

ANNUAL REPORT

Privium Done Hedge Fund

Period ended 31 December 2016

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General information

Registered office

Privium Done Hedge Fund
Symphony Towers 26/F
Gustav Mahlerplein 3
1082 MS Amsterdam
The Netherlands

Fund Manager

Privium Fund Management B.V.
Symphony Towers 26/F
Gustav Mahlerplein 3
1082 MS Amsterdam
The Netherlands

Legal Owner

Stichting Juridisch Eigendom Privium Done
Hedge Fund
Smallepad 30F
3811 MG Amersfoort
The Netherlands

Administrator

Circle Investment Support Services B.V.
Smallepad 30F
3811 MG Amersfoort
The Netherlands

Legal and Tax Counsel

Van Campen Liem
J.J. Viottastraat 52
1071 JT Amsterdam
The Netherlands

Bank

ABN AMRO Bank N.V.
Gustav Mahlerlaan 10
1082 PP Amsterdam
The Netherlands

Independent Auditor

Ernst & Young Accountants LLP
Antonio Vivaldistraat 150
1083 HP Amsterdam
The Netherlands

Depository

Darwin Depository Services B.V.
Barbara Strozzilaan 101
1083 HN Amsterdam
The Netherlands

Key figures

	2016
<i>(all amounts in EUR)</i>	
Class A	
Net Asset Value at 31 December	5,111,372
Number of outstanding units at 31 December	49,136
Net Asset Value per unit at 31 December	104.03
Class B	
Net Asset Value at 31 December	49,144,825
Number of outstanding units at 31 December	471,555
Net Asset Value per unit at 31 December	104.22
Total for the Fund	
Net Asset Value at 31 December	54,256,197
Number of outstanding units at 31 December	520,691
Investment result	
Direct result	-
Revaluation	2,076,667
Costs	(106,870)
Total investment result for the period¹	1,969,797
Investment result per unit²	
Direct result	-
Revaluation	3.99
Costs	(0.21)
Total investment result per unit	3.78

¹ The results cover the period from inception of the Fund at 8 April 2016 through 31 December 2016.

² The result per unit is calculated using the total number of outstanding unit as per the end of the period.

Fund Manager report

General Information Fund Manager

The Fund will be managed by Privium Fund Management B.V. as sole Alternative Investment Fund Manager (AIFM) of the Fund. The Fund Manager is responsible for the entire management of the Fund in accordance with the provisions of the Fund Documents and applicable laws. The Fund Manager is also responsible for maintaining records and furnishing or causing to be furnished all required records or other information of the Fund to the extent such records, reports and other information are not maintained or furnished by the Administrator, the Legal Owner, the Depositary or other service providers.

Privium Fund Management B.V. is a private limited liability company (*besloten vennootschap met beperkte aansprakelijkheid*) incorporated under the laws of the Netherlands having its official seat (*zete!*) in Amsterdam, the Netherlands and its principal offices at Symphony Towers 26/F, Gustav Mahlerplein 3, 1082 MS Amsterdam, the Netherlands. The Fund Manager is registered in the Dutch trade register (*handelsregister*) under file number 34268930.

Investment objective

The Fund's objective is to achieve absolute returns for the Participants regardless the direction of the underlying markets. The Privium Done Hedge Fund will primarily invest in Class D Done Participations issued by the Done Hedge Fund. The Done Hedge Fund seeks to provide its investors a return after deduction of fees of at least 10% per annum with a volatility of less than 10%, regardless of market conditions. The Done Hedge Fund invests in listed financial instruments by taking both long and short positions. Use can be made of all possible financial instruments such as stocks, options, bonds, warrants, futures and exchange-traded funds. The main two strategies of the Done Hedge Fund include Dual Class Arbitrage and Holding Arbitrage. The third strategy component, includes Volatility Arbitrage, but it is expected that exposure to this strategy will be limited to around 10% of the risk of the Done Hedge Fund.

Review 2016

The Fund started operations on June 23, 2016. Between June 23, 2016 and December 31, 2016 Class A Participations of the Privium Done Hedge Fund returned 4.03% net to investors. During the same period Class B participations returned +4.22% net to investors.

At inception the AUM of the Fund was around EUR 28 million. At December 31, 2016 this increased to more than EUR 54 million.

As said the biggest part of the Net Asset Value of the Privium Done Hedge Fund is invested in the Done Hedge Fund. On average the allocation to the Done Hedge Fund was 83%. The remaining part was held in cash.

The Privium Done Hedge Fund started operations during the `Brexit storm`. Equity Markets took a severe dive but recovered rather quickly as concerns faded. The summer period was difficult. Violent market moves (both upward and downward) took place in equity markets. Also the Trump victory during the US election in November caused significant volatility. However, equity markets recouped losses quickly and rallied sharply as investors anticipated a Trump government being very business friendly.

The Done Hedge Fund gained in total close to 5% during the November/December time period as trading conditions improved and spread compression took place. Both the Dual Class Arbitrage strategy and the Holding Arbitrage strategy attributed positively.

1. Dual Class Arbitrage (Approximately 50% of the Funds risk)

These include all kind of arbitrages which involve only one company. In this group of strategies the Done Hedge Fund exploits arbitrages which arise from inefficiencies between different listed products/asset classes within the capital structure of a certain company.

2. Holding Arbitrage (Approximately 40% of the Funds risk)

This includes arbitrages which involve more than one company. In this group of strategies the Done Hedge Fund exploits arbitrages which arise from inefficiencies between companies that have (strong) economical relationships and therefore a fundamental correlation.

The Privium Done Hedge Fund profited and gained around +4.2% during the November/December time period.

Outlook 2017

We are satisfied with the current portfolio of the Privium Done Hedge Fund and the current allocations in place. We expect that the Fund will be able to profit from increased market volatility if this may happen as it will improve the opportunity set for recognizing market inefficiencies.

There are currently no plans to change any of the allocations.

Risk management and willingness to take risks

In the table below we list the various risk to which investors in the Fund are exposed and we discuss the measures applied to manage these risks and their potential impact on the Fund's NAV's.

Sorts of risks	Risk hedged	Measures applied and expected effectiveness	Impact on 2016 NAV	Expected impact on 2017 NAV if risk materializes	Adjustments to risk management in 2016 or 2017
Manager Risk/Price risk	No	Between the inception date of the Fund on 24 June 2016 and December 31, 2016 the Fund only maintained one underlying investment, the Done Hedge Fund. During this time period the average allocation to the Done Hedge Fund has been 83%. The Done Hedge Fund is managed by an external Fund Manager. A rigid due diligence process is in place when investment funds are selected.	The Fund does not have a Benchmark. However the HFRX Relative Value Arbitrage Index (USD) gained +2.83% between June 24, 2016 and December 31, 2016.	Much will depend on the actual positioning of the underlying investment fund(s). However we expect that the selected investments fund(s) will perform better than general asset classes over time.	No
Interest rate risk	No	The Fund has no interest bearing financial instruments except for cash maintained on the bank account of the Fund. Therefore the Fund is not exposed to significant interest rate risk.	None	None	No
Concentration risk	No	The fund maintains only one underlying investment. As of December 31, 2016 this investment represented 83% of the NAV of the Privium Done Hedge Fund.	Large	Large	No
Foreign Exchange risk	Yes	Any direct FX risk, if applicable, will be hedged within the fund.	None	None	No
Liquidity risk	No	Liquidity risk mostly has been mitigated by investing in positions that offer sufficient liquidity. On a look through basis the Done Hedge Fund will only invest in liquid listed securities.	None	We would not expect a negative NAV impact if this risk would materialize.	No
Credit risk	No	Spare cash is maintained at ABN AMRO Bank N.V.. ABN AMRO Bank N.V. has an A credit rating (S&P credit rating) and we would reconsider the relationship if this changes.	None	None	No
Operational risk	No	This risk is mostly mitigated by having rigid operational procedures in place. Next to that duties and responsibilities are clearly divided between Privium employees. The same is applicable at the service providers of the several Privium Funds.	None	None	No
Counterparty Risk	No	This risk is mostly mitigated by selecting and maintaining relationships with top tier counterparties and service providers.	None	None	No

General principles of remuneration policy Privium Fund Management B.V. ('Privium')

Privium Fund Management B.V. has a careful, controlled and sustainable remuneration policy which meets all the requirements included in the Alternative Investment Fund Managers Directive (AIFMD) and the guidelines on sound remuneration policies under the AIFMD (ESMA Guidelines). The remuneration policy is consistent with and contributes to a sound and effective risk management framework and does not encourage risk taking beyond what is acceptable for Privium Fund Management B.V.

The Board of Privium Fund Management B.V. is responsible for establishing the Remuneration policy. The Board of Privium Fund Management B.V. reviews the Remuneration policy at least once a year and the policy may be amended if circumstances warrant that.

Remunerations at Privium Fund Management B.V. may consist out of a fixed salary (this may include a payment to cover certain expenses of staff members) and a variable remuneration.

Privium Fund Management B.V. may reclaim all or part of the variable remuneration paid if (i) this payment was made on the basis of incorrect information, (ii) in the event of fraud by the employee, (iii) in the event of serious improper behaviour by the employee or serious negligence in the performance of his tasks, or (iv) in the event of behaviour that has resulted in considerable losses for the institution.

Remuneration policy 2016

This policy is based on the situation as of December 31, 2016. The financial year of the Fund Manager ends on December 31 of any year. The financial year of most Funds of which Privium is the Fund Manager will end on December 31 of any year.

For some of the funds the compensation consists of both a management and a performance fee. In 2016 the aggregate costs for staff totalled EUR 1,303,881. In the table below the Board of Privium Fund Management is being described as Identified Staff in senior management roles. All other staff members are categorized as identified staff outside senior management roles.

	Identified staff in senior management roles	Identified staff outside senior management roles	Total staff
Number of staff	2	20	22
Total fixed payment	€ 96,936	€ 1,206,945	€ 1,303,881
Total variable payment	€ 0	€ 0	€ 0
Total payment	€ 96,936	€ 1,206,945	€ 1,303,881

Variable payments to staff members in senior management roles are dependent on the profitability of the company. Variable payments to identified staff outside senior management depend on the profitability of the company and/or the performance of the funds.

Privium Fund Management BV, the investment manager of the fund, does not charge any employee remuneration fees to the fund (except for the Supermarkt VastGoed fund). Employee remuneration is paid out of the management and performance fees (if any). In total 22 staff members were involved during (some part of) the year, including both part-time and full time staff.

Control Statement

The Board of Privium Fund Management declares to have an AO/IB (Handbook) that meets the requirements of the "Wet op het financieel toezicht and the 'Besluit gedragstoezicht financiële ondernemingen ('Bgfo)". During 2016 we assessed the various aspects of the Privium operations as outlined in this AO/IB. We have not identified any internal control measures that do not meet the requirements of Article 121 of the Bgfo and as such we declare that the operations in the year 2016 functioned effectively as described. During 2016 also a number of independent service providers have conducted checks on Privium's operations as part of their ongoing responsibility. No errors have been signalled.

In 2016 the Fund Manager updated its Handbook as part of the annual update. During the fourth quarter of 2016 the Fund Manager decided to hire an external audit officer who's responsibility will be conduct an annual due diligence on a number of internal procedures at the Fund Manager. These will mostly be related to Compliance and Risk Management. During the fourth quarter of 2016 this due diligence took place for the first time. The external audit officer has reported his findings to the Fund Manager in a report.

Amsterdam, 16 June 2017

The Fund Manager

Privium Fund Management B.V.

Financial statements

Balance sheet as at 31 December 2016

(all amounts in EUR)	Notes	2016
Assets		
Investments	1	
Investment Funds		44,866,667
Total of investments		44,866,667
Receivables		
Other receivables	3	39,877
Total of receivables		39,877
Other assets		
Cash and cash equivalents	4	9,620,293
Total of other assets		9,620,293
Total assets		54,526,837
Liabilities		
Net asset value	5	54,256,197
Other liabilities		
Subscriptions received in advance		239,003
Other liabilities	6	31,637
Total other liabilities		270,640
Total liabilities		54,526,837

Profit and loss statement

(for the period 8 April 2016 through 31 December 2016)

(all amounts in EUR)	Notes	2016
Revaluation of investments	7	
Unrealized results		2,076,667
Total changes in value		2,076,667
Operating expenses		
Management fee	8	(18,384)
Administration fees	9	(7,431)
Custody fees		(11,778)
Audit fees	10	(12,100)
Bank and brokerage fees		(244)
Supervision fees		(3,630)
Legal and professional fees		(13,462)
Organisational fees		(39,841)
Total operating expenses		(106,870)
Result for the period		1,969,797

Cash flow statement

(for the period 8 April 2016 through 31 December 2016)

(all amounts in EUR)

Notes

2016**Cash flow from operating activities**

Purchases of investments

(42,790,000)

Management fee paid

(14,150)

Other expenses paid

(100,960)

Net cash flow from operating activities**(42,905,110)****Cash flow from financing activities**

Proceeds from subscriptions

53,288,668

Payments for redemption of redeemable shares

(763,265)

Net cash flow from financing activities**52,525,403****Net cash flow for the period****9,620,293****Cash and cash equivalents at the end of the period**

4

9,620,293

Notes to the financial statements

General information

Privium Done Hedge Fund (the "Fund") is an open ended investment fund ("beleggingsfonds") and a fund for joint account ("Fonds voor gemene rekening") organized and established under the laws of The Netherlands. The Fund was incorporated on 8 April 2016 and commenced operations on 27 June 2016.

Under Dutch law, the Fund is neither a legal entity nor a partnership, commercial partnership or limited partnership, but a contractual arrangement sui generis between the Fund Manager, the Legal Owner and each of the Participants separately, governing the assets and liabilities acquired or assumed by the Legal Owner for the account and risk of the Participants. In view of its legal form of fund for joint account the Fund is not eligible for registration in the Trade Register ("handelsregister") of the Netherlands.

Fund Manager is in possession of an AFM license as referred to in article 2:65 (1)(a) of the Dutch Financial Supervision Act (FSA), and as a consequence may offer the Fund to professional and non-professional investors within the Netherlands.

The Board of Directors authorised these financial statements for issue on 16 June 2017.

Accounting policies

General

The financial statements are prepared in accordance with Part 9, Book 2 of the Dutch Civil Code. The accounting principles of the Fund are summarized below. These accounting principles have all been applied consistently throughout the financial year and the preceding period.

Basis of accounting

Valuation of assets and liabilities and determination of the result takes place under the historical cost convention. Unless presented otherwise at the relevant principle for the specific balance sheet item, assets and liabilities are valued according to the cost model.

Measurement currency

The amounts included in the financial statements are denominated in EUR, which is the functional and presentation currency.

Receivables

Upon initial recognition the receivables are included at fair value and then valued at amortised cost. The fair value and amortized cost equal the face value. Possible provisions deemed necessary for the risk of doubtful accounts are deducted. These provisions are determined by individual assessment of the receivables.

Investments

Recognition and basis of measurement

All investment securities are initially recognised at cost.

Valuation

The Fund Manager shall value the Fund Assets and Fund Obligations in accordance with Dutch GAAP and, where more specific, certain valuation methods set forth in the Terms and Conditions, whilst Dutch GAAP will prevail for financial reporting purposes should there be a conflict between the two.

The Investee Funds Interests shall be valued on the basis of the latest available valuation of Investee Funds Interests provided by the administrators of the relevant Investee Funds. The Fund Manager has delegated the calculation of the Net Asset Value to the Administrator. To ensure valuations received from administrators of the Investee Funds are appropriate, valuations are reviewed by the Fund Manager and the Administrator, based on the previous valuation received and other relevant information. Valuations that deviate materially from the previous valuation are further analysed and if needed discussed with the manager or administrator of the relevant Investee Fund.

Cost of investment securities sold is determined on a FIFO method.

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to set off the recognized amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously.

Gains and losses

Gains and losses are treated as realized for financial statement purposes on the trade date of the transaction closing or offsetting the open position. Unrealized gains and losses are the difference between the value initially recognized and cost of open positions. All gains and losses are recognized in the profit and loss account.

Dividend and interest income

Dividends are recorded on the date that the dividends are declared, gross of applicable withholding taxes. Interest income is recognized on accrual basis.

Derivative financial instruments

Derivative financial instruments including foreign exchange contracts, stock market indexes and interest rate futures, forward rate agreements, currency and interest rate swaps, currency and interest rate options (both written and purchased) and other derivative financial instruments are initially recognized in the balance sheet at cost and subsequently are remeasured at their fair value. Fair values are obtained from quoted market prices. All derivative financial instruments are carried in assets when amounts are receivable by the Fund and in liabilities when amounts are payable by the Fund. Changes in fair values of derivatives are included in the income statement.

Translation of foreign currency

Monetary assets and liabilities denominated in foreign currencies are translated into EUR at the rates of exchange prevailing at yearend. Transactions in foreign currencies are translated at the rates of exchange prevailing at the date of the transaction. Realized and unrealized gains and losses on foreign currency transactions are charged or credited to the profit and loss account as foreign currency gains and losses except where they relate to investments where such amounts are included within realized and unrealized gains and losses on investments.

Brokerage/expenses

Commissions payable on opening and closing positions are recognized when the trade is entered into. Expenses are recorded in the period in which they originate. Transaction costs are borne by the Fund and be brought at the charge of the Fund's profit and loss account. Expenses on disposal of investments are deducted from the proceeds of disposal.

Cash and cash equivalents

For the purpose of presentation in the balance sheet and the cash flow statement, cash and cash equivalents is defined as cash at banks and brokers. The cash at bank and brokers is valued at face value. If cash equivalents are not freely disposable, then this has been taken into account upon valuation.

Cash flow statement

The cash flow statement is prepared using the direct method. The cash flow statement shows the Fund's cash flows for the period divided into cash flows from operations and financing activities.

Due to the nature of the Fund's operations, cash flows related to the financial instruments are included under operating activities. Cash flows from financing activities include proceeds from subscriptions and payments for redemptions of units of the Fund.

Bank overdrafts that are repayable on demand form an integral part of the Fund's cash management and are a component of cash and cash equivalents.

The ongoing charges figure (OCF)

The ongoing charges figure contains all costs that have been charged to the Fund for the period 8 April 2016 until 31 December 2016 excluding the transaction costs, interest costs and performance fees. The ongoing charges figure is calculated by dividing all the costs of the period with the average net asset value. The average net asset value is calculated by adding all the monthly net asset values and divide them by the number of month's used (for this period the number of months is 12).

Turnover ratio (TOR)

The turnover ratio is calculated the following way: the sum of all purchases of investments plus the sum of all the sales of investments minus the sum for the subscriptions and redemptions. The total of this number will be divided by the average net asset value of the Fund and multiplied by 100.

Notes to the statement of financial position

1. Investments

The market value of the investments is based on quoted market prices. The movement of the financial instruments is as follows:

(all amounts in EUR)	2016
<i>Investment Funds</i>	
Opening balance	-
Purchases	42,790,000
Unrealized investment result	2,076,667
Balance at 31 December	44,866,667

All investments are held for trading. At 31 December 2016 the investments of the Fund consist of a single investment in Done Hedge Fund.

Indirect investment information on Done Hedge Fund

At 31 December 2016 Privium Done Hedge Fund has an investment in Done Hedge Fund that is greater than 20% of the net asset value of the Fund. The relevant information on Done Hedge Fund is as follows:

General information

Done Hedge Fund is an open ended investment fund ("beleggingsfonds") and a fund for joint account (fonds voor gemene rekening) organized and established under the laws of The Netherlands. The Fund was founded on July 4, 2012.

The fund manager of Done Hedge Fund does not have a licence for the fund as referred to in Article 2:65 of the Wft. The exemptions of Article 4 paragraph 1 under a minimum participation amount € 100,000 of the Wft Exemption Regulations ('Vrijstellingsregeling Wft') and Article 4 paragraph 1 under c of the Wft Exemption Regulations (offering for a lower amount to a maximum of 99 (after 22 July 2013: 149) potential Participation Holders who are not qualified investors and offering to qualified investors) apply. Done Hedge Fund and its fund manager are therefore not supervised by the AFM.

Done Hedge Fund's office address is that of the Fund Manager, being Beursplein 5, 1012 WL Amsterdam, The Netherlands.

Investment policy

The investment policy of Done Hedge Fund is aimed at utilizing return opportunities in the financial markets and segments thereof by means of arbitrage strategies. The fund manager of Done Hedge Fund may take both long and short positions globally, for longer or shorter periods. All possible financial instruments may be used, such as equities, options, bonds, warrants, futures and ETFs.

Done Hedge Fund aims for a return (after fees) of 25% per year, regardless of the direction of the underlying markets.

Relative share

The relative share of the Fund in Done Hedge Fund at 31 December 2016 is as follows:

(all amounts in EUR)	Net asset value	Relative share
Relative share of Privium Done Hedge Fund	44,866,667	44.7%
Relative share of other investors	55,476,818	55.3%
Total	100,343,485	100.0%

Net asset value

The Fund invests in Class D shares of Done Hedge Fund, which has first been issued in 2016. The net asset value of this class of shares of Done Hedge Fund at 31 December is as follows:

	2016
Done Hedge Fund - Class D shares	
Net asset value (in EUR)	65,621,128
Number of shares issued	622,438
Net asset value per share (in EUR)	105.43

Investment portfolio

The investment portfolio of Done Hedge Fund at 31 December is as follows:

(all amounts in EUR)	2016	2015
Long positions		
Equities	286,860,818	63,113,290
Bonds	94,219,541	6,170,260
Options	3,539,934	602,875
Warrants	8,122	2,875,833
Futures	66,700	21,210
Contracts for difference	1,656,229	-
Total of long positions	386,351,344	72,783,468
Short positions		
Equities	(205,396,184)	(68,495,081)
Options	(45,184,483)	(421,187)
Futures	(60,210)	(6,036)
Contracts for difference	(1,698,476)	(203,607)
Total of short positions	(252,339,353)	(69,125,911)
Total of investment portfolio	134,011,991	3,657,557

Investment result

The investment result of Done Hedge Fund is as follows:

(all amounts in EUR)	2016	2015
Investment result	2,631,029	543,258
Revaluation of investments	11,890,368	4,242,015
Investment result	14,521,397	4,785,273
Other results	722,342	(377,467)
Operating expenses	(8,644,447)	(2,704,772)
Withholding tax	(279,158)	(44,639)
Result for the year after tax	6,320,134	1,658,395

The breakdown of the revaluation of investments is as follows:

(all amounts in EUR)	2016	2015
Realized results on investments		
Realized gains on equity	201,200,002	47,902,411
Realized gains on bonds	551,208	42,194
Realized gains on options	105,802,885	982,080
Realized gains on warrants	42,515,020	2,517,923
Realized gains on futures	13,354,162	156,013
Realized gains on contracts for difference	33,969,366	6,774,807
Realized losses on equity	(227,918,095)	(40,964,971)
Realized losses on bonds	(768,349)	-
Realized losses on options	(100,430,128)	(3,185,947)
Realized losses on warrants	(41,294,185)	(1,184,990)
Realized losses on futures	(10,537,618)	(36,402)
Realized losses on contracts for difference	(28,023,081)	(8,414,238)
	(11,578,813)	4,588,880
Unrealized results on investments*		
Unrealized gains on equity	56,021,311	964,033
Unrealized gains on bonds	810,193	-
Unrealized gains on options	2,835,938	-
Unrealized gains on warrants	491	207,822
Unrealized gains on futures	72,736	21,210
Unrealized gains on contracts for difference	1,912,213	262,452
Unrealized losses on equity	(13,670,370)	(1,384,598)
Unrealized losses on bonds	(411,624)	(72,458)
Unrealized losses on options	(22,030,437)	(339,290)
Unrealized losses on warrants	(238,997)	-
Unrealized losses on futures	(81,420)	(6,036)
Unrealized losses on contracts for difference	(1,750,853)	-
	23,469,181	(346,865)
	11,890,368	4,242,015

2. Risk management

This paragraph explains the risks of the Fund at 31 December 2016. An explanation of the investment objectives, policies and processes, refer to the General section of the notes to the financial statements.

Market risk

Market risk is the risk that the value 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 contains market price risk, currency risk and interest rate risk. Where non-monetary financial instruments – for example, equity securities – are denominated in currencies other than the EUR, the price initially expressed in foreign currency and then converted into EUR also fluctuates because of changes in foreign exchange rates. The paragraph 'Currency risk' sets out how this component of price risk is managed and measured.

The Fund holds a single investment in portfolio, an investment in Done Hedge Fund. The Fund is therefore exposed to significant market risk since large fluctuations in the fair value of the investment will directly impact the net asset value of the Fund.

Currency risk

Prospective investors in the Fund whose assets and liabilities are predominantly denominated in a currency other than the EUR should take into account the possibility of foreign exchange losses arising from fluctuations in the exchange rate between the EUR and their home currency.

If the Fund holds investments denominated in currencies other than the Euro, the Fund Manager may hedge foreign currency risk if this is considered to be in the interest of the Fund.

At 31 December 2016, all assets and liabilities are denominated in Euro. Therefore the Fund is not exposed to significant currency risk.

Interest rate risk

Interest rate risk refers to fluctuations in the value of, amongst others, fixed-income security resulting from changes in the general level of interest rates. When the general level of interest rates goes up, the prices of fixed-income securities will generally go down and vice versa. Financial assets and liabilities with longer durations tend to be more sensitive to changes in interest rates, usually making them more volatile than securities with shorter durations. The Fund's income and operating cash flows are dependent on changes in market interest rates.

The Fund has no interest bearing financial assets or financial liabilities except for cash at banks which are subject to normal market related short term interest rates. Therefore, the Fund is not exposed to significant interest rate risks.

Credit risk

The Fund could lose money if the issuer of an underlying fixed income security or money market instrument, the counterparty or clearing house of a derivatives contract or repurchase agreement, a Custodian or Prime Broker at which a deposit or other assets are held, or the counterparty in a securities lending agreement does not honour his obligations. Issuers of fixed income instruments and other counterparties are subject to varying degrees of credit risks which are reflected in their credit ratings.

The Fund has a bank account at ABN AMRO Bank N.V. The Standard & Poor's credit rating for this bank at 31 December 2016 is A.

The Fund does not invest in fixed income instruments and is therefore not exposed to significant credit risk.

Liquidity risk

The financial instruments in which the Fund may invest will for the most part not be exchange-traded. Therefore, normal liquidity conditions do not apply and therefore the Fund could face a significant liquidity risk due to the fact that financial instruments cannot always be sold or bought under normal conditions, leading to significant direct and indirect transaction costs.

The Fund will primarily invest in class D Done Participations issued by the Done Hedge Fund and may acquire interests in other Investment Funds mainly focussed on investments in listed financial instruments by application of various arbitrage strategies. The market for Investee Funds can lack depth, leading to light trading volumes and wide bid-offer spreads, which may make it difficult for the Fund to liquidate positions in a timely manner or at a fair price.

Concentration risk

The Fund will primarily invest in class D Done Participations issued by the Done Hedge Fund and may acquire interests in other Investment Funds mainly focussed on investments in listed financial instruments by application of various arbitrage strategies. Consequently, the Fund Assets may be subject to and experience greater risk and market fluctuation than a fund that has investments representing a broader range of investment alternatives. The Fund could be subject to significant losses if Investee Funds Interests decline in value or are otherwise adversely affected. Lack of liquidity may aggravate such losses significantly. In addition, it may not always be possible to dispose of Investee Funds Interests without incurring significant losses. Potential profits may not always be immediately realizable and may therefore be lost prior to realization.

3. Other receivables

(all amounts in EUR)

	2016
Prepaid organisational fee	37,923
Management fee discount receivable	1,954
Balance at 31 December	39,877

4. Cash and cash equivalents

At 31 December 2016 no restrictions on the use of cash and cash equivalents exist.

5. Net assets value**Movement schedule of net asset value**

(all amounts in EUR)

	Class A	Class B	Total
Movement schedule of net asset value			
Opening balance	-	-	-
Proceeds from subscriptions	5,291,875	47,870,293	53,162,168
Payments for redemptions	(348,651)	(527,117)	(875,768)
Result current period	168,148	1,801,649	1,969,797
Total net assets value at 31 December	5,111,372	49,144,825	54,256,197

Movement schedule of units

(in number of units)

	Class A	Class B	Total
Opening balance	-	-	-
Proceeds from units issued	52,532	476,736	529,268
Redemption of units	(3,396)	(5,181)	(8,577)
Outstanding units at 31 December	49,136	471,555	520,691

6. Other liabilities

(all amounts in EUR)

	2016
Management fee payable	6,188
Audit fee payable	12,100
Administration fee payable	7,431
Legal fees payable	1,519
Other fees payable	4,399
Balance at 31 December	31,637

Notes to the statement of comprehensive income

7. Revaluation of investments

(all amounts in EUR)

	2016
<i>Net unrealized result on financial assets and liabilities at fair value through profit or loss</i>	
Unrealized gains on investment funds	2,076,667
Total unrealized result	2,076,667
Total revaluation of investments	2,076,667

8. Management fee

The Fund Manager receives an annual Management Fee of 0.37% of the Net Asset Value for the participations of Class A Participations prior to deducting provision for fees payable to the Fund Manager. For the participations of Class B, the Fund Manager receives an annual Management Fee of 0.12% of the Net Asset Value.

The fee is calculated monthly on the basis of the gross of fee Net Asset Value of each Series as of the Valuation Day that coincides with the last Business Day of the month and is paid quarterly in arrears in EUR. This fee currently does not attract VAT.

The management fee for the period ended 31 December 2016 amounts to EUR 27,727. Due to the management fee discount of EUR 9,343 received during the reporting period, the management fee for the period ended 31 December 2016 amounts to EUR 18,384.

9. Administration fees

The administrator of Privium Done Hedge Fund charges an annual fixed fee of EUR 7,500. There is no VAT payable over this fee and is payable on a quarterly basis. The costs are paid directly to the parties directly involved in the independent preparation and reconciliation of the administration of Privium Done Hedge Fund.

10. Audit fees

The Fund has appointed Ernst & Young Accountants LLP as the independent auditor of the Fund. The Independent Auditor's remuneration amounts to EUR 12,100.

11. Income and withholding taxes

The Fund is organized as an investment Fund for joint account ("Fonds voor gemene rekening") under the current system of taxation in The Netherlands. The Fund is transparent for The Netherlands corporate income tax purposes. As a consequence, the Fund is not subject to The Netherlands corporate income tax. Certain dividend and interest income received by the Fund are subject to withholding tax imposed in the country of origin. During the period, no withholding tax was incurred by the Fund.

12. Ongoing charges figure (OCF)

(all amounts in EUR)	2016
Average net asset value	39,743,157
Total ongoing charges	115,968
Ongoing charges figure for the Fund	0.29%
Ongoing charges figure of the underlying investment fund	0.45%
Total ongoing charges figure for the reporting period	0.74%
Annualised ongoing charges figure	1.44%

13. Turnover ratio's (TOR)

The turnover ratio for the Fund over the period 8 April 2016 through 31 December 2016 is -28%.

14. Core business and outsourcing

The following key tasks have been outsourced by the Fund:

Administration

The administration has been delegated to Circle Investment Support Services B.V, who carries out the administration of the Fund, including the processing of all investment transactions, processing of revenues and expenses and the preparation of the NAV. It also states, under the responsibility of the Manager, the interim report and the financial statements of the Fund. For information on the fees of the Administrator refer to note 9.

15. Proposed appropriation of the result

The Fund will not distribute any dividend. The result for the period ended 31 December 2016 will be added to the Units surplus account.

16. Events after balance sheet date

None.

17. Approval of financial statements

The Board of Directors authorised these financial statements for issue on 16 June 2017.

Other Information

Personal holdings of the Board of Directors of the Fund Managers

The Board of Directors of the Fund Manager had no interests or positions at 8 April 2016 and 31 December 2016 in investments the Fund holds in portfolio at these dates.

Independent Auditor's report

The independent auditor's report has been attached at the end of this report.

Independent Auditor's report

To: the directors of Privium Done Hedge Fund

Report on the audit of the financial statements 2016 included in the annual report

Our opinion

We have audited the financial statements 2016 of Privium Done Hedge Fund, based in Amsterdam, The Netherlands.

In our opinion the accompanying financial statements give a true and fair view of the financial position of Privium Done Hedge Fund as at December 31, 2016, and of its result and its cash flows for 2016 in accordance with Part 9 of Book 2 of the Dutch Civil Code and the requirements set with regard to the financial statements by or pursuant to the Dutch Financial Supervision Act.

The financial statements comprise:

- The Financial statements as at December 31, 2016
- The following statements for 2016: Profit and loss statement and cash flow statement
- The notes comprising a summary of the significant accounting policies and other explanatory information

Basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the "Our responsibilities for the audit of the financial statements" section of our report.

We are independent of Privium Done Hedge Fund in accordance with the Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore we have complied with the Verordening gedrags- en beroepsregels accountants (VGBA, Dutch Code of Ethics) and with the independence and other ethical requirements set forth in Code of Ethics for Professional Accountants of the International Ethics Standards Board for Accountants (the IESBA Code).

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Report on other information included in the annual report

In addition to the financial statements and our auditor's report thereon, the annual report contains other information that consists of:

- Fund Manager report (the managing board's report)
- Other information pursuant to Part 9 of Book 2 of the Dutch Civil Code
- General information, and the report of the investment manager

Based on the following procedures performed, we conclude that the other information:

- Is consistent with the financial statements and does not contain material misstatements
- Contains the information as required by Part 9 of Book 2 of the Dutch Civil Code and the requirements set by or pursuant to the Dutch Financial Supervision Act

We have read the other information. Based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements. By performing these procedures, we comply with the requirements of Part 9 of Book 2 of the Dutch Civil Code and the Dutch Standard 720. The scope of the procedures performed is less than the scope of those performed in our audit of the financial statements.

The board of directors is responsible for the preparation of the other information, including the board of director's report in accordance with Part 9 of Book 2 of the Dutch Civil Code and other information pursuant to Part 9 of Book 2 of the Dutch Civil Code and the requirements set by or pursuant to the Dutch Financial Supervision Act.

Description of responsibilities for the financial statements

Responsibilities of the board of directors for the financial statements

The board of directors of the investment entity is responsible for the preparation and fair presentation of the financial statements in accordance with Part 9 of Book 2 of the Dutch Civil Code and the requirements set with regard to the financial statements by or pursuant to the Dutch Financial Supervision Act. Furthermore, the board of directors is responsible for such internal control as the board of directors determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the financial statements, the manager is responsible for assessing the investment entity's ability to continue as a going concern. Based on the financial reporting frameworks mentioned, the manager should prepare the financial statements using the going concern basis of accounting unless the manager either intends to liquidate the investment entity or to cease operations, or has no realistic alternative but to do so. The manager should disclose events and circumstances that may cast significant doubt on the investment entity's ability to continue as a going concern in the financial statements.

Our responsibilities for the audit of the financial statements

Our objective is to plan and perform the audit assignment in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not have detected all material errors and fraud.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

We have exercised professional judgment and have maintained professional skepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our audit included e.g.:

- Identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control
- Obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the investment entity's internal control
- Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the board of directors
- Concluding on the appropriateness of the board of director's use of the going concern basis of accounting, and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the investment entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause an investment entity to cease to continue as a going concern
- Evaluating the overall presentation, structure and content of the financial statements, including the disclosures
- Evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant findings in internal control that we identify during our audit.

The Hague, 16 June 2017

Ernst & Young Accountants LLP

signed by R.J. Bleijs