



## **PELARGOS CAPITAL B.V.**

### **Semi Annual report 2021**

The Hague  
26 August 2021

## Company information

### Statutory directors

Orange Dragon Company B.V.  
Pieter van Putten  
Michael Kretschmer

### Address

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2595 AM The Hague

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### Independent auditor

PricewaterhouseCoopers Accountants N.V.  
Fascinatio Boulevard 350  
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P.O. Box 8800  
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### Company profile

Pelargos Capital B.V. (hereafter: Pelargos) is an investment boutique with an institutional type infrastructure that runs fundamental value strategies focused on alpha generation in the Japanese equity market. Pelargos was founded in March 2008 with Aegon Asset Management as cornerstone investor. Pelargos Japan Alpha Fund, launched in 2008, strives for capital growth by taking long and short exposures in securities related to Japanese companies. In February 2020, Pelargos launched a Japan long only equity fund, Pelargos Japan Reiwa Fund. At the end of June 2021, the Management Committee at Pelargos consists of Richard Dingemans (CEO), Pieter van Putten (CFO/COO) and Michael Kretschmer (CIO).

### Key figures

Key figures (€)	HY1 2021	HY1 2020	2020
	Revenues	896,371	710,679
Costs	976,090	979,218	1,892,753
Net result	-64,643	-255,932	-347,140
Equity	1,981,101	2,136,952	2,045,744
Assets under management	180,350,128	167,425,140	170,328,012

## Legal information

Pelargos, incorporated and domiciled in the Netherlands, is a private limited liability company organized under Dutch law and recorded in the Commercial Register of The Hague under its registered address at Prinses Margrietplantsoen 43, 2595 AM, The Hague.

Pelargos was established on March 4th in 2008. The statutory objectives of the company are:

- to act as a manager of one or more funds for joint account;
- to conduct the management over and to be (managing) director of one or more other investment institutions, companies and legal entities; and
- to invest assets in any other way, whether or not at the risk and expense of third parties; as well as to participate in, to take an interest in any other way in, to conduct the management of other business enterprises of whatever nature, furthermore to finance third parties, in any way to provide security or undertake the obligations of third parties and finally all activities which are incidental to or which may be conducive to any of the foregoing.

Pelargos has been granted the license to manage investment funds (as meant in *Article 2:65, first paragraph, sub a, Wet Financieel Toezicht*) by Autoriteit Financiële Markten on 9 December 2010. As of 22 July 2014, this license has been converted into an AIFMD license. Pelargos has been granted an extension to its license, which enables it to offer additional investment services (as meant in *Article 2:67, 2<sup>nd</sup> paragraph, sub a, sub b and sub d Wet Financieel Toezicht*) by Autoriteit Financiële Markten as of 1 March 2017.

## Management report

### Introduction

The first half of 2021 saw a continuation of the Covid-19 crisis. Pelargos Japan Alpha Fund performed +5.53% during the period in EUR terms. Pelargos Japan Reiwa Fund had a positive performance of +5.24% up to the end of June. Assets under management increased from EUR 170 mln to EUR 180 mln during the first half of 2021.

### Business development

Pelargos was established in 2008 with the strategic backing and long-term committed cornerstone investor Aegon. Since its start Pelargos has built an institutional infrastructure. It supports our fundamental research and risk management framework. It also enables effective reporting and performance attribution analysis to provide transparency for our clients. Pelargos is a member of the Alternative Investment Management Association and our key service providers are best in class partners.

The focus of our team is on generating performance and raising capital. The main driver of profitability comes from increasing revenues through acquisition of new customers. To support this process, we constantly search for investors as well as partners with proven distribution capabilities.

### Organisation

In early 2020 Pelargos started managing a Japan long only equity fund listed on the UCITS platform of Universal Investment Luxembourg S.A. The fund completed its first 12 months of performance track record early 2021.

Covid-19 continued to have relatively little impact on the operations of Pelargos Capital. No disruptions in daily work procedures were reported so far. The impact of the crisis on investment performance was small.

During the first half of 2021, sister company Saemor Capital closed for business. Pelargos was able to continue its operations without disruption, among other things by taking over staff previously shared between the two companies.

The fund management team continued to intensify its work on governance related matters with Japanese companies, despite the fact that the team was not able to travel to Japan. Corporate governance changes are starting to become more visible in Japan, resulting in positive influence on investment performance for the funds managed by Pelargos.

### Financials

In the first half of 2021 Pelargos realized a loss of € 64.643.

This loss was smaller than the one in the same period in the previous year, due to a higher level of assets under management and a lower cost base.

The current assets of Pelargos are sufficient to meet its current short term, current long term and foreseeable near future financial obligations.

The Hague, 26 August 2021

Orange Dragon Company B.V.,R.A. Dingemans

P. Van Putten, CFA

M. Kretschmer

## Balance sheet as at 30 June 2021

(Before profit distribution)

<b>ASSETS</b>	<b>30 June 2021</b>	<b>31 December 2020</b>
	€	€
<b>Fixed assets</b>		
Property and equipment	2,712	2,958
Hardware	996	3,080
	<b>3,708</b>	<b>6,038</b>
<b>Current assets</b>		
Accounts receivable	310,718	263,244
Corporate income tax	-	-
Current account related parties	373,747	244,625
Other current assets	53,347	16,826
	<b>737,812</b>	<b>524,695</b>
Units of participations in Funds	324,222	307,567
	<b>324,222</b>	<b>307,567</b>
Bank	1,618,333	1,843,380
	<b>1,618,333</b>	<b>1,843,380</b>
<b>Total assets</b>	<b>2,684,075</b>	<b>2,681,680</b>
	€	€
<b>LIABILITIES</b>	<b>30 June 2021</b>	<b>31 December 2020</b>
	€	€
<b>Equity</b>		
Share capital	18,000	18,000
Ordinary share premiums	482,000	482,000
Other reserve	1,545,744	1,892,884
Net Result	-64,643	-347,140
	<b>1,981,101</b>	<b>2,045,744</b>
<b>Long term liability</b>	74,794	100,508
	<b>74,794</b>	<b>100,508</b>
<b>Current</b>		
Tax	312,382	321,170
Other current liabilities	315,798	214,258
	<b>628,180</b>	<b>535,428</b>
<b>Total liabilities</b>	<b>2,684,075</b>	<b>2,681,680</b>

## Profit and loss account 1 January – 30 June 2021

P&L	HY1 2021 €	HY1 2020 €
Performance fee	116,768	4,056
Management fee	779,603	706,623
<b>Revenues from fees</b>	<b>896,371</b>	<b>710,679</b>
Other revenues	-	-
<b>Total revenues</b>	<b>896,371</b>	<b>710,679</b>
<b>Total costs</b>	<b>-976,090</b>	<b>-979,218</b>
Investment results	16,655	14,228
Other income	338	338
Interest	-1,917	-1,959
<b>Result before tax</b>	<b>-64,643</b>	<b>-255,932</b>
Corporate income tax	-	-
<b>Result after tax</b>	<b>-64,643</b>	<b>-255,932</b>

## Cash flow statement 1 January – 30 June 2021

CASHFLOW STATEMENT	HY1 2021 €	HY1 2020 €
<b>Earnings from operations</b>	<b>-79,719</b>	<b>-268,539</b>
Adjustments for		
Depreciation	1,680	1,680
Change in receivables	-213,117	12,655
Change in liabilities	67,037	-54,329
Due corporate tax	0	0
	-144,400	-39,994
<b>Cash flow from operations</b>	<b>-224,119</b>	<b>-308,533</b>
Change of units of participations in Funds	0	-99,719
Investments in fixed assets	651	0
<b>Cash flow from investments</b>	<b>651</b>	<b>-99,719</b>
Interest	-1,917	-1,959
Dividends paid	0	0
<b>Cash flow from financing</b>	<b>-1,917</b>	<b>-1,959</b>
Other income	338	338
<b>Cash flow from other</b>	<b>338</b>	<b>338</b>
<b>Change in cash</b>	<b>-225,047</b>	<b>-409,873</b>