

ANNUAL REPORT

Savin Multi-Strategy Arbitrage Fund N.V.

Period ended 31 December 2021

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General information

Registered office

Savin Multi-Strategy Arbitrage Fund N.V.
Financial Offices 26th Floor
Gustav Mahlerplein 3
1082 MS Amsterdam
The Netherlands

Fund Manager

Privium Fund Management B.V.
Financial Offices 26th Floor
Gustav Mahlerplein 3
1082 MS Amsterdam
The Netherlands

Administrator

Bolder Fund Services (Netherlands) B.V.
Smallepad 30F
3811 MG Amersfoort
The Netherlands

Depository

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

STAK

Stichting Administratiekantoor Savin Multi-
Strategy Arbitrage Fund
Financial Offices 26th Floor
Gustav Mahlerplein 3
1082 MS Amsterdam
The Netherlands

Legal and Tax Counsel

Van Campen Liem
J.J. Viottastraat 52
1071 JT Amsterdam
The Netherlands

Prime Broker

ABN AMRO Clearing Bank N.V.
Gustav Mahlerlaan 10
1082 PP Amsterdam
The Netherlands

Custodian

ABN AMRO Clearing Bank N.V.
Gustav Mahlerlaan 10
1082 PP Amsterdam
The Netherlands

Auditor

Ernst & Young Accountants LLP
Antonio Vivaldistraat 150
1083 HP Amsterdam
The Netherlands

Key figures

	2021¹
(all amounts in EUR x 1,000)	
Net Asset Value	
Net Asset Value Class A	29,886
Net Asset Value Class F	24,836
Net Asset Value Class I	16,141
Net Asset Value Class A USD	690
Total Net Asset Value	71,553
Outstanding Units	
Outstanding Units Class A	239,247
Outstanding Units Class F	197,806
Outstanding Units Class I	131,751
Outstanding Units Class A USD	7,778
Total Outstanding Units	576,582
Result	
Result from investments	8
Changes in value	13,312
Other results	(1,542)
Costs	(5,052)
Net result	6,726
Per Unit²	
(in EUR x 1)	
Net Asset Value per Unit Class A	124.92
Net Asset Value per Unit Class F	125.56
Net Asset Value per Unit Class I	122.51
Net Asset Value per Unit Class A USD in EUR	88.64
Net Asset Value per Unit Class A USD in USD	100.79
Performance Class A	24.92%
Performance Class F ³	25.56%
Performance Class I	22.51%
Performance Class A USD in EUR	(11.36%)
Performance Class A USD in USD	0.79%

¹ The reported results cover the period from 1 February 2021 through 31 December 2021.

² The result per Unit is calculated using the number of outstanding Units as per the end of the period.

³ Unitholders of Class F received a management fee rebate of EUR 112.193 during the reporting period.

Fund Manager report

Investment objective

The Fund is using a number of arbitrage investment strategies, including “multi class” arbitrage, volatility arbitrage, and other kinds of arbitrage strategies and corporate event strategies. In order to pursue these investment strategies, the Fund invests in a diversified portfolio of instruments both long and short, including equities, convertible securities, debt securities, warrants, options, swaps (including credit default swaps and credit default index swaps), futures contracts, forwards or other types of derivative instruments. Instruments can be traded through various exchanges Globally, including exchanges in Europe, the United States and Asia.

The Fund Manager tactically allocates the Fund’s assets across arbitrage and alternative investment strategies with positive anticipated returns based on market conditions. Besides the arbitrage strategies the Fund runs a tail risk strategy to ensure capital preservation in unsettled markets.

Review 2021

The Fund started operations on February 1, 2021. During February 1, 2021 and December 31, 2021 the Fund gained +24.92% (EUR Class A Units).

In the pursuit for absolute and uncorrelated returns the focus is on arbitrage strategies. Currently with a strong focus on the US, mainly because of the unprecedented flows we see in derivatives (mostly options and warrants).

During 2021 most of the returns came from the fund’s volatility strategies. The rise of SPAC’s as a new asset class also presented the fund with novel arbitrage opportunities. The majority of positions have an expected duration varying from 2 to 12 months. The expected returns on an investment are not captured linearly during this period.

The Fund was launched in February 2021 with approximately EUR 20 million of capital from early investors. As of December 31, 2021 the Net Asset Value of the Fund has increased to more than EUR 71 million. During the year the asset base grew to approximately 90 investors made up of single family offices, wealth managers, international fund of hedge funds and over half from high net-worth individuals.

Outlook 2022

We are satisfied with the current portfolio of the Savin Multi-Strategy Arbitrage Fund and the current allocations in place. We expect that the Fund will be able to profit from increased market volatility if this may happen as it will improve the opportunity set for recognizing market inefficiencies.

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

The Russian invasion in Ukraine has caused clear market volatility. The Fund has no direct exposure to Ukraine, Belarus or Russia. 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, either positive or negative.

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, the Key Information Document 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.

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	Despite the Fund's objective to maintain a low correlation to equity markets, market circumstances might occur during which correlations or sensitivities to equity markets are higher than expected. Close monitoring on the arbitrage positions is taking place to reduce this risk as much as possible.	The Fund gained +24.92% between February 1, 2021 and December 31, 2021 (EUR Class A units). The Fund does not have a benchmark. Global Equities, measured by the MSCI World Index (EUR) gained +25.1% during the reporting period, bonds measured by the Vanguard Global Bond Index Fund (EUR) lost -2.15% and hedge funds measured by the HFRX Hedge Fund Index (in EUR) gained +2.90%.	Investments are selected after a thorough due diligence process and thereafter close monitoring takes place. 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.
Arbitrage risk	No	Employing arbitrage and alternative strategies involves the risk that anticipated opportunities may not play out as planned, resulting in potentially reduced returns or losses to the Fund as it unwinds failed trades. Close monitoring on the arbitrage positions is taking place to reduce this risk as much as possible.	The Fund outperformed most hedge fund indices during the reporting period. Hedge funds, measured by the HFRX Hedge Fund Index (in EUR), gained +2.90%.	Investments are selected after a thorough due diligence process and thereafter close monitoring takes place. The occurrence of this risk will also largely depend on general market circumstances. Much will also depend on the actual positioning of the fund.	No. The Fund Manager is comfortable with the risk exposure currently in place.
Interest rate risk	No	The Fund has no interest bearing financial instruments except for cash at bank (including prime broker). 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 of the share classes is mostly hedged by using forwards.	Around 85% of the investments are denominated in USD. This excludes cash.	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 deem this risk to be limited but this will depend on actual market circumstances.	No. The Fund Manager is comfortable with the risk exposure currently in place.
Derivatives risk and short sale risk	Partially	Derivatives may be used when setting up arbitrage positions. The Fund will also utilize short positions when setting up arbitrage positions. Close monitoring on the arbitrage positions is taking place to reduce this risk as much as possible.	None	We deem the risk to be limited.	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.	None	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 may employ leverage in executing its arbitrage investment strategies. Here leverage may be obtained through cash borrowings or by the use of derivatives. As of December 31, 2021 the leverage calculations according to the Gross method and Commitment method are as follows: Gross method: 460.13% and Commitment method: 447.06%.	None	None	No. The Fund Manager is comfortable with the risk exposure currently in place.

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 CM system is being 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.

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.

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

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 Savin Multi-Strategy Arbitrage Fund this is not applicable to the Savin Multi-Strategy Arbitrage 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 standards, compliance and risk management standards and/or other performance/non-performance related criteria. The Savin Multi-Strategy Arbitrage Fund started operations on February 1, 2021. For the performance period between February 1, 2021 and December 31, 2021 a performance fee of EUR 1,667,458 has been paid to 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 Euro one million in relation to the performance results during the year 2021 (2020: one).

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.

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.

Financial statements

Balance sheet as at 31 December

(all amounts in EUR)	Notes	<u>2021</u>
Assets		
Investments		
Equity securities	1	32,134,179
Derivatives		50,454,141
Forward contracts		152,800
Total of investments		<u>82,741,120</u>
Intangible assets		
Deferred organisational costs	2	197,633
Total intangible assets		<u>197,633</u>
Receivables		
Due from broker	3	1,283,631
Other receivables	4	17,626
Total of receivables		<u>1,301,257</u>
Other assets		
Cash	5	34,833,592
Total of other assets		<u>34,833,592</u>
Total assets		<u>119,073,602</u>
Liabilities		
Net asset value		
Units paid in surplus	6	64,827,158
Result current period		6,725,631
Total net asset value		<u>71,552,789</u>
Investments		
Equity securities	1	23,864,658
Derivatives		16,956,423
Forward contracts		4,115
Total of investments		<u>40,825,196</u>
Other liabilities		
Due to broker		2,061,984
Subscriptions received in advance		2,762,189
Other liabilities	7	1,871,444
Total other liabilities		<u>6,695,617</u>
Total liabilities		<u>119,073,602</u>

Profit and loss statement

(For the period 1 February 2021 through 31 December 2021)

(all amounts in EUR)	Notes	2021
Investment result		
Dividend income		7,937
Dividend expenses		(102,748)
Total investment result		(94,811)
Revaluation of investments	8	
Realised results		3,036,985
Unrealised results		10,274,924
Total changes in value		13,311,909
Other results		
Fee income from redemptions and subscriptions		22,094
Foreign currency translation	9	(1,564,272)
Total other results		(1,542,178)
Operating expenses		
Management fee	10	(678,537)
Performance fee	11	(1,667,458)
Administration fees	12	(33,861)
Depositary fees	13	(19,904)
Interest expenses	15	(1,307,798)
Brokerage fees and other transaction costs		(1,037,764)
Audit fees	14	(21,676)
Supervision fees		(4,000)
Legal fees		(3,849)
Organisational expenses	2	(44,367)
Other expenses		(129,619)
Total operating expenses		(4,948,833)
Result for the period before tax		6,726,087
Withholding tax		(456)
Net result for the period after tax		6,725,631

Cash flow statement

(For the period 1 February through 31 December)

(all amounts in EUR)	Notes	2021
Cash flow from operating activities		
Purchases of investments		(442,936,327)
Proceeds from sales of investments		415,110,665
Dividend received		6,396
Performance and management fee paid		(603,924)
Interest paid		(1,307,798)
Dividend paid		(74,453)
Operating expenses paid		(1,408,136)
Net cash flow from operating activities		(31,213,577)
Cash flow from financing activities		
Proceeds from subscriptions to redeemable units		70,046,635
Payments for redemption of redeemable units		(2,457,288)
Fee income from redemptions and subscriptions		22,094
Net cash flow from financing activities		67,611,441
Net cash flow for the period		36,397,864
Cash at beginning of the period		-
Foreign currency translation		(1,564,272)
Cash at the end of the period	5	34,833,592

Notes to the financial statements

General information

The Fund is a public limited liability company (“naamloze vennootschap”), which is a legal entity (“rechtspersoon”). The Fund has an open-ended structure. The relationship between the Fund, the STAK, the Fund Manager and the Unitholders is governed by the Terms and Conditions, the Prospectus and the Subscription Agreement. By executing the Subscription Form, a Unitholder represents and warrants to have reviewed the Terms and Conditions and agrees to be bound thereby. A Unitholder is admitted to the Fund by the issuance of Units by the STAK to the Unitholder. The Fund was incorporated on February 1, 2021.

Fund Manager is in possession of an AFM 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’s office address is that of the Fund Manager, being Gustav Mahlerplein 3, 26th floor, 1082 MS Amsterdam, The Netherlands.

The Fund’s objective is to achieve a multi-year average annual return of 8%, net of fees with low volatility and low correlation to equity markets. To achieve this, the strategy of the Fund is to employ complementary arbitrage strategies, striving for positive returns regardless of market conditions or general market direction.

Market neutrality is to be achieved through hedging of residual risk factor exposure to equities, interest rates, credit and commodities. Daily and ad hoc stress tests and other risk management processes are conducted to maintain its objective for consistent positive returns with low volatility and low correlation to equity markets.

Applications for Units of the following Classes can be made:

- EUR Class A Units: for Unitholders investing with a minimum of EUR 250,000;
- EUR Class F Units: for Unitholders investing with a minimum of EUR 250,000 with a maximum Total Subscription Price of EUR 20,000,000 for all EUR Class F Units. The EUR Class F Unit is closed for new investments since the maximum Total Subscription Price of EUR 20,000,000 was reached. Class F Units were available for investment by Unitholders until 1 August 2021;
- EUR Class I Units: for Unitholders investing with a minimum of EUR 5,000,000. Wealth managers or private banks may also be accepted for EUR Class I Units with a lower minimum than EUR 5,000,000. In no case the amount can be lower than EUR 500,000. There is no minimum initial investment amount for each individual client of the particular wealth manager or private bank. Here the investment decision to invest in the Fund is taken by or advised by the wealth manager or private bank. This is for the EUR Class I Units only;
- USD Class A Units: for Unitholders investing with a minimum of USD 250,000;
- USD Class I Units: for Unitholders investing with a minimum of USD 5,000,000. Wealth managers or private banks may also be accepted for USD Class I Units with a lower minimum than USD 5,000,000. In no case the amount can be lower than USD 500,000. There is no minimum initial investment amount for each individual client of the particular wealth manager or private bank. Here the investment decision to invest in the Fund is taken by or advised by the wealth manager or private bank. This is for the USD Class I Units only;
- CHF Class A Units: for Unitholders investing with a minimum of CHF 250,000; and
- CHF Class I Units: for Unitholders investing with a minimum of CHF 5,000,000. Wealth managers or private banks may also be accepted for CHF Class I Units with a lower minimum than CHF 5,000,000. In no case the amount can be lower than CHF 500,000. There is no minimum initial investment amount for each individual client of the particular wealth manager or private bank. Here the investment decision to invest in the Fund is taken by or advised by the wealth manager or private bank. This is for the CHF Class I Units only.

The minimum investment amount for each Unit Class for additional subscriptions is EUR 10,000 (for EUR-denominated Classes), USD 10,000 (for USD-denominated Classes) and CHF 10,000 (for CHF-denominated Classes).

Accounting policies

General

The financial statements are prepared in accordance with Part 9, Book 2 of the Dutch Civil Code. The accounting principles of the Fund are summarized below. These accounting principles have all been applied consistently throughout the reporting period.

The figures cover the period from 1 February 2021 (commencement of operations) through 31 December 2021.

Basis of accounting

Valuation of assets and liabilities and determination of the result takes place under the historical cost convention. Unless presented otherwise at the relevant principle for the specific balance sheet item, assets and liabilities are valued according to the cost model.

Measurement currency

The amounts included in the financial statements are denominated in euro, which is the functional and presentation currency.

Receivables

Upon initial recognition the receivables are recorded at fair value and then valued at amortised cost. The fair value and amortized cost equal the face value. Possible provisions deemed necessary for the risk of doubtful accounts are deducted. These provisions are determined by individual assessment of the receivables.

Investments

Recognition and basis of measurement

All investment securities are initially recognized at fair value.

Valuation

Equities (long and shorts) and warrants are valued at the last price on the largest recognized market on which they are traded. Options are valued at their mid-price. The mid-price is determined by averaging the bid and ask price.

Cost of investment securities sold is determined on a FIFO method.

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to set off the recognized amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

Gains and losses

Gains and losses are treated as realised for financial statement purposes on the trade date of the transaction closing or offsetting the open position against the historical cost price. Unrealised gains and losses are the difference between the value initially recognized and the fair value of open positions. All gains and losses are recognized in the profit and loss account.

Dividend and interest income

Dividends are recorded on the date that the dividends are declared, gross of applicable withholding taxes. Interest income is recognized on accrual basis.

Derivative financial instruments

Derivative financial instruments including foreign exchange contracts, stock market indexes and interest rate futures, forward rate agreements, currency and interest rate swaps, currency and interest rate options (both written and purchased) and other derivative financial instruments are initially recognized in the balance sheet at cost and subsequently are remeasured at their fair value. Fair values are obtained from quoted market prices. All derivative financial instruments are carried in assets when amounts are receivable by the Fund and in liabilities when amounts are payable by the Fund. Changes in fair values of derivatives are included in the profit and loss statement.

Translation of foreign currency

Monetary assets and liabilities denominated in foreign currencies are translated into Euro at the rates of exchange prevailing at yearend. Transactions in foreign currencies are translated at the rates of exchange prevailing at the date of the transaction. Realised and unrealised gains and losses on foreign currency transactions are charged or credited to the profit and loss account as foreign currency gains and losses except where they relate to investments where such amounts are included within realised and unrealised gains and losses on investments.

Brokerage/expenses

Commissions payable on opening and closing positions are recognized when the trade is entered into the Fund. Expenses are recorded in the period in which they originate. Transaction costs are borne by the Fund and be brought at the charge of the Fund's profit and loss account. Expenses on disposal of investments are deducted from the proceeds of disposal.

Cash

For the purpose of presentation in the balance sheet and the cash flow statement, cash is defined as cash at banks and brokers. The cash at bank and brokers is valued at face value. If cash is not freely disposable, then this has been taken into account upon valuation.

Cash flow statement

The cash flow statement is prepared using the direct method. The cash flow statement shows the Fund's cash flows for the period divided into cash flows from operations and financing activities.

Due to the nature of the Fund's operations, cash flows related to the financial instruments are included under operating activities. Cash flows from financing activities include proceeds from subscriptions and payments for redemptions of Units of the Fund.

Bank overdrafts that are repayable on demand form an integral part of the Fund's cash management and are a component of cash.

Ongoing charges figure (OCF)

The ongoing charges figure contains all costs that have been charged to the Fund for the period 1 February 2021 until 31 December 2021 excluding the transaction costs, interest costs and performance fees. The ongoing charges figure is calculated by dividing all the costs of the period with the average net asset value. The average net asset value is calculated by adding all the monthly net asset values and divide them by the number of month's used (for this period the number of months is 11).

Turnover ratio (TOR)

The turnover ratio is calculated the following way: the sum of all purchases of investments plus the sum of all the sales of investments minus the sum for the subscriptions and redemptions. The total of this number will be divided by the average net asset value of the Fund and multiplied by 100.

Notes to the balance sheet

1. Investments

(all amounts in EUR)

	2021
Equity securities long	32,134,179
Derivative long	50,454,141
Forward contract long	152,800
Equity securities short	(23,864,658)
Derivative short	(16,956,423)
Forward contract short	(4,115)

Position as per 31 December

41,915,924

Derivatives

	Exposure	Fair value
Equity warrants	46,893,565	46,893,565
Equity options	(13,395,847)	(13,395,847)

	Bought	Sold	
EUR/USD forward	EUR 34,604,494	USD (39,192,000)	148,685

Total

33,646,403

All options mature within one year.

The market value of the investments is based on quoted market prices. The movement of the financial instruments is as follows (for the period 1 February 2021 through 31 December 2021):

(all amounts in EUR)

	2021
<i>Equity securities (long)</i>	
Opening balance	-
Purchases	125,305,459
Sales	(97,803,651)
Realised investment result	3,050,424
Unrealised investment result	1,581,947
Closing balance	32,134,179

Derivatives (long)

Opening balance	-
Purchases	162,044,535
Sales	(72,615,327)
Realised investment result	(20,806,629)
Unrealised investment result	(18,168,438)
Closing balance	50,454,141

Equity securities (short)

Opening balance	-
Purchases	(125,115,862)
Sales	127,901,326
Realised investment result	20,655,529
Unrealised investment result	423,665
Closing balance	23,864,658

<i>Derivatives (short)</i>	
Opening balance	-
Purchases	(32,532,455)
Sales	118,078,160
Realised investment result	(41,452,887)
Unrealised investment result	(27,136,395)
Closing balance	16,956,423

(all amounts in EUR)

2021

<i>Futures</i>	
Opening balance	-
Sales	16,094
Realised investment result	(16,094)
Closing balance	-

<i>Forward contracts</i>	
Opening balance	-
Sales	(11,926)
Realised investment result	11,926
Unrealised investment result	148,685
Closing balance	148,685

Portfolio breakdown to valuation methods

(all amounts in EUR)

2020

Quoted prices	41,915,924
Balance at 31 December	41,915,924

2. Deferred intangible assets

The Fund has deferred the costs of setting up the organisation of the Fund. The total organisational costs amount to EUR 200,000 (excluding VAT) and these are expensed in a period of 60 months.

(all amounts in EUR)

2021

Opening balance	-
Deferred organisational costs	242,000
Expensed	(44,367)
Position as per 31 December	197,633

3. Due from brokers

The amount for due from broker consists of balances at brokers on which no restrictions on the use exist at 31 December 2021.

4. Receivables

(all amounts in EUR)

	2021
Receivables	
Dividends receivable	1,541
Rebates receivable	16,085
Position as per 31 December	17,626

5. Cash

As of 31 December 2021, no restrictions on the use of cash exist other than the restrictions that have been agreed with the Prime Broker.

6. Net asset value**Movement schedule of net asset value**

(For the period 1 February 2021 through 31 December 2021)

(all amounts in EUR)

	2021
Units paid in surplus	
Opening balance	-
Subscriptions to redeemable Units	67,284,446
Redemption of redeemable Units	(2,457,288)
Closing balance	64,827,158
Undistributed result	
Opening balance	-
Result current period	6,725,631
Closing balance	6,725,631
Total net assets value at 31 December	71,552,789

Movement schedule of Units

(For the period 1 February 2021 through 31 December 2021)

(in number of Units)

	2021
Outstanding Units	
Opening balance	-
Subscriptions to redeemable Units	596,423
Redemption of redeemable Units	(19,841)
Outstanding Units at 31 December	576,582

Movement schedule of per class

(For the period 1 February 2021 through 31 December 2021)

Savin Class A Units

(all amounts in EUR)

	2021	
	Amounts	No. of shares
Net assets at beginning of period	-	-
Proceeds from shares issued	30,776,603	255,137
Redemption of shares	(1,967,919)	(15,890)
Net change from transactions with participation holders	28,808,684	239,2467
Result for the period	1,077,466	
Net assets at end of year	29,886,150	239,247

Savin Class F Units

(all amounts in EUR)

	2021	
	Amounts	No. of shares
Net assets at beginning of period	-	-
Proceeds from shares issued	19,999,775	198,665
Redemption of shares	(106,677)	(859)
Net change from transactions with participation holders	19,893,098	197,806
Result for the period	4,943,175	
Net assets at end of period	24,836,273	197,806

Savin Class I Units

(all amounts in EUR)

	2021	
	Amounts	No. of shares
Net assets at beginning of period	-	-
Proceeds from shares issued	15,810,156	134,842
Redemption of shares	(382,692)	(3,091)
Net change from transactions with participation holders	15,427,464	131,751
Result for the period	713,467	
Net assets at end of period	16,140,931	131,751

Savin Class A USD Units

(all amounts in EUR)

	2021	
	Amounts	No. of shares
Net assets at beginning of period	-	-
Proceeds from shares issued	697,912	7,778
Net change from transactions with participation holders	697,912	7,778
Result for the period	(8,477)	
Net assets at end of period	689,435	7,778

7. Other liabilities

(all amounts in EUR)

	2021
Management fees payable	108,424
Performance fee payable	1,633,646
Dividend payable	28,751
Supervision fees payable	4,000
Administration fees payable	2,275
Audit fees payable	21,676
Other liabilities	72,672
Balance at 31 December	1,871,444

Notes to the profit and loss statement

8. Revaluation of investments

(all amounts in EUR)

	2021
<i>Net realised result on financial assets and liabilities at fair value through profit or loss</i>	
Realised gains on equity	11,756,613
Realised gains on derivatives	85,228,406
Realised gains on futures	2,150
Realised gains on forward contracts	11,926
Realised losses on equity	(29,361,718)
Realised losses on derivatives	(64,582,148)
Realised losses on futures	(18,244)
Total realised result	3,036,985
<i>Net unrealised result on financial assets and liabilities at fair value through profit or loss</i>	
Unrealised gains on equity	3,346,657
Unrealised gains on derivatives	33,703,601
Unrealised gains on forward contracts	152,800
Unrealised losses on equity	(2,188,375)
Unrealised losses on derivatives	(24,735,644)
Unrealised losses on forward contracts	(4,115)
Total unrealised result	10,274,924
Total revaluation of investments	13,311,909

9. Foreign currency translation

Realised and unrealised exchange differences consist of realised and unrealised translation gains (losses) on assets and liabilities other than financial instruments at fair value through profit or loss and amount to a loss of EUR 1,564,272. The loss is mainly caused by the decrease in the EUR/USD exchange rate of 2021.

10. Management fee

The Fund Manager is entitled to an annual Management Fee equal to:

- 1.80% of the Net Asset Value (i.e. 180 basis points) of the Class A Units;
- 2.00% of the Net Asset Value (i.e. 200 basis points) of the Class F Units; and
- 1.50% of the Net Asset Value (i.e. 150 basis points) of the Class I Units,

excluding (i.e. before deduction of) the Management Fee, as at the last Business Day of each calendar month, payable monthly in arrears out of the Fund Assets. Any changes to the Management Fee are subject to the prior approval of the Fund and the Fund Manager. The Management Fee shall be calculated for each Class separately and applied against the Net Asset Value of the Units in the relevant Class.

The management fee for the period from 1 February 2021 through ended 31 December 2021 amounts to EUR 678,537.

11. Performance fee

The Fund Manager is entitled to an annual variable performance fee of:

- 20% of the Net Capital Appreciation during such year with respect to Class A Units;
- 20% of the Net Capital Appreciation during such year with respect to Class F Units; and
- 15% of the Net Capital Appreciation during such year with respect to Class I Units.

The Performance Fee shall be subject to a High Watermark principle that Performance Fee is only payable to the extent that the end value of the relevant year is higher than the end value of any previous year during the life of the relevant Class, ensuring that the Fund Manager only receives Performance Fee in so far as any decrease of net asset value during the life of the Fund has been recovered through a subsequent increase of net asset value. Where the closing date or the dissolution date of the Fund occurs during a calendar month, the Performance Fee shall be pro rata for the relevant portion of the month that the Fund was managed. The performance fee is calculated and measured as at the last business day of each calendar month, and payable annually after the end of the financial year of the Fund or at redemption, as applicable. The Performance Fee shall be calculated for each Class separately and applied against the net asset value of the units in the relevant class. The performance fee in respect of the relevant outstanding Units shall be payable to the Fund Manager within one (1) month after the end of the relevant financial year.

The performance fee for the period from 1 February 2021 through ended 31 December 2021 amounts to EUR 1,667,458.

12. Administration fees

The Fund will pay the Administrator in remuneration for its services to the Fund, an annual fee equal to 0.08% of the Net Asset Value (i.e. 8 basis points) up to a Net Asset Value of EUR 50 million as of the last calendar day of each month, subject to an annual minimum fee of EUR 30,000 (excluding VAT). When the Net Asset Value of the Fund exceeds EUR 50 million the Fund will pay the Administrator as remuneration for its services to the Fund, an annual fee equal to 0.06% of the Net Asset Value (i.e. 6 basis points). When the Net Asset Value of the Fund exceeds EUR 100 million the Fund will pay the Administrator as remuneration for its services to the Fund, an annual fee equal to 0.04% of the Net Asset Value (i.e. 4 basis points). Administration fees are exclusive of a fixed office surcharge of 7.5% per year.

For the preparation of the annual statements, the Administrator will charge an annual fixed fee of EUR 4,000.

For FATCA and CRS related services the Administrator will charge the Fund an annual fixed fee of EUR 2,500. For Annex IV reporting related services, the Administrator will charge the Fund an annual fixed fee of EUR 2,000 per report.

For the first year of operations, the Fund will pay the administrator for its services, a fixed all-in annual remuneration of EUR 12,000 per annum and 0.08% of the Net Asset Value (i.e. 8 basis points) if and to the extent that the Net Asset Value exceeds EUR 20 million. This all-in fee is only applicable for the first year of operations.

13. Depositary fees

The Fund will pay to the Depositary in remuneration of its service to the Fund, limited to AIFMD depositary duties, an annual fee equal to 0.014% of the Net Asset Value (i.e. 1.4 basis points), subject to a minimum of EUR 19,901 (excluding VAT). The annual remuneration is subject to an annual indexation based on the CPI, published by CBS.

14. Audit fees

The Fund will pay to Ernst & Young as remuneration for its services to the Fund, an estimated fee equal to EUR 17,914 (excluding VAT) for its first reporting period.

The audit fees relates solely to the audit of the annual financial statements. The Independent Auditor does not provide any other audit or non-audit services to the Fund.

15. Interest expenses

The interest expenses relate solely to the cash at banks.

16. Related parties

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 making financial or operational decisions.

All services rendered by the Fund from the Fund Manager therefore qualify as related party transactions. During the period, the Fund paid management fees of EUR 570,113 to the Fund Manager.

17. Income and withholding tax

The Fund, as an investment fund ("beleggingsinstelling") as referred to in article 1:1 of the FSA, has filed an application with the Dutch tax authorities to obtain the status of an exempt investment institution ("vrijgestelde beleggingsinstelling") and this application has been approved by the Dutch Tax authority. See the Prospectus of the Fund for additional information.

Other notes

Risk management

The Fund's financial risks are managed by diversification of the financial instruments at fair value through profit or loss. For further explanation of the investment objectives, policies and processes, refer to the General section of the notes to the financial statements.

Market risk

Market risk is the risk that the value of a financial instrument fluctuates as a result of changes in market prices whether those changes are caused by factors specific to the individual security or its issuer or factors affecting all securities traded in the market. Market risk contains market price risk, currency risk and interest rate risk. Where non-monetary financial instruments – for example, equity securities – are denominated in currencies other than the EUR, the price initially expressed in foreign currency and then converted into EUR also fluctuates because of changes in foreign exchange rates. The paragraph 'Currency risk' sets out how this component of price risk is managed and measured.

The total market risk that the Fund bears at 31 December 2021 is the total net financial assets and liabilities at fair value through profit or loss in the amount of EUR 41,915,924. If the prices had risen/fallen by 5%, the total financial assets and liabilities at fair value through profit or loss would have increased/decreased by EUR 2,095,796.

Currency risk

The Net Asset Value of the Units may be affected by exchange rate fluctuations.

As certain of the Fund Assets may be denominated in currencies other than the EUR while the Fund's accounts will be denominated in EUR, returns on certain Fund Assets may be significantly influenced by currency risk. The Fund Manager may not always succeed in realizing hedges under acceptable conditions and consequently the Fund may be subject to the risk of changes in relation to the EUR of the value of the currencies in which any of its assets are denominated.

The currency exposure of the Fund's portfolio at 31 December 2021 is as follows (all amounts in EUR):

	2021			
(all amounts in EUR)	Gross fair value	Swaps	Net fair value	% of NAV
31 December 2021				
Swiss franc	44	-	44	0.00
Swedish crown	3,341	-	3,341	0.00
United States dollar	33,347,341	(34.469.657)	(1,122,316)	(1.57)
Total			(1,118,931)	(1.57)

Interest rate risk

Interest rate risk is the risk that prices of fixed income securities generally increase when interest rates decline and decrease when interest rates increase. The Fund may lose money if short-term or long term interest rates rise sharply or otherwise change in a manner not anticipated by the Fund Manager.

At 31 December 2021, the Fund has no interest bearing securities except for cash at banks which is subject to normal market related short term interest rates. Therefore, the Fund is not exposed to significant interest rate risks.

Credit risk

The Fund could lose money if the issuer of an underlying fixed income security or money market instrument, the counterparty or clearing house of a derivatives contract or repurchase agreement, a Custodian or Prime Broker at which a deposit or other assets are held, or the counterparty in a securities lending agreement does not honor his obligations. Issuers of fixed income instruments and other counterparties are subject to varying degrees of credit risks which are reflected in their credit ratings. The Fund's investment restrictions have been designed to limit the credit risk to any counterparty but this offers no guarantee that a credit event will not occur. The Fund is also exposed to credit risk on its cash which are held at ABN AMRO Clearing Bank N.V. and ABN AMRO Bank Nederland. The Standard & Poor's credit rating for these banks are not rated and A.

The Fund's maximum exposure to counterparty risk in the event that counterparties fail to perform their obligations at 31 December 2021 in relation to the assets, is the carrying amount of EUR 36,134,849 as indicated in the statement of financial position.

Custody risk

The Fund's assets are held at ABN AMRO Clearing Bank N.V. All long positions and regular cash accounts are segregated and therefore their counterparty risk should be negligible. The short positions and margin accounts do result in counterparty risk to the custodian. To manage the counterparty risk the credit rating of the custodian is monitored. ABN AMRO Clearing Bank N.V. is not rated by any leading credit rating agency.

Liquidity risk

The Fund may experience difficulty in selling illiquid investments in a timely manner at the price that it believes the investments are worth. In addition, market conditions may cause the Fund to experience temporary mark-to-market losses, especially in less liquid positions, even in the absence of any selling of investments by the Fund.

Sustainability risk

Sustainability risk in the context of the Fund is defined as the risk of a decrease in the value of an investment of the Fund due to an environmental, social or governance (ESG) related event. Such an event may have a direct negative impact on the financials of a portfolio company or a longer-term impact on the operations or earnings capacity of the portfolio company.

18. Ongoing charges figure (OCF)

(all amounts in EUR)	2021
Average net asset value	46,738,920
Total ongoing expenses	935,813
Ongoing charges figure	2.00%
Annualised ongoing charges figure	2.18%
Incentive fee ratio	3.57%

19. Turnover ratio (TOR)

The turnover ratio for the Fund over the period 1 February 2021 until 31 December 2021 is: 1694. This large figure is explained by the Fund's active trading policy.

20. Core business and delegation

The following key tasks have been delegated by the Fund:

Administration

The administration has been delegated to Bolder Fund Services (Netherlands) B.V, who carries out the administration of the Fund, including the processing of all investment transactions, processing of revenues and expenses and the preparation of the NAV. It also states, under the responsibility of the Manager, the interim report and the financial statements of the Fund. For information on the fees of the Administrator refer to note 12.

21. Events after 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, either positive or negative.

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

22. Personnel

The Fund did not employ personnel during the period.

23. Appropriation of the result

As the primary Fund Objective of the Fund is to achieve capital growth, frequent and regular distributions of Net Proceeds (including profit distributions) by the Fund are not intended nor anticipated. However, the Fund Manager may, at its sole discretion and at any time, decide to distribute any Net Proceeds. It is expected that the Fund Manager will especially do so if the Fund Manager is of the opinion that there are no sufficient suitable investment opportunities to achieve the Fund Objectives. All distributions (including profit distributions) to the Unitholders will be made pro rata to the number of Units held by each Unitholder.

Any distribution (including profit distributions) to the Unitholders, including the amount, composition and manner of payment, shall be published on the Fund Manager's website.

Amsterdam, 24 June 2022

Fund Manager
Privium Fund Management B.V.

Other information

Personal holdings of the Fund Manager

As of December 31, 2021 members of Investment team of the Fund also maintain an investment in the Fund. This represents 27,289.68 Units in the Class A Unit Class.

Independent Auditor's report

The independent auditor's report has been attached at the end of this report.

Independent auditor's report

To: the management board of Savin Multi-Strategy Arbitrage 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 Savin Multi-Strategy Arbitrage Fund based in Amsterdam, The Netherlands.

In our opinion the accompanying financial statements give a true and fair view of the financial position of Savin Multi-Strategy Arbitrage Fund at 31 December 2021, and of its result 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 Savin Multi-Strategy Arbitrage Fund in accordance with 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:

- ▶ General Information
- ▶ Key figures
- ▶ Fund Manager Report
- ▶ Other information as required by Part 9 of Book 2 of the Dutch Civil Code

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.

The manager is responsible for the preparation of the other information, including the board 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 the manager for the financial statements

The fund manager 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, the fund manager 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 fund's ability to continue as a going concern. Based on the financial reporting framework mentioned, the manager 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. The manager 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 fund manager 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