

Windmill Trend Evolution Fund

The Netherlands

UNAUDITED INTERIM FINANCIAL STATEMENTS

for the period ended 31 December 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/Investment Advisor	Oakk Capital Partners B.V. Beurs-World Trade Center, 19 th Floor Beursplein 37 3011 AA Rotterdam The Netherlands
Legal Owner	TMF Bewaar B.V. Herikerbergweg 238 1101 CM Amsterdam Zuidoost The Netherlands
Administrator	Apex Fund Services (Netherlands) B.V. Van Heuven Goedhartlaan 935A 1181 LD Amstelveen The Netherlands
Independent Auditor ¹	Ernst & Young Accountants LLP Wassenaarseweg 80 2596 CZ Den Haag The Netherlands
Legal and Tax Counsel	Van Campen Liem J.J. Viottastraat 52 1071 JT Amsterdam The Netherlands
Bank	ABN AMRO Bank N.V. Gustav Mahlerlaan 10 1082 PP Amsterdam The Netherlands
Depository	Darwin Depository Services B.V. Barbara Strozziilaan 101 1083 HN Amsterdam The Netherlands

¹The interim financial statements are not audited by the Independent Auditor.

Profile

Windmill Trend Evolution Fund (the “Fund”) is structured as a contractual fund with an open-ended redemption structure under Dutch law. The Fund is a closed fund for joint account for Dutch tax purposes (*besloten fonds voor gemene rekening*) and is not a legal entity but a contractual arrangement *sui generis* between the Fund Manager, the Legal Owner and the participants. The Fund commenced operations on 1 April 2014.

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

The NAV per participation at the end of the reporting period is as follows:

	31 December 2021	31 December 2020
NAV per participation		
Class A (in EUR)	164.50	144.21
Class B (in USD)	145.67	126.91

As per 10 March 2021, the EU Sustainable Finance Disclosure Regulation (SFDR) has come into force. In the context of the Sustainable Finance Disclosure Regulation (SFDR), the Fund has been classified as an Article 6 fund. The investments of Windmill Trend Evolution Fund do not take into account the EU criteria for environmentally sustainable economic activities.

Interim financial statements

BALANCE SHEET

		31 December 2021	30 June 2021
	<i>Note(s)</i>	EUR	EUR
Assets			
Investments			
Investee funds	3	37,870,599	31,377,013
Derivative financial assets		-	11,378
		<u>37,870,599</u>	<u>31,388,391</u>
Current assets (fall due in less than 1 year)			
Cash and cash equivalents	4	1,713,809	1,044,299
Prepayments		-	654
		<u>1,713,809</u>	<u>1,044,953</u>
Total assets		<u>39,584,408</u>	<u>32,433,344</u>
Liabilities			
Investment liabilities			
Derivative financial liabilities	3	(9,567)	-
		<u>(9,567)</u>	<u>-</u>
Current liabilities (fall due in less than 1 year)			
Subscriptions received in advance	5	(1,210,783)	(743,277)
Accrued expenses and other payables	6	(36,371)	(49,851)
		<u>(1,247,154)</u>	<u>(793,128)</u>
Total liabilities		<u>(1,256,721)</u>	<u>(793,128)</u>
Total assets minus total liabilities		<u>38,327,687</u>	<u>31,640,216</u>
Equity			
Contribution of participants		24,744,438	19,640,274
Unappropriated profit		13,583,249	11,999,942
Total shareholders' equity	7	<u>38,327,687</u>	<u>31,640,216</u>

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

Interim financial statements

INCOME STATEMENT

(For the period ending 31 December)

	<i>Note(s)</i>	2021	2020
		EUR	EUR
Investment income			
<i>Direct investment result</i>			
Other expense		(576)	(1,988)
Interest income		9	-
		<u>(567)</u>	<u>(1,988)</u>
<i>Indirect investment result</i>			
Realised gains on investee funds		1,286,334	893,764
Realised gain/(loss) on derivative financial instruments		100,273	(159,435)
Unrealised (loss)/gain on derivative financial instruments		(20,944)	9,462
Unrealised gains on investee funds		357,252	1,290,802
Foreign currency gain on translation		19,939	11,017
	3,8	<u>1,742,854</u>	<u>2,045,610</u>
Total investment income		<u>1,742,287</u>	<u>2,043,622</u>
Expenses			
Management fee	9 10,11	(96,332)	(85,174)
Administration fee	10	(16,906)	(16,193)
Audit fee		(11,669)	(7,824)
Other general expenses		(10,944)	(1,685)
Depositary fee	10	(10,365)	(10,252)
Legal owner fee		(10,149)	(9,232)
Bank charges		(1,960)	(1,844)
Licence fee		(655)	(1,959)
Brokerage fees		-	(1,400)
Total expenses		<u>(158,980)</u>	<u>(135,563)</u>
Net profit		<u>1,583,307</u>	<u>1,908,059</u>

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

Interim financial statements

STATEMENT OF CASH FLOWS (For the period ending 31 December)

	<i>Note</i>	2021	2020
		EUR	EUR
Cash flows from operating activities			
Net (payments)/receipts for investments		(4,850,000)	3,865,000
Net receipts/(payments) from derivative financial instruments		100,273	(159,435)
Interest paid		(638)	(1,961)
Management fee paid		(92,730)	(85,330)
Administration fee paid		(18,603)	(14,531)
Audit fee paid		(19,495)	(10,334)
Depository fees paid		(10,365)	(10,252)
Legal owner fee paid		(10,149)	(9,232)
Other general expenses paid		(18,433)	(3,070)
Bank charges paid		(1,960)	(1,844)
Net cash flows (used in)/provided by operating activities		<u>(4,922,100)</u>	<u>3,569,011</u>
Cash flows from financing activities			
Proceeds from sales of class A participations		6,587,031	2,547,959
Payments on redemptions of class A participations		(964,188)	(5,108,311)
Payments on redemptions of class B participations		(51,172)	(13,211)
Net cash flows provided by/(used in) financing activities		<u>5,571,671</u>	<u>(2,573,563)</u>
Net increase in cash and cash equivalents		649,571	995,448
Cash and cash equivalents at the beginning of the period		1,044,299	454,354
Foreign currency translation of cash positions		19,939	11,017
Cash and cash equivalents at the end of the period	4	<u><u>1,713,809</u></u>	<u><u>1,460,819</u></u>
Analysis of cash and cash equivalents			
Cash at bank		573,651	1,260,819
Due from broker		140,158	200,000
Prepaid investment		1,000,000	-
Total cash and cash equivalents	4	<u><u>1,713,809</u></u>	<u><u>1,460,819</u></u>

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

Notes to the interim financial statements

1. GENERAL INFORMATION

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

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

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

The Fund may issue Class A and Class B participations. As at 31 December 2021 and at 31 December 2020, both Class A and Class B participations are in issue. Prospective participants can subscribe for Class A participations in EUR and for Class B participations in USD.

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

The Fund had no employees during the periods ended 31 December 2021 and 31 December 2020.

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 interim financial statements have been authorised for issue by the Fund Manager on 28 February 2022.

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”) 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 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.

Below and overleaf is a summary of the accounting policies of the Fund.

Functional currency

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

Notes to the interim financial statements

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

Recognition and measurement

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

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

Estimates

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

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

Classification of participations

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

Basis of valuation - policies in preparing the balance sheet

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

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

The Fund’s investments in investee funds are valued based on the reporting received from the administrators of those funds. As at 31 December 2021, the value of investments in investee funds is the aggregate of the Fund’s attributable share of the latest available (unaudited) net asset value (“NAV”) of the investee funds.

The profit or loss of the Fund on its 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 31 December 2021 and 30 June 2021, no such adjustments were made.

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.

Notes to the interim financial statements

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

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

Forward currency contracts

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

Receivables and prepayments

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

Payables and accruals

Payables and accruals are included at fair value.

Cash and cash equivalents

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

Principles for determining the result

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

The changes in value of the investments in investee funds are accounted for in the income statement.

Dividends from investee funds, if any, are included at the date when they are declared.

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

Tax position

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

Notes to the interim financial statements

NOTES FOR INDIVIDUAL BALANCE SHEET ITEMS

3. Investments

<i>(All amounts in EUR)</i>	1 July to 31 December 2021	1 July 2020 to 30 June 2021
Investment in investee funds		
As at the beginning of the period/year	31,377,013	30,157,029
Purchases	5,852,342	2,590,000
Sales	(1,002,342)	(6,340,001)
Realised	1,286,334	1,058,329
Unrealised	357,252	3,911,656
As at the end of the period/year	37,870,599	31,377,013
Investment in derivative financial instruments		
As at the beginning of the period/year	11,378	(3,622)
Purchases/(sales)	(100,273)	95,242
Realised	100,273	(95,242)
Unrealised	(20,945)	15,000
As at the end of the period/year	(9,567)	11,378
Total investments		
As at the beginning of the period/year	31,388,391	30,153,407
Purchases	5,752,069	2,685,242
Sales	(1,002,342)	(6,340,001)
Realised	1,386,607	963,087
Unrealised	336,307	3,926,656
As at the end of the period/year	37,861,032	31,388,391

The table below provides an analysis of the forward currency contracts as at 31 December 2021:
(All amounts in EUR)

Expiration Date	Contract currency	Bought	Contract currency	Sold	Contract rate*	Current rate*	Unrealised EUR
31/01/2022	USD	2,450,000	EUR	2,163,301	1.13253	1.13756	(9,567)
Total unrealised loss on open forward currency contracts							(9,567)

* Showing the equivalent of 1 Euro.

Notes to the interim financial statements

NOTES FOR INDIVIDUAL BALANCE SHEET ITEMS (CONTINUED)

3. Investments (continued)

The table below provides an analysis of the forward currency contracts as at 30 June 2021:
(All amounts in EUR)

Expiration Date	Contract currency	Bought	Contract currency	Sold	Contract rate*	Current rate*	Unrealised EUR
30/07/2021	USD	2,310,000	EUR	1,935,665	1.19339	1.18645	11,320
30/07/2021	USD	80,000	EUR	67,370	1.18747	1.18645	58
Total unrealised gain on open forward currency contracts							11,378

* Showing the equivalent of 1 Euro.

4. Cash and cash equivalents

As at 31 December 2021, cash and cash equivalents comprise of balances held with ABN AMRO Bank N.V. amounting to EUR 573,651 (30 June 2021: EUR 900,025), and balances for unsettled trades of EUR 1,000,000 (30 June 2021: EUR Nil). As at 31 December 2021 and 30 June 2021, no restrictions in the use of these balances exist.

As at 31 December 2021, cash and cash equivalents also include amounts due from Saxo Bank amounting to EUR 140,158 (30 June 2021: EUR 144,274). This amount includes margin requirements. Margin represents cash deposited with the broker transferred as collateral against forward currency contracts.

5. Subscriptions received in advance

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

As at 31 December 2021, the subscriptions received in advance amount to EUR 1,210,783 (30 June 2021: EUR 743,277). On 3 January 2022, the Fund issued 7,360.385 (1 July 2021: 4,719.221) participations of Class A to the subscribing participants.

Notes to the interim financial statements

NOTES FOR INDIVIDUAL BALANCE SHEET ITEMS (CONTINUED)

6. Accrued expenses and other payables

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

<i>(All amounts in EUR)</i>	31 December 2021	30 June 2021
Management fee payable	(17,912)	(14,310)
Administration fee (including annual report fee) payable	(9,388)	(11,085)
Audit fee payable	(8,145)	(15,971)
Other payables	(761)	(616)
Commission and other charges payable	(108)	(115)
Interest payable	(57)	(119)
Licence fees payable	-	(5,948)
FATCA fee payable	-	(1,687)
Total accrued expenses and other payables	<u>(36,371)</u>	<u>(49,851)</u>

7. Share capital

Structure of the Fund's capital

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

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

<i>(All amounts in EUR)</i>	1 July to 31 December 2021	1 July to 31 December 2020
<i>Contributions of participants</i>		
Balance at the beginning of the period	19,640,274	22,985,170
Issue of Class A participations	6,119,524	1,818,157
Redemption of Class A participations	(964,188)	(5,108,311)
Redemption of Class B participations	(51,172)	(13,211)
Total contributions at the end of the period	<u>24,744,438</u>	<u>19,681,805</u>
<i>Unappropriated profit</i>		
Balance at the beginning of the period	11,999,942	7,379,994
Net profit	1,583,307	1,908,059
Total undistributed profit at the end of the period	<u>13,583,249</u>	<u>9,288,053</u>
Equity at the end of the period	<u>38,327,687</u>	<u>28,969,858</u>

Notes to the interim financial statements

NOTES FOR INDIVIDUAL BALANCE SHEET ITEMS (CONTINUED)

7. Share capital (continued)

Subscriptions and redemptions

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

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

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

The movement of participations during the period ended 31 December 2021 is as follows:

	Participations at the beginning of the period	Participations issued	Participations redeemed	Participations at the end of the period
Class A	269,942.6894	37,836.8864	(5,998.7493)	301,780.8265
Class B	17,211.1175	-	(404.5039)	16,806.6136
Total	287,153.8069	37,836.8864	(6,403.2532)	318,587.4401

The movement of participations during the period ended 31 December 2020 is as follows:

	Participations at the beginning of the period	Participations issued	Participations redeemed	Participations at the end of the period
Class A	294,132.1373	13,318.3323	(37,507.7802)	269,942.6894
Class B	17,340.4945	-	(129.3770)	17,211.1175
Total	311,472.6318	13,318.3323	(37,637.1572)	287,153.8069

Capital management

The Fund's objectives when managing capital are to safeguard the Fund's ability to continue as a going concern in order to provide returns for participants and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, it is not expected that the Fund will declare any dividends. All earnings will normally be retained for investments. However, the Fund reserves the right to declare dividends or make distributions if the Fund Manager so decides.

Notes to the interim financial statements

NOTES FOR INDIVIDUAL INCOME STATEMENT ITEMS

8. Investment return

<i>(All amounts in EUR)</i>	2021		2021	2020
	Profit	Loss	Total	Total
Investee funds				
Realised results	1,288,676	(2,342)	1,286,334	893,764
Unrealised results	2,009,222	(1,651,970)	357,252	1,290,802
	<u>3,297,898</u>	<u>(1,654,312)</u>	<u>1,643,586</u>	<u>2,184,566</u>
Derivative financial instruments				
Realised results	100,273	-	100,273	(159,435)
Unrealised results	-	(20,944)	(20,944)	9,462
	<u>100,273</u>	<u>(20,944)</u>	<u>79,329</u>	<u>(149,973)</u>
Total result	<u>3,398,171</u>	<u>(1,675,256)</u>	<u>1,722,915</u>	<u>2,034,593</u>

9. Costs

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

<i>(All amounts in EUR)</i>	31 December 2021	31 December 2020
Expenses accruing to Fund Manager		
Management fee	(96,332)	(85,174)
Other expenses		
Administration fee (includes annual report fee)	(16,906)	(16,193)
Audit fee	(11,669)	(7,824)
Other general expenses	(10,944)	(1,685)
Depositary fee	(10,365)	(10,252)
Legal owner fee	(10,149)	(9,232)
Bank charges	(1,960)	(1,844)
Licence fee	(655)	(1,959)
Brokerage fee	-	(1,400)
Total	<u>(158,980)</u>	<u>(135,563)</u>

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 periods ended 31 December 2021 and 31 December 2020, all costs actually charged to the Fund were in accordance with the costs disclosed in the Prospectus.

Notes to the interim financial statements

NOTES FOR INDIVIDUAL INCOME STATEMENT ITEMS (CONTINUED)

9. Costs (continued)

Ongoing charges annualised ratio

The ongoing charges ratio is the ratio of the total costs (excluding costs of transactions on financial instruments and interest costs) to the average net assets of the Fund. The average net assets are based on the Fund's net assets at each calculation of the NAV i.e. monthly. The ongoing charges ratio includes performance fees.

For the period ended 31 December 2021, the ongoing charges ratio for the Fund is as follows:

	2021
Ongoing charges ratio (annualised)	0.95%
Ongoing charges ratio including expenses of underlying funds (annualised)	1.95%

For the period ended 31 December 2020, the ongoing charges ratio for the Fund is as follows:

	2020
Ongoing charges ratio (annualised)	0.87%
Ongoing charges ratio including expenses of underlying funds (annualised)	3.02%

Turnover factor*

This ratio demonstrates the rate at which the Fund's portfolio is turned over. For the period ended 31 December 2021, the turnover factor for the Fund is (0.83)%. For the period ended 31 December 2020, the turnover factor for the Fund is (1.55)%. 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.

**Please note these ratios are not annualised.*

10. RELEVANT CONTRACTS

Fund Manager

Management fee

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

Details of management fees charged for the 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 a fee based on 0.08% of the NAV of the Fund up to EUR 30 million, 0.06% of the NAV between EUR 30 million and EUR 50 million, 0.04% of the NAV between EUR 50 million and EUR 100 million and 0.02% of the NAV above EUR 100 million, to be calculated monthly and paid quarterly in arrears and with a minimum annual fee of EUR 15,000 per annum. The Administrator also charges a fee of EUR 5,000 per annum for the preparation of the Fund's annual and interim report.

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

Notes to the interim financial statements

10. RELEVANT CONTRACTS (CONTINUED)

Administrator (continued)

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

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

Depository

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

11. RELATED PARTY TRANSACTIONS

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

The Fund Manager is considered a related party.

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

Transactions from 1 July 2021 to 31 December 2021

	Paid	Balance
	EUR	EUR
Management fee	(92,730)	(17,912)

Transactions from 1 July 2020 to 31 December 2020

	Paid	Balance
	EUR	EUR
Management fee	(85,330)	(13,539)

The Delegate/Investment Advisor is also considered a related party. As at 31 December 2021, the Delegate/Investment Advisor and/or its employees held 5,167.7066 (30 June 2021: 4,946.5821) Class A shares in the Fund and 273.2755 (30 June 2021: 251.1889) Class B shares in the Fund.

12. FINANCIAL INVESTMENTS AND ASSOCIATED RISKS

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

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

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

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

Notes to the interim financial statements

12. FINANCIAL INVESTMENTS AND ASSOCIATED RISKS (CONTINUED)

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market prices whether those changes are caused by factors specific to the individual security or its issuer or factors affecting all securities traded in the market. There may be various reasons why markets fall, like recessions caused by a change in the economic business cycle or a pandemic. Market risk comprises market price risk, interest rate risk and currency risk.

Market price risk

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

As at 30 December 2021, price risk arises on the Fund's investment in investee funds.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Fund has no interest bearing financial instruments except for cash at bank which is subject to normal market related short-term interest rates. Therefore, the Fund is not exposed to significant interest rate risks.

Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Currency risk exposure arises from the Fund investing in financial instruments and entering into transactions which are denominated in currencies other than its functional currency.

As at 31 December 2021, 100% (30 June 2021: 100%) of the assets and liabilities of the Fund are denominated in the functional currency and therefore the Fund is not exposed to currency risk from its assets and liabilities as at the reporting dates.

Currency risk arises from the Fund's share classes. Class B participations are denominated in a currency other than EUR and are therefore exposed to currency fluctuations. It is the Fund's intention to hedge the currency exposure of USD participants to the Fund's base currency through the utilisation of forward currency contracts. Any profits or losses of currency hedges shall be allocated to the Class B participations. The tables below outline the USD exposure of the Class B participations as at 31 December 2021 and 30 June 2021 and the notional amount of the forward currency contracts used to mitigate the risk.

	31 December 2021			30 June 2021		
	Net position EUR	Notional Amount Forwards EUR	Net Currency Exposure EUR	Net position EUR	Notional Amount Forwards EUR	Net Currency Exposure EUR
Currency						
United States Dollar	40,038	(9,567)	30,471	45,284	(11,378)	33,906

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

Credit risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Fund. The carrying values of financial assets (excluding any investments in investee funds) best represent the maximum credit risk exposure as at the reporting date and amounts to EUR 1,713,809 (30 June 2021: EUR 1,044,953).

Notes to the interim financial statements

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

The Legal Owner and the Fund Manager may limit the redemption of participations on a redemption date to an aggregate total redemption price of ten per cent (10%) (or more, as long as such higher gate is not to the detriment of the remaining participants) of the Net Asset Value on the valuation date prior to the redemption date. In this case, the number of participations to be redeemed per participant will be pro rata the total number of participations offered for redemption. Any participations included in a redemption request that have not been redeemed as a result of such scale down of a redemption request are deemed to be offered for redemption on the following redemption date on a pro rata basis alongside subsequent redemption requests (but not compulsory redemptions) and shall be subject to the same limitations.

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

As at 31 December 2021 and 30 June 2021, the Fund invests in the AHL Fund. The Fund may redeem their investment in the AHL Fund on a monthly dealing day, provided 30 calendar days notice is given before the relevant dealing day. Payments are ordinarily made by the AHL Fund within 10 business days of the valuation day.

Sustainability risk

Sustainability risk in the context of the Fund is defined as the risk of a decrease in the value of an investment of the Fund due to an environmental, social or governance (ESG) related event. Such an event may have a direct negative impact on the financials of an investee fund or a longer-term impact on the operations or performance capacity of the investee fund. The Fund Manager has identified multiple sustainability risks, which may impact the value of its investments to a varying degree. These risks are being monitored by the Fund Manager on a continuous basis.

13. NET ASSET VALUE AS ISSUED

As at 31 December 2021 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") since all incorporation costs have been amortised.

14. 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.

Notes to the interim financial statements

15. EVENTS AFTER THE BALANCE SHEET DATE

There were no material subsequent events which necessitate revision of the figures or disclosures included in these interim financial statements. No material events occurred after the balance sheet date that could influence the transparency of the interim financial statements.

16. DATE OF AUTHORISATION

The interim financial statements have been authorised for issue by the Fund Manager in Amsterdam on 28 February 2022.