

Strategy One Fund

The Netherlands

UNAUDITED INTERIM FINANCIAL STATEMENTS

for the period from 1 January 2023 to 30 June 2023

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General information

Registered Office	Gustav Mahlerplein 3 Symphony Offices, 26 th Floor 1082 MS Amsterdam The Netherlands
Fund Manager	Privium Fund Management B.V. Gustav Mahlerplein 3 Symphony Offices, 26 th Floor 1082 MS Amsterdam The Netherlands
Administrator	Apex Fund Services (Netherlands) B.V. Van Heuven Goedhartlaan 935A 1181 LD Amstelveen The Netherlands
Independent Auditor*	Ernst & Young Accountants LLP Antonio Vivaldistraat 150 1083 HP Amsterdam The Netherlands
Legal and Tax Counsel	Van Campen Liem J.J. Viottastraat 52 1071 JT Amsterdam The Netherlands
Custodian	ABN AMRO Clearing Bank N.V. Gustav Mahlerlaan 10 1082 PP Amsterdam The Netherlands
Depositary	APEX Depositary Services B.V. Van Heuven Goedhartlaan 935A 1181 LD Amstelveen The Netherlands
Legal Owner	Stichting Bewaarder Strategy One Fund Woudenbergseweg 11 3953 ME Maarsbergen The Netherlands
Payment Bank	ABN AMRO Bank N.V. Gustav Mahlerlaan 10 1082 PP Amsterdam The Netherlands

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

Profile

Strategy One Fund (the “Fund”) is structured as a contractual fund with an open-ended redemption structure under Dutch law. The Fund is a closed fund for joint account (*besloten fonds voor gemene rekening*) and is not a legal entity but a contractual arrangement *sui generis* between the Fund Manager, Legal Owner and each participant. The Fund was established on 19 April 2012 and commenced operations on 1 May 2012.

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

The net asset value (“NAV”) per unit as at period end are as follows:

Class A Initial	30 June 2023	31 December 2022	31 December 2021	31 December 2020	31 December 2019
Net asset value	9,225,975	9,181,834	8,553,521	8,726,093	6,918,084
Number of participations	6,537.552	6,649.600	5,277.443	5,761.090	4,845.852
NAV per participation	1,411.22	1,380.81	1,620.77	1,514.66	1,427.63
Class A April 2023	30 June 2023	31 December 2022	31 December 2021	31 December 2020	31 December 2019
Net asset value	100,029	-	-	-	-
Number of participations	100.000	-	-	-	-
NAV per participation	1,000.29	-	-	-	-
Class A August 2021	30 June 2023	31 December 2022	31 December 2021	31 December 2020	31 December 2019
Net asset value	-	-	2,144,163	-	-
Number of participations	-	-	2,100.000	-	-
NAV per participation	-	-	1,021.03	-	-
Class A October 2021	30 June 2023	31 December 2022	31 December 2021	31 December 2020	31 December 2019
Net asset value	-	-	208,202	-	-
Number of participations	-	-	200.000	-	-
NAV per participation	-	-	1,041.01	-	-
Class B Initial	30 June 2023	31 December 2022	31 December 2021	31 December 2020	31 December 2019
Net asset value	3,654,617	3,604,431	4,215,283	3,975,219	3,752,906
Number of participations	2,762.948	2,781.948	2,765.934	2,786.225	2,786.225
NAV per participation	1,322.72	1,295.65	1,524.00	1,426.74	1,346.95

Class B February 2021	30 June 2023	31 December 2022	31 December 2021	31 December 2020	31 December 2019
Net asset value	-	-	59,014	-	-
Number of participations	-	-	55.000	-	-
NAV per participation	-	-	1,072.99	-	-

Interim financial statements

BALANCE SHEET

	<i>Note</i>	30 June 2023 EUR	31 December 2022 EUR
Assets			
Investments			
Equities		3,380,841	3,554,142
Investee funds		7,478,880	7,584,657
Debt instruments		630,823	476,878
Derivative financial assets		1,023	3,632
Total investments	3	<u>11,491,567</u>	<u>11,619,309</u>
Receivables			
Due from brokers		940,006	-
Other receivables		31,160	41,387
Total receivables		<u>971,166</u>	<u>41,387</u>
Other assets			
Cash	4	<u>580,756</u>	<u>1,170,698</u>
Total other assets		<u>580,756</u>	<u>1,170,698</u>
Total assets		<u>13,043,489</u>	<u>12,831,394</u>
Liabilities			
Participants' equity			
Contributions of participants	6	11,224,321	11,309,289
Unappropriated gain		1,756,301	1,477,024
Total participants' equity		<u>12,980,622</u>	<u>12,786,313</u>
Other liabilities			
Accrued expenses and other payables	5	<u>62,867</u>	<u>45,081</u>
Total other liabilities		<u>62,867</u>	<u>45,081</u>
Total liabilities		<u>13,043,489</u>	<u>12,831,394</u>

Interim financial statements

INCOME STATEMENT

(For the periods ended 30 June 2023 and 2022)

	Note(s)	2023 EUR	2022 EUR
Investment result			
Interest income	7	81,744	-
Dividend income	8	6,853	61,733
		<u>88,597</u>	<u>61,733</u>
Changes in value			
Realised results	3, 9	(54,247)	457,824
Unrealised results	3, 9	363,534	(2,450,041)
		<u>309,287</u>	<u>(1,992,217)</u>
Other results			
Foreign currency translation	10	(3,772)	(1,942)
Interest income on bank accounts		7,605	151
Other results		(20)	-
		<u>3,813</u>	<u>(1,791)</u>
Expenses			
Management fee	12, 13	(65,161)	(69,553)
Performance fees		(2)	-
Administration fee	12	(11,028)	(14,189)
Audit fee		(12,806)	(11,808)
Depositary fee	12	(12,393)	(11,266)
Legal fee		-	(472)
Bank charges		(4,782)	(3,054)
Other operational costs		(7,143)	(16,328)
Legal ownership fee		(3,763)	(3,650)
Interest expense		(13)	(1,315)
Custody fee	12	(5,329)	(5,607)
Total expenses	11	<u>(122,420)</u>	<u>(137,242)</u>
Net profit/(loss) for the period before tax		<u>279,277</u>	<u>(2,069,517)</u>
Withholding tax		-	-
Net profit/(loss) for the period after tax		<u>279,277</u>	<u>(2,069,517)</u>

Interim financial statements

STATEMENT OF CASH FLOWS (For the periods ended 30 June 2023 and 2022)

	<i>Note(s)</i>	2023 EUR	2022 EUR
Cash flows from operating activities			
Purchases of investments	3	(1,872,284)	(2,824,385)
Proceeds from sale of investments	3	1,409,766	3,414,912
Net receipts from derivative financial instruments		(40,459)	22,940
Interest received		30,024	14
Interest paid		(13)	(1,139)
Dividend received		70,279	64,132
Management fee paid and incentive fee paid	12, 13	(64,999)	(119,761)
Operating expenses paid		(33,516)	(66,721)
Net cash flows provided by/(used in) operating activities		<u>(501,202)</u>	<u>489,992</u>
Cash flows from financing activities			
Proceeds from sales of participations	6	150,000	2,411,387
Payments on redemptions of participations	6	(234,968)	(2,533,795)
Net cash flows used in financing activities		<u>(84,968)</u>	<u>(122,408)</u>
Net (decrease)/increase in cash		(586,170)	367,584
Cash at the beginning of the period		1,170,698	7,604
Foreign currency translation of cash positions		(3,772)	(1,942)
Cash at the end of the period	4	<u>580,756</u>	<u>373,246</u>

Notes to the interim financial statements

1. GENERAL INFORMATION

Strategy One Fund (the “Fund”) is structured as a contractual fund with an open-ended redemption structure under Dutch law, and was established on 19 April 2012. The Fund is a closed fund for joint account (*besloten fonds voor gemene rekening*) and is not a legal entity but a contractual arrangement *sui generis* between the Fund Manager, the Legal Owner and each participant. The Fund commenced operations on 1 May 2012. The Legal Owner of the Fund is registered with the Trade Register of the Netherlands under registration number 851589492 for Dutch tax purposes. The Fund has a registered office at Gustav Mahlerplein 3, Symphony Offices, 26th Floor, 1082 MS Amsterdam, The Netherlands.

The Fund may issue Class A and Class B participations. Class A participations can be held by investors residing in the Netherlands or other countries. Class B participations can be held by investors residing in the United Kingdom. As at 30 June 2023 and 31 December 2022, both the Class A participations and Class B participations are in issue.

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

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

The Fund had no employees during the periods ended 30 June 2023 and 2022.

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

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

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

As per 10 March 2021 the EU Sustainable Finance Disclosure Regulation (SFDR) came into force. In the context of the SFDR, the Fund is classified as an Article 6 fund. Additional SFDR related disclosures can be found in the Prospectus of the Fund.

The interim financial statements have been authorised for issue by the Fund Manager on 17 August 2023.

2. SIGNIFICANT ACCOUNTING PRINCIPLES AND POLICIES

The interim financial statements are prepared in accordance with Part 9, Book 2 of the Dutch Civil Code. The accounting principles used to prepare this interim financial statements are the same as the accounting principles used for the annual report 2022.

All figures in this interim financial statements are denoted in euro’s, unless stated otherwise. The reporting period extends from 1 January 2023 through 30 June 2023.

Notes to the interim financial statements

NOTES FOR INDIVIDUAL BALANCE SHEET ITEMS

3. Investments

Movement in schedule of investments

(All amounts in EUR)

	1 January to 30 June 2023	1 January to 30 June 2022
Investment in equities		
As at 1 January	3,554,142	3,330,774
Purchases	661,443	2,250,445
Sales	(960,945)	(1,630,037)
Realised	(96,974)	22,566
Unrealised	223,175	(323,305)
As at 30 June	3,380,841	3,650,443
Investment in investee funds		
As at 1 January	7,584,657	11,917,700
Purchases	56,016	573,940
Sales	(370,121)	(1,784,875)
Realised	66,655	412,318
Unrealised	141,673	(2,128,781)
As at 30 June	7,478,880	8,990,302
Investment in debt instruments		
As at 1 January	476,878	-
Purchases	1,154,826	-
Sales	(1,018,706)	-
Realised	16,531	-
Unrealised	1,294	-
As at 30 June	630,823	-
Investment in derivative financial instruments		
As at 1 January	3,632	659
Sales	40,459	(17,614)
Realised	(40,459)	17,614
Unrealised	(2,609)	2,046
As at 30 June	1,023	2,705
Total investments		
As at 1 January	11,619,309	15,249,133
Purchases	1,803,198	2,824,385
Sales	(2,240,227)	(3,432,526)
Realised	(54,247)	452,498
Unrealised	363,534	(2,450,040)
As at 30 June	11,491,567	12,643,450

Notes to the interim financial statements

NOTES FOR INDIVIDUAL BALANCE SHEET ITEMS (CONTINUED)

3. Investments (continued)

The table below provides an analysis of the FX Currency hedging contracts as at 30 June 2023:

Expiration date	Contract currency	Bought	Contract currency	Sold	Contract rate	Valuation rate	Unrealised EUR
31/07/2023	EUR	785,514	GBP	675,000	1.1637	1.1622	1,023
Total unrealised gain on open FX Currency hedging contracts							1,023

The table below provides an analysis of the FX Currency hedging contracts as at 30 June 2022:

Expiration date	Contract currency	Bought	Contract currency	Sold	Contract rate	Valuation rate	Unrealised EUR
29/07/2022	EUR	1,307,764	GBP	1,125,000	1.1625	1.1601	2,705
Total unrealised loss on open FX Currency hedging contracts							2,705

4. Cash

As at 30 June 2023, cash comprises of balances held with ABN AMRO Bank N.V. and ABN AMRO Clearing Bank N.V. amounting to EUR 15,295 and EUR 565,461 (31 December 2022: EUR 626 and EUR 1,170,072). As at 30 June 2023 and 31 December 2022, no restrictions in the use of cash exists.

5. Accrued expenses and other payables

As at 30 June 2023 and 31 December 2022, accrued expenses and other payables consist of the following:

(All amounts in EUR)	30 June 2023	31 December 2022
Audit fee payable	38,623	25,523
Management fee payable	10,825	10,663
Administration fee payable	5,510	5,458
Other payables	5,804	273
Regulator fee payable	1,091	2,182
Custodian fee payable	1,014	982
Total accrued expenses and other payables	62,867	45,081

Notes to the interim financial statements

NOTES FOR INDIVIDUAL BALANCE SHEET ITEMS (CONTINUED)

6. Share capital

Structure of the Fund's capital

Strategy One Fund is structured as a contractual fund with an open-ended redemption structure and is subject to Dutch law. The Fund may issue Class A and Class B participations. As at 30 June 2023 and 30 June 2022, both the Class A participations and Class B participations are in issue. The Fund does not impose any special rights to any of the classes.

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

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

<i>(All amounts in EUR)</i>	1 January to 30 June 2023	1 January to 30 June 2022
<i>((Loss)/profit after appropriation of result)</i>		
<i>Contributions of participants</i>		
Balance at the beginning of the period	11,309,289	10,269,168
Issue of participations – Class A April 2023	100,000	-
Issue of participations – Class A units	50,000	2,352,372
Issue of participations – Class B units	-	59,015
Redemption of participations – Class A units	(209,858)	(2,474,780)
Redemption of participations – Class B units	(25,110)	(59,015)
Total contributions at the end of the period	<u>11,224,321</u>	<u>10,146,760</u>
<i>Unappropriated gain</i>		
Balance at the beginning of the period	1,477,024	4,911,061
Net profit/(loss) for the period	279,277	(2,069,517)
Total undistributed gain at the end of the period	<u>1,756,301</u>	<u>2,841,544</u>
Equity at the end of the period	<u><u>12,980,622</u></u>	<u><u>12,988,304</u></u>

Subscriptions and redemptions

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

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

Notes to the interim financial statements

NOTES FOR INDIVIDUAL BALANCE SHEET ITEMS (CONTINUED)

6. Share capital (continued)

Subscriptions and redemptions (continued)

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

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

The movement of the participations during the period ended 30 June 2023 was as follows:

	Participations at the beginning of the period	Participations issued	Participations redeemed	Participations at the end of the period
Series A April 2023	-	100.000	-	100.000
Series A Initial	6,649.600	35.467	(147.515)	6,537.552
Series B Initial	2,781.948	-	(19.000)	2,762.948
Total	9,431.548	135.467	(166.515)	9,400.500

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

	Participations at the beginning of the period	Participations issued	Participations redeemed	Participations at the end of the period
Series A Initial	5,277.443	1,451.390	(79.233)	6,649.600
Series A August 2021	2,100.000	-	(2,100.000)	-
Series A October 2021	200.000	-	(200.000)	-
Series B Initial	2,765.934	38.724	-	2,804.658
Series B February 2021	55.000	-	(55.000)	-
Total	10,398.377	1,490.114	(2,434.233)	9,454.258

Notes to the interim financial statements

NOTES FOR INDIVIDUAL BALANCE SHEET ITEMS (CONTINUED)

6. Share capital (continued)

Capital management

The Fund's objectives when managing capital are to safeguard the Fund's ability to continue as a going concern in order to provide returns for participants and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, it is not expected that the Fund will declare any dividends. All earnings will normally be retained for investments. However, the Fund reserves the right to declare dividends or make distributions if the Fund Manager so decides. During the periods ended 30 June 2023 and 30 June 2022, the Fund did not declare dividends or make distributions and all earnings were reinvested in the Fund.

NOTES FOR INDIVIDUAL INCOME STATEMENT ITEMS

7. Interest income

Interest income relates to the interest on debt instruments.

8. Dividend income

Dividend income relates to dividends from equity instruments.

9. Investment return

<i>(All amounts in EUR)</i>	Profit	2023 Loss	2023 Total	2022 Total
Equities				
Realised result	122,302	(219,276)	(96,674)	22,566
Unrealised result	386,858	(163,683)	223,175	(323,305)
	<u>509,160</u>	<u>(382,959)</u>	<u>126,501</u>	<u>(300,739)</u>
Investee funds				
Realised result	68,335	(1,680)	66,655	412,318
Unrealised result	359,413	(217,740)	141,673	(2,128,781)
	<u>427,748</u>	<u>(219,420)</u>	<u>208,328</u>	<u>(1,716,463)</u>
Debt instruments				
Realised result	16,531	-	16,531	-
Unrealised result	17,960	(16,665)	1,295	-
	<u>34,491</u>	<u>(16,665)</u>	<u>17,826</u>	<u>-</u>
Total result	<u>971,399</u>	<u>(619,044)</u>	<u>352,355</u>	<u>(2,017,202)</u>

Notes to the interim financial statements

NOTES FOR INDIVIDUAL INCOME STATEMENT ITEMS (CONTINUED)

10. Foreign currency (loss)/gain on translation

Realised and unrealised exchange differences consist of realised and unrealised translation gains and losses on assets and liabilities other than investment assets and liabilities. For the period ended 30 June 2023, this amounted to losses of EUR 3,772 (2022: losses of EUR 1,942). The following average and closing rates have been applied in the preparation of these interim financial statements (the equivalent of one Euro is shown):

	30 June 2023		30 June 2022	
	Average	Closing	Average	Closing
<i>Showing the equivalent of 1 Euro</i>				
Danish Krone	7.4463	7.4459	7.4373	7.4375
Great Britain Pound	0.8762	0.8592	0.8507	0.8608
Swiss Franc	0.9856	0.9771	1.0193	1.0013
United States Dollar	1.0810	1.0912	1.0927	1.0484
Norwegian Krone	11.3262	11.7190	10.1748	10.3240

11. Costs

The Fund makes use of various parties for management, administration and custody services. The table below provides a breakdown of expenses for the periods ended 30 June 2023 and 2022.

<i>(All amounts in EUR)</i>	2023	2022
Expenses accruing to the Fund Manager		
Management fee	65,161	69,553
Incentive fee	2	-
Other expenses		
Administration fee	11,028	14,189
Audit fee	12,806	11,808
Depositary fee	12,393	11,266
Legal fee	-	472
Legal ownership fee	3,763	3,650
Bank charges	4,782	3,054
Other operational costs	7,143	16,328
Interest expense	13	1,315
Custody fee	5,329	5,607
Total	122,420	137,242

The basis on which various costs are charged to the Fund are disclosed in detail in the Prospectus. It is a Dutch regulatory requirement to disclose any differences between actual costs and the costs disclosed in the Prospectus. During the period ended 30 June 2023, all costs actually charged to the Fund were in accordance with the costs disclosed in the Prospectus. During the period, the Fund also incurred costs such as bank charges of EUR 4,782 (2022: EUR 3,054), other operational costs of EUR 7,143 (2022: EUR 16,328), interest expense of EUR 13 (2022: EUR 1,315) and legal fee of EUR Nil (2022: EUR 472) which are not specified in the Prospectus as these expenses are not known in advance.

Notes to the interim financial statements

12. RELEVANT CONTRACTS

Fund Manager

Management fee

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

Incentive fee

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

No incentive fee will be levied if, at the relevant valuation date, there has been no increase in the NAV per participation of the relevant series over the higher of the HWM per participation applicable to the relevant series of participations. Details of incentive fees charged for the periods are disclosed in the income statement.

Administrator

The Fund has entered into an administration agreement with Apex Fund Services (Netherlands) B.V. The Administrator charges a fee based on 0.175% of the NAV of the Fund up to EUR 10 million, 0.150% of the NAV between EUR 10 million and EUR 30 million, 0.120% between EUR 30 million and EUR 50 million and 0.100% on the NAV above EUR 50 million. There is a minimum fixed fee of EUR 7,500 per annum (excluding VAT). The Administrator also charges a fixed fee of EUR 5,000 per annum for the preparation of the annual report. No VAT has to be paid on these amounts.

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

Custodian

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

Depository

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

Independent Auditor

The Fund appointed Ernst & Young Accountants LLP as the Independent Auditor for the audit of the annual financial statements. The Independent Auditor does not provide any non-audit services or other audit services to the Fund.

Legal Owner

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

Notes to the interim financial statements

13. RELATED PARTY TRANSACTIONS

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

The Fund Manager is considered a related party.

As at 30 June 2023, the Portfolio Manager of the Fund, Mr. Hein Jurgens, held 2,529.727 (31 December 2022: 2,548.727) shares of Series B Initial shares.

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

Transactions from 1 January 2023 – 30 June 2023 and balances as at 30 June 2023

	Paid	Balance
	EUR	EUR
Management fee	(64,999)	(10,825)
Incentive fee	-	(2)

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

	Paid	Balance
	EUR	EUR
Management fee	(71,442)	(10,831)
Incentive fee	(48,339)	-

14. FINANCIAL INVESTMENTS AND ASSOCIATED RISKS

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

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

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

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

Notes to the interim financial statements

14. FINANCIAL INVESTMENTS AND ASSOCIATED RISKS (CONTINUED)

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market prices whether those changes are caused by factors specific to the individual security or its issuer or factors affecting all securities traded in the market. There may be various reasons why markets fall, like recessions caused by a change in the economic business cycle or a pandemic. Market risk comprises market price risk, interest rate risk and currency risk. The Fund's market risk is managed through diversification of its investments.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Fund's exposure to market risk for changes in interest rates relates to the Fund's investment in debt instruments. The Fund holds fixed interest securities that expose the Fund to fair value interest rate risk.

Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Currency risk exposure arises from the Fund investing in financial instruments and entering into transactions which are denominated in currencies other than its functional currency.

The Fund uses swaps to mitigate the foreign currency exchange risk. This hedging strategy is intended to substantially mitigate the currency risk but does not eliminate such risk.

The Fund uses swaps in order to manage the currency risk exposure of foreign currency positions. The swaps are settled on a gross basis and as such, the Fund has a settlement risk of EUR 0.8 million (31 December 2022: EUR 1.0 million) and a credit risk exposure towards the counterparty at 30 June 2023 of EUR Nil (31 December 2022: EUR Nil).

	30 June 2023			30 June 2022		
	Net position EUR	Notional amounts forwards EUR	Total currency exposure EUR	Net position EUR	Notional amounts forwards EUR	Total currency exposure EUR
Currency						
Danish Krone	105	-	105	104	-	104
Great Britain Pound	1,881,418	(785,514)	1,095,904	1,276,308	(991,173)	285,135
Swiss Franc	491,287	-	491,287	622,999	-	622,999
United States Dollar	948,346	-	948,346	1,404,001	-	1,404,001
Norwegian Krone	34,668	-	34,668	114,618	-	114,618
Japanese Yen	150,443	-	150,443	-	-	-

Credit risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Fund. It arises from cash and other receivables. The carrying values of financial assets (excluding any investment in equities and investment in investee funds) best represent the maximum credit risk exposure as at the reporting dates and amounts to EUR 2,182,745 (31 December 2022: EUR 1,688,963).

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

As at 30 June 2023, the credit rating of ABN AMRO Clearing Bank N.V. and ABN AMRO Bank N.V. is 'A' (2022: 'A'), as determined by Standard and Poor's. If the credit quality or the financial position of this entity deteriorates significantly the Investment Manager will deal with another provider.

Notes to the interim financial statements

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

Liquidity risk

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

The Fund's Prospectus provides for the monthly creation and cancellation of participations and it is therefore exposed to the liquidity risk of meeting participants' redemptions. To manage this liquidity risk the Fund has a 6 month lock-up period and a 30-day notice period for the participants. In addition, the Fund is not obliged to redeem more than 50% of the total participations in issue on any dealing day.

The Fund is exposed to liquidity risk as the investments of the Fund in investee funds cannot immediately be converted into cash. The liquidity risk involved with the investee funds will be dependent on the redemption policies of the individual investee funds. Some of the investee funds may be or become illiquid, and the realisation of investments from them may take a considerable time and/or be costly. The Fund's investments in such investee funds may not be readily realisable and their marketability may be restricted, in particular because the investee funds may have restrictions that allow redemptions only at specific infrequent dates with considerable notice periods, and apply lock-ups and/or redemption fees.

The liquidity risk is significantly reduced because the Fund diversifies its investments across different investee funds.

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

Sustainability risk

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

15. EVENTS AFTER THE BALANCE SHEET DATE

The Russian invasion in Ukraine continues to cause uncertainty. The Fund has no direct or indirect exposure to Ukraine, Belarus or Russia. On behalf of the Fund Manager, the Administrator of the Fund carries out ongoing sanctions screening on the investors of the Fund. Here, no hits have been identified. Further escalation of the conflict is expected to dampen global growth, especially in Europe. This might have an impact on the performance of the Fund.

16. PROVISION OF INFORMATION

These interim financial statements and the Prospectus of the Fund are available free of charge from the Fund Manager or available for download free of charge from the Fund Manager's website: www.priviumfund.com.

17. DATE OF AUTHORISATION

The interim financial statements have been authorised for issue by the Fund Manager in Amsterdam on 17 August 2023.

Other information

Interests held by the Directors

As at 30 June 2023 and 1 January 2023, the Board of Directors did not hold any shares in the Fund or in any of the underlying investment equities that the Fund holds.