

Global Allocation Fund

The Netherlands

UNAUDITED INTERIM FINANCIAL STATEMENTS

for the period from 1 January 2021 to 30 June 2021

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General information

Registered Office	Gustav Mahlerplein 3 Symphony Offices, 26 th Floor 1082 MS Amsterdam The Netherlands
Fund Manager	Privium Fund Management B.V. Gustav Mahlerplein 3 Symphony Offices, 26 th Floor 1082 MS Amsterdam The Netherlands
Delegate	Box Consultants B.V. Burgemeester Mollaan 72 5582 CK Waalre The Netherlands
Depository	Darwin Depository Services B.V. Barbara Strozziilaan 101 1083 HN Amsterdam The Netherlands
Legal Owner	Stichting Juridisch Eigendom Global Allocation Fund Woudenbergseweg 11 3953 ME Maarsbergen The Netherlands
Custodian	ABN AMRO Clearing Bank N.V. Gustav Mahlerlaan 10 1082 PP Amsterdam The Netherlands
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
Legal Advisor	Van Campen Liem J.J. Viottastraat 52 1071 JT Amsterdam The Netherlands
Payment Bank	ABN AMRO Bank N.V. Gustav Mahlerlaan 10 1082 PP Amsterdam The Netherlands

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

Profile

Global Allocation Fund (the “Fund”) is structured as an open-ended investment fund (*beleggingsfonds*) and a fund for joint account (*fonds voor gemene rekening*) organised and established under the laws of the Netherlands. The Fund is not a legal entity (*rechtspersoon*) but a contractual arrangement *sui generis* between the Fund Manager, the Legal Owner and each of the participants separately, governing the assets and liabilities acquired or assumed by the Legal Owner for the account and risk of the participants. The Fund was established in August 2017 and commenced operations on 2 October 2017, the first dealing date for subscriptions. The Fund is managed by Privium Fund Management B.V. (the “Fund Manager”). The first financial period end of the Fund was from the period of 2 October 2017 (date of commencement of operations) to 31 December 2018.

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

The participants’ equity per participation as at 30 June 2021, 31 December 2020 and 30 June 2020 are as follows:

Participants’ equity per participation in accordance with Dutch GAAP¹	30 June 2021	31 December 2020	30 June 2020
Class A participations	120.52	112.31	102.45
Class B participations	114.05	106.81	97.93
Participants’ equity per participation in accordance with the Prospectus¹			
Class A participations	120.54	112.35	102.51
Class B participations	114.07	106.85	97.98

¹ The participants’ equity per participation is calculated in accordance with Dutch GAAP. Refer to note 16 of these interim financial statements for the reconciliation between the participants’ equity calculated in accordance with the Prospectus and the participants’ equity calculated in accordance with Dutch GAAP.

Interim financial statements

BALANCE SHEET

	Note(s)	30 June 2021 EUR	31 December 2020 EUR
Assets			
Investments			
Investee funds		50,250,705	39,541,076
Debt instruments		4,156,160	3,790,500
Equities		1,680,496	1,299,539
	3	<u>56,087,361</u>	<u>44,631,115</u>
Current assets (fall due in less than 1 year)			
Cash	4	149,658	2,083,111
Prepaid legal fees		4,283	-
Pending investment		-	600,000
		<u>153,941</u>	<u>2,683,111</u>
Total assets		<u>56,241,302</u>	<u>47,314,226</u>
Liabilities			
Current liabilities (fall due in less than 1 year)			
Redemptions payable	6	(75,468)	-
Accrued expenses and other payables	5	(73,550)	(55,246)
Subscriptions received in advance	7	-	(700,000)
		<u>(149,018)</u>	<u>(755,246)</u>
Total liabilities		<u>(149,018)</u>	<u>(755,246)</u>
Total assets minus total liabilities		<u>56,092,284</u>	<u>46,558,980</u>
Participants' equity			
Contribution of participants		48,175,748	42,254,294
Unappropriated gain		7,916,536	4,304,686
Total participants' equity	8, 17	<u>56,092,284</u>	<u>46,558,980</u>

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

Interim financial statements

INCOME STATEMENT

(For the periods ended 30 June 2021 and 2020)

	<i>Note(s)</i>	2021 EUR	2020 EUR
Investment income			
<i>Direct investment result</i>			
Interest income	9	81,649	106,502
Dividend income	10	75,827	28,390
		<u>157,476</u>	<u>134,892</u>
<i>Indirect investment result</i>			
Realised gains on investee funds	3, 11	436,164	127
Realised losses on debt instruments	3, 11	(5,135)	(10,916)
Realised gains on equities	3, 11	-	7,248
Unrealised gain/(loss) on investee funds	3, 11	2,881,370	(1,954,672)
Unrealised gain/(loss) on debt instruments	3, 11	60,445	(277,884)
Unrealised gains on equities	3, 11	231,091	33,376
Foreign currency (loss)/gain on translation	12	(7,931)	767
		<u>3,596,004</u>	<u>(2,201,954)</u>
Total investment gain/(loss)		<u>3,753,480</u>	<u>(2,067,062)</u>
Expenses			
Management fee	13, 14, 15	(40,525)	(39,879)
Administration fee	13, 14	(28,348)	(27,349)
Custody fee	13, 14	(21,601)	(21,661)
Depositary fee	13, 14	(15,681)	(14,912)
Other operational costs		(11,441)	(11,658)
Audit fee		(10,246)	(9,121)
Interest expense		(2,801)	(1,488)
Regulatory and compliance fees		(1,803)	(4,334)
Bank charges		(1,703)	(1,375)
Legal fees		-	(1,525)
Total expenses	13	<u>(134,149)</u>	<u>(133,302)</u>
Net gain/(loss) before tax		3,619,331	(2,200,364)
Withholding tax		(7,481)	(4,258)
Net gain/(loss) after tax		<u><u>3,611,850</u></u>	<u><u>(2,204,622)</u></u>

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

Interim financial statements

STATEMENT OF CASH FLOWS (For the periods ended 30 June 2021 and 2020)

	<i>Note(s)</i>	2021 EUR	2020 EUR
Cash flows from operating activities			
Purchases of investments	3	(10,754,137)	(8,261,616)
Proceeds from sale of investments	3	3,501,826	12,074,573
Interest received		81,649	106,503
Interest paid		(2,801)	(1,914)
Dividend received		75,827	28,390
Administration fee paid		(25,514)	(28,375)
Management fee paid		(40,692)	(39,773)
Depositary fee paid		(15,681)	(14,912)
Custody fee paid		(19,649)	(18,866)
Other general expenses paid		(5,592)	(3,242)
Bank charges paid		(1,703)	(1,375)
Withholding tax paid		(7,481)	(4,258)
Legal fees paid		(4,283)	(5,733)
Regulatory and compliance fee paid		-	(2,890)
Legal ownership fees paid		(4,213)	(4,162)
Net cash flows (used in)/provided by operating activities		(7,222,444)	3,822,350
Cash flows from financing activities			
Proceeds from sales of participations	8	6,145,000	2,061,017
Payments on redemptions of participations	8	(923,546)	(3,671,946)
Redemptions payable		75,468	-
Net cash flows provided by/(used in) financing activities		5,296,922	(1,610,929)
Net (decrease)/increase in cash		(1,925,522)	2,211,421
Cash at the beginning of the period		2,083,111	336,147
Foreign currency translation of cash positions		(7,931)	767
Cash at the end of the period	4	149,658	2,548,335
Analysis of cash			
Cash		149,658	2,823,553
Due to broker		-	(275,218)
Total cash	4	149,658	2,548,335

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

Notes to the interim financial statements

1. GENERAL INFORMATION

Global Allocation Fund (the “Fund”) is structured as an open-ended investment fund (*beleggingsfonds*) and a fund for joint account (*fonds voor gemene rekening*) organised and established under the laws of the Netherlands and was established in August 2017. The Fund is not a legal entity (*rechtspersoon*) but a contractual arrangement *sui generis* between the Fund Manager, the Legal Owner and each of the participants separately, governing the assets and liabilities acquired or assumed by the Legal Owner for the account and risk of the participants. The Legal Owner of the Fund is registered at the commercial register of the Chamber of Commerce of the Netherlands under number 66151457. The Fund commenced operations on 2 October 2017. The Fund has a registered office at Gustav Mahlerplein 3, Symphony Offices, 26th Floor, 1082 MS Amsterdam, the Netherlands.

The Fund has two classes of participations, Class A participations and Class B participations. The sole difference between the different classes is that Class A participants pay a lower management fee, due to the fact that the Delegate waived its delegation fee that is payable out of the management fee for this Class. Only investors that are a client of the Delegate are issued Class A participations against each such participant’s individual subscription. Other participants subscribing will be issued Class B participations, unless otherwise determined by the Fund Manager in its sole discretion. As at 30 June 2021 and 31 December 2020, both Class A participations and Class B participations are in issue.

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

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

The Fund had no employees during the period ended 30 June 2021 and the year ended 31 December 2020.

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

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

The interim financial statements have been authorised for issue by the Fund Manager on 10 August 2021.

2. SIGNIFICANT ACCOUNTING PRINCIPLES AND POLICIES

Basis of preparation

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

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

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

Notes to the interim financial statements

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

Functional currency

The interim financial statements are presented in Euro (“EUR”), which is the Fund’s functional currency.

Recognition and measurement

An asset is recognised in the balance sheet when it is probable that future economic benefits of the asset will flow to the Fund and the amount of the asset can be reliably measured. A liability is recognised in the balance sheet when it is probable that an outflow of resources embodying economic benefits will result from the settlement of a present obligation and the amount at which the settlement will take place can be measured reliably.

Income is recognised in the income statement when an increase in future economic benefit related to an increase in an asset or decrease in a liability has arisen that can be measured reliably.

Expenses (including value added tax (“VAT”), where applicable) are recognised in the income statement when a decrease in future economic benefit related to a decrease in an asset or an increase in a liability has arisen that can be measured reliably.

Estimates

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

Foreign exchange

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 participations

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

Basis of valuation - policies in preparing the balance sheet

Financial investments are initially measured at fair value which is the fair value of the consideration given or received. Financial investments are subsequently re-measured at fair value.

The Fund’s investments in investee funds are valued based on the reporting received from the administrators of those funds. As at 30 June 2021, the value of investments in investee funds is the aggregate of the Fund’s attributable share of the latest available net asset value (“NAV”) of the investee funds.

The profit or loss of the Fund on its investments 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 2021 and 2020, no such adjustments were made.

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.

Notes to the interim financial statements

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

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

Gains and losses arising from fair value changes are calculated based on historical cost and recognised in the income statement as ‘realised gains on investee funds’, ‘realised losses on debt instruments’, ‘realised gains on equities’, ‘unrealised gain/(loss) on investee funds’, ‘unrealised gain/(loss) on debt instruments’ and ‘unrealised gains on equities’.

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. As at 30 June 2021, no such estimated values were used.

Receivables and prepayments

The value of accounts receivable and prepayments will be deemed to be the full amount unless it is unlikely to be paid or received in full. Appropriate allowances for estimated irrecoverable amounts are recognised in the income statement when there is objective evidence that the asset is impaired. Cash is carried at face value.

Payables and accruals

Payables and accruals are included at fair value.

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 period divided into cash flows from operations and financing activities and how the cash flows have affected cash funds.

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

Participants’ equity

All references to net asset value (“NAV”) throughout the interim financial statements are equivalent to participants’ equity.

Tax position

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

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 capitalized.

Notes to the interim financial statements

NOTES FOR INDIVIDUAL BALANCE SHEET ITEMS

3. Investments

Movement in schedule of investments

<i>(All amounts in EUR)</i>	1 January to 30 June 2021	1 January to 30 June 2020
Investment in investee funds		
Opening balance	39,541,076	38,377,135
Purchases	9,743,921	6,446,000
Sales	(2,351,826)	(11,528,777)
Realised	436,164	127
Unrealised	2,881,370	(1,954,672)
As at 30 June	50,250,705	31,339,813

<i>(All amounts in EUR)</i>	1 January to 30 June 2021	1 January to 30 June 2020
Investment in debt instruments		
Opening balance	3,790,500	4,300,010
Purchases	1,460,350	215,130
Sales	(1,150,000)	(131,595)
Realised	(5,135)	(10,916)
Unrealised	60,445	(277,884)
As at 30 June	4,156,160	4,094,745

<i>(All amounts in EUR)</i>	1 January to 30 June 2021	1 January to 30 June 2020
Investment in equities		
Opening balance	1,299,539	-
Purchases	149,866	1,600,486
Sales	-	(414,201)
Realised	-	7,248
Unrealised	231,091	33,376
As at 30 June	1,680,496	1,226,909

Notes to the interim financial statements

NOTES FOR INDIVIDUAL BALANCE SHEET ITEMS (CONTINUED)

3. Investments (continued)

Movement in schedule of investments (continued)

<i>(All amounts in EUR)</i>	1 January to 30 June 2021	1 January to 30 June 2020
Total investments		
Opening balance	44,631,115	42,677,145
Purchases	11,354,137	8,261,616
Sales	(3,501,826)	(12,074,573)
Realised	431,029	(3,541)
Unrealised	3,172,906	(2,199,180)
As at 30 June	<u>56,087,361</u>	<u>36,661,467</u>

4. Cash

As at 30 June 2021, cash comprises of balances held with ABN AMRO Bank N.V. amounting to EUR 76,629 (31 December 2020: EUR 892,267) and balances held with ABN AMRO Clearing Bank N.V. amounting to EUR 73,029 (31 December 2020: EUR 1,190,844). As at 30 June 2021 and 31 December 2020, no restrictions in the use of these balances exist.

5. Accrued expenses and other payables

As at 30 June 2021 and 31 December 2020, accrued expenses and other payables consist of the following:

<i>(All amounts in EUR)</i>	30 June 2021	31 December 2020
Custody fee payable	(27,785)	(25,833)
Audit fee payable	(15,967)	(5,721)
Other payables	(10,560)	(12,560)
Administration fee payable	(7,069)	(4,235)
Management fee payable	(6,730)	(6,897)
Regulator and compliance fee payable	(5,439)	-
Total accrued expenses and other payables	<u>(73,550)</u>	<u>(55,246)</u>

6. Redemptions payable

Redemptions payable represents the amount the Fund has to pay to unitholders for redemptions of shares of the Fund. As at 30 June 2021, the payable to unitholders amounts to EUR 75,468 (31 December 2020: EUR Nil).

7. Subscriptions received in advance

Subscriptions received in advance represent the amounts received from unitholders for subscriptions 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 30 June 2021, there were no subscriptions received in advance. As at 31 December 2020, the subscriptions received in advance amounted to EUR 700,000. On 4 January 2021, the Fund issued 6,230.433 units of Class A to the subscribing unitholders.

Notes to the interim financial statements

NOTES FOR INDIVIDUAL BALANCE SHEET ITEMS (CONTINUED)

8. Share capital

Structure of the Fund's capital

The Fund is structured as an open-ended investment fund and was established in Amsterdam in August 2017. The Fund has two classes of participations, Class A participations and Class B participations. The sole difference between the different classes is that Class A participants pay a lower management fee, due to the fact that the Delegate waived its delegation fee that is payable out of the management fee for this Class. Only investors that are a client of the Delegate are issued Class A participations against each such participant's individual subscription. Other participants subscribing will be issued Class B participations, unless otherwise determined by the Fund Manager in its sole discretion. As at 30 June 2021 and 30 June 2020, both Class A participations and Class B participations are in issue.

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

<i>(All amounts in EUR)</i>	1 January to 30 June 2021	1 January to 30 June 2020
<i>Contributions of participants</i>		
Balance at the beginning of the period	42,254,294	40,292,874
Issue of participations	6,845,000	2,061,017
Redemption of participations	(923,546)	(3,671,946)
Total contributions at the end of the period	48,175,748	38,681,945
<i>Unappropriated gain</i>		
Balance at the beginning of the period	4,304,686	2,661,516
Net gain/(loss) after tax	3,611,850	(2,204,622)
Total undistributed gain at the end of the period	7,916,536	456,894
Equity at the end of the period	56,092,284	39,138,839

Subscriptions and redemptions

Participants can, at the sole discretion of the Fund Manager, subscribe to the Fund on a weekly dealing day at the subscription price. The minimum initial subscription for each participant is EUR 100,000. The Class A participations and Class B participations were issued at an initial subscription price of EUR 100 per participation. No subscriptions fees are charged to the participants of the Fund. The Fund's policy allows for redemptions on a weekly basis and notice of 3 business days must be provided. No redemption fees are charged to the participants of the Fund.

The movement of the participations during the period ended 30 June 2021 was as follows:

	Participations at the beginning of the period	Participations issued	Participations redeemed	Participations at the end of the period
Class A participations	408,803.519	58,772.001	(7,887.806)	459,687.714
Class B participations	6,058.673	-	-	6,058.673
Total	414,862.192	58,772.001	(7,887.806)	465,746.387

Notes to the interim financial statements

NOTES FOR INDIVIDUAL BALANCE SHEET ITEMS (CONTINUED)

8. Share capital (continued)

Subscriptions and redemptions (continued)

The movement of the participations during the period ended 30 June 2020 was as follows:

	Participations at the beginning of the period	Participations issued	Participations redeemed	Participations at the end of the period
Class A participations	396,908.804	18,380.859	(39,060.912)	376,228.751
Class B participations	4,379.108	1,679.565	-	6,058.673
Total	401,287.912	20,060.424	(39,060.912)	382,287.424

Capital management

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

NOTES FOR INDIVIDUAL INCOME STATEMENT ITEMS

9. Interest income

Interest income relates to the interest on debt instruments and the interest on custodian balances.

10. Dividend income

Dividend income relates to dividends from equity instruments.

11. Investment return

(All amounts in EUR)

	2021		2020	
Investee funds	Profit	Loss	Total	Total
Realised result	489,223	(53,059)	436,164	127
Unrealised result	3,454,101	(572,731)	2,881,370	(1,954,672)
Total result	3,943,324	(625,790)	3,317,534	(1,954,545)

(All amounts in EUR)

	2021		2020	
Debt instruments	Profit	Loss	Total	Total
Realised result	-	(5,135)	(5,135)	(10,916)
Unrealised result	108,850	(48,405)	60,445	(277,884)
Total result	108,850	(53,540)	55,310	(288,800)

Notes to the interim financial statements

NOTES FOR INDIVIDUAL INCOME STATEMENT ITEMS (CONTINUED)

11. Investment return (continued)

<i>(All amounts in EUR)</i>	2021		2021		2020	
Equities	Profit	Loss	Total		Total	
Realised result	-	-	-		7,248	
Unrealised result	231,091	-	231,091		33,376	
Total result	231,091	-	231,091		40,624	
Total result	4,283,265	(679,330)	3,603,935		(2,202,721)	

12. Foreign currency (losses)/gains on translation

Realised and unrealised exchange differences consist of realised and unrealised translation gains and losses on assets and liabilities other than investment assets and liabilities. For the period ended 30 June 2021, this amounted to losses of EUR 7,931 (2020: gains of EUR 767). The following average and closing rates have been applied in the preparation of these interim financial statements (the equivalent of one Euro is shown):

	2021		2020	
	Average	Closing	Average	Closing
<i>(Showing the equivalent of 1 Euro)</i>				
United States Dollar	1.2007	1.1856	1.1044	1.1247

13. Costs

The Fund makes use of various parties for management, administration and custody services. The table below provides a breakdown of expenses for the periods ended 30 June 2021 and 2020.

<i>(All amounts in EUR)</i>	2021	2020
Expenses accruing to the Fund Manager		
Management fee	(40,525)	(39,879)
Other expenses		
Administration fee	(28,348)	(27,349)
Custody fee	(21,601)	(21,661)
Depositary fee	(15,681)	(14,912)
Audit fee	(10,246)	(9,121)
Professional fee	(4,748)	(5,010)
Legal ownership fees	(4,213)	(4,162)
Interest expense	(2,801)	(1,488)
Other operational costs	(2,480)	(2,486)
Regulatory and compliance fees	(1,803)	(4,334)
Bank charges	(1,703)	(1,376)
Legal fees	-	(1,525)
Total	(134,149)	(133,303)

Notes to the interim financial statements

NOTES FOR INDIVIDUAL INCOME STATEMENT ITEMS (CONTINUED)

13. Costs (continued)

The basis on which various costs are charged to the Fund are disclosed in detail in the Prospectus. It is a Dutch regulatory requirement to disclose any differences between actual costs and the costs disclosed in the Prospectus. During the period ended 30 June 2021, all costs actually charged to the Fund were in accordance with the costs disclosed in the Prospectus. During the period, the Fund also incurred costs such as other operational costs of EUR 2,480 (2020: EUR 2,486), interest expense of EUR 2,801 (2020: EUR 1,488), bank charges of EUR 1,703 (2020: EUR 1,376) and legal fees of EUR 4,213 (2020: EUR 5,687) which are not detailed in the Prospectus.

14. RELEVANT CONTRACTS

Fund Manager

Management fee

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

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

The management fee is calculated on the last calendar day of each month, payable monthly in arrears out of the Fund's assets. After two years from October 2017 (the closing date) the total annual management fee retained by the Fund Manager after the payment of the delegation fee is subject to a minimum of EUR 75,000 per annum.

The Fund Manager has entered into a delegation agreement with Box Consultants B.V. Certain portfolio management responsibilities have been delegated to Box Consultants B.V. The Fund Manager pays a delegation fee to the Delegate for the Class B participations only. No delegation fee is paid to Box Consultants B.V. regarding the Class A participations. Details of management fees charged for the period are disclosed in the income statement.

Administrator

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

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

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

Custodian

ABN AMRO Clearing Bank N.V. acts as Custodian to the Fund. The Custodian is entitled to receive fees from the Fund in accordance with its customary charges.

Depository

The Fund has entered into a depository agreement with Darwin Depository Services B.V. The Depository charges an annual fee equal to 0.014% of the net asset values of the Fund (based on the average of the net asset values of the Fund at the end of each calendar quarter) with a minimum of EUR 24,000, payable quarterly in advance for depository services provided to the Fund. Details of depository fees charged for the period are disclosed in the income statement.

Notes to the interim financial statements

14. RELEVANT CONTRACTS *(continued)*

Independent Auditor

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

Legal Owner

CSC 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%.

15. RELATED PARTY TRANSACTIONS

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

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

The Delegate is considered a related party. As at 30 June 2021, employees of the Delegate held 5,821.9072 Class A participations in the Fund.

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

Transactions from 1 January 2021 – 30 June 2021 and balances as at 30 June 2021

	Paid	Balance
	EUR	EUR
Management fee	(40,692)	6,730

Transactions from 1 January 2020 – 30 June 2020 and balances as at 31 December 2020

	Paid	Balance
	EUR	EUR
Management fee	(39,773)	(6,897)

Notes to the interim financial statements

16. FINANCIAL INVESTMENTS AND ASSOCIATED RISKS

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

The Fund's activities expose it to a variety of financial risks: market risk (including market price risk, interest rate risk and currency risk), credit risk and liquidity risk. The funds, to which the Fund subscribes, indirectly expose the Fund to various risks which are not outlined below. These risks are monitored by the Investment Manager 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. The Fund's market risk is managed through diversification of its investments.

Market price risk

Price risk is the risk that the value of the instrument will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk), whether caused by factors specific to an individual investment, its issuer or all factors affecting all instruments traded in the market.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. As at 30 June 2021, interest rate risk arises on most of the Fund's investments in fixed income.

Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Currency risk exposure arises from the Fund investing in financial instruments and entering into transactions which are denominated in currencies other than its functional currency. The Fund's exposure to foreign exchange movements as at 30 June 2021 and 31 December 2020 is as follows:

	30 June 2021		31 December 2020	
	Fair value EUR	% of participants' equity	Fair value EUR	% of participants' equity
Currency				
United States Dollar	3,456,472	6.2	4,898,303	10.5

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 investee funds and equity instruments) best represent the maximum credit risk exposure as at the reporting date and amounts to EUR 4,310,101 (31 December 2020: EUR 6,473,611). The Fund had investments in debt instruments amounting to EUR 4,156,160 (2020: EUR 3,790,500) at the period end.

The Fund also maintains a cash position at both ABN AMRO Bank N.V. and ABN AMRO Clearing Bank N.V. The current credit rating of ABN AMRO Bank N.V. is 'A' (2020: 'A'), as determined by Standard and Poor's. If the credit quality or the financial position of this entity deteriorates significantly the Investment Manager will deal with another provider.

Notes to the interim financial statements

16. FINANCIAL INVESTMENTS AND ASSOCIATED RISKS (CONTINUED)

Liquidity risk

Liquidity risk is the risk that the Fund will encounter difficulty in meeting obligations arising from its financial liabilities.

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

The Fund's listed securities are considered to be readily realisable as they are listed on recognised exchanges.

The Fund's other liabilities are short-term in nature.

17. PARTICIPANTS' EQUITY AS ISSUED

The following schedule shows the reconciliation between the participations' equity in accordance with the Prospectus and the participations' equity as determined in accordance with Dutch Accounting Standard 210 ("Dutch GAAP").

The Prospectus states that incorporation costs should be amortised over 5 years. Dutch GAAP prefers that incorporation costs be expensed immediately.

To determine the participations' equity in accordance with Dutch GAAP the following schedule is presented as at 30 June 2021 and 31 December 2020.

	30 June 2021 EUR	31 December 2020 EUR
Participants' equity attributable to holders of participations in accordance with the Prospectus	56,105,309	46,577,176
Adjustments		
Unamortised incorporation costs	(13,025)	(18,196)
Adjusted participants' equity attributable to holders of participations in accordance with Dutch GAAP	56,092,284	46,558,980
Number of participations		
Class A participations	459,687.71	408,803.52
Class B participations	6,058.67	6,058.67
Participants' equity per participation in accordance with the Prospectus		
Class A participations	120.54	112.35
Class B participations	114.07	106.85
Participants' equity per participation in accordance with Dutch GAAP		
Class A participations	120.52	112.31
Class B participations	114.05	106.81

18. PROVISION OF INFORMATION

The interim financial statements and the Prospectus of the Fund are available free of charge from the Fund Manager or available for download free of charge from the Fund Manager's website: www.priviumfund.com.

Notes to the interim financial statements

19. EVENTS AFTER THE BALANCE SHEET DATE

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

20. DATE OF AUTHORISATION

The interim financial statements have been authorised for issue by the Fund Manager in Amsterdam on 10 August 2021.