

Global Allocation Fund

The Netherlands

ANNUAL REPORT

for the year ended 31 December 2021

Table of contents

	Page(s)
General information	1
Historical multi-year overview	2
Management report	3-9
Financial statements	
Balance sheet	10
Income statement	11
Statement of cash flows	12
Notes to the financial statements	
General information	13
Significant accounting principles and policies	13-15
Principles for determining the result	15
Notes for individual balance sheet items	
Investments	16-17
Cash	17
Accrued expenses and other payables	17
Subscriptions received in advance	18
Share capital	18-19
Notes for individual income statement items	
Interest income	19
Dividend income	19
Investment return	19
Foreign currency translation	20
Costs	20-21
Relevant contracts	21-22
Related party transactions	22
Financial investments and associated risks	22-24
Participants' equity as issued	24
Events after the balance sheet date	25
Date of authorisation	25
Investment portfolio as at 31 December 2021	26
Investment portfolio as at 31 December 2020	27
Other information	
Provisions of the Prospectus on distribution policy	28
Interests held by the Directors	28
Provision of information	28
Independent Auditor's report	29-31

General information

Registered Office	Gustav Mahlerplein 3 Symphony Offices, 26 th Floor 1082 MS Amsterdam The Netherlands
Fund Manager	Privium Fund Management B.V. Gustav Mahlerplein 3 Symphony Offices, 26 th Floor 1082 MS Amsterdam The Netherlands
Delegate	Box Consultants B.V. Burgemeester Mollaan 72 5582 CK Waalre The Netherlands
Depositary	Darwin Depositary Services B.V. Barbara Strozziilaan 101 1083 HN Amsterdam The Netherlands
Legal Owner	Stichting Juridisch Eigendom Global Allocation Fund Woudenbergseweg 11 3953 ME Maarsbergen The Netherlands
Custodian	ABN AMRO Clearing Bank N.V. Gustav Mahlerlaan 10 1082 PP Amsterdam The Netherlands
Administrator	Apex Fund Services (Netherlands) B.V. Van Heuven Goedhartlaan 935A 1181 LD Amstelveen The Netherlands
Independent Auditor	Ernst & Young Accountants LLP Antonio Vivaldistraat 150 1083 HP Amsterdam The Netherlands
Legal Advisor	Van Campen Liem J.J. Viottastraat 52 1071 JT Amsterdam The Netherlands
Payment Bank	ABN AMRO Bank N.V. Gustav Mahlerlaan 10 1082 PP Amsterdam The Netherlands

Historical multi-year overview

Key figures

	2021	2020	2019	2018 ¹
<i>(All amounts in EUR)</i>				
Equity at the beginning of the year	46,558,980	42,954,390	35,383,248	-
Issue of units	13,055,000	8,659,516	12,652,000	49,574,101
Direct investment result	176,178	290,873	204,166	201,812
Indirect investment result	5,751,062	1,626,759	5,138,388	(2,329,263)
	65,541,220	53,531,538	53,377,802	47,446,650
Redemption of units	(8,156,866)	(6,698,096)	(10,182,974)	(11,750,253)
Expenses	(256,898)	(274,462)	(240,438)	(313,149)
Equity at the end of the year	57,127,456	46,558,980	42,954,390	35,383,248
Investments	56,871,234	44,631,115	42,677,145	35,046,707
Cash and cash equivalents	283,432	2,083,111	336,147	1,034,841
Other assets and liabilities	(27,210)	(155,246)	(58,902)	(698,300)
Equity at the end of the year	57,127,456	46,558,980	42,954,390	35,383,248
Net profit/(loss)				
Investment income	176,178	290,873	204,166	201,812
Indirect investment result	5,751,062	1,626,759	5,138,388	(2,329,263)
Expenses	(256,898)	(274,462)	(240,438)	(313,149)
Net profit/(loss)	5,670,342	1,643,170	5,102,116	(2,440,600)
Number of units				
Class A	451,019.68	408,803.52	396,908.80	374,014.80
Class B	6,058.67	6,058.67	4,379.11	4,379.11
Unitholders' equity per unit in accordance with Dutch GAAP²				
Class A	125.08	112.31	107.09	93.54
Class B	117.77	106.81	102.87	90.76
Unitholders' equity per unit in accordance with the Prospectus²				
Class A	125.09	112.35	107.15	93.64
Class B	117.79	106.85	102.93	90.86
Performance				
Class A	11.34%	4.85%	14.43%	(6.36%)
Class B	10.24%	3.80%	13.29%	(9.14%)

¹ The Fund commenced operations on 2 October 2017 therefore the 2018 period was from 2 October 2017 to 31 December 2018.

² The participants' equity per participation is calculated in accordance with Dutch GAAP. Refer to note 16 of the financial statements for the reconciliation between the participants' equity calculated in accordance with the Prospectus and the participants' equity calculated in accordance with Dutch GAAP.

Management Report

Report of the Fund Manager

The Global Allocation Fund gained +11.34% (Class A) in 2021. Class B shares returned +10.24% during the same period.

The below review will cover the period between January 1, 2021 and December 31, 2021.

Review 2021

Last year had its fair share - and more - of exogenous shocks: the Texas big freeze, the Suez Canal shutdown, the delta variant, wildfires in California, and supply chain disruptions everywhere. It was also rich in extraordinary policy responses: quantitative easing amid the highest inflation rates for a generation, fiscal stimulus despite nominal GDP growth in double digits, new lockdowns, sweeping vaccine mandates, and in some countries naked discrimination against the unvaccinated. On top of all that, add a hefty sprinkling of unexpected market developments: GameStop, Spac speculation, and the NFT craze to name just three.

Risk assets ended 2021 notably higher, while sovereign debt markets suffered losses. The MSCI World (in EUR) gained +25.4% and the JPMorgan Global GBI fell -3.1% (in EUR). Growth was strong through the first half of the year as economic activity recovered but subsequently softened as the initial re-opening euphoria faded and Covid concerns re-emerged, initially over the Delta variant and then Omicron towards year-end. Meanwhile inflation rose and remained persistently higher than expected, which led to a significant shift in monetary policy that weighed on bonds and secular growth equity.

The main investment objective of the Global Allocation Fund (GAF) is to achieve long term capital growth. To achieve the objective, the strategy of the Fund is to invest in a diversified portfolio of Investment Funds (including hedge funds), ETF's and structured products.

In 2021 all the asset classes contributed to returns. The portfolio of the Global Allocation Fund generally consists of three categories. This includes:

- Equity Related Investments
- Fixed Income Related Investments
- Alternatives

All categories contributed positively to returns during 2021 and the asset category weightings were broadly in line with last year. Especially the equity related investments in the U.S./Global and Europe posted the strongest gains. Also, technology related investments posted strong returns. We decreased exposure to fixed income funds and partially increased the exposure to equity funds with a value investment approach. We increased exposure to a few thematic investments - i.e. Health Care and Technology - because we see these sectors as long term themes. Furthermore, we switched our exposure within the Pacific Rim space.

As said, exposure to fixed income and duration in general was decreased during the year, but within fixed income we switched EMD exposure to Chinese Bonds. Main reasons for doing so, were the compelling valuations, a positive yield, an expected strengthening of the Renminbi and the opening of the onshore market. Furthermore we sold the position in Danish Mortgage Bonds. Main reason was the long duration and hence interest rate sensitivity. Lastly, also the conditional coupon structures within the fixed income part of the portfolio performed strongly.

The Alternatives category also made a positive contribution during 2021. This category exclusively consists of the investment in the Multi Strategy Alternatives Fund.

As of December 31, 2021, the portfolio of the GAF consists of 26 (2020: 27) underlying funds. Direct FX exposures within the fund were not hedged during the full year of 2021.

Management Report (*continued*)

Outlook 2022

Despite the very challenging start of the year due to inflation fears, rising interest rates and the unrest in Ukraine we expect a continuation of the trend we witnessed during 2021; global stock gains and bond losses for a second year on a row – what would be the first occasion since data started in 1977. This unusual outcome is the next phase of our new nominal theme that is still playing out: Central banks and bond yields have been slower to respond to higher inflation in the powerful restart than in the past. That should keep real, or inflation-adjusted, bond yields historically low and support stocks.

The big change in 2022: Central banks will be withdrawing some monetary support as the restart does not need stimulus. We see more moderate equities returns as a result. We expect the Fed to kick off rate hikes but remain more tolerant of inflation. The Fed has achieved its inflation target, so its interpretation of its employment mandate will determine the timing and pace of higher rates. The European Central Bank is likely to stay easier on policy. We expect inflation to be persistent and settle above pre-Covid levels. We expect central banks to kick off rate hikes but remain more tolerant of price pressures, keeping real interest rates historically low and supportive of risk assets.

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

We continue to monitor the persistence of higher inflation and policy responses, including the impact of the synchronized hawkish shift in monetary policy from many central banks, along with developments in economic data as we remain in the slowdown phase of the cycle globally.

We also continue to monitor the geopolitical developments in Eastern Europe. Further escalation will dampen global growth, especially in Europe.

We expect limited changes within the portfolio. We have an overweight position in Equity, an underweight position in Fixed Income and an overweight position in Alternatives. We have an Equity overweight because we think the Equity risk premium is still interesting and the acronym TINA (There Is No Alternative) is still valid. Within Fixed Income we have a relatively large position in spread products and conditional coupon structures. The Alternatives exposure of the fund is being obtained through the investment in the Multi Strategy Alternatives Fund.

We are always looking for funds or products that offer a better risk/return ratio than any of the existing investments of the GAF. It might well be possible that exposures within the portfolio will be decreased when the year progresses.

Direct FX exposures within the fund are not expected to be hedged during the full year of 2022 either.

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. Not all investments of the Fund 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.

Management Report *(continued)*

General principles of remuneration policy Privium Fund Management B.V. ('Privium') *(continued)*

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.

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
Total remuneration	€ 183,421	€ 10,170,764	€ 10,354,185

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
Total remuneration	€ 209,992	€ 19,017,815	€ 19,227,807

Management Report (*continued*)

Remuneration policy 2021 (*continued*)

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.

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. In 2021 no variable payments regarding the Global Allocation Fund have been paid to any Identified Staff of Privium. 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 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: one).

Remuneration Investee Funds

The Global Allocation Fund invests 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.

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.

Management Report (*continued*)

Risk management (*continued*)

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.

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 hasn’t 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’s.

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 portfolio of the Global Allocation Fund consists of long only equity investments, long only fixed income investments, investments in structured products and investments in hedge funds. Asset allocation decisions will be a major driver of the returns of the Fund. Another component of the returns will be the selection of the underlying investments itself. Price fluctuations due to general equity and bond market movements will therefore be an important part of the return. This risk is inherent when securities like equities and bonds are traded.	The Fund gained +11.34% in 2021 (Class 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 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 or structured products are selected.	The impact was neutral since the biggest part of the returns in 2021 can be contributed to the asset allocation.	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	30.2% of the portfolio is invested in Fixed Income related investments. This includes cash as well. The Fund is therefore exposed to interest rate risk.	Overall the fixed income component of the portfolio experienced a positive year in 2021.	This will largely depend on interest rate movements.	No. The Fund Manager is comfortable with the risk exposure currently in place.
Foreign Exchange risk	No	Direct FX risk is currently not being hedged. As of December 31, 2021 93.7% of the investments were denominated in EUR. The remaining part was invested in USD denominated investments. The Fund has the possibility to hedge FX risks going forward.	93.7% of the investments were denominated in EUR. During 2021 the USD appreciated +6.9% vs the EUR. So this had a positive contribution.	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 funds that invest in fixed income (corporate credit, emerging market debt, sovereign debt, etc).	Overall the fixed income component of the portfolio experienced a positive year in 2021.	Medium (for the credit investments, but this will largely depend on the movements in credit markets)	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. As of December 31, 2021 the leverage calculations according to the Gross method and Commitment method were as follows: Gross method: 99.43% 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. Since the Fund is investing in other investment funds and products, a clear understanding of the sustainability risks in these investee funds / products is required. Therefore, the due diligence process for any new fund investment will contain at a minimum the following topics: <ul style="list-style-type: none"> •Analysis of the fund's sustainability risk related disclosures and reporting; •Questioning the fund manager on the sustainability risks the fund is exposed to; •Questioning the fund manager on the concentration of sustainability risks in the portfolio and its development over time; •Analysis of the fund manager's policy for identifying, measuring and monitoring sustainability risks; and •Questioning if the fund manager takes Principle Adverse Impacts into account as prescribed by the SFDR. 	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 signaled.

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)

	<i>Note(s)</i>	31 December 2021 EUR	31 December 2020 EUR
Assets			
Investments			
Investee funds		50,927,699	39,541,076
Debt instruments		4,271,923	3,790,500
Equities		1,671,612	1,299,539
	3	<u>56,871,234</u>	<u>44,631,115</u>
Current assets (fall due in less than 1 year)			
Cash	4	283,432	2,083,111
Pending Investment		-	600,000
		<u>283,432</u>	<u>2,683,111</u>
Total assets		<u>57,154,666</u>	<u>47,314,226</u>
Liabilities			
Current liabilities (fall due in less than 1 year)			
Subscriptions received in advance	6	-	(700,000)
Accrued expenses and other payables	5	(27,210)	(55,246)
		<u>(27,210)</u>	<u>(755,246)</u>
Total liabilities		<u>(27,210)</u>	<u>(755,246)</u>
Total assets minus total liabilities		<u>57,127,456</u>	<u>46,558,980</u>
Participants' equity			
Contribution of participants		47,152,428	42,254,294
Unappropriated gain		9,975,028	4,304,686
Total participants' equity	7, 16	<u>57,127,456</u>	<u>46,558,980</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>	2021 EUR	2020 EUR
Investment income			
<i>Direct investment result</i>			
Interest income	8	81,649	200,253
Dividend income	9	94,529	90,620
		<u>176,178</u>	<u>290,873</u>
<i>Indirect investment result</i>			
Realised gains on investee funds	3, 10	947,799	841,383
Realised gains on debt instruments	3, 10	173,565	186,900
Realised gains on equities	3, 10	283,184	43,511
Unrealised gains on investee funds	3, 10	4,372,033	476,171
Unrealised losses on debt instruments	3, 10	(139,535)	(59,735)
Unrealised gains on equities	3, 10	121,791	139,721
Foreign currency losses on translation	11	(7,775)	(1,192)
		<u>5,751,062</u>	<u>1,626,759</u>
Total investment income		<u>5,927,240</u>	<u>1,917,632</u>
Expenses			
Management fee	12, 13, 14	(81,877)	(80,690)
Administration fee	12, 13	(58,843)	(55,000)
Depositary fee	12, 13	(31,362)	(29,824)
Audit fee		(20,650)	(18,341)
Custody fee	12, 13	(19,589)	(43,560)
Other operational costs		(17,091)	(23,096)
Interest expense		(5,358)	(4,928)
Regulatory and compliance fee		(4,379)	(6,525)
Legal fees		(4,374)	(1,525)
Bank charges		(3,089)	(3,608)
Total expenses	12	<u>(246,612)</u>	<u>(267,097)</u>
Net gains before tax		5,680,628	1,650,535
Withholding tax		(10,286)	(7,365)
Net gains after tax		<u><u>5,670,342</u></u>	<u><u>1,643,170</u></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</i>	2021 EUR	2020 EUR
Cash flows from operating activities			
Purchases of investments		(22,067,435)	(27,114,135)
Proceeds from sale of investments		16,186,153	26,188,116
Interest received		81,649	200,254
Interest paid		(5,358)	(5,354)
Dividend received		94,529	90,620
Administration fee paid		(58,290)	(58,649)
Management fee paid		(81,802)	(80,764)
Depositary fee paid		(31,362)	(29,824)
Custody fee paid		(37,676)	(38,070)
Other general expenses paid		(25,064)	(19,110)
Audit fee paid		(19,618)	(30,961)
Bank charges paid		(3,089)	(3,608)
Regulatory and compliance fee paid		(8,015)	(2,889)
Withholding tax paid		(10,286)	(7,365)
Legal fees paid		(4,374)	(1,525)
Net cash flows used in operating activities		(5,990,038)	(913,264)
Cash flows from financing activities			
Proceeds from sales of participations		12,355,000	8,659,516
Payments on redemptions of participations		(8,156,866)	(5,998,096)
Net cash flows provided by financing activities		4,198,134	2,661,420
Net (decrease)/increase in cash		(1,791,904)	1,748,156
Cash at the beginning of the year		2,083,111	336,147
Foreign currency translation of cash positions		(7,775)	(1,192)
Cash at the end of the year	4	283,432	2,083,111
Analysis of cash			
Cash		83,437	2,083,111
Due from broker		199,995	-
Total cash	4	283,432	2,083,111

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

Notes to the financial statements

(For the years ended 31 December)

1. GENERAL INFORMATION

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

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

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

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

The Fund had no employees during the 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 the Dutch Central Bank (“De Nederlandsche Bank”).

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

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 Supplement to 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 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 financial statements have also been prepared in accordance with the requirements of the Dutch Financial Supervision Act (“FSA”).

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.

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

Notes to the financial statements

(For the years ended 31 December)

2. SIGNIFICANT ACCOUNTING PRINCIPLES AND POLICIES (CONTINUED)

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 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 financial statements in question.

Foreign exchange

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

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

Classification of participations

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

Basis of valuation - policies in preparing the balance sheet

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

The Fund’s investments in investee funds are valued based on the reporting received from the administrators of those funds. As at 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.

Notes to the financial statements

(For the years ended 31 December)

2. SIGNIFICANT ACCOUNTING PRINCIPLES AND POLICIES (CONTINUED)

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

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 investee funds’, ‘realised gains on debt instruments’, ‘realised gains on equities’, ‘unrealised gains on investee funds’, ‘unrealised losses on debt instruments’ and ‘unrealised gains on equities’.

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

Receivables and prepayments

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

Payables and accruals

Payables and accruals are included at fair value.

Cash

Cash comprises cash on hand and demand deposits.

Statement of cash flows

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

Participants’ equity

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

Tax position

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

Principles for determining the result

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

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

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

Interest income and expense are accounted for in the income statement on the accrual basis. Transaction costs in relation to equities are capitalized.

Notes to the financial statements

(For the years ended 31 December)

NOTES FOR INDIVIDUAL BALANCE SHEET ITEMS

3. Investments

Movement in schedule of investments

(All amounts in EUR)

	31 December 2021	31 December 2020
Investment in investee funds		
Opening balance	39,541,076	38,377,135
Purchases	16,827,931	22,373,194
Sales	(10,761,140)	(22,526,807)
Realised gains	947,799	841,383
Unrealised gains	4,372,033	476,171
As at 31 December	50,927,699	39,541,076
Investment in debt instruments		
Opening balance	3,790,500	4,300,010
Purchases	4,537,643	1,615,130
Sales	(4,090,250)	(2,251,805)
Realised gains	173,565	186,900
Unrealised losses	(139,535)	(59,735)
As at 31 December	4,271,923	3,790,500
Investment in equities		
Opening balance	1,299,539	-
Purchases	1,301,861	2,525,811
Sales	(1,334,763)	(1,409,504)
Realised gains	283,184	43,511
Unrealised gains	121,791	139,721
As at 31 December	1,671,612	1,299,539
Total investments		
Opening balance	44,631,115	42,677,145
Purchases	22,667,435	26,514,135
Sales	(16,186,153)	(26,188,116)
Realised gains	1,404,548	1,071,794
Unrealised gains	4,354,289	556,157
As at 31 December	56,871,234	44,631,115

Notes to the financial statements

(For the years ended 31 December)

NOTES FOR INDIVIDUAL BALANCE SHEET ITEMS (CONTINUED)

3. Investments (continued)

Movement in schedule of investments (continued)

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.

31 December 2021

	Total EUR	Quoted prices (unadjusted) in active markets EUR	Other EUR
Investment in investee funds (assets)	50,927,699	42,702,951	8,224,748*
Total	50,927,699	42,702,951	8,224,748

31 December 2020

	Total EUR	Quoted prices (unadjusted) in active markets EUR	Other EUR
Investment in investee funds (assets)	39,541,076	33,423,598	6,117,478*
Total	39,541,076	33,423,598	6,117,478

*For the investment in investee funds, the fair value is derived from Administrator statements. One of the investments of the Global Allocation Fund, the Multi Strategy Alternatives Fund, has a monthly Net Asset Value calculation frequency. The December 2021 Net Asset Value of the Multi Strategy Alternatives Fund was received in the second week of January 2022 and therefore was not yet incorporated into the December 31, 2021 Net Asset Value of the Global Allocation Fund.

4. Cash

As at 31 December 2021, cash comprises of balances held with ABN AMRO Clearing Bank N.V. amounting to EUR 82,403 (2020: EUR 1,190,844) and ABN AMRO Bank N.V. of EUR 1,034 (2020: 892,267).

As at 31 December 2021, no restrictions in the use of these balances exist.

Cash also includes amounts due from ABN AMRO Clearing Bank N.V. of EUR 199,995 (2020: EUR Nil).

5. Accrued expenses and other payables

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

	2021	2020
<i>(All amounts in EUR)</i>		
Custody fee payable	(7,746)	(25,833)
Management fee payable	(6,972)	(6,897)
Audit fee payable	(6,753)	(5,721)
Administration fee payable	(4,788)	(4,235)
Other payables	(951)	(12,560)
Total accrued expenses and other payables	(27,210)	(55,246)

Notes to the financial statements

(For the years ended 31 December)

NOTES FOR INDIVIDUAL BALANCE SHEET ITEMS (CONTINUED)

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 31 December 2021, there were no subscriptions received in advance. As at 31 December 2020, the subscriptions received in advance amounted to EUR 700,000.

7. Share capital

Structure of the Fund's capital

The Fund is structured as an open-ended investment fund and was established in Amsterdam in August 2017. The Fund has two classes of participations, Class A participations and Class B participations. The sole difference between the different classes is that Class A participants pay a lower management fee, due to the fact that the Delegate waived its delegation fee that is payable out of the management fee for this Class. Only investors that are a client of the Delegate are issued Class A participations against each such participant's individual subscription. Other participants subscribing will be issued Class B participations, unless otherwise determined by the Fund Manager in its sole discretion. As at 31 December 2021, both Class A participations and Class B participations are in issue.

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

<i>(All amounts in EUR)</i>	2021	2020
<i>Contributions of participants</i>		
Balance at the beginning of the year	42,254,294	40,292,874
Issue of participations	13,055,000	7,959,516
Redemption of participations	(8,156,866)	(5,998,096)
Total contributions at the end of the year	47,152,428	42,254,294
<i>Unappropriated gain</i>		
Balance at the beginning of the year	4,304,686	2,661,516
Net gain after tax	5,670,342	1,643,170
Total undistributed gain at the end of the year	9,975,028	4,304,686
Equity at the end of the year	57,127,456	46,558,980

Subscriptions and redemptions

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

The movement of the participations during the 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
Class A participations	408,803.519	109,399.466	(67,183.308)	451,019.677
Class B participations	6,058.673	-	-	6,058.673
Total	414,862.192	109,399.466	(67,183.308)	457,078.350

Notes to the financial statements

(For the years ended 31 December)

NOTES FOR INDIVIDUAL BALANCE SHEET ITEMS (CONTINUED)

7. Share capital (continued)

Subscriptions and redemptions (continued)

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
Class A participations	396,908.804	73,140.337	(61,245.622)	408,803.519
Class B participations	4,379.108	1,679.565	-	6,058.673
Total	401,287.912	74,819.902	(61,245.622)	414,862.192

Capital management

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

NOTES FOR INDIVIDUAL INCOME STATEMENT ITEMS

8. Interest income

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

9. Dividend income

Dividend income relates to dividend from equity instruments.

10. Investment return

(All amounts in EUR)

	2021		2021	2020
	Profit	Loss	Total	Total
Investee funds				
Realised result	1,125,733	(177,934)	947,799	841,383
Unrealised result	5,158,525	(786,492)	4,372,033	476,171
Total result	6,284,258	(964,426)	5,319,832	1,317,554

(All amounts in EUR)

	2021		2021	2020
	Profit	Loss	Total	Total
Debt instruments				
Realised result	178,700	(5,135)	173,565	186,900
Unrealised result	8,250	(147,785)	(139,535)	(59,735)
Total result	186,950	(152,920)	34,030	127,165

(All amounts in EUR)

	2021		2021	2020
	Profit	Loss	Total	Total
Equities				
Realised result	283,184	-	283,184	43,511
Unrealised result	121,791	-	121,791	139,721
Total result	404,975	-	404,975	183,232
Total result	6,876,183	(1,117,346)	5,758,837	1,627,951

Notes to the financial statements

(For the years ended 31 December)

NOTES FOR INDIVIDUAL INCOME STATEMENT ITEMS (CONTINUED)

11. Foreign currency losses 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 year ended 31 December 2021, this amounted to losses of EUR 7,775 (2020: losses of EUR 1,192). The following average and closing rates have been applied in the preparation of these financial statements (the equivalent of one Euro is shown):

	2021		2020	
	Average	Closing	Average	Closing
<i>(Showing the equivalent of 1 Euro)</i>				
United States Dollar	1.1828	1.1370	1.1422	1.2217

12. Costs

The Fund makes use of various parties for management, administration and custody services. The table below provides a breakdown of expenses for the years ended 31 December 2021 and 2020.

<i>(All amounts in EUR)</i>	2021	2020
Expenses accruing to the Fund Manager		
Management fee	(81,877)	(80,690)
Other expenses		
Administration fee	(58,843)	(55,000)
Depositary fee	(31,362)	(29,824)
Audit fee	(20,650)	(18,341)
Custody fee	(19,589)	(43,560)
Other operational costs	(13,938)	(13,590)
Interest expense	(5,358)	(4,928)
Regulatory and compliance fee	(4,379)	(6,525)
Legal fees	(4,374)	(1,525)
FATCA fee	(3,153)	(9,506)
Bank charges	(3,089)	(3,608)
Total	(246,612)	(267,097)

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 year ended 31 December 2021, 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 other operational costs of EUR 13,938 (2020: EUR 13,590), interest expense of EUR 5,358 (2020: EUR 4,928), bank charges of EUR 3,089 (2020: EUR 3,608) and legal fees of EUR 4,374 (2020: EUR 1,525) which are not detailed in the Prospectus.

Notes to the financial statements

(For the years ended 31 December)

NOTES FOR INDIVIDUAL INCOME STATEMENT ITEMS (CONTINUED)

12. Costs (continued)

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 unitholders' equity i.e., weekly.

For the years ended 31 December 2021 and 2020, the ongoing charges ratio for the Fund is as follows:

	2021		2020	
	Class A	Class B	Class A	Class B
Ongoing charges ratio including interest	0.45%	1.45%	0.65%	1.64%
Ongoing charges ratio excluding interest	0.44%	1.44%	0.63%	1.63%
Ongoing charges ratio including expenses of underlying funds	0.58%	0.58%	0.56%	0.56%

Turnover factor

For the year ended 31 December 2021, the turnover factor for the Fund is 32.87% (2020: 97.10%). The turnover factor is calculated by adding total purchases and sales, subtracting total subscriptions plus total redemptions and dividing the total by the average unitholders' equity.

13. RELEVANT CONTRACTS

Fund Manager

Management fee

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

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

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

The Fund Manager has entered into a delegation agreement with Box Consultants B.V. Certain portfolio management responsibilities have been delegated to Box Consultants B.V. The Fund Manager pays a delegation fee to the Delegate for the Class B participations only. No delegation fee is paid to Box Consultants B.V. regarding the Class A participations. Details of management fees charged for the 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 an annual fee, to be calculated and paid monthly in arrears on the basis of the participants' equity of the Fund before deduction of the management fee, and with a minimum of EUR 50,000 per annum. This annual fee is based on the following sliding scale:

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

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

Notes to the financial statements

(For the years ended 31 December)

13. RELEVANT CONTRACTS (CONTINUED)

Custodian

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

Depository

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

Independent Auditor

The Fund appointed Ernst & Young Accountants LLP as the Independent Auditor. The Independent Auditor's remuneration consists of EUR 20,650 (2020: EUR 18,341) audit fee (including VAT) for the audit of the financial statements. The Independent Auditor does not provide any non-audit services or other audit services to the Fund.

Legal Owner

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

14. RELATED PARTY TRANSACTIONS

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

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

The Delegate is considered a related party. As at 31 December 2021, employees of the Delegate held 7,695.6990 (2020: 2,834.3962) Class A participations in the Fund. The Fund Manager is also considered a related party.

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

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

	Paid	Balance
	EUR	EUR
Management fee	(81,802)	(6,972)

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

	Paid	Balance
	EUR	EUR
Management fee	(80,764)	(6,897)

15. FINANCIAL INVESTMENTS AND ASSOCIATED RISKS

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

Notes to the financial statements

(For the years ended 31 December)

15. FINANCIAL INVESTMENTS AND ASSOCIATED RISKS (CONTINUED)

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.

Market price risk

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

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. As at 31 December 2021, interest rate risk arises on most of the Fund's investments in fixed income.

Currency risk

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

	2021		2020	
	Fair value EUR	% of Participants' equity	Fair value EUR	% of Participants' equity
Currency				
United States Dollar	3,603,950	6.3	4,898,303	10.5

Credit risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Fund. It arises from cash and other receivables. The carrying values of financial assets (excluding any investment in investee funds and equity instruments) best represent the maximum credit risk exposure as at the reporting date and amounts to EUR 4,555,355 (2020: EUR 6,473,611). The Fund had debt instruments amounting to EUR 4,271,923 (2020: EUR 3,790,500) at the year end.

The current credit rating of ABN AMRO Clearing 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 weekly creation and cancellation of participants and it is therefore exposed to the liquidity risk of meeting participants' redemptions. The Fund's policy allows for redemptions on a weekly basis and notice of 3 business days must be provided.

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

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

Notes to the financial statements

(For the years ended 31 December)

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

16. PARTICIPANTS' EQUITY AS ISSUED

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

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

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

	31 December 2021 EUR	31 December 2020 EUR
Participants' equity attributable to holders of participations in accordance with the Prospectus	57,135,225	46,577,176
Adjustments		
Unamortised incorporation costs	(7,769)	(18,196)
Adjusted participants' equity attributable to holders of participations in accordance with Dutch GAAP	57,127,456	46,558,980
Number of participations		
Class A participations	451,019.68	408,803.52
Class B participations	6,058.67	6,058.67
Participants' equity per participation in accordance with the Prospectus		
Class A participations	125.09	112.35
Class B participations	117.79	106.85
Participants' equity per participation in accordance with Dutch GAAP		
Class A participations	125.08	112.31
Class B participations	117.77	106.81

Notes to the financial statements

(For the years ended 31 December)

17. 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.

18. 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

Assets	Currency	Fair value EUR	% of NAV
Investee Funds			
BlackRock Global Funds - China Bond Fund	EUR	2,304,358	4.02%
BlackRock Global Funds - World Healthscience Fund	EUR	1,816,645	3.18%
BlackRock Global Funds - World Technology Fund	EUR	1,997,968	3.50%
Comgest Growth Europe Smaller Companies	EUR	1,227,262	2.15%
Comgest Growth Europe	EUR	2,101,416	3.68%
GS Japan Equity Portfolio	EUR	3,623,746	6.34%
JP Morgan Emerging Markets	EUR	1,633,839	2.86%
JP Morgan Strategic Value	EUR	2,163,956	3.79%
KBI Development Equity Fund	EUR	2,740,630	4.80%
MSIF Asian Opportunity Fund	EUR	1,293,085	2.26%
MSIM Global Fixed Income Fund	EUR	8,224,748	14.40%
MSIM Global Fixed Income Opportunities Fund	EUR	2,759,430	4.83%
NT Europe Custom ESG Equity Index UCITS FGR Feeder Fund	EUR	1,919,918	3.36%
NT World Custom ESG Equity Index UCITS FGR Feeder Fund	EUR	938,168	1.64%
NT Emerging Markets Custom ESG Equity Index UCITS FGR Feeder Fund	EUR	1,683,124	2.95%
PGI Listed Infrastructure Fund	EUR	1,800,959	3.15%
PIMCO GIS Income Fund	EUR	2,818,858	4.93%
Robeco Financial Institutions	EUR	1,881,166	3.29%
Robeco Capital Growth Funds - High Yield Bonds	EUR	1,545,817	2.71%
SISF Asian Opportunity Fund	EUR	1,434,139	2.51%
Vanguard Global Short Term Bond Index Fund	EUR	1,415,504	2.48%
Serviced Platform SICAV - Select Equity Long/Short UCITS	USD	3,602,963	6.31%
		50,927,699	89.14%
Debt Instruments			
Credit Suisse AG London 0% 22/09/2025	EUR	1,355,060	2.37%
Goldman Sachs Fin C Intl 0% 08/06/2028	EUR	1,408,613	2.47%
Goldman Sachs Fin C Intl 0% 12/11/2028	EUR	1,508,250	2.64%
		4,271,923	7.48%
Exchange Traded Fund			
iShares Core MSCI World UCITS ETF	EUR	1,671,612	2.93%
		1,671,612	2.93%
		56,871,234	99.55%

Investment portfolio as at 31 December 2020

Assets	Currency	Fair value EUR	% of NAV
Investee Funds			
BlackRock Global Funds - World Healthscience Fund	EUR	1,316,274	2.83%
BlackRock Global Funds - World Technology Fund	EUR	1,640,863	3.52%
Comgest Growth Europe Smaller Companies	EUR	998,876	2.15%
Comgest Growth Europe	EUR	1,404,342	3.02%
GS Japan Equity Portfolio	EUR	2,918,991	6.27%
JP Morgan Emerging Markets	EUR	1,525,851	3.28%
JP Morgan Strategic Value	EUR	1,546,815	3.32%
KBI Development Equity Fund	EUR	1,807,711	3.88%
MSIM Global Fixed Income Fund	EUR	1,798,718	3.86%
Multi Strategy Alternatives Fund	EUR	6,117,478	13.14%
NB Emerging Market Debt	EUR	904,368	1.94%
NT Emerging Markets Custom ESG Equity Index UCITS FGR Feed Fund	EUR	1,394,010	2.99%
NT World Custom ESG Equity Index UCITS FGR Feeder Fund	EUR	721,799	1.55%
NT Europe Custom ESG Equity Index UCITS FGR Feeder Fund	EUR	1,369,170	2.94%
Partners Group Listed Investments SICAV	EUR	1,339,071	2.88%
PIMCO GIS Income Fund	EUR	1,840,485	3.95%
Robeco Capital Growth Funds - High Yield Bonds	EUR	1,302,704	2.80%
Robeco Financial Institutions	EUR	1,688,214	3.63%
SISF Asian Opportunity Fund	EUR	1,203,842	2.59%
SEB Danish Mortgage Bond Fund	EUR	1,539,504	3.31%
UBAM - High Grade Euro Income	EUR	1,168,653	2.51%
Fidelity Pacific Fund	USD	1,394,283	2.99%
Serviced Platform SICAV - Select Equity Long/Short UCITS	USD	2,599,054	5.58%
		39,541,076	84.93%
Debt Instruments			
Credit Suisse AG London 0% 14/05/2026	EUR	1,097,880	2.35%
Credit Suisse AG London 0% 26/09/2024	EUR	1,288,000	2.77%
Goldman Sachs Fin C Intl 0% 17/12/2027	EUR	1,404,620	3.02%
		3,790,500	8.14%
Exchange Traded Fund			
iShares Core MSCI World UCITS ETF	EUR	1,299,539	2.79%
		1,299,539	2.79%
		44,631,115	95.86%

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

The 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.

Independent auditor's report

To: the shareholders and the directors of Privium Fund Management B.V. as investment manager of Global Allocation 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 Global Allocation Fund, based in Amsterdam, the Netherlands.

In our opinion the accompanying financial statements give a true and fair view of the financial position of Global Allocation 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 Global Allocation 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