

**Saemor Europe Alpha Fund Performance**

	Sep	YTD	3M	6M	1Yr	3Yr (ann)	5Yr (ann)	7Yr (ann)	10Yr (ann)	NAV (30-Sep-2020)	Inception
Share Class B	<b>2.5%</b>	<b>-17.8%</b>	-1.5%	-1.1%	-21.6%	-7.7%	-6.2%	2.4%	3.0%	EUR 1,150.58	26-Jun-2008
Share Class A	<b>2.4%</b>	<b>-18.1%</b>	-1.6%	-1.3%	-22.0%	-8.1%	-6.6%	1.6%	2.1%	EUR 1,170.42	26-Jan-2009
Share Class D	<b>2.4%</b>	<b>-18.1%</b>	-1.6%	-1.3%	-22.0%	-8.4%				EUR 711.48	31-Dec-2015

September was a strong month for the Saemor Europe Alpha Fund, with a positive return of +2.5%. It was the first month without major factor headwinds since the bounce-back month of April. In the early days of September Price Momentum factors underperformed as global market leadership shifted away from Tech stocks. The flip-side of this was that Value strategies, currently negatively correlated with Momentum, performed well during this period. This trend was short-lived though, as concern increased about the second wave of Covid-19 infections. The rest of the month saw factor trends reverse again; Value resumed its poor run of performance and most other factor groups in our model performed well. Within our alpha model 3 of the 4 quadrants of factors posted significant positive performance and almost 70% of the individual factors (measured by the weight in the model) were up. While Value factors in general performed poorly in September our alpha model has recently been selecting the type of Value factors which have done relatively better, with some (eg. Free Cashflow Yield) even bucking the trend to post positive returns. Performance was good across most of our sector-specific alpha models, with positive returns in 12 of the 15.

**Market Developments**

European equities receded 0.9% in September. The number of new COVID cases is rebounding which has resulted in tighter restrictions and partial lockdowns across most countries in Europe, affecting the economic outlook. Investor sentiment was also impacted by rising US political uncertainty ahead of November elections, growing geopolitical risks (US-China, Germany-Russia) and UK/EU Brexit negotiations. PMI's moved sideways or declined recently. Economic surprise indices are rolling over from high levels. High frequency indicators are still mostly signaling a continuation of the economic recovery, however at a moderate pace with signs of fatigue. Austria, France, Spain, Portugal and Italy underperformed in light of a second wave of infections, whilst Sweden, Denmark and Ireland held up the strongest. From a sector perspective, Energy lost 11% as the oil price weakened on slowing demand prospects and increasing OPEC output. Financials and especially Banks (-10%) also fell, despite bond yields remaining largely flat over the month. Consumer Discretionary, Consumer Staples, Health Care, Materials and Industrials rose. Exporting sectors benefitted from strength in the US dollar, which unwound some of its recent weakness.

**Investment Outlook & Strategy**

Earnings upgrades currently outnumber downgrades, with all countries in Europe enjoying improving positive EPS revisions over the last 3 months. Unsurprisingly, profit revisions have recently been better in cyclicals (Technology, Materials and Industrials). If Energy and Financials are also starting to bottom out and experiencing net upgrades, we might expect convergence favoring Value and Europe as a region. Over the coming months three factors could kickstart this convergence – i.e., (1) a Biden win, (2) Brexit uncertainty falling away, and (3) positive vaccine newsflow. The catalyst for a more sustained rotation could be bond yields grinding higher in 1H 2021 on the back of additional fiscal stimulus and rising M1 and PMIs. So overall, we think the chances of a style rotation are growing towards the turn of the year. Renewed economic weakness, driven by a long lasting second wave of infections, could stall this and clearly poses as a downside risk, which from a style perspective would favor all styles except Value.

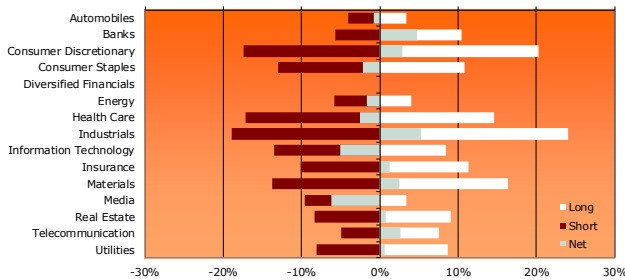
**Key Portfolio Information**

Total Net Assets (in mln)	€337 / \$395	Net Exposure Beta-Adj	0.00
Outstanding Shares (B/A)	291245 / 793 / 1669	Beta (ex post, 3Y daily data)	0.02
Number of Long Positions	156	Volatility (ex ante, short-term risk model)	6.1%
Long Positions (% of NAV)	152.5%	Volatility (ex post, 3Y daily data)	10.0%
Number of Short Positions	158	VaR (1 day / 95% conf)	0.7%
Short Positions (% of NAV)	-150.2%	Long Liquidity (avg)	0.31 days
Gross Exposure (% of NAV)	302.6%	Short Liquidity (avg)	0.28 days
Net Exposure (% of NAV)	2.3%	Portfolio Turnover (/GAV)	0.6



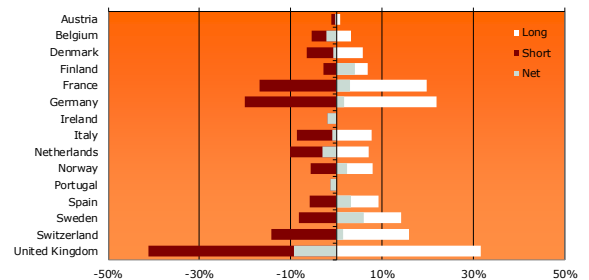
**Sector Allocation (L&S as % NAV)**

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



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

Swedish, Finnish, Spanish, French, Norwegian, German and Swiss stocks are overweight in the portfolio, whereas stocks in United Kingdom, Netherlands, Belgium and Ireland are under-represented. The Fund has a neutral position in Austria, Denmark, Italy and Portugal.



**Top Long Positions**

Company	Model Score	As % NAV
Legal & General	93	1.7%
Sixt	98	1.7%
NN Group	90	1.7%
Lundbeck	90	1.7%
Buzzi Unicem	94	1.7%

**Top Short Positions**

Company	Model Score	As % NAV
Bakkafrost	6	1.7%
RTL Group	1	1.7%
Vestas Wind	6	1.7%
Straumann	19	1.7%
Alten	5	1.7%

- Legal & General is UK-focused life insurance and asset management company. Its asset management arm is a top provider of index funds in the UK market, a segment that has seen steady growth in the last decade. The valuation of the shares seem to adequately reflect the risk of lower UK growth as a possible result from Brexit.
- Sixt is a leading European car rental and leasing company. The coronavirus has severely impacted Sixt's revenue and profits and the company has embarked on a cost savings drive. Management has withdrawn earnings guidance as visibility for travel and mobility remains low. The company has a sizeable amount of cash, while it also has undrawn credit facilities at its disposal. This should help the company navigate short-term economic headwinds.
- NN Group is a leading Dutch insurance company with some international operations and an asset manager. NN seems to have successfully integrated Delta Lloyd, a Dutch insurer it acquired a few years ago. Management is confident it can generate sufficient capital to support a sizeable dividend, despite low bond yields. A relatively strong balance sheet offers support for management's view.
- Lundbeck is a Danish pharmaceutical company, focusing on psychiatric and neurological disorders, e.g. dementia, insomnia, depression. Although the company faces strong competition from the major drugmakers, its key depression drug remains a top seller and its new migraine drug could lead to a return to revenue growth at the end of this year and in 2021, as it benefits from global expansion.
- Buzzi Unicem produces cement and construction materials. Buzzi Unicem sells into Europe and the US. It has about 440 cement and concrete plants and 24 aggregate quarries. The company's outlook is not terribly affected by covid-19 as construction activity has continued. The shares seem to offer value at the current earnings multiple, given Buzzi Unicem's profitability and outlook.

- Bakkafrost is the largest fish farming company in the Faroe Islands, and the third-largest in the world. It produces salmon products which are sold across Europe, China and the United States. Although long-term growth prospects may be intact, we view the shares as too expensive at 40 times FY1 earnings, given the increasing debt and the biological risks to salmon farming.
- RTL is a multimedia company in Europe, operating television and radio stations, and produces programming. It is heavily dependent on TV advertising revenues, which have fallen dramatically due to the pandemic. Although some improvement could be seen later, the environment will remain difficult, also long-term, as declines in TV viewing are accelerating.
- 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.
- Straumann produces dental implants, i.e. metal devices implantable in the jaw, in place of missing teeth, to which prosthetic teeth are attached. Sales and earnings have grown strongly and steadily in recent years, but valued at almost 70 times next year's consensus earnings forecast, investors' expectations are too elevated in our view.
- Alten offers engineering and technology services. France represents Alten's biggest market but the majority of its revenues are generated in other countries. The corona outbreak weighs on Alten's income from aerospace and automotive clients. Second quarter results for the life sciences segment improved. However, overall, the outlook for the remainder of 2020 is tough and earnings visibility is low.



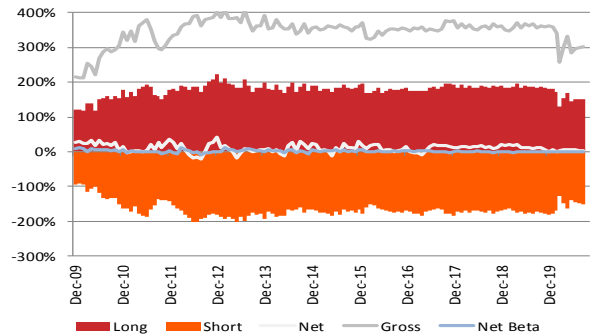
**Exchange Liquidity Breakdown**

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 97% of the portfolio can be liquidated within 3 days.

Liquidity	Long	Short	Portfolio
Within 3 Days	95.4%	97.1%	96.2%
Within 1 Week	99.1%	99.0%	99.1%
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	0.1	0.0	0.2
Banks	-0.7	-0.7	0.0	0.0	0.6	0.4	0.2	0.0	-0.2
Consumer Discretionary	0.8	-0.1	0.5	0.4	0.6	-0.2	0.8	0.0	1.4
Consumer Staples	0.5	0.3	0.2	0.0	-0.3	-0.2	-0.1	0.0	0.3
Diversified Financials	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Energy	-0.8	-0.4	0.0	-0.4	0.7	0.3	0.1	0.3	-0.2
Health Care	0.6	0.4	0.2	0.0	-0.5	-0.3	-0.1	0.0	0.1
Industrials	0.3	0.0	0.2	0.1	0.2	-0.3	0.4	0.0	0.5
Information Technology	-0.1	0.2	-0.4	0.1	-0.3	0.1	-0.3	0.0	-0.4
Insurance	-0.6	-0.4	-0.1	-0.1	0.6	0.4	0.2	0.0	0.0
Materials	0.1	0.3	-0.2	0.0	0.3	-0.1	0.4	0.1	0.4
Media	0.3	0.0	0.3	0.0	-0.4	0.1	-0.5	0.0	-0.1
Real Estate	0.7	0.3	0.5	-0.1	0.2	0.0	0.2	0.0	0.9
Telecommunication	-0.3	-0.3	0.0	0.0	0.0	0.0	0.0	0.0	-0.3
Utilities	-0.1	0.0	-0.1	0.0	0.2	0.1	0.0	0.0	0.0
Cash / Other									-0.2
<b>Total</b>	<b>0.7</b>	<b>-0.3</b>	<b>1.0</b>	<b>0.0</b>	<b>2.0</b>	<b>0.3</b>	<b>1.4</b>	<b>0.3</b>	<b>2.5</b>

**Top Contributors**

thyssenkrupp	0.4%	Short
888	0.4%	Long
Kungsliden	0.3%	Long
Beazley	0.3%	Short
Sacyr	0.3%	Short

**Top Detractors**

RTL	-0.4%	Short
Lundin Energy	-0.3%	Long
S&T	-0.3%	Long
Aggreko	-0.3%	Long
CGG	-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%				-17.8%
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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