



Saemor Europe Alpha Fund Performance

	Oct	YTD	3M	6M	1Yr	3Yr (ann)	5Yr (ann)	7Yr (ann)	10Yr (ann)	NAV (30-Sep-2020)	Inception
Share Class B	-1.8%	-19.3%	-0.1%	-5.5%	-21.9%	-9.9%	-5.8%	1.2%	2.6%	EUR 1,130.09	26-Jun-2008
Share Class A	-1.8%	-19.6%	-0.2%	-5.8%	-22.3%	-10.3%	-6.3%	0.4%	1.7%	EUR 1,149.11	26-Jan-2009
Share Class D	-1.8%	-19.6%	-0.2%	-5.8%	-22.3%	-10.6%				EUR 698.52	31-Dec-2015

The Fund lost 1.8% of its value in October. Most factor families ended lower for the month, resulting in the multi-factor model underperforming and factor return dispersions narrowing. Factor performance through October was jittery. During the month investors' attention shifted towards a double dip scenario in global growth spurred by the fresh lockdowns. The US election nervousness did not help either. Although the equity market and many popular growth stocks sold off in October, Price Momentum delivered a positive return in the end. Unlike the US, where the 10-year yield rose to a multi-month high and Value outperformed, European Value gave up its earlier gains towards the end of the month. Value's underperformance thus continued for the fourth consecutive month. Quality strategies outperformed in the last week, as one might expect in a market sell-off with volatility spiking. This recovery was however not enough to stem earlier losses. Factor rotation remains mostly around Value versus the rest. Quality, Profitability & Growth, Price Momentum and Estimates Revisions remain highly correlated.

Market Developments

Equities started the month of October on a positive note. However, surging daily new virus cases, re-introduction of more stringent (partial) lockdowns in Europe, stalling Brexit talks, fading US fiscal stimulus expectations and uncertainty on the outcome of November US Presidential and Congressional elections subsequently dampened investor sentiment. De-risking led to a steep drop in the last week. Overall, global equity markets stumbled for a second consecutive month, with Europe being the worst hit, with -5.3%. Alongside this, volatility also returned: the Vstox index first fell to 22 and then rose towards 40. De-risking was also evident in most other asset classes. German stocks stood out from a negative perspective, with a drop of almost 10%. Austria and Ireland were almost flat for the month, while Netherlands, Denmark and Portugal were able to limit losses to around -2%. Both cyclicals and defensives saw losses. Information Technology was the worst performing sector in October. Health Care and Insurance stocks were also under pressure. Energy remained a laggard as oil prices plummeted. Media markedly outperformed. Bank stocks were slightly up as bond yields found a base, credit markets remained very resilient and Q3 earnings results were strong. Telecommunication and Utilities also outperformed; both sectors are less likely to be impacted by fresh lockdowns.

Investment Outlook & Strategy

This earnings season is turning out to be one of the best ever with impressive earnings beats, however it ends up as a non-event amid macro worries and geopolitical risks. Earnings have troughed, after being downgraded massively earlier this year. The market has penalized misses during earnings season, while beats only marginally outperformed. It seems that the goods news around 3Q earnings was already priced in ahead of results. Our regime indicator is still in the recovery phase. This is an environment where Value stocks historically outperformed. We expect this pro-cyclical rotation to materialize into next year. In October, we did not yet tactically add weight to Value factors because the US elections still had to take place and future developments for the vaccine were still unknown. A hard Brexit (negotiations approaching their deadline), continued COVID-19 resurgence and further delays in stimulus added to these near-term risks. With PMIs in the Eurozone are already back in contraction territory, a double dip scenario is not unthinkable. Under that scenario, Price Momentum, Growth and Defensives will continue to do well despite being crowded and expensive, while Value might suffer further. Into November, uncertainty around the US election continued with the Biden presidency and a split Congress as the most likely outcome. This was, however overwhelmed by the sudden news of a highly effective vaccine. This led to an unforeseen, fierce and painful rotation out of Momentum into Value which negatively impacted the Fund.

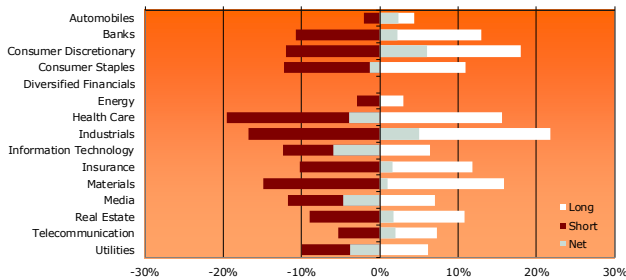
Key Portfolio Information

Total Net Assets (in mln)	€331 / \$386	Net Exposure Beta-Adj	0.03
Outstanding Shares (B/A)	291245 / 793 / 1407	Beta (ex post, 3Y daily data)	0.02
Number of Long Positions	171	Volatility (ex ante, short-term risk model)	6.1%
Long Positions (% of NAV)	152.1%	Volatility (ex post, 3Y daily data)	9.9%
Number of Short Positions	181	VaR (1 day / 95% conf)	0.8%
Short Positions (% of NAV)	-149.5%	Long Liquidity (avg)	0.28 days
Gross Exposure (% of NAV)	301.7%	Short Liquidity (avg)	0.21 days
Net Exposure (% of NAV)	2.6%	Portfolio Turnover (/GAV)	0.6



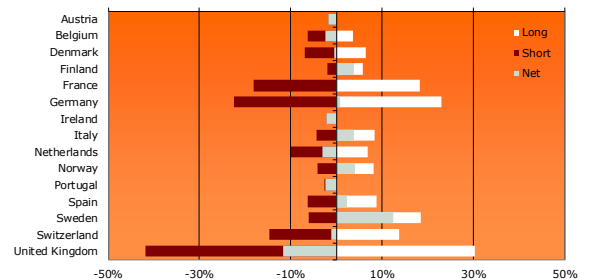
Sector Allocation (L&S as % NAV)

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



Country Allocation (L&S as % NAV)

Swedish, Norwegian, Finnish, Italian and Spanish stocks are overweight in the portfolio, whereas stocks in United Kingdom, Netherlands, Belgium, Portugal, Ireland and Austria are under-represented. The Fund has a neutral position in Germany, France, Denmark and Switzerland.



Top Long Positions

Company	Model Score	As % NAV
888	99	1.6%
Cellnex	97	1.6%
Sartorius Stedim	99	1.6%
Europris	98	1.6%
Axfood	92	1.6%

Top Short Positions

Company	Model Score	As % NAV
Natwest	2	1.6%
SCA	4	1.6%
Big Yellow	12	1.6%
Vestas Wind	9	1.6%
National Grid	10	1.6%

- 888 operates an Internet gaming website. The company showed outstanding H1 results and Q3 trading. The outlook for the full year was increased substantially. COVID has been a benefit to the group, but it outperformed the other gambling operators due to product investment and customer acquisition. No surprise that analysts have become very positive on future earnings. Although the share price more than tripled since the March low, we think there is room for further price improvement, as its valuation is not demanding yet.
- Cellnex operates telecommunications towers throughout Europe. Its revenue stems from renting tower space to telecom providers, broadcasters and network services. The company has a strong and growing cash flow that can be used to delever the balance sheet, whilst satisfying its hunger for M&A. It very recently planned the acquisition of Hutchison's towers. At 11.5bn euro it is the company's largest-ever deal which will increase its long-term Ebitda by 50%.
- Sartorius Stedim develops laboratory support for the pharma and food industries, as well as for public research institutes. The company reported a blowout Q3, showing the highest growth in history and raising its guidance again. The pandemic impact only accounts for one-third of the growth. On 60x 2021 P/E, the shares are quite expensive, but this premium is in our view justified as Stedim is well-positioned to capitalize on the dynamic growth of the biopharma industry over the next years.
- Europris runs retail stores as well as wholesale operations in Norway. Its products include home and kitchen, house and garden, travel, leisure and sport, electronics, personal care, clothes and shoes, handyman, hobby and office, candy and chocolate, laundry and cleaning, and pets. Demand for most of these products has remained resilient during the coronavirus pandemic and earnings forecasts are currently higher than they were in March of this year.
- Axfood is one of the largest food retailers in Sweden (behind ICA). It also operates a wholesale and logistics arm. It is a solid company, showing consistent growth over the past years. Recent Q3 reports were beating consensus, in particular Ebitda figures. Analysts are strongly upgrading future earnings. At 25x P/E 2021 the company is not cheap, but as Axfood is best-positioned for changing dynamics in Sweden, we think this is justified.

- NatWest Group is a retail and commercial bank with operations in the UK and the Republic of Ireland. The UK economy seem to have been affected more severely than some other European economies by Covid-19. Nevertheless loan losses have not ratcheted upwards dramatically, yet. The test of this credit cycle will come as the government support of the furlough and government guaranteed lending programs end in the Spring of 2021.
- Svenska Cellulosa is Europe's largest private forest owner and produces wood for pulp, packaging materials, lumber, and paper. The company will invest in a new pulp capacity and had to cancel its dividend over 2019. Earnings are stable, but momentum and free cash flow in H2 will be weak. Its FY1 P/E of 45 is very generous for a relatively defensive stock in an industry that is struggling with a decreasing demand in the long-term.
- Vestas Wind is a leading producer of wind turbines, based in Denmark. Vestas's turbines remain in demand, while the company is financially healthy. However, second quarter results were slightly disappointing and the valuation of the shares, at 41x consensus EPS for 2020 and 30x for 2021, seems too high.
- National Grid transmits and distributes electricity and gas. It has operations in the UK and a few states in the USA. National Grid also has a Ventures division that includes metering operations and investments in new growth areas. The coronavirus has affected National Grid's revenues and earnings estimates have been revised downwards to reflect the guidance of GBP 400 million costs associated with the pandemic and GBP 1 billion lower cash flow. In December, the UK regulator may announce a lower allowed rate of return for Grid and the share price reaction to that could well be negative.
- The Big Yellow is a real estate investment trust that focuses on self-storage and related services. The Big Yellow operate within the UK. Self-storage is relative modestly affected by the coronavirus measures, and earnings estimate have dropped by about one-tenth over the summer. However, the valuation of shares in the Big Yellow seems to reflect an unwarranted premium against the sector.



Exchange Liquidity Breakdown

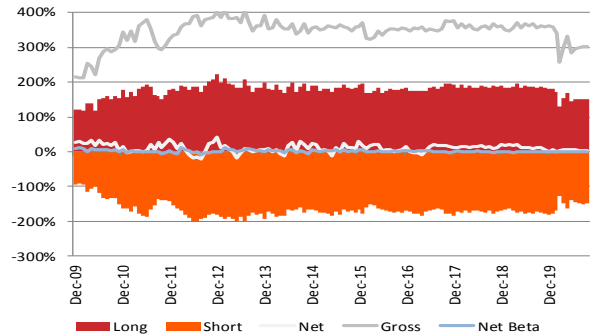
The holdings in the Fund are highly liquid. The table below shows the percentage of securities in the portfolio which can be unwound within a particular period of time.

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.

Liquidity	Long	Short	Portfolio
Within 3 Days	95.6%	97.6%	96.6%
Within 1 Week	99.1%	99.5%	99.3%
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	-0.1	-0.1	0.0	0.0	0.1	0.1	0.0	0.0	0.0
Banks	-0.4	-0.5	0.0	0.0	0.0	0.0	0.0	0.0	-0.4
Consumer Discretionary	-0.4	0.0	-0.4	-0.1	0.4	0.4	0.0	0.0	-0.1
Consumer Staples	-0.7	-0.5	-0.2	0.0	0.7	0.5	0.2	0.0	0.0
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	-0.1	-0.4	0.1	0.1	0.0	0.1	-0.3
Health Care	-0.5	-0.6	0.1	0.0	0.5	0.5	0.1	-0.1	0.0
Industrials	-0.6	0.1	-0.5	-0.2	0.5	0.1	0.3	0.1	-0.1
Information Technology	-0.5	-0.2	-0.1	-0.2	1.4	0.3	1.1	0.0	0.9
Insurance	-0.7	-0.6	-0.1	0.0	1.0	0.5	0.5	0.0	0.3
Materials	-0.9	-0.6	-0.4	0.0	0.1	0.1	-0.1	0.1	-0.8
Media	-0.1	0.0	0.0	-0.1	0.0	-0.2	0.1	0.0	-0.2
Real Estate	-0.6	0.0	-0.5	-0.1	0.4	0.0	0.3	0.0	-0.2
Telecommunication	-0.3	-0.2	-0.1	0.0	-0.1	0.0	0.0	0.0	-0.4
Utilities	-0.3	0.1	-0.4	0.0	0.0	0.0	0.0	0.0	-0.3
Cash / Other									-0.2
Total	-6.7	-2.9	-2.6	-1.1	5.1	2.2	2.7	0.2	-1.8

Top Contributors

Barco	0.4%	Short
CANCOM	0.4%	Short
Vifor Pharma	0.3%	Short
Valora	0.2%	Short
ACS	0.2%	Long

Top Detractors

Loomis	-0.3%	Long
Lenzing	-0.3%	Short
Imerys	-0.3%	Long
Hornbach	-0.3%	Long
Sixt	-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%	-3.7%	-14.2%	2.8%	-2.8%	0.4%	-3.1%	-0.8%	2.5%	-1.8%			-19.3%
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 a positive return in any type of market conditions over any given 5-year period, with a volatility of 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 2019 (A&D/B)*	1.67/1.17%

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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