

Strategy One Fund

The Netherlands

UNAUDITED INTERIM FINANCIAL STATEMENTS

for the period ended 30 June 2015

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General information

| | |
|-----------------------|---|
| Registered Office | Gustav Mahler Plein 3 Symphony Offices, 26th Floor 1082 MS Amsterdam The Netherlands |
| Fund Manager | Privium Fund Management B.V. Gustav Mahler Plein 3 Symphony Offices, 26th Floor 1082 MS Amsterdam The Netherlands |
| Administrator | TMF Custom House Global Fund Services Westblaak 89 P.O. Box 25121 3001 HC Rotterdam The Netherlands |
| Independent Auditor* | PricewaterhouseCoopers Accountants NV Fascinatio Boulevard 350 3065 WB Rotterdam The Netherlands |
| Legal and Tax Counsel | Van Campen Liem J.J. Viottastraat 52 1071 JT Amsterdam The Netherlands |
| Custodian | <i>(Effective from 28 May 2015)</i> ABN AMRO N.V. Gustav Mahlerlaan 10 1082 PP Amsterdam The Netherlands <i>(Until 28 May 2015)</i> Kas Bank N.V. Nieuwezijds Voorburgswal 225 1012 RL Amsterdam The Netherlands |
| Depositary | Darwin Depositary Services B.V. Barbara Strozilaan 101 1083 HN Amsterdam The Netherlands |
| Legal Owner | Stichting Bewaarder Strategy One Fund Herikerbergweg 238 1101 CM Amsterdam Zuidoost The Netherlands |

**The interim financial statements are not audited by an Independent Auditor.*

Profile

Strategy One Fund (the “Fund”) is structured as a contractual fund with an open-ended redemption structure under Dutch law. The Fund is a closed fund for joint account (*besloten fonds voor gemene rekening*) and is not a legal entity but a contractual arrangement *sui generis* between the Fund Manager, Legal Owner and each participant. The Fund was established on 19 April 2012 and commenced operations on 1 May 2012.

The investment objective of the Fund is to deliver attractive risk-adjusted returns to its participants over a rolling investment horizon of 3 to 5 years with an investment vehicle which targets above average returns in the range of 5% to 10% per annum.

The participants’ equity per participation at the end of the reporting period is as follows:

| | 30 June 2015 | 30 June 2014¹ |
|------------------------|---------------------|---------------------------------|
| Series A Initial | 1,296.62 | 1,139.64 |
| Series January 2015 | 1,075.24 | - |
| Series April 2015 | 1,004.55 | - |
| Series May 2015 | 973.96 | - |
| Series April 2014 | - | 1,021.90 |
| Series B Initial | 1,232.50 | 1,088.19 |
| Series B February 2015 | 1,000.31 | - |
| Series B February 2014 | - | 992.70 |
| Series B March 2014 | - | 1,007.43 |

¹ The participants’ equity per participation is calculated in accordance with Dutch GAAP. Refer to note 15 of these interim financial statements for the reconciliation between the participants’ equity calculated in accordance with the Prospectus and the participants’ equity calculated in accordance with Dutch GAAP.

Interim financial statements

BALANCE SHEET

| | <i>Note</i> | 30 June 2015 EUR | 31 December 2014 EUR |
|---|-------------|---------------------------------|-------------------------------------|
| Assets | | | |
| Investments | | | |
| Equities | | 2,830,140 | 1,975,850 |
| Investee funds | | 12,161,764 | 9,296,979 |
| | 3 | <u>14,991,904</u> | <u>11,272,829</u> |
| Current assets (fall due in less than 1 year) | | | |
| Cash and cash equivalents | 4 | 969,717 | 20,767 |
| Dividend receivable | | 32,613 | 1,654 |
| | | <u>1,002,330</u> | <u>22,421</u> |
| Total assets | | <u>15,994,234</u> | <u>11,295,250</u> |
| Current liabilities (fall due in less than 1 year) | | | |
| Accrued expenses and other payables | 5 | (106,878) | (95,115) |
| Payable for investments purchased | | (97,887) | - |
| Due to broker | 4 | (83,871) | - |
| Total liabilities | | <u>(288,636)</u> | <u>(95,115)</u> |
| Total assets minus total liabilities | | <u>15,705,598</u> | <u>11,200,135</u> |
| Equity | | | |
| Contribution of participants | | 13,487,108 | 9,937,108 |
| Unappropriated profit | | 2,218,490 | 1,263,027 |
| Total participants' equity | 6 | <u>15,705,598</u> | <u>11,200,135</u> |

The accompanying notes are an integral part of these interim financial statements.

Interim financial statements

INCOME STATEMENT (For the period ending 30 June)

| | <i>Note</i> | 2015 EUR | 2014 EUR |
|---|-------------|------------------------------|------------------------------|
| Investment income | | | |
| <i>Direct investment result</i> | | | |
| Interest income | 7 | 367 | 15,903 |
| Dividend income | 8 | 69,506 | 42,536 |
| Other income | | 1,616 | 541 |
| | | <u>71,489</u> | <u>58,980</u> |
| <i>Indirect investment result</i> | | | |
| Realised gains/(losses) on equities | 3 | 191,629 | (26,115) |
| Realised gains on investee funds | 3 | 4,074 | - |
| Realised gains/(losses) on debt instruments | 3 | 16,449 | (5,754) |
| Unrealised gains on equities | 3 | 156,609 | 112,863 |
| Unrealised gains on investee funds | 3 | 701,865 | 60,327 |
| Unrealised gains on debt instruments | 3 | - | 24,537 |
| Foreign currency translation | 9 | 9,153 | (542) |
| | | <u>1,079,779</u> | <u>165,316</u> |
| Total investment income | | <u>1,151,268</u> | <u>224,296</u> |
| Expenses | | | |
| Management fee | 12, 13 | (71,065) | (54,655) |
| Incentive fee | 12, 13 | (50,851) | (6,483) |
| Legal ownership fee | | (14,204) | - |
| Administration fee | 12 | (13,633) | (11,228) |
| Audit fee | | (12,111) | (4,840) |
| Custody fee | | (9,297) | (3,447) |
| Depositary fee | 12 | (9,075) | (7,562) |
| Bank charges | | (6,585) | (8,493) |
| Other operational costs | | (6,220) | - |
| Legal fee | | (1,652) | - |
| Interest expense | | (1,112) | (11) |
| Total expenses | 11 | <u>(195,805)</u> | <u>(96,719)</u> |
| Net profit | | <u><u>955,463</u></u> | <u><u>127,577</u></u> |

The accompanying notes are an integral part of these interim financial statements.

Interim financial statements

STATEMENT OF CASH FLOWS

(For the period ending 30 June)

| | <i>Note</i> | 2015 EUR | 2014 EUR |
|---|-------------|---------------------------|---------------------------|
| Cash flows from operating activities | | | |
| Purchases of investments | | (4,229,771) | (4,807,791) |
| Proceeds from sale of investments | | 1,679,207 | 903,434 |
| Interest received | | - | 29,535 |
| Interest paid | | (364) | - |
| Dividend received | | 38,547 | 28,792 |
| Management fee paid | | (76,575) | (51,294) |
| Incentive fee paid | | (36,876) | (27,244) |
| Administration fee paid | | (13,939) | (7,475) |
| Audit fee paid | | (9,668) | - |
| Legal ownership fee paid | | (12,661) | - |
| Depository fee paid | | (9,075) | - |
| Legal fee paid | | (1,652) | - |
| Custody fee paid | | (9,135) | (3,267) |
| Incorporation costs paid | | (2,551) | - |
| Bank charges paid | | (6,585) | (8,493) |
| Other income | | 1,616 | 541 |
| Other general expenses paid | | (4,592) | (1,998) |
| Net cash flows used in operating activities | | <u>(2,694,074)</u> | <u>(3,945,260)</u> |
| Cash flows from financing activities | | | |
| Proceeds from sales of participations | | <u>3,550,000</u> | <u>2,830,000</u> |
| Net cash flows generated from financing activities | | <u>3,550,000</u> | <u>2,830,000</u> |
| Net increase/(decrease) in cash and cash equivalents | | 855,926 | (1,115,260) |
| Cash and cash equivalents at the beginning of the period | | 20,767 | 2,141,851 |
| Foreign currency translation of cash positions | | 9,153 | (542) |
| Cash and cash equivalents at the end of the period | <i>4</i> | <u>885,846</u> | <u>1,026,049</u> |
| Analysis of cash and cash equivalents | | | |
| Cash at bank | | 34,959 | 15,160 |
| Due from broker | | 934,758 | 1,010,889 |
| Due to broker | | (83,871) | - |
| Total cash and cash equivalents | | <u>885,846</u> | <u>1,026,049</u> |

The accompanying notes are an integral part of these interim financial statements.

Notes to the interim financial statements

1. GENERAL INFORMATION

Strategy One Fund (the “Fund”) is structured as a contractual fund with an open-ended redemption structure under Dutch law, and was established on 19 April 2012. The Fund is a closed fund for joint account (*besloten fonds voor gemene rekening*) and is not a legal entity but a contractual arrangement *sui generis* between the Fund Manager, the Legal Owner and each participant. The Fund commenced operations on 1 May 2012.

The Fund may issue Class A and Class B participations. Class A participations can be held by investors residing in the Netherlands or other countries. Class B participations can be held by investors residing in the United Kingdom. As at 30 June 2015 and 30 June 2014, both the Class A participations and Class B participations are in issue.

The investment objective of the Fund is to deliver attractive risk-adjusted returns to its participants over a rolling investment horizon of 3 to 5 years with an investment vehicle which targets above average returns in the range of 5% to 10% per annum.

The Fund’s investment activities are managed by Privium Fund Management B.V. (the “Fund Manager”), with the administration delegated to TMF Custom House Global Fund Services (the “Administrator”).

The Fund had no employees during the period ended 30 June 2015 and 30 June 2014.

The Fund Manager is in possession of an AFM (Stichting Autoriteit Financiële Markten) license as referred to in article 2:65(1)(a) FSA, and as a consequence may offer the Fund to professional and non-professional investors within the Netherlands. The Fund Manager is subject to conduct of business and prudential supervision by the AFM and DNB.

The AFM license of the Fund Manager has been issued prior to the implementation of the AIFMD in the Netherlands, and was automatically converted into an AIFMD license (2:65 Wft new) by the AFM on July 22, 2014, in accordance with the Netherlands AIFMD implementation schedule.

As a result of the implementation Darwin Depository Services B.V. had been appointed as Depository in accordance to article 4:37h FSA.

The interim financial statements have been authorised for issue by the Fund Manager on 1 September 2015.

2. SIGNIFICANT ACCOUNTING PRINCIPLES AND POLICIES

Basis of preparation

The interim financial statements of the Fund have been prepared in accordance with reporting principles generally accepted in The Netherlands (“Dutch GAAP”) and the statutory provisions concerning annual accounts contained in Part 9, Book 2 of the Dutch Civil Code and Dutch Accounting Standard 394.

The interim financial statements are prepared on a fair value basis for financial investments, except those for which a reliable measure of fair value is not available. Other financial assets and liabilities and non-financial assets and liabilities are stated at amortised cost or historical cost.

Below is a summary of the accounting policies of the Fund.

Functional currency

The interim financial statements are presented in Euro (“EUR”), which is the Fund’s functional currency.

Notes to the interim financial statements

2. SIGNIFICANT ACCOUNTING PRINCIPLES AND POLICIES (CONTINUED)

Recognition and measurement

An asset is recognised in the balance sheet when it is probable that future economic benefits of the asset will flow to the Fund and the amount of the asset can be reliably measured. A liability is recognised in the balance sheet when it is probable that an outflow of resources embodying economic benefits will result from the settlement of a present obligation and the amount at which the settlement will take place can be measured reliably. Income is recognised in the income statement when an increase in future economic benefit related to an increase in an asset or decrease in a liability has arisen that can be measured reliably.

Expenses are recognised in the income statement when a decrease in future economic benefit related to a decrease in an asset or an increase in a liability has arisen that can be measured reliably.

Estimates

The preparation of interim financial statements in conformity with the relevant rules requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Fund's accounting policies. If necessary, for the purposes of providing the view required under Section 362, subsection 1, Book 2 of the Dutch Civil Code, the nature of these estimates and judgements, including related assumptions, is disclosed in the notes to the interim financial statements in question.

Foreign exchange

Transactions in foreign currency are converted at the rates prevailing on the date of the transaction. Monetary assets and liabilities denominated in currencies other than the EUR are converted to EUR at the exchange rates prevailing on the balance sheet date. Foreign currency exchange gains and losses resulting from the settlement of such transactions and from the translation at period end exchange rates are recognised in the income statement. Translation differences on non-monetary assets held at cost are recognised using the exchange rates prevailing at the dates of transactions.

Translation differences in non-monetary assets such as equities, investment in investment funds and debt instruments held at fair value through profit or loss are recognised through profit or loss as part of the fair value gain or loss.

Classification of participations

The participations of the Fund are classified as equity. These participations are recognised and measured at the redemption amount. Any distribution of equity is recognised through equity.

Basis of valuation - policies in preparing the balance sheet

Financial investments and financial derivatives are initially measured at fair value which is the fair value of the consideration given or received. Financial investments are subsequently re-measured at fair value.

Gains and losses arising from fair value changes are recognised in the income statement as 'realised gains/(losses) on equities', 'realised gains on investee funds' and 'realised gains/(losses) on debt instruments' or 'unrealised gains on equities', 'unrealised gains on investee funds' and 'unrealised gains on debt instruments'.

The Fund's investments in investee funds are valued based on the reporting received from the administrators of those funds. As at the 30 June 2015, the value of investments in investee funds is the aggregate of the Fund's attributable share of the latest available (unaudited) NAV of the investee funds.

The profit or loss of the Fund on its investments in investee funds is the aggregate of the Fund's attributable share of the result of the hedge funds. The Fund Manager may, if it thinks fit, make adjustments as a result of the different bases of determination of results applied by the hedge funds.

Where an up-to-date value of an underlying investment is not available, or the valuation date does not coincide with that of the Fund, the Fund Manager will use an estimated value.

Notes to the interim financial statements

2. SIGNIFICANT ACCOUNTING PRINCIPLES AND POLICIES *(CONTINUED)*

Basis of valuation - policies in preparing the balance sheet *(continued)*

Receivables

The value of accounts receivable and prepaid expenses will be deemed to be the full amount unless it is unlikely to be paid or received in full. Appropriate allowances for estimated irrecoverable amounts are recognised in the income statement when there is objective evidence that the asset is impaired. Cash is carried at face value.

Payables and accruals

Payables and accruals and deferred income are included at fair value.

Cash and cash equivalents

Cash comprises cash on hand and demand deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to insignificant changes in value and are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

Statement of cash flows

The statement of cash flows is prepared according to the direct method. The statement of cash flows shows the Fund's cash flows for the period divided into cash flows from operations and financing activities and how the cash flows have affected cash funds.

For the purposes of the statement of cash flows, financial instruments at fair value through profit or loss are included under operating activities. Cash flows from financing activities include proceeds from subscriptions and payments for redemptions of shares of the Fund. As the nature of the Fund is to invest in financial instruments, all cash flows related to investments are classified as cash flows from operating activities.

Principles for determining the result

The Fund recognises financial assets and financial liabilities on the date it becomes a party to the contractual provisions of the instrument. A regular way purchase and sale of investments is recognised using trade date accounting.

The changes in value of the investments held by the Fund are accounted for in the income statement.

Dividends from equities are included at the date when they are declared.

Expenses are accounted for in the income statement on the accrual basis. Income and expenses are allocated to the share classes of the Fund on a pro-rata basis, except for costs specific to a particular class of shares.

Tax position

The Dutch tax authorities have granted a ruling confirming that the Fund is tax transparent. This implies that the Fund is not subject to corporate income tax. Distributions made by the Fund (for example in case of redemption by a participant) are not subject to dividend withholding tax.

Notes to the interim financial statements

NOTES FOR INDIVIDUAL BALANCE SHEET ITEMS

3. Investments

Movement in schedule of investments

| <i>(All amounts in EUR)</i> | 1 January to 30 June 2015 | 1 January to 30 June 2014 |
|---------------------------------------|--------------------------------------|--------------------------------------|
| Investment in equities | | |
| As at 1 January | 1,975,850 | 1,397,636 |
| Purchases | 1,705,354 | 891,250 |
| Sales | (1,199,302) | (269,616) |
| Realised | 191,629 | (26,115) |
| Unrealised | 156,609 | 112,863 |
| As at 30 June | <u>2,830,140</u> | <u>2,106,018</u> |
| Investment in investee funds | | |
| As at 1 January | 9,296,979 | 4,752,196 |
| Purchases | 2,271,432 | 3,377,083 |
| Sales | (112,586) | - |
| Realised | 4,074 | - |
| Unrealised | 701,865 | 60,327 |
| As at 30 June | <u>12,161,764</u> | <u>8,189,606</u> |
| Investment in debt instruments | | |
| As at 1 January | - | 444,808 |
| Purchases | 350,870 | 539,458 |
| Sales | (367,319) | (633,818) |
| Realised | 16,449 | (5,754) |
| Unrealised | - | 24,537 |
| As at 30 June | <u>-</u> | <u>369,231</u> |
| Total investments | | |
| As at 1 January | 11,272,829 | 6,594,640 |
| Purchases | 4,327,656 | 4,807,791 |
| Sales | (1,679,207) | (903,434) |
| Realised | 212,152 | (31,869) |
| Unrealised | 858,474 | 197,727 |
| As at 30 June | <u>14,991,904</u> | <u>10,664,855</u> |

4. Cash and cash equivalents

As at 30 June 2015, cash and cash equivalents comprise of balances held with Kas Bank N.V. amounting to EUR 34,959 (31 December 2014: EUR 19,335). As at 30 June 2015 and 31 December 2014, no restrictions in the use of this balance exist.

Cash and cash equivalents also include balances due from Kas Bank N.V., amounting to EUR 20,212 (31 December 2014: EUR 1,432) and balances due from ABN AMRO Clearing Bank N.V. amounting to EUR 914,546 (31 December 2014: EUR Nil).

As at 30 June 2015, amounts due to ABN AMRO Clearing Bank N.V. amount to EUR 83,871 (31 December 2014: EUR Nil).

Notes to the interim financial statements

NOTES FOR INDIVIDUAL BALANCE SHEET ITEMS (CONTINUED)

5. Accrued expenses and other payables

At 30 June 2015 and 31 December 2014, accrued expenses and other payables consist of the following:

| <i>(All amounts in EUR)</i> | 30 June 2015 | 31 December 2014 |
|--|-------------------------|-----------------------------|
| Incentive fee payable | (50,851) | (36,877) |
| Audit fee payable | (18,561) | (16,119) |
| Management fee payable | (13,141) | (18,651) |
| FATCA fee payable | (9,000) | (6,750) |
| Administration fee payable | (7,961) | (8,267) |
| Legal ownership fee payable | (5,385) | - |
| Other payables | (1,979) | (1,557) |
| Depository fee payable | - | (4,342) |
| Incorporation costs payable | - | (2,552) |
| Total accrued expenses and other payables | <u>(106,878)</u> | <u>(95,115)</u> |

6. Share capital

Structure of the Fund's capital

Strategy One Fund is structured as a contractual fund with an open-ended redemption structure and is subject to Dutch law. The Fund may issue Class A and Class B participations. As at 30 June 2015 and 30 June 2014, both the Class A participations and Class B participations are in issue.

Class A participations can be held by investors residing in the Netherlands or other countries. Class B participations are created specifically for investors residing in the United Kingdom. The Fund Manager will seek approval for the Class B participations (but not the Class A participations) as a reporting fund for United Kingdom tax purposes. The costs concerned with such approval and further reporting fund requirements, if any, may be charged by the Fund Manager to the Class B participants.

The movement of equity in the participations during the period is as follows:

| <i>(All amounts in EUR)</i> | 1 January to 30 June 2015 | 1 January to 30 June 2014 |
|--|--|--|
| <i>Contributions of participants</i> | | |
| Balance at the beginning of the period | 9,937,108 | 7,042,223 |
| Issue of participations | 3,550,000 | 3,930,000 |
| Total contributions at the end of the period | <u>13,487,108</u> | <u>10,972,223</u> |
| <i>Unappropriated profit</i> | | |
| Balance at the beginning of the period | 1,263,027 | 557,973 |
| Net profit | 955,463 | 127,577 |
| Total undistributed profit at the end of the period | <u>2,218,490</u> | <u>685,550</u> |
| Equity at the end of the period | <u>15,705,598</u> | <u>11,657,773</u> |

Notes to the interim financial statements

NOTES FOR INDIVIDUAL BALANCE SHEET ITEMS (CONTINUED)

6. Share capital (continued)

Subscriptions and redemptions

Participants can, at the sole discretion of the Fund Manager, subscribe to the Fund on a monthly dealing day at the subscription price. The minimum initial subscription for each participant is EUR 100,000. The Class A and Class B participations were issued at an initial subscription price of EUR 1,000 per participation and thereafter at the net asset value ("NAV") per participation. Participations may be issued in an existing or a new series on each dealing day at the discretion of the Fund Manager.

Participations are subject to a 6-months lock-up period after which participants will have the possibility to redeem participations as of the first dealing day following 30 calendar days prior written notice to the Administrator.

The Fund is not obliged to redeem more than 50% of the total number of participations outstanding on any dealing day.

The minimum value of participations which may be subject of one redemption request will be the lesser of EUR 10,000 or 10 participations. Redemptions are subject to a redemption charge of up to 0.5% of the NAV of the participations at the dealing day on which a redemption is effected, which is payable to the Fund.

The movement of the participations during the period ended 30 June 2015 was as follows:

| | Participations at the beginning of the period | Participations issued | Transfers | Participations redeemed | Participations at the end of the period |
|------------------------|--|----------------------------------|------------------|------------------------------------|--|
| Series A Initial | 6,048.065 | - | 638.793 | - | 6,686.858 |
| Series January 2015 | - | 1,500.000 | - | - | 1,500.000 |
| Series April 2015 | - | 1,000.000 | - | - | 1,000.000 |
| Series May 2015 | - | 1,000.000 | - | - | 1,000.000 |
| Series April 2014 | 500.000 | - | (500.000) | - | - |
| Series October 2014 | 75.000 | - | (75.000) | - | - |
| Series December 2014 | 150.000 | - | (150.000) | - | - |
| Series B Initial | 1,991.858 | - | 761.773 | - | 2,753.631 |
| Series B February 2015 | - | 50.000 | - | - | 50.000 |
| Series B February 2014 | 500.000 | - | (500.000) | - | - |
| Series B March 2014 | 330.000 | - | (330.000) | - | - |

Notes to the interim financial statements

NOTES FOR INDIVIDUAL BALANCE SHEET ITEMS (CONTINUED)

6. Share capital (continued)

Subscriptions and redemptions (continued)

The movement of the participations during the period ended 30 June 2014 was as follows:

| | Participations at the beginning of the period | Participations issued | Transfers | Participations redeemed | Participations at the end of the period |
|------------------------|---|--------------------------|-----------|----------------------------|---|
| Series A Initial | 3,174.684 | - | 3,079.761 | - | 6,254.445 |
| Series April 2014 | - | 500.000 | - | - | 500.000 |
| Series July 2013 | 100.000 | - | (100.000) | - | - |
| Series October 2013 | 750.000 | - | (750.000) | - | - |
| Series B Initial | 1,500.000 | - | 1,431.701 | - | 2,931.701 |
| Series B February 2014 | - | 500.000 | - | - | 500.000 |
| Series B March 2014 | - | 330.000 | - | - | 330.000 |
| Series July 2013 | - | 500.000 | (500.000) | - | - |

Capital management

The Fund's objectives when managing capital are to safeguard the Fund's ability to continue as a going concern in order to provide returns for participants and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, it is not expected that the Fund will declare any dividends. All earnings will normally be retained for investments. However, the Fund reserves the right to declare dividends or make distributions if the Fund Manager so decides.

NOTES FOR INDIVIDUAL INCOME STATEMENT ITEMS

7. Interest income

Interest income relates to the interest on debt instruments and bank and broker balances.

8. Dividend income

Dividend incomes relates to dividend from equity instruments.

9. Foreign currency translation

Realised and unrealised exchange differences consist of realised and unrealised translation gains/(losses) on assets and liabilities other than financial assets and liabilities. For the period ended 30 June 2015, this amounted to gains of EUR 9,153 (30 June 2014: losses of EUR 542). The following average and closing rates have been applied in the preparation of these interim financial statements (the equivalent of one Euro is shown):

| | 2015 | | 2014 | |
|---|---------|---------|---------|---------|
| | Average | Closing | Average | Closing |
| <i>Showing the equivalent of 1 Euro</i> | | | | |
| Great Britain Pound | 0.7328 | 0.7092 | 0.8214 | 0.8004 |
| Swiss Franc | 1.0576 | 1.0425 | 1.2213 | 1.2144 |
| United States Dollar | 1.1168 | 1.1147 | 1.3710 | 1.3692 |

Notes to the interim financial statements

NOTES FOR INDIVIDUAL INCOME STATEMENT ITEMS (CONTINUED)

10. Investment return

| | 2015 | | 2015 | 2014 |
|-------------------------|-------------------------|-------------------------|-------------------------|-----------------------|
| | Profit | Loss | Total | Total |
| Equities | | | | |
| Realised result | 195,241 | (3,612) | 191,629 | (26,115) |
| Unrealised result | 254,869 | (98,260) | 156,609 | 112,863 |
| | <u>450,110</u> | <u>(101,872)</u> | <u>348,238</u> | <u>86,748</u> |
| Investee funds | | | | |
| Realised result | 4,070 | - | 4,070 | - |
| Unrealised result | 1,012,170 | (310,305) | 701,865 | 60,327 |
| | <u>1,016,240</u> | <u>(310,305)</u> | <u>705,935</u> | <u>60,327</u> |
| Debt instruments | | | | |
| Realised result | 16,449 | - | 16,449 | (5,754) |
| Unrealised result | - | - | - | 24,537 |
| | <u>16,449</u> | <u>-</u> | <u>16,449</u> | <u>18,783</u> |
| Total result | <u>1,482,799</u> | <u>(412,177)</u> | <u>1,070,622</u> | <u>165,858</u> |

11. Costs

The Fund makes use of various parties for management, administration and custody services. The table below provides a breakdown of expenses as at 30 June.

(All amounts in EUR)

| | 2015 | 2014 |
|--|-------------------------|------------------------|
| Expenses accruing to Fund Manager | | |
| Management Fee | (71,065) | (54,655) |
| Incentive Fee | (50,851) | (6,483) |
| Other expenses | | |
| Administration fee | (13,633) | (11,228) |
| Legal ownership fee | (14,204) | - |
| Audit fee | (12,111) | (4,840) |
| Custody fee | (9,297) | (3,447) |
| Depositary fee | (9,075) | (7,562) |
| Bank charges | (6,585) | (8,493) |
| Other operational costs | (6,220) | - |
| Legal fee | (1,652) | - |
| Interest expense | (1,112) | (11) |
| Total | <u>(195,805)</u> | <u>(96,719)</u> |

The basis on which various costs are charged to the Fund are disclosed in detail in the Prospectus. It is a Dutch regulatory requirement to disclose any differences between actual costs and the costs disclosed in the Prospectus. During the period ended 30 June 2015 and 30 June 2014, all costs actually charged to the Fund were in accordance with the costs disclosed in the Prospectus.

Notes to the interim financial statements

12. RELEVANT CONTRACTS

Fund Manager

Management fee

Privium Fund Management B.V. acts as the Fund Manager to the Fund. The Fund Manager is entitled to an annual management fee of 1.0% of the NAV of the Fund. The management fee is calculated monthly and payable annually. Details of management fees charged for the period are disclosed in the income statement.

Incentive fee

The Fund Manager is also entitled to an annual incentive fee calculated per series equal to 5% of the amount by which the NAV per participation increased over the High Water Mark (“HWM”) per participation. In calculating the incentive fee in an absolute amount an equitable adjustment shall be made for participations subscribed and redeemed during the financial year and any distributions paid to participants during the financial year shall be added back. The incentive fee in respect of the relevant outstanding participations of the series shall be payable to the Fund Manager as to 90% of the estimated amount thereof one month after the end of the relevant financial year. The balance shall be payable within 14 days following completion of the audit of the accounts for the relevant financial year. On redemption of participations during a financial year an amount equal to any accrued incentive fee in respect of such participations shall be deducted from the redemption price and due to the Fund Manager.

No incentive fee will be levied if, at the relevant valuation date, there has been no increase in the NAV per participation of the relevant series over the higher of the HWM per participation applicable to the relevant series of participations.

Administrator

The Fund has entered into an administration agreement with TMF Custom House Global Fund Services. The Administrator charges a fee based on 0.175% of the NAV of the Fund up to EUR 10 million, 0.150% of the NAV between EUR 10 million and EUR 30 million, 0.120% between EUR 30 million and EUR 50 million and 0.100% on the NAV above EUR 50 million. There is a minimum fixed fee of EUR 7,500 per annum (excluding VAT). The Administrator will charge an additional fee of EUR 3,500 (VAT exempt) for the preparation of the annual report.

Details of administration fees charged for the period are disclosed on the face of the income statement.

Depositary

Darwin Depository Services B.V. (the “Depositary”) charges an annual fee of EUR 15,000 in remuneration for its service to the Fund. The fee is payable quarterly in advance. In addition, the Fund was charged EUR 2,500 for the on-boarding process.

13. RELATED PARTY TRANSACTIONS

Related party transactions are transfers of resources, services or obligations between related parties and the Fund, regardless of whether a price has been charged. Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions or is part of key management of the Fund. The following provides details on the related parties of the Fund and transactions with the related parties.

Notes to the interim financial statements

13. RELATED PARTY TRANSACTIONS (CONTINUED)

The Fund Manager is considered a related party.

The following transactions occurred between the Fund and the Fund Manager during the reporting period.

2015 transactions and balances as at 30 June 2015

| | Paid | Balance |
|----------------|-------------|----------------|
| | EUR | EUR |
| Management fee | (76,575) | (13,141) |
| Incentive fee | (36,876) | (50,851) |

2014 transactions and balances as at 31 December 2014

| | Paid | Balance |
|----------------|-------------|----------------|
| | EUR | EUR |
| Management fee | (97,549) | (18,651) |
| Incentive fee | (27,244) | (36,877) |

As at 30 June 2015, related parties of the Fund hold 705.264 shares of Class A shares and 2,590.701 shares of Class B shares

14. FINANCIAL INVESTMENTS AND ASSOCIATED RISKS

The Fund aims to deliver attractive risk-adjusted returns to its participants over a rolling investment horizon of 3 to 5 years with an investment vehicle which targets above average returns in the range of 5% to 10% per annum.

The Fund attempts to accomplish its objective by investing in a diversified portfolio of stocks and bonds and other securities that are selected on the basis of their potential positive contribution to the Fund's investment objectives, for example hedge funds or other alternative collective investment vehicles. The Fund Manager selects a number of complementary investment strategies in order to diversify risk.

In its investment process, the Fund Manager takes a predominantly top-down approach to capitalise on varying market conditions. The Fund Manager limits positions in single stocks to 5% (at cost) of total assets, unless it is a publicly quoted fund. The position in individual (hedge) funds is limited to 15% (at cost) of total assets and the position in single bonds is limited to 20% (at cost) of total assets.

The Fund's activities expose it to a variety of financial risks: market risk (including market price risk, currency risk and interest rate risk), credit risk and liquidity risk.

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument fluctuates as a result of changes in market prices whether those changes are caused by factors specific to the individual security or its issuer or factors affecting all securities traded in the market. Market risk comprises market price risk, currency risk and interest rate risk.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Fund has no interest bearing financial instruments except for cash at bank and amounts due from broker which are subject to normal market related short-term interest rates. Therefore the Fund is not exposed to significant interest rate risks.

Notes to the interim financial statements

14. FINANCIAL INVESTMENTS AND ASSOCIATED RISKS (CONTINUED)

Market risk (continued)

Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Currency risk exposure arises from the Fund investing in financial instruments and entering into transactions which are denominated in currencies other than its functional currency. The Fund's exposure to foreign exchange movements is as follows:

| | 30 June 2015 | | 31 December 2014 | |
|----------------------|-------------------|-------------|-------------------|-------------|
| | Fair Value EUR | % of NAV | Fair Value EUR | % of NAV |
| Currency | | | | |
| Great Britain Pound | 3,312,695 | 21.1 | 2,417,854 | 21.6 |
| Swiss Franc | 363,946 | 2.3 | 295,046 | 2.6 |
| United States Dollar | 1,488,101 | 9.5 | 655,407 | 5.9 |

Credit risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Fund. It arises from debt instruments, cash and cash equivalents and other receivables. The carrying values of financial assets (excluding any investments in equity instruments and investments in investee funds) best represent the maximum credit risk exposure at the reporting date and amounts to EUR 1,002,330 (31 December 2014: EUR 22,421).

Liquidity risk

Liquidity risk is the risk that the Fund will encounter difficulty in meeting obligations arising from its financial liabilities. The Fund's Prospectus provides for the monthly creation and cancellation of participations and it is therefore exposed to liquidity risk of meeting participants redemptions. To manage this liquidity risk the Fund has a 6 months lock-up period and a 30 day notice period for the participants. In addition, the Fund is not obliged to redeem more than 50% of the total participations in issue on any dealing day.

The Fund is exposed to liquidity risk as the investments of the Fund in investee funds cannot immediately be converted into cash. The liquidity risk involved with the investee funds will be dependent on the redemption policies of the individual investee funds. Some of the investee funds may be or become illiquid, and the realisation of investments from them may take a considerable time and/or be costly. The Fund's investments in such investee funds may not be readily realisable and their marketability may be restricted, in particular because the investee funds may have restrictions that allow redemptions only at specific infrequent dates with considerable notice periods, and apply lock-ups and/or redemption fees.

The liquidity risk is significantly reduced because the Fund diversifies its investments across different investee funds.

Notes to the interim financial statements

15. NET ASSET VALUE AS ISSUED

The following schedule shows the reconciliation between the equity in accordance with the Prospectus and the equity as determined in accordance with Dutch Accounting Standard 210 ("Dutch GAAP").

The Prospectus states that incorporation costs should be amortised over 3 year. Dutch GAAP prefers that incorporation costs be expensed immediately.

| | 30 June 2015 | 30 June 2014 |
|--|--------------------------|--------------------------|
| | EUR | EUR |
| Net assets attributable to holders of participations in accordance with the Prospectus | 15,705,598 | 11,670,236 |
| Adjustments | | |
| Unamortised incorporation costs | - | (12,463) |
| Adjusted net assets attributable to holders of participations in accordance with Dutch GAAP | <u>15,705,598</u> | <u>11,657,773</u> |

Number of participations

| | | |
|------------------------|-----------|-----------|
| Series A Initial | 6,686.858 | 6,254.445 |
| Series January 2015 | 1,500.000 | - |
| Series April 2015 | 1,000.000 | - |
| Series May 2015 | 1,000.000 | - |
| Series April 2014 | - | 500.000 |
| Series B Initial | 2,753.63 | 2,931.701 |
| Series B February 2015 | 50.000 | - |
| Series B February 2014 | - | 500.000 |
| Series B March 2014 | - | 330.000 |

Participation per share in accordance with the Prospectus

| | | |
|------------------------|----------|----------|
| Series A Initial | 1,296.62 | 1,140.85 |
| Series January 2015 | 1,075.24 | - |
| Series April 2015 | 1,004.55 | - |
| Series May 2015 | 973.96 | - |
| Series April 2014 | - | 1,022.99 |
| Series B Initial | 1,232.50 | 1,089.34 |
| Series B February 2015 | 1,000.31 | - |
| Series B February 2014 | - | 993.75 |
| Series B March 2014 | - | 1,008.50 |

Notes to the interim financial statements

15. NET ASSET VALUE AS ISSUED (*CONTINUED*)

Participation per share in accordance with Dutch GAAP

| | | |
|------------------------|----------|----------|
| Series A Initial | 1,296.62 | 1,139.64 |
| Series January 2015 | 1,075.24 | - |
| Series April 2015 | 1,004.55 | - |
| Series May 2015 | 973.96 | - |
| Series April 2014 | - | 1,021.90 |
| Series B Initial | 1,232.50 | 1,088.19 |
| Series B March 2014 | - | 1,007.43 |
| Series B February 2015 | 1,000.31 | - |
| Series B February 2014 | - | 992.70 |

16. EVENTS AFTER THE BALANCE SHEET DATE

No material events occurred after the balance sheet date that could influence the transparency of the interim financial statements.

17. PROVISION OF INFORMATION

This interim financial statements and the Prospectus of the Fund are available free of charge from the Fund Manager's website: www.priviumfund.com.

18. DATE OF AUTHORISATION

The interim financial statements have been authorised for issue by the Fund Manager in Amsterdam on 1 September 2015.