

Still Equity Fund

The Netherlands

ANNUAL REPORT

for the year ended 31 December 2020

Table of contents

	Page(s)
General information	1-2
Historical overview	3
Management Report	4-10
Financial statements	
Balance sheet	11
Income statement	12
Statement of cash flows	13
Notes to the financial statements	
General information	14
Significant accounting principles and policies	14-16
Principles for determining the result	16
Notes for individual balance sheet items	
Investments	17
Cash	17
Accrued expenses and other payables	18
Subscriptions received in advance	18
Share capital	18-20
Notes for individual income statement items	
Interest Income	20
Dividend income	20
Foreign currency gains on translation	20
Investment return	21
Costs	21-22
Relevant contracts	22-23
Related party transactions	23
Financial investments and associated risks	24-25
Unitholders' equity as issued	26
Events after the balance sheet date	26
Investment portfolio as at 31 December 2020	27
Investment portfolio as at 31 December 2019	28
Other information	
Provisions of the Prospectus on distribution policy	29
Interests held by the Directors	29
Provision of information	29
Date of authorisation	29
Independent Auditor's report	30-32

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	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 Wassenaarseweg 80 2596 CZ The Hague 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

	2020	2019	2018
<i>(All amounts in EUR)</i>			
Equity at the beginning of the year	8,911,447	6,017,908	7,552,903
Issue of units	8,256,695	3,910,000	112,000
Direct investment result	141,987	142,439	158,784
Indirect investment result	(738,032)	1,111,750	(1,510,595)
	<u>16,572,097</u>	<u>11,182,097</u>	<u>6,313,092</u>
Redemption of units	(645,996)	(2,062,296)	(91,613)
Expenses	(208,103)	(208,354)	(203,571)
Equity at the end of the year	<u>15,717,998</u>	<u>8,911,447</u>	<u>6,017,908</u>
Investments	15,016,369	7,939,158	4,985,398
Cash	783,894	6,973,924	2,544,543
Other assets and liabilities	(82,265)	(6,001,635)	(1,512,033)
Equity at the end of the year	<u>15,717,998</u>	<u>8,911,447</u>	<u>6,017,908</u>
Net profit			
Investment income	141,987	142,439	158,784
Indirect investment result	(738,032)	1,111,750	(1,510,595)
Expenses	(208,103)	(208,354)	(203,571)
Net profit	<u>(804,148)</u>	<u>1,045,835</u>	<u>(1,555,382)</u>
Number of units			
Class A Units	106,488.91	99,563.23	76,789.50
Class B Units ²	73,989.92	-	-
Unitholders' equity per unit in accordance with Dutch GAAP¹			
Class A Units	82.73	89.52	78.37
Class B Units	93.35	-	-
Unitholders' equity per unit in accordance with Prospectus¹			
Class A Units	82.73	89.52	78.47
Class B Units	93.35	-	-
Performance			
Class A Units	(7.58%)	14.07%	(20.56%)
Class B Units	(6.65%)	-	-

¹ The unitholders' equity per unit is calculated in accordance with Dutch GAAP. Refer to note 16 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.

² The Class B Units were issued in January 2020.

Management Report

2020 Review & Outlook

The Still Equity Fund returned -7.6% in the A Class shares and -6.7% in the B shares during 2020. This lagged the MSCI Europe return of -3.9% as Value stocks lagged considerably for the year despite the sharp recovery in the final quarter of the year. As a further performance reference, the SPDR MSCI Europe Small Cap Value Weighted UCITS ETF, returned -3.5%.

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 ignored in periods of speculative excess, valuation has historically been the single most important coincident indicator of future long-term returns. We have endured the most challenging environment for investing based on valuation in modern history – both in terms of its duration and magnitude. The final quarter of 2020 offered a glimpse of the return potential for value investors with the beginning of the rotation from the mega-cap growth darlings into the unloved value cyclicals. The Still Equity Fund recorded its best quarterly performance since inception (+28%) with broad-based positive performance across all names and relative outperformance in all months in the final quarter. This compared to the MSCI Europe return of +11% for the quarter.

However, there is still a long way to go to make up for the extreme underperformance of value since 2017 but we have a high level of confidence that the journey has begun.

Investor sentiment for 2020 was shaped by developments related to the outbreak of the COVID pandemic in Q1. Financial markets witnessed a meltdown as investors fled in the face of extreme levels of uncertainty. Many equity markets recorded the steepest and fastest bear markets on record, resulting in massive drawdowns in most stocks. The damage of the Global Financial Crisis of 2008/09 was rivalled in just 3 weeks – the German DAX Index declined by 30% in just 10 days. The extreme volatility created opportunity in two main areas 1) Within the portfolio itself, significant performance divergences between securities enabled us to shift allocations to take advantage of those securities hardest hit, and 2) the breadth of the market collapse resulted in certain securities on our watchlist to levels that created attractive new opportunities.

In making these capital reallocation changes we had a laser focus on two things 1) the financial strength of the business 2) the operational simplicity and momentum of the business entering the economic shut down. The decision was taken to exit the holdings in Arysza and Sipef and reinvest the proceeds in companies we expected to exit the downturn in a much stronger position (TKH, Hal Trust, MARR, and Applegreen).

Despite a historically challenging period for our investment style, we have endeavored to stay rational, stay patient, and not to be tempted into the world of speculation. To repeat something, we have written before. We like certainty too, but for us the next few years are far more important than the next few quarters. What we seek to avoid is not short-term uncertainty, but *risk*. Businesses facing temporary interruptions to demand from COVID-19 can *also* possess secure long-term futures, especially if they sell compelling products that benefit from positive multi-year demand trends and have balance sheets that provide years of running room. Such businesses can present very low risks despite the short-term uncertainty that comes with owning them — and, when they are ignored by most investors, they can also offer very high rewards. At some point, the companies facing headwinds will get past them, and those being discounted despite attractive long-term futures will get noticed. We witnessed how quickly the snap back can be at the end of 2020.

Management Report *(continued)*

2020 Review & Outlook *(continued)*

While large segments of the market indices remain grossly overvalued in our estimation, we remain confident in our ability to find hugely attractive investment opportunities in the more neglected parts of the market. We expect our investments in 2021 to get the double benefit from recovering earnings and a normalization in their valuation multiples. Market momentum and perception is shifting – Q4 provided the first glimpse of what this means for portfolio performance.

The reflation trade – investors betting on a broad based global economic recovery – continues to gain momentum. Investor attention is starting to fix most firmly on one indicator of this economic recovery – the rise in government bond yields. US yields are leading in this regard and yield spreads are at multi-year highs.



It is important to note that stock prices and bond yields can and often do increase simultaneously as a reflection of stronger economic activity – particularly in the early stages of any recovery. The risk to financial assets occurs when the speed of the rise in yields indicates an increasing inflation worry and central banks themselves make it clear that they are ready and willing to stop it. In short, higher interest rates increase the risk in equity markets but are not yet at a level that should destroy performance given the surplus liquidity awash in global markets. That said, higher rates could be a headwind for the popular Growth stocks whose terminal values are being discounted by zero or even negative long-term rates. Investors have been willing to ignore stretched valuations in the Growth darlings so long as interest rates remained at zero.

Management Report (*continued*)

2020 Review & Outlook (*continued*)

As rates rise and economic growth becomes more diffuse, we have strong doubts about the ability of Growth stocks to avoid a meaningful contraction in valuation metrics. Value stocks are expected to significantly outperform Growth stocks in terms of earnings over the next two years. The performance of Value stocks has certainly improved, but their valuations are at historical lows relative to Growth which remains incongruent with the expected path of earnings.

With investing, what remains in our power is our research and investing process, analysing and assembling a portfolio of high-quality, undervalued companies. It is within our power to strive to be as rational as possible and to not be swayed by the external environment. It is within our power to communicate with our clients and show them stocks and the economy through our eyes. We can control *what* we do. We cannot control *when* the stock market will stop pricing fast-growing companies as *priceless* and slower-growing companies as *worthless*. Since “when” is not in our control, we don’t focus on it; we just stick to “what.” Value stocks have suffered an extreme period of underperformance because they were sold to buy stocks that were attractive because their price kept rising. The only thing we can do today, and tomorrow is what we were doing yesterday – stay rational, stay patient, and don’t be tempted into the world of speculation.

We strongly believe that the operational momentum of the companies in the portfolio will translate into continued strong absolute returns in 2021. The valuation of the portfolio remains at a significant discount to the market. Our underlying companies are projected to grow their earnings strongly in 2021 and the most recent quarterly results do reinforce the improved operational momentum of the businesses. We believe that investor patience will be rewarded, and we look forward to the task ahead in 2021.

General principles of remuneration policy Privium Fund Management B.V. (‘Privium’)

Privium Fund Management B.V., Fund Manager of various funds, has a careful, controlled and sustainable remuneration policy which meets all the regulatory requirements as included in the Alternative Investment Fund Managers Directive (AIFMD), the guidelines on sound remuneration policies under the AIFMD (ESMA Guidelines) and the Sustainable Finance Disclosure Regulation. 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 is responsible for establishing the Remuneration policy. The Board of Privium reviews the Remuneration policy at least once a year and the policy may be amended if circumstances warrant that. Remunerations at Privium may consist out of a fixed remuneration (this may include a payment to cover certain expenses of staff members) and a variable remuneration.

Privium 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.

Remuneration policy 2020

This policy is based on the situation as of December 31, 2020. The financial year of Privium ends on December 31 of any year. For some of the funds the compensation consists of both a management and a performance fee. Amounts reflect remuneration related to funds managed by Privium, for the time Privium was the Fund Manager of those funds.

The two tables below offer an overview of the remuneration at the level of Privium. The first table shows the remuneration overview as of December 31, 2019 and the second table shows the remuneration overview as of December 31, 2020.

Management Report *(continued)*

Remuneration policy 2020 *(continued)*

Information per fund is not available. The Board of Privium is being described as Identified Staff in senior management roles. All other staff members are categorized as identified staff outside senior management roles.

Overview as December 31, 2019

	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

Overview as December 31, 2020

	Identified staff in senior management roles	Identified staff outside senior management roles	Total staff
Number of staff	2	34	36
Total fixed remuneration	€ 148,421	€ 4,839,700	€ 4,988,121
Total variable remuneration	€ 35,000	€ 5,331,064	€ 5,366,064
Total remuneration	€ 183,421	€ 10,170,764	€ 10,354,185

Privium 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. 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 e.g. 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 2020 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 36 staff members were involved during (some part of) the year 2020 (2019: 35), including consultants and including both part-time and full-time staff.

One staff member, active in portfolio management, has earned more than EUR 1,000,000 in relation to the performance results during the year 2020 (2019: one).

Management Report (*continued*)

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.

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.

Management Report (*continued*)

Risk management (*continued*)

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 focusses on risk management and compliance processes. In Q4 2020 this audit was executed for fifth time and the findings were reported to Privium's management. The audit did not demonstrate any material deviations.

Risk management and willingness to take risks

There have been no risk breaches during the year 2020. 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 overleaf 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.

Management Report *(continued)*

Risk management and willingness to take risks *(continued)*

Sorts of risks	Risk hedged	Measures applied and expected effectiveness	Impact on 2020 NAV	Expected impact on 2021 NAV if risk materializes	Adjustments made or expected adjustments to risk management in 2020 or 2021
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 lost -6.7% in 2020 (Class B shares). The Fund underperformed its benchmark (MSCI Europe total return Index) in 2020. This benchmark lost -3.9% in 2020.	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, 2020 over 70% 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, 2020 the leverage calculations according to the Gross method and Commitment method are as follows: Gross method: 95.62% 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 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 2020 functioned effectively as described. During 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 signaled.

Privium is updating its AO/IC (Handbook) on a regular basis as required by law. The 2020 update was completed in November 2020. During the fourth quarter of 2020 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>	December 2020 EUR	December 2019 EUR
Assets			
Investments			
Equities		15,016,369	7,939,158
	3	<u>15,016,369</u>	<u>7,939,158</u>
Current assets (fall due in less than 1 year)			
Cash	4	783,894	6,973,924
Withholding tax reclaimable		44,388	24,890
Interest receivable		-	39
		<u>828,282</u>	<u>6,998,853</u>
Total assets		<u>15,844,651</u>	<u>14,938,011</u>
Current liabilities (fall due in less than 1 year)			
Subscriptions received in advance	6	(82,000)	(5,986,100)
Accrued expenses and other payables	5	(44,653)	(40,464)
		<u>(126,653)</u>	<u>(6,026,564)</u>
Total liabilities		<u>(126,653)</u>	<u>(6,026,564)</u>
Total assets minus total liabilities		<u>15,717,998</u>	<u>8,911,447</u>
Unitholders' equity			
Contribution of unitholders		17,239,897	9,629,198
Unappropriated loss		(1,521,899)	(717,751)
Total unitholder's equity	7	<u>15,717,998</u>	<u>8,911,447</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>	2020	2019
		EUR	EUR
Investment result			
<i>Direct investment result</i>			
Dividend income	8	141,886	141,155
Other income		-	750
Interest income		101	534
		141,987	142,439
<i>Indirect investment result</i>			
Realised losses on equities	3, 11	(895,773)	(1,146,664)
Unrealised gains on equities	3, 11	154,380	2,258,184
Foreign currency gains on translation	10	3,361	230
		(738,032)	1,111,750
Total investment (loss)/income		(596,045)	1,254,189
Expenses			
Management fee	12, 13	(103,882)	(105,617)
Administration fee	12, 13	(23,000)	(23,000)
Depository fee	13	(20,504)	(19,965)
Audit fee	13	(14,365)	(14,399)
Interest expense		(8,277)	(12,870)
Legal owner fee		(6,957)	(5,431)
FATCA fees	13	(6,000)	(6,000)
Custody fee	13	(6,000)	(6,000)
Bank charges		(5,178)	(3,581)
Legal fee		(4,706)	(1,188)
Tax preparation fee		(2,520)	(3,530)
Regulator fee		(1,423)	(232)
Other operational costs		(805)	(803)
Total expenses		(203,617)	(202,616)
Net (loss)/profit for the year before tax		(799,662)	1,051,573
Withholding tax		(4,486)	(5,738)
Net (loss)/profit for the year after tax		(804,148)	1,045,835

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

Financial statements

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

	Note(s)	2020 EUR	2019 EUR
Cash flows from operating activities			
Net payments from investments	3	(10,075,321)	(4,258,757)
Net receipts from investments	3	2,256,717	2,416,517
Interest received		140	530
Interest paid		(8,189)	(13,093)
Dividend received		141,886	141,300
Management fee paid		(102,860)	(102,122)
Administration fee paid		(21,500)	(23,000)
Custody fee paid		(2,116)	(5,588)
Tax preparation fee paid		(3,025)	(3,025)
Audit fee paid		(22,912)	(12,826)
Redemption fee received		-	750
Bank charges paid		(5,178)	(3,581)
Depository fee paid		(20,504)	(19,965)
Withholding tax paid		(23,984)	(1,853)
Other general expenses paid		(13,144)	(19,940)
Net cash flows used in operating activities		<u>(7,899,990)</u>	<u>(1,904,653)</u>
Cash flows from financing activities			
Proceeds from sales of units	7	2,352,595	8,396,100
Payments on redemptions of units	7	(645,996)	(2,062,296)
Net cash flows provided by financing activities		<u>1,706,599</u>	<u>6,333,804</u>
Net (decrease)/increase in cash		(6,193,391)	4,429,151
Cash at the beginning of year		6,973,924	2,544,543
Foreign currency gains on translation of cash positions		3,361	230
Cash at the end of the year	4	<u><u>6,977,285</u></u>	<u><u>6,973,924</u></u>
Analysis of cash			
Cash at banks		175,404	293,207
Due from broker		608,490	6,680,717
Total cash	4	<u><u>783,894</u></u>	<u><u>6,973,924</u></u>

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

Notes to the financial statements

1. GENERAL INFORMATION

Still Equity Fund (the “Fund”) is an open-ended fund for joint account (“*fonds voor gemene rekening*”). Under Dutch law, the Fund is not a legal entity but an agreement *sui generis* between the Fund Manager, the Title Holder and each of the unitholders. The Fund was incorporated on 23 January 2015 and commenced operations on 01 April 2015. The Fund is registered at the commercial register of the Chamber of Commerce of the Netherlands under number 34268930. The most recent Prospectus of the Fund was issued in March 2018.

As at 31 December 2020, the Fund was offering two classes of units, Class A Units and Class B Units (2019: one class of units, Class A Units). The units of the Fund are not listed on any stock exchange.

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

The Fund’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 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 24 June 2021.

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.

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

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 the 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. Currency translation differences arising upon the settlement or conversion of monetary items are recognised in the income statement in the period that they are realised, unless hedge accounting is applied. 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 equities, investments in investee funds and debt instruments 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 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.

Dividend income

Dividend income relating to equity securities are recognized in the income statement on the ex-dividend date. Dividend income is presented gross of any non-recoverable withholding taxes, which are disclosed separately in the income statement.

Payables and accruals

Payables and accruals and deferred income are included at fair value.

Interest income and interest expense

Interest income and interest expense are recognised in the income statement as they accrue, using the historical effective interest rate of the asset. Interest income includes the amortisation of any discount or premium, transaction costs (in the case of financial instruments other than those classified at fair value through profit or loss) or other differences between the initial carrying amount of an interest-bearing instrument and its amount at maturity calculated on an effective interest rate basis.

Notes to the financial statements

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

Cash

Cash comprises cash on hand and demand deposits.

Statement of cash flows

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

For the purposes of the statement of cash flows, financial instruments at fair value through profit or loss are included under operating activities. Cash flows from financing activities include proceeds from subscriptions and payments for redemptions of shares of the Fund. As the nature of the Fund is to invest in financial instruments, all cash flows related to investments are classified as cash flows from operating activities.

Unitholders' equity

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

Principles for determining the result

The Fund recognises financial assets and 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.

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.

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.

Notes to the financial statements

NOTES FOR INDIVIDUAL BALANCE SHEET ITEMS

3. Investments

Movement in schedule of investments:

<i>(All amounts in EUR)</i>	31 December 2020	31 December 2019
Investment in equities		
As at 01 January	7,939,158	4,985,398
Purchases	10,075,321	4,258,757
Sales	(2,256,717)	(2,416,517)
Realised loss	(925,265)	(1,101,017)
Realised gain/(loss) on foreign exchange	29,492	(45,647)
Unrealised gain	393,715	2,044,578
Unrealised (loss)/gain on foreign exchange difference	(239,335)	213,606
As at 31 December	<u>15,016,369</u>	<u>7,939,158</u>

4. Cash

As at 31 December 2020, cash comprises of balances held with ABN AMRO Bank N.V. amounting to EUR 175,404 (2019: EUR 293,207). As at 31 December 2020 and 2019, no restrictions in the use of these balances exist.

Cash also includes amounts due from ABN AMRO Clearing Bank N.V. of EUR 608,490 (2019: EUR 6,680,717).

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>	31 December 2020	31 December 2019
Management fee payable	(10,801)	(9,779)
Administration fee payable	(9,500)	(8,000)
Custody fee payable	(9,085)	(5,201)
FATCA fees payable	(6,000)	-
Audit fee payable	(4,279)	(12,826)
Tax preparation fee payable	(3,025)	(3,530)
Regulator fee payable	(1,263)	(516)
Interest payable	(530)	(442)
Other payables	(170)	(170)
Total accrued expenses and other payables	<u>(44,653)</u>	<u>(40,464)</u>

6. Subscriptions received in advance

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

As at 31 December 2020, the subscriptions received in advance amount to EUR 82,000 (2019: EUR 5,986,100). On 1 July 2020, the Fund issued 689.1809 Class A Units and 772.7242 Class B 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. At 31 December 2020, both Class A Units and Class B Units are in issue.

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.

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)

	2020	2019
<i>Contributions of unitholders</i>		
Balance at the beginning of the year	9,629,198	7,781,494
Issue of units	8,256,695	3,910,000
Redemption of units	<u>(645,996)</u>	<u>(2,062,296)</u>
Total contributions at the end of the year	<u>17,239,897</u>	<u>9,629,198</u>
<i>Unappropriated loss</i>		
Balance at the beginning of the year	(717,751)	(1,763,586)
Net (loss)/profit for the year after tax	<u>(804,148)</u>	<u>1,045,835</u>
Total undistributed loss at the end of the year	<u>(1,521,899)</u>	<u>(717,751)</u>
Equity at the end of the year	<u>15,717,998</u>	<u>8,911,447</u>

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. This is applicable for both the Class A Units and Class B Units. 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 2020 was as follows:

	Units at the beginning of the year	Units issued	Units redeemed	Units at the end of the year
Class A participations	99,563.23	7,075.68	(150.00)	106,488.91
Class B participations	-	82,277.75	(8,287.83)	73,989.92
Total	<u>99,563.23</u>	<u>89,353.43</u>	<u>(8,437.83)</u>	<u>180,478.83</u>

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 2019 was as follows:

	Units at the beginning of the year	Units issued	Units redeemed	Units at the end of the year
Class A participations	76,789.50	46,830.77	(24,057.04)	99,563.23
Total	76,789.50	46,830.77	(24,057.04)	99,563.23

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. For the years ended 31 December 2020 and 2019, no distributions were made.

NOTES FOR INDIVIDUAL INCOME STATEMENT ITEMS

8. Interest income

Interest income relates to the interest on bank and custodian balances.

9. Dividend income

Dividend income relates to dividend from equity instruments.

10. Foreign currency gains on translation

Realised and unrealised exchange differences consist of realised and unrealised translation gains on assets and liabilities other than financial assets and liabilities. For the year ended 31 December 2020, this amounted to gains of EUR 3,361 (2019: gains of EUR 230). The following average and closing rates have been applied in the preparation of these financial statements (the equivalent of one Euro is shown):

	2020		2019	
	Average	Closing	Average	Closing
<i>Showing the equivalent of 1 Euro</i>				
Danish Krone	7.4537	7.4561	7.4690	7.4683
Great Britain Pound	0.8823	0.8899	0.8779	0.8458
Swiss Franc	1.0903	1.0706	1.1132	1.0855
United States Dollar	1.1575	1.1422	1.1201	1.1215

Notes to the financial statements

NOTES FOR INDIVIDUAL INCOME STATEMENT ITEMS (CONTINUED)

11. Investment return

<i>(All amounts in EUR)</i>	2020		2020	2019
	Profit	Loss	Total	Total
Equities				
Realised result	46,703	(942,476)	(895,773)	(1,146,664)
Unrealised result	2,090,010	(1,935,630)	154,380	2,258,184
Total result	2,136,713	(2,878,106)	(741,393)	1,111,520

12. 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>	2020	2019
Expenses accruing to Fund Manager		
Management fee	(103,882)	(105,617)
Other expenses		
Administration fee	(23,000)	(23,000)
Depository fees	(20,504)	(19,965)
Audit fee	(14,365)	(14,399)
Interest expense	(8,277)	(12,870)
Legal owner fee	(6,957)	(5,431)
FATCA fee	(6,000)	(6,000)
Custody fee	(6,000)	(6,000)
Bank charges	(5,178)	(3,581)
Legal Fee	(4,706)	(1,188)
Tax preparation fee	(2,520)	(3,530)
Regulator fee	(1,423)	(232)
Other operational costs	(805)	(803)
Total	(203,617)	(202,616)

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 2020, all costs actually charged to the Fund were in accordance with the costs disclosed in the Prospectus. During the year, the Fund also incurred costs such as legal fee of EUR 4,706 (2019: EUR 1,188), interest expense of EUR 8,277 (2019: EUR 12,870) and bank charges of EUR 5,178 (2019: EUR 3,581) which are not detailed in the Prospectus.

Notes to the financial statements

NOTES FOR INDIVIDUAL INCOME STATEMENT ITEMS (CONTINUED)

12. Costs (continued)

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 years ended 31 December 2020 and 2019, the ongoing charges ratio for the Fund is as follows:

	2020	2019
Ongoing charges ratio	1.57%	2.28%

Turnover factor

For the year ended 31 December 2020, the turnover factor for the Fund is 27.59% (2019: 8.46%). 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.

13. RELEVANT CONTRACTS

Fund Manager

Management fee

Privium Fund Management B.V. acts as the Fund Manager to the Fund. The Fund Manager is entitled to an annual management fee 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.

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.

Notes to the financial statements

13. RELEVANT CONTRACTS (CONTINUED)

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 14,101 (2019: EUR 13,596) 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.

14. RELATED PARTY TRANSACTIONS

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

The Fund Manager and the Delegate/Investment Advisor is considered a related party.

As of 1 January 2021, employees of the Delegate held 101.67 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 2020 - 31 December 2020 and balances as at 31 December 2020

	Paid	Balance
	EUR	EUR
	102,860	10,801
Management fee		

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

	Paid	Balance
	EUR	EUR
	102,122	9,779
Management fee		

Notes to the financial statements

15. 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. 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. 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 2020 and 2019, price risk arises on the Fund's investment in equities.

The Fund's diversification of financial assets at fair value through profit or loss represented per significant industry sector as at 31 December 2020 and 2019 is as follows:

Sector	2020 EUR	% of unitholders' equity	2019 EUR	% of unitholders' equity
Consumer, Cyclical	6,366,492	40.5	3,032,568	34.0
Industrial	5,146,102	32.7	2,762,460	31.0
Financial	1,666,538	10.6	1,060,770	11.9
Technology	1,074,937	6.8	-	-
Consumer, Non-Cyclical	762,300	4.9	1,083,360	12.2
	15,016,369	95.5	7,939,158	89.1

The table below details the sensitivity of the Fund's investments to a reasonable possible increase of 5% as at 31 December 2020 and 2019:

Sector	2020		2019	
	Amount in EUR	% of unitholders' equity	Amount in EUR	% of unitholders' equity
Consumer, Cyclical	318,325	2.0	151,628	1.7
Industrial	257,305	1.6	138,123	1.5
Financial	83,327	0.5	53,039	0.6
Technology	53,747	0.3	-	-
Consumer, Non-Cyclical	38,115	24.7	54,168	0.6

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 banks and amounts due from custodian 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

15. FINANCIAL INVESTMENTS AND ASSOCIATED RISKS (CONTINUED)

Market risk (continued)

Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Currency risk exposure arises from the Fund investing in financial instruments and entering into transactions which are denominated in currencies other than its functional currency. The Fund's exposure to foreign exchange movements as at 31 December 2020 and 2019 is as follows:

	2020		2019	
	Fair value EUR	% of unitholders' equity	Fair value EUR	% of unitholders' equity
Currency				
Danish Krone	6,755	0.0	6,800	0.1
Great British Pound	3,047,801	19.4	3,007,189	33.7
Swiss Franc	10,435	0.1	518,412	5.8
United States Dollar	1,081,127	6.9	2,062	0.0

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 828,282 (2019: EUR 6,998,853).

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' (2019: '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

16. UNITHOLDERS' EQUITY AS ISSUED

As at 31 December 2020 there was no reconciliation between the participants' equity in accordance with the Prospectus and the participants' equity as determined in accordance with Dutch Accounting Standard 210 ("Dutch GAAP") as the incorporation costs were fully amortised as at 31 December 2020.

The following schedule shows the reconciliation between the unitholders' equity as at 31 December 2019 in accordance with the Prospectus and the unitholders' equity as at 31 December 2019 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
Unitholders' equity attributable to holders of units in accordance with the Prospectus	8,913,134
Adjustments	
Unamortised incorporation costs	(1,687)
Adjusted unitholders' equity attributable to holders of units in accordance with Dutch GAAP	8,911,447
Number of units	99,563.23
Unitholders' equity per unit in accordance with the Prospectus	89.52
Adjusted unitholders' equity per unit in accordance with Dutch GAAP	89.52

17. EVENTS AFTER THE BALANCE SHEET DATE

Introduction Sustainable Finance Disclosure Regulation (SFDR)

As per 10 March 2021 the EU Sustainable Finance Disclosure Regulation (SFDR) has come into force. In the context of the SFDR, the Fund is classified as an Article 6 fund. Additional SFDR related disclosures can be found in the Prospectus of 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 2020

	Currency	Fair Value EUR	% of NAV
Applegreen Plc	EUR	1,653,000	10.5
Arcadis NV	EUR	1,289,808	8.2
Breedon Group Plc	GBP	1,075,422	6.8
Cairn Homes Plc	EUR	1,115,920	7.1
Dalata Hotel Group Plc	EUR	1,367,142	8.7
DXC Technology Co	USD	1,074,937	6.8
Eurocell Plc	GBP	1,328,897	8.5
Forterra Plc	GBP	641,405	4.1
Glenveagh Properties Plc	EUR	1,303,130	8.3
Hibernia REIT Plc	EUR	717,788	4.6
MARR SpA	EUR	927,300	5.9
Sligro Food Group NV	EUR	762,300	4.8
TKH Group NV	EUR	810,570	5.2
Yew Grove REIT Plc	EUR	948,750	6.0
		15,016,369	95.5

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
Caim 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
		7,939,158	89.1

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 or cash.

Interests held by the Directors

As at 31 December 2020, the Board of Directors did not hold any shares in the Fund or in any of the underlying investment equities that the Fund holds.

Provision of information

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

Date of authorisation

The financial statements have been authorised for issue by the Fund Manager in Amsterdam on 24 June 2021.



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 2020 included in the annual report

Our opinion

We have audited the financial statements 2020 of Still Equity Fund, based in Amsterdam, The Netherlands.

In our opinion the accompanying financial statements give a true and fair view of the financial position of Still Equity Fund as at December 31, 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 31 December 2020
- The following statements for 2020: Profit and loss statement and cash flow statement
- The notes comprising a summary of the accounting policies and other explanatory information

Basis for our opinion

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

We are independent of Still Equity Fund in accordance with the 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.

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:

- The management report
- Other information as required by 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.

Management is responsible for the preparation of the other information, including the management report in accordance with Part 9 of Book 2 of the Dutch Civil Code and other information as required by Part 9 of Book 2 of the Dutch Civil Code.



Description of responsibilities for the financial statements

Responsibilities of management for the financial statements

Management 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, management is responsible for such internal control as management 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, management is responsible for assessing the company's ability to continue as a going concern. Based on the financial reporting framework mentioned, management should prepare the financial statements using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so. Management should disclose events and circumstances that may cast significant doubt on the company'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 engagement 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 detect all material errors and fraud during our audit.

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:

- 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 company's internal control
- Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management
- Concluding on the appropriateness of management'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 company'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 a company to cease to continue as a going concern



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

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

- 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 management 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, 24 June 2021

Ernst & Young Accountants LLP

Signed by R.J. Bleijs