



Saemor Europe Alpha Fund Performance											
	Dec	YTD	3M	6M	1Yr	3Yr (ann)	5Yr (ann)	7Yr (ann)	10Yr (ann)	NAV (31-Dec-2019)	Inception
Share Class B	-1.9%	-9.9%	-4.6%	-8.5%	-9.9%	-0.2%	0.1%	4.5%	5.5%	EUR 1,400.14	26-Jun-2008
Share Class A	-1.9%	-10.3%	-4.8%	-8.6%	-10.3%	-0.7%	-0.5%	3.7%	4.5%	EUR 1,429.57	26-Jan-2009
Share Class D	-1.9%	-11.1%	-4.8%	-8.7%	-11.1%	-1.0%				EUR 869.01	31-Dec-2015

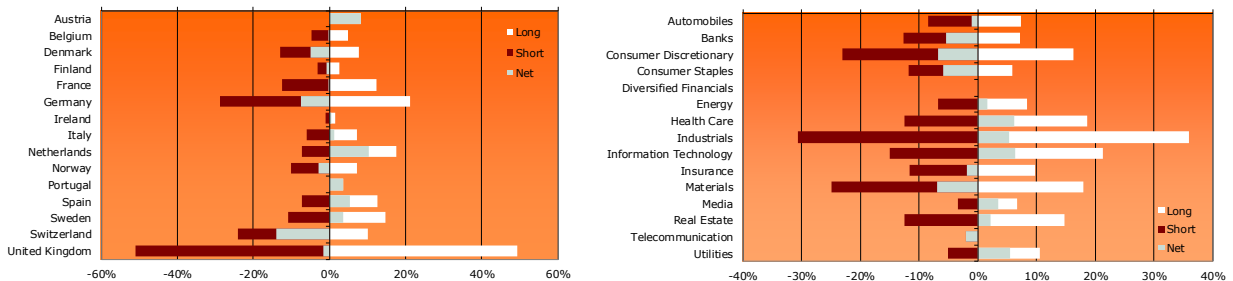
The Saemor Europe Alpha Fund lost -1.9% in December, adding to the disappointing 2019 performance. Value and Price Momentum held up during the final month of the year, but all other clusters of our multi-factor model posted marginally negative return spreads. Our tactical preference for Value may have limited the damage during the last quarter, but with the difficult factor environment our fundamental quantitative approach proved to be challenging throughout the year. Despite low unemployment and a benign interest rate environment in Europe and the US, a true recovery in economic activity did not materialize. Value names and cyclicals were left behind as a result. Our preference for highly profitable qualitatively strong companies, with earnings upgrades and attractive valuations did not pay off. The results of the UK election lifted domestic plays and Banks, but the Fund is no longer as geared towards UK domestics as it was a year ago, with earnings revisions having deteriorated for those stocks.

Market Developments

European stock markets gained 1.7% in the final month of the decade. December's robust performance built on a strong 23.8% YTD return. Earnings revision ratios improved across the globe, ending 2019 at a high for the year albeit Europe lagged the most. Macro risk has declined slightly over recent months. The economic surprise index for the Eurozone has risen to its highest level since Feb-18. The US and China agreed on moving to a 'phase one' trade deal and macro enthusiasm was further spurred by accommodation from the U.S. Fed and gains in the global PMI. A strong Conservative majority result in the UK election paved the way to a potential breakthrough in the Brexit impasse which supported British equities and the pound. The return dispersion was relatively low, with only Germany bucking the trend with basically a flat performance. By sector, Media, Banks and Consumer Discretionary outperformed the most, while Telecommunications and Automobiles were the only sectors with a negative performance. Materials generated gains thanks to climbing commodity prices. Most bond proxies came under pressure as the 10-year sovereign bond yield climbed sharply in December, registering the largest monthly upshift in two years for Bunds. On balance, market leadership shifted towards cyclicals.

Investment Outlook & Strategy

Our business cycle indicator ticked up in December and thus continues to point to a recovery scenario. Recently, Value has been outperforming other factor clusters in Europe and more materially globally. Value exposure helps balance out bond risk. Seasonality should also favor Value as well as Size, where we also have a small overweight position. The valuation of Quality stocks remains extremely rich, despite weak performance since mid-August. In this factor family, Low Beta is the most crowded factor. Macro risk seems to be coming down for Momentum, which should be conducive to future performance. Full year results and 2020 outlooks could be beneficial to Earnings Momentum, which remains one of the key building blocks of our multi-factor approach. If and when both Value and Momentum start to work (our "goldilocks" moment) we would expect a strong turnaround in performance for the Fund. We have net short positions in Consumer stocks, Chemicals and Financials and are net long in Manufacturing, IT and Healthcare.



Key Portfolio Information

Total Net Assets (in mln)	€426 / \$478	Net Exposure Beta-Adj	0.01
Outstanding Shares (B/A)	299608 / 2393 / 3109	Beta (ex post, 3Y daily data)	0.03
Number of Long Positions	115	Volatility (ex ante, short-term risk model)	5.9%
Long Positions (% of NAV)	180.9%	Volatility (ex post, 3Y daily data)	8.7%
Number of Short Positions	150	VaR (1 day / 95% conf)	0.6%
Short Positions (% of NAV)	-179.9%	Long Liquidity (avg)	0.42 days
Gross Exposure (% of NAV)	360.8%	Short Liquidity (avg)	0.26 days
Net Exposure (% of NAV)	1.0%	Portfolio Turnover (/GAV)	0.5

Sector Allocation (L&S as % NAV)

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

Country Allocation (L&S as % NAV)

Dutch, Austrian, Spanish, Swedish and Portuguese stocks are overweight in the portfolio, whereas stocks in Switzerland, Germany, Denmark, Norway and United Kingdom are under-represented. The Fund has a neutral position in Italy, Ireland, Belgium, France and Finland.

Top Long Positions

	Model Score	As % NAV
Aviva	95	2.7%
Roche	99	2.7%
GlaxoSmithKline	96	2.7%
Tate & Lyle	98	2.7%
Bawag	99	2.7%

Top Short Positions

	Model Score	As % NAV
Nokia	10	2.7%
Knorr-Bremse	9	2.6%
Daimler	2	2.6%
Alcon	7	2.6%
ICADE	3	2.6%

- Aviva is a British multi-line insurance company. Management targets a 12% return on equity, while growing the general insurance and asset management divisions. Investors seemed disappointed with management's recent decision to keep parts of the Asian life business, which is modest in scope. These operations are profitable, however. Meanwhile the attractive dividend yield is well-supported by earnings.
- 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 above consensus Q3 earnings and sales, guidance for 2019 was raised again. Besides its current biggest drugs, novel medicines provide confidence that the company will continue to outperform in the next years.
- GlaxoSmithKline is a research-based pharmaceutical company. The valuation multiples at which the shares trade are favourable (FY1 P/E of 14). Its dividend yield of 4.5% is the highest in the sector. Volumes are growing, which is needed to compensate for competitive pressure driving net prices down. GSK's very diversified portfolio provides enough sales potential for 2020.
- Tate & Lyle is a UK food ingredients manufacturer, which gets its revenue mainly from the US. Its product range includes low-calorie sweeteners (e.g. sucralose), industrial and food starches, ethanol and citric acid. Tate aims to grow revenues of products that replace sugar, salt and fat, while adding fibre. The company is our top-ranked name in the sector, as it scores well on almost all factors in our model.
- Bawag is an Austrian banking group. Bawag runs a strong franchise in Austria, with about 2.5 million customers and sector-leading efficiency. At the same time the group eyes selective expansion in Germany and Austria. The shares trade on modest valuation multiples, despite profitability and balance sheet metrics that outshine the peer group.
- Nokia is a global communications company. It has transformed into a mobile phone network-equipment firm, after its acquisition of Alcatel-Lucent. After its Q3 profit warning, prospects for 5G have improved and the share price has partly recovered. Cash flow yield remains low for now though and earnings and profitability are weak compared with the sector.
- Knorr-Bremse manufactures braking systems for rail and commercial vehicles as well as other vehicle parts and systems. The company is trading on 23x 2020 earnings, which is rich compared to car parts, capital goods or the automobile sector. Broker recommendations are all hold or sell.
- Daimler manufactures and sells a wide range of automotive products and services, of which Mercedes-Benz Cars is the largest with 55% of total sales. Global auto demand is slowing, and risks are high for the subsector of luxury cars, e.g. China import tariffs. Analysts have become more negative on the stock. Cash flows have decreased strongly and the debt burden is getting higher.
- Alcon is a Swiss manufacturer of vision care products, such as surgical equipment, and eye drops and serves the medical industry worldwide. The company has turned to a loss recently and needs to settle an antitrust lawsuit by contact lens buyers. It is the lowest-ranked medical supplies stock in our model as it scores weak on all factor clusters.
- 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.

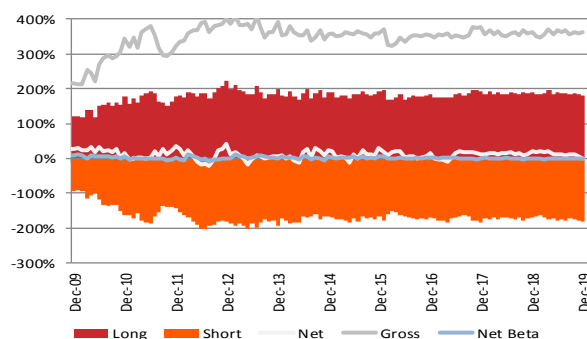
Exchange Liquidity Breakdown

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 almost 95% of the portfolio can be liquidated within 3 days.

Liquidity	Long	Short	Portfolio
Within 3 Days	92.7%	96.9%	94.8%
Within 1 Week	97.6%	99.6%	98.6%
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	0.2	0.1	0.0	0.0	0.0
Banks	0.6	0.2	0.3	0.1	-0.9	-0.5	-0.4	0.0	-0.4
Consumer Discretionary	1.5	0.3	1.0	0.1	-1.2	-0.4	-0.7	-0.1	0.2
Consumer Staples	0.0	-0.1	0.1	0.0	0.1	0.1	0.0	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	0.4	0.0	0.2	0.2	-0.3	0.0	-0.1	-0.2	0.2
Health Care	0.1	0.1	0.0	0.0	-0.7	-0.1	-0.5	-0.1	-0.5
Industrials	1.1	0.3	0.6	0.1	-0.9	-0.2	-0.7	-0.1	0.1
Information Technology	0.3	-0.1	0.4	0.0	-0.3	-0.2	0.0	0.0	0.0
Insurance	0.3	0.3	0.0	0.0	-0.2	-0.1	-0.1	0.0	0.1
Materials	0.7	0.5	0.3	0.0	-1.2	-0.5	-0.7	0.0	-0.4
Media	0.0	0.0	0.0	0.0	-0.2	-0.1	0.0	-0.1	-0.2
Real Estate	0.2	0.0	0.0	0.2	-0.6	-0.2	-0.4	0.0	-0.3
Telecommunication	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Utilities	0.4	0.2	0.2	0.0	-0.7	-0.6	-0.2	0.0	-0.3
Cash / Other									-0.3
Total	5.4	1.7	3.0	0.7	-6.9	-2.6	-3.8	-0.6	-1.9

Top Contributors

Mycronic	0.3%	Long
Redrow	0.3%	Long
BAWAG	0.3%	Long
Evolution Gaming	0.3%	Long
Vistry	0.2%	Long

Top Detractors

SIG Combibloc	-0.3%	Short
VAT	-0.3%	Short
Orsted	-0.3%	Short
MorphoSys	-0.2%	Short
Delivery Hero	-0.2%	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%	-1.4%	-1.9%	-9.9%
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.

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