

Global Allocation Fund

The Netherlands

UNAUDITED INTERIM FINANCIAL STATEMENTS

for the period from 1 January 2019 to 30 June 2019

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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
Delegate	Box Consultants B.V. Burgemeester Mollaan 72 5582 CK Waalre The Netherlands
Depository	Darwin Depository Services B.V. Barbara Strozziilaan 101 1083 HN Amsterdam The Netherlands
Legal Owner	Stichting Juridisch Eigendom Global Allocation Fund Woudenbergseweg 11 3953 ME Maarsbergen The Netherlands
Custodian	ABN AMRO Clearing Bank N.V. Gustav Mahlerlaan 10 1082 PP Amsterdam The Netherlands
Payment Bank	ABN AMRO Bank Daalsesingel 71 3511SW Utrecht The Netherlands
Administrator	Apex Fund Services (Netherlands) B.V. Van Heuven Goedhartlaan 935A 1181 LD Amstelveen The Netherlands
Independent Auditor*	Ernst & Young Accountants LLP Antonio Vivaldistraat 150 1083 HP Amsterdam The Netherlands
Legal Advisor	Van Campen Liem J.J. Viottastraat 52 1071 JT Amsterdam The Netherlands

**The interim financial statements are neither audited nor reviewed by the Independent Auditor.*

Profile

Global Allocation Fund (the “Fund”) is structured as an open-ended investment fund (*beleggingsfonds*) and a fund for joint account (*fonds voor gemene rekening*) organised and established under the laws of the Netherlands. The Fund is not a legal entity (*rechtspersoon*) 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. The Fund was established in August 2017 and commenced operations on 2 October 2017, the first dealing date for subscriptions. The Fund is managed by Privium Fund Management B.V. (the “Fund Manager”). The first financial period end of the Fund was from the period of 2 October 2017 (date of commencement of operations) to 31 December 2018.

The investment objective of the Fund is to achieve long term capital growth. To achieve this, the strategy of the Fund is to invest in a diversified portfolio of investment funds (including hedge funds or other (alternative) collective investment vehicles worldwide), listed investee companies, stocks, debt instruments, futures, forward currency contracts and in commodity related instruments including, but not limited to exchange traded funds (“ETF’s”), exchange traded products (“ETP’s”), real estate investment trusts (“REIT’s”), index funds and structured products.

The participants’ equity per participation as at 30 June 2019, 31 December 2018 and 30 June 2018 are as follows:

Participants’ equity per participation in accordance with Dutch GAAP²	30 June 2019	31 December 2018	30 June 2018¹
Class A participations	102.30	93.54	100.10
Class B participations	98.77	90.76	97.62
Participants’ equity per participation in accordance with the Prospectus²			
Class A participations	102.38	93.64	100.21
Class B participations	98.85	90.86	97.73

¹ The Fund commenced operations on 2 October 2017, therefore, the first unaudited financial period was for the period from 2 October 2017 to 30 June 2018.

² The participants’ equity per participation is calculated in accordance with Dutch GAAP. Refer to note 16 of these interim financial statements for the reconciliation between the participants’ equity calculated in accordance with the Prospectus and the participants’ equity calculated in accordance with Dutch GAAP.

Interim financial statements

BALANCE SHEET

	Note(s)	30 June 2019 EUR	31 December 2018 EUR
Assets			
Investments			
Investee funds		32,973,537	28,158,231
Debt instruments		4,304,317	5,472,165
Equities		2,280,401	1,416,311
	3	<u>39,558,255</u>	<u>35,046,707</u>
Current assets (fall due in less than 1 year)			
Cash	4	703,461	1,034,841
Due from brokers	4	439,831	-
Prepayments		3,477	-
Bank interest receivable		-	147
		<u>1,146,769</u>	<u>1,034,988</u>
Total assets		<u>40,705,024</u>	<u>36,081,695</u>
Liabilities			
Current liabilities (fall due in less than 1 year)			
Subscriptions received in advance	6	(500,000)	-
Accrued expenses and other payables	5	(49,608)	(48,197)
Due to broker	4	-	(650,250)
		<u>(549,608)</u>	<u>(698,447)</u>
Total liabilities		<u>(549,608)</u>	<u>(698,447)</u>
Total assets minus total liabilities		<u>40,155,416</u>	<u>35,383,248</u>
Participants' equity			
Contribution of participants		39,379,197	37,823,848
Unappropriated gain/(loss)		776,219	(2,440,600)
Total participants' equity	7, 16	<u>40,155,416</u>	<u>35,383,248</u>

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

Interim financial statements

INCOME STATEMENT

(For the periods ended 30 June 2019 and 2018)

	Note(s)	2019 EUR	2018 EUR
Investment income			
<i>Direct investment result</i>			
Interest income	8	106,507	551
Dividend income	9	2,818	3,557
		<u>109,325</u>	<u>4,108</u>
<i>Indirect investment result</i>			
Realised gains/(losses) on investee funds	3, 10	36,032	(95,622)
Realised (losses)/gains on debt instruments	3, 10	(366,400)	51,710
Realised (losses)/gains on equities	3, 10	(8,471)	23,221
Unrealised gains on investee funds	3, 10	2,332,808	142,068
Unrealised gains/(losses) on debt instruments	3, 10	995,127	(13,510)
Unrealised gains on equities	3, 10	238,826	7,416
Foreign currency (losses)/gains on translation	11	(6,361)	49,143
		<u>3,221,561</u>	<u>164,426</u>
Total investment income		<u>3,330,886</u>	<u>168,534</u>
Expenses			
Administration fee	13	(26,972)	(40,377)
Custody fee	13	(21,362)	(32,578)
Management fee	13, 14	(19,925)	(30,934)
Depositary fee	13	(14,500)	(22,338)
Legal fees		(10,185)	(1,029)
Audit fee		(8,492)	(12,041)
Other operational costs		(7,663)	(8,726)
Interest expense		(1,541)	(2,975)
Bank charges		(1,237)	(2,537)
Incorporation costs		-	(52,129)
Total expenses	12	<u>(111,877)</u>	<u>(205,664)</u>
Net gain/(loss) before tax		3,219,009	(37,130)
Withholding tax on dividend income		(2,190)	(2,489)
Net gain/(loss) after tax		<u><u>3,216,819</u></u>	<u><u>(39,619)</u></u>

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

Interim financial statements

STATEMENT OF CASH FLOWS (For the periods ended 30 June 2019 and 2018)

	<i>Note</i>	2019 EUR	2018 EUR
Cash flows from operating activities			
Purchases of investments		(7,780,563)	(47,315,832)
Proceeds from sale of investments		6,482,337	10,434,601
Interest received		106,654	535
Interest paid		(2,422)	(2,099)
Dividend received		2,818	3,557
Incorporation costs paid		-	(52,129)
Administration fee paid		(24,931)	(33,424)
Management fee paid		(19,807)	(27,173)
Depositary fee paid		(14,520)	(22,338)
Custody fee paid		(18,956)	(20,441)
Other general expenses paid		(6,993)	(3,218)
Audit fee paid		(11,435)	(3,025)
Bank charges paid		(1,237)	(2,537)
Withholding tax paid		(2,190)	(2,489)
Legal fees paid		(8,950)	(1,029)
Legal ownership fees paid		(4,692)	-
Net cash flows used in operating activities		<u>(1,304,887)</u>	<u>(37,047,041)</u>
Cash flows from financing activities			
Proceeds from sales of participations		7,202,000	43,819,101
Payments on redemptions of participations		(5,646,651)	(5,105,174)
Subscriptions received in advance		500,000	-
Distribution from equity investments		14,600	16,590
Net cash flows provided by financing activities		<u>2,069,949</u>	<u>38,730,517</u>
Net increase in cash		765,062	1,683,476
Cash at the beginning of the period		384,591	-
Foreign currency translation of cash positions		(6,361)	49,143
Cash at the end of the period	4	<u>1,143,292</u>	<u>1,732,619</u>
Analysis of cash			
Cash		703,461	1,732,619
Due from broker		439,831	-
Total cash	4	<u>1,143,292</u>	<u>1,732,619</u>

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

Notes to the interim financial statements

1. GENERAL INFORMATION

Global Allocation Fund (the “Fund”) is structured as an open-ended investment fund (*beleggingsfonds*) and a fund for joint account (*fonds voor gemene rekening*) organised and established under the laws of the Netherlands and was established in August 2017. The Fund is not a legal entity (*rechtspersoon*) 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. The Fund commenced operations on 2 October 2017. The Fund has a registered office at Gustav Mahlerplein 3, Symphony Offices, 26th Floor, 1082 MS Amsterdam, the Netherlands.

The Fund has two classes of participations, Class A participations and Class B participations. The sole difference between the different classes is that Class A participants pay a lower management fee, due to the fact that the Delegate waived its delegation fee that is payable out of the management fee for this Class. Only investors that are a client of the Delegate are issued Class A participations against each such participant’s individual subscription. Other participants subscribing will be issued Class B participations, unless otherwise determined by the Fund Manager in its sole discretion. As at 30 June 2019 and 31 December 2018, both Class A participations and Class B participations are in issue.

The investment objective of the Fund is to achieve long term capital growth. To achieve this, the strategy of the Fund is to invest in a diversified portfolio of investment funds (including hedge funds or other (alternative) collective investment vehicles worldwide), listed investee companies, stocks, debt instruments, futures, forward currency contracts and in commodity related instruments including, but not limited to ETF’s, ETP’s, REIT’s, index funds and structured products.

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

The Fund had no employees during the period ended 30 June 2019 and the year ended 31 December 2018.

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

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

The interim financial statements have been authorised for issue by the Fund Manager on 19 August 2019.

2. SIGNIFICANT ACCOUNTING PRINCIPLES AND POLICIES

Basis of preparation

The interim financial statements of the Fund have been prepared in accordance with reporting principles generally accepted in the Netherlands (“Dutch GAAP”) and the statutory provisions contained in Part 9, Book 2 of the Dutch Civil Code and Dutch Accounting Standard 394. The interim financial statements have also been prepared in accordance with the requirements of the Dutch Financial Supervision Act (“FSA”), which came into force on 1 January 2007.

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

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

Notes to the interim financial statements

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

Functional currency

The interim 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.

Estimates

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

Foreign exchange

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 participations

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

Basis of valuation - policies in preparing the balance sheet

Financial investments 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 calculated based on historical cost and recognised in the income statement as ‘realised gains/(losses) on investee funds’, ‘realised (losses)/gains on debt instruments’, ‘realised (losses)/gains on equities’ and ‘unrealised gains on investee funds’, ‘unrealised gains/(losses) on debt instruments’ and ‘unrealised gains on equities’.

Receivables and prepayments

The value of accounts receivable and prepayments 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 are included at fair value.

Notes to the interim financial statements

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

Cash

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

Statement of cash flows

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

For the purposes of the statement of cash flows, financial instruments at fair value through profit or loss are included under operating activities. Cash flows from financing activities include proceeds from subscriptions and payments for redemptions of participations 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.

Participants' equity

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

Principles for determining the result

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

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

Dividends from equities are included at the date when they are declared. Dividend withholding tax is presented separately on the income statement.

Income and expenses are accounted for in the income statement on the accrual basis.

Tax position

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

Notes to the interim financial statements

NOTES FOR INDIVIDUAL BALANCE SHEET ITEMS

3. Investments

Movement in schedule of investments

<i>(All amounts in EUR)</i>	1 January to 30 June 2019	For the period from 2 October 2017 (date of commencement of operations) to to 30 June 2018
Investment in investee funds		
Opening balance	28,158,231	-
Purchases	6,354,683	34,475,636
Sales	(3,893,617)	(4,359,118)
Realised	36,032	(95,622)
Unrealised	2,332,808	142,068
Distribution	(14,600)	(16,590)
As at 30 June	32,973,537	30,146,374

<i>(All amounts in EUR)</i>	1 January to 30 June 2019	For the period from 2 October 2017 (date of commencement of operations) to to 30 June 2018
Investment in debt instruments		
Opening balance	5,472,165	-
Purchases	-	8,748,685
Sales	(1,796,575)	(2,481,310)
Realised	(366,400)	51,710
Unrealised	995,127	(13,510)
As at 30 June	4,304,317	6,305,575

<i>(All amounts in EUR)</i>	1 January to 30 June 2019	For the period from 2 October 2017 (date of commencement of operations) to to 30 June 2018
Investment in equities		
Opening balance	1,416,311	-
Purchases	1,425,880	4,091,511
Sales	(792,145)	(3,594,173)
Realised	(8,471)	23,221
Unrealised	238,826	7,416
As at 30 June	2,280,401	527,975

Notes to the interim financial statements

NOTES FOR INDIVIDUAL BALANCE SHEET ITEMS (CONTINUED)

3. Investments (continued)

Movement in schedule of investments (continued)

<i>(All amounts in EUR)</i>	1 January to 30 June 2019	For the period from 2 October 2017 (date of commencement of operations to to 30 June 2018
Total investments		
Opening balance	35,046,707	-
Purchases	7,780,563	47,315,832
Sales	(6,482,337)	(10,434,601)
Realised	(338,839)	(20,691)
Unrealised	3,566,761	135,974
Distribution	(14,600)	(16,590)
As at 30 June	<u>39,558,255</u>	<u>36,979,924</u>

4. Cash

As at 30 June 2019, cash comprises of balances held with ABN AMRO Clearing Bank N.V. amounting to EUR 108,075 (31 December 2018: EUR 1,034,841) and with ABN AMRO Bank N.V. amounting to EUR 595,386 (31 December 2018: EUR Nil). As at 30 June 2019 and 31 December 2018, no restrictions in the use of these balances exist.

As at 30 June 2019, due from ABN AMRO Clearing Bank N.V. amounts to EUR 439,831 (31 December 2018: Nil). As at 30 June 2019, the Fund held no amounts (31 December 2018: EUR 650,250) due to ABN AMRO Clearing Bank N.V.

5. Accrued expenses and other payables

As at 30 June 2019 and 31 December 2018, accrued expenses and other payables consist of the following:

<i>(All amounts in EUR)</i>	30 June 2019	31 December 2018
Custody fee payable	(17,494)	(15,088)
Audit fee payable	(14,372)	(17,315)
Administration fee payable	(9,788)	(7,747)
Other payables	(4,582)	(3,912)
Management fee payable	(3,372)	(3,254)
Interest payable	-	(881)
Total accrued expenses and other payables	<u>(49,608)</u>	<u>(48,197)</u>

6. Subscriptions received in advance

Subscriptions received in advance represent the amounts received from participants for subscription to participations of the Fund for the next weekly dealing day. Participants are required to deposit the amounts with the Fund prior to the issuance of participations.

As at 30 June 2019, the subscriptions received in advance amounts to EUR 500,000. As at 31 December 2018, there were no subscriptions received in advance. On 1 July 2019, the Fund issued 4,883.5921 participations in the Class A participations to the subscribing participants.

Notes to the interim financial statements

NOTES FOR INDIVIDUAL BALANCE SHEET ITEMS (CONTINUED)

7. Share capital

Structure of the Fund's capital

The Fund is structured as an open-ended investment fund and was established in Amsterdam in August 2017. The Fund has two classes of participations, Class A participations and Class B participations. The sole difference between the different classes is that Class A participants pay a lower management fee, due to the fact that the Delegate waived its delegation fee that is payable out of the management fee for this Class. Only investors that are a client of the Delegate are issued Class A participations against each such participant's individual subscription. Other participants subscribing will be issued Class B participations, unless otherwise determined by the Fund Manager in its sole discretion. As at 30 June 2019 and 30 June 2018, both Class A participations and Class B participations are in issue.

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

<i>(All amounts in EUR)</i>	1 January to 30 June 2019	For the period from 2 October 2017 (date of commencement of operations to to 30 June 2018
<i>Contributions of participants</i>		
Balance at the beginning of the period	37,823,848	-
Issue of participations	7,202,000	43,819,101
Redemption of participations	<u>(5,646,651)</u>	<u>(5,105,174)</u>
Total contributions at the end of the period	<u>39,379,197</u>	<u>38,713,927</u>
<i>Unappropriated gain/(loss)</i>		
Balance at the beginning of the period	(2,440,600)	-
Net gain/(loss) after tax	<u>3,216,819</u>	<u>(39,619)</u>
Total undistributed gain/(loss) at the end of the period	<u>776,219</u>	<u>(39,619)</u>
Equity at the end of the period	<u>40,155,416</u>	<u>38,674,308</u>

Subscriptions and redemptions

Participants can, at the sole discretion of the Fund Manager, subscribe to the Fund on a weekly dealing day at the subscription price. The minimum initial subscription for each participant is EUR 100,000. The Class A participations and Class B participations were issued at an initial subscription price of EUR 100 per participation. The Fund's policy allows for redemptions on a weekly basis and notice of 3 business days must be provided.

The movement of the participations during the period ended 30 June 2019 was as follows:

	Participations at the beginning of the period	Participations issued	Participations redeemed	Participations at the end of the period
Class A participations	374,014.7951	71,443.1630	(57,149.3135)	388,308.6446
Class B participations	<u>4,379.1080</u>	<u>-</u>	<u>-</u>	<u>4,379.1080</u>
Total	<u>378,393.9031</u>	<u>71,443.1630</u>	<u>(57,149.3135)</u>	<u>392,687.7526</u>

Notes to the interim financial statements

NOTES FOR INDIVIDUAL BALANCE SHEET ITEMS (CONTINUED)

7. Share capital (continued)

Subscriptions and redemptions (continued)

The movement of the participations during the period ended 30 June 2018 was as follows:

	Participations at the beginning of the period	Participations issued	Participations redeemed	Participations at the end of the period
Class A participations	-	427,535.4544	(50,327.8556)	377,207.5988
Class B participations	-	9,379.1079	-	9,379.1079
Total	-	436,914.5623	(50,327.8556)	386,586.7067

Capital management

The Fund's objectives when managing capital are to safeguard the Fund's ability to continue as a going concern in order to provide returns for participants and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Fund does not intend to pay dividends. All earnings will normally be retained for investments.

NOTES FOR INDIVIDUAL INCOME STATEMENT ITEMS

8. Interest income

Interest income relates to the interest on custodian/broker balances.

9. Dividend income

Dividend income relates to dividend from equities.

10. Investment return

(All amounts in EUR)

	2019		2019	2018
Investee funds	Profit	Loss	Total	Total
Realised result	42,767	(6,735)	36,032	(95,622)
Unrealised result	2,332,808	-	2,332,808	142,068
Total result	2,375,575	(6,735)	2,368,840	46,446

(All amounts in EUR)

	2019		2019	2018
Debt instruments	Profit	Loss	Total	Total
Realised result	-	(366,400)	(366,400)	51,710
Unrealised result	995,127	-	995,127	(13,510)
Total result	995,127	(366,400)	628,727	38,200

(All amounts in EUR)

	2019		2019	2018
Equities	Profit	Loss	Total	Total
Realised result	15,569	(24,040)	(8,471)	23,221
Unrealised result	238,826	-	238,826	7,416
Total result	254,395	(24,040)	230,355	30,637

Total result	3,625,097	(397,175)	3,227,922	115,283
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Notes to the interim financial statements

NOTES FOR INDIVIDUAL INCOME STATEMENT ITEMS (CONTINUED)

11. Foreign currency (losses)/gains on translation

Realised and unrealised exchange differences consist of realised and unrealised translation gains and losses on assets and liabilities other than investment assets and liabilities. For the period ended 30 June 2019, this amounted to losses of EUR 6,361 (2018: gains of EUR 49,143). The following average and closing rates have been applied in the preparation of these interim financial statements (the equivalent of one Euro is shown):

	2019		2018	
	Average	Closing	Average	Closing
<i>(Showing the equivalent of 1 Euro)</i>				
United States Dollar	1.1295	1.1368	1.2102	1.1683

12. Costs

The Fund makes use of various parties for management, administration and custody services. The table below provides a breakdown of expenses for the periods ended 30 June 2019 and 2018.

<i>(All amounts in EUR)</i>	2019	For the period from 2 October 2017 (date of commencement of operations) to 30 June 2018
Expenses accruing to the Fund Manager		
Management fee	(19,925)	(30,934)
Other expenses		
Administration fee	(26,972)	(40,377)
Custody fee	(21,362)	(32,578)
Depositary fees	(14,500)	(22,338)
Audit fee	(8,492)	(12,041)
Legal fee	(5,492)	(1,029)
Professional fee	(5,210)	(5,023)
Legal ownership fees	(4,692)	-
Other operational costs	(2,454)	(3,703)
Interest expenses	(1,541)	(2,975)
Bank charges	(1,237)	(2,537)
Incorporation costs	-	(52,129)
Total	(111,877)	(205,664)

The basis on which various costs are charged to the Fund are disclosed in detail in the Prospectus. It is a Dutch regulatory requirement to disclose any differences between actual costs and the costs disclosed in the Prospectus. During the period ended 30 June 2019, all costs actually charged to the Fund were in accordance with the costs disclosed in the Prospectus. During the period, the Fund also incurred costs such as other operational costs of EUR 2,454 (2018: EUR 3,703), interest expense of EUR 1,541 (2018: EUR 2,975), bank charges of EUR 1,237 (2018: EUR 2,537) and legal fees of EUR 10,185 (2018: EUR 1,029) which are not detailed in the Prospectus.

Notes to the interim financial statements

13. 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 equal to:

- (i) Class A participations: 10 basis points (0.10%) of the participants' equity.
- (ii) Class B participations: 110 basis points (1.10%) of the participants' equity.

The management fee is calculated on the last calendar day of each month, payable monthly in arrears out of the Fund's assets. The Fund Manager pays a delegation fee to the Delegate for the Class B participations. Details of management fees charged for the period are disclosed in the income statement.

Administrator

The Fund has entered into an administration agreement with the Administrator. The Administrator charges an annual fee, to be calculated and paid monthly in arrears on the basis of the participants' equity of the Fund before deduction of the management fee, and with a minimum of EUR 50,000 per annum. This annual fee is based on the following sliding scale:

- | | |
|--|-----------------|
| ▪ Part up to EUR 100 million | 10 basis points |
| ▪ Part between EUR 100 million and EUR 200 million | 8 basis points |
| ▪ Part above EUR 200 million | 6 basis points |

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

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 equal to 0.014% of the net asset values of the Fund (based on the average of the net asset values of the Fund at the end of each calendar quarter) with a minimum of EUR 24,000, payable quarterly in advance for depository services provided to the Fund. Details of depository fees charged for the period are disclosed in the income statement.

Independent Auditor

The Fund appointed Ernst & Young Accountants LLP as the Independent Auditor for the audit of the annual financial statements. The Independent Auditor does not provide any non-audit services or other audit services to the Fund.

Legal Owner

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%.

Notes to the interim financial statements

14. 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 maintains an investment in the Multi Strategy Alternatives Fund, a fund also being managed by the Fund Manager. Box Consultants B.V. has also been appointed as Delegate of the Fund. The Fund invested in Class C participations of the Multi Strategy Alternatives Fund and no management fee is applicable.

The Delegate is considered a related party. As at 30 June 2019, employees of the Delegate held 1,024.4432 Class A participations in the Fund.

The Fund Manager is also considered a related party. The following transactions occurred between the Fund and the Fund Manager during the reporting periods.

Transactions from 1 January 2019 – 30 June 2019 and balances as at 30 June 2019

	Paid	Balance
	EUR	EUR
Management fee	(19,807)	(3,372)

Transactions from 2 October 2017 – 30 June 2018 and balances as at 31 December 2018

	Paid	Balance
	EUR	EUR
Management fee	(27,173)	(3,254)

15. FINANCIAL INVESTMENTS AND ASSOCIATED RISKS

The investment objective of the Fund is to achieve long term capital growth. To achieve this, the strategy of the Fund is to invest in a diversified portfolio of investment funds (including hedge funds or other (alternative) collective investment vehicles worldwide), listed investee companies, stocks, debt instruments, futures, forward currency contracts and in commodity related instruments including, but not limited to ETF's, ETP's, REIT's, index funds and structured products.

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 will 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.

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. As at 30 June 2019, interest rate risk arises on most of the Fund's investments in fixed income.

Notes to the interim financial statements

15. FINANCIAL INVESTMENTS AND ASSOCIATED RISKS (CONTINUED)

Market risk (continued)

Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Currency risk exposure arises from the Fund investing in financial instruments and entering into transactions which are denominated in currencies other than its functional currency. The Fund's exposure to foreign exchange movements as at 30 June 2019 and 31 December 2018 is as follows:

	30 June 2019		31 December 2018	
	Fair value EUR	% of participants' equity	Fair value EUR	% of participants' equity
Currency				
United States Dollar	10,286,888	25.6	9,258,810	26.2

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 other receivables. The carrying values of financial assets (excluding any investment in equities and investee funds) best represent the maximum credit risk exposure as at the reporting date and amounts to EUR 5,447,609 (31 December 2018: EUR 6,507,153).

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 weekly creation and cancellation of participants and it is therefore exposed to the liquidity risk of meeting participants' redemptions. The Fund's policy allows for redemptions on a weekly basis and notice of 3 business days must be provided.

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.

Notes to the interim financial statements

16. PARTICIPANTS' EQUITY AS ISSUED

The following schedule shows the reconciliation between the participants' equity in accordance with the Prospectus and the participants' 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.

To determine the participants' equity in accordance with Dutch GAAP the following schedule is presented as at 30 June 2019 and 31 December 2018.

	30 June 2019	31 December 2018
	EUR	EUR
Participants' equity attributable to holders of participations in accordance with the Prospectus	40,189,350	35,422,295
Adjustments		
Unamortised incorporation costs	(33,934)	(39,047)
Adjusted participants' equity attributable to holders of participations in accordance with Dutch GAAP	40,155,416	35,383,248
Number of participations		
Class A participations	388,308.64	374,014.80
Class B participations	4,379.11	4,379.11
Participants' equity per participation in accordance with the Prospectus		
Class A participations	102.38	93.64
Class B participations	98.85	90.86
Participants' equity per participation in accordance with Dutch GAAP		
Class A participations	102.30	93.54
Class B participations	98.77	90.76

17. PROVISION OF INFORMATION

The interim financial statements 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.

18. EVENTS AFTER THE BALANCE SHEET DATE

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

19. DATE OF AUTHORISATION

The interim financial statements have been authorised for issue by the Fund Manager in Amsterdam on 19 August 2019.