



Monthly Factsheet for Institutional investors only - 29 January 2016

EUR B (acc) Strategy: European Equity Long / Short Net Asset Value per Share: €113.97¹ Monthly performance: (2.22)%¹ Year to Date: (2.22)%¹INVESTMENT OBJECTIVE²

The primary objective of the Theorema European Equity Long-Short UCITS Fund is to generate superior risk adjusted returns, irrespective of the market environment, through fundamental stock picking in Europe. The Fund will attempt to achieve annual returns of 10-14%, with a low volatility target of 6-8%, predominately through the purchase, sale and short sale via derivatives of equity instruments listed on the stock exchanges in Western Europe that the manager deems to be misvalued.

FUND DESCRIPTION

The Theorema European Equity Long-Short UCITS Fund is a UCITS compliant fund following the Theorema Europe strategy, with a balance sheet equal to 1.5x that of the flagship fund, Theorema Europe Fund (TEF) which has a 9yr track record. The investment style aims to select investment opportunities which can sustain superior returns over the mid-long term without a significant degree of correlation to the market. This has been achieved by maintaining a very liquid, highly diversified portfolio with a strong focus on thorough fundamental research analysis and risk management.

FUND COMMENTARY

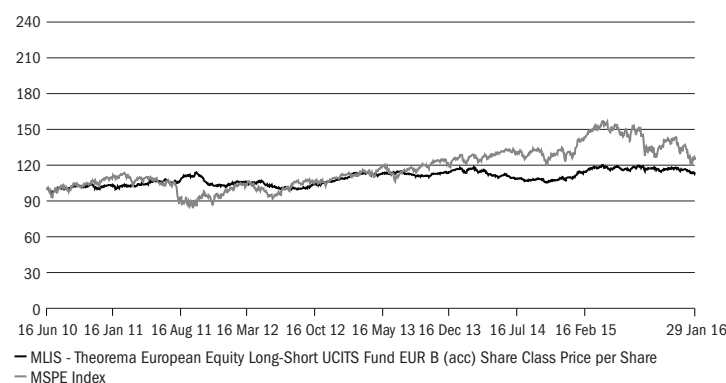
Global Equity markets tumbled in one of the worst starts of a year. The Dow Jones Eurostoxx 600 closed January down 6.44%. The correlation between the Chinese Stock Market and the Equity Markets in US and Europe increased substantially at the beginning of the month, causing an increase of realized volatility of the developed markets.

Chinese shares suffered notably from the start, plunging in the first session of the year to new lows. The price action reminded everybody of a full-fledged risk off environment: circuit breakers and trading halts.

Economic data from Asia have been mixed but market seemed to focus on the Caixin manufacturing PMI that came lower than expected and below 50, a sign of contraction of economic activity.

On the other side, economic data were supportive for Europe. Eurozone consumer confidence and German manufacturing orders came stronger than expected.

The highlight of the month was the ECB conference. Contrary to December, when the market had very high expectations and the ECB disappointed, in January nobody was expecting a change of tone by Draghi, who suggested that ECB will review and reconsider their monetary policy stance as early as March. It is clear that the main driver for the outlook in Europe is largely determined by external factors: China economy, global growth, oil and the commodity space and the ECB wants to react against these deflationary forces.

HISTORICAL PERFORMANCE¹

Fund performance is based on official daily valuations, shown since inception of share class.

Source: Bank of America Merrill Lynch, Bloomberg

In addition to that, other two factor determined the increased risk aversion. Given the renewed oil price weakness and increased fears of global recession, European corporate credit spreads widened to level last seen in 2012, while Italian banks lead the declines in the European Stoxx 600 Banks Index, reflecting investor concerns about lenders' levels of bad debt.

Concerns over the level of NPL in the balance sheet of Italian Banks made headlines throughout the month. Despite the effort to create a scheme to encourage banks to sell loans and provide investors with a government guarantee, both bank stock and bonds prices weekend considerably.

HISTORICAL MONTHLY RETURNS¹ (%)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2016	(2.22)	-	-	-	-	-	-	-	-	-	-	-	(2.22)
2015	4.18	2.33	0.71	(0.81)	1.61	(2.52)	2.79	(1.73)	(0.32)	0.18	1.08	(1.25)	6.21
2014	(1.68)	3.32	(2.71)	(3.02)	0.02	(1.89)	(1.00)	(0.63)	0.76	(0.87)	1.74	0.38	(5.61)
2013	2.30	2.28	0.98	(2.43)	1.95	0.83	(1.41)	(1.47)	0.00	1.71	1.20	1.86	7.94
2012	0.85	1.97	(0.57)	0.86	(3.88)	(1.54)	(0.78)	0.33	1.84	1.20	2.91	1.29	4.37
2011	(2.09)	0.82	1.48	0.38	2.50	0.65	(0.59)	4.18	2.18	(6.42)	(3.40)	0.50	(0.27)
2010	-	-	-	-	-	(2.36)	2.65	0.71	1.57	0.54	(3.18)	3.70	3.49

Based on unaudited month-end valuations. Source: Bank of America Merrill Lynch

¹ The performance figures contained herein are net of fees. The returns shown are based on share class EUR B (Acc) and therefore such historical information does not represent actual returns that an investor in share classes other than EUR B (Acc) may receive but is for information purposes to illustrate the performance of the Theorema European Equity Long-Short UCITS FUND (the "Fund") and should be interpreted accordingly. Past performance is not an indication of future performance or actual realised returns on an investment in the Funds (which may be affected by a number of factors including, but not limited to, applicable fees and the timing of subscriptions and redemption in the Fund).

² A significant or total loss of investment could occur. There can be no assurance that the investment objectives of the fund will be achieved and investment results may vary substantially over time.

Past performance is not indicative of future results.

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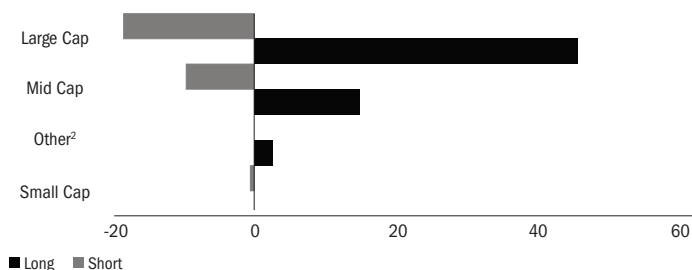
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EXPOSURE BY MARKET CAPITALISATION (%)



Source: Bank of America Merrill Lynch

POSITION ANALYSIS⁴

No. of Long Positions	52
No. of Short Positions	62
Delivered Volatility ⁵	n/a

Top 3 Long Positions as a % of Fund Net Assets

TIME WARNER CABLE INC SHS	4.46%
SAFRAN SA ACT.	4.07%
AIRBUS GROUP SE SHS	3.46%

Source: Bank of America Merrill Lynch

SHARE CLASS VALUATION

Share Class	ISIN	BBG	SEDOL	NAV
EUR B (acc)	LU0517905021	MLISTH1 LX	B5PXNV0	113.97
USD B (acc)	LU0517905294	MLISTH2 LX	B3M0P81	115.98
GBP B (acc)	LU0517905377	MLISTH3 LX	B3PR2X3	not invested
EUR D (acc)	LU0517905880	MLISTH7 LX	B5L50Y2	not invested
USD D (acc)	LU0517905963	MLISTH8 LX	B5P8575	not invested
GBP D (acc)	LU0517906003	MLISTH9 LX	B5ZS0G9	not invested
EUR I (inc)	LU0965053530	MLITH12 LX	BD3Q5L1	98.51

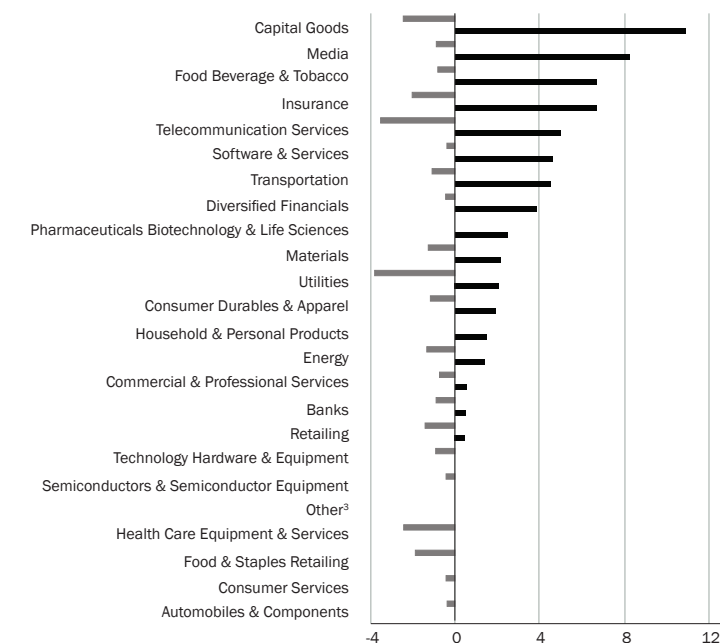
Source: Bank of America Merrill Lynch

MONTH END EXPOSURE (%)

	Jan 2016
Long Exposure	62.93
Short Exposure	(29.15)
Net Exposure	33.78
Gross Exposure	92.08
Beta Exposure ⁶	20.48

Source: Bank of America Merrill Lynch

SECTOR EXPOSURE (%)



■ Long ■ Short

Source: Bank of America Merrill Lynch

FUND CHARACTERISTICS⁷

Base Currency	EUR
Inception Date	16 June 2010
Redemption/Subscription Frequency	Daily
Redemption/Subscription Notice Period	2 banking days
Management Fee	2%
Admin Fee	0.40%
Performance Fee	20% of New Net Appreciation
Fund's Assets Under Management	EUR 75,558,240
Minimum Investment	€/\$/£ 1,000,000

FUND MANAGEMENT

Investment Manager	Theorema Asset Management Limited
Fund Promoter	Merrill Lynch International
Auditor	Price Waterhouse Coopers S.à r.l
Custodian	State Street Bank Luxembourg S.C.A.
Administrator	State Street Bank Luxembourg S.C.A.

¹ The performance figures contained herein are net of fees. The returns shown are based on share class EUR B (Acc) and therefore such historical information does not represent actual returns that an investor in share classes other than EUR B (Acc) may receive but is for information purposes to illustrate the performance of the Theorema European Equity Long-Short UCITS FUND (the "Fund") and should be interpreted accordingly. Past performance is not an indication of future performance or actual realised returns on an investment in the Funds (which may be affected by a number of factors including, but not limited to, applicable fees and the timing of subscriptions and redemption in the Fund).

² Positions with no specific market capitalisation category.

³ Positions with no specific sector category.

⁴ Number of positions and top 3 long positions provided for the factsheet date.

⁵ Delivered Volatility: Volatility is a measure of the degree of variability in the historical returns. It is measured by taking the standard deviation of the historical monthly returns on an annualised basis.

⁶ Predicted beta against the MSCI Pan-Euro Index

⁷ Investment in the fund is subject to the Commission de Surveillance du Secteur Financier (CSSF) Subscription Tax of 0.01% p.a. for Institutional Share Classes and 0.05% p.a. for Retail Share Classes.

Past performance is not indicative of future results.

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