

Multi Strategy Alternatives Fund

The Netherlands

UNAUDITED INTERIM FINANCIAL STATEMENTS

for the period from 1 January 2024 to 30 June 2024

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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	Box Consultants B.V. Burgemeester Mollaan 72 5582 CK Waalre The Netherlands
Administrator	Apex Fund Services (Netherlands) B.V. Van Heuven Goedhartlaan 935A 1181 LD Amstelveen The Netherlands
Legal Owner	Stichting Juridisch Eigendom Multi Strategy Alternatives Fund Woudenbergseweg 11 3953 ME Maarsbergen The Netherlands
Independent Auditor	Ernst & Young Accountants LLP Antonio Vivaldistraat 150 1083 HP Amsterdam The Netherlands
Custodian	ABN AMRO Clearing Bank N.V. Gustav Mahlerlaan 10 1082 PP Amsterdam The Netherlands
Legal Advisor	Van Campen Liem J.J. Viottastraat 52 1071 JT Amsterdam The Netherlands
Depository	APEX Depository Services B.V. Van Heuven Goedhartlaan 935A 1181 LD Amstelveen The Netherlands
Payment Bank	ABN AMRO Bank N.V. Gustav Mahlerlaan 10 1082 PP Amsterdam The Netherlands

Profile

Multi Strategy Alternatives Fund (the “Fund”) is an open-ended investment fund (beleggingsfonds) for joint account (besloten fonds voor gemene rekening) organised and established on 30 July 2014 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 commenced operations on 15 January 2015.

The investment objective of the Fund is to achieve long term growth by investing in a diversified portfolio of investee funds worldwide, predominantly hedge funds. When selecting investee funds, the Fund Manager will focus on fund managers that manage at least EUR 100,000,000 in the same strategy. The aim is to avoid illiquid strategies and illiquid investee funds.

The net asset value (“NAV”) per participation as at period end are as follows:

Class A participations (in USD)	30 June 2024	31 December 2023	31 December 2022	31 December 2021	31 December 2020
Net asset value	20,407,978	20,100,590	24,519,194	31,705,691	32,902,850
Number of participations	139,997.7833	151,618.4501	201,141,8673	233,697.1428	263,307.0547
NAV per participation	145.77	132.57	121.90	135.67	124.96
Class A Euro (in euro)	30 June 2024	31 December 2023	31 December 2022	31 December 2021	31 December 2020
Net asset value	121,855,810	120,774,502	115,620,807	133,282,179	-
Number of participations	973,183.1809	1,022,576.5638	1,151,716.3745	1,169,347.0678	-
NAV per participation	116.86	118.11	100.39	113.98	-
Class C Euro (in euro)	30 June 2024	31 December 2023	31 December 2022	31 December 2021	31 December 2020
Net asset value	5,421,671	6,361,821	6,496,862	8,237,489	-
Number of participations	44,801.9679	55,758.7542	67,054.0019	74,947.5884	-
NAV per participation	112.94	114.10	96.89	109.91	-

Interim Financial statements

BALANCE SHEET

		30 June 2024 USD	31 December 2023 USD
	Note(s)		
Assets			
Investments			
Investee funds		145,535,582	143,731,837
Derivative financial assets		93,745	94,172
Total investments	3	145,629,327	143,826,009
Receivables			
Due from brokers		1,799,730	999,723
Other receivables		13,769	10,906
Total receivables		1,813,499	1,010,629
Other assets			
Cash	4	331,996	3,353,343
Total other assets		331,996	3,353,343
Total assets		147,774,822	148,189,981
Liabilities			
Participants' equity			
Contribution of participants		117,865,702	126,836,301
Unappropriated gain		29,819,758	20,400,612
Total participants' equity	7	147,685,460	147,236,913
Investments			
Derivative financial liabilities		10,860	865,264
Total investments	3	10,860	865,264
Other liabilities			
Accrued expenses and other payables	5	78,502	87,804
Total other liabilities		78,502	87,804
Total liabilities		147,774,822	148,189,981

Interim Financial statements

INCOME STATEMENT

(For the periods ended 30 June 2024 and 2023)

	<i>Note(s)</i>	2024 USD	2023 USD
Changes in value			
Realised results	3,9	(3,101,555)	2,107,143
Unrealised results	3,9	11,763,147	4,232,325
		8,661,592	6,339,468
Other results			
Foreign currency gains and losses on translation	8	920,767	14,544
Interest income on bank accounts	7	48,811	60,230
		969,578	74,774
Expenses			
Management fee	10,11,12	(64,346)	(67,056)
Administration fee	10,11	(32,394)	(31,164)
Custody fee	10,11	(32,453)	(35,065)
Bank charges		(29,843)	(28,934)
Depository fee	10,11	(13,308)	(13,280)
Audit fee	10,11	(12,693)	(11,792)
Other operational costs		(19,944)	(20,816)
Interest expense	10	(1,733)	(827)
Legal ownership fee	11	(5,310)	(5,134)
Total expenses	10	(212,024)	(214,068)
Net profit		9,419,146	6,200,174

Interim Financial statements

STATEMENT OF CASH FLOWS

(For the periods ended 30 June 2024 and 2023)

	<i>Note</i>	2024 USD	2023 USD
Cash flows from operating activities			
Purchase of investments	3	-	(10,078,455)
Proceeds from sale of investments	3	11,150,654	13,889,898
Net receipts from derivative financial assets and liabilities	3	(5,946,791)	783,744
Management fee paid		(64,241)	(67,077)
Operating expenses paid		(160,725)	(142,759)
Interest received		51,229	72,808
Interest paid		(1,641)	(194)
Net cash flows used in operating activities		5,028,485	4,457,965
Cash flows from financing activities			
Proceeds from sales of participations		-	396,648
Payments on redemptions of participations		(8,970,599)	(7,540,770)
Net cash flows provided by/(used in) financing activities		(8,970,599)	(7,144,122)
Net decrease in cash		(3,942,114)	(2,686,157)
Cash at the beginning of the period		3,353,343	5,177,972
Foreign currency translation of cash positions		920,767	14,544
Cash at the end of the period	4	331,996	2,506,359

Notes to the Interim Financial statements

1. GENERAL INFORMATION

Multi Strategy Alternatives Fund (the “Fund”) is an open-ended investment fund (*beleggingsfonds*) for joint account (*besloten fonds voor gemene rekening*) organised and established on 30 July 2014 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 Legal Owner of the Fund is registered at the commercial register of the Chamber of Commerce of the Netherlands under number 61167649. The Fund commenced operations on 15 January 2015.

The Fund may issue Class A participations, Class B participations and Class C participations each denominated in USD and EUR. As at 30 June 2024 and 31 December 2023, only the Class A participations (both USD and EUR) and the Class C participations (EUR) are in issue.

During 2020, the Fund Manager also started issuing EUR denominated Class A participations and Class C participations.

The investment objective of the Fund is to achieve long term growth by investing in a diversified portfolio of investee funds worldwide, predominantly hedge funds. When selecting investee funds, the Fund Manager will focus on fund managers that manage at least EUR 100,000,000 in the same strategy. The aim is to avoid illiquid strategies and illiquid investee funds.

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 2024 and the year ended 31 December 2023.

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.

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.

The financial statements have been authorised for issue by the Fund Manager on 22 August 2024

Notes to the Interim Financial statements

2. SIGNIFICANT ACCOUNTING PRINCIPLES AND POLICIES

The interim financial statements are prepared in accordance with Part 9, Book 2 of the Dutch Civil Code. The accounting principles used to prepare this interim financial statements are the same as the accounting principles used for the annual report 2023.

All figures in this interim financial statements are denoted in euro's, unless stated otherwise. The reporting period extends from 1 January 2024 through 30 June 2024.

Notes to the Interim Financial statements

NOTES FOR INDIVIDUAL BALANCE SHEET ITEMS

3. Investments

Movement in schedule of investments

(All amounts in USD)

	1 January to 30 June 2024	1 January to 30 June 2023
Investment in investee funds		
Opening balance	143,731,837	148,838,832
Purchases	-	8,740,250
Sales	(11,950,661)	(11,889,898)
Realised results	2,845,236	1,323,399
Unrealised results	10,909,170	4,112,506
As at 30 June	145,535,582	151,125,089
Derivative financial instruments		
Opening balance	(771,092)	628,848
Sales and expirations	5,946,791	(783,744)
Realised results	(5,946,791)	783,744
Unrealised results	853,977	119,819
As at 30 June	82,885	748,667
Total investments		
Opening balance	142,960,745	149,467,680
Purchases	-	8,740,250
Sales	(6,003,870)	(12,673,642)
Realised results	(3,101,555)	2,107,143
Unrealised results	11,763,147	4,232,325
As at 30 June	145,618,467	151,873,756

Notes to the Interim Financial statements

NOTES FOR INDIVIDUAL BALANCE SHEET ITEMS (*CONTINUED*)

4. Cash

As at 30 June 2024, cash comprises of balances held with ABN AMRO Clearing Bank N.V. amounting to USD 322,671 (2023: USD 6,313) and with ABN AMRO Bank N.V. of USD 9,324 (2023: USD 3,347,030). As at 30 June 2024 and 31 December 2023, no restrictions in the use of these balances exist.

5. Accrued expenses and other payables

As at 30 June 2024 and 31 December 2023, accrued expenses and other payables consist of the following:

	30 June	31 December
(All amounts in USD)	2024	2023
Administration fee payable	17,385	14,737
Management fee payable	10,671	10,566
Custody fee payable	8,247	8,824
Audit fee payable	20,197	26,008
Interest payable	94	2
Other payables	21,908	27,667
Total	78,502	87,804

6. Share capital

Structure of the Fund's capital

The Multi Strategy Alternatives Fund is structured as an open-ended contractual fund for joint accounts which is subject to Dutch law. The Fund may issue Class A participations, Class B participations and Class C participations, each denominated in USD and EUR. All classes are subject to the same investment objective and investment strategy. The sole difference between the different classes is that Class A participants will pay a lower management fee, due to the fact that the Delegate/Investment Advisor will waive its advisory fee that is payable out of the management fee for Class A. Only investors that are a client of the Delegate/Investment Advisor shall be issued Class A participations against each such participant's individual subscription. Class C participations will pay no management fee, due to the fact that both the Delegate and the Fund Manager will waive, respectively, the delegation fee payable out of the management fee and the management fee payable for this Class. Other participants subscribing will be issued Class B participations, unless otherwise determined by the Fund Manager in its sole discretion. The holders of Class A participations at any time wishing to increase their subscriptions, shall be issued Class A participations. As at 30 June 2024, only the Class A participations (both USD and EUR) and Class C participations (EUR) are in issue.

Notes to the Interim Financial statements

NOTES FOR INDIVIDUAL BALANCE SHEET ITEMS (CONTINUED)

6. Share capital (Continued)

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

<i>(All amounts in USD)</i>	1 January to 30 June 2024	1 January to 30 June 2023
<i>Contributions of participants</i>		
Balance at the beginning of the period	126,836,301	148,574,812
Issue of participations	-	396,648
Redemption of participations	<u>(8,970,599)</u>	<u>(7,540,770)</u>
Total contributions at the end of the period	<u>117,865,702</u>	<u>141,430,690</u>
<i>Unappropriated gains</i>		
Balance at the beginning of the period	20,400,612	6,662,518
Net results	<u>9,419,146</u>	<u>6,200,174</u>
Total undistributed gain at the end of the period	<u>29,819,758</u>	<u>12,862,692</u>
Equity at the end of the period	<u>147,685,460</u>	<u>154,293,382</u>

Subscriptions and redemptions

Participants can, at the sole discretion of the Fund Manager, subscribe to the Fund on the first business day of each calendar month ("subscription day") at the NAV per participation as at the valuation day immediately preceding the subscription day ("subscription price"). The minimum initial subscription for each participant is USD 100,000. Participations were issued at an initial subscription price of USD 100 per participation and thereafter at the NAV per participation. No subscriptions fees are charged to the participants of the Fund.

The Fund will enable participants to redeem participations at the NAV per participation as at the valuation day immediately preceding the redemption day ("redemption price") on the first business day of each calendar month ("redemption day"). The Administrator must receive the redemption request in proper form at least one month before the relevant redemption day. The Fund Manager may decide, in its sole discretion to accept redemption notices which are not received in a timely manner. No redemption fees are charged to the participants of the Fund.

Notes to the Interim Financial statements

NOTES FOR INDIVIDUAL BALANCE SHEET ITEMS (*CONTINUED*)

6. Share capital (*Continued*)

The movement of the participations during the period ended 30 June 2024 was as follows:

	Participations at the beginning of the period	Participations issued	Participations redeemed	Participations at the end of the period
Class A USD	151,618.4501	-	(11,620.6668)	139,997.7833
Class A Euro	1,022,576.5638	-	(49,393.3829)	973,183.1809
Class C Euro	55,758.7542	-	(10,956.7863)	44,801.9679
Total	1,229,953.7681	-	(71,970.8360)	1,157,982.9321

The movement of the participations during the period ended 30 June 2023 was as follows:

	Participations at the beginning of the period	Participations issued	Participations redeemed	Participations at the end of the period
Class A USD	201,141.8673	0.0018	(13,916.6980)	187,225.1711
Class A Euro	1,151,716.3745	3,527.5567	(44,569.1608)	1,110,674.7704
Class C Euro	67,054.0019	-	(8,898.7928)	58,155.21
Total	1,419,912.2437	3,527.5585	(67,384.6516)	1,356,055.1515

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. However, the Fund reserves the right to declare dividends or make distributions if the Fund Manager so decides. During the periods ended 30 June 2024 and 2023, the Fund did not declare dividends or make distributions and all earnings were reinvested in the Fund.

Notes to the Interim Financial statements

NOTES FOR INDIVIDUAL BALANCE SHEET ITEMS (CONTINUED)

7. Interest income

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

8. Foreign currency gains on translation

Realised and unrealised exchange differences consist of realised and unrealised translation gains and losses on assets and liabilities other than financial assets and liabilities. For the period ended 30 June 2024, this amounted to a gain of USD 920,767 (2023: a gain of USD 14,544). The following average and closing rates have been applied in the preparation of these financial statements (the equivalent of one United States Dollar is shown):

	30 June 2024		30 June 2023	
	Average	Closing	Average	Closing
<i>(Showing the equivalent of 1 United States Dollar)</i>				
Euro	0.9250	0.9334	0.9249	0.9165

9. Investment return

		2024	2024	2023
<i>(All amounts in USD)</i>	Profit	Loss	Total	Total
Investee funds				
Realised result	2,845,236	-	2,845,236	1,323,399
Unrealised result	11,040,678	(131,508)	10,909,170	4,112,506
	13,885,914	(131,508)	13,754,406	5,435,905

Derivative financial instruments

Realised result	1,654,680	(7,601,471)	(5,946,791)	783,744
Unrealised result	959,010	(105,033)	853,977	119,819
	2,613,690	(7,706,504)	(5,092,814)	903,563
Total result	16,499,604	(7,838,012)	8,661,592	6,339,468

Notes to the Interim Financial statements

NOTES FOR INDIVIDUAL INCOME STATEMENT ITEMS (CONTINUED)

10. 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 2024 and 2023.

<i>(All amounts in USD)</i>	2024	2023
Expenses accruing to Fund Manager		
Management fee	(64,346)	(67,056)
Other expenses		
Bank charges	(1,475)	(786)
Custody fee	(32,453)	(35,065)
Administration fee	(32,394)	(31,164)
Depository fee	(13,308)	(13,280)
Regulatory fee	(14,839)	(13,196)
Audit fee	(12,693)	(11,792)
Legal ownership fee	(5,310)	(5,134)
Interest expense	(1,733)	(827)
Other operational costs	(33,473)	(35,768)
Total	(212,024)	(214,068)

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 2024, 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 interest expense of USD 1,733 (2023: USD 827), regulatory fees of USD 14,839 (2023: USD 13,196), bank charges of USD 1,475 (2023: USD 786) and other operational costs of USD 33,768 (2023: USD 35,768) which are not detailed in the Prospectus.

Notes to the Interim Financial statements

NOTES FOR INDIVIDUAL INCOME STATEMENT ITEMS (*CONTINUED*)

11. RELEVANT CONTRACTS

Fund Manager

Management fee

Privium Fund Management B.V. acts as the Fund Manager to the Fund. The Fund Manager is entitled to an annual management fee of 0.09% of the NAV of Class A participations and 1.09% of the NAV of Class B participations as at the last day of each calendar month. The management fee is calculated monthly and payable monthly in arrears. The Fund Manager pays a delegation fee to the Delegate for the Class B participations. No management fee is applicable to Class C participations.

Details of management fees charged for the periods 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 of 0.04% of the NAV, as of the last day of each month, subject to an annual minimum fee of EUR 20,000 (including VAT). The fee is calculated monthly and paid quarterly in arrears.

The Administrator also charges a fee of EUR 5,000 per annum for the preparation of the financial statements.

Details of administration fees charged for the periods 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.

Legal owner fee

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%.

Independent Auditor

The Fund appointed Ernst & Young Accountants LLP as the Independent Auditor for the audit of the annual financial statements.

Depository

The Fund has entered into a depositary agreement with APEX Depositary Services B.V. The Depositary charges an annual minimum fee of EUR 16,500, (excluding VAT), payable quarterly in advance, for depositary services provided to the Fund. This also includes a fee for management of the legal owner. Details of depositary fees charged for the periods are disclosed in the income statement.

Notes to the Interim Financial statements

NOTES FOR INDIVIDUAL INCOME STATEMENT ITEMS *(CONTINUED)*

12. RELATED PARTY TRANSACTIONS

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

The following provides details on the related parties of the Fund and transactions with the related parties.

The Global Allocation Fund, a fund also being managed by the Fund Manager, maintains an investment in the Multi Strategy Alternatives Fund. 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. No management fee is applicable for this share class.

The Fund Manager is considered a related party also.

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

Transactions from 1 January 2024 – 30 June 2024 and balances as at 30 June 2024

	Paid	Payable
	USD	USD
Management fee	64,241	10,671

Transactions from 1 January 2023 - 30 June 2023 and balances as at 30 June 2023

	Paid	Payable
	USD	USD
Management fee	67,077	11,101

Notes to the Interim Financial statements

13. FINANCIAL INVESTMENTS AND ASSOCIATED RISKS

The investment objective of the Fund is to achieve long term growth by investing in a diversified portfolio of investee funds worldwide, predominantly hedge funds. When selecting investee funds, the Fund Manager will focus on fund managers that manage at least EUR 100,000,000 in the same strategy. The aim is to avoid illiquid strategies and illiquid investee funds.

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 fluctuates 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 30 June 2024 and 31 December 2023, price risk arises on the Fund's investments 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 and amounts due to broker which are 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.

The Fund uses forward rate contracts to mitigate the foreign currency exchange risk. This hedging strategy is intended to substantially mitigate the currency risk but does not eliminate such risk.

The Fund uses forward currency contracts in order to manage the currency risk exposure of foreign currency positions. The forward currency contracts are settled on a gross basis and as such, the Fund has a settlement risk of USD 113 million (31 December 2023: USD 112 million).

Notes to the Interim Financial statements

13. FINANCIAL INVESTMENTS AND ASSOCIATED RISKS (CONTINUED)

Market risk (continued)

Currency risk (continued)

The currency exposure of the Fund at 30 June 2024 is as follows:

		2024	
	Net position	Notional amounts swaps	Total currency exposure
	USD	USD	USD
Currency			
Euro	13,199,888	113,775,813	126,975,701
Participations in EUR			(127,277,482)
Total currency exposure			(301,781)

As at 30 June 2024 all swap contracts will mature within 1 month.

The currency exposure of the Fund at 31 December 2023 is as follows:

		2023	
	Net position	Notional amounts swaps	Total currency exposure
	USD	USD	USD
Currency			
Euro	13,891,251	112,461,513	126,352,764
Participations in EUR			(127,136,323)
Total currency exposure			(783,559)

Notes to the Interim Financial statements

13. FINANCIAL INVESTMENTS AND ASSOCIATED RISKS (*CONTINUED*)

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, derivative financial assets and interest receivable. The carrying values of financial assets (excluding any investments in investee funds) best represent the maximum credit risk exposure at the reporting date and amount to USD 2,228,380 as at 30 June 2024 (31 December 2023: USD 3,592,880).

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. The Fund's policy only allows for redemptions on the last day of each calendar month and notice of one month must be provided.

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

The liquidity risk is significantly reduced because the Fund diversifies its investments across different investee funds.

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

Sustainability risk

Sustainability risks are categorized into Environmental, Social or Governance (ESG) issues and may pose a material risk to the value of an investment. 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 a portfolio company or a longer-term impact on the operations or earnings capacity of the portfolio company.

The Fund Manager does consider the effects of material sustainability risks on the value of the Fund's investments. Since the Fund does not promote environmental and/or social characteristics, nor has sustainable investment as its objective, it is not required to consider the principal adverse impacts of its investment decisions.

The sustainability risk analysis will provide a low, average or high estimated sensitivity of the value of the investment to material sustainability risks. A high sensitivity does not automatically disqualify an investment from inclusion in the Fund, but this information will be included in the decision-making process.

Considering the scope of the Fund's investment policy, it is not possible to pre-define which sustainability risks will likely be material. Additionally, the estimated sensitivity of the Fund to specific sustainability risks will depend on the sector diversification. The broader the diversification across economic sectors, the lower the sensitivity.

Notes to the Interim Financial statements

14. EVENTS AFTER THE BALANCE SHEET DATE

The Russian invasion in Ukraine continues to cause uncertainty. The Fund has no direct or indirect exposure to Ukraine, Belarus or Russia. On behalf of the Fund Manager, the Administrator of the Fund carries out ongoing sanctions screening on the investors of the Fund. Here, no hits have been identified. Further escalation of the conflict is expected to dampen global growth, especially in Europe. This might have an impact on the performance of the Fund.

Next to that the developments in the Middle East are causing uncertainties too. Further escalation of the conflict is expected to dampen global growth. This might have an impact on the performance of the Fund.

On March 19, 2024 the acquisition of Box Consultants B.V. by Delen Private Bank was announced. Box Consultants acts as the Delegate/Investment advisor to the Fund. Certain clients of the Delegate maintain an investment in the Fund. Possible implications, caused by the acquisition, on the Fund are still uncertain. The acquisition is awaiting regulatory approval.

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

15. DATE OF AUTHORISATION

The interim financial statements have been authorised for issue by the Fund Manager in Amsterdam on 22 August 2024.

Other information

Provisions of the Prospectus on distribution policy

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

Interests held by the Directors

As at 30 June 2024 and 1 January 2024, the Board of Directors did not hold any shares in the Fund or in any of the investments that the Fund holds.

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.