

SEMI-ANNUAL REPORT

Cangaru Alternatives Fund

Period ended 30 June 2019

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General information

Registered office

Cangaru Alternatives Fund
Symphony Towers 26/F
Gustav Mahlerplein 3
1082 MS Amsterdam
The Netherlands
<http://www.priviumfund.com/>

AIFM

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

Legal Owner

Stichting Juridisch Eigendom
Cangaru Alternatives Fund
Woudenbergseweg 11
3953 ME Maarsbergen
The Netherlands

Bank

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

Depositary

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

Key figures

| | 30-06-2019 | 31-12-2018 |
|--|------------|------------|
| Class D1 | | |
| Net Asset Value (x € 1) | 1,575,187 | 1,743,675 |
| Number of outstanding participations | 1,583.00 | 1,762.00 |
| Net Asset Value per participation | | |
| Class D1 Lead Series | 995.44 | 989.95 |
| Class D1 June Series | 992.72 | 987.24 |
| Class D1 July Series | 994.52 | 989.03 |
| Class D1 August Series | 997.04 | 991.54 |
| Class D2 | | |
| Net Asset Value at 31 December (x € 1) | 21,537,284 | 21,547,455 |
| Number of outstanding participations | 21,591.53 | 21,743.33 |
| Net Asset Value per participation | 997.49 | 990.99 |
| Total for the Fund | | |
| Net Asset Value (x € 1) | 23,112,470 | 23,291,130 |
| Number of outstanding participations | 23,174.53 | 23,505.33 |

Semi-annual financial statements

Balance sheet

(all amounts in EUR)

| | Notes | 30-06-2019 | 31-12-2018 |
|-----------------------------------|-------|-------------------|-------------------|
| Assets | | | |
| Investments | 1 | | |
| Investment funds | | 22,399,141 | 21,454,670 |
| Total of investments | | 22,399,141 | 21,454,670 |
| Intangible assets | | | |
| Organizational fees | | 62,476 | 70,626 |
| Total of intangible assets | | 62,476 | 70,626 |
| Receivables | | | |
| Other receivables | | 4,015 | - |
| Total of Receivables | | 4,015 | - |
| Other assets | | | |
| Cash | 2 | 846,840 | 1,966,154 |
| Total of other assets | | 846,840 | 1,966,154 |
| Total assets | | 23,312,472 | 23,491,450 |
| Liabilities | | | |
| Net asset value | 3 | 23,112,470 | 23,291,130 |
| Other liabilities | | | |
| Subscriptions received in advance | 2 | 167,500 | 169,500 |
| Other liabilities | 4 | 32,502 | 30,820 |
| Total other liabilities | | 200,002 | 200,320 |
| Total liabilities | | 23,312,472 | 23,491,450 |

Profit and loss statement

(For the period 1 January through 30 June)

| (all amounts in EUR) | Notes | 2019 |
|--|-------|-----------------|
| Revaluation of investments | 5 | |
| Realised results | | (37,785) |
| Unrealised results | | 263,141 |
| Total changes in value | | 225,356 |
| Operating expenses | | |
| Management fee | 6 | (24,885) |
| Organisational fee | | (8,149) |
| Administration fees | 7 | (8,750) |
| Depositary fees | 8 | (9,982) |
| Brokerage fees and other transaction costs | | (494) |
| Audit fees | 9 | (6,734) |
| Legal fees | 10 | (1,784) |
| Other expenses | | (14,190) |
| Total operating expenses | | (74,968) |
| Result for the period | | 150,388 |

Cash flow statement

(For the period 1 January through 30 June)

(all amounts in EUR)

| | Notes | 2019 |
|--|-------|--------------------|
| Cash flow from operating activities | | |
| Purchases of investments | | (11,813,618) |
| Sales of investments | | 11,094,503 |
| Management fee paid | | (24,943) |
| Operating expenses paid | | (44,208) |
| Net cash flow from operating activities | | (788,266) |
| Cash flow from financing activities | | |
| Proceeds from subscriptions | | 1,105,540 |
| Payments for redemptions | | (1,436,588) |
| Net cash flow from financing activities | | (331,048) |
| Net cash flow for the period | | (1,119,314) |
| Cash at the beginning of the period | | 1,966,154 |
| Foreign currency translation of cash positions | | - |
| Cash at the end of the period | 2 | 846,840 |

Notes to the financial statements

General information

Cangaru Alternatives Fund (the Fund) was incorporated on 9 March 2018 and commenced operations on 27 April 2018.

The Fund is a fund for joint account ('fonds voor gemene rekening') organised and established under the laws of The Netherlands. The Fund is under Dutch law not a legal entity (rechtspersoon) nor a partnership, commercial partnership or limited partnership (maatschap, vennootschap onder firma or commanditaire vennootschap), but a contractual arrangement sui generis between the AIFM, 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.

The Fund has its principal offices at the offices of the AIFM at Symphony Towers 26/F, Gustav Mahlerplein 3, 1082 MS Amsterdam, The Netherlands. In view of its legal form of fund for joint account the Fund is not eligible for registration in the Dutch trade register (handelsregister).

The Fund is established by the adoption of its Terms and Conditions by agreement between the AIFM and the Legal Owner and the subsequent admission of the first participant, being the Launch Date. The Fund is managed by the AIFM. The assets, rights and obligations of the Fund is held by the Legal Owner. The participants (participanten) invests in the Fund and acquires participations in the Fund.

Accounting policies

General

The semi-annual financial statements are prepared in accordance with Part 9, Book 2 of the Dutch Civil Code and the the Dutch Act on Financial Supervision ('Wet op het financieel toezicht') and covers the period from 1 January 2019 through 30 June 2019.

The accounting principles used to prepare this semi-annual report 2019 are the same as the accounting principles used for the annual report 2018. There are no comparative figures available for the period 1 January 2018 through 30 June 2018 as the Fund commenced operations on 27 April 2018 and therefore did not issue a semi-annual statement for 2018.

The semi-annual report has not been audited by an independent auditor.

Notes to the balance sheet

1. Investments

The movement of the financial instruments is as follows:

(all amounts in EUR)

| | 2019 |
|------------------------------|-------------------|
| <i>Investment funds</i> | |
| Opening balance | 21,454,670 |
| Purchases | 11,813,618 |
| Sales | (11,094,503) |
| Realised investment result | (37,785) |
| Unrealised investment result | 263,141) |
| Closing balance | 22,399,141 |

2. Cash

At 30 June 2019, no restrictions on the use of the cash position exist.

3. Net asset value

The movement of the individual Series during the period ended 30 June 2019 is as follows:

(all amounts in EUR)

| | Opening Balance | Subscriptions | Redemptions | Result | Net asset value |
|--------------|----------------------------|----------------------|--------------------|----------------|----------------------------|
| Class D1 | 1,743,675 | - | (178,301) | 9,812 | 1,575,186 |
| Class D2 | 21,547,455 | 1,107,540 | (1,258,287) | 140,576 | 21,537,284 |
| Total | 23,291,130 | 1,107,540 | (1,436,588) | 150,388 | 23,112,470 |

The movement in participations of the individual Series during the period ended 30 June 2019 is as follows:

(in number of participations)

| | Opening balance | Subscriptions | Redemptions | Closing balance |
|--------------|----------------------------|----------------------|--------------------|----------------------------|
| Class D1 | 1,762.00 | - | (179.00) | 1,583.00 |
| Class D2 | 21,743.33 | 1,110.30 | (1,262.10) | 21,591.53 |
| Total | 23,505.33 | 1,110.30 | (1,441.10) | 23,174.53 |

4. Other liabilities

(all amounts in EUR)

| | 30-06-2019 |
|---|-------------------|
| Management and performance fees payable | 4,115 |
| Audit fees payable | 11,307 |
| Supervision fees payable | 11,667 |
| Other fees payable | 5,413 |
| Closing balance | 32,502 |

Notes to the profit and loss statement

5. Revaluation of investments

| (all amounts in EUR) | 30-06-2019 |
|---|-------------------|
| <i>Net realised result on financial assets and liabilities at fair value through profit or loss</i> | |
| Realised losses on investment funds | (37,785) |
| Total realised result | (37,785) |
| <i>Net unrealised result on financial assets and liabilities at fair value through profit or loss</i> | |
| Unrealised gains on investment funds | 263,141 |
| Total unrealised result | 263,141 |
| Total revaluation of investments | 225,356 |

6. Management fee and performance fee

The Fund Manager is entitled to an annual Management Fee equal to:

- 1.00% of the Net Asset Value (i.e. 100 basis points) of the Class A Participations;
- 0.75% of the Net Asset Value (i.e. 75 basis points) of the Class B Participations;
- 0.55% of the Net Asset Value (i.e. 55 basis points) of the Class C Participations;
- 0.40% of the Net Asset Value (i.e. 40 basis points) of the Class D1 Participations; and
- 0.20% of the Net Asset Value (i.e. 20 basis points) of the Class D2 Participations,

excluding (i.e. before deduction of) the Management Fee, as at the last Business Day of each calendar month, payable monthly in arrears out of the Fund Assets. The Management Fee shall be calculated for each Series separately, and applied against the Net Asset Value of the Participations in the relevant Series. No VAT is applicable. The minimum management fee will at all times be at least EUR 42,500 per annum (net of any VAT).

The management fee for the period ended 30 June 2019 amounts to EUR 24,885.

The Fund Manager is entitled to a variable performance fee out of the Fund Assets that is payable monthly in arrears on the last Business Day of each month of (i) 4% of the Net Capital Appreciation during such calendar month with respect to Class A Participations, Class B Participations and Class C Participations and (ii) 2% of the Net Capital Appreciation during such calendar month with respect to Class D1 Participations. No Performance Fee will be due with respect to Class D2 Participations. The Performance Fee shall be subject to a high water mark principle that Performance Fee is only payable to the extent that the End Value of the relevant calendar month is higher than the End Value of any previous month during the life of the relevant Series, ensuring that the Fund Manager only receives Performance Fee in so far as any decrease of Net Asset Value during the life of the Fund has been recovered through a subsequent increase of Net Asset Value. Where the Closing Date or the dissolution date of the Fund occurs during a calendar month, the Performance Fee shall be pro rata for the relevant portion of the calendar month that the Fund was managed. The Performance Fee shall be calculated for each Series separately, and applied against the Net Asset Value of the Participations in the relevant Series.

The performance fee for the period ended 30 June 2019 amounts to EUR 0.

7. Administration fees

The Fund will pay the Administrator remuneration for its services to the Fund, an annual fee equal to 0.06% of the Net Asset Value (i.e. 6 basis points) up to a Net Asset Value of EUR 50 million as of the last calendar day of each month, subject to an annual minimum fee of EUR 20,000 (excluding VAT), and EUR 3,750 for preparing (semi-) annual statements. For the first year of the operations of the Fund the annual minimum fee will be EUR 17,500. When the Net Asset Value of the Fund exceeds EUR 50 million the Fund will pay the Administrator a remuneration for its services to the Fund, an annual fee equal to 0.05% of the Net Asset Value (i.e. 5 basis points). Administration fees are exclusive of a fixed office surcharge of 4.5% per year.

8. Depositary fees

The Fund will pay the Depositary remuneration for its services to the Fund, an annual fee equal to 0.014% of the Net Asset Value (i.e. 1.4 basis points), subject to an annual minimum fee of EUR 16,500.

The Depositary expenses for the period ended 30 June 2019 amounts to USD 9,982.

9. Audit fees

The audit fees relate solely to the audit of the financial statements. The Independent Auditor does not provide any other audit or non-audit services to the Fund.

10. Legal Owner fees

TCS Governance B.V. has been appointed as Management Board of the Legal Owner. The remuneration consists of an annual fixed fee of EUR 3,500 and variable remuneration of 0.0125%. This fee has been capped at EUR 6,500 per annum.

11. Income and withholding taxes

The Fund is organised as an investment Fund ("Fonds voor gemene rekening") under the current system of taxation in The Netherlands. The Fund is transparent for Dutch corporate income tax purposes. As a consequence, the Fund is not subject to Dutch corporate income tax. Certain dividend and interest income received by the Fund are subject to withholding tax imposed in the country of origin.

Other notes

12. Related parties

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 making financial or operational decisions.

All services rendered by the Fund from the Fund Manager therefore qualify as related party transactions. During the period, the Fund paid management fees of EUR 24,885 to the Fund Manager.

13. 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 7.

14. Proposed appropriation of the result

The result for the period ended 30 June 2019 will be added to the Net asset value of the Fund.

15. Events after balance sheet date

None.

Amsterdam, 19 August 2019

Fund Manager
Privium Fund Management B.V.

Other Information

Personal holdings of the Board of Directors of the AIFM

The Board of Directors of the AIFM had no interests or positions at 30 June 2019 and 1 January 2019 in investments the Fund holds in portfolio at these dates.