



Saemor Europe Alpha Fund Performance

	Feb	YTD	3M	6M	1Yr	3Yr (ann)	5Yr (ann)	7Yr (ann)	10Yr (ann)	NAV (28-Feb-2020)	Inception
Share Class B	-3.7%	-3.2%	-5.0%	-5.3%	-17.1%	-0.9%	-1.2%	3.9%	4.9%	EUR 1,355.03	26-Jun-2008
Share Class A	-3.8%	-3.3%	-5.1%	-5.5%	-17.5%	-1.4%	-1.8%	3.1%	3.9%	EUR 1,382.41	26-Jan-2009
Share Class D	-3.8%	-3.3%	-5.1%	-5.5%	-18.2%	-1.7%				EUR 840.34	31-Dec-2015

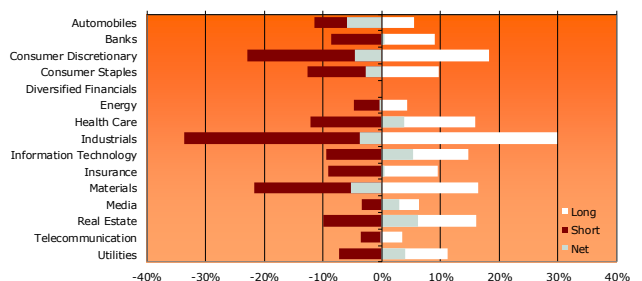
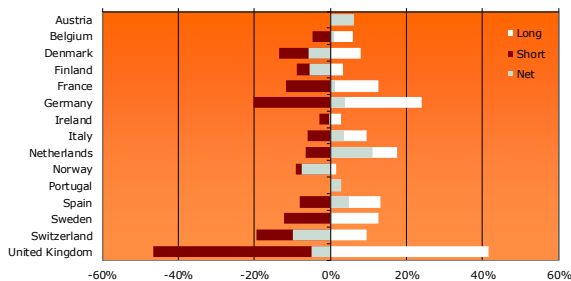
February was a weak month for the Fund. As risk sentiment changed post Feb 20<sup>th</sup>, defensive factors continued their outperformance. Price momentum and Growth factors showed surprising resilience and were able to produce gains on a long-short basis, while Earnings Momentum strategies ended on a slightly negative note. Selective Quality factors also performed positively amid heightened volatility. Risk factors were the worst performing factor group in February. More volatile and smaller stocks fared poorly as they tend to suffer more during risk-off macro events. Value factors also underperformed. Our largest exposure is to Defensive Value (such as Dividend Yield and Free Cash Flow Yield), which tends to outperform in periods of equity weakness. These factors also ended in red territory.

Market Developments

Amid rising fears over the spread of coronavirus beyond China and its potential economic impact, European equities fell 8% in February. Markets experienced a sharp sell-off in the second half of the month and volatility more than doubled. At the end of the month, the World Health Organization (WHO) raised its assessment of the global virus risk from high to very high. The global PMI saw its largest monthly decline in 20 years. All countries and sectors saw negative returns, with return dispersion being relatively low. Belgium (-15%) led declines, while British equities continued to lag their European counterparts. Denmark, Sweden, Italy and Portugal fell the least with -5 to -6%. Energy (-13%) saw its worst month since August 2008, amid Brent crude prices falling to 2018 lows. Media was the second worst performer. Defensive sectors were able to outperform. Utilities fell only 2% helped by the big drop in bond yields. Health Care also outperformed. Bonds rallied across the globe as investors sought safe havens; bond yields fell to record lows. Risk-off sentiment took a toll on commodities. The gold price fell slightly and remains close its highest level since 2013.

Investment Outlook & Strategy

The coronavirus is beginning to meaningfully impact fundamentals. Globally PMI's are falling and likely to drop further. Strategists are vastly reducing their EPS forecasts, with further risks to the downside. Our macro economic cycle model unsurprisingly recorded a downtick in February and will likely soon move back towards a Recession scenario. This points us to lowering the model's exposure to Value factors. We plan to keep a small overweight to Defensive Value factors as it is strong diversifier and it remains cheap from a historical perspective. Into March, the Fund has continued to endure the deep drawdowns, mostly driven by extreme underperformance of Value and Risk factors. Price Momentum continues to perform while it is a crowded factor with narrow leadership and implicit macro exposures. It can seem as if every day we are experiencing more and more extreme events, while measuring their "sigma" using past data no longer seems meaningful. Markets have not found a support level despite monetary and fiscal policy actions and extreme risk pricing. The potential for short-term bounces on the back of policy actions is high, but a more meaningful recovery in markets and in the performance of systematic models is only certain once signs materialize that the virus spread is under control.



Key Portfolio Information

Total Net Assets (in mln)	€409 / \$449	Net Exposure Beta-Adj	0.04
Outstanding Shares (B/A)	299608 / 1292 / 1669	Beta (ex post, 3Y daily data)	0.03
Number of Long Positions	116	Volatility (ex ante, short-term risk model)	6.4%
Long Positions (% of NAV)	171.3%	Volatility (ex post, 3Y daily data)	8.8%
Number of Short Positions	133	VaR (1 day / 95% conf)	0.6%
Short Positions (% of NAV)	-170.2%	Long Liquidity (avg)	0.42 days
Gross Exposure (% of NAV)	341.5%	Short Liquidity (avg)	0.26 days
Net Exposure (% of NAV)	1.1%	Portfolio Turnover (/GAV)	0.7

**Sector Allocation (L&S as % NAV)**

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

**Country Allocation (L&S as % NAV)**

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

**Top Long Positions**

	Model Score	As % NAV
Raiffeisen	97	2.5%
Roche	98	2.5%
Aroundtown	98	2.5%
Schaeffler	96	2.5%
Bawag	99	2.5%

**Top Short Positions**

	Model Score	As % NAV
Alcon	4	2.6%
Tomra	8	2.6%
B&M	11	2.5%
Knorr-Bremse	7	2.5%
Renishaw	4	2.5%

- Raiffeisen Bank International is an Austrian banking group. The international arm provides the group a significant presence in CEE including Russia. Management aims to grow the loan book by 5% per year, reduce the cost income ratio and hit the 11% return on equity target. The valuation of the shares currently does not reflect recent profitability, while these targets would imply further improvement.
- 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 slightly above consensus FY19 earnings, guidance for 2020 was raised. Besides its current biggest drugs, novel medicines provide confidence that the company will continue to outperform.
- Aroundtown is a real estate company with both commercial and residential properties. Most properties are in Germany. Currently Aroundtown is attempting to acquire TLG Immobilien, another German real estate company that owns offices and hotels. This deal reinforces Aroundtown's position as a market leader, which justifies a modest valuation premium to the sector.
- Schaeffler is a German producer of auto parts, such as engine and transmission systems. It also holds 46% of Continental. Whilst the automotive market is weakening, the stock offers good relative value and profitability. Sales in its E-Mobility division are growing rapidly. The company offers a dividend yield of 7%, one of the highest in the sector.
- Bawag is an Austrian banking group. Bawag runs a strong franchise in Austria, with 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 its peers.
- Alcon is a Swiss manufacturer of vision care products, such as surgical equipment and eye drops, and serves the medical industry worldwide. Recent FY19 results surprised on the downside. The company needs to settle an antitrust lawsuit by contact lens buyers. It is the lowest-ranked medical supplies stock in our model as it scores below average on all factor clusters.
- Tomra manufactures machines used to recycle beverage containers. The company sells its machines predominantly in Europe and North and South America. The company's shares trade on relatively high valuation multiples. It is our view that investors are pricing in unrealistic growth expectations at 30x 2021 earnings expectations.
- B&M European Value Retail is a UK discount retailer. The company operates in a field with a lot of competition, e.g. from Action and Home Bargains. It is quite expensive at 20x FY1 earnings in light of the slowdown of UK store sales. The company scores weakly on other indicators as well, in particular within its subsector of general retailing.
- Knorr-Bremse manufactures braking systems for rail and commercial vehicles as well as other vehicle parts and systems. The company is trading on 21x 2020 earnings, which is rich compared to car parts, capital goods or the automobile sector. Broker recommendations are all hold or sell.
- Renishaw creates high technology precision measuring and calibration equipment, e.g. for metrology, inspection, spectroscopy, and scanning. Recent earnings were a negative surprise as demand for its machine tools weakened. The stock is trading at 40x earnings FY1, a hefty premium vs e.g. peers Landis+Gyr and Jenoptik, which in our eyes is not justified.



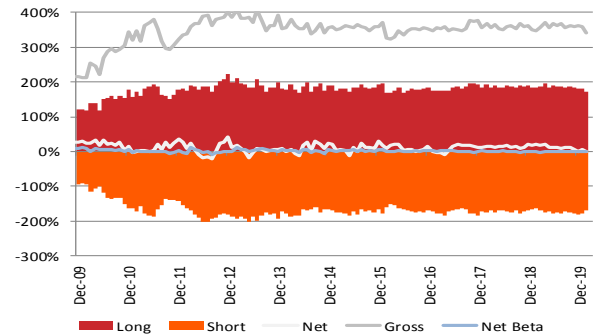
**Exchange Liquidity Breakdown**

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	92.7%	97.0%	94.8%
Within 1 Week	98.5%	99.5%	99.0%
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	-0.4	-0.4	0.0	0.0	0.9	0.3	0.5	0.2	0.5
Banks	-0.3	-0.3	0.0	0.0	0.0	0.1	-0.1	0.0	-0.3
Consumer Discretionary	-1.2	-0.3	-0.7	-0.2	2.4	1.0	1.1	0.3	1.2
Consumer Staples	-0.8	-0.5	-0.3	0.0	0.8	0.5	0.3	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	-1.3	-0.1	-0.1	-1.1	1.1	0.1	0.5	0.5	-0.2
Health Care	-0.7	-0.6	-0.1	0.0	0.6	0.2	0.3	0.0	-0.2
Industrials	-2.9	-0.8	-1.9	-0.1	1.9	1.3	0.6	0.0	-1.0
Information Technology	-2.4	-0.6	-1.8	0.0	0.5	-0.2	0.8	0.0	-1.9
Insurance	-1.1	-0.8	-0.2	0.0	0.8	0.8	0.0	0.0	-0.2
Materials	-1.1	-0.7	-0.2	-0.1	1.5	1.1	0.4	0.0	0.4
Media	-0.7	0.0	-0.7	0.0	0.3	0.3	0.0	0.0	-0.5
Real Estate	-1.1	-0.4	-0.5	-0.2	1.0	0.3	0.6	0.0	-0.2
Telecommunication	-0.8	-0.3	-0.5	0.0	0.2	0.2	0.0	0.0	-0.6
Utilities	-0.5	-0.2	-0.3	0.0	0.1	0.1	0.0	0.0	-0.5
Cash / Other									-0.3
<b>Total</b>	<b>-15.4</b>	<b>-6.2</b>	<b>-7.5</b>	<b>-1.7</b>	<b>12.0</b>	<b>6.1</b>	<b>4.9</b>	<b>1.0</b>	<b>-3.7</b>

**Top Contributors**

WH Smith	0.5%	Short
Evolution Gaming	0.5%	Long
IWG	0.4%	Short
Electrolux	0.4%	Short
thyssenkrupp	0.3%	Short

**Top Detractors**

Dialog Semiconductor	-0.6%	Long
Mycronic	-0.6%	Long
NOS	-0.5%	Long
Telenet	-0.5%	Long
DNO	-0.4%	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%											-3.2%
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.

**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

**Disclaimer**

Saemor Capital B.V. has compiled this publication. Saemor Capital B.V. is a management company and in that capacity avails of a license pursuant to section 2:65 of the Act on Financial Supervision of the Netherlands (Wft) as that section reads following the incorporation of the AIFM Directive in the Wft.

Although the information contained in this publication is composed with great care and although we always strive to ensure the accuracy, completeness and correctness of the information, imperfections due to human errors may occur, as a result of which presented data and calculations may vary. Therefore, no rights may be derived from the provided data and calculations. All information is provided "as is" and is subject to change without prior notice. Saemor Capital B.V. does not warrant the adequacy, accuracy or completeness of any information and expressly disclaims any liability for errors or omissions therein. The recipients of this publication are responsible for evaluating the accuracy, completeness or usefulness of this information.

The information contained in this publication does not constitute any recommendation, investment proposal, offer to provide a service, nor a solicitation to buy or sell any security or other investment product. In particular, the information does not constitute an offer of, or an invitation to apply for or purchase, securities in any jurisdiction where such offer or invitation is unlawful or in which the person making such an offer is not qualified to do so or to whom it is unlawful to make such offer or solicitation. In particular, no offer or invitation is made to any US persons (being residents of the United States of America or partnerships or corporations organised under the laws of the United States of America or any state, territory or possession thereof). The Saemor Fund is not registered under the Securities Act 1933 of the United States nor under the Investment Company Act of 1940 of the United States. The publication of this information may be subject to restrictions imposed by law in some jurisdictions.

Saemor Capital B.V. requests any recipient of this publication to become acquainted with, and to observe, all restrictions. Saemor Capital B.V. accepts no liability for infringement of such restrictions.

The recipient shall not distribute, forward or publish this information. No rights may be derived from the provided information, data and calculations. Also by risks inherent to this investment fund, the value of the investments may fluctuate. Past performance is no guarantee of future results.

