

# Strategy One Fund

The Netherlands

ANNUAL REPORT

**for the year ended 31 December 2021**

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## General information

Registered Office	Gustav Mahlerplein 3 Symphony Offices, 26 <sup>th</sup> Floor 1082 MS Amsterdam The Netherlands
Fund Manager	Privium Fund Management B.V. Gustav Mahlerplein 3 Symphony Offices, 26 <sup>th</sup> Floor 1082 MS 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
Legal and Tax Counsel	Van Campen Liem J.J. Viottastraat 52 1071 JT Amsterdam The Netherlands
Custodian	ABN AMRO Clearing 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
Legal Owner	Stichting Bewaarder Strategy One Fund Woudenbergseweg 11 3953 ME Maarsbergen The Netherlands
Payment Bank	ABN AMRO Bank N.V. Gustav Mahlerlaan 10 1082 PP Amsterdam The Netherlands

## Historical multi-year overview

### Key figures

(All amounts in EUR)

	2021	2020	2019	2018	2017
Net assets at the beginning of the year	12,701,331	12,216,913	13,226,585	14,513,369	13,738,937
Issue of participations	2,355,000	1,545,876	-	3,172,352	700,000
Direct investment result	62,855	102,372	95,989	154,493	135,593
Indirect investment result	1,167,920	884,641	1,883,518	(734,397)	1,896,386
	<u>16,287,106</u>	<u>14,749,802</u>	<u>15,206,092</u>	<u>17,105,817</u>	<u>16,470,916</u>
Redemption of participations	(794,535)	(1,775,876)	(2,699,581)	(3,605,035)	(1,660,495)
Expenses	<u>(312,342)</u>	<u>(272,595)</u>	<u>(289,598)</u>	<u>(274,197)</u>	<u>(297,052)</u>
<b>Net assets at the end of the year</b>	<b><u>15,180,229</u></b>	<b><u>12,701,331</u></b>	<b><u>12,216,913</u></b>	<b><u>13,226,585</u></b>	<b><u>14,513,369</u></b>
Investments (including net derivative financial instruments)	15,249,133	12,752,707	11,864,889	12,916,499	14,213,015
Cash	7,604	32,542	187,611	252,390	673,403
Other assets and liabilities	<u>(76,508)</u>	<u>(83,918)</u>	<u>164,413</u>	<u>57,696</u>	<u>(373,049)</u>
<b>Net assets at the end of the year</b>	<b><u>15,180,229</u></b>	<b><u>12,701,331</u></b>	<b><u>12,216,913</u></b>	<b><u>13,226,585</u></b>	<b><u>14,513,369</u></b>
<b>Net profit/(loss)</b>					
Direct investment result	62,855	102,372	95,989	154,493	135,593
Indirect investment result	1,167,920	884,641	1,883,518	(734,397)	1,896,386
Expenses	<u>(312,342)</u>	<u>(272,595)</u>	<u>(289,598)</u>	<u>(274,197)</u>	<u>(297,052)</u>
<b>Net profit/(loss)</b>	<b><u>918,433</u></b>	<b><u>714,418</u></b>	<b><u>1,689,909</u></b>	<b><u>(854,101)</u></b>	<b><u>1,734,927</u></b>
<b>Number of participations at the end of the year</b>					
Series A Initial	5,277.443	5,761.090	4,845.852	6,752.686	5,907.769
Series A August 2021	2,100.000	-	-	-	-
Series A October 2021	200.000	-	-	-	-
Series A September 2018	-	-	250.000	250.000	-
Series A January 2018	-	-	200.000	200.000	-
Series A October 2017	-	-	-	-	500.000
Series A June 2017	-	-	-	-	100.000
Series A February 2017	-	-	-	-	100.000
Series A July 2016	-	-	-	-	25.000
Series A January 2016	-	-	-	-	150.000
Series A July 2015	-	-	-	-	25.000
Series A May 2015	-	-	1,000.000	1,000.000	1,000.000
Series A April 2015	-	-	-	-	1,000.000
Series B Initial	2,765.934	2,786.225	2,786.225	2,901.225	2,496.631
Series B February 2021	55.000	-	-	-	-
Series B November 2015	-	-	-	-	500.000
Series B February 2015	-	-	-	-	50.000

## Historical multi-year overview *(continued)*

	2021	2020	2019	2018	2017
<b>NAV per participation at the end of the year</b>					
Series A Initial	1,620.77	1,514.66	1,427.63	1,250.35	1,328.69
Series A August 2021	1,021.03	-	-	-	-
Series A October 2021	1,041.01	-	-	-	-
Series A September 2018	-	-	1,042.36	911.49	-
Series A January 2018	-	-	1,058.04	925.91	-
Series A October 2017	-	-	-	-	1,004.65
Series A June 2017	-	-	-	-	1,052.77
Series A February 2017	-	-	-	-	1,091.18
Series A July 2016	-	-	-	-	1,138.66
Series A January 2016	-	-	-	-	1,088.16
Series A July 2015	-	-	-	-	1,000.61
Series A May 2015	-	-	1,073.67	940.31	999.22
Series A April 2015	-	-	-	-	1,029.37
Series B Initial	1,524.00	1,426.74	1,346.95	1,182.24	1,258.56
Series B February 2021	1,072.99	-	-	-	-
Series B November 2015	-	-	-	-	1,016.95
Series B February 2015	-	-	-	-	1,021.48

## Management Report

### Investment objective

The Fund is a fund for joint account (fonds voor gemene rekening) and is not a legal entity but a contractual arrangement sui generis between the Fund Manager, the Legal Owner and each participant. The Fund commenced operations on 1 May 2012. Privium Fund Management B.V. will act as the Fund Manager (beheerder) of the Fund and Stichting Bewaarder Strategy One Fund will act as the legal owner of the assets and liabilities of the Fund. In managing the assets and liabilities of the Fund, the Fund Manager will act solely in the best interests of the Participants. The Legal Owner will be the legal owner of all assets of the Fund and liabilities of the Fund. The Legal Owner will acquire and hold the assets of the Fund and assume the obligations on behalf and for the account of the Participants. The Legal Owner will act solely in the best interests of the Participants.

The Fund's investment objective is to generate investment returns of on average 5% to 10% per annum on a three to five-year investment horizon. No guarantee is given as to the Fund actually achieving this objective. The aim is to capture a decent part of the upside in rising markets and to limit the exposure during periods where the markets are falling. To achieve this, investments will be made in a mixture of Investee Funds (including hedge funds or other (alternative) collective investment vehicles), stocks, and bonds, in pursuit of a portfolio of investments that are well-diversified.

Frequent and regular distributions of Net Proceeds (including profit distributions) by the Fund are not intended nor anticipated. The Fund does not have any expenditures on research and development.

### Review 2021 and outlook

The Strategy One Fund gained +7.01% in 2021 (Initial Series A). 2021 was a year of uncertainty and anticipation, of hopes for a return to a degree of normality following the onset of the COVID-19 pandemic in 2020. It was a year that showed, again, the difficulty of making investment decisions based on predictions of where markets will go as volatility in all asset classes remained elevated.

During 2021 investors were looking for signals as to which way the global economy was heading. The distribution of vaccines and the easing of lockdowns were followed by an economic rebound, only to be hit again with a new variant that ultimately proved far less lethal. Despite these challenges, global gross domestic product grew, completing the transition from recovery to expansion and eventually surpassing its pre-pandemic peak for some of the Global economies.

The uneven recovery of 2021 recovery was accompanied by labour shortages, supply chain issues, and rising inflation. Prices increased especially rapidly in areas such as food and energy, and the US and European consumer price indices jumped, to levels that we haven't seen in nearly four decades. The debate on the peak of inflation is still in full swing and could threaten a further recovery in 2022.

Throughout the year, the market continued a relatively steady rise, with especially global large cap stocks, and more specifically US large cap stocks, ending 2021 near a record high. One clear exception being Chinese equities that came under pressure due to government intervention in the "Tech area" and the collapse of over leveraged home builders.

In addition to the effective vaccines, markets were buoyed by a number of other positive developments, including strong corporate earnings and increased consumer demand. That came as consumer spending generally trended higher throughout the year, rebounding from pandemic lows.

We continue to closely monitor the Covid-19 situation and the potential development of new variants.

The outlook for 2022 will be largely determined by two factors. The first being "peak" interest rates and secondly the developments in the Ukraine. European markets are expected to outperform the US as they are more defensive and have a higher exposure to cyclical companies. We also expect the Chinese market to outperform significantly as tech companies have taken a massive beating and the Chinese market is now trading at historical lows. Commodities like gold, will remain interesting as investors will look for protection against inflation and the possibility of war.

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## Management Report (*continued*)

### Review 2021 and outlook (*continued*)

Generally, we expect another volatile year and the only way to mitigate the volatility is by being diversified in all asset classes except bonds as rising interest rates makes them unattractive. Once there is a clear understanding on the interest rate path going forward, we expect the hedge funds in portfolio to improve performance as they can actively short the “less resilient” part of the markets.

There are currently no plans to change the portfolio in a dramatic way. However, this will also depend on general market circumstances. Finally, we would like to thank our participants for their continued support.

### Sustainable Finance Disclosure Regulation (SFDR)

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

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

Privium Fund Management B.V, Fund Manager of various funds, has a careful, controlled and sustainable remuneration policy which meets all the regulatory requirements as included in the Alternative Investment Fund Managers Directive (AIFMD), the guidelines on sound remuneration policies under the AIFMD (ESMA Guidelines) and the Sustainable Finance Disclosure Regulation. The remuneration policy is consistent with and contributes to a sound and effective risk management framework and does not encourage risk taking beyond what is acceptable for Privium Fund Management B.V.

The Board of Privium is responsible for establishing the Remuneration policy. The Board of Privium reviews the Remuneration policy at least once a year and the policy may be amended if circumstances warrant that. Remunerations at Privium may consist out of a fixed remuneration (this may include a payment to cover certain expenses of staff members) and a variable remuneration.

Privium may reclaim all or part of the variable remuneration paid if (i) this payment was made on the basis of incorrect information, (ii) in the event of fraud by the employee, (iii) in the event of serious improper behaviour by the employee or serious negligence in the performance of his tasks, or (iv) in the event of behaviour that has resulted in considerable losses for the fund or Privium.

### Remuneration policy 2021

This policy is based on the situation as of December 31, 2021. The financial year of Privium ends on December 31 of any year. For some of the funds the compensation consists of both a management and a performance fee. Amounts reflect remuneration related to funds managed by Privium, for the time Privium was the Fund Manager of those funds.

The two tables below offer an overview of the remuneration at the level of Privium. The first table shows the remuneration overview as of December 31, 2020 and the second table shows the remuneration overview as of December 31, 2021.

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

## Management Report (*continued*)

### Overview as December 31, 2020

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

### Overview as December 31, 2021

	Identified staff in senior management roles	Identified staff outside senior management roles	Total staff
Number of staff	2	37	39
Total fixed remuneration	€ 167,492	€ 9,691,135	€ 9,858,627
Total variable remuneration	€ 42,500	€ 9,326,680	€ 9,369,180
<b>Total remuneration</b>	<b>€ 209,992</b>	<b>€ 19,017,815</b>	<b>€ 19,227,807</b>

Privium has delegated certain portfolio management duties of some of its funds to outside investment advisers ('delegates'). Remuneration of identified staff of delegates is not included in the table. The delegates are subject to regulatory requirements on remuneration policies and disclosures that are comparable with the requirements applicable to Privium. Reference to the remuneration of the delegates is included in the Prospectus and annual report of the funds concerned. Since no delegates for portfolio management have been assigned for the Strategy One Fund this is not applicable to the Strategy One Fund.

Variable payments to both identified staff members in senior management roles and identified staff outside senior management depend e.g. on the profitability of the company, the performance of the funds, extraordinary commitment to the firm, customer satisfaction, work according best practice ethical, compliance and risk management standards and other performance/non-performance related criteria. Regarding the 2021 performance of the Strategy One Fund a variable payment of EUR 48,338.55 has been paid to a Privium identified staff member (outside senior management roles). Privium does not charge any employee remuneration fees to the funds, except for the Supermarkt Vastgoed fund.

Employee remuneration is paid out of the management and performance fees (if applicable). In total 39 staff members were involved during (some part of) the year 2021 (2020: 36), including consultants and including both part-time and full-time staff.

Three (2020: one) staff members, active in portfolio management, have earned more than EUR 1,000,000 in relation to the performance results during the year 2021 (2020: EUR 1,000,000).

### Remuneration Investee Funds

The Strategy One Fund invests, among other securities, in other Investee Funds. These Funds are managed by other Investment Managers. These Investment Managers are regulated and need to comply with the local legislation in the countries in which they are regulated.

The Investment Objective and Investment Strategy of the Investee Funds are guided by a clear framework and should avoid any excessive risk taking. The Investment Managers of the Investee Funds each have remuneration policies in place as required by law. This both includes fixed and variable remuneration. In the audited financial statements of the Investee Funds these remuneration policies are explained in greater detail.



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## Management Report (*continued*)

### **Risk management**

Privium Fund Management B.V. has a clear and elaborate Risk Management framework, in line with current legislation, such as the Alternative Investment Fund Manager Directive (AIFMD). The Risk Management function within Privium is performed by an independent Risk Manager. Privium has a Risk Management Committee which meets at least on a monthly basis.

The Risk Management framework consists of several individual components, whereby Risk Monitoring is being performed on an ongoing basis.

Under the AIFM Directive, the Fund Manager is required to establish and maintain a permanent risk management function. This function should have a primary role in shaping the risk policy of each Alternative Investment Fund ("AIF") under management by the Fund Manager, risk monitoring and risk measuring in order to ensure that the risk level complies on an ongoing basis with the AIF's risk profile.

The risk management function performs the following roles:

- Implement effective risk management policies and procedures in order to identify, measure, manage and monitor risks;
- Ensure that the risk profile of an AIF is consistent with the risk limits set for the AIF;
- Monitor the liquidity profile of the AIF;
- Monitor sustainability risk levels;
- Monitor compliance with risk limits; and
- Provide regular updates to senior management concerning:
  - 1: The consistency of stated profile versus risk limits;
  - 2: The adequacy and effectiveness of the risk management process; and
  - 3: The current level of risk of each AIF and any actual or foreseeable breaches of risk limits.

As described by the AIFM Directive quantitative risk limits are, where possible, constructed for various risk categories: market risk, liquidity risk, credit risk, counterparty risk, and operational risk. These risk limits should be in agreement with the risk profile of the fund.

The risk management function is fully independent from the portfolio management function of the Fund Manager. The risk manager has full authority to close positions or the authorization to instruct the closing of positions on his behalf in case of a risk breach.

To ensure that all risk management tasks are executed correctly and timely, the Fund Manager uses an automated system that registers all risk tasks, keeps a list of all pending risk tasks, and escalates risk tasks that have not been executed or report a violation of a risk rule. The system produces an audit log that can be verified by the internal auditor, the external auditor, the management board, the regulator or other stake holders. Not all risk variables have limits but to identify any new relevant risks, every variable that is reported in the system flows through a sanity check. The sanity check will raise an exception if the variable falls outside its "normal" boundaries. The Risk Manager is notified of these exceptions and will make an assessment whether the situation is stable or whether further escalation is needed.

The positions of the fund are administered and reconciled by using a professional portfolio management system. Risk reports such as Value at Risk and Stress Scenarios are run using Bloomberg.

The Compliance Monitoring system is used for monitoring of the pre-defined risk limits. The limits can either be configured as notification limits, soft limits or hard limits. In case of a breach of any of the limits, the escalation procedures are followed as described in the Risk Management Procedures (Annex 17) of the Privium Handbook.

## Management Report (*continued*)

### **Risk management** (*continued*)

The reoccurring risk tasks are:

- Weekly risk report by risk management, including Value at Risk.
- Monthly reporting by portfolio management
- Quarterly Operational risk management
- Monthly stress scenarios. On ad hoc basis extra stress scenarios can be done.

On a monthly basis the Risk Committee of the Fund Manager meets to discuss the performances and risks of the Fund. Any breaches are discussed. On a yearly basis a Risk Evaluation and Product Review is conducted.

In 2016 Privium's senior management team decided to engage an external party in the annual evaluation of the internal processes. This audit primarily focusses on risk management and compliance processes. In Q4 2021 this audit was executed for the sixth time and the findings were reported to Privium's management. The audit did not demonstrate any material deviations.

### **Risk management and willingness to take risks**

There have been no risk breaches during the year 2021. The risk profile of the Fund has not changed during the reporting period. Neither did the investment objective(s) or any of the investment restrictions of the Fund changed during the reporting period.

Reference to the investment objective(s), risk profile and the investment restrictions of the Fund is made in the Prospectus of the Fund and the Key Investor Information Document.

In the table below we list the various risk to which investors in the Fund are exposed and we discuss the measures applied to manage these risks and their potential impact on the Fund's NAV.

## Management Report (continued)

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

Sorts of risks	Risk hedged	Measures applied and expected effectiveness	Impact on 2021 NAV	Expected impact on 2022 NAV if risk materializes	Adjustments made or expected adjustments to risk management in 2021 or 2022
Price/Market Risk	No	The fund maintains a number of long only equity and bond investments. Strong bottom-up company analysis is a very important item in mitigating risks during the holding period of a position. However price fluctuations due to general equity and bond market movements during the holding period can't be mitigated or avoided in full by conducting company analysis. This risk is inherent when securities like equities and bonds are traded.	The Fund gained +7.01% in 2021 (Initial series A). The Fund does not have a benchmark. Global Equities, measured by the MSCI World Index (EUR) gained +25.4% in 2021, bonds measured by the Vanguard Global Bond Index Fund (EUR) lost -2.83% in 2021 and hedge funds measured by the HFRX Hedge Fund Index (in EUR) gained +2.65%.	Investments are selected after a thorough due diligence process but the occurrence of this risk will also largely depend on general market circumstances.	No. The Fund Manager is comfortable with the risk exposure currently in place.
Manager Risk	No	The Fund maintains a number of investments in other investment funds. These funds are managed by external Fund Management companies. A rigid due diligence process is in place when investment funds are selected.	The Fund underperformed most equity indices but outperformed most global bond and hedge fund indices. Global Equities, measured by the MSCI World Index (EUR) gained +25.40%. Bonds measured by the Vanguard Global Bond Index Fund lost -2.83% in 2021 and hedge funds measured by the HFRX Hedge Fund Index (in EUR) gained +2.65%.	Much will depend on the actual positioning of the underlying investment funds. However we expect that the selected investment funds will perform better than general equity markets over the long term.	No. The Fund Manager is comfortable with the risk exposure currently in place.
Interest rate risk	No	The Fund maintains a number of investments in fixed income. However this a small percentage of the portfolio (<5%). Therefore the Fund is not exposed to significant interest rate risk.	None	None	No. The Fund Manager is comfortable with the risk exposure currently in place.
Foreign Exchange risk	Partially	Direct FX risk is only partially hedged. As of December 31, 2021 around 54% of the Sterling exposure was hedged. The USD and CHF FX exposure was not hedged as of December 31, 2021. The Fund has the possibility to hedge foreign FX exposure in full.	Around 70% of the investments are denominated in EUR.	This will largely depend on FX movements.	No. The Fund Manager is comfortable with the risk exposure currently in place.
Liquidity risk	No	Liquidity risk mostly has been mitigated by investing in positions that offer sufficient liquidity.	None	We would not expect a negative NAV impact if this risk would materialize.	No. The Fund Manager is comfortable with the risk exposure currently in place.
Credit risk	No	Spare cash is maintained at ABN AMRO. ABN AMRO has an A credit rating (S&P credit rating) and we would reconsider the relationship if this changes. The Fund also maintains positions in some fixed income securities directly (corporate credit) but these are below 5% of the portfolio.	None on the spare cash and low on the fixed income positions.	Due to the limited exposure to fixed income securities we deem the risk to be limited.	No. The Fund Manager is comfortable with the risk exposure currently in place.
Operational risk	No	This risk is mostly mitigated by having rigid operational procedures in place. Next to that duties and responsibilities are clearly divided between Privium employees. The same is applicable to the service providers of the several Privium Funds.	None	None	No. The Fund Manager is comfortable with the risk exposure currently in place.
Counterparty Risk	No	This risk is mostly mitigated by selecting and maintaining relationships with top tier counterparties and service providers.	None	None	No. The Fund Manager is comfortable with the risk exposure currently in place.
Leverage Risk	No	The Fund is not utilizing any borrowings to take positions. Because the Fund is partially hedging direct foreign FX exposures by using FX forwards, the fund is utilizing implied leverage. As of December 31, 2021 the leverage calculations according to the Gross method and Commitment method are as follows: Gross method: 107.80% and Commitment method: 100%.	None	None	No. The Fund Manager is comfortable with the risk exposure currently in place.
Sustainability Risk	No	Sustainability risks are categorized into Environmental, Social or Governance (ESG) issues and may pose a material risk to the value of an investment. Not all sustainability risks may have a material negative effect on the value of an investment. Therefore, the Fund applies the Materiality Map of the Sustainability Accounting Standards Board (SASB) to determine which sustainability risks are material to consider in the investment decision making process. In each investment decision the relevant material sustainability risks are investigated using the following focus points: * Policy and practices: Investigating if relevant sustainability risks to the investment are well covered by policies informs if all risks are sufficiently in scope and in control. If so, then the value of the investment may be less sensitive to the relevant sustainability risk than its peers. * Incidents: If the sector or the investment experienced significant incidents regarding the relevant sustainability risk recently, this may inform the understanding of both the frequency of it occurring, as well as the investments readiness and quality of response. Better preparedness and a strong response mean the value of the investment may be less sensitive to the relevant sustainability risk than its peers.	None	None	No

## Management Report (*continued*)

### Control Statement

The Board of Privium Fund Management B.V. declares to have an AO/IB (Handbook) that meets the requirements of the “Wet op het financieel toezicht and the ‘Besluit gedragstoezicht financiële ondernemingen (‘Bgfo’)”. During 2021 we assessed the various aspects of the Privium operations as outlined in the AO/IB (Handbook). We have not identified any internal control measures that do not meet the requirements of Article 121 of the Bgfo and as such we declare that the operations in the year 2021 functioned effectively as described. During 2021 a number of independent service providers have conducted checks on Privium’s operations as part of their ongoing responsibility and investor demand. No errors have been signalled.

Privium is updating its AO/IC (Handbook) on a regular basis as required by law. The 2021 update was completed in December 2021. During the fourth quarter of 2021 the external audit officer performed its annual due diligence on a number of internal procedures at the Fund Manager. These are mostly related to Compliance and Risk Management. The external audit officer has reported his findings to the Fund Manager in a report. No meaningful errors have been signalled.

## Financial statements

### BALANCE SHEET

(As at 31 December)

(Profit after appropriation of result)

	Note	31 December 2021 EUR	31 December 2020 EUR
<b>Assets</b>			
<b>Investments</b>			
Equities		3,330,774	2,387,421
Investee funds		11,917,700	10,053,424
Debt instruments		-	317,026
Derivative financial assets		659	-
	3	<u>15,249,133</u>	<u>12,757,871</u>
<b>Current assets (fall due in less than 1 year)</b>			
Cash at bank and due from custodian	4	7,604	32,542
Interest receivable		-	5,964
Dividend receivable		5,673	-
		<u>13,277</u>	<u>38,506</u>
<b>Total assets</b>		<u>15,262,410</u>	<u>12,796,377</u>
<b>Investment liabilities</b>			
Derivative financial liabilities		-	(5,164)
	3	<u>-</u>	<u>(5,164)</u>
<b>Current liabilities (fall due in less than 1 year)</b>			
Accrued expenses and other payables	5	(82,181)	(89,882)
		<u>(82,181)</u>	<u>(89,882)</u>
<b>Total liabilities</b>		<u>(82,181)</u>	<u>(95,046)</u>
<b>Total assets minus total liabilities</b>		<u>15,180,229</u>	<u>12,701,331</u>
<b>Equity</b>			
Contributions of participants		10,269,168	8,708,703
Undistributed gain		4,911,061	3,992,628
<b>Total shareholders' equity</b>	6	<u>15,180,229</u>	<u>12,701,331</u>

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

## Financial statements

### INCOME STATEMENT

(For the years ended 31 December)

	<i>Note(s)</i>	<b>2021</b>	<b>2020</b>
		<b>EUR</b>	<b>EUR</b>
<b>Investment result</b>			
<i>Direct investment result</i>			
Interest income	7	3,998	11,277
Dividend income	8	58,857	91,095
		<u>62,855</u>	<u>102,372</u>
<i>Indirect investment result</i>			
Realised gains on equities	3, 9	40,013	49,078
Realised gains/(losses) on investee funds	3, 9	454,962	(109,242)
Realised gains on debt instruments	3, 9	32,045	-
Realised (losses)/gains on forward currency contracts	3	(69,988)	60,174
Unrealised gains on forward currency contracts	3	5,823	6,394
Unrealised gains/(losses) on equities	3, 9	158,870	(27,873)
Unrealised gains on investee funds	3, 9	438,111	892,822
Unrealised (losses)/gains on debt instruments	3, 9	(34,249)	14,437
Foreign currency gains/(losses) on translation	10	142,333	(1,149)
		<u>1,167,920</u>	<u>884,641</u>
<b>Total investment income</b>		<u>1,230,775</u>	<u>987,013</u>
<b>Expenses</b>			
Management fee	11, 12	(138,729)	(119,152)
Incentive fee	11, 12	(48,339)	(38,105)
Administration fee	11	(28,315)	(25,379)
Audit fee	11	(27,346)	(21,976)
Depositary fee	11	(21,940)	(20,504)
Legal fee		(10,805)	(1,252)
Bank charges		(9,340)	(10,497)
Other operational costs		(8,354)	(7,101)
Legal ownership fee		(6,716)	(6,541)
Interest expense		(1,958)	(1,744)
Custody fee	11	(1,327)	(11,551)
<b>Total expenses</b>		<u>(303,169)</u>	<u>(263,802)</u>
<b>Net profit for the year before tax</b>		<b>927,606</b>	<b>723,211</b>
Withholding tax		(9,173)	(8,793)
<b>Net profit for the year after tax</b>		<u>918,433</u>	<u>714,418</u>

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

## Financial statements

### STATEMENT OF CASH FLOWS

(For the years ended 31 December)

	<i>Note(s)</i>	<b>2021</b> <b>EUR</b>	<b>2020</b> <b>EUR</b>
<b>Cash flows from operating activities</b>			
Purchases of investments	3	(4,347,580)	(2,706,097)
Proceeds from sale of investments	3	2,946,729	2,643,895
Net payments for derivative financial instruments		(69,988)	310,174
Interest received		9,962	11,313
Interest paid		(1,959)	(1,985)
Dividend received		53,184	93,210
Management fee paid	11,12	(136,654)	(118,752)
Incentive fee paid	11,12	(38,088)	(43,495)
Administration fee paid		(32,322)	(23,765)
Audit fee paid		(26,049)	(32,703)
Legal ownership fee paid		(6,716)	(6,541)
Legal fee paid		(11,474)	(2,099)
Depositary fee paid		(21,940)	(20,504)
Custody fee paid		(11,222)	(6,011)
Bank charges paid		(10,059)	(11,216)
Withholding tax paid		(9,173)	(8,793)
Other general expenses paid		(14,387)	(551)
<b>Net cash flows (used in)/provided by operating activities</b>		<b><u>(1,727,736)</u></b>	<b><u>76,080</u></b>
<b>Cash flows from financing activities</b>			
Proceeds from sales of participations – Class A	6	2,355,000	1,545,876
Payments on redemptions of participations – Class A	6	(794,535)	(1,775,876)
<b>Net cash flows provided by/(used in) financing activities</b>		<b><u>1,560,465</u></b>	<b><u>(230,000)</u></b>
<b>Net decrease in cash</b>		<b>(167,271)</b>	<b>(153,920)</b>
Cash at the beginning of the year	4	32,542	187,611
Foreign currency translation of cash positions		142,333	(1,149)
<b>Cash at the end of the year</b>	4	<b><u>7,604</u></b>	<b><u>32,542</u></b>
<b>Analysis of cash</b>			
Cash at bank		53	337
Due from custodian		7,551	32,205
<b>Total cash</b>	4	<b><u>7,604</u></b>	<b><u>32,542</u></b>

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

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## Notes to the financial statements

### 1. GENERAL INFORMATION

Strategy One Fund (the “Fund”) is structured as a contractual fund with an open-ended redemption structure under Dutch law, and was established on 19 April 2012. The Fund is a closed fund for joint account (*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 each participant. The Fund commenced operations on 1 May 2012. The Legal Owner of the Fund is registered with the Trade Register of the Netherlands under registration number 851589492 for Dutch tax purposes. The Fund has a registered office at Gustav Mahlerplein 3, Symphony Offices, 26<sup>th</sup> Floor, 1082 MS Amsterdam, The Netherlands.

The Fund may issue Class A and Class B participations. Class A participations can be held by investors residing in the Netherlands or other countries. Class B participations can be held by investors residing in the United Kingdom. As at 31 December 2021 and 2020 both the Class A participations and Class B participations are in issue.

The investment objective of the Fund is to deliver attractive risk-adjusted returns to its participants over a rolling investment horizon of 3 to 5 years with an investment vehicle which targets above average returns in the range of 5% to 10% per annum.

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 years ended 31 December 2021 and 2020.

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

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

As a result of the implementation Darwin Depository Services B.V. has been appointed as Depository in accordance to article 4:37h FSA.

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 financial statements have been authorised for issue by the Fund Manager on 24 June 2022.

### 2. SIGNIFICANT ACCOUNTING PRINCIPLES AND POLICIES

#### Basis of preparation

The financial statements of the Fund have been prepared in accordance with the reporting principles generally accepted in the Netherlands (“Dutch GAAP”) including the guidelines for annual reporting (RJ) 615 and the statutory provisions concerning annual accounts contained in Part 9, Book 2 of the Dutch Civil Code. The financial statements have also been prepared in accordance with the requirements of the Dutch Financial Supervision Act (“FSA”).

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. The financial statements are prepared on a fair value basis for financial investments, except those for which a reliable measure of fair value is not available. Other financial assets and liabilities and non-financial assets and liabilities are stated at amortised cost or historical cost. Transaction costs are expensed in the income statement if these are related to financial assets carried at fair value through profit or loss.



## Notes to the financial statements

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

#### **Basis of preparation** (*continued*)

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

#### **Functional currency**

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

#### **Recognition and measurement**

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

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

#### **Estimates**

The preparation of financial statements in conformity with the relevant rules requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Fund’s accounting policies. If necessary, for the purposes of providing the view required under Art. 2:362.1 DCC, the nature of these estimates and judgements, including related assumptions, is disclosed in the notes to the financial statements in question.

#### **Foreign exchange**

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

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

#### **Classification of participations**

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

#### **Basis of valuation - policies in preparing the balance sheet**

Assets and liabilities are generally valued at historical cost, production cost or at fair value at the time of acquisition. Liabilities are initially recognised at fair value and subsequently measured at amortised cost. If no specific valuation principle has been stated, valuation is at historical cost. In the balance sheet, income statement and the cash flow statement, references are made to the notes. 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 equities’, ‘realised gains/(losses) on investee funds’, ‘realised gains on debt instruments’, realised (losses)/gains on forward currency contracts, ‘unrealised gains on forward currency contracts’, ‘unrealised gains/(losses) on equities’, ‘unrealised gains on investee funds’ and ‘unrealised (losses)/gains on debt instruments’.

## Notes to the financial statements

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

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

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 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 2020, no such adjustments were made.

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

Where an up-to-date value of an underlying investment is not available, or the valuation date does not coincide with that of the Fund, the Fund Manager will use an estimated value. As at 31 December 2021, no such estimated values were used.

#### *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.

#### *Accounts receivable*

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost. If payment of the receivable is postponed under an extended payment deadline, fair value is measured on the basis of the discounted value of the expected revenues. Interest gains are recognised using the effective interest method. When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables.

#### *Dividend income*

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

#### *Interest income and interest expense*

Interest income and expenses are recognised on a pro rata basis, taking account of the effective interest rate of the assets and liabilities to which they relate. In accounting for interest expenses, the recognised transaction expenses for loans received are taken into consideration.

#### *Payables and accruals*

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

#### **Cash**

Cash comprises cash on hand and demand deposits. Cash is carried at face value.

#### **Statement of cash flows**

The statement of cash flows is prepared according to the direct method. The statement of cash flows shows the Fund's cash flows for the year divided into cash flows from 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.

#### **Shareholders' equity**

All references to net assets and NAV throughout the financial statements are equivalent to shareholders' equity.

## Notes to the financial statements

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

#### Tax position

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

#### Principles for determining the result

The Fund recognises financial assets and 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 the value of the investments held by the Fund are accounted for in the income statement. The Fund may use forward currency contracts to limit the exchange rate risk. Forward currency contracts are accounted for as currency transactions. The change in value of forward currency contracts are also accounted for in the income statement.

Dividend income related to exchange-traded equity investments is recognised in the income statement on the ex-dividend date. Dividend withholding tax is presented gross in the income statement.

Interest income and expense are accounted for in the income statement on the accrual basis. Transaction costs in relation to equities are capitalised while transaction costs in relation to forward currency contracts are expensed immediately.

### NOTES FOR INDIVIDUAL BALANCE SHEET ITEMS

#### 3. Investments

<i>Movement in schedule of investments (All amounts in EUR)</i>	<b>31 December 2021</b>	<b>31 December 2020</b>
<b>Investment in equities</b>		
As at 1 January	2,387,421	1,623,522
Purchases	1,594,066	1,612,910
Sales	(849,596)	(870,216)
Realised gains	40,013	49,078
Unrealised gain/(loss)	158,870	(27,873)
<b>As at 31 December</b>	<b>3,330,774</b>	<b>2,387,421</b>
<b>Investment in investee funds</b>		
As at 1 January	10,053,424	9,954,561
Purchases	2,753,514	1,088,962
Sales	(1,782,311)	(1,773,679)
Realised gain/(loss)	454,962	(109,242)
Unrealised gains	438,111	892,822
<b>As at 31 December</b>	<b>11,917,700</b>	<b>10,053,424</b>
<b>Investment in debt instruments</b>		
As at 1 January	317,026	298,364
Purchases	-	4,225
Sales	(314,822)	-
Realised gain	32,045	-
Unrealised (loss)/gain	(34,249)	14,437
<b>As at 31 December</b>	<b>-</b>	<b>317,026</b>
<b>Total investments (excluding derivative financial instruments)</b>		
As at 1 January	12,757,871	11,876,447
Purchases	4,347,580	2,706,097
Sales	(2,946,729)	(2,643,895)
Realised gain/(loss)	527,020	(60,164)
Unrealised gains	562,732	879,386
<b>As at 31 December</b>	<b>15,248,474</b>	<b>12,757,871</b>

## Notes to the financial statements

### NOTES FOR INDIVIDUAL BALANCE SHEET ITEMS (CONTINUED)

#### 3. Investments (continued)

The table below provides an analysis of the forward currency contracts at 31 December 2021:

Expiration date	Contract currency	Bought	Contract currency	Sold	Contract rate	Valuation rate	Unrealised EUR
31/01/2022	EUR	1,190,185	GBP	1,000,000	1.19018450	1.1895	659
<b>Total unrealised gain on open forward currency contracts</b>							<b>659</b>

The table below provides an analysis of the forward currency contracts at 31 December 2020:

Expiration date	Contract currency	Bought	Contract currency	Sold	Contract rate	Valuation rate	Unrealised EUR
29/01/2021	EUR	833,714	GBP	750,000	1.11161863	1.1185	(5,164)
<b>Total unrealised loss on open forward currency contracts</b>							<b>(5,164)</b>

The tables below provide an analysis of fund investments that are measured subsequent to initial recognition at fair value based on how that fair value is determined.

	Total EUR	Quoted prices (unadjusted) in active markets		Other EUR
		EUR		
Investment in investee funds (assets)	11,917,700	9,044,584	2,873,116*	
Derivative financial assets	659	659	-	
<b>Total</b>	<b>11,918,359</b>	<b>9,045,243</b>	<b>2,873,116</b>	

	Total EUR	Quoted prices (unadjusted) in active markets		Other EUR
		EUR		
Investment in investee funds (assets)	10,053,424	5,941,080	4,112,343*	
Derivative financial liabilities	(5,164)	(5,164)	-	
<b>Total</b>	<b>10,048,260</b>	<b>5,935,916</b>	<b>4,112,343</b>	

\*For the investment in investee funds, the fair value is derived from Administrator statements.

#### 4. Cash

As at 31 December 2021, cash comprises of balances held with ABN AMRO Bank N.V. amounting to EUR 53 (2020: EUR 337).

As at 31 December 2021, cash also comprises of balances held with ABN AMRO Clearing Bank N.V. of EUR 7,551 (2020: EUR 32,205).

As at 31 December 2021 and 2020, no restrictions in the use of cash exists.

## Notes to the financial statements

### NOTES FOR INDIVIDUAL BALANCE SHEET ITEMS (CONTINUED)

#### 5. Accrued expenses and other payables

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

<i>(All amounts in EUR)</i>	<b>31 December 2021</b>	<b>31 December 2020</b>
Incentive fee payable	(48,339)	(38,088)
Audit fee payable	(12,883)	(11,586)
Management fee payable	(12,700)	(10,625)
Administration fee payable	(6,294)	(10,301)
Custodian fee payable	(1,137)	(11,032)
Legal fee payable	(484)	(1,153)
Other payables	(315)	(25)
Interest payable	(29)	(30)
FATCA fee payable	-	(6,000)
Regulator fee payable	-	(1,042)
<b>Total accrued expenses and other payables</b>	<b><u>(82,181)</u></b>	<b><u>(89,882)</u></b>

#### 6. Share capital

##### *Structure of the Fund's capital*

Strategy One Fund is structured as a contractual fund with an open-ended redemption structure and is subject to Dutch law. The Fund may issue Class A and Class B participations. As at 31 December 2021 and 2020, both the Class A participations and Class B participations are in issue. The Fund does not impose any special rights to any of the classes.

Class A participations can be held by investors residing in the Netherlands or other countries. Class B participations are created specifically for investors residing in the United Kingdom. In line with the Prospectus, the results for the year will not be distributed. The Class B participations of the Fund have a tax reporting status in the United Kingdom.

## Notes to the financial statements

### NOTES FOR INDIVIDUAL BALANCE SHEET ITEMS (CONTINUED)

#### 6. Share capital (continued)

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

<i>(All amounts in EUR)</i>	<b>31 December 2021</b>	<b>31 December 2020</b>
<i>(Profit after appropriation of result)</i>		
<i>Contributions of participants</i>		
Balance at the beginning of the year	8,708,703	8,938,703
Issue of participations – Class A units	2,300,000	1,545,876
Issue of participations – Class B units	55,000	-
Redemption of participations – Class A units	(763,961)	(1,775,876)
Redemption of participations – Class B units	(30,574)	-
<b>Total contributions at the end of the year</b>	<b>10,269,168</b>	<b>8,708,703</b>
<i>Undistributed gain</i>		
Balance at the beginning of the year	3,992,628	3,278,210
Net profit for the year after tax	918,433	714,418
<b>Total undistributed gain at the end of the year</b>	<b>4,911,061</b>	<b>3,992,628</b>
<b>Equity at the end of the year</b>	<b>15,180,229</b>	<b>12,701,331</b>

#### *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 minimum initial subscription for each participant is EUR 100,000. The Class A and Class B participations were issued at an initial subscription price of EUR 1,000 per participation and thereafter at the NAV per participation. Participations may be issued in an existing or a new series on each dealing day at the discretion of the Fund Manager. No subscriptions fees are charged to the participants of the Fund.

Participations are subject to a 6-months lock-up period after which participants will have the possibility to redeem participations as of the first dealing day following 30 calendar days prior written notice to the Administrator.

The Fund is not obliged to redeem more than 50% of the total number of participations outstanding on any dealing day.

The minimum value of participations which may be subject of one redemption request will be the lesser of EUR 10,000 or 10 participations. Redemptions may be subject to a redemption charge of up to 0.5% of the NAV of the participations at the dealing day on which a redemption is affected, which is payable to the Fund.

## Notes to the financial statements

### NOTES FOR INDIVIDUAL BALANCE SHEET ITEMS (CONTINUED)

#### 6. Share capital (continued)

##### Subscriptions and redemptions (continued)

The movement of the participations during the year ended 31 December 2021 was as follows:

	Participations at the beginning of the year	Participations issued	Participations redeemed	Participations at the end of the year
Series A Initial	5,761.090	-	(483.647)	5,277.443
Series A August 2021	-	2,100.000	-	2,100.000
Series A October 2021	-	200.000	-	200.000
Series B Initial	2,786.225	-	(20.291)	2,765.934
Series B February 2021	-	55.000	-	55.000
<b>Total</b>	<b>8,547.315</b>	<b>2,355.000</b>	<b>(503.938)</b>	<b>10,398.377</b>

The movement of the participations during the year ended 31 December 2020 was as follows:

	Participations at the beginning of the year	Participations issued	Participations redeemed	Participations at the end of the year
Series A Initial	4,845.852	1,082.822	(167.584)	5,761.090
Series A September 2018	250.000	-	(250.000)	-
Series A January 2018	200.000	-	(200.000)	-
Series A May 2015	1,000.000	-	(1,000.000)	-
Series B Initial	2,786.225	-	-	2,786.225
<b>Total</b>	<b>9,082.077</b>	<b>1,082.822</b>	<b>(1,617.584)</b>	<b>8,547.315</b>

##### 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. As at 31 December 2021 and 2020, the Fund did not declare dividends or make distributions and all earnings were reinvested in the Fund.

## Notes to the financial statements

### NOTES FOR INDIVIDUAL INCOME STATEMENT ITEMS

#### 7. Interest income

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

#### 8. Dividend income

Dividend income relates to dividend from equity instruments.

#### 9. Investment return

<i>(All amounts in EUR)</i>	<b>Profit</b>	<b>2021 Loss</b>	<b>2021 Total</b>	<b>2020 Total</b>
<b>Equities</b>				
Realised result	92,880	(52,867)	40,013	49,078
Unrealised result	390,197	(231,327)	158,870	(27,873)
	<u><b>483,077</b></u>	<u><b>(284,194)</b></u>	<u><b>198,883</b></u>	<u><b>21,205</b></u>
<b>Investee funds</b>				
Realised result	484,867	(29,905)	454,962	(109,242)
Unrealised result	1,169,739	(731,628)	438,111	892,822
	<u><b>1,654,606</b></u>	<u><b>(761,533)</b></u>	<u><b>893,073</b></u>	<u><b>783,580</b></u>
<b>Debt instruments</b>				
Realised result	32,045	-	32,045	-
Unrealised result	-	(34,249)	(34,249)	14,437
	<u><b>32,045</b></u>	<u><b>(34,249)</b></u>	<u><b>(2,204)</b></u>	<u><b>14,437</b></u>
<b>Total result</b>	<u><b>2,169,728</b></u>	<u><b>(1,079,976)</b></u>	<u><b>1,089,752</b></u>	<u><b>819,222</b></u>

#### 10. Foreign currency losses on translation

Realised and unrealised exchange differences consist of realised and unrealised translation losses on assets and liabilities other than financial assets and liabilities. For the year ended 31 December 2021, this amounted to gain of EUR 142,333 (2020: losses of EUR 1,149). The following average and closing rates have been applied in the preparation of these financial statements (the equivalent of one Euro is shown):

	<b>2021</b>		<b>2020</b>	
	<b>Average</b>	<b>Closing</b>	<b>Average</b>	<b>Closing</b>
<i>Showing the equivalent of 1 Euro</i>				
Great Britain Pound	0.85973	0.84069	0.88990	0.89397
Swiss Franc	1.08110	1.03740	1.07057	1.08134
United States Dollar	1.18280	1.13700	1.14220	1.22170
Danish Krone	7.43710	7.43700	-	-
Norwegian Krone	10.16440	10.02560	-	-



## Notes to the financial statements

### NOTES FOR INDIVIDUAL INCOME STATEMENT ITEMS (CONTINUED)

#### 11. Costs

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

<i>(All amounts in EUR)</i>	<b>2021</b>	<b>2020</b>
<b>Expenses accruing to Fund Manager</b>		
Management fee	(138,729)	(119,152)
Incentive fee	(48,339)	(38,105)
<b>Other expenses</b>		
Administration fee	(28,315)	(25,379)
Audit fee	(27,346)	(21,976)
Depository fee	(21,940)	(20,504)
Legal fee	(10,805)	(1,252)
Commission fees	(6,893)	(6,660)
Legal ownership fee	(6,716)	(6,541)
FATCA fee	(6,000)	(6,000)
Bank charges	(2,447)	(3,837)
Other general expenses	(2,354)	(1,101)
Interest expense	(1,958)	(1,744)
Custody fee	(1,327)	(11,551)
<b>Total</b>	<b><u>(303,169)</u></b>	<b><u>(263,802)</u></b>

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 years ended 31 December 2021 and 2020, all costs actually charged to the Fund were in accordance with the costs disclosed in the Prospectus. During the year, the Fund also incurred costs such as interest expense of EUR 1,958 (2020: EUR 1,744), FATCA fees of EUR 6,000 (2020: EUR 6,000), bank charges of EUR 2,447 (2020: EUR 3,837), legal fee of EUR 10,805 (2020: EUR 1,252) and other general expenses of EUR 2,354 (2020: EUR 1,101) which are not detailed in the Prospectus.

No redemption fees were charged to the participants of the Fund for 2021 and 2020.

#### Ongoing charges ratio

The ongoing charges ratio is the ratio of the total costs to the average net assets of the Fund. The average net assets are based on the Fund's net assets at each calculation of the NAV i.e. monthly.

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

	<b>2021</b>
Ongoing charges ratio including incentive fees	2.20%
Ongoing charges ratio excluding incentive fees	1.85%
Ongoing charges ratio including expenses of underlying funds	0.85%

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

	<b>2020</b>
Ongoing charges ratio including incentive fees	2.21%
Ongoing charges ratio excluding incentive fees	1.89%
Ongoing charges ratio including expenses of underlying funds	0.80%

## Notes to the financial statements

### NOTES FOR INDIVIDUAL INCOME STATEMENT ITEMS (CONTINUED)

#### 11. Costs (continued)

##### *Turnover factor*

For the year ended 31 December 2021, the turnover factor for the Fund is 30.14% (2020: 17.01%). 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. The turnover factor reflects the asset turnover rate of the Fund.

#### 12. RELEVANT CONTRACTS

##### **Fund Manager**

##### *Management fee*

Privium Fund Management B.V. acts as the Fund Manager to the Fund. The Fund Manager is entitled to an annual management fee of 1.0% of the NAV of the Fund. The management fee is calculated monthly and payable monthly in arrears. Details of management fees charged for the year are disclosed in the income statement.

##### *Incentive fee*

The Fund Manager is also entitled to an annual incentive fee calculated per series equal to 5% of the amount by which the NAV per participation increased over the High Water Mark (“HWM”) per participation. In calculating the incentive fee in an absolute amount, an equitable adjustment shall be made for participations subscribed and redeemed during the financial year and any distributions paid to participants during the financial year shall be added back. The incentive fee in respect of the relevant outstanding participations of the series shall be payable to the Fund Manager as to 90% of the estimated amount thereof one month after the end of the relevant financial year. The balance shall be payable within 14 days following completion of the audit of the accounts for the relevant financial year. On redemption of participations during a financial year an amount equal to any accrued incentive fee in respect of such participations shall be deducted from the redemption price and due to the Fund Manager.

As at 31 December 2021 the HWM per participations for Class A and Class B are 1,514.66 and 1,426.75 respectively and are calculated since 31 December 2020. The NAV per participations are higher and therefore an incentive fee is levied.

No incentive fee will be levied if, at the relevant valuation date, there has been no increase in the NAV per participation of the relevant series over the higher of the HWM per participation applicable to the relevant series of participations. Details of performance fees charged for the year 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 0.175% of the NAV of the Fund up to EUR 10 million, 0.150% of the NAV between EUR 10 million and EUR 30 million, 0.120% between EUR 30 million and EUR 50 million and 0.100% on the NAV above EUR 50 million. There is a minimum fixed fee of EUR 7,500 per annum (excluding VAT). The Administrator also 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 year are disclosed in the income statement.

##### **Custodian**

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

## Notes to the financial statements

### 12. RELEVANT CONTRACTS (CONTINUED)

#### Depository

The Fund has entered into a depository agreement with Darwin Depository Services B.V. The Depository charges an annual fee of EUR 16,500 (excluding VAT) in remuneration for its service to the Fund. The fee is payable quarterly in advance. Details of depository fees charged for the year are disclosed in the income statement. The Depository is liable for the loss of a financial instrument taken into custody.

#### Independent Auditor

The Fund appointed Ernst & Young Accountants LLP as the Independent Auditor. The Independent Auditor's remuneration consists of EUR 20,137 (2020: EUR 15,506) audit fee for the audit of the financial statements. A further amount of EUR 7,209 (2020: EUR 6,970) was paid to the UK tax advisor in respect of preparing the UK tax reporting.

#### Legal Owner

CSC Governance B.V. has been appointed as Management Board of the Legal Owner. The remuneration consists of an annual fixed fee of EUR 3,500 and variable remuneration of 0.0125%. This fee is capped at EUR 6,500 per annum.

### 13. 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.

As at 31 December 2021, the Portfolio Manager of the Fund, Mr. Hein Jurgens, held 200.00 (2020: 464.54) shares of Series A Initial shares and 2,587.714 (2020: 2,532.714) shares of Series B Initial shares.

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

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

	<b>Paid</b>	<b>Balance</b>
	<b>EUR</b>	<b>EUR</b>
Management fee	136,654	12,700
Incentive fee	38,088	48,339

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

	<b>Paid</b>	<b>Balance</b>
	<b>EUR</b>	<b>EUR</b>
Management fee	118,752	10,625
Incentive fee	43,495	38,088

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## Notes to the financial statements

### 14. FINANCIAL INVESTMENTS AND ASSOCIATED RISKS

The Fund aims to deliver attractive risk-adjusted returns to its participants over a rolling investment horizon of 3 to 5 years with an investment vehicle which targets above average returns in the range of 5% to 10% per annum.

The Fund attempts to accomplish its objective by investing in a diversified portfolio of stocks and bonds and other securities that are selected on the basis of their potential positive contribution to the Fund's investment objectives, for example hedge funds or other alternative collective investment vehicles. The Fund Manager selects a number of complementary investment strategies in order to diversify risk.

In its investment process, the Fund Manager takes a predominantly top-down approach to capitalise on varying market conditions. The Fund Manager limits positions in single stocks to 5% (at cost) of total assets, unless it is a publicly quoted fund. The position in individual (hedge) funds is limited to 15% (at cost) of total assets and the position in single bonds is limited to 20% (at cost) of total assets.

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 of 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.

#### *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's exposure to market risk for changes in interest rates relates to the Fund's investment in debt instruments. The Fund holds fixed interest securities that expose the Fund to fair value interest rate risk.

#### *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.

## Notes to the financial statements

### 14. FINANCIAL INVESTMENTS AND ASSOCIATED RISKS (CONTINUED)

#### Market risk (continued)

##### Currency risk (continued)

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 EUR 1.2 million (2020: EUR 0.8 million) and a credit risk exposure towards the counterparty at 31 December 2021 of EUR Nil (2020: EUR Nil).

	2021			2020		
	Net position EUR	Notional amounts forwards EUR	Total currency exposure EUR	Net position EUR	Notional amounts forwards EUR	Total currency exposure EUR
<b>Currency</b>						
Great Britain Pound	2,184,219	(1,190,185)	994,034	1,064,150	(833,714)	230,436
Swiss Franc	731,491	-	731,491	366,158	-	366,158
United States Dollar	1,652,738	-	1,652,738	1,221,785	-	1,221,785
Danish Krone	105	-	105	-	-	-
Norwegian Krone	20,231	-	20,231	-	-	-

#### 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 investments in equity instruments and investments in investee funds) best represent the maximum credit risk exposure at the reporting date and amounts to EUR 13,937 (2020: EUR 350,368).

All transactions of the Fund are cleared by ABN AMRO Clearing Bank N.V. representing a concentration risk. Bankruptcy or insolvency of ABN AMRO Clearing Bank N.V. may cause the Fund's rights with respect to the cash and/or its investments to be delayed or limited. The Fund regularly monitors its risk by monitoring the credit quality of ABN AMRO Clearing Bank N.V. and ABN AMRO Bank N.V. as reported.

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

#### 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 participant's redemptions. To manage this liquidity risk the Fund has a 6 months lock-up period and a 30-day notice period for the participants. In addition, the Fund is not obliged to redeem more than 50% of the total participations in issue on any dealing day.

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.

## Notes to the financial statements

### 14. FINANCIAL INVESTMENTS AND ASSOCIATED RISKS (CONTINUED)

#### Liquidity risk (continued)

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 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 investment or a longer-term impact on the operations or earnings/performance capacity of the investment.

### 15. NET ASSET VALUE AS ISSUED

The NAV for the years ended 31 December 2021 and 2020 is as follows:

	2021	2020
<b>NAV per participation in accordance with the Prospectus at the end of the year</b>		
Series A Initial	1,620.77	1,514.66
Series A August 2021	1,021.03	-
Series A October 2021	1,041.01	-
Series B Initial	1,524.00	1,426.75
Series B February 2021	1,072.99	-

### 16. SCHEDULE OF INVESTMENTS

	2021 EUR	% of NAV	2020 EUR	% of NAV
<b>Strategy / Sector*</b>				
Alternative Investment	1,615,833	10.6	1,994,883	15.7
Asset Allocation	2,787,749	18.3	1,935,944	15.2
Banks	-	-	179,345	1.4
Beverages	147,697	1.0	-	-
Biotechnology	-	-	29,139	0.2
Bonds - Sovereign	-	-	108,762	0.9
Closed-end Funds	1,574,924	10.4	1,298,384	10.2
Commodity Fund	514,401	3.4	685,118	5.4
Commercial Services	99,618	0.7	-	-
Computers	9,370	0.1	6,517	0.1
Debt Fund	327,421	2.2	-	-
Cosmetics/Personal Care	-	-	123,516	1.0
Electric	180,065	1.2	139,974	1.1
Energy-Alternate Sources	19,370	0.1	-	-
Engineering & Construction	161,942	1.1	-	-
Equity Fund	5,939,194	39.0	4,824,213	38.0
Food	634,014	4.2	434,141	3.4
Internet	-	-	67,190	0.5
Mining	113,117	0.7	94,163	0.7
Pharmaceuticals	392,974	2.6	388,651	3.1
Real Estate Investment Trust	730,785	4.8	332,969	2.6
Water	-	-	114,962	0.9
	<b>15,248,474</b>	<b>100.4</b>	<b>12,757,871</b>	<b>100.4</b>

\*Please note the strategy / sector detail does not include a look through at the underlying funds level.

## Notes to the financial statements

### 17. INVESTOR RIGHTS

The Fund does not impose any special rights to the investors of any of the classes.

### 18. EVENTS AFTER THE BALANCE SHEET DATE

The Russian invasion in Ukraine has caused clear market volatility. The Fund has no direct 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.

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

### 19. DATE OF AUTHORISATION

The financial statements have been authorised for issue by the Fund Manager in Amsterdam on 24 June 2022.

## Investment portfolio as at 31 December 2021 (excluding forward currency contracts)

Assets	Currency	Fair value EUR	% of NAV
<b>Investee Funds</b>			
EV Smaller Companies Fund (NA Listing)	EUR	1,047,027	6.9
Jo Hambro-Cont Europe-€-A (ID Listing)	EUR	740,162	4.9
Phaidros Fund - Balanced B (LX Listing)	EUR	2,389,844	15.6
Phaidros Funds-Fallen Ang-E (LX Listing)	EUR	397,905	2.6
Pictet-Water-IF (LX Listing)	EUR	1,373,938	9.1
Principia Fund NV-A (NA Listing)	EUR	393,190	2.6
Schroder Gaia Egerton Ee-Ca (LX Listing)	EUR	750,885	4.9
The Adelphi Europe Fund-Euro (KY Listing)	EUR	864,948	5.7
The Egerton Ls Eur&Gbp Ltd Cl B S1 Eur (Non-Listed)	EUR	400,194	2.6
The Egerton Ls Fd Cl B Eur Rep S1 (Non-Listed)	EUR	915,239	6.0
The Egerton Ls Fd Cl C Eur Rep S1 (Non-Listed)	EUR	299,545	2.0
Pershing Square Holdings Ltd (NA Listing)	USD	362,598	2.4
Third Point Offshore Investment (LN Listing)	USD	641,601	4.2
Ecofin Global Utilities (LN Listing)	GBP	169,421	1.1
Fidelity China Special Situations (LN Listing)	GBP	600,478	4.0
Syncona Ltd (LN Listing)	GBP	570,725	3.8
		<b>11,917,700</b>	<b>78.5</b>
<b>Equities</b>			
Nestle SA-Reg (SW Listing)	CHF	336,474	2.2
Novartis AG-Reg (SW Listing)	CHF	157,635	1.0
Roche Holding AG-Genusschein (SW Listing)	CHF	235,339	1.6
Heineken NV (NA Listing)	EUR	147,697	1.0
Rwe AG (GY Listing)	EUR	180,065	1.2
Unilever Plc (NA Listing)	EUR	87,475	0.6
Vinci SA (FP Listing)	EUR	161,942	1.1
Chaarat Gold Holdings Ltd (LN Listing)	GBP	113,117	0.7
Londonmetric Property Plc (LN Listing)	GBP	730,785	4.7
Tgs Nopec Geophysical Co Asa (NO Listing)	NOK	19,370	0.1
Apple Inc (UW Listing)	USD	9,370	0.1
Mercadolibre Inc (UW Listing)	USD	99,618	0.7
Nomad Foods Ltd (UN Listing)	USD	210,065	1.4
Ishares China Cny Bond USD-A (NA Listing)	USD	327,421	2.2
Wisdomtree Metal Securities (GY Listing)	EUR	514,401	3.4
		<b>3,330,774</b>	<b>21.9</b>
		<b>15,248,474</b>	<b>100.4</b>



## Investment portfolio as at 31 December 2020 (excluding forward currency contracts)

Assets	Currency	Fair value EUR	% of NAV
<b>Investee Funds</b>			
EV Smaller Companies Fund (NA Listing)	EUR	362,920	2.9
Fidelity China Special Situa (LN Listing)	GBP	578,941	4.6
Jo Hambro-Cont Europe-€-A (ID Listing)	EUR	423,777	3.3
Keel Capital - Foghorn X2 - Eur S12 (LX Listing)	EUR	262,770	2.1
Keel Capital - Foghorn X2 - Eur S13 (LX Listing)	EUR	270,044	2.1
Phaidros Fund - Balanced B (LX Listing)	EUR	1,935,944	15.2
Phaidros Fund - Fallen Ang-E (LX Listing)	EUR	535,484	4.2
Pictet-Water-I€ (LX Listing)	EUR	899,653	7.1
Schroder Gaia Egerton Ee-Ca (LX Listing)	EUR	692,675	5.5
Syncona Ltd (LN Listing)	GBP	746,493	5.9
The Adelphi Europe Fund-Euro (KY Listing)	EUR	1,302,208	10.3
The Egerton Ls Eur&Gbp Ltd Cl B S1 Eur (Non-Listed)	EUR	369,647	2.9
The Egerton Ls Fd Cl B Eur Rep S0218 (Non-Listed)	EUR	292,543	2.3
The Egerton Ls Fd Cl B Eur Rep S1 (Non-Listed)	EUR	552,951	4.4
The Egerton Ls Fd Cl C Eur Rep S1 (Non-Listed)	EUR	275,484	2.2
Third Point Offshore Investment (LN Listing)	USD	551,890	4.2
		<b>10,053,424</b>	<b>79.2</b>
<b>Equities</b>			
Apple Inc (UW Listing)	USD	6,517	0.1
Autolus Therapeutics Plc (UW Listing)	USD	29,139	0.2
Beyond Meat Inc (UW Listing)	USD	38,880	0.3
Chaarat Gold Holdings Ltd (LN Listing)	GBP	94,163	0.7
Ing Groep NV-Cva (NA Listing)	EUR	62,221	0.5
Londonmetric Property Plc (LN Listing)	GBP	332,969	2.6
Mercadolibre Inc (UW Listing)	USD	67,190	0.5
Nestle SA-Reg (SW Listing)	CHF	227,931	1.8
Nomad Foods Ltd (UN Listing)	USD	167,330	1.3
Novartis AG-Reg (SW Listing)	CHF	137,774	1.1
Roche Holding AG-Genusschein (SW Listing)	CHF	159,738	1.3
Rwe AG (GY Listing)	EUR	139,974	1.1
Unilever Plc (NA Listing)	EUR	123,516	1.0
Vinci SA (FP Listing)	EUR	114,962	0.9
Wisdomtree Metal Securities (GY Listing)	EUR	685,117	5.4
		<b>2,387,421</b>	<b>18.8</b>
<b>Debt Instruments</b>			
Rabobk 6 1/2 12/29/49	EUR	117,125	0.9
Republic Of Turkey 5.2% 16/02/2026	EUR	108,762	0.9
Teva Pharm Fnc NI Ii 1.875% 31/03/2027 100	EUR	91,139	0.7
		<b>317,026</b>	<b>2.4</b>
		<b>12,757,871</b>	<b>100.4</b>

## 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 31 December 2021, 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

This annual report and the Prospectus of the Fund are available free of charge from the Fund Manager or available for download free of charge from the Fund Manager's website: [www.priviumfund.com](http://www.priviumfund.com).

## Independent auditor's report

To: the shareholders and the directors of Privium Fund Management B.V. as investment manager of Strategy One Fund

## Report on the audit of the financial statements 2021 included in the annual report

### Our opinion

We have audited the financial statements 2021 of Strategy One Fund, based in Amsterdam, the Netherlands.

In our opinion the accompanying financial statements give a true and fair view of the financial position of Strategy One Fund as at 31 December 2021, and of its result and its cash flows for 2021 in accordance with Part 9 of Book 2 of the Dutch Civil Code.

The financial statements comprise:

- ▶ The balance sheet as at 31 December 2021
- ▶ The following statements for 2021: Profit and loss statement and cash flow statement
- ▶ The notes comprising a summary of the accounting policies and other explanatory information

### Basis for our opinion

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

We are independent of Strategy One Fund in accordance with the Wet toezicht accountantsorganisaties (Wta, Audit firms supervision act), the Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore we have complied with the Verordening gedrags- en beroepsregels accountants (VGBA, Dutch Code of Ethics).

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Report on other information included in the annual report

In addition to the financial statements and our auditor's report thereon, the annual report contains other information that consists of:

- ▶ The management report
- ▶ Other information as required by Part 9 of Book 2 of the Dutch Civil Code
- ▶ General information

Based on the following procedures performed, we conclude that the other information:

- ▶ Is consistent with the financial statements and does not contain material misstatements
- ▶ Contains the information as required by Part 9 of Book 2 of the Dutch Civil Code

We have read the other information. Based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements. By performing these procedures, we comply with the requirements of Part 9 of Book 2 of the Dutch Civil Code and the Dutch Standard 720. The scope of the procedures performed is substantially less than the scope of those performed in our audit of the financial statements.

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

## Description of responsibilities for the financial statements

### Responsibilities of management for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Part 9 of Book 2 of the Dutch Civil Code. Furthermore, management is responsible for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the financial statements, management is responsible for assessing the company's ability to continue as a going concern. Based on the financial reporting framework mentioned, management should prepare the financial statements using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so. Management should disclose events and circumstances that may cast significant doubt on the company's ability to continue as a going concern in the financial statements.

### Our responsibilities for the audit of the financial statements

Our objective is to plan and perform the audit engagement in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not detect all material errors and fraud during our audit.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

We have exercised professional judgment and have maintained professional skepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our audit included among others:

- ▶ Identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control

- ▶ Obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control
- ▶ Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management
- ▶ Concluding on the appropriateness of management's use of the going concern basis of accounting, and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a company to cease to continue as a going concern
- ▶ Evaluating the overall presentation, structure and content of the financial statements, including the disclosures
- ▶ Evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation

We communicate with the management board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant findings in internal control that we identify during our audit.

The Hague, 24 June 2022

Ernst & Young Accountants LLP

signed by R.J. Bleijs