

Windmill Trend Evolution Fund

The Netherlands

ANNUAL REPORT

for the year ended 30 June 2020

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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/Investment Advisor	Oakk Capital Partners B.V. Beurs-World Trade Center, 19 th Floor Beursplein 37 3011 AA Rotterdam The Netherlands
Legal Owner	TMF Bewaar B.V. Herikerbergweg 238 1101 CM Amsterdam Zuidoost The Netherlands
Administrator	Apex Fund Services (Netherlands) B.V. Van Heuven Goedhartlaan 935A 1181 LD Amstelveen The Netherlands
Independent Auditor	Ernst & Young Accountants LLP Wassenaarseweg 80 2596 CZ Den Haag The Netherlands
Legal and Tax Counsel	Van Campen Liem J.J. Viottastraat 52 1071 JT Amsterdam The Netherlands
Custody Bank	ABN AMRO Bank N.V. Gustav Mahlerlaan 10 1082 PP Amsterdam The Netherlands
Depository	Darwin Depository Services B.V. Barbara Strozziilaan 101 1083 HN Amsterdam The Netherlands

Historical overview

Key figures

	2020	2019
	EUR	EUR
Equity at the beginning of the year	42,423,387	41,989,986
Issue of participations	6,714,903	4,179,014
Indirect investment result	(679,562)	3,659,949
	<u>48,458,728</u>	<u>49,828,949</u>
Redemption of participations	(17,765,559)	(7,064,612)
Expenses	(328,005)	(340,950)
Equity at the end of the year	<u>30,365,164</u>	<u>42,423,387</u>
Investments	30,153,407	41,906,305
Cash and cash equivalents	454,354	683,117
Other assets and liabilities	(242,597)	(166,035)
Net assets at the end of the year	<u>30,365,164</u>	<u>42,423,387</u>
Net (loss)/profit		
Indirect investment result	(679,562)	3,659,949
Expenses	(328,005)	(340,950)
Net (loss)/profit	<u>(1,007,567)</u>	<u>3,318,999</u>
Number of participations		
Class A	212,670.4051	289,822.5657
Class B	17,340.4945	20,105.7517
Participation per share		
Class A (in EUR)	134.25	139.03
Class B (in USD)	117.46	120.38
Performance per share		
Class A	(3.44)%	8.05%
Class B	(2.43)%	11.26%

Historical overview (continued)

	2020	2019
	EUR	EUR
Class A		
Performance		
Changes in value	(671,852)	3,376,468
Expenses	<u>(312,484)</u>	<u>(324,695)</u>
Net investment result	<u>(984,336)</u>	<u>3,051,773</u>
Share performance		
Changes in value	(3.16)	11.26
Expenses	<u>(1.47)</u>	<u>(1.08)</u>
Net investment result	<u>(4.63)</u>	<u>10.18</u>
Class B		
Performance		
Changes in value	(7,710)	283,481
Expenses	<u>(15,521)</u>	<u>(16,255)</u>
Net investment result	<u>(23,231)</u>	<u>267,226</u>
Share performance		
Changes in value	(0.44)	14.10
Expenses	<u>(0.90)</u>	<u>(0.81)</u>
Net investment result	<u>(1.34)</u>	<u>13.29</u>

Report of the Fund Manager

In the first six months of the reporting period the Fund saw the gains of the first two months disappear by negative results in September and October (-4.67% and -1.88% respectively) and to subsequently regain it in the last two months of the calendar year (November +2.17% and December +4.68%). These results meant that the calendar year 2019 ended with an overall gain of +10.91%.

For the reporting period (from July 1 2019 up to and including June 30, 2020) however, the Fund achieved a negative result of -3.44% for the Euro-class (EUR Class) and -2.43% for the USD-class (USD Class).

Windmill Trend Evolution Fund Maandrendementen (EUR klasse)*

	jan	feb	mrt	apr	mei	jun	jul	aug	sep	okt	nov	dec	Ytd
2020	-0,68%	-4,44%	3,96%	-1,05%	-1,20%	-2,23%							-5,68%
2019	-0,01%	-0,53%	5,08%	-0,20%	0,28%	3,57%	1,74%	0,60%	-4,67%	-1,88%	2,17%	4,68%	10,91%
2018	2,34%	-5,45%	-1,24%	-0,19%	-0,05%	0,44%	-1,84%	4,48%	-0,08%	-3,79%	-2,36%	3,59%	-4,52%
2017	0,12%	1,91%	0,20%	2,18%	2,24%	-1,22%	2,18%	1,47%	-0,58%	3,18%	0,23%	1,25%	13,88%
2016	2,29%	2,22%	0,63%	-2,44%	-1,22%	0,31%	0,53%	-1,51%	-0,58%	0,25%	-1,90%	3,01%	1,45%
2015	6,68%	0,20%	1,55%	-2,51%	-0,77%	-2,60%	2,05%	-0,83%	3,45%	-2,85%	-0,30%	-1,59%	2,06%
2014	-1,72%	2,98%	0,33%	2,31%	4,35%	1,98%	-2,60%	3,03%	-2,04%	3,09%	4,44%	-1,08%	13,99%
2013	1,32%	-0,56%	1,49%	9,58%	-5,68%	-1,82%	1,71%	-1,91%	0,07%	5,93%	2,76%	0,99%	13,87%
2012	2,34%	0,36%	0,90%	1,26%	3,38%	-1,80%	3,67%	-0,43%	2,92%	1,38%	2,27%	1,66%	19,30%
2011	-1,50%	0,12%	-0,05%	2,21%	-0,31%	-4,15%	2,31%	11,21%	2,72%	-4,75%	-0,98%	2,34%	8,60%
2010	-0,39%	0,47%	5,12%	0,78%	-2,64%	2,02%	2,63%	5,37%	0,98%	3,49%	-4,02%	1,77%	16,25%
2009	-0,49%	0,89%	-1,34%	-2,33%	0,74%	-0,55%	4,76%	-0,09%	2,13%	-4,40%	2,26%	0,63%	1,92%
2008	4,14%	4,61%	0,31%	-0,55%	2,19%	4,67%	-5,20%	-0,05%	-6,17%	-0,30%	8,96%	6,09%	19,10%
2007	0,76%	-3,03%	-1,84%	5,17%	4,75%	-1,16%	3,96%	-5,14%	2,85%	3,01%	-1,04%	-0,57%	7,37%
2006	2,99%	2,89%	0,40%	4,76%	-3,50%	-1,02%	-0,92%	3,64%	1,60%	3,56%	1,94%	2,00%	19,59%
2005									1,72%	-4,06%	3,10%	0,43%	1,06%

* Periode tot mrt 2014 betreft het trackrecord AHL Evolution Programme na aftrek van management fee en maximale allocatie van 85%.
2014 Ytd rendement sinds start datum Windmill Trend Evolution Fund (1 april)

Maandrendementen (USD klasse)

	jan	feb	mrt	apr	mei	jun	jul	aug	sep	okt	nov	dec	Ytd
2020	-0,87%	-4,45%	4,14%	-0,96%	-1,17%	-2,22%							-5,60%
2019	0,20%	-0,10%	5,20%	0,42%	0,49%	3,83%	1,76%	0,83%	-4,46%	-1,76%	2,29%	4,92%	14,05%
2018	2,49%	-5,29%	-1,13%	-0,06%	0,08%	0,61%	-1,76%	4,63%	0,05%	-3,52%	-2,16%	3,85%	-2,64%
2017	0,25%	1,91%	0,18%	2,29%	2,59%	-1,17%	2,35%	1,53%	-0,52%	3,21%	0,29%	1,44%	15,22%
2016			0,42%	-2,42%	-1,19%	0,36%	0,59%	-1,45%	-0,55%	0,31%	-1,78%	3,06%	-2,74%

Overall report

In the last five months of the reporting period the COVID-19 rollercoaster caused sizable discrepancies between the performances in the various sectors in the Fund, most notably in the first quarter of 2020. This will be highlighted below, in the section where we touch base sector-by-sector¹.

The Fund's commodity sector achieved the largest net gain of the Fund for the year, notably +5.04%. The commodity sector was followed by gains in the bond sector totalling +3.66% for the year. Another gainer for the year was the currency sector, finishing the year with a gain of +1.56%.

Net detractors for the reporting period were the equity and credit sectors. Both sectors had a common denominator in the sharp changes occurring in February. The equity sector detracted -4.74% over the year. The credit sector detracted -2.65% in total.

Below we will highlight the ups and downs per sector during the reporting period and the reasons behind these performances, focusing on months with a performance contribution per sector higher than 1%. The commodity and bond sectors were leading the gains with three months of more than a 1% gain. This was followed by the credit sector with two months and closing off are currency and equity with one month. On the opposing side of the spectrum we saw that bonds, commodity and equity each had two months with a loss in excess of 1%. Credit had one and currency had none during the reporting period. The frequency of swings even within the sector contributors shows just how volatile this year has been.

¹ Please note that percentages mentioned in the sector allocations of the Fund's performance relate to the performance of Man AHL Evolution only, which is the largest fund allocation in the Windmill Trend Evolution Fund, varying between 80% to 84% of the overall allocation.

Report of the Fund Manager (*continued*)

Commodity Sector Highlights – September and December 2019, January, March and June 2020

Although much of September's energy-related headlines centred on the 20% spike in oil prices following the attacks in Saudi Arabia, there was plenty of movement elsewhere. European electricity and gas markets rallied on concerns that French power production may be curtailed because of newly-found flaws in nuclear plants. Although it was later announced that remedial action was not required, the moves hurt the Fund's predominantly short positioning in fuel oil, coal, and UK natural gas, with only a long in iron ore providing a modest gain. The opening of OPEC members' oil taps, coupled with deteriorating economic demand, benefitted the Fund's dominantly short positions across the energy complex. German electricity and European natural gas were top contributors, whilst a short in fuel oil only marginally detracted.

In December the Fund's short positions in energy markets were the standout performers on the month. European natural gas prices continued to fall as imports from US, Russia and Qatar flooded the market. UK prices in particular have halved from a year ago. Immaterial losses were seen in fuel oil and carbon emissions trading.

In the month of January trading in commodities was the most profitable sector over the month. Proving to be a common theme in the monthly commentaries leading up to January, the biggest contributor was a short UK natural gas position as prices slid around 20% on winter's failure to materialize. Offsetting this only somewhat, a long position in iron ore struggled as prices fell alongside other industrial metals as Coronavirus effects weighted on global growth.

In March the opening of OPEC members' oil taps coupled with deteriorating economic demand benefitted the Fund's dominantly short positions across the energy complex. German electricity and European natural gas were top contributors, whilst a short position in fuel oil only marginally detracted.

European gas and electricity markets rallied in June, reversing the longer downward trend in the region. UK natural gas had the greatest impact on the portfolio, with July delivery contracts rebounding 65% from the end of May, hurting the Fund's short position. Only long positions in carbon emissions and iron ore made it into positive territory over the month amid the commodity reversals.

Bond Sector Highlights – July through October 2019, February 2020

In July, news headlines of yet more government bonds trading at sub-zero yields played to the hand of the Fund's interest-rate swap positions, notably in Sweden and Korea. Rates in Canada bucked the trend, however, rising after wage growth was reported higher than expected, and resulted in a loss for the Fund's receiver position.

August saw tailwinds for fixed income globally, as investors sought safe-haven markets, favouring the Fund's long positioning, with Canadian and Swedish interest-rate swaps being the biggest beneficiaries. Token losses were incurred in US Treasuries and Brazilian swaps, although the majority of the positions were profitable.

With reversals in prices, September fixed income trading ended with a -1.33% loss. Market reversals were most widely felt through the Fund's fixed income trades. US 10-year treasury yields, which started the month at near record lows around 1.5%, backed up more than 40bp over the first two weeks, setting a bearish tone for fixed income markets globally. This had a detrimental effect on the dominantly receiver IRS positioning, most notably in Sweden and Canada. Market bullishness, however, translated positively for the Fund's emerging market IRS, such as Brazil and Turkey.

The improvement in market sentiment in October proved detrimental to the Fund's dominant developed market IRS positions in general. In particular, a warning from the Swedish Riksbank that a rate hike was in the making hurt receiver positions, even though the hike would take its main repo rate back to zero. A payer position in Canada also proved painful as the Bank of Canada held its key rate steady. Small gains were made on receiver positions in Brazil and Mexico on improved risk sentiment towards emerging markets.

Prices in February in developed market fixed income instruments broadly rose as investors sought safe havens, but in emerging markets prices fell along with other risk assets. Top performers in the Fund were longs in Fannie Mae mortgage bonds, and receiver IRS positions in Sweden and Japan. On the debit side, receiver positions in Turkey caused pain as did a payer position in Czech swaps despite the country being the first to raise rates this year.

Report of the Fund Manager (*continued*)

Currency Sector Highlights – March 2020

The Fund entered the month of March net long the US dollar against most emerging markets currencies and built into this position as market conditions deteriorated. Top performers were short positions in the Colombian peso and South African rand. A comparatively small loss was incurred in the offshore Chinese renminbi which started off the month long against the dollar before reversing sign.

Credit Sector Highlights – November and December 2019, February 2020

In November credit markets soared with investment grade indices on both sides of the Atlantic tightening, which benefitted each of the Fund's positions, most notably US 5y CDX.

Continuing bullish sentiment in December buoyed long credit positions, with again every one of the indices traded by the Fund in the black. Most notable performers were investment grade and high yield corporate credit in the US.

In February the suddenness of the moves saw losses in credit trading which made it the 2nd worst performing sector for the month.

Equity Sector Highlights – August and November 2019, February 2020

Fund positioning in equities for August was broadly long going into the month and losses were incurred in many sectors, notably European insurance and US tech stocks. These losses outweighed gains made from both longs in utility companies and shorts in US energy stocks and European banks.

In November risk-on sentiment played to the hand of the Fund's dominantly long equity positions, notably European healthcare and capital goods sectors. A short position in North American pharmaceutical stocks was one of the few losing trades as the sector rose almost 4% over the course of the month.

The sharp equity market falls in February took major stock indices into the red for the year. Unsurprisingly, therefore, long positions in cash equities dominated the fund losses with worst offenders being the US utilities and software/services sectors. Declining oil prices drove short positioning in energy stocks, however, which led to profits there.

Outlook

The Fund Manager is positive about the future of the Windmill Trend Evolution Fund. We expect the selected investment funds to be able to generate positive performance in the period ahead. Especially when compared with long-only investments in traditional asset classes like equities and bonds we see the Windmill Trend Evolution Fund as a good alternative as well as a diversifier in a total investment portfolio.

No changes are expected to be made to the investment strategy or investment style of the Windmill Trend Evolution Fund.

At the time of writing this report the global economy continues to be under severe pressure caused by the effects of the COVID-19 pandemic (generally referred to as corona virus). Some recovery has occurred, but the outlook remains uncertain despite the positive developments about a possible vaccine.

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.

Report of the Fund Manager (*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. The financial year of the Windmill Trend Evolution Fund ends on June 30 of any year, while the financial year of all other Funds of which Privium is the Fund Manager will end on December 31 of any year. For some of the funds the compensation consists of both a management and a performance fee. In 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
Total remuneration	€ 181,214	€ 9,662,813	€ 9,844,027

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 Windmill Trend Evolution 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.

Report of the Fund Manager (*continued*)

Remuneration policy 2019 (*continued*)

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.

Remuneration Investee Funds

The Windmill Trend Evolution Fund invests, among other securities, in other Investee Funds. These Funds are managed by other Investment Managers. These Investment Managers are regulated and need to comply with the local legislation in the countries in which they are regulated.

The Investment Objective and Investment Strategy of the Investee Funds are guided by a clear framework and should avoid any excessive risk taking. The Investment Managers of the Investee Funds each have remuneration policies in place as required by law. This both includes fixed and variable remuneration. In the audited financial statements of the Investee Funds these remuneration policies are explained in greater detail. Also on the websites of the Investment Managers these remuneration policies have been published.

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 gedragstoezicht financiële ondernemingen (‘Bgfo’)”. During 2019 and the first half of 2020 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 and the first half of 2020 functioned effectively as described. During 2019 and the first half of 2020 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 2020 update was completed in February 2020. 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.

Risk management

Privium Fund Management B.V. has a clear and elaborate Risk Management framework, in line with current legislation, such as the Alternative Investment Fund Manager Directive (AIFMD). The Risk Management function within Privium is performed by an independent Risk Manager. Privium has a Risk Management Committee which meets at least on a monthly basis.

The Risk Management framework consists of several individual components, whereby Risk Monitoring is being performed on an ongoing basis.

Under the AIFM Directive, the Fund Manager is required to establish and maintain a permanent risk management function. This function should have a primary role in shaping the risk policy of each Alternative Investment Fund (“AIF”) under management by the Fund Manager, risk monitoring and risk measuring in order to ensure that the risk level complies on an ongoing basis with the AIF's risk profile.

Report of the Fund Manager (*continued*)

Risk management (*continued*)

The risk management function performs the following roles:

- Implement effective risk management policies and procedures in order to identify, measure, manage and monitor risks;
- Ensure that the risk profile of an AIF is consistent with the risk limits set for the AIF;
- Monitor compliance with risk limits; and
- Provide regular updates to senior management concerning:
 1. The consistency of stated profile versus risk limits;
 2. The adequacy and effectiveness of the risk management process; and
 3. The current level of risk of each AIF and any actual or foreseeable breaches of risk limits.

As described by the AIFM Directive quantitative risk limits are, where possible, constructed for various risk categories: market risk, liquidity risk, credit risk, counterparty risk and operational risk. These risk limits should be in agreement with the risk profile of the Fund.

The risk management function is fully independent from the portfolio management function of the Fund Manager. The risk manager has full authority to close positions or the authorization to instruct the closing of positions on his behalf in case of a risk breach.

To ensure that all risk management tasks are executed correctly and timely, the Fund Manager uses an automated system that registers all risk tasks, keeps a list of all pending risk tasks, and escalates risk tasks that have not been executed or report a violation of a risk rule. The system produces an audit log that can be verified by the internal auditor, the external auditor, the management board, the regulator or other stake holders. Not all risk variables have limits but to identify any new relevant risks, every variable that is reported in the system flows through a sanity check. The sanity check will raise an exception if the variable falls outside its “normal” boundaries. The Risk Manager is notified of these exceptions and will make an assessment whether the situation is stable or whether further escalation is needed.

The positions of the fund are administered and reconciled by using a professional portfolio management system. Risk reports such as Value at Risk and Stress Scenarios are run using Bloomberg.

The Fund Manager uses an API-based system in which positions and/or risk exposures are synced from the Portfolio Manager’s Excel (or alternative software) to a central database.

The CM system is responsible for monitoring of the pre-defined risk limits. The limits can either be configured as notification limits, soft limits or hard limits. In case of a breach of any of the limits, the escalation procedures are followed as described in the Risk Management Procedures (Annex 17) of the Privium Handbook.

The reoccurring risk tasks are:

- Weekly risk report by risk management, including Value at Risk.
- Monthly reporting by portfolio management
- Quarterly Operational risk management
- Monthly stress scenarios. On ad hoc basis extra stress scenarios can be done.

On a monthly basis the Risk Committee of the Fund Manager meets to discuss the performances and risks of the Fund. Any breaches are discussed. On a yearly basis a Risk Evaluation and Product Review is conducted.

In 2016 Privium’s senior management team decided to engage an external party in the annual evaluation of the internal processes. This audit primarily focuses on risk management and compliance processes. In Q4 2019 this audit was executed for fourth time and the findings were reported to Privium’s management. The audit did not demonstrate any material deviations.

Report of the Fund Manager *(continued)*

Risk management and willingness to take risks

There have been no risk breaches during the year. 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 risk to which investors in the Fund are exposed and we discuss the measures applied to manage these risks and their potential impact on the Fund's NAV's.

Sorts of risks	Risk hedged	Measures applied and expected effectiveness	Impact on the NAV of the Financial Year end June 30, 2020	Expected impact on 2021 NAV if risk materializes	Adjustments to risk management in 2020 or 2021
Manager Risk/Price risk	No	The Fund maintains investments in other investment funds (hedge funds). These funds are managed by external Fund Managers. A rigid due diligence process is in place when investment funds are selected.	The Fund does not have an official benchmark. As a reference, between July 1 2019 and June 30 2020, the MSCI World (LC) gained +1.52%, the HFRX Global Hedge Fund Index (EUR) lost -1.87% and the HFRX Macro/CTA Index (EUR) lost -0.91% during this time period.	Much will depend on the actual positioning of the underlying investment funds. However we expect that the selected investments funds will perform better than general asset classes over time.	No
Interest rate risk	No	The Fund does not maintain any direct interest bearing financial instruments except for cash maintained on the bank account of the Fund. The underlying funds may invest in interest rate sensitive positions. However based on current positioning of the underlying funds the Fund Manager is of the opinion that overall interest rate risk is low.	None	None	No
Concentration risk	No	The fund maintains a significant investment in the AHL Evolution Fund. As of June 30, 2020 this investment represented 80.68% of the NAV of the Windmill Trend Evolution Fund.	Large	Large	No
Foreign Exchange risk	Yes	Any direct FX risk will be hedged within the fund.	None	None	No
Liquidity risk	No	Liquidity risk mostly has been mitigated by investing in positions that offer sufficient liquidity.	None	We would not expect a negative NAV impact if this risk would materialize.	No
Credit risk	No	Spare cash is maintained at ABN AMRO Bank N.V.. ABN AMRO Bank N.V. has an A credit rating and we would reconsider the relationship if this changes.	None	None	No
Operational risk	No	This risk is mostly mitigated by having rigid operational procedures in place. Next to that duties and responsibilities are clearly divided between Privium employees. The same is applicable to the service providers of the various 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		The Fund is not using leverage (no implied leverage and no actual borrowings). Nevertheless as of June 30, 2020 the leverage calculations according to the Gross method and Commitment method are as follows: Gross method: 105.17% and Commitment method: 100.22%.	None	None	None

Financial statements

BALANCE SHEET

(As at 30 June)

	<i>Note(s)</i>	2020 EUR	2019 EUR
Assets			
Investments			
Investee funds	3	<u>30,157,029</u>	<u>41,918,707</u>
		<u>30,157,029</u>	<u>41,918,707</u>
Current assets (fall due in less than 1 year)			
Cash and cash equivalents	4	454,354	683,117
Prepayments		85	-
		<u>454,439</u>	<u>683,117</u>
Total assets		<u>30,611,468</u>	<u>42,601,824</u>
Liabilities			
Investment liabilities			
Derivative financial liabilities		(3,622)	(7,071)
Investee funds		-	(5,331)
	3	<u>(3,622)</u>	<u>(12,402)</u>
Current liabilities (fall due in less than 1 year)			
Subscriptions received in advance	5	(191,617)	(113,089)
Accrued expenses and other payables	6	(51,065)	(52,946)
		<u>(242,682)</u>	<u>(166,035)</u>
Total liabilities		<u>(246,304)</u>	<u>(178,437)</u>
Total assets minus total liabilities		<u>30,365,164</u>	<u>42,423,387</u>
Equity			
Contribution of participants		22,985,170	34,035,826
Unappropriated profit		7,379,994	8,387,561
Total participants' equity	7	<u>30,365,164</u>	<u>42,423,387</u>

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

Financial statements

INCOME STATEMENT (For the years ended 30 June)

	<i>Note(s)</i>	2020 EUR	2019 EUR
Investment income			
<i>Indirect investment result</i>			
Realised gains on investee funds	3, 8	3,547,752	116,576
Realised gains on derivative financial instruments	3, 8	40,215	127,576
Unrealised (losses)/gains on investee funds	3, 8	(4,267,662)	3,447,478
Unrealised gains/(losses) on derivative financial instruments	3, 8	3,449	(19,619)
Foreign currency losses on translation	9	(3,316)	(12,062)
		<u>(679,562)</u>	<u>3,659,949</u>
Total investment (loss)/income		<u>(679,562)</u>	<u>3,659,949</u>
Expenses			
Management fee	11, 12	(222,241)	(225,533)
Administration fee	11	(35,227)	(35,602)
Depositary fee	11	(20,235)	(19,966)
Legal owner fee		(18,741)	(17,649)
Audit fee	11	(15,648)	(22,618)
Other general expenses		(12,579)	(16,847)
Bank charges		(2,760)	(2,735)
Interest expense		(574)	-
Total expenses	10	<u>(328,005)</u>	<u>(340,950)</u>
Net (loss)/profit		<u><u>(1,007,567)</u></u>	<u><u>3,318,999</u></u>

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

Financial statements

STATEMENT OF CASH FLOWS

(For the years ended 30 June)

	<i>Note(s)</i>	2020 EUR	2019 EUR
Cash flows from operating activities			
Proceeds from sale of investments	3	14,553,999	6,180,523
Purchase of investments	3	(3,517,562)	(2,950,000)
Net payments for derivative financial instruments	3	40,215	127,576
Interest paid		(226)	-
Management fee paid		(227,732)	(225,343)
Administration fee paid		(36,330)	(35,741)
Depository fee paid		(20,235)	(19,966)
Legal owner fee paid		(18,741)	(17,649)
Other general expenses paid		(9,197)	(11,426)
Audit fee paid		(14,750)	(28,741)
Bank charges paid		(2,760)	(2,735)
Custody fee paid		-	(4,100)
Net cash flows provided by operating activities		<u>10,746,681</u>	<u>3,012,398</u>
Cash flows from financing activities			
Proceeds from sale of class A participations		6,789,669	3,754,207
Proceeds from sale of class B participations		3,762	-
Payments on redemption of class A participations		(17,469,057)	(7,064,612)
Payments on redemption of class B participations		(296,502)	-
Net cash flows used in financing activities		<u>(10,972,128)</u>	<u>(3,310,405)</u>
Net decrease in cash and cash equivalents		(225,447)	(298,007)
Cash and cash equivalents at the beginning of the year		683,117	993,186
Foreign currency translation of cash positions		(3,316)	(12,062)
Cash and cash equivalents at the end of the year	4	<u>454,354</u>	<u>683,117</u>
Analysis of cash and cash equivalents			
Cash at bank		311,218	199,100
Due from broker		178,694	484,017
Due to broker		(35,558)	-
Total cash and cash equivalents	4	<u>454,354</u>	<u>683,117</u>

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

Notes to the financial statements

1. GENERAL INFORMATION

Windmill Trend Evolution Fund (the “Fund”) is structured as a contractual fund with an open-ended redemption structure under Dutch law. The Fund is a closed fund for joint account for Dutch tax purposes (*besloten fonds voor gemene rekening*) and is not a legal entity but a contractual arrangement *sui generis* between the Fund Manager, the Legal Owner and the participants. The Fund commenced operations on 1 April 2014. The Fund will be managed by Privium Fund Management B.V. as sole Alternative Investment Fund Manager (AIFM) of the Fund. The Fund Manager is responsible for the entire management of the Fund in accordance with the provisions of the Fund Documents and applicable laws. The Fund Manager is also responsible for maintaining records and furnishing or causing to be furnished all required records or other information of the Fund to the extent such records, reports and other information are not maintained or furnished by the Administrator, the Legal Owner, the Depositary or other service providers.

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

The investment objective of the Fund is to achieve medium-term capital gains for the participants. To achieve this objective, the Fund primarily invests in Class A1 Evolution EUR shares (the “AHL shares”) issued from the Class A Segregated Portfolio of AHL (Cayman) SPC (the “AHL Fund”). The Fund may acquire interests in other investment funds mainly focused on innovative systematic strategies that invest outside the mainstream markets.

The Fund may issue Class A and Class B participations. As at 30 June 2020 and 2019, both the Class A participations and Class B participations are in issue. Prospective participants can subscribe for Class A participations in EUR and for Class B participations in USD.

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 years ended 30 June 2020 and 2019.

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 16 December 2020.

2. SIGNIFICANT ACCOUNTING PRINCIPLES AND POLICIES

Basis of preparation

The financial statements of the Fund have been prepared in accordance with accounting 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 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 and overleaf 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.

Notes to the financial statements

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

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 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

Transactions in foreign currency are converted at the rates prevailing on the date of the transaction. Monetary assets and liabilities denominated in currencies other than EUR are converted to EUR at the exchange rates prevailing on the balance sheet date. Foreign currency exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates are recognised in the income statement. Translation differences on non-monetary assets held at cost are recognised using the exchange rates prevailing at the dates of transactions.

Translation differences in non-monetary assets such as investment in investee funds held at fair value through profit or loss are recognised through profit or loss as part of the fair value gain or loss.

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 and financial derivatives 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.

Gains and losses arising from fair value changes are recognised in the income statement as ‘realised gains on investee funds’ and ‘realised gains on derivative financial instruments’ or ‘unrealised (losses)/gains on investee funds’ and ‘unrealised gains/(losses) on derivative financial instruments’.

The Fund’s investment in investee funds are valued based on the reporting received from the administrators of those funds. As at 30 June 2020, the value of investment in investee funds is the aggregate of the Fund’s attributable share of the latest available (unaudited) net asset value (“NAV”) of the investee funds.

The profit or loss of the Fund on its investment in investee funds is the aggregate of the Fund’s attributable share of the result of the investee funds. The Fund Manager may, if it thinks fit, make adjustments as a result of the different bases of determination of results applied by the investee funds. As at 30 June 2020 and 2019, no such adjustments were made.

Notes to the financial statements

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

Basis of valuation - policies in preparing the balance sheet (*continued*)

Where an up-to-date value of an underlying investment is not available, or the valuation date does not coincide with that of the Fund, the Fund Manager will use an estimated value.

Forward currency contracts

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

Payables and accruals

Payables and accruals are included at fair value.

Cash and cash equivalents

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

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 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 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.

Participants' equity

All references to net assets and NAV throughout the financial statements are equivalent to total 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 investee funds, if any, are included at the date when they are declared.

Expenses are accounted for in the income statement on the accrual basis. Transaction costs in relation to investee funds are capitalised. Income and expenses are allocated to the share classes of the Fund on a pro-rata basis, except for costs specific to a particular class of shares.

Tax position

The Fund qualifies as a transparent or "closed" fund for joint-account for Dutch tax purposes. This implies that the Fund is not subject to corporate income tax. Distributions made by the Fund are not subject to Dutch dividend withholding tax.

Notes to the financial statements

NOTES FOR INDIVIDUAL BALANCE SHEET ITEMS

3. Investments

Movement in schedule of investments

(All amounts in EUR)

	2020	2019
Investment in investee funds		
As at the beginning of the year	41,913,376	41,579,845
Purchases	3,517,562	2,950,000
Sales	(14,553,999)	(6,180,523)
Realised	3,547,752	116,576
Unrealised	(4,267,662)	3,447,478
As at 30 June	30,157,029	41,913,376
Investment in derivative financial instruments		
As at the beginning of the year	(7,071)	12,548
Sales	(40,215)	(127,576)
Realised	40,215	127,576
Unrealised	3,449	(19,619)
As at 30 June	(3,622)	(7,071)
Total investments		
As at the beginning of the year	41,906,305	41,592,393
Purchases	3,477,347	2,822,424
Sales	(14,553,999)	(6,180,523)
Realised	3,587,967	244,152
Unrealised	(4,264,213)	3,427,859
As at 30 June	30,153,407	41,906,305

The table below provides an analysis of the forward currency contracts as at 30 June 2020:

(All amounts in EUR)

Expiration date	Contract currency	Bought	Contract currency	Sold	Contract rate*	Current rate*	Unrealised EUR
31/07/2020	USD	2,024,000	EUR	1,804,173	1.12184	1.12410	(3,622)
Total unrealised loss on open forward currency contracts							(3,622)

* Showing the equivalent of 1 Euro.

The table below provides an analysis of the forward currency contracts as at 30 June 2019:

(All amounts in EUR)

Expiration date	Contract currency	Bought	Contract currency	Sold	Contract rate*	Current rate*	Unrealised EUR
12/07/2019	USD	2,300,000	EUR	2,028,692	1.13374	1.13770	(7,071)
Total unrealised loss on open forward currency contracts							(7,071)

* Showing the equivalent of 1 Euro.

Notes to the financial statements

NOTES FOR INDIVIDUAL BALANCE SHEET ITEMS (CONTINUED)

4. Cash and cash equivalents

As at 30 June 2020, cash and cash equivalents comprise of balances held with ABN AMRO Bank N.V. amounting to EUR 311,218 (2019: EUR 199,100), and balances for unsettled trades of EUR Nil (30 June 2019: EUR 300,000). As at 30 June 2020 and 2019, no restrictions in the use of these balances exist.

As at 30 June 2020, cash and cash equivalents also include amounts due from Nederlandsche Saxo Bank amounting to EUR 178,694 (2019: EUR 184,017). This amount includes margin requirements. Margin represents cash deposited with the broker transferred as collateral against forward currency contracts.

As at 30 June 2020, cash and cash equivalents also include amounts due to Saxo Bank amounting EUR 35,558 (2019: EUR Nil).

5. Subscriptions received in advance

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

As at 30 June 2020, the subscriptions received in advance amounts to EUR 191,617 (2019: EUR 113,089). On 1 July 2020, the Fund issued 1,427.320 (2019: 813.414) participations of Class A to the subscribing participants.

6. Accrued expenses and other payables

As at 30 June, accrued expenses and other payables consist of the following:

<i>(All amounts in EUR)</i>	2020	2019
Audit fee payable	(15,648)	(14,750)
Management fee payable	(13,695)	(19,186)
Administration fee (including annual report fee) payable	(11,613)	(12,716)
Licence fee payable	(4,931)	(3,000)
Brokerage fee payable	(2,800)	(700)
FATCA fee payable	(1,780)	(1,759)
Interest payable	(348)	-
Other payables	(250)	(835)
Total accrued expenses and other payables	<u>(51,065)</u>	<u>(52,946)</u>

Notes to the financial statements

NOTES FOR INDIVIDUAL BALANCE SHEET ITEMS (CONTINUED)

7. Share capital

Structure of the Fund's capital

Windmill Trend Evolution Fund is structured as a contractual fund with an open-ended structure and is subject to Dutch law.

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

<i>(All amounts in EUR)</i>	2020	2019
<i>Contributions of participants</i>		
Balance at the beginning of the year	34,035,826	36,921,424
Issue of class A participations	6,711,141	4,179,014
Issue of class B participations	3,762	-
Redemption of class A participations	(17,469,057)	(7,064,612)
Redemption of class B participations	(296,502)	-
Total contributions at the end of the year	<u>22,985,170</u>	<u>34,035,826</u>
<i>Unappropriated profit</i>		
Balance at the beginning of the year	8,387,561	5,068,562
Net (loss)/profit	(1,007,567)	3,318,999
Total undistributed profit at the end of the year	<u>7,379,994</u>	<u>8,387,561</u>
Equity at the end of the year	<u>30,365,164</u>	<u>42,423,387</u>

Subscriptions and redemptions

Participants can, at the sole discretion of the Fund Manager, subscribe to the Fund on a monthly dealing day at the subscription price. The subscription price is equal to the NAV per participation as at the valuation date immediately preceding the applicable subscription date. The minimum subscription for each participant is EUR 10,000 for Class A participations and USD 100,000 for Class B participations. The minimum subscription amount may be waived by the Fund Manager in its sole discretion.

The Fund Manager will redeem participations at the request of a participant on a monthly redemption day. The redemption price of a participation is equal to the NAV per participation as at the valuation date immediately preceding the redemption date on which the relevant participant is redeemed. Applications for redemptions must be received at least ten business days before the relevant redemption date. In addition, the Fund has eleven business days after the release of the NAV of the applicable redemption date to pay the redemption proceeds to the participants.

The Fund's assets will be sufficiently liquid to, under normal circumstances, allow the Fund to redeem participations as requested by its participants for at least 10% of the assets managed.

The movement of participations during the year ended 30 June 2020 is as follows:

	Participations at the beginning of the year	Participations issued	Participations redeemed	Participations at the end of the year
Class A	289,822.5657	48,614.3531	(125,766.5137)	212,670.4051
Class B	20,105.7517	34.7428	(2,800.0000)	17,340.4945
Total	<u>309,928.3174</u>	<u>48,649.0959</u>	<u>(128,566.5137)</u>	<u>230,010.8996</u>

Notes to the financial statements

NOTES FOR INDIVIDUAL BALANCE SHEET ITEMS (CONTINUED)

7. Share capital (continued)

Subscriptions and redemptions (continued)

The movement of participations during the year ended 30 June 2019 is as follows:

	Participations at the beginning of the year	Participations issued	Participations redeemed	Participations at the end of the year
Class A	311,874.3560	32,425.0377	(54,476.8280)	289,822.5657
Class B	20,105.7517	-	-	20,105.7517
Total	331,980.1077	32,425.0377	(54,476.8280)	309,928.3174

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, it is not expected that the Fund will declare any dividends. All earnings will normally be retained for investments. However, the Fund reserves the right to declare dividends or make distributions if the Fund Manager so decides.

NOTES FOR INDIVIDUAL INCOME STATEMENT ITEMS

8. Investment return

(All amounts in EUR)	2020		2020	2019
	Profit	Loss	Total	Total
Investee funds				
Realised results	3,553,787	(6,035)	3,547,752	116,576
Unrealised results	5,330	(4,272,992)	(4,267,662)	3,447,478
	3,559,117	(4,279,027)	(719,910)	3,564,054
Derivative financial instruments				
Realised results	40,215	-	40,215	127,576
Unrealised results	3,449	-	3,449	(19,619)
	43,664	-	43,664	107,957
Total result	3,602,781	(4,279,027)	(676,246)	3,672,011

9. Foreign currency losses 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 year ended 30 June 2020, this amounted to losses of EUR 3,316 (2019: losses of EUR 12,062). The following average and closing rates have been applied in the preparation of these financial statements (the equivalent of one Euro is shown):

Showing the equivalent of 1 Euro	2020		2019	
	Average	Closing	Average	Closing
United States Dollar	1.1059	1.1234	1.1407	1.1368

Notes to the financial statements

NOTES FOR INDIVIDUAL INCOME STATEMENT ITEMS (CONTINUED)

10. Costs

The Fund makes use of various parties for management, administration, custody and depositary services. The table below provides a breakdown of expenses as at 30 June.

<i>(All amounts in EUR)</i>	2020	2019
Expenses accruing to the Fund Manager		
Management fee	(222,241)	(225,533)
Other expenses		
Administration fee (including annual report fee)	(35,227)	(35,602)
Depositary fee	(20,235)	(19,966)
Legal owner fee	(18,741)	(17,649)
Audit fee	(15,648)	(22,618)
Other general expenses	(12,579)	(16,847)
Bank charges	(2,760)	(2,735)
Interest expense	(574)	-
Total expenses	(328,005)	(340,950)

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 years ended 30 June 2020 and 2019, all costs actually charged to the Fund were in accordance with the costs disclosed in the Prospectus. During the years, the Fund also incurred costs such as legal owner fee of EUR 18,741 (2019: EUR 17,649), other general expenses of EUR 12,579 (2019: EUR 16,847) and bank charges of EUR 2,760 (2019: EUR 2,735) which are not detailed in the Prospectus.

Ongoing charges ratio

The ongoing charges ratio is the ratio of the total costs (excluding costs of transactions on financial instruments and 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. The ongoing charges ratio includes performance fees, where applicable.

For the year ended 30 June 2020, the ongoing charges ratio for the Fund is as follows:

	2020
Ongoing charges ratio	0.82%
Ongoing charges ratio including expenses of underlying funds	2.15%

For the year ended 30 June 2019, the ongoing charges ratio for the Fund is as follows:

	2019
Ongoing charges ratio	0.83%
Ongoing charges ratio including expenses of underlying funds	2.65%

Turnover factor

This ratio demonstrates the rate at which the Fund's portfolio is turned over. For the year ended 30 June 2020, the turnover factor for the Fund is (15.51%) (2019: (5.47%)). 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

11. 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 a management fee of 0.55% of the NAV of the Fund (before deduction of management fee), as at the last calendar day of each month. The management fee is subject to a minimum of EUR 50,000 per annum and is payable monthly in arrears. The Fund Manager pays a delegation fee to the Delegate from the management fee.

Details of management fees charged for the years are disclosed in the income statement.

Administrator

The Fund has entered into an administration agreement with Apex Fund Services (Netherlands) B.V. The Administrator charges a fee based on 0.08% of the NAV of the Fund up to EUR 30 million, 0.06% of the NAV between EUR 30 million and EUR 50 million, 0.04% of the NAV between EUR 50 million and EUR 100 million and 0.02% of the NAV above EUR 100 million, to be calculated monthly and paid quarterly in arrears and with a minimum annual fee of EUR 15,000 per annum. The Administrator also charges a fee of EUR 5,000 per annum for the preparation of the Fund's annual report.

The Administrator provides certain trading duties for the Fund and charges a fee of EUR 250 per initial trade, EUR 175 per subsequent trade and EUR 75 per tax document required for an underlying investment.

Details of administration fees (including annual report fees) charged for the years are disclosed in the income statement.

The Administrator also provides FATCA services for the Fund and charge an annual fee of USD 4,000.

Depositary

Darwin Depositary Services B.V. charges a fee of 1.4 basis points of the assets under management. This fee is subject to a minimum of EUR 16,500 per annum and is payable quarterly in advance.

Independent Auditor

The Fund appointed Ernst & Young Accountants LLP as the Independent Auditor. The Independent Auditor's remuneration consists of EUR 15,648 (2019: EUR 22,618) audit fee for the audit of the financial statements. The Independent Auditor does not provide any non-audit services or other audit services to the Fund.

12. RELATED PARTY TRANSACTIONS

Related party transactions are transfers of resources, services or obligations between related parties and the Fund, regardless of whether a price has been charged. Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions or is part of key management of the Fund. The following provides details on the related parties of the Fund and transactions with the related parties.

The Fund Manager is considered a related party.

Notes to the financial statements

12. RELATED PARTY TRANSACTIONS (CONTINUED)

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

Transactions from 1 July 2019 to 30 June 2020 and balances as at 30 June 2020

	Paid EUR	Balance EUR
Management fee	(227,732)	(13,695)

Transactions from 1 July 2018 to 30 June 2019 and balances as at 30 June 2019

	Paid EUR	Balance EUR
Management fee	(225,343)	(19,186)

The Delegate is also considered a related party. As at 30 June 2020, the Investment Advisor and/or its employees held 5,036.7105 Class A shares in the Fund (2019: 4,838.5057) and 357.9594 Class B shares in the Fund (2019: 357.9594).

13. FINANCIAL INVESTMENTS AND ASSOCIATED RISKS

The Fund's investment objective is to achieve medium-term capital gains for the participants.

The Fund attempts to accomplish its objective by primarily investing in AHL shares issued from the AHL Fund and may acquire interests in other investee funds established worldwide mainly focused on similar innovative systematic strategies that invest outside the mainstream markets.

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

The investee funds, to which the fund subscribes, may also indirectly expose the Fund to the financial risks as detailed above and because of this indirect exposure the financial risks discussed herein may not fully indicate the total exposure of the Fund.

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. There may be various reasons why markets fall, like recessions caused by a change in the economic business cycle or a pandemic. Market risk comprises market price risk, interest rate risk and currency risk.

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 30 June 2020, price risk arises on the Fund's investment in investee 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 at bank which is 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

13. 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.

As at 30 June 2020, 100% (2019: 100%) of the assets and liabilities of the Fund are denominated in the functional currency and therefore the Fund is not exposed to currency risk from its assets and liabilities as at the reporting dates.

Currency risk arises from the Fund's share classes. Class B participations are denominated in a currency other than EUR and are therefore exposed to currency fluctuations. It is the Fund's intention to hedge the currency exposure of USD participants to the Fund's base currency through the utilisation of forward currency contracts. Any profits or losses of currency hedges shall be allocated to the Class B participations. The table below outlines the USD exposure of the Class B participations as at 30 June 2020 and 2019 and the notional amount of the forward currency contracts used to mitigate the risk.

	Net position EUR	2020 Notional Amount Forwards EUR	Net Currency Exposure EUR	Net position EUR	2019 Notional Amount Forwards EUR	Net Currency Exposure EUR
Currency						
United States Dollar	(33,569)	3,622	(29,947)	(1,061)	18,584	17,523

The forward currency contracts mature within 1 month of the reporting date. The notional amounts represent the undiscounted cash flow at the maturity date.

Credit risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Fund. It arises from cash and cash equivalents and derivative financial assets. The carrying values of financial assets (excluding any investment in investee funds) best represent the maximum credit risk exposure as at the reporting dates and amounts to EUR 454,439 (2019: EUR 683,117).

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 participations and it is therefore exposed to the liquidity risk of meeting participants' redemptions. To manage this liquidity risk the Fund has a ten day notice period for the participants. In addition, the Fund has eleven business days after the release of the NAV of the applicable redemption date to pay the redemption proceeds to the participants. The Fund's assets will be sufficiently liquid to, under normal circumstances, allow the Fund to redeem participations as requested by its participants for at least 10% of the assets managed.

The Fund is exposed to liquidity risk as the investments of the Fund in investee funds cannot immediately be converted into cash. The liquidity risk involved with the investee funds will be dependent on the redemption policies of the individual investee funds. Some of the investee funds may be or become illiquid, and the realisation of investments from them may take a considerable time and/or be costly. The Fund's investments in such investee funds may not be readily realisable and their marketability may be restricted, in particular because the investee funds may have restrictions that allow redemptions only at specific infrequent dates with considerable notice periods, and apply lock-ups and/or redemption fees.

Notes to the financial statements

13. FINANCIAL INVESTMENTS AND ASSOCIATED RISKS (CONTINUED)

Liquidity risk (continued)

As at 30 June 2020 and 2019, the Fund invests in the AHL Fund. The Fund may redeem their investment in the AHL Fund on a monthly dealing day, provided 5 business days notice is given before the relevant dealing day. Payments are ordinarily made by the AHL Fund within 10 business days of the valuation day. Please see note 15 for further information regarding the AHL Fund.

14. SCHEDULE OF INVESTMENTS BY INVESTMENT STRATEGY

Strategy	2020 EUR	% of NAV	2019 EUR	% of NAV
CTA Systematic	30,157,029	99.3	41,913,376	98.8
Total	30,157,029	99.3	41,913,376	98.8

15. INDIRECT INVESTMENTS

The information regarding the Fund's indirect investments is as follows:

AHL (Cayman) SPC - Class A Evolution Segregated Portfolio

General information:

AHL (Cayman) SPC - Class A Evolution Segregated Portfolio (the "Company") was incorporated as a segregated portfolio company with limited liability in the Cayman Islands. The Company operates as an open-ended mutual fund and is regulated under the Mutual Funds Law (as amended) of the Cayman Islands.

The Company currently has five share classes in issue, namely Class A1 USD, Class A1 AUD, Class A1 EUR, Class A1 JPY and Class Z USD.

The financial statements of AHL (Cayman) SPC - Class A Evolution Segregated Portfolio have been issued with an unqualified opinion for the year ended 30 June 2020 by Ernst & Young Ltd and are available at the office of the Fund Manager.

Further information:

(i) Details of the Fund's investment in the Company

As at 30 June 2020, the Fund holds 24,497,448 (2019: 36,029,847) Class A1 EUR shares in the Company and the Fund's investment in the Company represents 80.70% (2019: 84.93%) of the NAV of the Fund.

Notes to the financial statements

15. INDIRECT INVESTMENTS (CONTINUED)

(ii) Balance sheet of the Company as at 30 June

	2020 USD	2019 USD
Assets		
Cash and cash equivalents	67,369,637	218,159,996
Balances due from broker	232,617,123	5,561,399
Investment in financial assets at fair value	2,164,956,424	2,318,929,268
Net unrealised gain on forward currency contracts	804,778	247,879
Other assets	202,574	196,383
Total assets	2,465,950,536	2,543,094,925
Liabilities		
Accrued expenses and other liabilities	8,706,975	72,098,541
Redemptions payable	6,491,851	108,502,716
Subscriptions received in advance	4,581,450	14,341,614
Equalisation payable	383,667	2,550,483
Net unrealised loss on forward currency contracts	305,003	755,993
Balances due to broker	142,366	-
Total liabilities	20,611,312	198,249,347
Net assets attributable to holders of redeemable participating shares	2,445,339,224	2,344,845,578
Net Asset Value per share:		
Class A1 USD (based on 1,045,708,592 (2019: 998,117,400) shares in issue)	USD 2.0481	USD 2.0306
Class A1 AUD (based on 20,707,331 (2019: 20,819,619) shares in issue)	AUD 2.0024	AUD 2.0000
Class A1 EUR (based on 117,412,116 (2019: 120,992,373) shares in issue)	EUR 1.6124	EUR 1.6360
Class A1 JPY (based on 49,500,000 (2019: 49,500,000) shares in issue)	JPY 118.7541	JPY 120.4214
Class Z USD (based on 4,167,830 (2019: 4,646,632) shares in issue)	USD 1.8786	USD 1.8326

Notes to the financial statements

15. INDIRECT INVESTMENTS (CONTINUED)

(iii) Statement of operations of the Company for the year ended 30 June

	2020 USD	2019 USD
Investment income		
Interest income	15,068,355	14,546,620
Other income	2,428,802	2,177,888
Total investment income	17,497,157	16,724,508
Operating expenses		
Management fees	50,098,376	44,802,734
Performance fees	5,139,029	68,702,319
Services manager fees	2,056,782	1,897,680
Depository fees	300,898	336,920
Directors' fees	12,000	12,000
Interest expense	505	-
Other expenses	108,546	206,411
Total operating expenses	57,716,136	115,958,064
Net investment loss	(40,218,979)	(99,233,556)
Realised and movement in unrealised gain on investments, derivatives and foreign currency		
Realised gain on investments, derivatives and foreign currency	126,817,592	181,157,184
Movement in unrealised gain from investments, derivatives and foreign currency	(78,098,200)	190,342,237
Net realised and movement in unrealised gain on investments, derivatives and foreign currency	48,719,392	371,499,421
Net increase in net assets resulting from operations	8,500,413	272,265,865

(iv) Investment portfolio of the Company as at 30 June

The investment portfolio of the Company comprises the following investments as at 30 June (expressed as a percentage of the total assets of the Company):

	2020	2019
AHL Evolution Fund	64.82%	64.92%
Debt – Investment in securities at fair value - long	23.71%	33.97%
Forward currency contracts - long	0.00%	0.00%
Forward currency contracts - short	0.02%	(0.02)%
Total	88.55%	98.87%

Notes to the financial statements

15. INDIRECT INVESTMENTS (CONTINUED)

(v) Statement of changes in net assets of the Company for the year ended 30 June

	2020	2019
	USD	USD
Net assets at the beginning of the year	2,344,845,578	2,135,995,855
Increase in net assets resulting from operations	8,500,413	272,265,865
Increase/(decrease) in net assets resulting from capital transactions	89,826,417	(63,204,007)
Increase/(decrease) in net assets resulting from effects of equalisation	2,166,816	(212,135)
Net assets at the end of the year	<u>2,445,339,224</u>	<u>2,344,845,578</u>

16. PROVISION OF INFORMATION

This annual report and the Prospectus of the Fund are available free of charge from the Fund Manager.

17. DATE OF AUTHORISATION

The financial statements have been authorised for issue by the Fund Manager in Amsterdam on 16 December 2020.

Investment portfolio as at 30 June 2020

2020

Assets	Currency	Fair value EUR	% of NAV
Investee funds			
AHL (Cayman) SPC Class A Evolution Segregated Portfolio	EUR	24,497,449	80.7
Man AHL Evolution Frontier Limited	EUR	4,581,367	15.1
Man AHL Trend Alternative	EUR	1,078,213	3.5
		30,157,029	99.3

Investment portfolio as at 30 June 2019

2019

Assets	Currency	Fair value EUR	% of NAV
Investee funds			
AHL Alpha (Cayman) Limited - Class Euro	EUR	516,880	1.2
AHL (Cayman) SPC Class A Evolution Segregated Portfolio	EUR	35,512,967	83.7
Man AHL Evolution Frontier Limited	EUR	5,170,292	12.2
Man AHL Trend Alternative	EUR	713,237	1.7
		41,913,376	98.8

Other information

Provisions of the Prospectus on distribution policy

The Fund Manager shall have sole discretion whether to distribute any income of the Fund or whether to retain it within the Fund. Any amounts which it determines to distribute shall be paid to participants pro rata to the number of participations held by each of them.

Interests held by the Directors

As at 30 June 2020 and 2019, none of the Directors of the Fund Manager hold shares in the Fund.

Events after the balance sheet date

There were no material subsequent events which necessitate revision of the figures or disclosures included in these audited financial statements.

Independent auditor's report

To: The shareholders and the directors of Privium Fund Management B.V. as investment manager of Windmill Trend Evolution Fund

Report on the audit of the financial statements 2020 included in the annual report

Our opinion

We have audited the financial statements 2020 of Windmill Trend Evolution Fund, based in Amsterdam, The Netherlands.

In our opinion the accompanying financial statements give a true and fair view of the financial position of Windmill Trend Evolution Fund as at June 30, 2020, and of its result and its cash flows for 2020 in accordance with Part 9 of Book 2 of the Dutch Civil Code.

The financial statements comprise:

- The balance sheet as at 30 June 2020.
- The following statements for 2020: 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 Windmill Trend Evolution 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 Windmill Trend Evolution Fund is disclosed in the Report of the Fund Manager on page 6 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

Independent auditor's report (*continued*)

Report on other information included in the annual report (*continued*)

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.

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:

Independent auditor's report (*continued*)

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, 16 December 2020

Ernst & Young Accountants LLP

Signed by R.J. Bleijs