



Saemor Europe Alpha Fund Performance

	Jan	YTD	3M	6M	1Yr	3Yr (ann)	5Yr (ann)	7Yr (ann)	10Yr (ann)	NAV (31-Jan-2020)	Inception
Share Class B	0.5%	0.5%	-2.8%	-6.2%	-14.0%	-0.1%	0.0%	4.5%	5.5%	EUR 1,407.48	26-Jun-2008
Share Class A	0.5%	0.5%	-2.9%	-6.4%	-14.4%	-0.6%	-0.6%	3.7%	4.5%	EUR 1,436.45	26-Jan-2009
Share Class D	0.5%	0.5%	-2.9%	-6.4%	-15.2%	-0.9%				EUR 873.20	31-Dec-2015

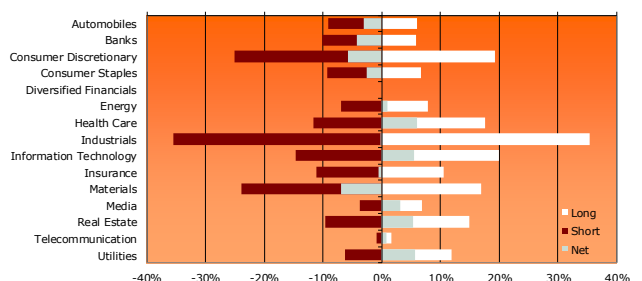
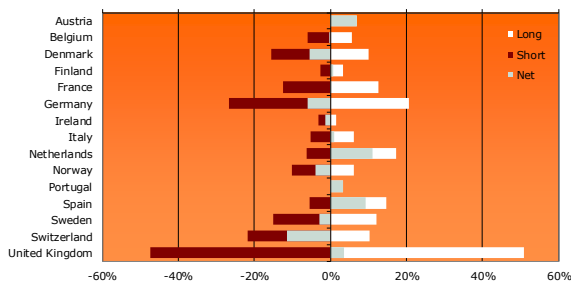
The Saemor Europe Alpha Fund gained +0.5% in January. The strategy made a strong start to the month, mainly driven by the good performance of momentum factors. Value factors performed poorly. One explanation for this could be the decrease in bond yields, as bonds saw the largest inflow on record (despite a lack of yield to begin with) while equity inflows have stalled. In the last week of January investors reacted negatively to the worsening coronavirus outbreak and momentum factors also started to perform poorly, while Quality and Low Risk fared better. During this period we lost much of our gains from earlier in the month. Earnings surprises were strongest in Value & Cyclical, which would be encouraging if investors were willing to take on more risk and if bond yields were to rise again.

Market Developments

2020 was off to a wobbly start, with European stock markets falling 1.6%. Equities started the year strong on positive economic data and the signing of the US-China Phase I trade deal. The conflict between the US and Iran temporarily flared up, but investors remained largely unmoved. The outbreak of the new coronavirus in China and concerns of a global epidemic however gripped markets thereafter. Equities slumped, equity volatility moved higher, bonds rallied and risk assets underperformed as a result. Most markets were down by month end, with Portugal, Denmark, Finland, Switzerland and Sweden as notable exceptions. The UK left the European Union at the end of the month and was the main underperformer. In sectors and themes, rotations were extremely strong in January. The best-performing sector by far in January was Utilities. Healthcare, Consumer Staples and Real Estate each squeezed out a small gain. Risk-off sentiment took its toll on cyclical sectors. Automobiles, Energy, Materials and Banks suffered from fears of weaker economic growth, steep declines in oil and industrial metal prices and falling bond yields. China-exposed stocks and more in general EM Value plays have been impacted the most. Precious metals and the Swiss franc were up, unsurprisingly. Other European currencies finished lower in January.

Investment Outlook & Strategy

There is a risk that a recovery in China will not come to fruition as a result of the coronavirus. Europe is highly exposed to Chinese demand and supply chains. However, the flipside is that global and Euro area PMI momentum have recently turned positive and macro uncertainty has dropped. Our style timing models are pointing towards a recovery and a preference for Value over Quality and Price Momentum. Value remains close to historically cheap levels, and bond yields should not have much room to drop further. As low Beta and high Price Momentum stocks are highly correlated and very expensive, we see ample reason to remain underweight there. Given that the earnings results for Value and Cyclical have been generally positive, chances of Value and Momentum working in tandem are increasing. So far in this earnings season, Value stocks have posted the largest breadth of earnings beats, which we view as a signal that downbeat expectations for Value stocks are overdone. We have net short positions in Consumer stocks, Chemicals and Financials and are net long in Utilities, Real Estate, IT and Healthcare.



Key Portfolio Information

Total Net Assets (in mln)	€428 / \$474	Net Exposure Beta-Adj	0.02
Outstanding Shares (B/A)	299608 / 2393 / 3006	Beta (ex post, 3Y daily data)	0.03
Number of Long Positions	125	Volatility (ex ante, short-term risk model)	6.3%
Long Positions (% of NAV)	182.0%	Volatility (ex post, 3Y daily data)	8.8%
Number of Short Positions	130	VaR (1 day / 95% conf)	0.7%
Short Positions (% of NAV)	-177.4%	Long Liquidity (avg)	0.44 days
Gross Exposure (% of NAV)	359.5%	Short Liquidity (avg)	0.27 days
Net Exposure (% of NAV)	4.6%	Portfolio Turnover (/GAV)	0.5



Sector Allocation (L&S as % NAV)

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

Country Allocation (L&S as % NAV)

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

Top Long Positions

Table with 3 columns: Company Name, Model Score, As % NAV. Rows include Alstria, Aroundtown, Signify, Eiffage, and Tate & Lyle.

Top Short Positions

Table with 3 columns: Company Name, Model Score, As % NAV. Rows include ICADE, Knorr-Bremse, Christian Hansen, Swiss Re, and Rolls-Royce.

- 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 in the past few years but the economy's momentum has slipped somewhat. Nevertheless there still is scope to grow net asset value per share as well as dividends.
Aroundtown is a real estate company with both commercial and residential properties. Most properties are in Germany, some are in the Netherlands and there are hotels in London and Brussels. Currently Aroundtown is attempting to acquire TLG Immobilien, another German real estate company that owns offices and hotels. This deal reinforces Arondtown's position as a market leader, which justifies a modest valuation premium to the sector.
Signify is a spin-off from Philips - formerly Philips Lighting-, focusing on the development and manufacturing of lamps and lighting systems. Margins for LED, home lighting systems and light bulbs are attractive but growth and innovation is limited. Forward Earnings expectations have been revised up since Q4 last year and the company has been buying back shares. At 10x 2021 earnings, the shares are attractively valued.
Eiffage is a French public works contractor and toll road concessions operator. The company builds and manages infrastructure and has seen a steady improvement in revenue and earnings since 2012, with 2019 and 2020 earnings expectations having considerable upgrades over the last 12 months as well. At 14x PER the shares look attractive, given its quality and earnings momentum
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.
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.
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.
Christian Hansen develops and produces natural ingredients such as cultures, enzymes, probiotics, and natural colors. The Company offers products for the food, nutritional, pharmaceutical and agricultural industries. Its strong margins reflect high barriers to entry. The stock is trading on a premium to chemicals as well consumer staples. Christian Hansen has recently lowered its mid-term guidance to mid- to high-single-digit organic growth. Deteriorating trading conditions and slowing innovation have impacted earnings momentum scores.
Swiss Re is a reinsurance company with property & casualty as well as life reinsurance divisions. Although the company is well-capitalised, the shares do not seem that attractively valued given the tepid growth in earnings. Return prospects for the investment portfolio are not enticing either given the valuation of bonds.
Rolls-Royce builds turbines and engines for military and civil aircrafts as well as marine and industrial installations. Despite a weak GBP, earnings for the company have been under pressure for the last 5 years now. 2019 and 2020 EPS estimates have come down steadily and at 25x, the company's shares look expensive, given the deterioration in quality.



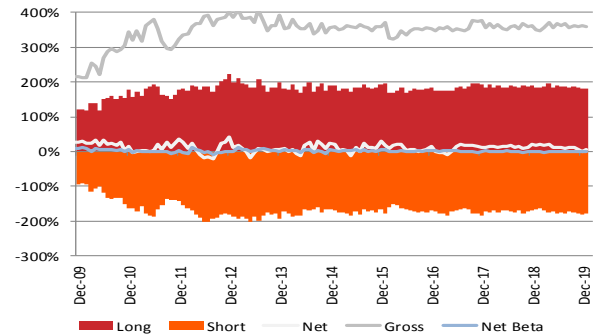
Exchange Liquidity Breakdown

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 over 94% of the portfolio can be liquidated within 3 days.

Liquidity	Long	Short	Portfolio
Within 3 Days	91.8%	96.7%	94.2%
Within 1 Week	97.5%	99.6%	98.5%
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	-0.6	-0.6	0.0	0.0	0.7	0.5	0.2	0.0	0.1
Banks	-0.3	-0.2	-0.1	0.0	0.5	0.3	0.2	0.0	0.2
Consumer Discretionary	0.1	-0.2	0.3	0.0	1.6	0.6	0.7	0.4	1.8
Consumer Staples	-0.1	-0.2	0.1	0.0	0.3	0.2	0.1	0.0	0.2
Diversified Financials	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Energy	-0.7	-0.1	-0.5	-0.1	1.1	0.0	0.5	0.6	0.5
Health Care	0.6	0.4	0.3	0.0	-0.3	-0.2	-0.1	0.0	0.4
Industrials	-1.7	-0.9	-0.6	-0.2	0.8	-0.1	0.8	0.2	-0.9
Information Technology	-0.2	0.1	-0.3	0.0	0.0	-0.1	0.1	0.0	-0.3
Insurance	-0.3	-0.3	0.0	0.0	0.2	0.0	0.2	0.0	-0.1
Materials	-1.5	-1.0	-0.5	0.0	0.6	0.2	0.5	-0.1	-1.0
Media	-0.1	0.0	-0.1	0.0	0.2	0.2	0.0	0.0	0.1
Real Estate	0.7	0.2	0.5	0.0	-0.4	-0.1	-0.2	0.0	0.3
Telecommunication	0.0	0.0	0.0	0.0	-0.1	-0.2	0.0	0.0	-0.1
Utilities	0.3	0.2	0.1	0.0	-0.6	-0.3	-0.3	0.0	-0.4
Cash / Other									-0.3
Total	-3.8	-2.6	-0.9	-0.4	4.6	0.9	2.6	1.1	0.5

Top Contributors

K+S	0.4%	Short
Daimler	0.4%	Short
TUI	0.3%	Short
Remy Cointreau	0.3%	Short
Bankia	0.3%	Short

Top Detractors

DNO	-0.4%	Long
ACS	-0.4%	Long
Arkema	-0.3%	Long
Dialog Semiconductor	-0.3%	Long
A.P. Moller - Maersk	-0.3%	Long

Monthly Fund Performance

Perf. Class B	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
2020	0.5%												0.5%
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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