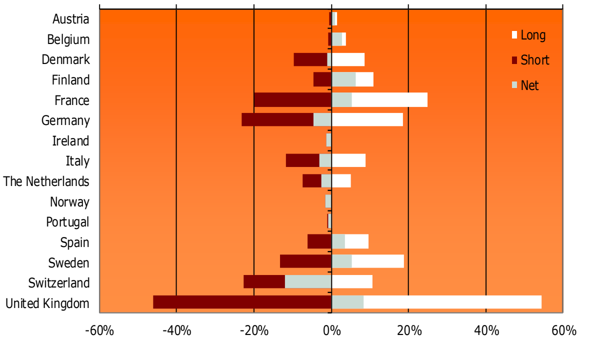
Sector Allocation (L&S as % NAV)

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



Country Allocation (L&S as % NAV)

British, Finnish, Swedish, Spanish, French and Belgium stocks are overweight in the portfolio, whereas stocks in Switzerland, Germany, Italy, The Netherlands and Norway are underrepresented. The Fund is neutral in Austria, Denmark, Ireland and Portugal.



Top Long Positions

	Model Score	As % NAV
UPM-KYMMENE	98	3.2%
VALEO	93	3.2%
WPP	92	3.2%
CARNIVAL	96	3.1%
SOFTWARE AG	97	3.1%

- UPM is a paper and packaging company. The industry has seen a lot of consolidation over last 10 years and profitability for UPM has been holding up well over the last couple of years. Both Q1 and Q2 numbers came in ahead of expectations, helped by improving paper prices. At 13x 2017 earnings, the company is attractively valued, especially when compared to other materials companies under pressure from a global manufacturing slowdown.
- Valeo is a worldwide manufacturer of components and integrated systems for the automotive industry. Valeo posted strong figures for the first half of the year that surprised the market, demonstrating its ability to outperform its peers on sales and earnings growth. It is still one of the cheaper companies in its sector. Analysts expect the company to continue to do well, driven by positive order intake, innovation and cost-cutting.
- WPP is a communications firm, offering advertising, public relations and other media services to companies worldwide. It has posted solid earnings growth over the past years, each time surprising positively. Analysts are very positive on future earnings. The stock has shown a relatively stable performance. Although it has become slightly expensive vs its peers, it ranks on top of the media sector.
- Carnival is the world's largest cruise ship operator. With over 50% of its revenue coming from North America, it benefits from the resilience in the region. This is reflected in its Q2 results, where its net yield was better than expected, driven by stronger pricing on bookings for its North American brands. While Asia and Australia were behind on pricing due to capacity increase, cumulative advance bookings remained ahead at higher prices. Carnival generates healthy free cash flow and scores above average on profitability and quality metrics.
- Software AG provides business infrastructure software solutions, e.g. for managing and visualizing (big) data. The company has shown good growth and analysts expect this to continue. In spite of the strong increase of its stock price year-to-date, it is still relatively cheap vs its peers. Its dividend has steadily increased for the past five years.

Top Short Positions

	Model Score	As % NAV
COLOPLAST	18	-3.3%
WHITBREAD	24	-3.3%
RICHEMONT	11	-3.2%
GEBERIT	4	-3.2%
KERING	6	-3.2%

- Coloplast sells intimate health care products and services. It is a quality company priced for perfection. Its current valuation, trailing PER of 106 and forward PER of 29, does not reflect the likely material slowdown in EPS growth, as Coloplast's historical strong EPS growth was mainly driven by one-off cost restructuring programs. Earnings risk is increasing as Speedi Cath patent expires in 2017 and emerging market growth does not deliver as expected.
- Whitbread operates hotels, restaurants and coffee shops, primarily in the UK. It is one of the most negatively affected stocks in the event of Brexit due to its high exposure to corporate spend. Amidst growing competition from dotcom companies, profits are under pressure due to a costly expansion program. The growth of its coffee business, Costa, is stagnating at around 6% today versus 21% post crisis.
- Geberit manufactures and supplies sanitary systems and related products for the commercial and residential construction markets. As a defensive company within a cyclical sector, the company has outperformed Emerging Market related names over the past two years. With no earnings upgrades, moderate growth and trading at 24x 2016 earnings, the shares seem very expensive.
- Richemont is a luxury goods company. It operates in an industry that is facing unyielding headwinds as global economic growth remains subdued and consumer demand is anemic. Over 80% of its revenue comes from the hard luxury segment, where deterioration in consumer sentiment proves particularly difficult given the high purchase prices and consumers willing to delay or cancel spend. Richemont has seen 30% earnings downgrades, driven by continuing sell-out of luxury watches in China and inventory overbuild overall.
- Kering specializes in retail and luxury goods distribution. Recent Q2-2016 results were decent, marking the turnaround of Gucci and encouraging margins evolution of other brands. The company, however, did not escape the slowdown in luxury industry. Its earnings momentum is still below the sector average and its profitability is fragile given the level of reinvestment required to drive top line. The shares are trading in line with the peer group average.

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Europe Alpha Fund

Monthly Report – July 2016

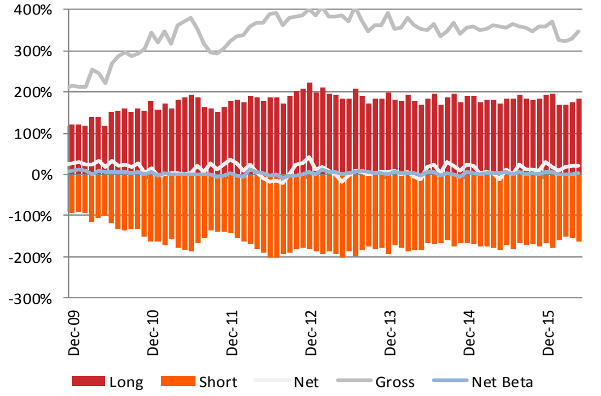
Exchange Liquidity Breakdown

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	95.4%	98.2%	96.8%
Within 1 Week	99.0%	100.0%	99.5%
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	**1.1**	0.9	0.2	0.0	**-0.7**	-0.7	0.0	0.0	**0.4**
Banks	**0.0**	0.0	0.0	0.0	**-0.7**	-0.4	-0.3	0.0	**-0.6**
Consumer Discretionary	**1.9**	1.5	0.4	0.1	**-2.9**	-2.1	-0.8	0.0	**-1.0**
Consumer Staples	**0.2**	0.2	0.0	0.0	**-0.1**	0.1	-0.1	-0.1	**0.1**
Diversified Financials	**0.0**	0.0	0.0	0.0	**0.0**	0.0	0.0	0.0	**0.0**
Energy	**0.1**	0.0	0.1	0.0	**0.4**	0.4	0.1	0.0	**0.5**
Health Care	**1.3**	0.9	0.4	0.1	**-0.8**	-0.4	-0.3	-0.2	**0.5**
Industrials	**2.0**	0.6	1.4	0.0	**-1.8**	-0.8	-0.9	0.0	**0.2**
Information Technology	**1.8**	0.9	0.8	0.1	**-0.8**	-0.1	-0.7	0.0	**1.0**
Insurance	**0.0**	0.0	0.0	0.0	**-0.6**	0.0	-0.6	0.0	**-0.6**
Materials	**0.9**	0.7	0.2	0.0	**-1.1**	-0.9	-0.2	0.0	**-0.2**
Media	**0.2**	0.2	0.0	0.0	**-0.3**	-0.3	0.0	0.0	**0.0**
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	**-0.3**	0.0	-0.3	0.0	**-0.3**
Utilities	**0.1**	0.1	0.0	0.0	**0.0**	0.0	0.0	0.0	**0.1**
Cash / Other									-0.3
Total	**9.6**	5.9	3.4	0.3	**-9.6**	-5.1	-4.1	-0.4	**-0.2**

Top Contributors

Metso	0.5%	Long
Software AG	0.5%	Long
ARM	0.4%	Long
Persimmonn	0.4%	Long
Valeo	0.4%	Long

Top Detractors

Zalando	-1.1%	Short
Fresnillo	-0.5%	Short
Kering	-0.5%	Short
BMW	-0.4%	Short
ams	-0.4%	Short

Monthly Fund Performance

Perf. Class B	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
2016	-4.2%	-3.0%	-1.3%	-2.6%	2.6%	-2.5%	-0.2%						-10.8%
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%	-3.0%	-1.3%	-2.7%	2.5%	-2.5%	-0.3%						-11.1%
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%	-3.0%	-1.3%	-2.7%	2.5%	-2.5%	-0.3%						-11.0%

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.

SaemorCapital

Europe Alpha Fund

Monthly Report – July 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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