

# Still Equity Fund

The Netherlands

ANNUAL REPORT

**for the year ended 31 December 2019**

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## General information

Registered Office	Gustav Mahlerplein 3 Symphony Offices, 26 <sup>th</sup> Floor 1082 MS Amsterdam The Netherlands
Fund Manager	Privium Fund Management B.V. Gustav Mahlerplein 3 Symphony Offices, 26 <sup>th</sup> Floor 1082 MS Amsterdam The Netherlands
Delegate/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 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 N.V. Gustav Mahlerlaan 10 1082 PP Amsterdam 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

## General information *(continued)*

Legal Advisor

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

Fiscal Advisor

STP Tax Lawyers  
Claude Debussylaan 42  
1082 MD Amsterdam  
The Netherlands

## Historical overview

### Key figures

	2019	2018	2017
<i>(All amounts in EUR)</i>			
Equity at the beginning of the year	6,017,908	7,552,903	10,383,185
Issue of participations	3,910,000	112,000	133,312
Direct investment result	142,439	158,784	190,666
Indirect investment result	1,111,750	(1,510,595)	287,980
	<u>11,182,097</u>	<u>6,313,092</u>	<u>10,995,143</u>
Redemption of participations	(2,062,296)	(91,613)	(3,216,358)
Expenses	(208,354)	(203,571)	(225,882)
<b>Equity at the end of the year</b>	<b><u>8,911,447</u></b>	<b><u>6,017,908</u></b>	<b><u>7,552,903</u></b>
Investments	7,939,158	4,985,398	7,187,996
Cash	6,973,924	2,544,543	381,118
Other assets and liabilities	(6,001,635)	(1,512,033)	(16,211)
<b>Equity at the end of the year</b>	<b><u>8,911,447</u></b>	<b><u>6,017,908</u></b>	<b><u>7,552,903</u></b>
<b>Net profit</b>			
Investment income	142,439	158,784	190,666
Indirect investment result	1,111,750	(1,510,595)	287,980
Expenses	(208,354)	(203,571)	(225,882)
<b>Net profit</b>	<b><u>1,045,835</u></b>	<b><u>(1,555,382)</u></b>	<b><u>252,764</u></b>
Number of units	99,563.23	76,789.50	76,562.77
Unitholders' equity per unit in accordance with Dutch GAAP <sup>1</sup>	89.52	78.37	98.65
Unitholders' equity per unit in accordance with Prospectus <sup>1</sup>	89.52	78.47	98.84
Performance	14.07%	(20.56%)	2.44%

<sup>1</sup> 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.

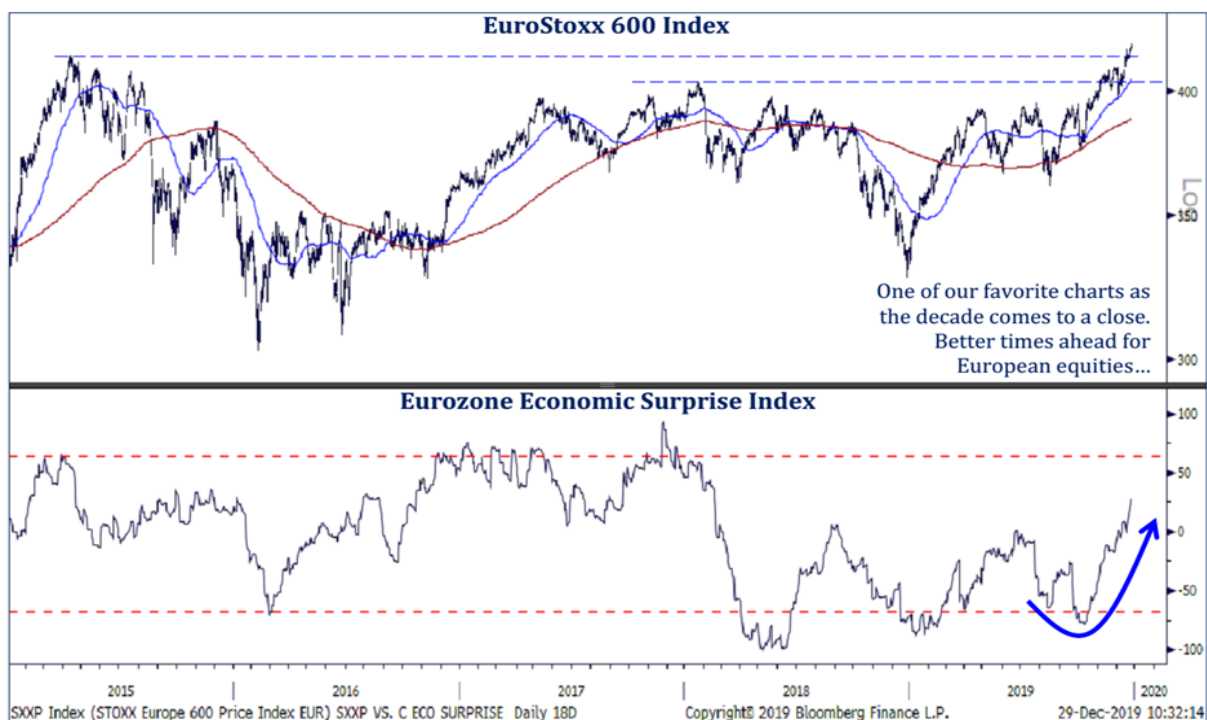
## Management Report

### Market review 2019

The Still Equity Fund gained +14.1%. The benchmark, MSCI Europe total return Index, gained +26.4% in 2019. The annualized return for the Fund since inception is -2.30% and +3.76% for the benchmark.

The primary objective of the Fund is to outperform the benchmark on a rolling five-year basis. However, the positioning and the exposures of the Still Equity Fund will be different than the positioning and the exposures of the benchmark. It is expected that the fund will be more concentrated than the benchmark. Here the Fund will have a clear value investment approach, while the benchmark doesn't have a specific investment approach. This may lead to large performance dispersions.

The contrast between market conditions at the end of 2019 and those precisely one year ago could not be starker. Investors were retreating into defensive havens following the sharp market downturn in Q4 2018. The consensus adopted the view of an imminent recession generated by too tight monetary policy, Chinese and European economic growth grinding to a halt, and the drags of uncertainty generated by policy mistakes in the handling of Brexit negotiations and US trade policy. One year later, the Federal Reserve and the ECB have stated to expand their balance sheets again and have clearly signaled a new easing bias. There are early signs of a stabilization and pick up in global growth. US trade negotiations with China and the Brexit stalemate have found temporary solutions that have avoided the worst-case scenarios that investors feared. What now? Expensive markets making new highs on no earnings growth, US trade policy likely to remain unpredictable and the normal uncertainties still to come as the US election contest heats up. Is it not time for the prudent investor to adopt a defensive position? The reason for our continued positive investment outlook is captured in the graph below.

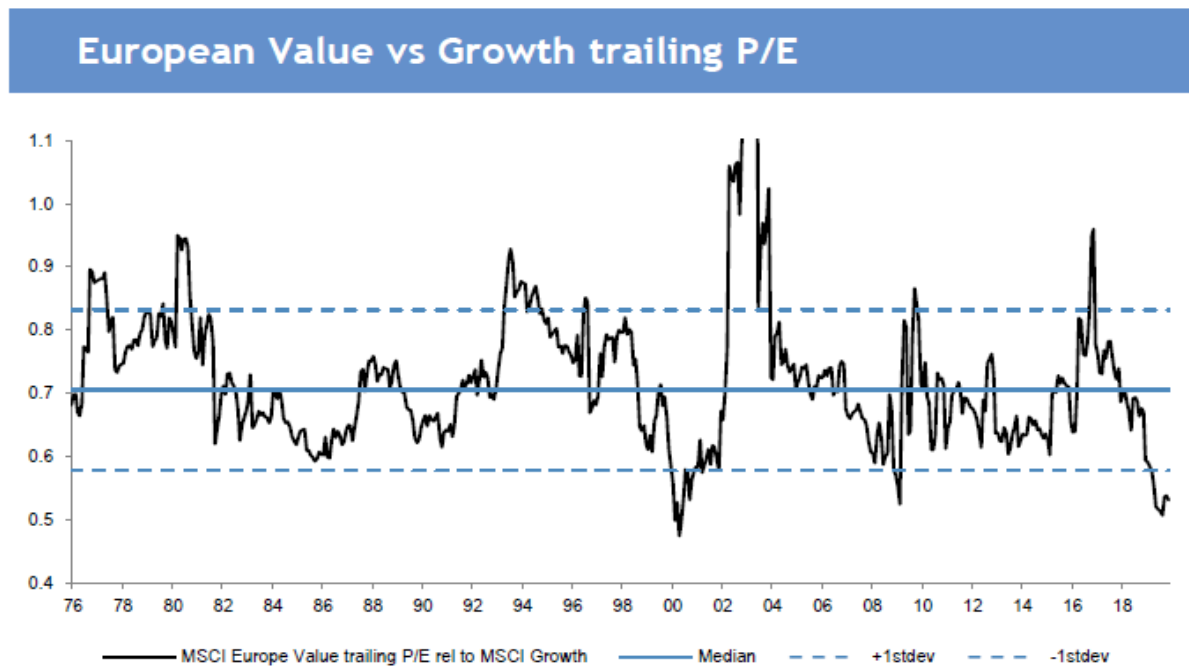


The broadest European equity index has only in the last couple of weeks in 2019 managed to breakout from levels reached back in April 2015. This is hugely significant as the 2015 top was also the level at which previous advances in 2000 and 2007 faltered. In fact, the beginning of 2020 has finally witnessed the breakthrough of levels that were first touched 20 years ago. The many reasons for this 'loss' of two decades of investing is a subject for another time. However, what is clear is that the main reason since 2007, has been the huge popularity of growth investing and the diminished importance placed on valuation in determining future returns.

## Management Report *(continued)*

### Market review 2019 *(continued)*

We believe this trend is gradually reversing, and that the outlook for value equities over the medium term looks promising. Despite some improvement in the equity performance of many value equities since September of 2019, the valuation gap that has expanded over the last years is still unreasonably large as evidenced in the following chart.



Source: Datastream

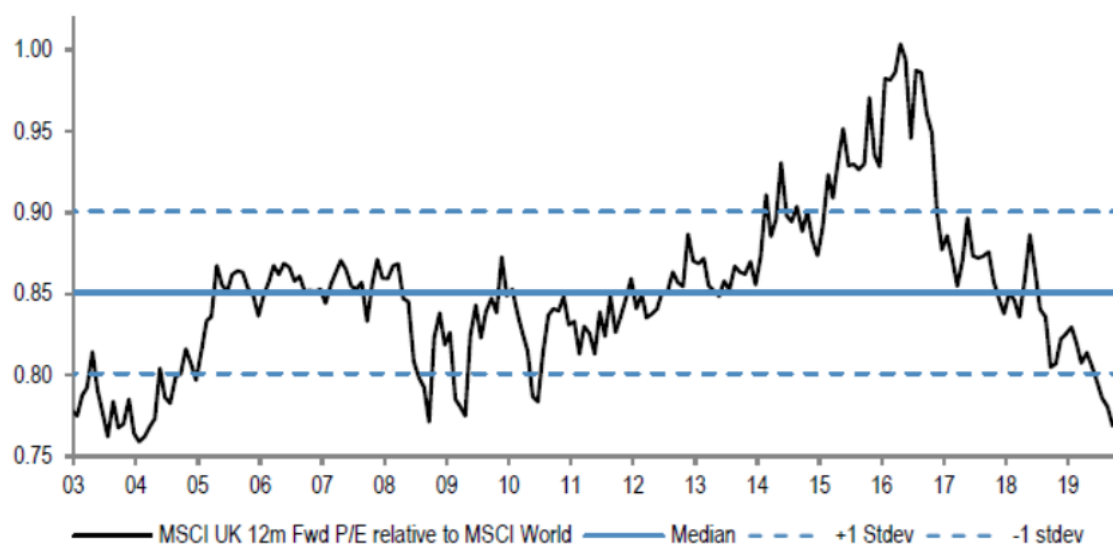
The valuations assigned to the European Value universe remain at extreme levels of cheapness not seen since the hype of the 2000 internet bubble.

In this context, our activity during the year has been to take advantage of the unpopularity of European value stocks and build a portfolio of good quality and high attractively valued smaller companies. Brexit uncertainty has placed an additional drag on the performance of UK stocks. It is no coincidence that the portfolio built up its exposure to both UK and Irish companies at a time when investors were discounting worst case scenarios for the outcome of Brexit negotiations. The chart overleaf shows the degree to which equity valuations in the UK have been compressed.

## Management Report *(continued)*

### Market review 2019 *(continued)*

#### MSCI UK 12m Fwd PE relative to MSCI World



Source: IBES

While the Still Equity Fund outperformed the benchmark during the final four months of the year, as value stocks began to recover from an extended period of underperformance, it was not enough to recover a more difficult performance period during the earlier part of the year. The Fund's +14.1% returns was in line with the MSCI Europe Value return of +14.4% but lagged the overall European index return of +26.4% which was buoyed by the exceptional return of growth stocks during 2019. The valuation of the portfolio remains at a significant discount to the market.

#### Outlook 2020

At the time of writing this report global financial markets have been under severe pressure caused by the concerns of the effects of the corona virus ("COVID-19") outbreak. Some recovery has occurred, but the outlook remains uncertain.

COVID-19 will certainly have a large impact on the general economy and the supply chains of global commercial players across major industries such as electronics, car manufacturing, and consumer goods. Likely we will face a global recession and unemployment will be rising. There is clear uncertainty about the extent of this economic downturn. As such, there might be a further downward pressure on prices of various asset classes. Governments and central banks have already intervened on a large scale and have announced large fiscal and monetary stimulus packages. It is expected that they will continue to do so.

Based on current available information there are no continuity issues for the Fund.



## Management Report (*continued*)

### 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 fund or Privium Fund Management B.V.

### Remuneration policy 2019

This policy is based on the situation as of December 31, 2019. The financial year of the Fund Manager ends on December 31 of any year. For some of the funds the compensation consists of both a management and a performance fee. In 2019 the aggregate costs for staff totaled EUR 9,844,027. The table below offers an overview of the remuneration at the level of Privium Fund Management B.V. Information per fund is not available. 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	33	35
Total fixed remuneration	€ 161,214	€ 5,323,500	€ 5,484,714
Total variable remuneration	€ 20,000	€ 4,339,313	€ 4,359,313
<b>Total remuneration</b>	<b>€ 181,214</b>	<b>€ 9,662,813</b>	<b>€ 9,844,027</b>

Privium Fund Management B.V. has delegated certain portfolio management duties of some of its funds to outside investment advisers (‘delegates’). Remuneration of identified staff of delegates is not included in the table. The delegates are subject to regulatory requirements on remuneration policies and disclosures that are comparable with the requirements applicable to Privium Fund Management B.V. Reference to the remuneration of the delegates is included in the Prospectus and annual report of the funds concerned.

Variable payments to both identified staff members in senior management roles and identified staff outside senior management depend on the profitability of the company, the performance of the funds, extraordinary commitment to the firm, customer satisfaction, work according best practice ethical standards, and/or other performance/non-performance related criteria. In 2019 no variable payments regarding the Still Equity Fund have been paid to any Identified Staff of Privium. Privium Fund Management B.V., the Fund Manager of the various funds, does not charge any employee remuneration fees to the funds, except for the Supermarkt Vastgoed fund.

Employee remuneration is paid out of the management and performance fees (if applicable). In total 35 staff members were involved during (some part of) the year, including consultants and including both part-time and full time staff. One of the staff members, active in portfolio management, has earned more than EUR 1,000,000 in relation to the performance results during the year 2019.

## Management Report *(continued)*

### Risk management and willingness to take risks

There have been no risk breaches during the year 2019. The risk profile of the Fund hasn't changed during the reporting period. Neither did the investment objective (s) or any of the investment restrictions of the Fund changed during the reporting period.

Reference to the investment objective(s), risk profile and the investment restrictions of the Fund is made in the Prospectus of the Fund and the Key Investor Information Document.

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

Sorts of risks	Risk hedged	Measures applied and expected effectiveness	Impact on 2019 NAV	Expected impact on 2020 NAV if risk materializes	Adjustments made or expected adjustments to risk management in 2019 or 2020
Price/Market Risk	No	The fund's portfolio consists of a number of listed equity positions (long-only). Cash may also be used. 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.	The Fund gained +14.07% in 2019. The Fund underperformed its benchmark (MSCI Europe total return index) in 2019. This benchmark gained +26.38% in 2019.	Investments are being selected on having attractive valuations but largely this will also depend on general market circumstances.	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.	As of December 31, 2019 over 60% of the investments were denominated in EUR. This includes cash as well.	This will largely depend on FX movements.	No
Liquidity risk	No	Liquidity risk mostly has been mitigated by investing in positions that offer sufficient liquidity.	None	We would not expect a negative NAV impact if this risk would materialize.	No
Credit risk	No	Spare cash is maintained at ABN AMRO. ABN AMRO has an A credit rating (S&P credit rating) and we would reconsider the position 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
Leverage Risk	No	The Fund is not using leverage (no implied leverage and no actual borrowings). Nevertheless as of December 31, 2019 the leverage calculations according to the Gross method and Commitment method are as follows: Gross method: 92.16% and Commitment method: 100%.	None	None	No

### Control statement

The Board of Privium Fund Management B.V. declares to have an AO/IB (Handbook) that meets the requirements of the "Wet op het financieel toezicht and the 'Besluit gedragtoezicht financiële ondernemingen ('Bgfo')". During 2019 we assessed the various aspects of the Privium operations as outlined in the AO/IB (Handbook). 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 2019 functioned effectively as described. During 2019 a number of independent service providers have conducted checks on Privium's operations as part of their ongoing responsibility and investor demand. No errors have been signalled.

Privium is updating its AO/IC (Handbook) on a regular basis as required by law. The 2019 update was completed in June 2019. During the fourth quarter of 2019 the external audit officer performed its annual due diligence on a number of internal procedures at the Fund Manager. These are mostly related to Compliance and Risk Management. The external audit officer has reported his findings to the Fund Manager in a report. No meaningful errors have been signalled.

## Financial statements

### BALANCE SHEET

(As at 31 December)

	<i>Note(s)</i>	<b>December 2019 EUR</b>	<b>December 2018 EUR</b>
<b>Assets</b>			
<b>Investments</b>			
Equities		7,939,158	4,985,398
	3	<u>7,939,158</u>	<u>4,985,398</u>
<b>Current assets (fall due in less than 1 year)</b>			
Cash	4	6,973,924	2,544,543
Withholding tax reclaimable		24,890	28,775
Interest receivable		39	35
Net dividend receivable		-	145
		<u>6,998,853</u>	<u>2,573,498</u>
<b>Total assets</b>		<u>14,938,011</u>	<u>7,558,896</u>
<b>Current liabilities (fall due in less than 1 year)</b>			
Subscriptions received in advance	6	(5,986,100)	(1,500,000)
Accrued expenses and other payables	5	(40,464)	(40,988)
		<u>(6,026,564)</u>	<u>(1,540,988)</u>
<b>Total liabilities</b>		<u>(6,026,564)</u>	<u>(1,540,988)</u>
<b>Total assets minus total liabilities</b>		<u>8,911,447</u>	<u>6,017,908</u>
<b>Unitholders' equity</b>			
Contribution of unitholders		9,629,198	7,781,494
Unappropriated loss		(717,751)	(1,763,586)
<b>Total unitholder's equity</b>	7, 15	<u>8,911,447</u>	<u>6,017,908</u>

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

## Financial statements

### INCOME STATEMENT (For the years ended 31 December)

	<i>Note(s)</i>	<b>2019</b>	<b>2018</b>
		<b>EUR</b>	<b>EUR</b>
<b>Investment result</b>			
<i>Direct investment result</i>			
Dividend income	8	141,155	158,562
Other income		750	-
Interest income		534	222
		<u><b>142,439</b></u>	<u><b>158,784</b></u>
<i>Indirect investment result</i>			
Realised (losses)/gains on equities	3, 10	(1,146,664)	197,316
Unrealised gains/(losses) on equities	3, 10	2,258,184	(1,711,838)
Foreign currency gains on translation	9	230	3,927
		<u><b>1,111,750</b></u>	<u><b>(1,510,595)</b></u>
<b>Total investment income/(loss)</b>		<u><b>1,254,189</b></u>	<u><b>(1,351,811)</b></u>
<b>Expenses</b>			
Management fee	11, 12	(105,617)	(87,624)
Administration fee	11, 12	(23,000)	(23,000)
Depositary fee	12	(19,965)	(19,965)
Audit fee	12	(14,399)	(13,734)
Interest expense		(12,870)	(6,016)
FATCA fees	12	(6,000)	(6,000)
Custody fee	12	(6,000)	(4,751)
Legal owner fee		(5,431)	(2,284)
Bank charges		(3,581)	(4,734)
Tax preparation fee		(3,530)	(3,530)
Legal fee		(1,188)	(16,854)
Other operational costs		(803)	(930)
Regulator fee		(232)	(800)
<b>Total expenses</b>		<u><b>(202,616)</b></u>	<u><b>(190,222)</b></u>
<b>Net profit/(loss) for the year before tax</b>		<b>1,051,573</b>	<b>(1,542,033)</b>
Withholding tax		(5,738)	(13,349)
<b>Net profit/(loss) for the year after tax</b>		<u><b>1,045,835</b></u>	<u><b>(1,555,382)</b></u>

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

## Financial statements

### STATEMENT OF CASH FLOWS (For the years ended 31 December)

	<i>Note(s)</i>	<b>2019</b>	<b>2018</b>
		<b>EUR</b>	<b>EUR</b>
<b>Cash flows from operating activities</b>			
Net payments from investments		(4,258,757)	(4,134,238)
Net receipts from investments		2,416,517	4,822,314
Interest received		530	189
Interest paid		(13,093)	(5,681)
Dividend received		141,300	164,923
Management fee paid		(102,122)	(89,232)
Administration fee paid		(23,000)	(23,000)
Custody fee paid		(5,588)	(4,242)
Tax preparation fee paid		(3,025)	(3,530)
Audit fee paid		(12,826)	(13,371)
Redemption fee received		750	-
Bank charges paid		(3,581)	(4,734)
Depository fee paid		(19,965)	(19,965)
Withholding tax paid		(1,853)	(20,254)
Other general expenses paid		(19,940)	(26,065)
<b>Net cash flows (used in)/provided by operating activities</b>		<b><u>(1,904,653)</u></b>	<b><u>643,114</u></b>
<b>Cash flows from financing activities</b>			
Proceeds from sales of units		8,396,100	1,607,997
Payments on redemptions of units		(2,062,296)	(91,613)
<b>Net cash flows provided by financing activities</b>		<b><u>6,333,804</u></b>	<b><u>1,516,384</u></b>
<b>Net increase in cash</b>		<b>4,429,151</b>	<b>2,159,498</b>
Cash at the beginning of year		2,544,543	381,118
Foreign currency gains on translation of cash positions		230	3,927
<b>Cash at the end of the year</b>	<i>4</i>	<b><u><u>6,973,924</u></u></b>	<b><u><u>2,544,543</u></u></b>
<b>Analysis of cash</b>			
Cash at banks		293,207	-
Due from broker		6,680,717	2,544,543
<b>Total cash</b>	<i>4</i>	<b><u><u>6,973,924</u></u></b>	<b><u><u>2,544,543</u></u></b>

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

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## 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. The most recent Prospectus of the Fund was issued in March 2018.

As at 31 December 2019 and 2018, the Fund was offering one class of units. The units of the Fund are not listed on any stock exchange. As of 1 January 2020, the Fund can offer two classes of units.

The investment objective of the Fund is to outperform the MSCI Europe index on a rolling five year basis.

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”). Certain Portfolio Manager responsibilities have been delegated to Mpartners B.V. (the “Delegate” and “Investment Advisor”).

The Fund had no employees during the years ended 31 December 2019 and 2018.

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 22 June 2020.

### 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. The financial statements have also been prepared in accordance with the requirements of the Dutch Financial Supervision Act (“FSA”).

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.

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## 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 calculated based on historical cost and recognised in the income statement as 'realised (losses)/gains on equities' and 'unrealised gains/(losses) on equities'.

#### *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**

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 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.

## Notes to the financial statements

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

#### 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.

#### 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 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. Dividend withholding tax is presented gross in the income statement.

Interest income and expense 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.

### NOTES FOR INDIVIDUAL BALANCE SHEET ITEMS

#### 3. Investments

##### Movement in schedule of investments:

(All amounts in EUR)

	31 December 2019	31 December 2018
<b>Investment in equities</b>		
As at 01 January	4,985,398	7,187,996
Purchases	4,258,757	4,134,238
Sales	(2,416,517)	(4,822,314)
Realised (loss)/gain	(1,101,017)	361,337
Realised loss on foreign exchange	(45,647)	(164,021)
Unrealised gain/(loss)	2,044,578	(1,938,737)
Unrealised gain on foreign exchange difference	213,606	226,899
<b>As at 31 December</b>	<b><u>7,939,158</u></b>	<b><u>4,985,398</u></b>

#### 4. Cash

As at 31 December 2019, cash comprises of amounts due from ABN AMRO Bank N.V. of EUR 293,207 (2018: EUR Nil) and ABN AMRO Clearing Bank N.V. of EUR 6,680,717 (2018: EUR 2,544,543). As at 31 December 2019 and 31 December 2018, there were no amounts due to ABN AMRO Clearing Bank N.V.



## Notes to the financial statements

### NOTES FOR INDIVIDUAL BALANCE SHEET ITEMS (CONTINUED)

#### 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>	<b>31 December 2019</b>	<b>31 December 2018</b>
Audit fee payable	(12,826)	(11,253)
Management fee payable	(9,779)	(6,284)
Administration fee payable	(8,000)	(8,000)
Custody fee payable	(5,201)	(4,789)
Tax preparation fee payable	(3,530)	(3,025)
Regulator fee payable	(516)	(800)
Interest payable	(442)	(665)
Other payables	(170)	(172)
FATCA fees payable	-	(6,000)
<b>Total accrued expenses and other payables</b>	<b><u>(40,464)</u></b>	<b><u>(40,988)</u></b>

#### 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 2019, the subscriptions received in advance amount to EUR 5,986,100 (2018: EUR 1,500,000). On 2 January 2020, the Fund issued 66,867.1016 units to the subscribing unitholders.

#### 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.

## Notes to the financial statements

### NOTES FOR INDIVIDUAL BALANCE SHEET ITEMS (CONTINUED)

#### 7. Share capital (continued)

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

(All amounts in EUR)

	2019	2018
<i>Contributions of unitholders</i>		
Balance at the beginning of the year	7,781,494	7,761,107
Issue of units	3,910,000	112,000
Redemption of units	<u>(2,062,296)</u>	<u>(91,613)</u>
<b>Total contributions at the end of the year</b>	<b><u>9,629,198</u></b>	<b><u>7,781,494</u></b>
<i>Unappropriated loss</i>		
Balance at the beginning of the year	(1,763,586)	(208,204)
Net profit/(loss) for the year after tax	<u>1,045,835</u>	<u>(1,555,382)</u>
<b>Total undistributed loss at the end of the year</b>	<b><u>(717,751)</u></b>	<b><u>(1,763,586)</u></b>
<b>Equity at the end of the year</b>	<b><u>8,911,447</u></b>	<b><u>6,017,908</u></b>

#### *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 2019 was as follows:

	Units at the beginning of the year	Units issued	Units redeemed	Units at the end of the year
Units	<u>76,789.50</u>	<u>46,830.77</u>	<u>(24,057.04)</u>	<u>99,563.23</u>
<b>Total</b>	<b><u>76,789.50</u></b>	<b><u>46,830.77</u></b>	<b><u>(24,057.04)</u></b>	<b><u>99,563.23</u></b>

## 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 year ended 31 December 2018 was as follows:

	Units at the beginning of the year	Units issued	Units redeemed	Units at the end of the year
Units	76,562.77	1,191.73	(965.00)	76,789.50
<b>Total</b>	<b>76,562.77</b>	<b>1,191.73</b>	<b>(965.00)</b>	<b>76,789.50</b>

##### 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 ("fiscale beleggingsinstelling") or if there are no sufficient suitable investment opportunities to achieve the investment objective of the Fund. Distribution of the Fund will be made in the form of units. For the years ended 31 December 2019 and 2018, no distributions were made.

### 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 gains/(losses) on assets and liabilities other than financial assets and liabilities. For the year ended 31 December 2019, this amounted to gains of EUR 230 (2018: gains of EUR 3,927). The following average and closing rates have been applied in the preparation of these financial statements (the equivalent of one Euro is shown):

	2019		2018	
	Average	Closing	Average	Closing
<i>Showing the equivalent of 1 Euro</i>				
Danish Krone	7.4690	7.4683	7.4550	7.4683
Great Britain Pound	0.8779	0.8458	0.8848	0.8987
Swiss Franc	1.1132	1.0855	1.1549	1.1275
United States Dollar	1.1201	1.1215	1.1809	1.1469

#### 10. Investment return

	2019		2019	2018
	Profit	Loss	Total	Total
<i>(All amounts in EUR)</i>				
<b>Equities</b>				
Realised result	94,376	(1,241,040)	(1,146,664)	197,316
Unrealised result	2,724,778	(466,594)	2,258,184	(1,711,838)
<b>Total result</b>	<b>2,819,154</b>	<b>(1,707,634)</b>	<b>1,111,520</b>	<b>(1,514,522)</b>

## 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>	<b>2019</b>	<b>2018</b>
<b>Expenses accruing to Fund Manager</b>		
Management fee	(105,617)	(87,624)
<b>Other expenses</b>		
Administration fee	(23,000)	(23,000)
Depositary fees	(19,965)	(19,965)
Audit fee	(14,399)	(13,734)
Interest expense	(12,870)	(6,016)
FATCA fee	(6,000)	(6,000)
Custody fee	(6,000)	(4,751)
Legal owner fee	(5,431)	(2,284)
Bank charges	(3,581)	(4,734)
Tax preparation fee	(3,530)	(3,530)
Legal fee	(1,188)	(16,854)
Other operational costs	(803)	(930)
Regulator fee	(232)	(800)
<b>Total</b>	<b>(202,616)</b>	<b>(190,222)</b>

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 2019, all costs actually charged to the Fund were in accordance with the costs disclosed in the Prospectus. During the year ended 31 December 2018, the Fund also incurred costs such as interest expense of EUR 12,870 (2018: EUR 6,016) and bank charges of EUR 3,581 (2018: EUR 4,734) 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 2019 and 2018, the ongoing charges ratio for the Fund is as follows:

	<b>2019</b>	<b>2018</b>
Ongoing charges ratio	<b>2.28%</b>	<b>2.61%</b>

#### Turnover factor

For the year ended 31 December 2019, the turnover factor for the Fund is 8.46% (2018: 65.57%). 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.

## 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 years are disclosed in the income statement. The Fund Manager has entered into a delegation agreement with MPartners. Certain portfolio management responsibilities have been delegated to MPartners. A certain part of the management fee is paid to MPartners for their work.

#### Administrator

The Fund has entered into an administration agreement with Apex 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 18,000 per annum. 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 5,000 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 years 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 16,500 (excluding VAT), payable quarterly in advance, for depository services provided to the Fund. Details of depository fees charged for the years 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 13,596 audit fee (2018: EUR 13,734) for the audit of the 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%. The remuneration is capped at EUR 6,500.

## Notes to the financial statements

### 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 and the Delegate/Investment Advisor is considered a related party.

As of the dealing date January 1, 2020, employees of the Delegate held 50 Class B Units in the Fund.

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

*Transactions from 1 January 2019 - 31 December 2019 and balances as at 31 December 2019*

	<b>Paid</b>	<b>Balance</b>
	<b>EUR</b>	<b>EUR</b>
Management fee	102,122	9,779

*Transactions from 1 January 2018 - 31 December 2018 and balances as at 31 December 2018*

	<b>Paid</b>	<b>Balance</b>
	<b>EUR</b>	<b>EUR</b>
Management fee	89,232	6,284

### 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'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 2019 and 2018, price risk arises on the Fund's investment in equities.

## Notes to the financial statements

### 14. FINANCIAL INVESTMENTS AND ASSOCIATED RISKS (CONTINUED)

#### Market risk (continued)

##### Market price risk (continued)

The Fund's diversification of financial assets at fair value through profit or loss represented per significant industry sector as at 31 December 2019 and 2018 is as follows:

Sector	2019 EUR	% of unitholders' equity	2018 EUR	% of unitholders' equity
Consumer, Cyclical	3,032,568	34.0	1,512,454	25.1
Industrial	2,762,460	31.0	1,014,279	16.9
Consumer, Non-Cyclical	1,083,360	12.2	1,257,208	20.9
Financial	1,060,770	11.9	-	-
Communications	-	-	411,138	6.8
Energy	-	-	346,755	5.8
Funds*	-	-	255,764	4.2
Other sectors	-	-	187,800	3.1
	<b>7,939,158</b>	<b>89.1</b>	<b>4,985,398</b>	<b>82.8</b>

\*Relates to exchange traded funds.

The table below details the sensitivity of the Fund's investments to a reasonable possible increase of 5% as at 31 December 2019 and 2018:

Sector	2019		2018	
	Amount in EUR	% of unitholders' equity	Amount in EUR	% of unitholders' equity
Consumer, Cyclical	151,628	1.7	75,623	1.3
Industrial	138,123	1.5	50,714	0.8
Consumer, Non-Cyclical	54,168	0.6	62,860	1.0
Financial	53,039	0.6	-	-
Communications	-	-	20,557	0.3
Energy	-	-	17,338	0.3
Funds*	-	-	12,788	0.2

\*Relates to exchange traded funds.

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

## Notes to the financial statements

### 14. FINANCIAL INVESTMENTS AND ASSOCIATED RISKS (CONTINUED)

#### Market risk (continued)

##### Currency risk

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

	2019		2018	
	Fair value EUR	% of unitholders' equity	Fair value EUR	% of unitholders' equity
<b>Currency</b>				
Danish Krone	6,800	0.1	6,878	0.1
Great British Pound	3,007,189	33.7	1,525,227	25.3
Swiss Franc	518,412	5.8	811,700	13.5
United States Dollar	2,062	0.0	160,078	2.7

##### 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 equity instruments) best represent the maximum credit risk exposure at the reporting dates and amount to EUR 6,998,853 (2018: EUR 2,573,498).

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' (2018: '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.

##### 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.



## Notes to the financial statements

### 15. UNITHOLDERS' EQUITY AS ISSUED

The following schedule shows the reconciliation between the unitholders' equity as at 31 December 2019 and 2018 in accordance with the Prospectus and the unitholders' equity as at 31 December 2019 and 2018 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 2019 EUR	31 December 2018 EUR
<b>Unitholders' equity attributable to holders of units in accordance with the Prospectus</b>	8,913,134	6,026,345
<b>Adjustments</b>		
Unamortised incorporation costs	(1,687)	(8,437)
<b>Adjusted unitholders' equity attributable to holders of units in accordance with Dutch GAAP</b>	<b>8,911,447</b>	<b>6,017,908</b>
Number of units	99,563.23	76,789.50
Unitholders' equity per unit in accordance with the Prospectus	<b>89.52</b>	<b>78.47</b>
<b>Adjusted unitholders' equity per unit in accordance with Dutch GAAP</b>	<b>89.52</b>	<b>78.37</b>

### 16. EVENTS AFTER THE BALANCE SHEET DATE

#### New Share Class

As of 1 January 2020, the Fund shall have two (2) classes of Units: (i) Class A Units and (ii) Class B Units. All Classes provide exposure to the same Investment Policy. The sole difference between the different Classes is that the Delegate shall waive its right to receive delegation fee payable out of the Management Fee with respect to the Class B Units and that, as a result thereof, Class B Unit Holders shall pay a lower Management Fee. There are no specific legal or economic links between the Fund or the Fund Manager on the one hand, and Unit Holders subscribing for any particular Class on the other hand. The Class B Unit Holders at any time wishing to increase their subscriptions, shall be issued Class B Units.

#### Shareholdings by the Delegate

As per the dealing date 1 January 2020, employees of the Delegate held 50 Class B Units in the Fund.

#### COVID 19

At the time of writing this report, global financial markets have been under severe pressure caused by the concerns of the effects of the corona virus ("COVID-19") outbreak. Some recovery has occurred, but the outlook remains uncertain. COVID-19 will certainly have a large impact on the general economy and the supply chains of global commercial players across major industries such as electronics, car manufacturing, and consumer goods. Likely we will face a global recession and unemployment will be rising. There is clear uncertainty about the extent of this economic downturn. As such, there might be a further downward pressure on prices of various asset classes. Governments and central banks have already intervened on a large scale and have announced large fiscal and monetary stimulus packages. It is expected that they will continue to do so. Based on current available information there are no continuity issues for the Fund.

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

## Investment portfolio as at 31 December 2019

Equities	Currency	Fair Value	
		EUR	% of NAV
Arcadis NV	EUR	845,746	9.5
Aryzta AG	CHF	509,494	5.7
Breedon Group Plc	GBP	686,916	7.7
Cairn Homes plc	EUR	752,080	8.4
Dalata Hotel Group Plc	EUR	701,430	7.9
Eurocell Plc	GBP	430,948	4.8
Forterra plc	GBP	798,850	9.0
Glenveagh Properties Plc	EUR	768,240	8.6
Grafton Group plc	GBP	810,818	9.1
Hibernia Reit plc	EUR	524,520	5.9
SIPEF NV	EUR	573,866	6.5
Yew Grove REIT plc	EUR	536,250	6.0
		<b>7,939,158</b>	<b>89.1</b>

## Investment portfolio as at 31 December 2018

Equities	Currency	Fair Value	
		EUR	% of NAV
Adecco SA	CHF	173,942	2.9
Arcadis NV	EUR	272,896	4.5
Aryzta AG	CHF	317,754	5.3
Cairn Homes plc	EUR	401,250	6.7
Carrefour SA	EUR	205,013	3.4
CRH PLC	GBP	207,396	3.4
Dalata Hotel Group AG	EUR	427,097	7.1
Forterra plc	GBP	373,867	6.2
General Electric Company	USD	156,430	2.5
Grafton Group plc	GBP	440,727	7.3
Hibernia Reit plc	EUR	187,800	3.1
Ishares MSCI Japan Fund	EUR	255,764	4.3
Publicis Groupe	EUR	260,416	4.3
Roche Holding AG - Genusschein	CHF	297,906	5.0
Rolls-Royce Holdings	GBP	3,690	0.1
Ryanair Holdings plc	EUR	243,380	4.0
SIPEF NV	EUR	262,593	4.4
Tullow Oil plc	GBP	346,755	5.8
WPP plc	GBP	150,722	2.5
		<b>4,985,398</b>	<b>82.8</b>

## 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 (“*fiscale 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.

### Interests held by the Directors

As at 31 December 2019, the Board of Directors did not hold any shares in the Fund.

### 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](http://www.priviumfund.com).

### Date of authorisation

The financial statements have been authorised for issue by the Fund Manager in Amsterdam on 22 June 2020.

## Independent auditor's report

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

### Report on the audit of the financial statements 2019 included in the annual report

#### Our opinion

We have audited the financial statements 2019 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 31 December 2019, and of its result and its cash flows for 2019 in accordance with Part 9 of Book 2 of the Dutch Civil Code.

The financial statements comprise:

- The balance sheet as at 31 December 2019
- The following statements for 2019: Profit and loss statement and cash flow statement
- The notes comprising a summary of the significant accounting policies and other explanatory information

#### Basis for our opinion

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

We are independent of Still Equity Fund in accordance with the Wet toezicht accountantsorganisaties (Wta, Audit firms supervision act), 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).

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

#### Emphasis of matter relating Corona developments

The developments surrounding the Corona (Covid-19) virus have a profound impact on people's health and on our society as a whole, as well as on the operational and financial performance of organizations and the assessment of the ability to continue as a Going Concern. The financial statements and our auditor's report thereon reflect the conditions at the time of preparation. The situation changes on a daily basis giving rise to inherent uncertainty.

The impact of these developments on Still Equity Fund is disclosed in the Management Board Letter on page 6 of the Annual Report and in the disclosure about events after the reporting period on page 23 of the Annual Report. We draw attention to these disclosures.

Our opinion is not modified in respect of this matter.

## 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 substantially 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.

## 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. 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 framework 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.

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## Description of responsibilities for the financial statements (continued)

Our responsibilities for the audit of the financial statements (continued)

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 among others:

- 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, 22 June 2020

Ernst & Young Accountants LLP

Signed by R.J. Bleijs