

Strategy One Fund

The Netherlands

ANNUAL REPORT

for the year ended 31 December 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
Depository	APEX Depository Services B.V. Van Heuven Goedhartlaan 935A 1191 LD Amstelveen The Netherlands
Legal Owner	Stichting Bewaarder Strategy One Fund Woudenbergsesweg 11 3953 ME Maarsbergen The Netherlands
Payment Bank	ABN AMRO Bank N.V. Gustav Mahlerlaan 10 1082 PP Amsterdam The Netherlands

Historical multi-year overview

Key figures

	2023	2022	2021	2020	2019
<i>(All amounts in EUR)</i>					
Equity at the beginning of the year	12,786,313	15,180,229	12,701,331	12,216,913	13,226,585
Proceeds of participations	200,515	-	2,355,000	1,545,876	-
Redemption of participations	(2,605,239)	(152,408)	(794,535)	(1,775,876)	(2,699,581)
Result for the period	630,249	(2,241,508)	918,433	714,418	1,689,909
Equity at the end of the year	11,011,838	12,786,313	15,180,229	12,701,331	12,216,913
Investments	11,070,383	11,619,309	15,249,133	12,752,707	11,864,889
Cash	6,567	1,170,698	7,604	32,542	187,611
Other assets and liabilities	(65,112)	(3,694)	(76,508)	(83,918)	164,413
Equity at the end of the year	11,011,838	12,786,313	15,180,229	12,701,331	12,216,913
Net profit/(loss)					
Direct investment result	175,352	157,223	62,855	102,372	95,989
Indirect investment result	712,899	(2,080,973)	1,167,920	884,641	1,883,518
Other results	(5,496)	(29,455)	-	-	-
Expenses	(252,506)	(288,303)	(312,342)	(272,595)	(289,598)
Net profit/(loss)	630,249	(2,241,508)	918,433	714,418	1,689,909
Number of participations at the end of the year					
Series A Initial	5,223.323	6,649.600	5,277.443	5,761.090	4,845.852
Series A August 2021	-	-	2,100.000	-	-
Series A October 2021	-	-	200.000	-	-
Series A September 2018	-	-	-	-	250.000
Series A January 2018	-	-	-	-	200.000
Series A May 2015	-	-	-	-	1,000.000
Series B Initial	2,382.935	2,781.948	2,765.934	2,786.225	2,786.225
Series B February 2021	-	-	55.000	-	-
Series A June 2023	50.515	-	-	-	-
Series A April 2023	100.000	-	-	-	-
	-	-	-	-	-

Historical multi-year overview (*continued*)

	2023	2022	2021	2020	2019
NAV per participation at the end of the year					
Series A Initial	1,456.73	1,380.81	1,620.77	1,514.66	1,427.63
Series A August 2021	-	-	1,021.03	-	-
Series A October 2021	-	-	1,041.01	-	-
Series A September 2018	-	-	-	-	1,042.36
Series A January 2018	-	-	-	-	1,058.04
Series A May 2015	-	-	-	-	1,073.67
Series B Initial	1,363.09	1,295.65	1,524.00	1,426.74	1,346.95
Series B February 2021	-	-	1,072.99	-	-
Series A April 2023	1,030.95	-	-	-	-
Series A June 2023	1,021.13	-	-	-	-

Management Report

Investment Objective

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

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

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

Review 2023 and Outlook

The Strategy One Fund gained +5.50% in 2023 (Initial Series A).

It was a year that defied expectations by many accounts. A number of forecasts predicted that many of the world's economies would enter a recession in 2023 as the global reserve banks raised interest rates to fight high inflation. But most economies remained resilient, inflation eased, and the reserve declined to lift rates later in the year. Global stocks rose in 2023, despite some setbacks along the way. Many economists who called for a recession have since walked back their predictions.

A year that many speculated would be lackluster for global stocks saw the S&P 500 post gains of +24.2% (in USD) on a total-return basis, extending a bull-market rally that began in the 4th quarter of 2022. Global stock markets also bounced back after posting their worst year since the financial crisis. Certain equities were up significantly, even as geopolitical tensions increased, with war continuing in Ukraine and hostilities erupting in the Middle East. Significantly, there was an enormous differential between growth stocks and defensives. A small number of growth stocks generated the majority of the MSCI world returns, delivering the widest value gap between growth and value, since the internet bubble of the beginning of the 2000's.

Bond markets had a difficult time for most of the year as market participants kept forecasting higher rates for longer. Only towards the end of October, when it became clear that central banks were "done" raising rates, did we see a significant rally in global bond markets.

Commodities performed mixed, a blessing for interest rates as natural gas prices, that had given cause to the majority of the interest rate headache, continued to drop meaningfully, even with the increase Middle Eastern tensions. The US is now the largest supplier of LNG to Europe, raising questions about Europe's energy dependency. Gold on the other hand performed well again as geopolitical tensions and worries about US debt levels, have caused investors to look for investment alternatives, breaking the old relationship between interest rates and gold prices.

All in all, financial markets had a remarkable year and underscored that guessing where markets may be headed is not a reliable way to invest. The Strategy One Fund is now better diversified to generate positive returns even in a more complex environment.

Management Report (*continued*)

Sustainable Finance Disclosure Regulation (SFDR)

As per 10 March 2021 the EU Sustainable Finance Disclosure Regulation (SFDR) has come into force. In the context of the Sustainable Finance Disclosure Regulation (SFDR), the Fund has been classified as an Article 6 fund. The investments of the Strategy One Fund do not take into account the EU criteria for environmentally sustainable economic activities. However, in compliance with the SFDR, the Fund Manager does consider the effects of material sustainability risks on the value of the investments of the Fund. All relevant ESG/sustainability risks are being defined and assessed during the initial due diligence but also on an ongoing basis after an investment is made.

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 2023

This overview is based on the situation as of December 31, 2023. 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, 2022 and the second table shows the remuneration overview as of December 31, 2023.

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

Management Report *(continued)*

Overview as December 31, 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

Overview as December 31, 2023

	Identified staff in senior management roles	Identified staff outside senior management roles	Total staff
Number of staff	3	36	39
Total fixed remuneration	€ 313,990	€ 8,753,783	€ 9,067,773
Total variable remuneration	€ 0	€ 1,677,298	€ 1,677,298
Total remuneration	€ 313,990	€ 10,431,081	€ 10,745,071

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.

Regarding the 2023 performance of the Strategy One Fund an amount of EUR 246 has been paid to Identified Staff Privium as a variable remuneration.

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

Privium Fund Management B.V., the Fund Manager of the various funds, does not charge any employee remuneration fees to the funds.

Management Report (*continued*)

Employee remuneration is paid out of the management and performance fees (if applicable). In total 39 staff members were involved during (some part of) the year 2023 (2022: 41), including consultants and including both part-time and full-time staff.

One staff member earned more than Euro one million in relation to the performance results during the year 2023 (2022: zero).

Remuneration Investee Funds

The Strategy One Fund invests, among other securities, in other Investee Funds. These Funds are managed by other Investment Managers. These Investment Managers are regulated and need to comply with the local legislation in the countries in which they are regulated. The Investment Objective and Investment Strategy of the Investee Funds are guided by a clear framework and should avoid any excessive risk taking. The Investment Managers of the Investee Funds each have remuneration policies in place as required by law. This both includes fixed and variable remuneration. In the audited financial statements of the Investee Funds these remuneration policies are explained in greater detail.

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 Management team. 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"), 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 compliance with risk limits; and
- Provide regular updates to senior management concerning:
 - The consistency of stated profile versus risk limits;
 - The adequacy and effectiveness of the risk management process; and the current level of risk of each AIF and any actual or foreseeable breaches of risk limits.

To identify the Risk Profile and main risks, and ensure the right measurement, management and monitoring of these risks, the Fund Manager has a rigid Risk Onboarding Process. It ensures that the Investment Process is properly documented and the Product itself is properly reviewed.

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 Portfolio Management. The Risk Management team has full authority to close positions or the authorization to instruct the closing of positions on his behalf in case of a risk breach.

Management Report (*continued*)

To ensure that all risk management tasks are executed correctly and timely, the Fund Manager uses an automated system (CM) 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 CM system flows through a sanity check. The sanity check will raise an exception if the variable falls outside its “normal” boundaries. Risk Management 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 using SS&C Eze Investment Suite and risk metrics such as value at risk, stress scenarios and portfolio liquidity are obtained through Bloomberg.

The CM system is responsible 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 Global Risk Management Framework (Annex 17) of the Privium Handbook.

On a monthly basis the Risk Committee of the Fund Manager meets to discuss the performances and risks of the Fund. Any breaches are thoroughly discussed during these meetings. Additionally, a yearly 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 2023 and during the first two months of 2024 this audit was performed and the findings were reported to Privium’s management. The audit did not demonstrate any material deviations.

Risk management and willingness to take risks

There have been no risk breaches during the year 2023. The risk profile of the Fund hasn’t changed during the reporting period. Neither did the investment objective (s) or any of the investment restrictions of the Fund changed during the reporting period.

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

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

Management Report (continued)

Sorts of risks	Risk hedged	Measures applied and expected effectiveness	Impact on 2023 NAV	Expected impact on 2024 NAV if risk materializes	Adjustments made or expected adjustments to risk management in 2023 or 2024
Price/Market Risk	No	The fund maintains a number of long only equity and bond investments. Strong bottom-up company analysis is a very important item in mitigating risks during the holding period of a position. However price fluctuations due to general equity and bond market movements during the holding period can't be mitigated or avoided in full by conducting company analysis. This risk is inherent when securities like equities and bonds are traded.	The Fund gained +5.50% in 2023 (Initial series A). The Fund does not have a benchmark. Global Equities, measured by the MSCI World Index (EUR) gained +16.3% in 2023, bonds measured by the Vanguard Global Bond Index Fund (EUR) gained +4.7% in 2023 and hedge funds measured by the HFRX Hedge Fund Index (in EUR) gained +1.04%.	Investments are selected after a thorough due diligence process but the occurrence of this risk will also largely depend on general market circumstances.	No. The Fund Manager is comfortable with the risk exposure currently in place.
Manager Risk	No	The Fund maintains a number of investments in other investment funds. These funds are managed by external Fund Management companies. A rigid due diligence process is in place when investment funds are selected.	The Fund performed better than most bond and hedge fund indices but underperformed most equity indices.	Much will depend on the actual positioning of the underlying investment funds. However we expect that the selected investment funds will perform better than general equity markets over the long term.	No. The Fund Manager is comfortable with the risk exposure currently in place.
Interest rate risk	No	The Fund maintains a number of investments in fixed income. However this a small percentage of the portfolio (<5%). Therefore the Fund is not exposed to significant interest rate risk.	None	None	No. The Fund Manager is comfortable with the risk exposure currently in place.
Foreign Exchange risk	Partially	Direct FX risk is only partially hedged. As of December 31, 2023 around 32% of the Sterling exposure was hedged. The USD, NOK and CHF FX exposure was not hedged as of December 31, 2023. The Fund has the possibility to hedge foreign FX exposure in full.	Around 60% of the investments are denominated in EUR. Foreign FX exposure as a whole contributed negatively to the return.	This will largely depend on FX movements.	No. The Fund Manager is comfortable with the risk exposure currently in place.
Liquidity risk	No	Liquidity risk mostly has been mitigated by investing in positions that offer sufficient liquidity.	None	We would not expect a negative NAV impact if this risk would materialize.	No. The Fund Manager is comfortable with the risk exposure currently in place.
Credit risk	No	Spare cash is maintained at ABN AMRO. ABN AMRO has an A credit rating (S&P credit rating) and we would reconsider the relationship if this changes. The Fund also maintains positions in some fixed income securities directly (corporate credit) but these are below 10% of the portfolio.	None on the spare cash and low on the fixed income positions.	Due to the limited exposure to fixed income securities we deem the risk to be limited.	No. The Fund Manager is comfortable with the risk exposure currently in place.
Operational risk	No	As part of operational risk, the AIFM is periodically assessing risk factors like legal risk, compliance risk and outsourcing risk. This risk is mostly mitigated by having rigid operational procedures in place. Next to that duties and responsibilities are clearly divided between Privium employees. The same is applicable at the service providers of the various Privium Funds.	None	None	No. The Fund Manager is comfortable with the risk exposure currently in place.
Counterparty Risk	No	This risk is mostly mitigated by selecting and maintaining relationships with top tier counterparties and service providers.	None	None	No. The Fund Manager is comfortable with the risk exposure currently in place.
Leverage Risk	No	The Fund is not utilizing any borrowings to take positions. Because the Fund is partially hedging direct foreign FX exposures by using FX forwards, the fund is utilizing implied leverage. As of December 31, 2023 the leverage calculations according to the Gross method and Commitment method are as follows: Gross method: 105.81% and Commitment method: 100.3%.	None	None	No. The Fund Manager is comfortable with the risk exposure currently in place.
Sustainability Risk	No	Sustainability risks are categorized into Environmental, Social or Governance (ESG) issues and may pose a material risk to the value of an investment. Not all sustainability risks may have a material negative effect on the value of an investment. Therefore, the Fund applies the Materiality Map of the Sustainability Accounting Standards Board (SASB) to determine which sustainability risks are material to consider in the investment decision making process. In each investment decision the relevant material sustainability risks are investigated using the following focus points: * Policy and practices: Investigating if relevant sustainability risks to the investment are well covered by policies informs if all risks are sufficiently in scope and in control. If so, then the value of the investment may be less sensitive to the relevant sustainability risk than its peers. * Incidents: If the sector or the investment experienced significant incidents regarding the relevant sustainability risk recently, this may inform the understanding of both the frequency of it occurring, as well as the investments readiness and quality of response. Better preparedness and a strong response mean the value of the investment may be less sensitive to the relevant sustainability risk than its peers.	None	None	No
Fraud Risk	No	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.	None	This will depend on the scope and composition of the Fraud taking place.	No

Management Report (*continued*)

Control Statement

The Board of Privium Fund Management B.V. declares to have an AO/IB (Handbook) that meets the requirements of the “Wet op het financieel toezicht and the ‘Besluit gedragstoezicht financiële ondernemingen (‘Bgfo’)”. During 2023 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 2023 functioned effectively as described. During 2023 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 2023 update was completed in November 2023. During the fourth quarter of 2023 and the first two months of 2024 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.

Financial statements

BALANCE SHEET

(As at 31 December)

(Profit after appropriation of result)

	<i>Note</i>	31 December 2023 EUR	31 December 2022 EUR
Assets			
Investments			
Equities		3,354,116	3,554,142
Investee funds		7,059,176	7,584,657
Debt instruments		658,501	476,878
Derivative financial assets		-	3,632
Total investments	3	<u>11,071,793</u>	<u>11,619,309</u>
Receivables			
Due from brokers		100,000	-
Other receivable	5	<u>16,068</u>	<u>41,387</u>
Total receivables		<u>116,068</u>	<u>41,387</u>
Other assets			
Cash	4	<u>6,567</u>	<u>1,170,698</u>
Total other assets		<u>6,567</u>	<u>1,170,698</u>
Total assets		<u>11,194,428</u>	<u>12,831,394</u>
Liabilities			
Investments short			
Derivative financial assets		1,410	-
Total of investments	7	<u>1,410</u>	<u>-</u>
Participants' equity			
Contributions of participants		8,904,565	11,309,289
Unappropriated gain		2,107,273	1,477,024
Total participants' equity	7	<u>11,011,838</u>	<u>12,786,313</u>
Other liabilities			
Bankoverdraft	4	135,527	-
Accrued expenses and other payables	6	<u>45,653</u>	<u>45,081</u>
Total other liabilities		<u>181,180</u>	<u>45,081</u>
Total liabilities		<u>11,194,428</u>	<u>12,831,394</u>

Financial statements

INCOME STATEMENT

(For the years ended 31 December)

	<i>Note(s)</i>	2023 EUR	2022 EUR
Investment income			
Interest income	8	30,871	4,312
Dividend income	9	144,481	152,911
		<u>175,352</u>	<u>157,223</u>
Changes in value			
Realised results	3, 10	449,469	1,044,057
Unrealised results	3, 10	263,430	(3,125,030)
		<u>712,899</u>	<u>(2,080,973)</u>
Other results			
Foreign currency translation	11	(21,759)	(47,713)
Interest income on bank accounts		16,150	9,865
Other results		113	8,393
		<u>(5,496)</u>	<u>(29,455)</u>
Expenses			
Management fee	12, 13	(119,366)	(134,715)
Incentive fee	12, 13	(246)	-
Administration fee	12	(25,413)	(27,716)
Audit fee	12	(28,672)	(26,403)
Depository fee	12	(24,785)	(22,532)
Legal fee		-	(472)
Bank charges		(10,132)	(23,642)
Other operational costs		(9,200)	(9,592)
Legal ownership fee		(7,525)	(7,300)
Interest expense		(669)	(1,619)
Custody fee	12	(10,488)	(10,817)
Total expenses		<u>(236,496)</u>	<u>(264,808)</u>
Net profit/(loss) for the year before tax		646,259	(2,218,013)
Withholding tax		(16,010)	(23,495)
Net profit/(loss) for the year after tax		<u><u>630,249</u></u>	<u><u>(2,241,508)</u></u>

Financial statements

STATEMENT OF CASH FLOWS (For the years ended 31 December)

	<i>Note(s)</i>	2023 EUR	2022 EUR
Cash flows from operating activities			
Purchases of investments	3	(3,133,390)	(4,901,492)
Proceeds from sale of investments	3	4,336,349	6,404,305
Net payments for derivative financial instruments		(41,134)	46,038
Interest received		50,290	5,430
Interest paid		(438)	(1,648)
Dividend received		140,632	112,338
Management fee and incentive fee paid	12	(120,846)	(185,091)
Operating expenses paid		(104,638)	(116,665)
Net cash flows provided by operating activities		<u>1,126,825</u>	<u>1,363,215</u>
Cash flows from financing activities			
Proceeds from sales of participations	7	200,515	-
Payments on redemptions of participations	7	(2,605,239)	(152,408)
Net cash flows (used in) financing activities		<u>(2,404,724)</u>	<u>(152,408)</u>
Net (decrease)/increase in cash		(1,277,899)	1,210,807
Cash at the beginning of the year	4	1,170,698	7,604
Foreign currency translation of cash positions		(21,759)	(47,713)
Cash at the end of the year	4	<u><u>(128,960)</u></u>	<u><u>1,170,698</u></u>

Notes to the financial statements

1. GENERAL INFORMATION

Strategy One Fund (the “Fund”) is structured as a contractual fund with an open-ended redemption structure under Dutch law, and was established on 19 April 2012. The Fund is a closed fund for joint account (*besloten fonds voor gemene rekening*) and is not a legal entity but a contractual arrangement *sui generis* between the Fund Manager, the Legal Owner and each participant. The Fund commenced operations on 1 May 2012. The Legal Owner of the Fund is registered with the Trade Register of the Netherlands under registration number 851589492 for Dutch tax purposes. The Fund has a registered office at Gustav Mahlerplein 3, Symphony Offices, 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 31 December 2023 and 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 years ended 31 December 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 AFM and DNB.

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

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

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

The financial statements have been authorised for issue by the Fund Manager on 14 June 2024.

2. SIGNIFICANT ACCOUNTING PRINCIPLES AND POLICIES

Basis of preparation

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

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

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

Notes to the financial statements

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

Going concern

The financial statements of the Fund have been prepared on a going concern basis as the management has no indications that the activities cannot be continued in the near future.

Functional currency

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

Recognition and measurement

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

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

Estimates

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

Foreign exchange

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

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

Classification of participations

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

Basis of valuation - policies in preparing the balance sheet

Assets and liabilities are generally valued at historical cost, production cost or at fair value at the time of acquisition. Liabilities are initially recognised at fair value and subsequently measured at amortised cost. If no specific valuation principle has been stated, valuation is at historical cost. In the balance sheet, income statement and the cash flow statement, references are made to the notes. Financial investments and financial derivatives are initially measured at fair value which is the fair value of the consideration given or received. Financial investments are subsequently re-measured at fair value.

Gains and losses arising from fair value changes are recognised in the income statement as ‘realised gains on equities’, ‘realised gains/(losses) on investee funds’, ‘realised gains on debt instruments’, realised (losses)/gains on swap currency contracts, ‘unrealised gains on swap currency contracts’, ‘unrealised gains/(losses) on equities’, ‘unrealised gains on investee funds’ and ‘unrealised (losses)/gains on debt instruments’.

Notes to the financial statements

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

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

The Fund's investments in investee funds are valued based on the reporting received from the administrators of those funds. As at 31 December 2023, the value of investments in investee funds is the aggregate of the Fund's attributable share of the latest available net asset value ("NAV") of the investee funds.

The profit or loss of the Fund on its investments in investee funds is the aggregate of the Fund's attributable share of the result of the investee funds. The Fund Manager may, if it thinks fit, make adjustments as a result of the different bases of determination of results applied by the investee funds. As at 31 December 2023 and 2022, no such adjustments were made.

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

Where an up-to-date value of an underlying investment is not available, or the valuation date does not coincide with that of the Fund, the Fund Manager will use an estimated value. As at 31 December 2023, no such estimated values were used.

Receivables and prepayments

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

Due to/from broker

Due to/from broker are recognised initially at fair value and subsequently measured at amortised cost. Interest gains are recognised using the effective interest method. When a due to/from broker is uncollectible, it is written off against the allowance account for due to/from broker.

Dividend income

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

Interest income and interest expense

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

Payables and accruals

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

Cash

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

Statement of cash flows

The statement of cash flows is prepared according to the direct method. The statement of cash flows shows the Fund's cash flows for the year divided into cash flows from operations and financing activities and how the cash flows have affected cash funds.

For the purposes of the statement of cash flows, financial instruments at fair value through profit or loss are included under operating activities. Cash flows from financing activities include proceeds from subscriptions and payments for redemptions of shares of the Fund. As the nature of the Fund is to invest in financial instruments, all cash flows related to investments are classified as cash flows from operating activities.

Shareholders' equity

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

Notes to the financial statements

2. SIGNIFICANT ACCOUNTING PRINCIPLES AND POLICIES (CONTINUED)

Tax position

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

Principles for determining the result

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

The changes in the value of the investments held by the Fund are accounted for in the income statement. The Fund may use swap currency contracts to limit the exchange rate risk. Swap currency contracts are accounted for as currency transactions. The change in value of swap currency contracts are also accounted for in the income statement.

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

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

NOTES FOR INDIVIDUAL BALANCE SHEET ITEMS

3. Investments

<i>Movement in schedule of investments (All amounts in EUR)</i>	31 December 2023	31 December 2022
Investment in equities		
As at 1 January	3,554,142	3,330,774
Purchases	806,502	3,482,835
Sales	(1,246,158)	(2,825,470)
Realised results	(97,255)	203,390
Unrealised results	336,885	(637,387)
As at 31 December	3,354,116	3,554,142
Investment in investee funds		
As at 1 January	7,584,657	11,917,700
Purchases	1,086,013	950,027
Sales	(2,075,885)	(3,578,835)
Realised results	569,627	794,629
Unrealised results	(105,236)	(2,498,864)
As at 31 December	7,059,176	7,584,657
Investment in debt instruments		
As at 1 January	476,878	-
Purchases	1,240,875	468,630
Sales	(1,114,306)	-
Realised results	18,231	-
Unrealised results	36,823	8,248
As at 31 December	658,501	476,878
Investment in derivative financial instruments		
As at 1 January	3,632	659
Sales	41,134	(46,038)
Realised results	(41,134)	46,038
Unrealised results	(5,042)	2,973
As at 31 December	(1,410)	3,632

Notes to the financial statements

NOTES FOR INDIVIDUAL BALANCE SHEET ITEMS

(CONTINUED)

3. Investments (continued)

<i>Movement in schedule of investments</i> (All amounts in EUR)	31 December 2023	31 December 2022
Total investments		
As at 1 January	11,619,309	15,249,133
Purchases	3,133,390	4,901,492
Sales	(4,395,215)	(6,450,343)
Realised results	449,469	1,044,057
Unrealised results	263,430	(3,125,030)
As at 31 December	11,070,383	11,619,309

The table below provides an analysis of the swap currency contracts at 31 December 2023:

Expiration date	Contract currency	Bought	Contract currency	Sold	Contract rate	Valuation rate	Unrealised EUR
31/01/2024	EUR	603,409	GBP	525,000	1.14935101	1.1520	(1,410)
Total unrealised result on open swap currency contracts							(1,410)

The table below provides an analysis of the swap currency contracts at 31 December 2022:

Expiration date	Contract currency	Bought	Contract currency	Sold	Contract rate	Valuation rate	Unrealised EUR
31/01/2023	EUR	991,173	GBP	875,000	1.13276941	1.1286	3,632
Total unrealised result on open swap currency contracts							3,632

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

31 December 2023	Quoted prices (unadjusted) in active markets		
	Total EUR	Other EUR	
Investment in investee funds (assets)	7,059,176	3,915,639	3,143,537*
Derivative financial assets	(1,410)	(1,410)	-
Total	7,057,766	3,914,229	3,143,537

31 December 2022	Quoted prices (unadjusted) in active markets		
	Total EUR	Other EUR	
Investment in investee funds (assets)	7,584,657	5,499,994	2,084,663*
Derivative financial liabilities	3,632	3,632	-
Total	7,588,289	5,503,626	2,084,663

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

Notes to the financial statements

NOTES FOR INDIVIDUAL BALANCE SHEET ITEMS (CONTINUED)

4. Cash

As at 31 December 2023, cash comprises of balances held with ABN AMRO Bank N.V. amounting to EUR 1,385 (2022: EUR 626).

As at 31 December 2023, cash also comprises of balances held with ABN AMRO Clearing Bank N.V. of EUR (130,345) (2022: EUR 1,170,072).

As at 31 December 2023 and 2022, no restrictions in the use of cash exists.

5. Other receivables

As at 31 December, other receivables consist of the following:

<i>(All amounts in EUR)</i>	31 December 2023	31 December 2022
Dividend receivable	10,590	22,751
Interest receivable	5,478	8,747
Debtors receivable	-	8,389
Prepaid operating fees	-	1,500
Total other receivable	16,068	41,387

6. Accrued expenses and other payables

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

<i>(All amounts in EUR)</i>	31 December 2023	31 December 2022
Incentive fee payable	246	-
Audit fee payable	27,915	25,523
Management fee payable	9,183	10,663
Administration fee payable	4,654	5,458
Custodian fee payable	1,008	982
Other payables	234	273
Interest payable	231	-
Regulator fee payable	2,182	2,182
Total accrued expenses and other payables	45,653	45,081

7. Share capital

Structure of the Fund's capital

Strategy One Fund is structured as a contractual fund with an open-ended redemption structure and is subject to Dutch law. The Fund may issue Class A and Class B participations. As at 31 December 2023 and 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 year will not be distributed. The Class B participations of the Fund have a tax reporting status in the United Kingdom.

Notes to the financial statements

NOTES FOR INDIVIDUAL BALANCE SHEET ITEMS (CONTINUED)

7. Share capital (continued)

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

<i>(All amounts in EUR)</i>	31 December	31 December
<i>(Profit after appropriation of result)</i>	2023	2022
<i>Contributions of participants</i>		
Balance at the beginning of the year	11,309,289	11,461,697
Issue of participations	200,515	-
Redemption of participations	<u>(2,605,239)</u>	<u>(152,408)</u>
Total contributions at the end of the year	<u>8,904,565</u>	<u>11,309,289</u>
<i>Undistributed gain</i>		
Balance at the beginning of the year	1,477,024	3,718,532
Net profit/(loss) for the year after tax	<u>630,249</u>	<u>(2,241,508)</u>
Total undistributed gain at the end of the year	<u>2,107,273</u>	<u>1,477,024</u>
Equity at the end of the year	<u>11,011,838</u>	<u>12,786,313</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-months lock-up period after which participants will have the possibility to redeem participations as of the first dealing day following 30 calendar days prior written notice to the Administrator.

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

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

Notes to the financial statements

NOTES FOR INDIVIDUAL BALANCE SHEET ITEMS (CONTINUED)

7. Share capital (continued)

Subscriptions and redemptions (continued)

The movement of the participations during the year ended 31 December 2023 was as follows:

	Participations at the beginning of the year	Participations issued	Participations redeemed	Participations at the end of the year
Series A Initial	6,649.600	35.467	(1,461.744)	5,223.323
Series A June 2023	-	50.515	-	50.515
Series A April 2023	-	100.000	-	100.000
Series B Initial	2,781.948	-	(399.013)	2,382.935
Total	<u>9,431.548</u>	<u>185.982</u>	<u>(1,860.757)</u>	<u>7756.773</u>

The movement of the participations during the year ended 31 December 2022 was as follows:

	Participations at the beginning of the year	Participations issued	Participations redeemed	Participations at the end of the year
Series A Initial	5,277.443	1,451.391	(79.234)	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	(22.710)	2,781.98
Series B February 2021	55.000	-	(55.000)	-
Total	<u>10,398.377</u>	<u>1,490.115</u>	<u>(2,456.944)</u>	<u>9,431.548</u>

Capital management

The Fund's objectives when managing capital are to safeguard the Fund's ability to continue as a going concern in order to provide returns for participants and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, it is not expected that the Fund will declare any dividends. All earnings will normally be retained for investments. However, the Fund reserves the right to declare dividends or make distributions if the Fund Manager so decides. As at 31 December 2023 and 2022, the Fund did not declare dividends or make distributions and all earnings were reinvested in the Fund.

Notes to the financial statements

NOTES FOR INDIVIDUAL INCOME STATEMENT ITEMS

8. Interest income

Interest income relates to the interest on debt instruments.

9. Dividend income

Dividend income relates to dividend from equity instruments.

10. Investment return

<i>(All amounts in EUR)</i>	Profit	2023 Loss	2023 Total	2022 Total
Equities				
Realised result	142,758	(240,013)	(97,255)	203,391
Unrealised result	450,901	(114,016)	336,885	(637,387)
	<u>593,659</u>	<u>(354,029)</u>	<u>239,630</u>	<u>(433,996)</u>
Investee funds				
Realised result	597,367	(27,740)	569,627	794,628
Unrealised result	539,063	(644,299)	(105,236)	(2,498,864)
	<u>1,136,430</u>	<u>(672,039)</u>	<u>464,391</u>	<u>(1,704,236)</u>
Debt instruments				
Realised result	18,231	-	18,231	
Unrealised result	45,903	(9,080)	36,823	8,248
	<u>64,134</u>	<u>(9,080)</u>	<u>55,054</u>	<u>8,248</u>
Derivative financial instruments				
Realised result	14,688	(55,822)	(41,134)	46,038
Unrealised result	-	(5,042)	(5,042)	2,973
	<u>14,688</u>	<u>(60,864)</u>	<u>(46,176)</u>	<u>49,011</u>
Total result	<u>1,808,911</u>	<u>(1,096,012)</u>	<u>712,899</u>	<u>(2,080,973)</u>

11. Foreign currency losses on translation

Realised and unrealised exchange differences consist of realised and unrealised translation losses on assets and liabilities other than financial assets and liabilities. For the year ended 31 December 2023, this amounted to losses of EUR 21,759 (2022: losses of EUR 47,713). The following average and closing rates have been applied in the preparation of these financial statements (the equivalent of one Euro is shown):

	2023		2022	
	Average	Closing	Average	Closing
<i>Showing the equivalent of 1 Euro</i>				
Great Britain Pound	0.86946	0.86698	0.85230	0.88481
Swiss Franc	0.97175	0.92886	1.00402	0.98965
United States Dollar	1.08151	1.10375	1.05108	1.07035
Danish Krone	7.45092	7.43456	7.43494	7.43647
Norwegian Krone	11.42846	11.23103	10.09082	10.49548
Japanese Yen	153.20937	155.66625	138.08485	140.39028

Notes to the financial statements

NOTES FOR INDIVIDUAL INCOME STATEMENT ITEMS (CONTINUED)

12. Costs

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

<i>(All amounts in EUR)</i>	2023	2022
Expenses accruing to Fund Manager		
Management fee	119,366	134,715
Incentive fee	246	-
Other expenses		
Administration fee	25,413	27,716
Audit fee	28,672	26,403
Depository fee	24,785	22,532
Legal fee	-	472
Commission fees	6,557	18,074
Legal ownership fee	7,525	7,300
FATCA fee	6,000	6,000
Bank charges	3,575	5,568
Other general expenses	3,200	3,592
Interest expense	669	1,619
Custody fee	10,488	10,817
Total	236,496	264,808

The basis on which various costs are charged to the Fund are disclosed in detail in the Prospectus. It is a Dutch regulatory requirement to disclose any differences between actual costs and the costs disclosed in the Prospectus. During the years ended 31 December 2023 and 2022, all costs actually charged to the Fund were in accordance with the costs disclosed in the Prospectus. During the year, the Fund also incurred costs such as interest expense of EUR 669 (2022: EUR 1,619), FATCA fees of EUR 6,000 (2022: EUR 6,000), bank charges of EUR 3,575 (2022: EUR 5,568), legal fee of EUR nil (2022: EUR 472) and other general expenses of EUR 3,200 (2022: EUR 3,592) which are not detailed in the Prospectus.

No redemption fees were charged to the participants of the Fund for 2023 and 2022.

Ongoing charges ratio

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

For the year ended 31 December 2023, the ongoing charges ratio for the Fund is as follows:

	2023
Ongoing charges ratio including incentive fees	1.89%
Ongoing charges ratio excluding incentive fees	1.89%
Ongoing charges ratio including expenses of underlying funds	0.74%

For the year ended 31 December 2022, the ongoing charges ratio for the Fund is as follows:

	2022
Ongoing charges ratio including incentive fees	1.78%
Ongoing charges ratio excluding incentive fees	1.78%
Ongoing charges ratio including expenses of underlying funds	0.83%

Notes to the financial statements

NOTES FOR INDIVIDUAL INCOME STATEMENT ITEMS (CONTINUED)

12. Costs (continued)

Turnover factor

For the year ended 31 December 2023, the turnover factor for the Fund is 39.59% (2022: 83.19%). The turnover factor is calculated by adding total purchases and sales, subtracting total subscriptions plus total redemptions and dividing the total by the average NAV. The turnover factor reflects the asset turnover rate of the Fund.

13. RELEVANT CONTRACTS

Fund Manager

Management fee

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

Incentive fee

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

As at 31 December 2023 the HWM per participations for Class A and Class B are EUR 1,620.77 and EUR 1,524.00 respectively and are calculated since 31 December 2021. The NAV per participations are lower and therefore there is not an incentive fee levied

As at 31 December 2023 the HWM per participations for Class A April 2023 and Class A June 2023 are EUR 1,000 and EUR 1,000 respectively and are calculated since inception. The NAV per participations are higher and therefore an incentive fees is levied.

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

Administrator

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

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

Custodian

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

Notes to the financial statements

13. RELEVANT CONTRACTS (CONTINUED)

Depository

The Fund has entered into a depository agreement with APEX Depository Services B.V. The Depository charges an annual fee equal to 0.014% of the net asset values of the Fund (based on the average of the net asset values of the Fund at the end of each calendar quarter) with a minimum of EUR 16,500, payable quarterly in advance for depository services provided to the Fund. Details of depository fees charged for the period are disclosed in the income statement.

Independent Auditor

The Fund appointed Ernst & Young Accountants LLP as the Independent Auditor. The Independent Auditor's remuneration consists of EUR 19,421 (2022: EUR 17,956) audit fee for the audit of the financial statements. A further amount of EUR 9,252 (2022: EUR 8,447) was paid to the UK tax advisor in respect of preparing the UK tax reporting.

Legal Owner

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

14. RELATED PARTY TRANSACTIONS

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

The Fund Manager is considered a related party.

As at 31 December 2023, the Portfolio Manager of the Fund, Mr. Hein Jurgens, held 2,149.714 (2022: 2,548.727) shares of Series B Initial shares.

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

Transactions from 1 January 2023 – 31 December 2023 and balances as at 31 December 2023

	Paid	Payable
	EUR	EUR
Management fee	120,846	9,183
Incentive fee	-	-

Transactions from 1 January 2022 – 31 December 2022 and balances as at 31 December 2022

	Paid	Payable
	EUR	EUR
Management fee	136,752	10,663
Incentive fee	48,339	-

Notes to the financial statements

15. FINANCIAL INVESTMENTS AND ASSOCIATED RISKS

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

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

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

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

The funds, to which the Fund subscribes, indirectly expose the Fund to various risks which are not outlined below. These risks are monitored by the Investment Manager of the Fund.

Market risk

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

Interest rate risk

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

Currency risk

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

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

Notes to the financial statements

15. FINANCIAL INVESTMENTS AND ASSOCIATED RISKS (CONTINUED)

Market risk (continued)

Currency risk (continued)

The Fund uses swap currency contracts in order to manage the currency risk exposure of foreign currency positions. The swap currency contracts are settled on a gross basis and as such, the Fund has a settlement risk EUR 0.6 million (2022: EUR 1.0 million) and a credit risk exposure towards the counterparty at 31 December 2023 of EUR Nil (2022: EUR Nil).

	2023			2022		
	Net position EUR	Notional amounts swaps EUR	Total currency exposure EUR	Net position EUR	Notional amounts swaps EUR	Total currency exposure EUR
Currency						
Great Britain Pound	1,269,221	(603,409)	665,812	1,276,308	(991,173)	285,135
Swiss Franc	458,924	-	458,924	622,999	-	622,999
United States Dollar	1,773,760	-	1,773,760	1,404,001	-	1,404,001
Danish Krone	106	-	106	104	-	104
Norwegian Krone	58,138	-	58,138	114,618	-	114,618
Japanese Yen	172,343	-	172,343	-	-	-

Credit risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Fund. It arises from cash and other receivables. The carrying values of financial assets (excluding any investments in equity instruments and investments in investee funds) best represent the maximum credit risk exposure at the reporting date and amounts to EUR 781,136 (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.

The current 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.

Liquidity risk

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

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

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

Notes to the financial statements

15. FINANCIAL INVESTMENTS AND ASSOCIATED RISKS (CONTINUED)

Liquidity risk *(continued)*

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

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

Sustainability risk

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

The Fund Manager does consider the effects of material sustainability risks on the value of the Fund's investments. Since the Fund does not promote environmental and/or social characteristics, nor has sustainable investment as its objective, it is not required to consider the principal adverse impacts of its investment decisions.

The sustainability risk analysis will provide a low, average or high estimated sensitivity of the value of the investment to material sustainability risks. 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.

Considering the scope of the Fund's investment policy, it is not possible to pre-define which sustainability risks will likely be material. Additionally, the estimated sensitivity of the Fund to specific sustainability risks will depend on the sector diversification. The broader the diversification across economic sectors, the lower the sensitivity.

16. SCHEDULE OF INVESTMENTS

Strategy / Sector*	2023	% of	2022	% of
	EUR	NAV	EUR	NAV
Agriculture	126,110	1.1	120,163	0.9
Airlines	-	-	89,030	0.7
Alternative Investment	-	-	150,024	1.2
Asset Allocation	1,164,864	10.6	1,250,962	9.8
Auto Manufacturers	-	-	134,349	1.1
Banks	190,462	1.7	134,835	1.1
Beverages	79,344	0.7	131,293	1.0
Closed-end Funds	1,020,857	9.3	1,131,825	8.8
Commodity Fund	766,806	7.0	843,819	6.6
Commercial Services	-	-	66,412	0.5
Electric	207,588	1.9	209,655	1.6
Energy-Alternate Sources	57,560	0.5	114,273	0.9
Engineering & Construction	198,179	1.8	162,604	1.3
Equity Fund	4,873,457	44.3	5,084,879	39.8
Food	436,738	4.0	535,176	4.2
Forest Products&Paper	187,276	1.7	-	-
Gas	-	-	48,943	0.4
Index Fund	172,288	1.6	-	-
Internet	-	-	184,489	1.4
Mining	25,725	0.2	581,744	4.5
Oil&Gas	298,662	2.7	131,447	1.0
Pharmaceuticals	687,667	6.2	509,755	4.0
Real Estate Investment Trust	578,210	5.3	-	-
	11,071,793	100.6	11,615,677	90.8

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

Notes to the financial statements

17. INVESTOR RIGHTS

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

18. EVENTS AFTER THE BALANCE SHEET DATE

The Russian invasion in Ukraine 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.

Next to that the developments in the Middle East are causing uncertainties too. Further escalation of the conflict is expected to dampen global growth. This might have an impact on the performance of the Fund.

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

19. DATE OF AUTHORISATION

The financial statements have been authorised for issue by the Fund Manager in Amsterdam on 14 June 2024.

Investment portfolio as at 31 December 2023 (excluding swap currency contracts)

Assets	Currency	Fair value EUR	% of NAV
Investee Funds			
Ecofin Global Utilities and Infrastructure Trust PLC (LN Listing)	GBP	237,869	2.2%
EV Smaller Companies Fund (NA Listing)	EUR	722,435	6.6%
Fidelity China Special Situations PLC (LN Listing)	GBP	444,771	4.0%
Pershing Square Holdings Ltd/Fund (NA Listing)	USD	422,361	3.8%
Phaidros Fund - Balanced B (LX Listing)	EUR	1,164,863	10.6%
Pictet - Water (LX Listing)	EUR	324,843	2.9%
Principia Fund NV (NA Listing)	EUR	832,777	7.6%
Syncona Ltd (LN Listing)	GBP	286,549	2.6%
The Egerton Long-Short Fund (EUR & GBP) Limited Class B Series 1 EUR (Non-Listed)	EUR	276,579	2.5%
The Egerton Long-Short Fund Ltd. Class B EUR Rep Series 1 (Non-Listed)	EUR	819,779	7.4%
The Egerton Long-Short Fund Ltd. Class C EUR Rep Series 1 (Non-Listed)	EUR	286,502	2.6%
Third Point Offshore Investors Ltd (LN Listing)	USD	311,948	2.8%
Vertis Global Carbon Fund Class EB S2 (NON-Listed)	USD	927,900	8.4%
		7,059,176	64.0%
Equities			
British American Tobacco PLC (LN Listing)	GBP	126,110	1.1%
Centrica PLC (LN Listing)	GBP	25,725	0.2%
GSK PLC (LN Listing)	GBP	167,990	1.5%
HEIN.AS	EUR	79,344	0.7%
Londonmetric Property PLC (LN Listing)	GBP	578,210	5.3%
Nestle SA (SW Listing)	CHF	287,535	2.6%
NEXT FUNDS TOPIX-17 BANKS ETF (JT Listing)	JPY	172,288	1.6%
Nomad Foods Ltd (UN Listing)	USD	67,677	0.6%
Pfizer Inc (UN Listing)	USD	67,818	0.6%
Roche Holding AG (SW Listing)	CHF	171,097	1.6%
RWE AG (GY Listing)	EUR	207,588	1.9%
Shell PLC (NA Listing)	EUR	147,927	1.3%
TGS Nopec Geophysical Co ASA (NO Listing)	NOK	57,560	0.5%
TotalEnergies SE (FP Listing)	EUR	150,735	1.4%
Unilever PLC (NA Listing)	EUR	81,526	0.7%
Vinci SA (FP Listing)	EUR	198,179	1.8%
WisdomTree Physical Gold (GY Listing)	EUR	766,807	7.0%
		3,354,116	30.4%

Investment portfolio as at 31 December 2023 *(excluding swap currency contracts)*

Assets	Currency	Fair value EUR	% of NAV
Debt instruments			
Ahlstrom Holding 3 Oy 3.625% 04/02/2028	EUR	90,914	0.8%
Grifols SA 3.2% 01/05/2025	EUR	98,229	0.9%
SAPPI PAPIER HOLDNG GMBH 3.625% 15/03/2028	EUR	96,362	0.9%
STICHTING AK RABOBANK 6.5% (2.1878%)	EUR	190,462	1.7%
TEVA PHARM FNC NL II 1.875% 31/03/2027 100	EUR	182,534	1.7%
		658,501	6.0%
		11,071,793	100.4%

Investment portfolio as at 31 December 2022 (excluding swap currency contracts)

Assets	Currency	Fair value EUR	% of NAV
Investee Funds			
Ecofin Global Utilities and Infrastructure Trust PLC (LN Listing)	GBP	298,160	2.3
EV Smaller Companies Fund (NA Listing)	EUR	874,017	6.8
Fidelity China Special Situations PLC (LN Listing)	GBP	575,909	4.5
J O Hambro Capital Management Umbrella Fund PLC - Continental European Fund (ID Listing)	EUR	389,326	3.0
Pershing Square Holdings Ltd/Fund (NA Listing)	USD	324,778	2.5
Phaidros Fund - Balanced B (LX Listing)	EUR	1,250,964	9.8
Pictet - Water (LX Listing)	EUR	862,803	6.7
Principia Fund NV (NA Listing)	EUR	714,769	5.6
Schroder GAIA Egerton Equity (LX Listing)	EUR	116,991	0.9
Syncona Ltd (LN Listing)	GBP	360,692	2.8
The Egerton Long-Short Fund (EUR & GBP) Limited Class B Series 1 EUR (Non-Listed)	EUR	339,525	2.7
The Egerton Long-Short Fund Ltd. Class B EUR Rep Series 1 (Non-Listed)	EUR	776,297	6.1
The Egerton Long-Short Fund Ltd. Class C EUR Rep Series 1 (Non-Listed)	EUR	254,071	2.0
Third Point Offshore Investors Ltd (LN Listing)	USD	446,355	3.5
		7,584,657	59.2
Equities			
British American Tobacco PLC (LN Listing)	GBP	120,163	0.9
Centrica PLC (LN Listing)	GBP	48,943	0.4
Chaarat Gold Holdings Ltd (LN Listing)	GBP	48,845	0.4
GSK PLC (LN Listing)	GBP	163,175	1.3
HEIN.AS	EUR	131,293	1.0
KraneShares Global Carbon Strategy ETF (UN Listing)	USD	33,033	0.3
Londonmetric Property PLC (LN Listing)	GBP	509,756	4.0
MercadoLibre Inc (UW Listing)	USD	66,412	0.5
Nestle SA (SW Listing)	CHF	296,527	2.3
Nomad Foods Ltd (UN Listing)	USD	151,517	1.2
Rio Tinto PLC (LN Listing)	GBP	135,644	1.1
Roche Holding AG (SW Listing)	CHF	165,556	1.3
RWE AG (GY Listing)	EUR	209,655	1.6
Shell PLC (NA Listing)	EUR	131,447	1.0
TGS Nopec Geophysical Co ASA (NO Listing)	NOK	114,273	0.9
Unilever PLC (NA Listing)	EUR	87,131	0.7
Vinci SA (FP Listing)	EUR	162,604	1.3
Volkswagen AG (GY Listing)	EUR	134,349	1.1
WisdomTree Physical Gold (GY Listing)	EUR	843,819	6.6
		3,554,142	27.9

Investment portfolio as at 31 December 2022 *(excluding swap currency contracts)*

Assets	Currency	Fair value EUR	% of NAV
Debt instruments			
Deutsche Lufthansa AG 3.75% 11/02/2028	EUR	89,030	0.7
Grifols SA 3.2% 01/05/2025	EUR	92,558	0.7
STICHTING AK RABOBANK 6.5% (2.1878%)	EUR	134,835	1.1
TEVA PHARM FNC NL II 1.875% 31/03/2027 100	EUR	160,455	1.3
		<u>476,878</u>	<u>3.8</u>
		<u>11,615,677</u>	<u>90.8</u>

Other information

Provisions of the Prospectus on distribution policy

The Fund Manager shall have sole discretion whether to distribute any income of the Fund or whether to retain it within the Fund. Any sums which it determines to distribute shall be paid to participants pro rata to the number of participations held by each of them.

Interests held by the Directors

As at 31 December 2023 and 1 January 2023, the Board of Directors did not hold any shares in the Fund or in any of the investments that the Fund holds.

Provision of information

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

Independent auditor's report

To: the participants and the fund manager Strategy One Fund

Report on the audit of the financial statements 2023 included in the annual report

Our opinion

We have audited the financial statements for the financial year ended 31 December 2023 of Strategy One Fund based in Amsterdam, the Netherlands.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of Strategy One Fund as at 31 December 2023 and of its result for 2023 in accordance with Part 9 of Book 2 of the Dutch Civil Code.

- ▶ The financial statements comprise:
- ▶ The balance sheet as at 31 December 2023
- ▶ The profit and loss account for 2023
- ▶ The notes comprising a summary of the accounting policies and other explanatory information

Basis for our opinion

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

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

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

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 and any findings were addressed in this context, and we do not provide a separate opinion or conclusion on these matters.

Our focus on fraud and non-compliance with laws and regulations

Our responsibility

Although we are not responsible for preventing fraud or non-compliance and we cannot be expected to detect non-compliance with all laws and regulations, it is our responsibility to obtain reasonable assurance that the financial statements, taken as a whole, are free from material misstatement, whether caused by fraud or error.

Our audit response related to fraud risks

We identified and assessed the risks of material misstatements of the financial statements due to fraud. During our audit we obtained an understanding of the fund and its environment and the components of the system of internal control, including the risk assessment process and management's process for responding to the risks of fraud and monitoring the system of internal control as well as the outcomes. We refer to Risk management section of the annual report for management's risk assessment after consideration of potential fraud risks.

We evaluated the design and relevant aspects of the system of internal control and in particular the fraud risk assessment. We evaluated the design and the implementation of internal controls designed to mitigate fraud risks.

As part of our process of identifying fraud risks, we evaluated fraud risk factors with respect to financial reporting fraud, misappropriation of assets and bribery and corruption. We evaluated whether these factors indicate that a risk of material misstatement due to fraud is present.

We incorporated elements of unpredictability in our audit. We also considered the outcome of our other audit procedures and evaluated whether any findings were indicative of fraud or non-compliance.

We addressed the risks related to management override of controls, as this risk is present in all companies. For these risks we have performed procedures among other things to evaluate key accounting estimates for management bias that may represent a risk of material misstatement due to fraud, in particular relating to important judgment areas and significant accounting estimates as disclosed in the section Estimates of the notes to the financial statements. We have also used data analysis to identify and address high-risk journal entries and evaluated the business rationale (or the lack thereof) of significant extraordinary transactions, including those with related parties.

We did not identify a risk of fraud in revenue recognition, other than the risks related to management override of controls.

We considered available information and made enquiries of the fund manager and relevant employees of the fund manager and service provider.

The fraud risks we identified, enquiries and other available information did not lead to specific indications for fraud or suspected fraud potentially materially impacting the view of the financial statements.

Our audit response related to risks of non-compliance with laws and regulations

We performed appropriate audit procedures regarding compliance with the provisions of those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. Furthermore, we assessed factors related to the risks of non-compliance with laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general industry experience, through discussions with the fund manager, reading minutes, inspection of compliance reports, and performing substantive tests of details of classes of transactions, account balances or disclosures.

We have been informed by the fund manager that there was no correspondence with regulatory authorities and remained alert to any indication of (suspected) non-compliance throughout the audit. Finally, we obtained written representations that all known instances of non-compliance with laws and regulations have been disclosed to us.

Our audit response related to going concern

As disclosed in section Going concern of the notes to the financial statements, the financial statements have been prepared on a going concern basis. When preparing the financial statements, the fund manager made a specific assessment of the fund's ability to continue as a going concern and to continue its operations for the foreseeable future.

We discussed and evaluated the specific assessment with the fund manager exercising professional judgment and maintaining professional skepticism.

We considered whether the fund manager's going concern assessment, based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, contains all relevant events or conditions that may cast significant doubt on the fund'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.

Based on our procedures performed, we did not identify material uncertainties about going concern. 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 fund to cease to continue as a going concern.

Report on other information included in the annual report

The annual report contains other information in addition to the financial statements and our auditor's report thereon.

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 for the management report and the other information as required by Part 9 of Book 2 of the Dutch Civil Code

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

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

Description of responsibilities regarding the financial statements

Responsibilities of the fund manager for the financial statements

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

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

Our responsibilities for the audit of the financial statements

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

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

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

We have exercised professional judgment and have maintained professional skepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. The Information in support of our opinion section above includes an informative summary of our responsibilities and the work performed as the basis for our opinion. Our audit included among others:

- ▶ Identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.
The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control
- ▶ Obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the fund's internal control
- ▶ Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management
- ▶ Evaluating the overall presentation, structure and content of the financial statements, including the disclosures
- ▶ Evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation

Communication

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

Amsterdam, 14 June 2024

Ernst & Young Accountants LLP

signed by R.A.J.H. Vossen