

Principia Fund N.V.

The Netherlands

UNAUDITED INTERIM FINANCIAL STATEMENTS

for the period from 1 January 2022 to 30 June 2022

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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
Foundation	Stichting Administratiekantoor Principia Luna Arena Herikerbergweg 238 P.O. Box 23393 1101 CM 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 Antonio Vivaldistraat 150 1083 HP Amsterdam The Netherlands
Payment Bank	ABN AMRO Bank N.V. Gustav Mahlerlaan 10 1082 PP Amsterdam The Netherlands
Custodian	ABN AMRO Clearing Bank N.V. Gustav Mahlerlaan 10 1082 PP Amsterdam The Netherlands

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

General information *(continued)*

Depository

Darwin Depository Services B.V.
Barbara Strozziilaan 101
1083 HN Amsterdam
The Netherlands

Fiscal Advisor (UK)

Rawlinson & Hunter
8th Floor
6 New Street Square
New Fetter Lane
London EC4A 3AQ
United Kingdom

Profile

Principia Fund N.V. (the “Fund”) is structured as an open-ended investment fund and was established in Amsterdam in April 2014. The Fund is a public company limited by shares (*naamloze vennootschap*) and is a legal entity under the laws of the Netherlands. The Fund is managed by Privium Fund Management B.V. (the “Fund Manager”).

The investment objective of the Fund is to earn a higher return than the average of the world’s developed equity markets, as represented by iShares MSCI World UCITS ETF.

The unitholders’ equity per unit as at 30 June 2022, 31 December 2021 and 30 June 2021 are as follows:

	30 June 2022	31 December 2021	30 June 2021
Unitclass A (in EUR)	177.04	170.94	163.94
Unitclass B (in EUR)	192.90	186.06	178.21

Interim financial statements

BALANCE SHEET

	<i>Note</i>	30 June 2022 EUR	31 December 2021 EUR
Assets			
Investments			
Equities		22,392,591	21,708,130
	3	<u>22,392,591</u>	<u>21,708,130</u>
Current assets (fall due in less than 1 year)			
Cash	4	146,286	246,300
Other receivables	5	32,277	35,146
		<u>178,563</u>	<u>281,446</u>
Total assets		<u>22,571,154</u>	<u>21,989,576</u>
Current liabilities (fall due in less than 1 year)			
Accrued expenses and other payables	7	(42,762)	(39,838)
Subscriptions received in advance	6	-	(162,704)
		<u>(42,762)</u>	<u>(202,542)</u>
Total liabilities		<u>(42,762)</u>	<u>(202,542)</u>
Total assets minus total liabilities		<u>22,528,392</u>	<u>21,787,034</u>
Unitholders' equity			
Contribution of unitholders		12,135,833	12,176,568
Unappropriated gain		10,392,559	9,610,466
Total unitholders' equity	8	<u>22,528,392</u>	<u>21,787,034</u>

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

Interim financial statements

INCOME STATEMENT

(For the periods ended 30 June 2022 and 2021)

	Note(s)	2022 EUR	2021 EUR
Investment income			
<i>Direct investment result</i>			
Interest income	9	7	-
Dividend income	10	417,177	459,756
Other income		3,149	5,772
		<u>420,333</u>	<u>465,528</u>
<i>Indirect investment result</i>			
Realised gains on investment in equities	3, 12	1,553,426	1,063,671
Unrealised (loss)/gain on investment in equities	3, 12	(955,463)	2,328,594
Foreign currency gains on translation	11	471	634
		<u>598,434</u>	<u>3,392,899</u>
Total investment income		<u>1,018,767</u>	<u>3,858,427</u>
Expenses			
Management fee	14, 15	(101,848)	(97,371)
Other operational costs		(12,873)	(9,882)
Administration fee	14	(11,616)	(13,049)
Depositary fee	14	(11,266)	(10,970)
Legal fee		(10,557)	-
Bank charges		(9,648)	(5,958)
Audit fee		(6,957)	(7,118)
Custody fee	14	(3,756)	(2,992)
FATCA fees		(2,300)	(2,082)
Interest expense		(459)	(1,926)
Total expenses	13	<u>(171,280)</u>	<u>(151,348)</u>
Net profit before tax		847,487	3,707,079
Withholding tax on dividend income		(65,394)	(43,668)
Net profit after tax		<u>782,093</u>	<u>3,663,411</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 2022 and 2021)

	<i>Note</i>	2022 EUR	2021 EUR
Cash flows from operating activities			
Purchases of investments	3	(11,414,988)	(4,437,779)
Proceeds from sale of investments	3	11,328,490	7,806,649
Interest received		(452)	(1,837)
Dividend received		428,054	476,737
Other income received		3,149	5,772
Management fee paid		(99,027)	(96,431)
Withholding tax paid		(65,394)	(43,668)
Depository fee paid		(11,266)	(10,970)
Administration fee paid		(9,054)	(10,558)
Audit fee paid		(13,349)	2,291
Other general expenses paid		(19,260)	(14,198)
Bank charges paid		(9,648)	(5,958)
Custody fee paid		(3,744)	(2,973)
Legal fee paid		(10,557)	-
Net cash flows provided by operating activities		102,954	3,667,077
Cash flows from financing activities			
Proceeds from sales of units – class A units	8	1,202,782	36,992
Proceeds from sales of units – class B units	8	94,866	24,966
Payments on redemptions of units – class A units	8	(53,604)	(3,835,979)
Payments on redemptions of units – class B units	8	(1,284,779)	-
Subscriptions received in advance		(162,704)	7,968
Net cash flows used in financing activities		(203,439)	(3,766,053)
Net decrease in cash		(100,485)	(98,976)
Cash at the beginning of the period		246,300	167,335
Foreign currency translation of cash positions		471	634
Cash at the end of the period	4	146,286	68,993
Analysis of cash			
Cash at bank		112,765	29,653
Cash at custodian		33,521	39,340
Total cash	4	146,286	68,993

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

Notes to the interim financial statements

1. GENERAL INFORMATION

Principia Fund N.V. (the “Fund”) is structured as an open-ended investment fund and was established in Amsterdam in April 2014. The Fund is a public company limited by shares (*naamloze vennootschap*) and is a legal entity under the laws of the Netherlands. The Fund is registered at the commercial register of the Chamber of Commerce of the Netherlands under number 60521945. The Fund commenced operations on 22 May 2014. The Fund has a registered office at Gustav Mahlerplein 3, Symphony Offices, 26th Floor, 1082 MS Amsterdam, The Netherlands. The most recent Prospectus of the Fund was issued in January 2022.

The shares of the Fund are divided in two series (“shareclasses”), Shareclass A and Shareclass B. The investment policy and risk profile of the Fund are equal for both shareclasses. Investors can invest in the Fund by obtaining depository receipts (“units”) representing an interest in Shareclass A (“A units”) or Shareclass B (“B units”). Units will be issued by the Foundation, who will be the legal owner of the shares represented by the units. The units of the Fund will be issued in two series (“unitclasses”), Unitclass A and Unitclass B. The units in Unitclass B are only available for subscription by persons working for the Fund Manager or related to the Fund and to investors that invest a minimum of EUR 1,000,000 at the ultimate beneficial owner level. All other persons can subscribe for units in Unitclass A. As at 30 June 2022 and 31 December 2021, both Unitclass A and Unitclass B units are in issue.

The investment objective of the Fund is to earn a higher return than the average of the world’s developed equity markets, as represented by iShares MSCI World UCITS ETF.

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 2022 and the year ended 31 December 2021.

The Fund Manager is subject to the supervision of the Netherlands Authority for the Financial Markets (“AFM”). 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) came 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 interim financial statements have been authorised for issue by the Fund Manager on 19 August 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”) 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.

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 are converted at the rates prevailing on the date of the transaction. Monetary assets and liabilities denominated in currencies other than the EUR are converted to EUR at the exchange rates prevailing on the balance sheet date. Foreign currency exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates are recognised in the income statement. Currency translation differences arising upon the settlement or conversion of monetary items are recognised in the income statement in the period that they are realised, unless hedge accounting is applied. Translation differences on non-monetary assets held at cost are recognised using the exchange rates prevailing at the dates of transactions.

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

Classification of units

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

Basis of valuation - policies in preparing the balance sheet

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

The Fund measures the fair value of any security which is listed or quoted on any securities exchange or similar electronic system and regularly traded thereon using its last traded price on the relevant business day. If no trades occurred on such day, it will be valued at the closing price on the previous business day.

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

Receivables and prepayments

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

Payables and accruals

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

Notes to the interim financial statements

2. SIGNIFICANT ACCOUNTING PRINCIPLES AND POLICIES (CONTINUED)

Cash

Cash comprises cash on hand and demand deposits.

Statement of cash flows

The statement of cash flows is prepared according to the direct method. The statement of cash flows shows the Fund's cash flows for the 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 shares of the Fund. As the nature of the Fund is to invest in financial instruments, all cash flows related to investments are classified as cash flows from operating activities.

Unitholders' equity

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

Principles for determining the result

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

The changes in the value of the investments held by the Fund are accounted for in the income statement.

Dividends from equities are included at the date when they are declared. Dividend withholding tax is presented gross on the income statement.

Income and expenses are accounted for in the income statement on the accrual basis.

Subscription fees, where applicable, are included in the income statement.

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 unitholder) are not subject to dividend withholding tax.

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 2022	1 January to 30 June 2021
Investment in equities		
Opening balance	21,708,130	20,148,199
Purchases	11,414,988	4,437,779
Sales	(11,328,490)	(7,806,649)
Realised	1,553,426	1,063,671
Unrealised	(955,463)	2,328,594
As at 30 June	<u>22,392,591</u>	<u>20,171,594</u>

4. Cash

As at 30 June 2022, cash comprises of balances held with ABN AMRO Bank N.V. amounting to EUR 112,765 (31 December 2021: EUR 166,130). As at 30 June 2022 and 31 December 2021, no restrictions in the use of these balances exist.

Cash also includes cash at ABN AMRO Clearing Bank N.V. of EUR 33,521 (31 December 2021: EUR 80,170).

5. Other receivables

As at 30 June 2022 and 31 December 2021, other receivables consist of the following:

<i>(All amounts in EUR)</i>	30 June 2022	31 December 2021
Dividend receivable	24,269	35,146
Prepaid professional fees	8,008	-
Total other receivables	<u>32,277</u>	<u>35,146</u>

6. 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 2022, the subscriptions received in advance amount to EUR Nil (31 December 2021: EUR 162,704).

Notes to the interim financial statements

NOTES FOR INDIVIDUAL BALANCE SHEET ITEMS (CONTINUED)

7. Accrued expenses and other payables

As at 30 June 2022 and 31 December 2021, accrued expenses and other payables consist of the following:

<i>(All amounts in EUR)</i>	30 June 2022	31 December 2021
Management fee payable	(17,875)	(15,054)
Audit fee payable	(11,383)	(17,775)
Tax preparation fee	(4,537)	-
Administration fee payable	(4,379)	(1,817)
Professional fee payable	(2,635)	-
Other payables	(872)	(1,100)
Custody fee payable	(581)	(569)
Licence fees payable	(500)	(2,747)
Foundation fee payable	-	(776)
Total accrued expenses and other payables	<u>(42,762)</u>	<u>(39,838)</u>

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 April 2014. The shares of the Fund are divided in two series ("shareclasses"), Shareclass A and Shareclass B. The investment policy and risk profile of the Fund are equal for both shareclasses. Investors can invest in the Fund by obtaining depository receipts ("units") representing an interest in Shareclass A ("A units") or Shareclass B ("B units"). Units will be issued by the Foundation, who will be the legal owner of the shares represented by the units. The units of the Fund will be issued in two series ("unitclasses"), Unitclass A and Unitclass B. The units in Unitclass B are only available for subscription by persons working for the Fund Manager or related to the Fund and to investors that invest a minimum of EUR 1,000,000 at the ultimate beneficial owner level. All other persons can subscribe for units in Unitclass A. As at 30 June 2022 and 30 June 2021, both Unitclass A and Unitclass B units were in issue.

The movement of equity in the units during the periods is as follows:

<i>(All amounts in EUR)</i>	1 January to 30 June 2022	1 January to 30 June 2021
<i>Contributions of unitholders</i>		
Balance at the beginning of the period	12,176,568	15,294,582
Issue of units – class A units	1,202,782	36,992
Issues of units – class B units	94,866	24,966
Redemption of units – class A units	(53,604)	(3,835,979)
Redemption of units – class B units	(1,284,779)	-
Total contributions at the end of the period	<u>12,135,833</u>	<u>11,520,561</u>
<i>Unappropriated gain</i>		
Balance at the beginning of the period	9,610,466	5,038,096
Net gain after tax	782,093	3,663,411
Total undistributed gain at the end of the period	<u>10,392,559</u>	<u>8,701,507</u>
Equity at the end of the period	<u>22,528,392</u>	<u>20,222,068</u>

Notes to the interim financial statements

NOTES FOR INDIVIDUAL BALANCE SHEET ITEMS (CONTINUED)

8. Share capital (continued)

Subscriptions and redemptions

The Fund enables the Foundation to issue units on the first business day of each calendar month at the Net Asset Value per Unit on the preceding Valuation Day, plus an anti-dilution levy of maximum 0.15% of the subscription amount. The minimum initial subscription for each unitholder is EUR 20,000 with the minimum subsequent subscription amounts being EUR 1,000. The Unitclass A and Unitclass B units were issued at an initial subscription price of EUR 100 per unit and thereafter at the unitholders' equity per unit. The minimum subscription amount can be lowered at the sole discretion of the Fund Manager.

The Fund enables the Foundation to redeem units of the unitholders' equity on the last day of each calendar month, less a fee (the "anti-dilution levy") of maximum 0.15% of the redemption amount. The minimum value of units which may be subject of one redemption request will be EUR 1,000. The Fund Manager may decide to lower this amount in individual cases.

The movement of the units during the period ended 30 June 2022 was as follows:

	Units at the beginning of the period	Units issued	Units redeemed	Units at the end of the period
Unitclass A	40,070.4849	6,591.3582	(285.0880)	46,376.7551
Unitclass B	80,279.9993	469.8662	(6,528.1776)	74,221.6879
Total	120,350.4842	7,061.2244	(6,813.2656)	120,598.4430

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

	Units at the beginning of the period	Units issued	Units redeemed	Units at the end of the period
Unitclass A	135,396.9300	254.5095	(24,991.9177)	110,659.5218
Unitclass B	11,526.5364	147.0266	-	11,673.5630
Total	146,923.4664	401.5361	(24,991.9177)	122,333.0848

Capital management

The Fund's objectives when managing capital are to safeguard the Fund's ability to continue as a going concern in order to provide returns for unitholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. 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 bank and broker balances.

10. Dividend income

Dividend income relates to dividends from equity instruments.

Notes to the interim financial statements

NOTES FOR INDIVIDUAL INCOME STATEMENT ITEMS (CONTINUED)

11. 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 investment assets and liabilities. For the period ended 30 June 2022, this amounted to gains of EUR 471 (2021: gains of EUR 634). The following average and closing rates have been applied in the preparation of these interim financial statements (the equivalent of one Euro is shown):

	2022		2021	
	Average	Closing	Average	Closing
<i>(Showing the equivalent of 1 Euro)</i>				
Swiss Franc	1.0319	1.0013	1.0945	1.0967
Great Britain Pound	0.8422	0.8608	0.8679	0.8574
Hong Kong Dollar	8.5533	8.2257	9.3535	9.2073
Japanese Yen	134.3800	142.3083	129.8400	131.7349
Norwegian Krone	9.9817	10.3240	10.1744	10.1995
United States Dollar	1.0930	1.0484	1.2051	1.1857
Australian Dollar	1.5198	1.5188	-	-
Canadian Dollar	1.3897	1.3496	-	-
Thai Baht	36.8367	37.0644	-	-

12. Investment return

<i>(All amounts in EUR)</i>	2022		2022	2021
	Profit	Loss	Total	Total
Equities				
Realised result	1,962,215	(408,789)	1,553,426	1,063,671
Unrealised result	1,754,711	(2,710,174)	(955,463)	2,328,594
Total result	3,716,926	(3,118,963)	597,963	3,392,265

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 2022 and 2021.

<i>(All amounts in EUR)</i>	2022	2021
Expenses accruing to the Fund Manager		
Management fee	(101,848)	(97,371)
Other expenses		
Other operational costs	(12,873)	(9,882)
Administration fee	(11,616)	(13,049)
Depositary fee	(11,266)	(10,970)
Legal fee	(10,557)	-
Bank charges	(9,648)	(5,958)
Audit fee	(6,957)	(7,118)
Custody fee	(3,756)	(2,992)
FATCA fees	(2,300)	(2,082)
Interest expense	(459)	(1,926)
Total	(171,280)	(151,348)

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 2022, all costs actually charged to the Fund were in accordance with the costs disclosed in the Prospectus. During the period, the Fund also incurred expenses such as other operational costs of EUR 11,160 (2021: EUR 9,882), bank charges of EUR 9,648 (2021: EUR 5,958), FATCA fees of EUR 2,300 (2021: EUR 2,082) and interest expense of EUR 459 (2021: EUR 1,926) 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 management fee is 1.25% per annum when the performance of the Fund is equal to the return of the benchmark over the five years ending on the date of the calculation. A maximum management fee of 1.5% is payable if the return of Shareclass A is superior to that of the benchmark by 20% over the five years ending on the date of the calculation. A minimum management fee of 1% is payable if the return of Shareclass A is below that of the benchmark by 20% over the five years ending on the date of the calculation. Please also see the Prospectus of the Fund for an additional explanation. The Shareclass A management fee is calculated monthly and payable monthly in arrears.

In accordance with the prospectus, the Fund Manager is entitled to an annual management fee on Shareclass B of 1% per annum when the performance of the Fund is equal to the return of the benchmark over the five years ending on the date of the calculation. A maximum fee of 1.25% is payable if the return of Shareclass B is superior to that of the benchmark by 20% over the five years ending on the date of the calculation. A minimum fee of 0.75% is payable if the return of Shareclass B is below that of the benchmark by 20% over the five years ending on the date of the calculation. Please also refer to the Prospectus of the Fund for an additional explanation. The Shareclass B management fee is calculated monthly and payable monthly in arrears.

The Fund Manager will not earn a management fee over the investment of another fund it manages or otherwise controls into a shareclass of the Fund that charges management fee. Any investment into the Fund by another fund managed by the Fund Manager or Affiliates of the Fund Manager shall not be subject to management fee either through investment into a zero management fee shareclass or via a rebate of the management fee charged by the Fund.

Prior to 30 April 2021, no management fee was charged to Unitclass B.

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, to be calculated and paid monthly in arrears on the basis of the unitholders' equity of the Fund before deduction of the management fee, and with a minimum of EUR 15,000 per annum. This annual fee is based on the following sliding scale:

- | | |
|--------------------------------------------------|-----------------|
| ▪ Part up to EUR 30 million | 10 basis points |
| ▪ Part between EUR 30 million and EUR 50 million | 8 basis points |
| ▪ Part above EUR 50 million | 6 basis points |

The Administrator charges a fixed fee of EUR 5,000 per annum for the preparation of the annual report. No VAT has to be paid on these amounts.

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

Notes to the interim financial statements

14. RELEVANT CONTRACTS (CONTINUED)

Payment Bank/Custodian

ABN AMRO Clearing Bank N.V. acts as Custodian to the Fund and ABN AMRO Bank N.V. acts as Payment Bank 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 of EUR 16,500 (excluding VAT), payable quarterly in advance, for depository services provided to the Fund. Details of depository fees charged for the periods are disclosed in the income statement.

Independent Auditor

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

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 Manager is considered a related party.

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

Transactions from 1 January 2022 – 30 June 2022 and balances as at 30 June 2022

	Paid	Balance
	EUR	EUR
Management fee	(99,027)	(17,875)

Transactions from 1 January 2021 – 30 June 2021 and balances as at 31 December 2021

	Paid	Balance
	EUR	EUR
Management fee	(96,431)	(15,054)

The units in Unitclass B have been issued to persons working for the Fund Manager or related to the Fund and investors that invest a minimum of EUR 1,000,000 at the beneficial owner level. As at 30 June 2022, Mr. Ryan Nicholas Dally, the portfolio manager of the Fund, holds 1,769.264 units (31 December 2021: 1,715.599 units) of Unitclass B.

16. FINANCIAL INVESTMENTS AND ASSOCIATED RISKS

The Fund's investment objective is to earn a higher return than the average of the world's developed equity markets, as represented by iShares MSCI World UCITS ETF.

The Fund attempts to achieve its objective by investing predominantly in global listed equities and is therefore exposed to all the risks and rewards associated with the equities selected. The Fund is actively managed and will likely differ materially from the benchmark in order to achieve its objective.

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

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument 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.

Notes to the interim financial statements

16. FINANCIAL INVESTMENTS AND ASSOCIATED RISKS (CONTINUED)

Market risk (continued)

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 2022 and 31 December 2021, price risk arises on the Fund's investment in equities.

Interest rate risk

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

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 2022 and 31 December 2021 is as follows:

	30 June 2022		31 December 2021	
	Fair value EUR	% of unitholders' equity	Fair value EUR	% of unitholders' equity
Currency				
United States Dollar	7,565,240	33.6	6,910,507	31.7
Great Britain Pound	4,088,476	18.1	4,726,192	21.7
Japanese Yen	3,380,262	15.0	2,294,938	10.5
Swiss Franc	1,860,618	8.3	1,959,694	9.0
Hong Kong Dollar	1,783,815	7.9	2,038,765	9.4
Canadian Dollar	499,561	2.2	-	-
Norwegian Krone	460,822	2.0	442,303	2.0
Australian Dollar	386,965	1.7	429,330	2.0
Thai Baht	756	-	745	-

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 equities) best represent the maximum credit risk exposure as at the reporting dates and amounts to EUR 178,563 (31 December 2021: EUR 281,446).

Liquidity risk

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

The Fund's Prospectus provides for the monthly creation and cancellation of units and it is therefore exposed to the liquidity risk of meeting unitholders redemptions. The Fund's policy only allows for redemptions on the last day of each calendar month and notice of 10 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.

Notes to the interim financial statements

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

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 a portfolio company or a longer-term impact on the operations or earnings capacity of the portfolio company.

17. 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.

18. EVENTS AFTER THE BALANCE SHEET DATE

The Russian invasion in Ukraine continues to cause clear market volatility. The Fund has limited exposure to Russia. On the completion date of this report the direct exposure is less than 0.10% of the Net Asset Value of the Fund. The Fund has no direct exposure to Ukraine or Belarus.

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 and cause a recession, especially in Europe. This might have an impact on the performance of the Fund

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

19. DATE OF AUTHORISATION

The interim financial statements have been authorised for issue by the Fund Manager in Amsterdam on 19 August 2022.