



Fund Performance											
	Oct	YTD	3M	6M	1Yr	3Yr (ann)	5Yr (ann)	7Yr (ann)	10Yr (ann)	NAV (31-Sep-2019)	Inception
Share Class B	-1.4%	-6.8%	-3.5%	-6.5%	-5.4%	0.3%	1.7%	5.2%	5.8%	EUR 1,447.70	26-Jun-2008
Share Class A	-1.4%	-7.2%	-3.6%	-6.7%	-5.8%	-0.2%	1.1%	4.4%	4.8%	EUR 1,479.35	26-Jan-2009
Share Class D	-1.4%	-8.0%	-3.6%	-6.8%	-6.6%	-0.5%				EUR 899.27	31-Dec-2015

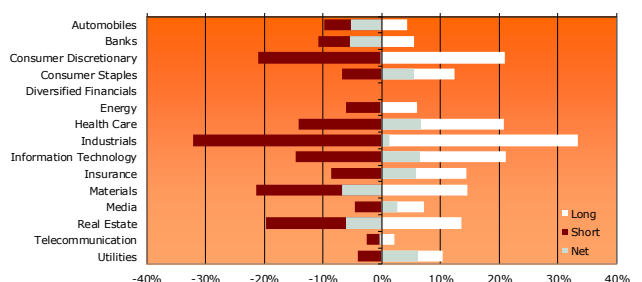
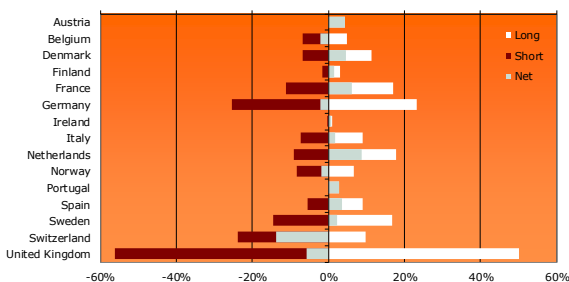
The Saemor Europe Alpha Fund lost 1.4% in October. The Fund has had a tough time this year, with Value and Momentum rotating in and out of favor, with neither delivering. In October, Value extended its recent outperformance, which started in the second half of September. Value has firmly followed Bund yields, whereas in the UK value stocks (mostly domestic cyclicals) bounced after a no-deal Brexit scenario was eliminated. However the other factor families detracted from our multi-factor model: Momentum, Low Vol, Quality, Profitability and Growth underperforming. Our tactical overweight in Value helped to limit the damage, yet the outperformance of low quality, high Beta names made it a tough month for our multi-factor approach. The start of the Q3 earnings season had a neutral effect on this month's performance, with limited stand-outs, and no boost to earnings momentum. The biggest winners for the month were in IT, but not in Value names. The biggest detractors were found amongst lower quality short positions.

Market Developments

European equities climbed 0.4%, the eighth positive month in 2019, keeping markets on track for the best year since 2009. The earnings season started broadly positive, better than expected. Q3 earnings so far have delivered a net beat, helped by lowered consensus expectations. The US / China trade narrative progressed positively, while Brexit tensions have also eased. The European Union granted the UK a three month extension and now also faces a general election on 12th December. However, the appreciation of the euro (2.2%) and UK pound (5.3%) acted as a headwind for Europe. Bond yields ticked up across the board in Europe and the US, which resulted in the steepening of the yield curve. This underpinned financials (especially Real Estate) and cyclicals like Automobiles and Industrials. Defensive sectors fell, with the exception of Health Care. Belgium and Finland finished in the red, while the appreciation of sterling weighed on export-focused UK stocks. Returns for metal markets last month were by and large positive, while oil prices were unchanged.

Investment Outlook & Strategy

Markets are close to or at all-time highs, yet have behaved like a recession is imminent. Investors have been heavily overweight defensives and underweight cyclicals. Macro risks are high for these crowded defensives stocks and factors, like Low Beta and Low Vol. Approaching year end, our model continues to favor Value within our multi-factor approach. Our style-timing models have alternated between recession and recovery, currently favoring the latter. We are seeing a tentative turnaround in various macro indicators that tend to lead PMIs, eg Chinese PMI's seem to be bottoming out. The abrupt hit to Price Momentum in September can be seen as a confirmation and suggests a preference for Value going forward. Overall, we believe that decreasing macro risks and supportive positioning have set the stage for potential upside and rotation in style leadership going into the new year. Recently, the Fund has performed well on clear Value days, however for a stronger recovery in performance, we will need to see a broader shift towards Value in combination with Earnings Momentum and Quality. Further signs of improvement in the Brexit stalemate and US-China tariff wars should be beneficial to performance. On a sector level we have a preference for exporters such as IT, Consumer Staples and Health Care, however on a stock level within sectors more domestic Value names stand out.



Key Portfolio Information

Total Net Assets (in mln)	€356 / \$397	Net Exposure Beta-Adj	0.02
Outstanding Shares (B/A)	235048 / 8889 / 3092	Beta (ex post, 3Y daily data)	0.04
Number of Long Positions	114	Volatility (ex ante, short-term risk model)	6.4%
Long Positions (% of NAV)	187.2%	Volatility (ex post, 3Y daily data)	8.7%
Number of Short Positions	143	VaR (1 day / 95% conf)	0.7%
Short Positions (% of NAV)	-176.0%	Long Liquidity (avg)	0.4 days
Gross Exposure (% of NAV)	363.2%	Short Liquidity (avg)	0.34 days
Net Exposure (% of NAV)	11.2%	Portfolio Turnover (/GAV)	0.5



Sector Allocation (L&S as % NAV)

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

Country Allocation (L&S as % NAV)

Dutch, French, Danish, Austrian, Spanish, Portuguese, Swedish, Italian and Finnish stocks are overweight in the portfolio, whereas stocks in Switzerland, United Kingdom, Germany, Belgium and Norway are under-represented. The Fund has a neutral position in Ireland.

Top Long Positions

Table with 3 columns: Company Name, Model Score, As % NAV. Rows include Roche (100, 2.8%), Alstria (99, 2.7%), Iren (97, 2.7%), Enagas (99, 2.7%), NOS (89, 2.7%).

Top Short Positions

Table with 3 columns: Company Name, Model Score, As % NAV. Rows include ICADE (4, 2.8%), Renishaw (2, 2.7%), Dometic (7, 2.7%), K+S (2, 2.7%), SCA (2, 2.7%).

- Roche develops and manufactures prescription drugs (cancer, hepatitis) and diagnostic products. The latter, e.g. clinical lab and diabetes monitoring supplies, are smaller in terms of revenue but growing faster. After a positive H1, Q3 also showed strong sales growth. Roche is the top-ranked healthcare stock in our model and scores high on almost all metrics, whilst trading at a discount versus its peers.
German real estate company Alstria mainly provides office space. Its 120 or so office buildings are located in various commercial centers. The strength of the German economy has propelled Alstria's growth. There is still ample scope to grow net asset value per share as well as dividends. The pace of growth may be somewhat lower than in the past though, however the valuation of the shares seems undemanding.
IREN is a diversified Italian utility. It generates, distributes and sells electricity, manages gas networks and provides water services. Management has recently published a new business plan that focuses on the energy transition towards renewables and new technologies. The plan should result in continued expansion, which in turn should support dividend growth of 10% per annum in the medium term. Such growth seems not yet reflected in the valuation.
Enagas imports and transports natural gas in Spain. Enagas's profitability easily exceed its cost of equity, although the recently announced regulatory framework should result in a modest reduction in earnings over the next five years. As a consequence, the dividend will also decrease, however the reduction is likely to remain well within single digits. Meanwhile, the valuation seems to reflect worse prospects for Enagas.
NOS is the spun-off media arm of Portugal Telecom, and merger with Optimus. Sonae owns a controlling stake of 52%. It provides satellite, cable, internet and mobile phone services, as well as offering television channels. It shows a steadily increasing dividend yield of 7%, in a Portuguese market that is stable and in which competition has remained benign.
French real estate company Icade specialises in business parks, while it aims to grow its health care property portfolio. Given its niches, Icade misses out on the strong rental growth in prime offices. However the shares seem to be pricing the stronger rental growth that is expected for property companies with focused exposure to prime offices. With the growth in health care largely in its infancy, there seem to be other stocks in the sector that offer a more attractive reward-to-risk ratio.
Renishaw creates high technology precision measuring and calibration equipment, e.g. for metrology, inspection, spectroscopy, and scanning. After a profit warning early in October, analysts strongly downgraded the stock. The share price has recovered since then though, and it is now trading at a premium again vs peers as Landis+Gyr, Barco and Halma, which is not justified in the model.
Dometic is a global market leader in branded solutions for mobile living, in particular in the areas of food & beverage, climate, and power & control, e.g. cooling units. The company has a history of negatively surprising the market, and Q3 results in October were no exception. The US market is especially weak. No meaningful rebound is expected until 2021. The stock is quite expensive at 17x FY1 earnings.
K+S sells fertilizers and salts for agricultural and industrial purposes. The company has been hurt by competition from emerging markets and saw a continued stream of earnings downgrades over the last three years. At 15x 2019 earnings the model continues to see further downside in the share price. European peers tend to rank poorly in our models as well.
Svenska Cellulosa is a forest company that produces pulp, packaging materials, lumber, and paper. The company also produces renewable energy in the form of unrefined biofuel and wood pellets. Analysts have been downgrading earnings expectations on a steady pace for the last 6 months. The shares are trading at 25x 2019 earnings, a huge premium over competitors such as Stora Enso and UPM.



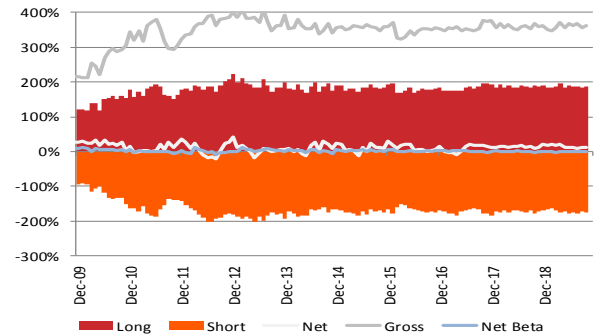
Exchange Liquidity Breakdown

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 these assumptions and current market circumstances 93% of the portfolio can be liquidated within 3 days.

Liquidity	Long	Short	Portfolio
Within 3 Days	92.0%	95.4%	93.6%
Within 1 Week	96.9%	98.9%	97.9%
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	0.2	0.2	0.0	0.0	-0.8	-0.5	-0.3	0.0	-0.6
Banks	0.2	0.2	0.0	0.0	-0.6	0.0	-0.6	0.0	-0.4
Consumer Discretionary	1.0	0.2	0.8	0.0	0.0	-0.1	-0.2	0.2	1.0
Consumer Staples	-0.5	-0.3	-0.2	0.0	0.0	0.1	0.0	0.0	-0.5
Diversified Financials	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Energy	-0.4	0.0	-0.3	0.0	-0.5	-0.1	0.0	-0.4	-0.9
Health Care	0.7	0.4	0.3	0.0	0.1	0.1	0.2	-0.1	0.9
Industrials	0.6	0.6	0.0	0.1	-1.0	-0.2	-0.8	-0.1	-0.4
Information Technology	0.7	-0.1	0.9	0.0	-0.2	0.1	0.0	-0.2	0.6
Insurance	0.2	0.4	-0.2	0.0	0.3	0.2	0.1	0.0	0.5
Materials	-0.6	-0.3	-0.3	0.0	-0.2	0.1	-0.2	0.0	-0.8
Media	0.3	0.0	0.3	0.0	-0.2	0.1	-0.3	-0.1	0.0
Real Estate	0.1	0.0	0.1	0.0	-0.8	-0.2	-0.6	0.0	-0.7
Telecommunication	-0.1	-0.1	0.0	0.0	-0.1	-0.1	0.1	0.0	-0.2
Utilities	0.3	0.2	0.2	0.0	0.1	-0.1	0.1	0.0	0.4
Cash / Other									-0.3
Total	2.8	1.3	1.5	0.0	-3.9	-0.6	-2.5	-0.7	-1.4

Top Contributors

Evolution Gaming	0.4%	Long
Siltronic	0.4%	Long
Pandora	0.4%	Long
Rolls-Royce	0.3%	Short
IAG	0.2%	Long

Top Detractors

Daimler	-0.4%	Short
VAT Group	-0.4%	Short
Dometic Group	-0.4%	Short
Future	-0.3%	Short
SCA	-0.3%	Short

Monthly Fund Performance

Perf. Class B	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
2019	5.3%	-0.1%	0.7%	-5.9%	-2.3%	1.1%	-1.9%	-4.6%	2.6%	-1.4%			-6.8%
2018	-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%
2017	0.4%	-1.4%	2.3%	4.0%	-2.7%	-0.4%	-0.3%	3.3%	-1.4%	5.6%	-2.9%	1.5%	7.9%
2016	-4.2%	-3.0%	-1.3%	-2.6%	2.6%	-2.5%	-0.2%	-3.2%	1.4%	4.6%	-0.6%	-1.2%	-10.1%
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%

Source: Citi Financial Services and BNY Mellon. Returns are based on official month-end NAVs and are net of all fees for a Day one investor in the fund. The returns given is for the main share series (B). Investor's holdings may be in a different share class and have a different returns. See your BNY Mellon statement for full details. Results in 2008 and 2009 are not representative of our current quantitative investment strategy.



Investment Objective

The Saemor Europe Alpha Fund is a market-neutral long/short equity fund. The Fund aims to generate consistent returns of around 8% per annum with a similar level of volatility, around 8-10%. There is no guarantee that the investment objective will be met. 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 2018 (A&D/B)*	1.65/1.15%

Management

Manager	Saemor Capital
Administrator	BNY Mellon Fund Services
Depository	Bank of New York Mellon
Prime Brokers	Morgan Stanley, BoA ML, Barclays
Auditor	PwC
Title Holder	IQ EQ Netherlands N.V
Legal	De Brauw Blackstone Westbroek
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, stock loan fees, interest and performance fee are excluded from the calculation.

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

Mary Kahng – Investor Relations Manager
marykahng@saemor.com
Mob +31 (6) 1384 8931

Oliver Gaunt – Investor Relations Manager
olivergaunt@saemor.com
Mob +31 (6) 2883 2534

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