Aescap Genetics Fund

ANNUAL REPORT
(FINANCIAL STATEMENTS)

AS PER DECEMBER 31, 2022

Aescap Genetics Fund

Contents

Aescap Genetics Fund

General Information

Business Address of the Fund

Aescap Genetics
Gustav Mahlerplein 3,
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1082 MS Amsterdam
The Netherlands
www.aescap.com
E-mail : fundmanagement@priviumfund.com

Fund Manager

Privium Fund Management B.V.
Gustav Mahlerplein 3,
26th floor, Financial Offices
1082 MS Amsterdam
The Netherlands
E-mail : fundmanagement@priviumfund.com

Legal Owner

Stichting Aescap Genetics
Hoogoorddreef 15
1101 BA AMSTERDAM
The Netherlands

Administrator

IQ EQ Financial Services B.V.
Hoogoorddreef 15
1101 BA AMSTERDAM
The Netherlands

Independent auditor

Mazars N.V.
Delflandlaan 1
1062 EA Amsterdam
The Netherlands

Custodian

Saxo Bank A/S
15 Philip Heymans Alle
2900 Hellerup
Denmark

Depositary

Darwin Depositary Services B.V.
Barbara Strozzilaan 101
1083 HN Amsterdam
E-mail : info@darwindepositary.com

Legal Counsel

Warendorf
Koningslaan 42
1075 AE Amsterdam
The Netherlands

Regulatory Counsel

Finnius
Jollemanhof 20A
1019 GW Amsterdam
The Netherlands

Aescap Genetics Fund

Overview (Key figures) Aescap Genetics

	31-12-22
Number of Outstanding Units	
AESCAP GENETICS Manager	5,050.8287
AESCAP GENETICS Investors	9,208.9118

	31-12-22
Net Asset Value per Unit (€)	
AESCAP GENETICS Manager	1,012.8793
AESCAP GENETICS Investors	998.5360
Total Net Asset Value (x € 1,000)	**14,311,310**

The abovementioned Investor Unit Classes have equal conditions, the only differences being applied are the fees.

	31-12-22
Return on Investment per Unit (%)	
Aescap Genetics Manager	**1.29%**
Aescap Genetics Investors	**(0.15%)**

Ongoing Cost Figure (OCF) - previously Total Expense Ratio (TER) (1)

OCF (Performance Fee excluded (%))	**2.20%**
OCF (Performance Fee included) (%))	**2.20%**

The OCF figures are valid for the Aescap Genetics Investors Unit Class, whereas the fund management shares do not have management fee charged. OCF figures are calculated for the reporting period.

Aescap Genetics Fund

Profile & Structure

Start of the Fund
Aescap Genetics ("the Fund") started activities as per January 19, 2022.

Legal Form
The Fund is a fund for joint account (in Dutch: een fonds voor gemene rekening). It does not have a legal personality. It is formed by and comprises a contractual arrangement governed by the terms of the Prospectus between the Fund Manager, the Legal Owner and each Unit Holder. Under this arrangement the Fund Manager is mandated to invest the contributions of the Unit Holders of the Fund for their collective risk and account in securities, which are held by the Legal Owner on behalf of the Unit Holders, in accordance with the Prospectus for the purpose of enabling the Unit Holders to share in the revenue from the investments in securities. The Unit Holders are proportionally matched with the number of Units owned, and they are jointly entitled to the Fund Assets. The contractual agreement between the Fund Manager, the Legal Owner and each of the Unit Holders does not constitute a partnership or limited partnership and does not create any other agreement between the Unit Holders. The obligation of a Unit Holder to pay the subscription price for a Unit is only an obligation towards the Fund represented by the Fund Manager and the Legal Owner. The Units only constitute rights and obligations of the Unit Holders with respect to the Fund Manager and the Legal Owner and not to other Unit Holders.

Limited Transferability
A Unit Holder cannot transfer its Units, except if such Units are transferred to relatives in the straight line. Any such transfer requires the prior written approval of the Fund Manager. For the avoidance of doubt, in case a Unit Holder holds Units for a beneficial owner pursuant to a custody relationship between such Unit Holder and the beneficial owner, a change of custodian by such beneficial owner shall be subject to a prior approval of the Fund Manager, but shall not be deemed a transfer for the purpose of the transfer restrictions under the Prospectus. Units may not be pledged or otherwise encumbered.

Open End
Except in certain exceptional circumstances, the Fund is obliged to issue or to redeem Units on a Transaction Day at their Net Asset Value, minus the anti-dilution levy.

Not listed
The Fund is not listed on any stock exchange.

Net Asset Value
The Net Asset Value is calculated on a weekly basis and at the end of each month by the Administrator, as is described in Section 14 of the Prospectus ("Determination of Net Asset Value basis").

Minimum subscription amount
The minimum investment amount for participation is € 100,000 for Aescap Genetics Manager Class. The minimum investment amount for participation is € 500,000 for Aescap Genetics Investors Class. The minimum investment amount for participation is € 10,000,000 for Aescap Genetics Investors 10M+. The minimum investment amount for participation is € 20,000,000 for Aescap Genetics Investors Class 20M+ and the minimum investment amount for participation is € 30.000,000 for Aescap Genetics Investors Class 30M+. The Fund Manager can accept a lower minimum subscription amount for Aescap Genetics Investors Unit Class. This minimum can be lowered to EUR 10,000. Clients of wealth managers, family offices or private banks who have an executed discretionary portfolio management agreement or investment advisory services agreement with the wealth manager, family office or private bank, are accepted when the investment decision to invest in the Aescap Genetics is taken or advised by the wealth manager, family office or private bank. This will only be possible for Aescap Genetics Investors Unit Class. Additionally, for family members (being defined as first and second degree relatives) of existing Unit Holders, subscription amounts below EUR 100,000 can be accepted as well. Here the subscription will be linked to the size of the current investment of the existing Unit Holder. Existing Unit Holders can make applications for further Units in amounts of EUR 10,000 or more. At the time of inception of the Fund Units with a Net Asset Value of € 1,000 have been issued as part of the Initial Classes.

Request for issue or redemption
Requests for the issue or redemption of Units may be made to the Administrator by means of the forms provided for this purpose on the Website. The Administrator will inform the Fund Manager. The Fund Manager is not obliged to honor a request for an issue or redemption of Units. (See Section 15, "Subscription", and Section 16, "Redemption" of the Prospectus)

Tax Position of Fund
The Fund qualifies as a transparent or "closed" fund for joint account for Dutch tax purposes, since Units can only be transferred to the Fund itself and Units can only be redeemed by the Fund. Consequently, the Fund is not subject to Dutch corporate income tax. From a Dutch tax perspective, the returns on the investments received by the Fund directly influence the tax position of the Unit Holder. More details are available in Chapter 18 of the Prospectus.

Distribution policy
The dividends and interest received by the Fund, as well as possible capital gains, will not be distributed but will be re-invested, unless distribution would be deemed appropriate by the Fund Manager in connection with the regulatory status of the Fund Manager. Any distribution will take place on a pro rata basis. Any distribution (including profit distributions) to the Unit Holders, including the amount, composition and manner of payment, shall be published on the Website.

Regulatory considerations

License
The Fund Manager is in possession of an AFM license as referred to in article 2:65(a) FSA, and as a consequence (and subject to compliance with the other requirements applicable pursuant to the FSA) may offer the Fund to professional and non-professional investors within the Netherlands.

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

Aescap Genetics Fund

Profile & Structure (Continued)

Supervision by AFM and DNB

The Fund Manager operates under the supervision of the AFM and DNB as foreseen in the applicable provisions of the FSA. For the sake of an adequate functioning of the financial markets and the position of investors, investment funds have to comply with demands with regard to professionalism and reliability of its managers, financial safeguards, (operational) management and the providing of information to Unit Holders, the public and the supervisors.

For "regulatory changes" we refer to section 22 of the Prospectus.

Investment Proposition

The Market Opportunity

Aescap Genetics (´the Fund´) invests in publicly listed genetics biotech / life sciences companies. It invests in highly innovative companies that develop and market new genetics medical treatments such as gene, RNA and cell therapies. It can to a limited extent also invest in companies that develop and market medical genetics diagnostics. The life sciences market is a large and fast-growing market where breakthrough innovations can be exploited in a global and profitable manner. The substantial growth of the life sciences market is driven by:
a) A longer life expectancy (especially in the emerging markets) as well as an ageing population which are driving demand for improved and cost-effective medicine, diagnostics and medical devices;
b) A high unmet medical need for diseases such as Alzheimer, Arthrosis, Diabetes, MS, Obesity, Oncology, Parkinson and many other such as infectious diseases;
c) Approximately 6000 rare diseases with no treatment available at all today.

The rapidly growing healthcare costs, almost everywhere in the world, are increasing the demand for biotech / life sciences innovations. A good example of such an approach is the concept of precision medicine. The concept of precision medicine is based on the fact that people respond differently to the same treatment. Based on gene profiling and biomarker data a patient can be given the right treatment from the start, instead of following a trial and error approach as still often is the case in the treatment of cancer. The development of precision medicine has only just started.

The sector the Fund is active and is known for its attractive premiums in case of takeovers. The large cash buffers of the bigger pharma / biotech companies create the potential for many future acquisitions of smaller biotech companies.

The number of publicly listed biotech / life sciences genetics companies the Fund can select from is over 100 in the EU and the US together.

In the context of the EU Sustainable Finance Disclosure Regulation (SFDR), the Fund has been classified as an Article 8 fund.

Investment Policy

The Fund aims to gain value by investing in publicly traded shares of genetics biotech / life sciences companies. It invests in highly innovative companies that develop and market new genetics medical treatments such as gene, RNA and cell therapies. It can to a limited extent also invest in companies that develop and market medical genetics diagnostics. The Fund may also invest in warrants of such companies. Often these warrants are received as part of an equity issue by a company. It will typically invest in companies with the potential to (more than) double their share price over a period of maximum 4-5 years. The Fund aims to make investments in companies located globally, provided that most investments are likely to be made in companies located in Europe and Northern America given the innovation power in biotech in these markets.

The Fund has a focused portfolio, investing in approximately 18 companies. Within this focus it will ensure that the portfolio is diversified over different diseases, development phases and geographical areas.

Investment Objective

The Fund's objective is to make an average minimum annual net return (after deduction of costs) of 20%+ over the mid-term (4-5 years).

Aescap Genetics Fund

Profile & Structure (Continued)

Investment Discipline and Criteria

The Fund aims to select those publicly listed genetics biotech / life sciences companies which are undervalued based on their growth potential. The value creation in which it aims to invest is typically based on:
- a significant potential growth in revenues/profit;
- the achievement of clinical study milestones; and/or
- the closing of a partnership or similar deal with a larger biotech / life sciences company in the field, one that most likely already has a sales force active in the disease area the licensing deal is representing.

The companies the Fund will invest in are typically acquisition targets for biopharmaceutical multinationals, which are known for their constant hunger to fill their pipelines.

Investment decisions are based on fundamental company analyses of the company's technology and/or products, product development risks, market entrée barriers, competition, financials and the expected market development. But maybe even more important by making serious efforts to understand the strengths and weaknesses of management and their view on the future of the company and the markets they serve.

The Fund may, if the Fund Manager has a good reason to do so, hold a substantial percentage of the Fund in cash. The Fund can make limited use of borrowed money. A maximum of 10% of the Net Asset Value can be borrowed money:
- to bridge temporary liquidity shortages;
- to make use of one or more investment opportunities after new subscription orders have come into the Fund from Unit Holders.

For the most important investment criteria we refer to section 4.5 of the Prospectus.

Risk control

The portfolio of companies of the Fund is expected to consist of a limited number of approximately 18 companies. It is this 'cherry picking' from a basket of over 100 publicly listed companies in the genetics biotech / life sciences sector which should drive the outperformance of the different biotech indexes / trackers. In order to reduce the risks of investing in this sector the Fund will diversify its portfolio over several disease areas, different phases of product development as well as geographical areas.

Risk Profile

Investing in biotech companies involves a high degree of risk and prices of the securities of such companies, especially of companies with a small market cap, may be volatile. Furthermore, there is concentration risk because of the genetics biotech focus and a relatively small portfolio of approximately 18 companies. Investments are also often made in a foreign currency like the US dollar and foreign currency exposures are not hedged back to the Euro, the base currency of the Fund. Please see Section 5 of the Prospectus for an overview of all risk factors in relation to (an investment in) the Fund.

For investment criteria and investment restrictions as well as the Fund characteristics and investor profile more in detail we refer to section 4 of the Prospectus.

Most important risks and uncertainties

A Unit Holder cannot lose more than the amount invested in the Fund by that Unit Holder.

The most important risks, which must be considered that are common with an investment fund of this nature, involved in investing in the Fund include among others :

Volatility risk

There are financial risks involved with investing in Units of the Fund. Unit Holders have to realize that the stock market value of underlying investments of the Fund may significantly fluctuate, especially in the biotech / life sciences market where governmental regulations and/or technology risks can have a significant impact on a company's value. As a result of fluctuations of the biotech / life sciences stock markets, the Net Asset Value of the Fund may also fluctuate, which means that it is possible that Unit Holders, when redeeming, may not receive the full amount invested in the Fund.

Market risk

Markets may rise and fall and the prices of financial instruments and other assets on the financial markets in general, and more specifically the prices of assets of the nature and type the Fund may invest in and hold, can rise and fall. A careful selection and spread of investments does not provide any guarantee of positive results. In the biotech / life sciences market, governmental measures or involvement related to medicine approvals, pricing intervention, other governmental related intervention as well as technology risks can have a large impact on the value of one single company or the market as a whole. There may be various reasons why markets fall like recessions caused by a change in the economic business cycle or a pandemic.

Aescap Genetics Fund

Profile & Structure (Continued)

Currency risk
The Fund does not hedge currency positions. Investments other than in Euros can therefore cause fluctuations. The Net Asset Value of the EUR denominated Unit Classes may therefore be affected by exchange rate fluctuations, positive as well as negative.

Risk that investments do not develop as expected
The Fund aims for an average yearly mid-term minimum net return of 20% per annum, after deduction of all costs. There is however no guarantee that this return will be achieved. Moreover, no guarantee can be given that the analyses of the Fund Manager concerning the expected development of the portfolio of companies are correct.

Risks related to the sector the Fund invests in
The sector the Fund is investing in comes with certain specific risks such as:
- Potential weakening of the patent protection environment in one or more jurisdictions;
- Financing risk, given the fact that many biotech companies are loss making and therefore are in need of further financing to develop their products;
- Major technology breakthroughs outside of the Fund's portfolio;
- Legal or regulatory developments influencing the life sciences industry and/or the investments made by the Fund;
- Changes in projections by securities analysts of a company;
- Biotech stock market fluctuations;

Risks of a general economic and political nature
Investments made by the Fund are subject to general economic risks, for instance, reduced economic activity, rising interest rates, inflation and rising prices of commodities. The value of the Fund can also be influenced by political developments, wars and other global trends and events.

Concentration risk
Because of the limitation of investments to approximately 18 different companies, there may be stronger fluctuations in the Net Asset Value of the Fund in case one or more particular investments by the Fund would decrease in value, than it would normally be the case if the investments were more spread. As a result of the strategy of the Fund, the returns of the Fund can deviate significantly from the returns of a world equity index. As a consequence thereof, specific risks arise that are reflected in differences in performance between the Fund and the global equity indices, positively and negatively.

Systemic risk
Certain events in the world or certain activities from one or more important parties in the financial markets can lead to a disturbance in the normal functioning of the financial markets. As a result of this, substantial losses may arise, caused by liquidity and counterparty risks following from such a disturbance.

Cyber Security risk
The Unit Holders are exposed to the risk of a cyber attack or data breach at the level of the Fund Manager or at the level of the service providers. The Fund Manager and service providers have implemented measures to mitigate this risk as much as possible.

Inflation risk
There may be a risk that the purchasing power of the amount invested by the Unit Holder in the Fund decreases as a result of inflation.

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 the investment or a longer-term impact on the operations or earnings capacity of the investment. The Fund has identified multiple sustainability risks which may impact the value of its investments to a varying degree.

Risk of limited redemption
Units can only be transferred to the Fund (except for transfers to persons that are next of kin or direct in law of a Unit Holder). The Fund is in principle obliged to purchase Units on a weekly basis, on a Transaction Day. Under certain circumstances the Fund Manager is authorized to delay redemption or honor redemption requests only partially (see Section 16 of the Prospectus: "Redemption"). In those cases the Unit Holder is not able to redeem, or redeem only partially, its Units. This may (also) have a negative effect on the price of the Units.

Indemnification risk
The Fund Manager and the Legal Owner are entitled to be indemnified out of the Fund Assets against costs, losses and expenses which they may incur or become liable in connection with the execution of their duties. In addition, the Depositary, the Administrator and other service providers also are entitled to an indemnity under the terms of their respective agreements for the services they provide. These obligations could require substantial indemnification payments out of the Fund Assets, provided however that the Depositary shall not be so indemnified with respect to any matter resulting from its negligent or intentional failure to properly fulfil its obligations in accordance with article 21(12) of the AIFM Directive, and no other person shall be so indemnified with respect to any matter resulting from its attributable breach (toerekenbare tekortkoming in de nakoming).

Counterparty risk
The Fund will be subject to the risk of the inability or refusal of payment or clearing institutions, principals or other service providers or other counterparties to its transactions, to perform or to perform in time under such services or transactions. Any such failure, refusal or delay, whether due to insolvency, bankruptcy or other causes, could subject the Fund to substantial losses. The Fund Manager will seek to mitigate these risks by reviewing the creditworthiness and reliability of all service providers and counterparties and only entering into transactions with those parties that the Fund believes to be creditworthy and reliable.

Aescap Genetics Fund

Profile & Structure (Continued)

Liquidity risk
If, due to unforeseen circumstances, normal liquidity conditions do not apply, the Fund could face liquidity risk. This could imply that financial instruments cannot be sold or bought under normal market conditions, leading to significant direct and indirect transaction costs. It may also mean that positions cannot be sold at the anticipated price as established and deemed to be the fair value at the date of deciding to liquidate/sell those positions. This may have a negative effect on the Net Asset Value of a Unit.

Settlement risk
This is the risk that settlement through a payment system does not take place as expected, because the payment or delivery of the financial instruments by a counter party does not take place, or does not take place on time, or is not as expected.

Risk of change in (fiscal) laws
This is the risk that (fiscal) legislation changes or that new legislation comes into force that negatively affects the fiscal treatment of Fund or its Unit Holders or the risk that unclear rules and regulations and conflicting advice may result in a breach of rules and regulations applicable to the Fund. Resulting fines and other sanctions and possible damage to the reputation of the Fund, the Fund Manager and other connected persons may result in a negative impact on the Net Asset Value of the Fund and the Units.

Key man risk
Patrick Krol has been assigned by the Fund Manager as Portfolio Manager of the Fund. Unit Holders are exposed to the risk that Patrick Krol ceases to be involved with the Fund Manager.

Regulatory supervision and compliance risk
The regulatory rules keep evolving and changes therein may adversely affect the functioning of the Fund and/or the Fund Manager's ability to pursue the investment policy for the Fund. Unclear rules and regulations and conflicting advice may result in a breach of rules and regulations applicable to the Fund, Resulting fines and other sanctions and possible damage to the reputation of the Fund, the Fund Manager and other connected persons may result in a negative impact on the Net Asset Value of the Fund and the Units.

Operational risk
There is a risk that the internal processes, people and systems of the Fund Manager fail, which may have a negative effect on the business continuity of the Fund Manager and its ability to pursue the investment policy.

Legal Owner
The Legal Owner of the Fund is Stichting Aescap Genetics Fund, having its office at Hoogoorddreef 15, 1101 BA Amsterdam. The Legal Owner is a foundation established under the laws of The Netherlands on 11 November 2021 in Amsterdam, which is registered in the Trade Register at the Chamber of Commerce in Amsterdam under number 84469064. The Legal Owner's only statutory purpose is to act as Legal Owner of the Fund and to protect the interests of the Unit Holders. It will have access to all reports from the Administrator.

The most important task and power of the Legal Owner is to act as legal owner of the Fund Assets and incur and/or assume the Fund Obligations on behalf and for the account and risk of the Unit Holders.

Fund Manager
The Fund is managed by Privium Fund Management B.V.(the "Fund Manager"). The Fund Manager is responsible for the entire management of the Fund in accordance with the provisions of the Fund Document (the "Prospectus") dated 14 January 2022 and applicable laws. The Fund Manager is also responsible for maintaining records and furnishing or causing to be furnished all required records or other information of the Fund to the extent such records, reports and other information are not maintained or furnished by the Administrator, the Legal Owner, the Depositary or other service providers.

Privium Fund Management B.V. is a private limited liability company (besloten vennootschap met beperkte aansprakelijkheid) incorporated under the laws of the Netherlands having its official seat (zetel) in Amsterdam, the Netherlands and its principal offices at Symphony Towers 26/F, Gustav Mahlerplein 3, 1082 MS Amsterdam, the Netherlands. The Fund Manager is registered in the Dutch trade register (handelsregister) under file number 34268930.

The Fund Manager performs its services in accordance with the Prospectus. Pursuant to the Prospectus the Fund Manager has the full and exclusive power, discretion and authority to invest and manage the assets of the Fund.

The statutory management board (bestuur) of the Fund Manager consists of Mr C.H.A. Heijman, Mr M. Baak and Mr R.J. van Hoorn who are the (daily) policy makers of the Fund Manager.

The Fund Manager holds an AIFM license issued by the AFM within the meaning of article 2:65(a) FSA and is subject to conduct of business and prudential supervision by the AFM and DNB respectively.

The most important tasks and powers of the Fund Manager are the following:
- to determine and execute the investment policy of the Fund (including, but not limited to, making investment- and divestment decisions);
- to check the administration of the Fund executed by the Administrator;
- to assess whether the Administrator determines the Net Asset Value for the Fund and for each Unit Class correctly and on time;
- to ensure that the Fund complies with the relevant regulations and reporting obligations;
- to ensure that the Fund complies with the defined risk management framework as further described briefly below;
- generally to observe the interests of the Unit Holders in accordance with the Prospectus.

For details relating to delegation of Fund Manager's duties, resignation and removal of the Fund Manager, liability of the Fund Manager, Indemnification, Insurance as well as other Funds managed by the Fund Manager we refer to section 6 of the Prospectus.

Aescap Genetics Fund

Profile & Structure (Continued)

The Portfolio Manager
The portfolio of the Fund is managed by Mr. Patrick J.H. Krol (1963) who is supported by several analysts. Additionally, advisors and industry/medical experts may be used. The advisors and industry/medical experts will not provide any investment advice for which an investment advisory license is needed but may be asked to provide their knowledge on a certain disease, medicine, market segment, etc. The advisors or industry/medical experts shall not make any investment decisions either.

Patrick Johan Hendrik Krol (1963), Founder and Portfolio Manager
Patrick Krol is a biotech investment and business development specialist. Patrick joined biotech venture capital fund Aescap 1 as an Investment Partner at its start in 2005 and in 2009 became the fund's Managing Partner. In 2015 he took over the Aescap name to launch Aescap Life Sciences, a fund for joint account investing in public biotech companies based on Patrick's successful track record as a private investor in public biotech. From 1995 to 2005, Patrick guided over 35 public pharma and biotech companies to successfully launch or grow their products. As a Founder and Managing Director at consultancy company Firm United Healthcare from 1997 to 2004, Patrick was responsible for growing the company to become a market leader. During this period, he also co-founded Interactive Healthcare and the Healthcare Management School. In 2004 he sold his share in all three companies to become a biotech investment professional. Since 2004 he has gained experience on board level in the life sciences sector as the chairman of the supervisory boards of i-Optics B.V. and to-BBB technologies B.V. and as a Non-Executive Director of Aquapharm Biodiscovery Ltd, EasyScan Holding BV, Cassini Holding BV, and Shire International Licensing BV (a subsidiary of top-20 biopharma company Shire Plc), and as a supervisory director of F-star GmbH, F-Star Alpha Ltd, F-Star Beta Ltd, F-Star Gamma Ltd, F-Star Delta Ltd and Orphazyme Aps. In 2003, he became a visiting teacher of the business school of the University of Wageningen teaching 'Strategy in the pharmaceutical Industry'. He published several articles on biopharma marketing and communications strategy and has been a speaker and moderator at life sciences seminars and congresses. Patrick studied physical therapy followed by business economics and later in his career concluded an M.B.A. in Executive Management and Consultancy at LMS.

Key Person
Patrick Krol will be the Key Person of the Fund and a Key Person Event means the situation occurring when the Key Person ceases to be actively involved in the business and affairs of the Fund as a Portfolio Manager. The Fund Manager shall without delay give notice to the Investor Advisory Committee and the Unit Holders of the occurrence of a Key Persons Event. In case of a Key Person Event the Investor Advisory Committee, in consultation with the Fund Manager and the Legal Owner, will decide on how to continue with the Fund or potentially how to liquidate the portfolio of the Fund and put it to an end.

Administrator
IQ EQ Financial Services B.V. established in Amsterdam, The Netherlands, has been appointed as the administrator.

The most important tasks of the Administrator, under responsibility of the Fund Manager, are:
- conducting the financial and investment administration of the Fund;
- calculating the Net Asset Value of the Fund and for each Unit Class and Series; and
- keeping the register of Unit Holders of the Fund.

Depositary
Darwin Depositary Services B.V. established in Amsterdam, The Netherlands, has been appointed as the depositary.

The most important tasks of the Depositary are:
- safekeeping of financial instruments in which the Fund has invested;
- ensuring that the Fund Manager acts in accordance with the Investment Policy; and
- monitoring of cash flows in respect of the Fund and ensuring that issue and redemption of Units and determination of the Net Asset Value is performed correctly.

The actual safekeeping of the financial instruments in which the Fund has invested is delegated to the Custodian. The Depositary has delegated the safekeeping of the relevant Fund Assets to Saxo Bank A/S.

Depositary agreement
The Fund Manager and Depositary have concluded an agreement (the 'Depositary Agreement') setting out the duties of the Depositary and what the Fund Manager must do to enable the Depositary to perform those duties duly.

Unit Holders
The Unit Holders are jointly economically entitled (each proportionally, taking into account the Series they form part of, according to the number of Units owned) to the net assets of the Fund. The combined assets of the Unit Holders invested in the Fund are intended for collective investment and for their own account and risk. (See Section 13 of the Prospectus, "Unit Holders").

Contractual arrangement between Unit Holders, Fund Manager and Legal Owner
The Fund being the contractual arrangement between Unit Holders, the Fund Manager and the Legal Owner is governed by the Prospectus.

Voting in meetings of shareholders of companies in which the Fund invests

The Fund Manager is supposed to have at its disposal the shares and the voting rights attached thereto that the Legal Owner holds. In principle, the Fund Manager will use the voting rights attached to the shares held by the Fund. The Fund Manager will use these voting rights in such manner that can be conducive to realizing the Fund's investment objective. There is no obligation for the Fund Manager to use its voting rights.

Amsterdam, 30 April 2023

Privium Fund Management B.V.

Aescap Genetics Fund

Profile & Structure (Continued)

Risk management

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

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

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

The risk management function performs the following roles:
- Implement effective risk management policies and procedures in order to identify, measure, manage and monitor risks;
- Ensure that the risk profile of an AIF is consistent with the risk limits set for the AIF;
- Monitor the liquidity profile of the AIF;
- Monitor sustainability risk levels;
- Monitor compliance with risk limits; and
- Provide regular updates to senior management concerning:

1: The consistency of stated profile versus risk limits;
2: The adequacy and effectiveness of the risk management process; and
3: The current level of risk of each AIF and any actual or foreseeable breaches of risk limits.

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

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

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

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

The 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 2022 and during the first two months of 2023 this audit was performed and the findings were reported to Privium’s management. The audit did not demonstrate any material deviations.

Aescap Genetics Fund

Management report

Aescap Genetics started operations on January 19, 2022. During January 19, 2022 and December 31, 2022 the Fund returned -0.1%. During 2022 market sentiment was very weak due to the war in Ukraine, high inflation rates and the increase in interest rates as a result. The Fund outperformed the biotech market by a wide margin. Here the performance of the biotech market is measured by the performance of the SPDR S&P Biotech Index (in EUR) which returned -7.17% (in EUR) during the same time period.

The decline of the S&P Biotech from its peak in early 2021 to late 2022 is 50%. However, fundamentals continue to be very strong.

Genetics medicines gaining attention

Several M&A deals recently involved cell and gene therapy companies. The largest was the acquisition of Akouos by multinational Eli Lilly. Akouos is developing a portfolio of gene therapies for the treatment of ear conditions, including hearing loss.

Those acquisitions symbolize a continued confidence of big pharma companies in the potential of genetics medicines to produce treatments that work way better than the technologies they have at hand today.

From Symptom Treatment to Cure

The number of genetic drugs that are already far enough in Research & Development (R&D) that they can be tested on humans has been increasing by an average of 27% per year since 2016.

At the end of 2022 over 50 genetics medicines were approved and over 900 are in clinical testing.

The worst economic times yield the best innovation.

The long-term vision of Aescap Genetics combined with a high degree of innovation in companies where stock prices have been under pressure for the last 2 years, provides great opportunities to invest. Now that the market is down, it's the perfect time for us to take a stake in those companies where we have a high conviction that they're going to make a difference in the way patients are treated. This is not only good for our investors, but also for society as a whole.

Genetic medicines are at the start of a revolution in the way many diseases are treated. Because they tackle the disease at the root cause and therefore can often actually cure rather than treat the symptoms.

Investment Team

Two of the team members, Paolo del Bufalo and Etienne Daher, were promoted to senior analyst. There were no other changes in the investment team.

Outlook

Due to the downward spiral in biotech share prices described above, we expect a turnaround in 2023. Of course, there are various risk factors that could spoil this outlook, including geopolitical issues, but the growth fundamentals for the sector are unchanged. The demand for medicine that increase our quality of life or can cure devastating diseases is increasing globally. Existing medicines are replaced by better ones, fueled by a high pace of innovation across the industry driven by genetics data and technologies.

Nobody knows when biotech share prices will get back to fair levels but eventually, they will. The timing of it will be influenced by the rate of M&A, investors' appetite for risk and/or impact.

Sustainability

Since its inception, the Aescap investment team has taken Environmental, Social and Governance (ESG) factors into consideration when analyzing the outside in and inside out facets of its portfolio companies and potential new investments according to the below framework.

Integration of sustainability risks

Sustainability risks are categorized into Environmental, Social or Governance (ESG) issues and may pose a material risk to the value of an investment.

Policy on the integration of sustainability risks into investment decisions

Not all sustainability risks may have a material negative effect on the value of an investment. Also, the relevancy of each sustainability risk may differ based on the economic sector the investment is active in. Therefore, the Fund applies the Materiality Map of the Sustainability Accounting Standards Board (SASB) to determine which sustainability risks are material to consider in the investment decision-making process.

SASB has identified more than 25 sustainability risks divided across the E, S, and G topics. Dependent on the economic sector the investment is active in, these risks are marked either 1) not material, 2) not likely material, 3) likely material. For a risk to be classified as likely material, SASB has found that for over 50% of the companies active in that sector, the risk has a significant impact on the financial position or operational activities.

In each investment decision the relevant material sustainability risks are investigated using the following focus points:
- Policy and practices: Investigating if relevant sustainability risks to the investment are well covered by policies informs if all risks are sufficiently in scope and in control. if so, then the value of the investment may be less sensitive to the relevant sustainability risk than its peers.

- Incidents: If the sector or the investment experienced significant incidents regarding the relevant sustainability risk recently, this may inform the understanding of both the frequency of it occurring, as well as the investments readiness and quality of response. Better preparedness and a strong response mean the value of the investment may be less sensitive to the relevant sustainability risk than its peers.

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

Aescap Genetics Fund

Management report (continued)

Considering the sector focus of the Fund, the following sustainability risks are presumed to be likely material for the investments made by the Fund in the economic sector Biotechnology & Pharmaceuticals as defined by SASB. This list may be supplemented with any other SASB risks that the portfolio manager deems relevant in its analysis.

- Human rights & community relations; Safety and quality of clinical trials and participants.
- Access & affordability; Access to medicines, affordability & pricing.
- Product quality & safety; Medicine safety, defects, inadequate disclosure of risks during pre-clinical studies and clinical trials.
- Customer welfare; Patient follow-up and support for marketed products and during clinical trials.
- Selling practices & product labeling; Ethical marketing to medical specialists and patients.
- Employee engagement, diversity & inclusion; recruitment, development & retention.
- Supply chain management; quality and safety of supply chain management.
- Business ethics; Excessive pricing and uncompetitive behavior.

Monitoring of sustainability risks in the Fund

On an ongoing basis, the sustainability risk analyses for the investments of the Fund are reviewed and updated if and when applicable. Here, material changes to the individual sustainability risks of an investment are not expected to occur often. An update of the estimated sensitivity of the value of the investment to a sustainability risk might be triggered by a change in the policies and practices of the investment, or by a significant incident regarding the sustainability risk.

The material sustainability risk exposures and the concentration of high sensitivity investments in the Fund are part of the risk management policy of the Fund Manager and are monitored on a monthly basis.

Article 8 classification - promotion of social characteristics

In addition to its financial aim to gain value by investing in publicly traded shares of biopharmaceutical companies and potentially also diagnostics and/or medical device companies, the Fund promotes a social characteristic. In the context of the Sustainable Finance Disclosure Regulation (SFDR), the Fund is therefore classified as an Article 8 fund. As the Fund promotes social characteristics, the underlying investments do not take into account the EU criteria for environmentally sustainable economic activities.

Researching, developing, or producing treatment/solutions for diseases with a high unmet medical need is the main focus point of the funds' investments. There is no universal definition of "unmet medical need" and the definition actually varies depending on the stakeholders involved (like payers, regulators, patients or medicines/solutions developers).

We considered this heterogeneity and defined that these types of diseases (for example Alzheimer's Disease, Arthrosis, Diabetes, Multiple Sclerosis, Obesity, Cancer, Parkinson's Disease) are characterized by: (inadequacy of) available treatments, severity of impact on the patient and severity of impact on the healthcare system, in the geographies in which the company currently or plans to market or distribute its current or future product(s). We believe those three items can encompass what an unmet medical need is in our industry.

Developing medicines and other solutions for diseases where there is a high unmet medical need has a tremendous positive impact at various levels of our society. The first and most obvious is for patients affected by such diseases. The wide ranges of disease types and severity can impact people in many ways. Some of these diseases are eventually fatal, but the unmet medical need does not lie solely on mortality. In fact, patient's lives can be disrupted by conditions that impair the senses (e.g., blinding diseases, that can be congenital, age-related, or trauma related), affect walking and physical function abilities (e.g., muscle wasting diseases, not always fatal but always limiting), disrupt the integrity of the skin (e.g., skin scarring and scaling diseases), challenge the mental status of the patient (e.g., mood disorders), as well as in countless other ways. A person's health should not be limited to assessing whether that person is alive, but the assessment should focus on the patient's overall wellbeing and the function of each organ system, including mental health. By alleviating or even curing any of the conditions, the quality and length of life for patients improves dramatically.

Improving people's health by developing medicines and other solutions, or enabling their development, has impacts that go beyond patients and their health. If patients' health improves, it can enable them to resume working, enjoying their social lives, and reduce the stress on family and friends, leading to an immediate contribution to the function of society as well as a relief on the healthcare system that was supporting them before, leading to reduced public and private spending as well as to lowered consumption of resources that can impact the environment.

Measurement of the social characteristics

The Fund promotes a social characteristic, but does not have as its objective sustainable investment. The Fund aims to have a minimum proportion of 30% (measured based on invested capital) of sustainable investments that contribute to the social characteristic. By measuring and monitoring the alignment of the portfolio and Fund activities to the focus points above, the Fund provides insight into how its social characteristic is achieved. The Fund reports annually on the following:

1. Percentage of investee companies researching, developing or producing treatment for diseases with a high unmet medical need

There is no universal definition of "unmet medical need" and the definition actually varies depending on the stakeholders involved (like payers, regulators, patients or medicines developers).

Considering this heterogeneity and the fact that these types of diseases (for example Alzheimer's Disease, Arthrosis, Diabetes, Multiple Sclerosis, Obesity, Cancer, Parkinson's Disease) are characterized by:
1. (inadequacy of) available treatments,
2. severity of impact on the patient and
3. severity of impact on the health care system, in the geographies in which the company currently or plans to market or distribute its current or future product;
those three items can encompass what an unmet medical need is in the context of the healthcare sector.

Aescap Genetics Fund

Management report (continued)

A company qualifies to contribute on this characteristic among the Fund's investments if:

For a company with product(s) on the market that has been profitable in the past 3 years:

≥ 50% of the products it markets are aimed at treating diseases with a high unmet medical need

For an unprofitable company with product(s) on the market or for a company without product(s) on the market:

≥ 50% of its pipeline programs and products on the market are aimed at treating diseases with a high unmet medical need

If a company qualifies, then the actual % of pipeline programs and/or products on the market addressing a high unmet medical need will be used in the calculation of how much of fund's AUM is contributing to this characteristic, proportionate to that company's weight in the portfolio.

If a company does not qualify, then it counts for 0% to the fund's calculation of AUM contribution to the high unmet need goal.

2. Progress on ESG best-practice engagement following a sustainable investment strategy

The companies the Fund invests in should not only have strong financials, good management and comply with the regulations, but they should also continue to improve their Environmental, Social and Governance (ESG) performance wherever possible. The Portfolio Manager has a long history of investing in- and engaging with biotech companies. Engagement with companies can be very effective and can have a concrete and direct impact on their policies and practices. This not only benefits the company, but all stakeholders and ultimately society at large.

Findings from the ESG material risk analysis and Do No significant Harm analysis are combined to inform the engagement priorities for a portfolio company.

Results and findings as of December 31, 2022

1. Percentage of investee companies researching, developing or producing treatment for diseases with a high unmet medical need

Based on the portfolio holdings per December 31, 2022, 72% of the Fund's assets under management was invested in companies that are researching, developing or producing treatment for diseases with a high unmet medical need. This represents 86% of the invested capital of the

2. Progress on ESG best-practice engagement following a sustainable investment strategy

As ESG has become a topic of increasing importance to the Fund and key stakeholders (investment funds, companies, etc.). In 2022, the Fund further engaged to different degrees with its portfolio companies in order to ensure that all met the new ESG standards the Fund had set itself.

A handful of companies already had a yearly ESG report publication. The data sourcing at these companies was swift as we would have all relevant information readily available, and if not, we would directly engage with relevant key persons from the portfolio company.

However, as ESG regulations had only recently been put into place for investment funds, most companies had no information available and therefore a dialog with the company was required to assess the status quo and progress on all relevant topics. First contact was usually held directly with management team during regular meetings the Fund has with its portfolio companies, or via email. If necessary, questions on relevant topics would be sent and answers would be gathered internally before feedback would be given, if necessary, by the Fund.

In 2022, the Fund has engaged with 12 of the 19 portfolio companies it counted as of December 31, 2022. The other portfolio companies had information readily available from their website or relevant company filings. Of the 12 companies the Fund engaged with, 3 required multiple extensive discussions, first to raise awareness around new regulations, and second to define a common deadline for ESG data disclosure.

While the Fund realizes that it has limited impact on large companies, its impact on smaller companies is noticeable. For example, a smaller portfolio company was completely unaware of the growing importance that ESG topics have within the investor community, and upon our request started working on collecting the necessary information.

So far, no company disclosures have forced us to reconsider our investment position. If a company were to disclose such information, multiple steps would be taken before we reach this last step: (i) direct contact with company to flag the issues and discuss their intentions on resolving them (ii) continue discussions and make clear that continued breach of our ESG principles could lead to position divestment (iii) making use of our ownership % to vote relevant resolutions during shareholder meetings (iv) position divestment (after 3 years of breach and no effort undertaken to solution the issue).

Three portfolio companies we have engaged with still have not provided satisfactory answers and information regarding the fund's ESG topics and principles, but have mentioned they would do so in the near future. We will keep close contact especially with this companies and take further action should the companies fail to comply with agreed upon deadlines or the fund's ESG principles.

Principal Adverse Impacts on sustainability factors
When making investment decisions, the investment team did consider the possible negative impacts of investments on sustainability factors. The Fund Manager has published an principal adverse impact (PAI) statement of its website and the website of the Fund. Initial reporting on the PAI metrics will take place in June 2023.

In Annex I of these Financial Statements additional SFDR disclosures on social characteristics are being provided according to a prescribed template.

Aescap Genetics Fund

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 2022 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 2022 functioned effectively as described. During 2022 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 2022 update was completed in November 2022. During the fourth quarter of 2022 and the first two months of 2023 the external audit officer performed its annual due diligence on a number of internal procedures at the Fund Manager. These are 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.

General principles of remuneration policy Privium Fund Management B.V. (´Privium´)

Privium Fund Management B.V ("Privium") has a careful, controlled and sustainable remuneration policy which meets all requirements included in the Alternative Investment Fund Managers Directive (AIFMD) and the guidelines on sound remuneration policies under the AIFMD (ESMA Guidelines). In line with the Sustainable Finance Disclosure Regulation (SFDR) the remuneration policy of Privium takes into account sustainability risks. 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.

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 salary (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 2022

This overview is based on the situation as of December 31, 2022. 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, 2021 and the second table shows the remuneration overview as of December 31, 2022.

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, 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**

Overview as December 31, 2022

	Identified staff in senior management roles	**Identified staff outside senior management roles**	**Total staff**
Number of staff	3	38	41
Total fixed remuneration	€ 279.397	€ 9.303.709	€ 9.583.106
Total variable remuneration	€ 0	€ 479.953	€ 479.953
Total remuneration	**€ 279.397**	**€ 9.783.663**	**€ 10.063.059**

Variable payments to both identified staff members in senior management roles and identified staff outside senior management depend on financial and non-financial performance indicators, such as; positive results of and the effort of employees to the profitability of the company, the performance of the funds, extraordinary commitment to the firm, customer satisfaction, work according best practice ethical standards, compliance with risk management policies, compliance with internal and external rules among them sustainability (risks). The variable payments are for at least 50% based on non-financial performance indicators and variable payments are not granted when the non-financial performance criteria- such as having taken into account the set (sustainability) risks - are not met.

In 2022 no variable remuneration specifically related to the Aescap Genetics has been paid to any Identified Staff of Privium.

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 Aescap Genetics this is not applicable to the Aescap Genetics.

Privium Fund Management B.V., the Fund Manager of the various funds, does not charge any employee remuneration fees to the funds, except for the Supermarkt Vastgoed fund. The Supermarkt Vastgoed fund already had an 'at cost' fee model prior to Privium being appointed as Fund Manager, instead of the more common model where the Fund Manager receives a management fee that is a percentage of the AUM.

Employee remuneration is paid out of the management and performance fees (if applicable). In total 41 staff members were involved during (some part of) the year 2022 (2021: 39), including consultants and including both part-time and full-time staff.

No staff members have earned more than Euro one million in relation to the performance results during the year 2022 (2021: three).

Risk management and willingness to take risks

The Fund started operations on January 19, 2022. During the reporting year 2022 there were no risk beaches. 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. 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 2022 NAV	Expected impact on 2023 NAV if risk materializes
Price/Market Risk	No	The fund has been holding cash and long only equity positions. Bottom-up company analysis is a very important item in mitigating risks during the holding period of a position. However share price fluctuations due to general equity market movements during the holding period can't be mitigated or avoided in full by conducting company analysis. This risk is inherent when securities like equities are traded.	The Fund started operations on January 19, 2022. Between January 19, 2022 and December 31, 2022 the Fund returned -0.1%. The Fund outperformed the S&P Biotech Index (measured through the SPDR S&P Biotech index ETF) in 2022. This index lost -7.2% during the mentioned reporting period (in EUR). The Fund also outperformed the second reference index, the MSCI World Small Cap Biotech Index (in EUR), which lost -10.24% during the mentioned reporting period.	Investments are being selected because of its interesting merits (product pipeline, attractive valuation, expected events, etc) but this will also depend on general market circumstances.
Sector risk	No	The Biotechnology sector is deemed to be a high risk sector. Bottom-up company analysis is a very important item in mitigating risks during the holding period of a position. However share price fluctuations due to company specific items during the holding period can't be mitigated or avoided in full by conducting company analysis.	The Fund started operations on January 19, 2022. Between January 19, 2022 and December 31, 2022 the Fund returned -0.1%. The Fund outperformed the S&P Biotech Index (measured through the SPDR S&P Biotech index ETF) in 2022. This index lost -7.2% during the mentioned reporting period (in EUR). The Fund also outperformed the second reference index, the MSCI World Small Cap Biotech Index (in EUR), which lost -10.24% during the mentioned reporting period.	Investments are being selected because of its interesting merits (attractive valuation, expected events, etc) but this will also depend on general market circumstances.
Interest rate risk	No	The Fund has no interest bearing financial instruments except for cash at bank (including custodian). Therefore the Fund is not exposed to significant interest rate risk.	None	None
Foreign Exchange risk	No	FX risk is not being hedged. It is not expected that this will change in the near future either.	Over 75% of the investments are denominated in non-EUR currencies of which the USD has the largest weight and because of the appreciation of the US Dollar in 2022, the US Dollar appreciated 5.8% vs the Euro, this had a positive impact on results.	This will largely depend on FX movements.
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.
Credit risk	No	Spare cash is maintained at Saxo Bank and ABN AMRO. Both parties are deemed to be solvent and we would reconsider the relationship if this changes.	None	None

The Russian invasion in Ukraine continues to cause uncertainty. 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 and cause a recession, especially in Europe. This might have an impact on the performance of the Fund.

Aescap Genetics Fund

Balance Sheet as per December 31, 2022

(before profit appropriation)

	Notes	31-12-22 EUR	31-12-22 EUR
Investments			
Securities	4	11,957,635	
			11,957,635
Receivables and current assets			
Cash at Banks	5	2,339,732	
Dividends receivable		370	
Intangible Assets - Formation expenses	6	41,051	
			2,381,153
Total Long Term and Current Assets			14,338,788
Current Liabilities (Due within One Year)			
Payables to the Fund Manager	7	11,115	
Payables for administration-, custodian- depositary- and legal ownerfees	7	283	
Payables to Unit Holders	7	10,000	
Other payables	7	6,080	
Total Current Liabilities			27,478
Total of Receivables and Current Assets Less Current Liabilities			2,353,675
TOTAL ASSETS LESS CURRENT LIABILITIES			14,311,310
Investors' equity			
Issued capital	8.1		14,088,562
Legal reserve	8.2		41,051
Undistributed result current period	8.3		181,697
TOTAL INVESTORS' EQUITY			14,311,310

Aescap Genetics Fund

Profit & Loss Account for the period January 18, 2022 (First closing date) - December 31, 2022

	Notes	18-01-22 / 31-12-22 EUR	EUR
Direct Income from Investments			
Dividends	9.1	1,605	
Interest Income	9.2	(4,455)	
			(2,850)
Indirect Income from investments			
Unrealised Price Gains on Investments	10.1	273,892	
Unrealised Currency Gains on Investments		49,323	
Realised Price Losses on Investments	10.2	(157,876)	
Realised Currency Gains on Investments	10.3	328,940	
			494,279
Other Income			
Exchange Differences on Cash (including FX)		(20,249)	
Subscription and redemption fees	9.3	2,438	
			(17,811)
Total income			**473,618**
Expenses			
Management Fee	11.1	115,089	
Administration Fee	11.2	63,151	
Custodian, Depositary and Legal Owner Fee	11.2	38,917	
Audit Fee	11.2	20,267	
Other Expenses	11.2	3,807	
			(241,231)
Depreciation			
Amortization of intangible fixed assets	6	9,638	
			(9,638)
Taxation			
Witholding tax expense		(1)	
			(1)
Total expenses			**(250,870)**
NET PROFIT FOR THE PERIOD			222,748
TOTAL COMPREHENSIVE PROFIT			222,748

Aescap Genetics Fund

Statement of Cash Flows for the period January 18, 2022 (First closing date) - December 31, 2022

	18-01-22 / 31-12-22	
	EUR	EUR
Cash Flow from Investing Activities		
Total Investment Result		222,748
Realised Price and Currency Results	(150,815)	
Unrealised Price and Currency Results	(323,215)	
Amortization of intangible fixed assets	(41,051)	
Purchase of Investments	(17,701,878)	
Sales of Investments	6,238,522	
Change in Short Term Receivables	-	
Change in Other Receivables	(370)	
Change in Current Liabilities	27,478	
		(11,951,329)
Net Cash Flow from Investing Activities		**(11,728,581)**
Cash Flow from Financing Activities		
Subscriptions	14,088,572	
Redemptions	(10)	
Net Cash Flow from Financing Activities		14,088,562
Net Cash Flow		2,359,981
Exchange Differences on Cash		(20,249)
Change in Cash at banks		**2,339,732**
Change in Cash at banks		
Cash and Cash Equivalents at the Start of the reporting period		-
Cash and Cash Equivalents at the End of the reporting period		2,339,732
Change in Cash at banks		**2,339,732**

Aescap Genetics Fund

Notes

1. General
The Fund is a mutual Fund ("fonds voor gemene rekening") under the laws of the Netherlands. It does not have legal personality.

The Fund's financial year runs from January 1 up to and including December 31. The first financial year of the Fund commenced on the nineteenth day of January 2022 and ended on the thirty first day of December 2022. The financial statements will be made up in accordance with Title 9 of Book 2 of the Dutch Civil Code. The financial statements are reported in Euros and are published within four (4) months after the end of the financial year. The financial statements consists of a report from the Fund Manager together with the annual accounts. The annual accounts consist of the balance sheet, the profit and loss account and the explanation thereof. The explanation will include at least an overview of the evolution of the Fund’s value over the financial year and the composition of the investments of the Fund at the end of the financial year concerned. The annual accounts are audited by Mazars N.V., whereas these semi annual accounts did not have had an audit by the independent auditor. The financial statements shall be made available to the Unit Holders via email and the website of the Fund and the Fund Manager.

The Fund started its activities as per January 19, 2022.

Tax Position of the Fund

Corporate income tax
The Fund is tax transparent for Dutch corporate tax purposes, as a consequence of which the Fund is not subject to Dutch corporate income tax. From a Dutch tax perspective, the returns on the investments received by the Fund directly influence the tax position of the Unit Holder.

Withholding taxes
Distributions by the Fund are not subject to Dutch dividend withholding tax as a consequence of its transparency for tax purposes. Due to its transparency, the Fund itself is not entitled to any credit or refund of Dutch dividend withholding tax or (non-reclaimable) foreign withholding taxes withheld on dividends and interest received, nor can the Fund claim any benefits under a tax treaty concluded by the Netherlands with other states.

The tax transparency of the Fund also implies that any dividend withholding tax and foreign withholding taxes withheld on its investments are allocated to the Unit Holders, i.e., on a pro rata basis. In principle, such withholding taxes may be set off by the Unit Holders, whereby the conditions that apply are the same as would be the case for a direct investment (pro rata) by the relevant Unit Holder.

For the reporting period the fund did not receive any (withholding)tax refunds.

2. Principles of Valuation

2.1 Valuation of assets and liabilities
The assets and liabilities of the Fund will be valued in accordance with the following policies and principles:

Securities stated as investments are initially recognized at fair value plus directly attributable transaction costs. Subsequently these securities are stated against fair value. Gains and losses arising from fair value changes are taken to the profit and loss account.

Securities
- listed securities (shares) will be stated against fair value at initial recognition and subsequently stated at fair value. The fair value is determined at the last official traded price ("closing price") of the Business Day preceding the Valuation Day (or, if a stock exchange was not open for business, the previous Business Day).

- warrants are initially valued at fair value. The fair value is determined at the last official traded price and if not available warrants will be valued at a theoretical valuation model such as Black & Scholes.

Other assets and liabilities
- liquidities and deposits which are immediately payable are valued at amortized cost.
- assets and liabilities in a foreign currency will be converted into Euro at the exchange rate on the last Business Day preceding the Valuation Day

- other assets and liabilities are valued at their nominal value.

Expenses related to the purchase of investments are included in the cost of investments. Sales charges, if any, are deducted from gross proceeds and will be expressed in the capital gain/losses.

2.2. Foreign Currency Translation
Assets and liabilities in foreign currencies are translated into EUR at the rate of exchange as at the balance sheet date. All exchange differences are taken to the profit and loss account. Income and expenses in foreign currencies are translated at the exchange rate as per transaction date.

Rates of exchange used as at December 31, 2022:

	31-12-22
EUR / USD	**1.0705**

Aescap Genetics Fund

Notes (continued)

2.3 Other Assets and Liablities
Other assets and liabilities are recorded at fair value and then valued at amortised cost.

2.4 Income Recognition Principles
The result is determined by deducting expenses from the proceeds of dividend, interest and other income in the period under review. The realised revaluations of investments are determined by deducting the purchase price from the sale proceeds. The unrealised revaluations of investments are determined by deducting the purchase price or the balance sheet value at the start of the period under review from the balance sheet value at the end of the period under review. Brokerage fees payable on the acquisition of investments, if any, are considered to be part of the investments costs, and as a result, are not taken to the profit and loss account.

2.5 Cash Flow Statement
The cash flow statement is prepared according to the indirect method. The presentation of the cash flow is derived from the investment result. In accordance with RJ 615.310 the cash flow statements consists of cash flows from investing and financing activities.

Cash flows in foreign currencies during the year are translated at the exchange rate prevailing at the transaction date. Exchange rate differences are separetely included in the cash flow statement between the net cash flow and the change in cash.

2.6 Subscription and Redemption of Units

2.6.1 Subscription
Currently the Fund is offering the following Unit Classes to Unit Holders:
- AESCAP Genetics Manager: Minimum investment is EUR 100,000
- AESCAP Genetics Investors: Minimum investment is EUR 500,000
- AESCAP Genetics Investors 10M+ ; Minimum investment is EUR 10,000,000
- AESCAP Genetics Investors 20M+: Minimum investment is EUR 20,000,000
- AESCAP Genetics Investors 30M+: Minimum investment is EUR 30,000,000

The Fund Manager can accept a lower minimum subscription amount for the Aescap Genetics Investors Unit Class. This minimum can be lowered to EUR 10,000. Clients of wealth managers, family offices or private banks, who have an executed discretionary portfolio management agreement or investment advisory services agreement with the wealth manager, family office or private bank, are accepted when the investment decision to invest in the Aescap Genetics is taken or advised by the wealth manager, family office or private bank. This will only be possible for the Aescap Genetics Investors Unit Class. Additionally, for family members (being defined as first and second degree relatives) of existing Unit Holders, subscription amounts below EUR 100,000 can be accepted as well. Here the subscription will be linked to the size of the current investment of the existing Unit Holder.

Existing Unit Holders can make applications for further Units in amounts of € 10,000 or more.

Issue of Units
The Fund may issue new Units of a particular Unit Class on each Transaction Day at the Net Asset Value per Unit in such Unit Class on the preceding Valuation Day. The Units shall be issued in Amsterdam. An anti-dilution levy will be charged, with a maximum of 0.05% of the subscription amount during normal market circumstances. This in order to meet any costs and expenses of the Fund incurred for the acquisition of Fund Assets in order to issue the Units. The anti-dilution levy is for the benefit of the Fund. The anti-dilution levy may be higher than 0.05% during times of severe market stress. The Fund Manager shall determine the anti-dilution levy for every Transaction Day based on the pending subscriptions and redemptions on that particular Transaction Date.

Subscription requests (latest 1 business day prior to the Transaction Day)
The Fund may issue new Units of a particular Unit Class on each Transaction Day at the Net Asset Value per Unit in such Unit Class on the preceding Valuation Day. An anti-dilution levy will be charged, with a maximum of 0.05% of the subscription amount during normal market circumstances. This in order to meet any costs and expenses of the Fund incurred for the acquisition of Fund Assets in order to issue the Units. The anti-dilution levy is for the benefit of the Fund. The anti-dilution levy may be higher than 0.05% during times of severe market stress. The Fund Manager shall determine the anti-dilution levy for every Transaction Day based on the pending subscriptions and redemptions on that particular Transaction Date.

Payment (latest 1 business day prior to the Transaction Day)
Payment is possible only through a bank account in the name of the Unit Holder. The subscription amount must be received in the account of the Legal Owner ultimately one Business Day prior to the relevant Transaction Day. No interest will be paid over the subscription amount for the period between the payment of the subscription amount and the issuance of Units. The interest which is accrued is for the benefit of the Fund. If the amount and/or forms are not received within the required timeframe, the subscription will take effect at the first business day of the following month. The Fund will make no adjustment or compensation for interest received over this period.

2.6.2 Redemption
Unless redemption is suspended (see "Suspension of redemption" below), the Fund will accept redemptions of Units on each Transaction Day at the Net Asset Value thereof in the applicable Series on the preceding Valuation Day (the "redemption value"), after deducting an anti-dilution levy of 0.05% of the redemption sum during normal market circumstances.The anti-dilution levy is to cover the transaction and other costs made in connection with the redemption and will be for the benefit of the Fund. This fee will be deducted from the amount to be received by the Unit Holder. The anti-dilution levy may be higher than 0.05% during times of severe market stress. The Fund Manager shall determine the anti-dilution levy for every Transaction Day based on the pending subscriptions and redemptions on that particular Transaction Date and will inform the Unit Holders of such determined anti-dilution levy.

Aescap Genetics Fund

Notes (continued)

Redemption requests
Redemption requests have to be received by the Fund Manager at least twenty (5) Business Days before the desired Transaction Day. The redemption request should indicate the amount in number of Units, up to four (4) decimals, for which redemption is requested. Partial redemption is only allowed if after redemption the Unit Holder is still holding Units with an aggregate Net Asset Value of at least € 100,000. The Fund Manager will check this upon receiving the redemption request. The Net Asset Value of the Units offered for redemption needs to amount to at least € 10,000.

To request for redemption, Unit Holders must use a special form, which can be downloaded from the Website.

Payment redemption amount
Redemption sums (Net Asset Value per Unit minus the anti-dilution levy) will be paid within five (5) Business Days of redemption to the bank account of the Unit Holders as mentioned in the register of Unit Holders. Payment on this bank account constitutes a discharge of the Fund towards the respective Unit Holder of the obligation to pay the redemption amount.

3. Financial instrument risk factors

Financial instrument risk management
The Fund and its manager has adequate risk management policies, procedures and systems in order to identify, measure, manage and monitor all risks that are relevant to the investment strategy and to which Aescap Genetics Fund is or may be exposed. The Manager has highly qualified staff in control functions which operate independently from the investment professionals. The Risk Manager performs an analysis of the governance, adequacy and effectiveness of risk limits, reporting and follow-up procedures on a regular basis. In addition, the Depositary of the Fund independently performs several checks regarding ownership of assets, valuations and cash flows from and to investors.

For the risk management and willingness to take risks disclosures we refer to the management report.

Fair value risk
The fund is not exposed to fair value risk whereas all financial instruments are valued at fair value.

Credit risk
The fund does not invest in any fixed income instruments resulting in no exposure to credit risk.

Find below the risks, the fund is exposed to, which may have direct impact on the valuation of the funds' financial instruments :

Market risk
Markets may rise and fall and the prices of financial instruments and other assets on the financial markets in general, and more specifically the prices of assets of the nature and type the Fund may invest in and hold, can rise and fall. A careful selection and spread of investments does not provide any guarantee of positive results. In the biotech / life sciences market, governmental measures or involvement related to medicine approvals, pricing intervention, other governmental related intervention as well as technology risks can have a large impact on the value of one single company or the market as a whole. There may be various reasons why markets fall like recessions caused by a change in the economic business cycle or a pandemic.

Currency risk
The Fund does not hedge currency positions. Investments other than in Euros can therefore cause fluctuations. The Net Asset Value of the EUR denominated Unit Classes may therefore be affected by exchange rate fluctuations, positive as well as negative.

Risks related to the sector the Fund invests in
The sector the Fund is investing in comes with certain specific risks such as:
- Potential weakening of the patent protection environment in one or more jurisdictions;
- Financing risk, given the fact that many biotech companies are loss making and therefore are in need of further financing to develop their products;
- Major technology breakthroughs outside of the Fund’s portfolio;
- Legal or regulatory developments influencing the life sciences industry and/or the investments made by the Fund;
- Changes in projections by securities analysts of a company;
- Biotech stock market fluctuations.

Concentration risk
Because of the limitation of investments to approximately 20 different companies, there may be stronger fluctuations in the Net Asset Value of the Fund in case one or more particular investments by the Fund would decrease in value, than it would normally be the case if the investments were more spread. As a result of the strategy of the Fund, the returns of the Fund can deviate significantly from the returns of a world equity index. As a consequence thereof, specific risks arise that are reflected in differences in performance between the Fund and the global equity indices, positively and negatively.

Liquidity risk
If, due to unforeseen circumstances, normal liquidity conditions do not apply, the Fund could face liquidity risk. This could imply that financial instruments cannot be sold or bought under normal market conditions, leading to significant direct and indirect transaction costs. It may also mean that positions cannot be sold at the anticipated price as established and deemed to be the fair value at the date of deciding to liquidate/sell those positions. This may have a negative effect on the Net Asset Value of a Unit.

Especially when the Fund will experience substantial redemption requests the Fund may be exposed to a great extent to this risk.

Fraud risk
The Fund Manager is aware of the possibility of fraud which might affect the assets of the Fund. Because of this the Fund Manager applies a range of measures and procedures to mitigate the fraud risk. These procedures are part of the Handbook of the Fund Manager. Due to the segregation of duties and responsibilities among people the risk of fraud is mitigated further.

Aescap Genetics Fund

Notes to the Balance Sheet

4. Investments

4.1 Statement of Changes in Securities

	31/12/22
Position as at the Start of the Period	-
Purchases	17,701,878
Sales	(6,238,522)
Realised gains/losses on investments	171,064
Unrealised gains/losses on investments	323,215
Position as at the End of the Period	11,957,635

	Position 19/01/22	Purchases	Sales	Unrealised results	Position 31/12/22
Equity Investments	-	17,701,878	(6,238,522)	494,279	11,957,635
Total	-	17,701,878	(6,238,522)	494,279	11,957,635

4.2 Transaction Costs

Transaction costs for the purchase of investments are capitalized within the historical cost price and for sales the transaction costs are discounted from the sales price. Transaction costs for the period under review amounts to €19,604.

5. Cash at Banks

Cash comprises cash held with ABN AMRO Bank N.V. and Saxo Bank with no usage restrictions.

6. Intangible assets

	31/12/22
Formation expenses	50,689
Amortizaton formation expenses	(9,638)
Bookvalue formation expenses	41,051

7. Current Liabilities (Due within One Year)	31/12/22
Management Fee (including Incentive Fee) payable	11,115
Audit Fee payable	6,080
Administration / Legal owner Fee payable	283
Liabilities to Unit Holders	10,000
Total Current Liabilities (Due within One Year)	27,478

The Liabilities to Unit Holders for an amount of EUR 10,000 as per end of the bookyear 2022 comprises subscription amounts paid in advance by Unit Holders, which amounts are invested into Units of the Fund as per January 1, 2023.

The fair value of the current liabilities is in line with its book value, considering the short-term nature of these liabilities.

Aescap Genetics Fund

Notes to the Balance Sheet

8. Investors' equity

8.1 Issued capital	31/12/22
Position as at the Start of the reporting period	–
Subscriptions	14,088,572
Redemptions	(10)
Position as at the End of reporting period	14,088,562

8.2 Legal reserve	
Position as at the Start of the reporting period	50,689
Transferred from Undistributed result	(9,638)
Position as at the End of the reporting period	41,051

8.3 Undistributed result current period	
Total Profit for the period	222,748
Transferred to/from Legal Reserve	(41,051)
Position as at the End of the reporting period	181,697

8.4 Investors' equity (Fund Net Asset Value)	**Net Asset Value per unit**	**number of units**	**number of equity 31/12/22**
AESCAP GENETICS Manager	1,012.8793	5,051	5,115,880
AESCAP GENETICS Investors	998.5360	9,209	9,195,429
Total Shareholders' Equity (Fund Net Asset Value)			14,311,309

Subsequent events (events after the balance sheet date)

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

Aescap Genetics Fund

Notes to the Profit & Loss Account

9. Income from Investments

9.1 Dividends
This refers to net cash dividends including withholding tax.

9.2 Interest Income
This amount was received / paid on outstanding cash balances.

9.3 Other Income
This refers to the charges received on units issued and repurchased. These costs are to cover transaction costs in relation with the purchase and sale of units and are booked as an income for the Fund.

10. Capital gains / losses

10.1 Unrealised price gains / losses on investments
This refers to unrealised gains on securities € 2,041,854 and unrealised losses on securities - € 1,767,962.

10.2 Realised price gains / losses on investments
This refers to realised gains on securities € 496,910 and realised losses on securities - € 654,786.

10.3 Realised currency gains / losses on investments
This refers to realised gains on securities € 332,498 and realised losses on securities - €3,558.

11. Expenses	19-01-22 / 31-12-22
11.1 Management Fees	
(1) Management Fee	115,089
(2) Performance Fee	-
	115,089

Management fees
The following annual management fee applies per Unit Class:
- AESCAP Genetics Manager: 0%
- AESCAP Genetics Investors: 1.5%
- AESCAP Genetics Investors 10M+: 1.35%
- AESCAP Genetics Investors 20M+: 1.2%
- AESCAP Genetics Investors 30M+: 1%

The mentioned fees are calculated on a weekly basis based on the Net Asset Value of the Fund, to be paid monthly in arrears.
The minimum management fee will at all times be at least EUR 75,000 per annum (net of any VAT). In case the management fee falls below this level the Fund will be liquidated.

Performance fees
The following performance fee applies per Unit Class:
- AESCAP Genetics Manager: 0%
- AESCAP Genetics Investors: 20%
- AESCAP Genetics Investors 10M+: 18%
- AESCAP Genetics Investors 20M+: 16%
- AESCAP Genetics Investors 30M+ : 15%

The OCF is calculated by dividing the total expenses (performance fee excluded) by the Net Asset Value as of December 31, 2022. The Net Asset Value is based on the NAV Calculation of 31 December 2022. The Net Asset Value for Aescap Genetics Investors Unit Class equals € 9,195,430 and the management fee for this Unit Class during the reporting period equals € 115,089 resulting in 1.25% for management fees for Aescap Genetics Investors Unit Class. The Total other expenses for the reporting period for Aescap Genetics Investors Unit Class and Aescap Genetics Management Units Class equal to € 135,781 resulting in 0.95% for other expenses based on the Net Asset Value of € 14,311,310 as of December 31, 2022. This results in a total OCF figure of 2.20 % for the reporting period for Aescap Genetics Investors Unit Class.

Aescap Genetics Fund

Notes to the Profit & Loss Account

11.2 Other expenses	19-01-22 / 31-12-22
Administration Fee	63,151
Custodian, Depositary and Legal Owner Fee	38,917
Audit Fee *	20,267
Other	3,807
	126,142

* The audit fees fully relate to the audit of the financial statements of the fund. The auditor provides no other services.

Ongoing Cost Figure (OCF) Aescap Investor Units Class and Aescap Management Units Class
The OCF is calculated by dividing the total expenses (performance fee excluded) by the Net Asset Value as of December 31, 2022. The Net Asset Value is based on the NAV Calculation of 31 December 2022. The Net Asset Value for Aescap Genetics Investors Unit Class equal to € 9,195,430 and the management fee for this Unit Class during the reporting period equal to € 115,089 resulting in 1.25% for management fees for Aescap Genetics Investors Unit Class. The Total other expenses for the reporting period for Aescap Genetics Investors Unit Class and Aescap Genetics Management Units Class equal to € 135,781 resulting in 0.95% for other expenses based on the Net Asset Value of € 14,311,310 as of December 31, 2022. This results in a total OCF figure of 2.20 % for the reporting period for Aescap Genetics Investors Unit Class.

For the reporting period the OCF of the fund (Aescap Genetics Investors Class) is equal to: 2.20%.

In the prospectus the OCF of the fund is estimated to be 1.77% per annum, assuming an average Net Asset Value of the fund of € 50 million (1.61% for a Net Asset Value of the fund of € 150 million). The OCF figures as disclosed above are valid for the Aescap Genetics Investors Unit Class whereas the fund management shares do not have management fees and performance fees included.

Portfolio Turnover Ratio (PTR)
The portfolio turnover ratio is calculated as follows: the total sum of purchases plus sales minus subscriptions minus redemptions divided by the average Net Asset Value. The average Net Asset Value of the Fund for the reporting period is calculated as described in the Ongoing Cost Figure paragraph.

PTR of the fund for the reporting period equals to: 81.81%.

Contractual agreement Depositary
The Fund has entered into a depositary agreement with Darwin Depositary Services B.V. For the Depositary Services the Depositary charges an annual amount equal to:
1. 0.014% of the Net Asset Value of the Fund for the Fund having a Net Asset Value of up to EUR 225 million and;
2. 0.012% of the Net Asset Value of the Fund for the Fund having a Net Asset Value above EUR 225 million.

When exceeding a layer threshold, the calculated amount can never be less than the total amount calculated in the previous layer. The minimum annual fee is EUR 26,000 (excluding VAT), payable quarterly in advance. In case the Net Asset Value of the Fund is lower than EUR 50 million, the minimum annual fee will be EUR 22.000

Aescap Genetics Fund

Comparison of Real Cost with Cost According to Prospectus Aescap Genetics Fund Investors Unit Class.

	According to prospectus *	Actual costs	Actual %
Management Fee (excl. VAT)	1.500%	115,089	1.252%
Incentive Fee (excl. VAT)	PM	-	PM
Legal Owner Manager Fee (incl. VAT)	0.030%	12,910	0.090%
Administrators Fee (excl. VAT)	0.110%	63,151	0.441%
Depositary Fee (excl. VAT)	0.060%	25,332	0.177%
Audit costs (incl. VAT)	0.040%	20,267	0.142%
Miscellaneous costs - incl. write off formation expenses - (incl. VAT)	0.034%	14,121	0.099%
	1.774%	250,870	2.20%

*As tabled above the Ongoing Charges Figure will be around 1.77% at a fund size of € 50 million and for example around 1.61% at a fund size of € 150 million. The above projected OCF numbers are for the AESCAP GENETICS Investors Unit Class.

12. Related party transactions

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

The Fund Manager is considered a related party and was entitled for the following compensation in relation to the reporting period:

Management fee : € 115, 089

13. Employees

The Fund has no employees.

Amsterdam, 30 April 2023

Fund Manager

Privium Fund Management B.V.

Aescap Genetics Fund

Other Information

Distribution Policy

The dividends and interest received by the Fund, as well as possible capital gains, will not be distributed but will be re-invested, unless distribution would be deemed appropriate by the Fund Manager in connection with the regulatory status of the Fund Manager.

Fund Managers interests in the fund

The Fund started operations on January 19, 2022. As at 31 December 2022, the number of Fund Manager related Units (Aescap Genetics Manager) included 5,060.6966 Units.
The Portfolio Manager of the Fund, Patrick Krol, holds the following positions directly or through his management company as per December 31, 2022 in company's in which the Fund is invested as well:

Name	Currency	31/12/2022 Number of shares
ProQR Therapeutics	USD	61,713

Independent Auditor's report

Find enclosed the Independent Auditor's report on next page.

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Independent auditor's report

To the participants of Aescap Genetics

Report on the audit of the financial statements 2022 included in the annual report

Our opinion

We have audited the financial statements 2022 of Aescap Genetics, based in Amsterdam.

In our opinion the financial statements give a true and fair view of the financial position of Aescap Genetics as at 31 December 2022 and of its result for 2022 in accordance Part 9 of Book 2 of the Dutch Civil Code.

The aggregated financial statements comprise:

1. the balance sheet per 31 December 2022;
2. the profit and loss account for 2022; and
3. 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 Aescap Genetics 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.

Information in support of our opinion

We designed our audit procedures in the context of our audit of the financial statements as a whole and in forming our opinion thereon. The following information in support of our opinion was addressed in this context, and we do not provide a separate opinion or conclusion on these matters.

Audit response to the risks of fraud and non-compliance with laws and regulations

We refer to page 21 of the report for management's fraud risk assessment.

In our audit we had attention for the risks of management override of controls and the risks of fraud in revenue recognition. We rebutted the presumed fraud risk on revenue because of the nature of the transactions. Revenue consist of returns of investments in listed stocks.

We have evaluated the design and the implementation and, where considered appropriate, tested the operating effectiveness of internal controls that mitigate fraud risks. We have, among others, performed journal entry testing procedures based upon risk criteria and paid attention to the appropriateness of journal entries in the general ledger and other adjustments made in the preparation of the financial statements. We also tested significant transactions, if any, outside the normal course of business. Furthermore, we have performed other specific relevant audit procedures.

Compliance with laws and regulations

We have obtained an understanding of the relevant laws and regulations in accordance with auditing standards and NBA Practice Guide 1142. The potential effect of the identified laws and regulations on the financial statements varies considerably.

Firstly, the Fund is subject to laws and regulations that directly affect the financial statements, including taxation and financial reporting. We assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items and therefore no additional audit response is necessary.

Secondly, the Fund is subject to many other laws and regulations where the consequences of non-compliance could have an indirect material effect on amounts recognized or disclosures provided in the financial statements, or both, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an indirect effect:

- the requirements by or pursuant to the Act on Financial Supervision (Wet op het financieel toezicht);
- the anti-money laundering laws and regulations.

We held enquiries with management as to whether the entity is in compliance with these laws and regulations. We also held an inspection of relevant correspondence with regulatory authorities. We also remained alert to indications of (suspected) non-compliance throughout the audit, held enquiries with the external depositary, the compliance officer and obtained a written representation from management that all known instances of (suspected) non-compliance with laws and regulations were disclosed to us.

Our observations

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The aforementioned audit procedures have been performed in the context of the audit of the financial statements. Consequently they are not planned and performed as a specific investigation regarding fraud and non-compliance with laws and regulations. Our audit procedures have not led to any findings.

Going concern

In preparing the financial statements, the manager must consider whether the fund is able to continue as a going concern. Management must prepare financial statements on the going concern basis unless management intends to liquidate the company or cease operations or if termination is the only realistic alternative.

The manager has not identified any circumstances that could threaten the continuity of the company and thus concludes that the going concern assumption is appropriate for the fund.

Our audit of the financial statements requires us to determine that the going concern assumption used by management is acceptable. In doing so, based on the audit evidence obtained, we must determine whether there are any events or circumstances that might cast reasonable doubt on whether the company can continue as a going concern.

Our observations

Most importantly, we have assessed that the structure of the fund limits the going concern risk as the fund only invests in liquid assets and is not leveraged with external debt. Based on the procedures performed by us, we are of the opinion that the financial statements have been properly prepared on the going concern basis.

Report on the 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 general information, profile, overview (key figures) Aescap Genetics, profile & structure and management report; and
- 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.

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

Description of responsibilities regarding 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 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 frameworks 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 assignment 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 judgement and have maintained professional scepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our audit included e.g.:

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; and
- evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with management 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.

We confirm to management with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Amsterdam, 30 April 2023

Mazars Accountants N.V.

L. Zuur MSc RA

ANNEX IV

Template periodic disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Product name: Aescap Genetics **Legal entity identifier:** 894500QH8OYTAUTITP32

Environmental and/or social characteristics

Did this financial product have a sustainable investment objective?	
☐ **Yes**	☒ **No**
☐ It made **sustainable investments with an environmental objective:** ___%	☒ It **promoted Environmental/Social (E/S) characteristics** and while it did not have as its objective a sustainable investment, it had a proportion of 37% of sustainable investments
☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
	☒ with a social objective
☐ It made **sustainable investments with a social objective:** ___%	☐ It promoted E/S characteristics, but **did not make any sustainable investments**

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

To what extent were the environmental and/or social characteristics promoted by this financial product met?

Percentage of investee companies researching, developing or producing treatment for diseases with a high unmet medical need

Companies that research, develop, or produce treatment/solutions for diseases with a high unmet medical need is the main focus point of the funds' investments. These types of diseases are characterized by: (inadequacy of) available treatments, severity of impact on the patient, and the impact on the healthcare system in the system in the geographies the company currently markets or plans to market or distribute its current or future product(s).

We consider that a company qualifies to contribute on this criteria among the fund's investments if:

For a company with product(s) on the market that has been profitable in the past 3 years: ≥ 50% of the products it markets are aimed at treating diseases with a high unmet medical need.

For an unprofitable company with product(s) on the market or for a company without product(s) on the market: ≥ 50% of its pipeline programs and products on the market are aimed at treating diseases with a high unmet medical need

If a company qualifies, then the actual percentage of pipeline programs and/or products on the market addressing a high unmet medical need will be used in the calculation of how much of the fund AUM is contributing to this goal, proportionate to that company's weight in the portfolio.

If a company does not qualify, then it counts for 0% to the fund's contribution to the high unmet need goal.

In the above items, by product on the market, we mean a product marketed by the company or a product marketed by a partner/distributor from which the company derives any financial interest tied to sales (milestones payments, royalties, etc.)

In the above items, when we look at approved indication(s) of product(s), should there be difference between labels in different geographies/regulations, we take the indication with the broadest population approved to assess.

Progress on ESG best-practice engagement following a sustainable investment strategy

The companies the Fund invests in should not only have strong financials, good management and comply with the regulations, but they should also continue to improve their Environmental, Social and Governance (ESG) performance wherever possible. The Portfolio Manager has a long history of investing in- and engaging with biotech companies. Engagement with companies can be very effective and can have a concrete and direct impact on their policies and practices. This not only benefits the company, but all stakeholders and ultimately society at large.

Findings from the ESG material risk analysis and Do No significant Harm analysis are combined to inform the engagement priorities for a portfolio company

- ***How did the sustainability indicators perform?***

Percentage of investee companies researching, developing or producing treatment for diseases with a high unmet medical need

Based on the portfolio holdings per December 31, 2022, 86% of the Fund's Net Asset Value was invested in companies that are researching, developing or producing treatment for diseases with a high unmet medical need. This represents 86% of the invested capital of the Fund.

Progress on ESG best-practice engagement following a sustainable investment strategy

In 2022, the Fund has engaged with 12 of the 19 portfolio companies it counted as of December 31, 2022. The other portfolio companies had information readily available from their website or relevant company filings. Of the 12 companies the Fund engaged with, 3 required multiple extensive discussions, first to raise awareness around new regulations, and second to define a common deadline for ESG data disclosure.

While the Fund realizes that it has limited impact on large companies, its impact on smaller companies is noticeable. For some of our portfolio companies, our inquiries regarding ESG topics triggered internal reviews, something that we believe will contribute to the increased awareness and action on ESG within our industry.

So far, no company disclosures have forced us to reconsider our investment position. If a company were to disclose such information, multiple steps would be taken before we reach this last step: (i) direct contact with company to flag the issues and discuss their intentions on resolving them (ii) continue discussions and make clear that continued breach of our ESG principles could lead to position divestment (iii) making use of our ownership % to vote relevant resolutions during shareholder meetings (iv) position divestment (after 3 years of breach and no effort undertaken to solution the issue).

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

One company is still drafting its ESG report and was not able to provide answers to dedicated questions since it was only officially incorporated as a standalone company in 2022. The company mentioned to us it will produce an ESG report in 2023, we will check the report and engage with the company should there be any delays, actions or statements that go against the fund's ESG principles.

How did the sustainable investments that the financial product partially made not cause significant harm to any environmental or social sustainable investment objective?

Aescap Genetics investigated the processes and policies of all its investments on common environmental and social risks in the biotechnology sector as defined by the Sustainability Accounting Standards Board (SASB) and by the Principal Adverse Impact (PAI) indicators. If the investment did not report or was not deemed by the fund to be improving in the SASB/PAI listed relevant risks, then the investment is not counted as sustainable. In addition, the Fund excluded potential investments with a history of poor performance on sector best practice, that have insufficient policies or that have insufficient plans to improve their social and environmental impact.

How were the indicators for adverse impacts on sustainability factors taken into account?

Specifically, the fund has identified the PAI indicators to be "very important" or "important", respectively based on their relevancy to the biotechnology sector and the specific areas where a company is most likely to do significant harm. Two of the mandatory PAI indicators are not deemed relevant for the companies within the scope of investment of the fund. The Fund's PAI statement, available on the website of the Fund and the website of the AIFM, contains a detailed explanation of the PAIs identification. If an investment is at risk of having a negative impact on more than 1 of the very important *indicators or on 5 or more of the important indicators, then the investment may be doing significant harm and therefore was not classified as sustainable. It may still contribute to the fund's social characteristic, however.*

Were sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?

Each analysis included a scan for violations of OECD Guidelines for Multinational Enterprises and UN Guiding Principles on Business and Human Rights and for processes and compliance mechanisms that each investment needs to have. More broadly, the totality of the questions and risk factors taken into account in each analysis are aligned with the UNGC and OECD general principles : human rights (e.g. inclusion in clinical trials and access to medicine, diversity and inclusion), labour (e.g. employee recruitment, development and retention), environment (e.g. PAI indicators and animal welfare), and anticorruption (e.g. ethical marketing, business ethics).

How did this financial product consider principal adverse impacts on sustainability factors?

Considering the Fund's focus on biotechnology, the Fund assesses the material ESG risks as identified by SASB for this sector. For each of the SASB risks, the Portfolio Manager developed a more granular description to better align with biotechnology terminologies.

Human Rights & Community Relations = Inclusion of patients in need and outreach to lower income countries in clinical trials	Product Quality & Safety = Counterfeit products and product recalls
Access & Affordability = Access and affordability of medicines	Customer Welfare = Patient follow up and support
Selling Practices & Product Labelling = Ethical marketing	Supply Chain Management = Bioethics and Supply chain management
Employee Engagement, Diversity & Inclusion = Diversity & inclusion in the biotech industry	Business Ethics = Business Ethics

In some cases, an investee company may fall under a different SASB sector, resulting in different material ESG risks.

The material ESG risks also inform which PAIs which are deemed to be most material for the Fund's analysis. The voluntary social PAI (Insufficient whistleblower protection) is selected based on the same principle. It is related to multiple material SASB ESG risks as product and research quality, safe and responsible clinical trials and strong relations with patients, employees and other stakeholders are the foundation for all companies in the healthcare sector. Strong whistle blower policies and protection is a clear indicator of a company's commitment to high standards in this area and therefore selected as the voluntary social PAI.

The voluntary environmental PAI (Breakdown of energy consumption by type of non-renewable sources of energy) is informed by the Portfolio Manager's belief that biotechnology companies may generate improvement of their carbon footprint by considering the scope of their use of non-renewable energy in office buildings, research centres and production facilities where applicable. By requesting this datapoint from the portfolio companies, the Fund aims to increase awareness and support improvement.

Mapping the PAIs to the SASB material risks for the biotechnology sector results in the following prioritization of principal adverse impact factors:

- Very important
    - Violations of UN Global Compact principles and Organization for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises.
    - Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises.
    - Unadjusted gender pay gap.
    - Board gender diversity.
    - Insufficient whistleblower protection
- Important
    - GHG emissions
    - Carbon footprint
    - GHG intensity of investee companies
    - Share of non-renewable energy consumption and production
    - Energy consumption intensity per high impact climate sector
    - Activities negatively affecting biodiversity-sensitive areas
    - Emissions to water
    - Hazardous waste and radioactive waste ratio
    - Breakdown of energy consumption by type of non-renewable sources of energy
- Not applicable
    - Exposure to companies active in the fossil fuel sector
    - Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons, and biological weapons)

The two PAIs that are deemed not applicable are due to the Fund's investment strategy which limits the investable universe to biopharmaceutical companies and diagnostics and/or medical device companies only, thereby excluding activities in the two sectors above.

While the selected voluntary PAIs always remain applicable, investee companies that fall under a different SASB sector may have a different prioritization of PAIs. This is determined on a case-by-case basis.

If the Portfolio Manager's analysis concludes that an investment is at risk of doing significant harm on more than 1 of the very important indicators or on 5 or more of the important indicators, then the investment cannot be classified as sustainable. If data about the company's commitments, processes, or policies on a PAI is not directly available from the company, industry databases or public news sources, the company is assumed to be at risk of doing significant harm on that PAI. Currently the Portfolio Manager does not consider third-party data in their analysis.

What were the top investments of this financial product?

Average weight of the 15 largest Fund positions over 2022

Largest investments	Sector	% Assets	Country
Evotec	***Health Care***	***7.06%***	***Germany***
ProQR	***Health Care***	***6.82%***	***Netherlands***
Thermo Fisher Scientific	***Health Care***	***6.14%***	***United States***
Moderna	***Health Care***	***6.13%***	***United States***
Arrowhead Pharmaceuticals	***Health Care***	***6.06%***	***United States***
Ionis Pharmaceuticals	***Health Care***	***5.90%***	***United States***
Ultragenyx Pharmaceutical	***Health Care***	***5.80%***	***United States***
uniQure	***Health Care***	***5.38%***	***Netherlands***
Rocket Pharmaceuticals	***Health Care***	***4.81%***	***United States***
Novartis	***Health Care***	***3.70%***	***Switzerland***
Krystal Biotech	***Health Care***	***3.48%***	***United States***
Biogen	***Health Care***	***3.44%***	***United States***
Alnylam Pharmaceuticals	***Health Care***	***3.35%***	***United States***
Autolus Therapeutics	***Health Care***	***1.76%***	***United Kingdom***
Vertex Pharmaceuticals	***Health Care***	***1.68%***	***United States***

The list includes the investments constituting **the greatest proportion of investments** of the financial product during the reference period which is: January 1, 2022 – December 31, 2022

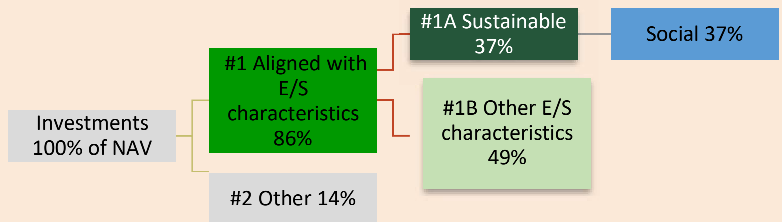
What was the proportion of sustainability-related investments?

37% of the portfolio's Net Asset Value was invested in companies that are marked as sustainable.

What was the asset allocation?

Asset allocation describes the share of investments in specific assets.

[Include only relevant boxes, remove irrelevant ones for the financial product]



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:
- The sub-category **#1A Sustainable** covers environmentally and socially sustainable investments.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

In which economic sectors were the investments made?

In 2022 Aescap Genetics invested in publicly traded shares of companies active in the health care sector. It invested in highly innovative companies that develop and market new medical treatments and therapies.

The Fund had a focused portfolio, investing in 18 companies on average in 2022. Most of its investments were made in companies located in Europe and Northern America given the innovation power in biotech in these markets.

What was the share of socially sustainable investments?

Of the Fund's total holdings per December 31, 2022, 37% was socially sustainable (based on the Net Asset Value of the Fund).

What investments were included under "other", what was their purpose and were there any minimum environmental or social safeguards?

The 14% of the Fund's total holdings per December 31, 2022 listed under "#2 Other" consists of the Fund's cash holdings and assets that do not align with the Fund's social characteristics.

The non-aligned assets are counted as follows:

1) Investee companies that research, develop, or produce treatment/solutions for diseases with a high unmet medical need for less than 50% of their revenue or research pipeline.
2) The remaining percentage of treatment/solutions of companies that align with the Fund's social characterists for more than 50% but less than 100%.

These companies are still very innovative in the biotechnology space and are selected for the part of their portfolio that does align with the Fund's social characteristics or because they develop products or activities that enable other companies in the sector to do so.

Analysis on non-aligned assets is the same as on aligned assets and if there is reason to engage, this will be done in a similar way. All non-aligned assets passed the good governance screening which consideres the minimum safeguards that the Fund requires for investment.

What actions have been taken to meet the environmental and/or social characteristics during the reference period?

The fund actively selects companies that meet its social characteristics. This requires extensive analysis of the company's revenue and treatment pipeline to ensure only treatments for diseases with a high unmet medical need are counted for their contribution.

The prioritization of the principal adverse impact factors directly informs the Fund's focus points for engagement. Depending on how far along the company is in its progress, engagement will first focus on disclosure and reporting and subsequently on improvement of outstanding issues.

Of the 11 companies the Fund engaged with, 3 required multiple extensive discussions, first to raise awareness around new regulations, and second to define a common deadline for ESG data disclosure.

While the Fund realizes that it has limited impact on large companies, its impact on smaller companies is noticeable. For some of our portfolio companies, our inquiries regarding ESG topics triggered internal reviews, something that we believe will contribute to the increased awareness and action on ESG within our industry.