

Still Equity Fund

The Netherlands

ANNUAL REPORT

for the year ended 31 December 2016

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General information

Registered Office	Gustav Mahlerplein 3 Symphony Offices, 26 th Floor 1082 MS Amsterdam The Netherlands
Fund Manager	Privium Fund Management B.V. Gustav Mahlerplein 3 Symphony Offices, 26 th Floor 1082 MS Amsterdam The Netherlands
Investment Advisor	Mpartners B.V. Koningslaan 52 1075 AE Amsterdam The Netherlands
Depository	Darwin Depository Services B.V. Barbara Strozziilaan 101 1083 HN Amsterdam The Netherlands
Title Holder	Stichting Juridisch Eigendom Still Equity Fund Barbara Strozziilaan 101 1083 HN Amsterdam The Netherlands
Custodian	ABN AMRO Clearing Bank N.V. Gustav Mahlerlaan 10 1082 PP Amsterdam The Netherlands
Administrator	Custom House Fund Services (Netherlands) B.V. Westblaak 89 P.O. Box 25121 3001 HC Rotterdam The Netherlands
Independent Auditor	Ernst & Young Accountants LLP Antonio Vivaldistraat 150 1083 HP Amsterdam The Netherlands
Legal Advisor and Prospectus	Van de Kamp & Co B.V. Monnikevenne 38 1141 RL Monnickendam The Netherlands

General information

Fiscal Advisor

STP Tax Lawyers
Claude Debussylaan 42
1082 MD Amsterdam
The Netherlands

Historical overview

Key figures

	2016	2015 ¹
Equity at the beginning of the year/period	10,628,421	-
Issue of participations	18,487	11,509,893
Direct investment result	239,624	127,085
Indirect investment result	371,679	(751,086)
	<u>11,258,211</u>	<u>10,885,892</u>
Redemption of participations	(640,373)	(43,854)
Expenses	(234,653)	(213,617)
Equity at the end of the year/period	<u>10,383,185</u>	<u>10,628,421</u>
Investments	9,924,335	8,180,635
Cash and cash equivalents	482,931	2,477,138
Other assets and liabilities	(24,081)	(29,352)
Equity at the end of the year/period	<u>10,383,185</u>	<u>10,628,421</u>
Net profit/(loss)		
Investment income	239,624	127,085
Indirect investment result	371,679	(751,086)
Expenses	(234,653)	(213,617)
Net profit/(loss)	<u>376,650</u>	<u>(837,618)</u>
Number of units	107,824.30	114,847.30
Unitholders' equity per unit ²	96.30	92.54

¹ The Fund commenced operations on 01 April 2015.

² The unitholders' equity per unit is calculated in accordance with Dutch GAAP. Refer to note 15 of these financial statements for the reconciliation between the unitholders' equity calculated in accordance with the Prospectus and the unitholders' equity calculated in accordance with Dutch GAAP.

Management Report

The Still Equity Fund gained +3.99% in 2016. The Benchmark, the MSCI Europe total return index, gained +3.37%.

2016 will not be remembered as a particularly auspicious year for European equity investors as a negative market return and violent sector rotation hurt investor performance. The two broadest European equity indices, Stoxx Europe 600 and MSCI Europe ex-UK, both finished the year in slightly negative territory though their +3% dividend yield ensured that the total return generated for 2016 was +2% and +3%, respectively. Morgan Stanley has produced a report showing that in Europe the 'industry' factor (i.e. which sector a stock is listed in) has had its greatest influence on performance trends since the peak of the TMT bubble in 2000. Of the 19 industry groups in the Stoxx 600, only 7 groups posted positive returns for the year. Even more important was the extreme performance of the two strongest groups - Basic Resources and Energy - which posted annual returns of +62% and +23% respectively.

Investment outcomes as in 2016 inevitably raise the argument of the importance of macro events in determining portfolio performance. In this environment, our focus on security selection and valuation may be questioned, especially with building concerns over the future impact of a Trump presidency, the UK exit from the EU, and the threat to European unity with the upcoming elections in the Netherlands, France and Germany. Today many investors and analysts seem preoccupied with central bank behaviour, government actions, currency trends, and market momentum. The longer term positioning and fortunes of individual companies are mostly neglected. If companies are discussed it is usually in the context of predicting the next product breakthrough or whether the company can beat the next quarter's earnings expectations. Isn't it that macro events are the most important determinant of investment returns and therefore should be at the core of any modern investment process?

It is not difficult to quickly test this proposition. Given the importance of macro and the increasing frequency of macro events, then it should be revealing to check the aggregate performance of those whose performance is based on macro foresight. Below we show the returns up until November 2016 for two Hedge Fund Macro indices - the HFRI Macro Index and the HFRI Macro: Discretionary Thematic Index. The latter index consists only of macro investors not reliant on algorithms but rather on individual discretion.

Annualised Net Returns:	1 year	3 years	5 years
HFRI Macro Index	-1.17%	1.64%	0.74%
HFRI Macro: Discretionary Thematic Index	-1.96%	-0.47%	0.35%

Not exactly great. Of course these aggregate index results hide the returns of the successful practitioners of this trade but that is really no different than saying that they will always be winners in a coin toss competition. Why could these returns be so disappointing? The events surrounding the outcome of the US 2016 presidential race may provide some clues. What was certain or at least consensus going into election day? Firstly, that the polls were almost unanimous in calling for a Clinton victory. Secondly, there was a widely shared view that an unexpected Trump victory would be negative for markets. What actually happened? Clinton did not win and the US stock market had its best weekly gain since 2014. Howard Marks, the successful investor and founder of Oaktree Capital, whom we have quoted frequently in our writings, concluded two things from this:

- *First, no one really knows what events are going to transpire; and*
- *And second, no one knows what the market's reaction to those events will be.*

Management Report

There are no facts concerning future events, just opinions. To profit from macro events does not merely require an appreciation of the importance of the events, but also mandates that the outcome and the reaction to the outcome are knowable. This is simply not the case. Albert Einstein's statement that "I never think of the future - it comes soon enough" is more relevant in the current 24/7 twitter news era than ever before.

As we have written previously, a focus on cash flows, economic moats, and valuation provides us with our bearings when confronted with extreme event uncertainty and high market volatility. We are grateful to clients and partners who allow us to look at these periods with a proper perspective and with the appropriate time horizon. A long term time horizon is probably the single greatest competitive advantage that any investor can have and yet so few are able to exploit it. To quote Warren Buffett:

Our stay-put behaviour reflects our view that the stock market serves as a relocation center at which money is moved from the active to the patient.

There has been a clear change in the market narrative with commentators abandoning the old context of secular stagnation for a growing belief in a new global economic boom led by the pro-business actions of the Trump administration. As we enter 2017, reflation expectations are the key macro theme driving global equity markets. In our Q3 quarterly review we stated that the recent reshuffling of global portfolios is in our opinion creating opportunities that fit better with our longer term value oriented approach.

We remain very comfortable with the high quality and reasonable valuations of the current holdings in the portfolio and expect to build on the positive performance achieved to date. We look forward to a rewarding year and wish to thank all of our investors for their continued trust and support.

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.

Management Report

Remuneration policy 2016

This policy is based on the situation as of 31 December 2016. The financial year of the Fund Manager ends on 31 December of any year. The financial year of most Funds of which Privium is the Fund Manager will end on 31 December 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 (in EUR)	96,936	1,206,945	1,303,881
Total variable payment (in EUR)	0	0	0
Total payment (in EUR)	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.

Management Report

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	Expected impact on 2017 NAV if risk materializes	Impact on 2016 NAV	Adjustments to risk management in 2016 or 2017
Price/Market Risk	No	The fund has been holding cash and long only equity positions. Strong bottom-up company analysis is a very important item in mitigating risks during the holding period of a position. However share price fluctuations due to general equity market movements during the holding period can't be mitigated or avoided in full by conducting company analysis. This risk is inherent when securities like equities are traded.	Investments are being selected on having attractive valuations but largely this will also depend on general market circumstances.	The Fund outperformed its benchmark in 2016 as stock selection worked relatively well. Especially in the final quarter of the year.	No
Interest rate risk	No	The Fund has no interest bearing financial instruments except for cash at bank. Therefore the Fund is not exposed to significant interest rate risk.	None	None	No
Foreign Exchange risk	No	FX risk is not being hedged. It is not expected that this will change in the near future either.	This will largely depend on FX movements.	Over 60% of the investments are denominated in EUR.	No
Liquidity risk	No	Liquidity risk mostly has been mitigated by investing in positions that offer sufficient liquidity.	We would not expect a negative NAV impact if this risk would materialize.	None	No
Credit risk	No	Spare cash is maintained at ABN AMRO. ABN AMRO 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

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.

Financial statements

BALANCE SHEET

(As at 31 December)

	<i>Note</i>	2016 EUR	2015 EUR <i>[Note 2]</i>
Assets			
Investments			
Equities		9,924,335	8,180,635
	3	<u>9,924,335</u>	<u>8,180,635</u>
Current assets (fall due in less than 1 year)			
Cash and cash equivalents	4	482,931	2,477,138
Net dividend receivable		4,425	7,386
Withholding tax reclaimable		14,486	4,742
Interest receivable		52	-
		<u>501,894</u>	<u>2,489,266</u>
Total assets		<u>10,426,229</u>	<u>10,669,901</u>
Current liabilities (fall due in less than 1 year)			
Subscriptions received in advance	6	-	(2,200)
Accrued expenses and other payables	5	(43,044)	(39,280)
		<u>(43,044)</u>	<u>(41,480)</u>
Total liabilities		<u>(43,044)</u>	<u>(41,480)</u>
Total assets minus total liabilities		<u>10,383,185</u>	<u>10,628,421</u>
Unitholders' equity			
Contributions of unitholders		10,844,153	11,466,039
Unappropriated loss		(460,968)	(837,618)
Total unitholders' equity	7, 15	<u>10,383,185</u>	<u>10,628,421</u>

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

Financial statements

INCOME STATEMENT

(For the year ended 31 December 2016/for the period from 01 April 2015 to 31 December 2015)

	<i>Note</i>	2016 EUR	2015 EUR <i>[Note 2]</i>
Investment result			
<i>Direct investment result</i>			
Dividend income	8	239,439	127,011
Interest income		185	74
		<u>239,624</u>	<u>127,085</u>
<i>Indirect investment result</i>			
Realised losses on equities	3, 10	(508,492)	(105,404)
Unrealised gains/(losses) on equities	3, 10	936,161	(569,989)
Foreign currency translation	9	(55,990)	(75,693)
		<u>371,679</u>	<u>(751,086)</u>
Total investment income/(loss)		<u>611,303</u>	<u>(624,001)</u>
Expenses			
Management fee	11, 12, 13	(127,088)	(98,808)
Administration fee	12	(21,737)	(15,369)
Depositary fee	12	(18,150)	(11,344)
Audit fee	12	(9,680)	(9,680)
Interest expense		(8,215)	(9,579)
Tax preparation fee		(6,050)	-
FATCA fees		(6,000)	(6,000)
Custody fee	12	(5,046)	(4,500)
Bank charges		(2,328)	(2,120)
Regulator fee		1,703	(2,500)
Incorporation costs		-	(34,031)
Title holder fee		-	(2,269)
Total expenses		<u>(202,591)</u>	<u>(196,200)</u>
Net profit/(loss) for the year/period before tax		408,712	(820,201)
Withholding tax		(32,062)	(17,417)
Net profit/(loss) for the year/period after tax		<u>376,650</u>	<u>(837,618)</u>

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

Financial statements

STATEMENT OF CASH FLOWS

(For the year ended 31 December 2016/for the period from 01 April 2015 to 31 December 2015)

	<i>Note</i>	2016 EUR	2015 EUR
			<i>[Note 2]</i>
Cash flows from operating activities			
Net payments from investments		(1,316,031)	(8,856,028)
Interest received		135	72
Interest paid		(9,116)	(8,504)
Dividend received		242,400	119,625
Management fee paid		(127,351)	(87,695)
Administration fee paid		(20,987)	(8,119)
Custody fee paid		(2,364)	(2,836)
Tax preparation fee paid		(3,025)	-
Audit fee paid		(9,680)	-
Title holder fee paid		-	(2,269)
Incorporation costs paid		-	(34,031)
Bank charges paid		(2,327)	(2,120)
Depository fee paid		(18,150)	(11,344)
Withholding tax paid		(41,806)	(22,159)
Other general expenses paid		(5,829)	-
Net cash flows used in operating activities		<u>(1,314,131)</u>	<u>(8,915,408)</u>
Cash flows from financing activities			
Proceeds from sales of units		16,287	11,512,093
Payments on redemptions of units		(640,373)	(43,854)
Net cash flows (used in)/provided by financing activities		<u>(624,086)</u>	<u>11,468,239</u>
Net (decrease)/increase in cash and cash equivalents		(1,938,217)	2,552,831
Cash and cash equivalents at the beginning of the year/period		2,477,138	-
Foreign currency translation of cash positions		(55,990)	(75,693)
Cash and cash equivalents at the end of the year/period	4	<u><u>482,931</u></u>	<u><u>2,477,138</u></u>
Analysis of cash and cash equivalents			
Due from broker		482,931	2,477,138
Total cash and cash equivalents		<u><u>482,931</u></u>	<u><u>2,477,138</u></u>

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

Notes to the financial statements

1. GENERAL INFORMATION

Still Equity Fund (the “Fund”) is an open-ended fund for joint account (“*fonds voor gemene rekening*”). Under Dutch law, the Fund is not a legal entity but an agreement *sui generis* between the Fund Manager, the Title Holder and each of the unitholders. The Fund was incorporated on 23 January 2015 and commenced operations on 01 April 2015. The Fund is registered at the commercial register of the Chamber of Commerce of the Netherlands under number 34268930.

As at 31 December 2016 and 31 December 2015, the Fund was offering one class of units. The units of the Fund are not listed on any stock exchange.

The investment objective of the Fund is to outperform the MSCI Europe index on a rolling five year basis. The Fund aims to achieve this outperformance with a lower volatility than that of the index.

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

The Fund had no employees during the year ended 31 December 2016 or the period ended 31 December 2015.

The Fund Manager is subject to supervision by the AFM (Stichting Autoriteit Financiële Markten) and DNB (Central Bank of the Netherlands). On 22 July 2014, the AFM licence of the Fund Manager was automatically converted into an Alternative Investment Fund Managers Directive (“AIFMD”) licence by the AFM.

The financial statements have been authorised for issue by the Fund Manager on 20 June 2017.

2. SIGNIFICANT ACCOUNTING PRINCIPLES AND POLICIES

Basis of preparation

The financial statements of the Fund have been prepared in accordance with the reporting principles generally accepted in the Netherlands (“Dutch GAAP”) including the guidelines for annual reporting (RJ) 615 and the statutory provisions concerning annual accounts contained in Part 9, Book 2 of the Dutch Civil Code and the Wet op het financieel toezicht (“Wft”).

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

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 (including value added tax (“VAT”), where applicable) 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.

Notes to the financial statements

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

Estimates

The preparation of 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 financial statements in question.

Foreign exchange

Assets and liabilities denominated in currencies other than the EUR are converted to EUR at the exchange rates prevailing on the balance sheet date. Transactions in foreign currency are converted at the rates prevailing on the date of the transaction. Foreign currency exchange differences arising on translation and realised gains and losses on disposal or settlement of monetary assets and liabilities are recognised in the income statement.

Classification of units

The units of the Fund are classified as equity. These units 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 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.

The Fund measures the fair value of any security which is listed or quoted on any securities exchange or similar electronic system and regularly traded thereon using its last traded price on the relevant business day. If no trades occurred on such day, it will be valued at the closing price on the previous business day.

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

Forward currency contracts

The Fund may use forward currency contracts to hedge the currency exposure. A forward currency contract involves an obligation to purchase or sell a specific currency at a future date, at a price set at the time the contract is made. Forward currency contracts are valued by reference to the forward price at which a new forward currency contract of the same size and maturity could be undertaken at the valuation date. The unrealised gain or loss on open forward currency contracts is calculated as the difference between the contract rate and this forward price.

Receivables and prepayments

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.

Notes to the financial statements

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

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 year divided into cash flows from operating 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.

Unitholders' equity

All references to net asset value ("NAV") throughout the financial statements are equivalent to unitholders' equity.

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 the value of the investments held by the Fund are accounted for in the income statement. The Fund may use forward currency contracts to limit the exchange rate risk. Forward currency contracts are accounted for as currency transactions. The change in value of forward currency contracts are also accounted for in the income statement.

Dividend income related to exchange-traded equity investments is recognised in the income statement on the ex-dividend date.

Expenses are accounted for in the income statement on the accrual basis. Transaction costs in relation to equities are capitalised while transaction costs in relation to forward currency contracts are expensed immediately.

Tax position

The Fund has the status of a fiscal investment institution ("FBI"), pursuant to Article 28 of the Dutch Corporate Income Tax Act 1969. The status of a FBI results in the Fund not being subject to corporate income tax.

Dividend distributions of the Fund are subject to 15% Dutch dividend withholding tax on dividends paid to the unitholders. However, the Fund can apply a remittance reduction on this dividend tax.

Comparatives

The comparative figures reflect the period from commencement on 01 April 2015 to 31 December 2015 and are therefore not entirely comparable with the current reporting period included in the financial statements.

Notes to the financial statements

NOTES FOR INDIVIDUAL BALANCE SHEET ITEMS

3. Investments

Movement in schedule of investments

<i>(All amounts in EUR)</i>	2016	2015
Investment in equities		
As at 01 January/01 April	8,180,635	-
Purchases	3,728,194	10,836,470
Sales	(2,412,163)	(1,980,442)
Realised loss	(271,491)	(97,011)
Realised loss on foreign exchange difference	(237,001)	(8,393)
Unrealised gain/(loss)	847,811	(504,541)
Unrealised gain/(loss) on foreign exchange differences	88,350	(65,448)
As at 31 December	<u>9,924,335</u>	<u>8,180,635</u>

4. Cash and cash equivalents

As at 31 December 2016, cash and cash equivalents comprise of amounts due from ABN AMRO Clearing Bank N.V. of EUR 482,931 (2015: EUR 2,477,138), representing amounts held in brokerage accounts.

5. Accrued expenses and other payables

As at 31 December, accrued expenses and other payables consist of the following:

<i>(All amounts in EUR)</i>	2016	2015
Management fee payable	(10,850)	(11,113)
Audit fee payable	(9,680)	(9,680)
Administration fee payable	(8,000)	(7,250)
FATCA fees payable	(6,000)	(6,000)
Custody fee payable	(4,345)	(1,663)
Tax preparation fee payable	(3,025)	-
Regulator fee payable	(800)	(2,500)
Interest payable	(174)	(1,074)
Other payables	(170)	-
Total accrued expenses and other payables	<u>(43,044)</u>	<u>(39,280)</u>

6. Subscriptions received in advance

Subscriptions received in advance represent the amounts received from unitholders for subscription to units of the Fund for the first business day of the next month. Unitholders are required to deposit the amounts with the Fund prior to the issuance of units.

As at 31 December 2016, the subscriptions received in advance amount to EUR Nil (2015: EUR 2,200).

Notes to the financial statements

NOTES FOR INDIVIDUAL BALANCE SHEET ITEMS (CONTINUED)

7. Share capital

Structure of the Fund's capital

The Fund is an open-ended fund for joint account (“*fonds voor gemene rekening*”) and was established in Amsterdam in January 2015. The units of the Fund are available for subscription to unitholders on each monthly dealing day. The unitholders are economically entitled to the NAV of the Fund in proportion to the number of units held.

The movement of equity in the units during the year/period is as follows:

(All amounts in EUR)

	2016	2015
<i>Contributions of unitholders</i>		
Balance at the beginning of the year/period	11,466,039	-
Issue of units	18,487	11,509,893
Redemption of units	(640,373)	(43,854)
Total contributions at the end of the year/period	10,844,153	11,466,039
<i>Unappropriated loss</i>		
Balance at the beginning of the year/period	(837,618)	-
Net profit/(loss) for the year/period after tax	376,650	(837,618)
Total undistributed loss at the end of the year/period	(460,968)	(837,618)
Equity at the end of the year/period	10,383,185	10,628,421

Subscriptions and redemptions

The Fund issues units on each transaction day at the NAV per unit on the preceding valuation day subject to ten business days notice by the subscribing unitholder. The minimum initial subscription amount for each unitholder is EUR 10,000 with the minimum subsequent subscription amounts being EUR 1,000. The units were issued at an initial subscription price of EUR 100 per unit and thereafter at the NAV per unit. The minimum subscription amounts can be lowered at the sole discretion of the Fund Manager. No subscriptions fees are charged to the unitholders of the Fund.

The Fund redeems units of the unitholders' equity on each monthly dealing day at the NAV per unit as calculated on each monthly valuation day subject to ten business days notice by the redeeming unitholder. The minimum value of units which may be subject of one redemption request is EUR 1,000. The Fund Manager may decide to lower this amount in individual cases. No redemption fees are charged to the unitholders of the Fund. Additionally, the Fund has ten business days after the calculation of the NAV before redemption amounts have to be paid.

The movement of the units during the year ended 31 December 2016 was as follows:

	Units at the beginning of the year	Units issued	Units redeemed	Units at the end of the year
Units	114,847.30	208.00	(7,231.00)	107,824.30
Total	114,847.30	208.00	(7,231.00)	107,824.30

Notes to the financial statements

NOTES FOR INDIVIDUAL BALANCE SHEET ITEMS (CONTINUED)

7. Share capital (continued)

Subscriptions and redemptions (continued)

The movement of the units during the period ended 31 December 2015 was as follows:

	Units at the beginning of the period	Units issued	Units redeemed	Units at the end of the period
Units	-	115,308.30	(461.00)	114,847.30
Total	-	115,308.30	(461.00)	114,847.30

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 unitholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. The Fund will make distributions to unitholders when required in connection with the fiscal status of the Fund as a fiscal investment institution ("fiscal beleggingsinstelling") or if there are no sufficient suitable investment opportunities to achieve the investment objective of the Fund. Distributions of the Fund will be made in the form of units.

NOTES FOR INDIVIDUAL INCOME STATEMENT ITEMS

8. Dividend income

Dividend income relates to dividend from equity instruments.

9. Foreign currency translation

Realised and unrealised exchange differences consist of realised and unrealised translation losses on assets and liabilities other than financial assets and liabilities. For the year ended 31 December 2016, this amounted to losses of EUR 55,990 (period ended 31 December 2015: losses of EUR 75,693). The following average and closing rates have been applied in the preparation of these financial statements (the equivalent of one Euro is shown):

	2016		2015	
	Average	Closing	Average	Closing
<i>Showing the equivalent of 1 Euro</i>				
Danish Krone	0.1343	0.1344	0.1340	0.1340
Great Britain Pound	1.2245	1.1733	1.3875	1.3564
Swiss Franc	0.9179	0.9331	0.9369	0.9193
United States Dollar	0.9039	0.9506	0.9050	0.9212

10. Investment return

<i>(All amounts in EUR)</i>	2016		2016	2015
	Profit	Loss	Total	Total
Equities				
Realised result	158,114	(666,606)	(508,492)	(105,404)
Unrealised result	1,603,253	(667,092)	936,161	(569,989)
Total result	1,761,367	(1,333,698)	427,669	(675,393)

Notes to the financial statements

NOTES FOR INDIVIDUAL INCOME STATEMENT ITEMS (CONTINUED)

11. Costs

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

<i>(All amounts in EUR)</i>	2016	2015
Expenses accruing to Fund Manager		
Management fee	(127,088)	(98,808)
Other expenses		
Incorporation costs	-	(34,031)
Administration fee	(21,737)	(15,369)
Depositary fees	(18,150)	(11,344)
Audit fee	(9,680)	(9,680)
Interest expense	(8,215)	(9,579)
Tax preparation fee	(6,050)	-
FATCA fee	(6,000)	(6,000)
Custody fee	(5,046)	(4,500)
Bank charges	(2,328)	(2,120)
Regulator fee	1,703	(2,500)
Title holder fee	-	(2,269)
Total	<u>(202,591)</u>	<u>(196,200)</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 year ended 31 December 2016, all costs actually charged to the Fund were in accordance with the costs disclosed in the Prospectus. During the year ended 31 December 2016, the Fund also incurred costs such as interest expense of EUR 8,215 (period ended 31 December 2015: EUR 9,579) and bank charges of EUR 2,328 (period ended 31 December 2015: EUR 2,120) which are not detailed in the Prospectus.

Ongoing charges ratio

The ongoing charges ratio is the ratio of the total costs (excluding interest costs) to the average net assets of the Fund. The average net assets are based on the Fund's net assets at each calculation of the NAV i.e. monthly.

For the year ended 31 December 2016 and the period ended 31 December 2015, the ongoing charges ratio for the Fund is as follows:

	2016	2015
Ongoing charges ratio	1.91%	1.77%*

Turnover factor

For the year ended 31 December 2016, the turnover factor for the Fund is 54.03% (period ended 31 December 2015: 12.00%). The turnover factor is calculated by adding total purchases and sales, subtracting total subscriptions plus total redemptions and dividing the total by the average NAV.

**Please note the ongoing charges ratio is not annualised.*

Notes to the 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 1.25% of the NAV of the Fund. The management fee is calculated monthly and payable monthly in arrears.

Details of management fees charged for the year/period are disclosed in the income statement.

Administrator

The Fund has entered into an administration agreement with Custom House Fund Services (Netherlands) B.V. The Administrator charges an annual fee, to be calculated monthly and paid quarterly in arrears on the basis of the NAV of the Fund before deduction of the management fee, and with a minimum of EUR 15,000 per annum for the first year of operations and a minimum of EUR 18,000 per annum after the first year of operations. This annual fee is based on the following sliding scale:

- | | |
|--|-----------------|
| ▪ Part up to EUR 20 million | 10 basis points |
| ▪ Part between EUR 20 million and EUR 50 million | 8 basis points |
| ▪ Part above EUR 50 million | 6 basis points |

The Administrator also charges a fee of EUR 3,500 per annum in respect of the preparation of the Fund's annual report and EUR 6,000 for FATCA related services.

Details of administration fees charged for the year/period are disclosed in the income statement.

Payment Bank/Custodian

ABN AMRO Clearing Bank N.V. acts as Custodian to the Fund. The Custodian is entitled to receive fees from the Fund in accordance with its customary charges.

Depository

The Fund has entered into a depository agreement with Darwin Depository Services B.V. The Depository charges an annual fee of EUR 12,500, payable quarterly in advance, for depository services provided to the Fund. A once-off fee of EUR 1,750 (excluding VAT and office surcharge) for the on-boarding process was paid by the Fund on signing the depository agreement. Details of depository fees charged for the year/period are disclosed in the income statement.

Independent Auditor

The Fund appointed Ernst & Young Accountants LLP as the Independent Auditor. The Independent Auditor's remuneration consists of EUR 9,680 audit fee (2015: EUR 9,680) for the audit of the financial statements. The Independent Auditor does not provide any non-audit services or other audit services to the Fund.

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.

The Fund Manager is considered a related party.

Notes to the financial statements

13. RELATED PARTY TRANSACTIONS (CONTINUED)

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

2016 transactions and balances as at 31 December 2016

	Paid EUR	Balance EUR
Management fee	127,351	10,850

2015 transactions and balances as at 31 December 2015

	Paid EUR	Balance EUR
Management fee	87,695	11,113

14. FINANCIAL INVESTMENTS AND ASSOCIATED RISKS

The Fund's investment objective is to outperform the MSCI Europe index on a rolling five year basis. The Fund aims to achieve this outperformance with a lower volatility than that of the index.

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

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument may fluctuate 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, interest rate risk and currency risk. The Fund's market risk is managed through diversification of its investments.

Market price risk

Price risk is the risk that the value of the instrument will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk), whether caused by factors specific to an individual investment, its issuer or all factors affecting all instruments traded in the market.

As at 31 December 2016 and 31 December 2015, price risk arises on the Fund's investments in equities.

The Fund's diversification of financial assets at fair value through profit or loss represented per significant industry sector as at 31 December 2016 and 31 December 2015 is as follows:

Sector	2016 EUR	% of unitholders' equity	2015 EUR	% of unitholders' equity
Consumer, Non-Cyclical	2,526,177	24.3	1,737,080	16.3
Consumer, Cyclical	2,330,487	22.5	2,219,782	20.9
Industrial	1,727,690	16.7	1,943,803	18.3
Financial	1,516,538	14.6	987,859	9.3
Technology	719,979	6.9	604,821	5.7
Other sectors	1,103,464	10.6	687,290	6.5
	9,924,335	95.6	8,180,635	77.0

Notes to the financial statements

14. FINANCIAL INVESTMENTS AND ASSOCIATED RISKS (CONTINUED)

Market risk (continued)

Market price risk (continued)

The table below details the sensitivity of the Fund's investments to a reasonable possible increase of 5% at 31 December 2016 and 31 December 2015:

Sector	2016		2015	
	Amount in EUR	% of unitholders' equity	Amount in EUR	% of unitholders' equity
Consumer, Non-Cyclical	126,309	1.2	86,854	0.8
Consumer, Cyclical	116,524	1.1	110,989	1.0
Industrial	86,385	0.8	97,190	0.9
Financial	75,827	0.7	49,393	0.5
Technology	35,999	0.3	30,241	0.3

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 and cash equivalents which are subject to normal market related short-term interest rates. Therefore, the Fund is not exposed to significant interest rate risks.

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 at 31 December 2016 and 31 December 2015 is as follows:

Currency	2016		2015	
	Fair value EUR	% of unitholders' equity	Fair value EUR	% of unitholders' equity
Danish Krone	7,042	0.1	7,096	0.1
Great Britain Pound	752,296	7.2	2,552,643	24.0
Swiss Franc	1,631,656	15.7	858,257	8.1
United States Dollar	3,786,807	36.5	2,390,011	22.5

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 cash and cash equivalents and other receivables. The carrying values of financial assets (excluding any investments in equity instruments) best represent the maximum credit risk exposure at the reporting date and amount to EUR 501,894 (2015: EUR 2,489,266).

All transactions of the Fund are cleared by ABN AMRO Clearing Bank N.V. representing a concentration risk. Bankruptcy or insolvency of ABN AMRO Clearing Bank N.V. may cause the Fund's rights with respect to the cash and/or its investments to be delayed or limited. The Fund regularly monitors its risk by monitoring the credit quality of ABN AMRO Clearing Bank N.V. as reported.

The current credit rating of ABN AMRO Clearing Bank N.V. is 'A' (2015: 'A'), as determined by Standard and Poor's. If the credit quality or the financial position of this entity deteriorates significantly the Fund Manager will deal with another provider.

Notes to the financial statements

14. FINANCIAL INVESTMENTS AND ASSOCIATED RISKS (CONTINUED)

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 units and it is therefore exposed to the liquidity risk of meeting unitholders redemptions. The Fund's policy only allows for redemptions on the first business day of each calendar month. Additionally, a 10 business days notice period must be provided by unitholders wishing to redeem their holding in the Fund.

The Fund's listed securities are considered to be readily realisable as they are listed on recognised exchanges.

The Fund's other liabilities are short-term in nature.

15. UNITHOLDERS' EQUITY AS ISSUED

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

The Prospectus states that incorporation costs should be amortised over 5 years. Dutch GAAP prefers that incorporation costs be expensed immediately.

	31 December 2016 EUR	31 December 2015 EUR
Unitholders' equity attributable to holders of units in accordance with the Prospectus	10,405,121	10,657,106
Adjustments		
Unamortised incorporation costs	(21,936)	(28,685)
Adjusted unitholders' equity attributable to holders of units in accordance with Dutch GAAP	<u>10,383,185</u>	<u>10,628,421</u>
Number of units	107,824.30	114,847.30
Unitholders' equity per unit in accordance with the Prospectus	96.50	92.79
Adjusted unitholders' equity per unit in accordance with Dutch GAAP	96.30	92.54

16. EVENTS AFTER THE BALANCE SHEET DATE

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

Investment portfolio as at 31 December 2016

Assets		Fair value	% of
	Currency	EUR	NAV
Equities			
Adecco SA	CHF	453,990	4.4
American Express Co.	USD	302,798	2.9
Apple Inc.	USD	341,295	3.3
Arcadis NV	EUR	283,929	2.7
Aryzta AG	CHF	217,615	2.1
Berkshire Hathaway Inc.	USD	508,151	4.9
Cairn Homes plc	EUR	378,000	3.6
Carrefour SA	EUR	314,738	3.0
Caterpillar Inc.	USD	242,429	2.3
CIE Financiere Richemont	CHF	270,628	2.6
CRH PLC	GBP	484,784	4.7
Daimler AG	EUR	396,032	3.8
Dalata AG	EUR	316,440	3.0
General Electric Company	USD	450,570	4.3
Hibernia REIT plc	EUR	344,680	3.3
International Business Machines Corporation	USD	378,684	3.7
Johnson & Johnson	USD	547,576	5.3
JP Morgan Chase & Co.	USD	360,909	3.5
Novartis AG	CHF	331,881	3.2
Publicis Groupe SA	EUR	442,463	4.3
Roche Holding AG	CHF	345,088	3.3
Rolls-Royce Holdings plc	GBP	265,977	2.5
Royal Dutch Shell plc	EUR	415,760	4.0
Ryanair Holdings plc	EUR	568,596	5.5
Sanofi	EUR	315,290	3.1
SPDR S&P Pharmaceuticals	USD	245,241	2.4
Wal-Mart Stores Inc.	USD	400,791	3.9
		<u>9,924,335</u>	<u>95.6</u>

Investment portfolio as at 31 December 2015

Assets	Currency	Fair value EUR	% of NAV
Equities			
Adecco SA	CHF	309,111	2.9
Apple Inc.	USD	300,577	2.8
Arcadis NV	EUR	185,650	1.7
Berkshire Hathaway Inc.	USD	486,514	4.6
Caterpillar Inc.	USD	256,665	2.4
CRH plc	GBP	475,893	4.5
Daimler AG	EUR	318,078	3.0
General Electric Company	USD	430,407	4.0
GlaxoSmithKline plc	GBP	279,360	2.6
Grafton Group plc	GBP	552,074	5.2
Hammerson plc	GBP	219,744	2.1
Hibernia REIT plc	EUR	281,600	2.6
International Business Machines Corporation	USD	304,245	2.9
Johnson & Johnson	USD	359,558	3.4
Kingfisher plc	GBP	223,475	2.1
Kingspan Group plc	EUR	376,805	3.5
Novartis AG	CHF	263,335	2.5
Publicis Groupe SA	EUR	306,900	2.9
Roche Holding AG	CHF	282,056	2.7
Rolls-Royce Holdings plc	GBP	218,382	2.1
Royal Dutch Shell plc	EUR	232,045	2.2
Ryanair Holdings plc	EUR	466,440	4.4
Sanofi	EUR	243,660	2.3
Travis Perkins plc	GBP	428,204	4.0
Tullow Oil plc	GBP	148,344	1.4
Wal-Mart Stores Inc.	USD	231,513	2.2
		8,180,635	77.0

Other information

Provisions of the Prospectus on distribution policy

The Fund will make distributions to unitholders when required in connection with the fiscal status of the Fund as a fiscal investment institution (“*fiscal beleggingsinstelling*”) or if there are no sufficient suitable investment opportunities to achieve the investment objective of the Fund. Distributions of the Fund will be made in the form of units.

Provision of information

The annual report and the Prospectus of the Fund are available free of charge from the Fund Manager or available for download free of charge from the Fund Manager’s website: www.priviumfund.com.

Date of authorisation

The financial statements have been authorised for issue by the Fund Manager in Amsterdam on 20 June 2017.



Independent auditor's report

To: The shareholders and directors of Privium Fund Management B.V. as investment manager of Still Equity Fund

Report on the audit of the financial statements 2016

Our opinion

We have audited the financial statements 2016 of Still Equity Fund, based in Amsterdam, The Netherlands.

In our opinion the accompanying financial statements give a true and fair view of the financial position of Still Equity 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 Balance Sheet as at December 31, 2016
- ▶ The Income statement for 2016
- ▶ The notes comprising a summary of the 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 Still Equity 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:

- ▶ Management Report
- ▶ Other information pursuant to Part 9 of Book 2 of the Dutch Civil Code
- ▶ General information

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

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, 20 June 2017

Ernst & Young Accountants LLP

signed by R.J. Bleijs