ANNUAL REPORT

Guardian Fund

Year ended 31 December 2022

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General information

Fund Manager
Privium Fund Management B.V.
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Guardian Fund
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Custodian
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Legal and Tax Advisor
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1071 JT Amsterdam
The Netherlands

Depositary
Darwin Depositary Services B.V.
Barbara Strozzilaan 101
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The Netherlands

Administrator
Bolder Fund Services (Netherlands) B.V.
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The Netherlands

Independent Auditor
Ernst & Young Accountants LLP
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The Netherlands

Key figures

(all amounts in EUR x 1,000)	2022	2021	2020	2019	2018
Net Asset Value					
Net Asset Value Initial Class 1	9,699	28,698	19,970	51,540	37,100
Net Asset Value Initial Class 2	23,423	74,406	76,115	-	-
Net Asset Value General Class A	15,869	34,001	-	-	-
Net Asset Value General Class A International Investors	486	-	-	-	-
Net Asset Value Institutional Class A	4,237	13,204	-	-	-
Net Asset Value Institutional Class A Austrian Investors	2,825	8,805	-	-	-
Total Net Asset Value	**56,539**	**159,114**	**96,085**	**51,540**	**37,100**
Outstanding Units					
Outstanding Units Initial Class 1	175,127	166,800	109,537	224,463	194,025
Outstanding Units Initial Class 2	187,178	191,180	201,975	-	-
Outstanding Units General Class A	453,946	366,006	-	-	-
Outstanding Units General Class A International Investors	9,990	-	-	-	-
Outstanding Units Institutional Class A	148,230	148,230	-	-	-
Outstanding Units Institutional Class A Austrian Investors	100,000	100,000	-	-	-
Total Outstanding Units	**1,074,471**	**972,216**	**311,512**	**224,463**	**194,025**
Result					
Result from investments	-	16	272	152	-
Changes in value	(110,016)	5,338	40,485	13,022	(2,128)
Other results	(691)	(617)	280	925	-
Costs	(1,525)	(7,138)	(10,418)	(2,922)	-
Net result	**(112,232)**	**(2,401)**	**30,619**	**11,177**	**(2,128)**

	2022	2021	2020	2019	2018
Per unit[1]					
(in EUR x 1)					
Net Asset Value per Unit Initial Class 1	60.20	187.78	182.32	229.61	191.21
Net Asset Value per Unit Initial Class 2	125.14	389.19	376.85	-	-
Net Asset Value per Unit General Class A	32.92	102.80	-	-	-
Net Asset Value per Unit General Class A International Investors	47.79	-	-	-	-
Net Asset Value per Unit Institutional Class A	33.05	102.99	-	-	-
Net Asset Value per Unit Institutional Class A Austrian Investors	28.33	88.30	-	-	-

[1] Only the Lead series of every class are shown.

Fund Manager report

In 2022, the return of the Guardian Fund was -67.98% (General Class A – lead series), measured in euros and net of fees and expenses.

Over the past few years, we understood how certain asset classes were pumped up by low interest rates and how rising interest rates would put pressure on valuations. We underestimated the macroeconomic regime change and the magnitude by which especially tech stocks would get hammered. Going into the storm, we were too confident in our strategy to err on the side of not selling a good business. High valuations provided insufficient margin of safety when the pendulum of valuations started to swing to the other side.

In a short timeframe, the economic variables that set valuation levels changed significantly. As stocks plunged, we kept our eyes on the individual businesses and maintained positions rather than selling shares with the goal to reduce possible further downside. We were early to deploy incremental capital. In 2022, we must have been among the minority that were net buyers of equities.

Higher interest rates only partly explain today's lower valuations. The real fear is about growth. Indeed, growth is decelerating at most businesses; all are dealing with current challenges such as inflation, cost optimization, and supply chain constraints. Nonetheless, all portfolio businesses continued to grow in 2022.

We own several businesses at which growth slowed down more than expected. This had a negative impact on margins as cost structures have not yet adapted.

For instance, revenue growth at Shopify decelerated post-Covid as volumes shifted back to physical locations. A shift was expected but the amount of slowdown in digital commerce even surprised management as the penetration of online commerce reverted to the long-term trendline.

Growth has also slowed down at the best enterprise software businesses with mission-critical products. The three dominant cloud businesses of Amazon, Microsoft, and Google reported lower growth in 2022. The hyperscalers and their clients are optimizing costs.

When share prices and growth decline, negative narratives start to dominate, and financial analysts start to downward adjust business estimates. As a result, expected returns start to correlate with prices instead of showing an inverse relationship.

A slowdown in growth at thriving businesses creates an opportunity for investors who have a vision on where a business is heading through the cycle and for those who have a view on whether the deceleration in a business is a temporary adjustment or a permanent trend.

For example, in 2022, growth at YouTube was almost absent. Has the platform become less relevant? User engagement is up yet advertising budgets are under pressure. When ad budgets come back, they disproportionally go to the platforms that offer the highest return on ad spend. Similarly, growth at AWS decelerated. Has Amazon's cloud platform become less relevant to society?

With growth likely to settle at a lower level in the near-term, operational efficiency and intelligent capital allocation are essential to create value. Many tech companies have not yet shown exceptional skills in allocating capital.

Sinking share prices are exposing the significant costs of share-based compensation. Share dilution along the way is acceptable if more value is created than given away by issuing shares. Most portfolio businesses managed to stay relatively lean. Also, share-based compensation is at a more acceptable level.

Most software companies emerged in a time of low inflation, low interest rates, and abundant liquidity. Competition for talent drove compensation packages. The quality of management matters more than ever because intelligent capital allocation and willingness to explore pricing power make more of a difference when share prices become attractive and in inflationary times. Intelligent capital allocation is rare as most CEOs are talented founders or software engineers rather than capital allocators.

The awareness of operational efficiency has grown at many businesses. Shareholder letters from long-term oriented investors like TCI help to nudge management to act. Elon Musk's first-principle approach at Twitter to what is essentially required has not gone unnoticed in the industry. The question is if the fatter companies can culturally cope with a new environment and can get back to a 'Day 1' mindset.

As the earnings yields of profitable tech businesses have risen, businesses with excess cash could do more share buybacks. This, combined with losing fat will be a powerful force driving share prices. Capital allocation over the next six months will tell a lot about the quality of management. Recent buyouts from private equity firms like Thoma Bravo show that intrinsic values can be higher than share prices because new management can adjust costs and allocate capital.

It is interesting to experience the combination of a historic drawdown and significant innovation at various businesses that are active in expanding addressable markets.

When we reflect on the past year, it is difficult not to feel a sense of wonder regarding the magnitude of innovation taking place, especially in AI. Large language models powered by transformer architectures - neural networks designed to model sequential data and generate a prediction of what comes next in a series – are improving at an impressive rate. The models have been growing by an order of magnitude every year as measured by parameter count, a rough proxy for the model's capability. The surprise in 2022 has been that models were getting smaller and more efficient so they can be run locally at lower costs.

On a weekly basis, researchers have published work that pushed the frontier of AI and that surprised even people working in this field. Together, large language models and code generated powerful new developments. For example, OpenAI's Codex Model, an AI model that can translate natural language into a programming language - GitHub Copilot, a programming assistant - Dall-E2, a system that can create realistic images from a description in natural language - Stable Diffusion, an open-source text-to-image generator - and ChatGPT, a model that interacts in a conversational way. 2022 was a year of awakening in which the public got more exposure to AI products. It will be fascinating to see what 2023 will have in store when computers start speaking our language. Some bright minds think artificial general intelligence (AGI) may even be possible within a decade. The coming years will bring an unimaginable range of new utilities and products.

When growth is slowing down and share prices plummet, more doubts arise about the competitive position of various businesses. Controversy around a stock is a constant factor and it may even be a necessary ingredient for outstanding long-term returns.

Valuations have logically come down driven by higher interest rates and lower growth expectations. However, sentiment may have turned too negative; the spread between the S&P 500 earnings yield and 10-year real interest rates shows that equity valuations are attractive in general. Hundreds of American companies in various industries are trading at or below the net cash on the balance sheet, and several fine tech businesses are trading around 1-4 times revenues.

The fear about growth and profitability is reflected in prices; the growth premium of high-quality enterprise software businesses with leading positions in their respective fields has vanished.

What has changed is our awareness of valuations. We need to be more disciplined to sell if multiples reflect too much optimism. The balance between letting great businesses run and selling based on valuation will be delicate and a source of future mistakes.

What has not changed is that we will invest in public businesses from the perspective of co-owners. We are not traders, and this means we must be prepared to go down as much as the market will push down the prices of stocks in various future market swings. It is not adverse macroeconomic events that derail compounding but rather investors’ reactions to them.

We do not hedge volatility. The focus continues to be on trying to understand the quality of an individual business. To participate in the wealth creation of the world’s best tech businesses, the investor must be comfortable owning such businesses at full valuation. The best companies will not trade at screamingly attractive valuations and if so, just for a limited time. We think that letting the winners run continues to be the right approach.

What has not changed either is our focus on the companies that are driving innovation and are pushing the frontier of science and technology.

Going forward, we continue to own businesses that are early in their lifecycle and that have the luxury to reinvest all operational cash flows back into the businesses at attractive expected returns.

The fact that we will not trade based on macroeconomic expectations essentially means that our fund is not for everyone. There are plenty of other market participants with products that cater to the demand for low volatility. It is unlikely that we will ever experience such a large portfolio drawdown again also because it is improbable that interest rates turn negative again and valuations expand as much as they did. However, over the coming decade, we will experience our fair share of volatility.

Our plan for 2023 is to continue our investment work with curiosity and inquiry.

Risk management and willingness to take risks
There have been no risk breaches during the year 2022. The risk profile of the Fund hasn’t changed during the reporting period. The investment objective (s) didn’t change during the reporting period. In March 2022 an investment restriction, as mentioned in the prospectus of the Guardian Fund, has been optimized. Here the at cost limit per position has been changed into a position limit as a percentage of the Net Asset Value of the Fund. Since the amendment is not causing a reduction in Unitholders’ rights or security, imposing costs or liabilities on the Unitholders or causing a change to the Investment Policy, the amendment has become effective immediately in accordance with the Prospectus and the Terms of Conditions of the Fund.

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.

Sorts of risks	Risk hedged	Measures applied and expected effectiveness	Impact on 2022 NAV	Expected impact on 2023 NAV if risk materializes	Adjustments made or expected adjustments to risk management in 2022 or 2023
Price/Market Risk	No	The fund has been holding cash and long only equity positions. The bottom-up company analysis is a very important item in mitigating risks during the holding period of a position. However share price fluctuations due to general equity market movements during the holding period can't be mitigated or avoided in full by conducting company analysis. This risk is inherent when securities like equities are traded.	The Fund lost -67.98% in 2022 (General Class A - lead series). The Fund doesn't have a formal benchmark. As a reference, the MSCI World Index (in EUR) lost -14.74% in 2022 and the Nasdaq index (in EUR) lost -28.88%.	Investments are being selected because of its own interesting merits (technological breakthrough, competitive advantage, attractive valuation, etc) but this will also depend on general market circumstances.	No
Sector risk	No	The Fund currently has a bias to the technology sector. Bottom-up company analysis is a very important item in mitigating risks during the holding period of a position. However share price fluctuations due to company specific items or general sector developments during the holding period can't be mitigated or avoided in full by conducting company analysis.	The Fund lost -67.98% in 2022 (General Class A - lead series). The Fund doesn't have a formal benchmark. As a reference, the MSCI World Index (in EUR) lost -14.74% in 2022 and the Nasdaq index (in EUR) lost -28.88%.	Investments are being selected because of its interesting merits (technological breakthrough, competitive advantage, attractive valuation, etc) but this will also depend on general market circumstances.	No
Interest rate risk	No	The Fund has no interest bearing financial instruments except for cash at bank (including custodian). Therefore the Fund is not exposed to significant interest rate risk.	None	None	No
Foreign Exchange risk	No	FX risk is not being hedged. It is not expected that this will change in the near future either.	Over 95% of the investments (excluding cash) are denominated in US Dollar. Because of the appreciation of the US Dollar in 2022 this had a positive impact on results.	This will largely depend on FX movements.	No
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
Credit risk	No	Spare cash is maintained at Interactive Brokers and Rabobank. Both parties are deemed to be solvent and we would reconsider the relationship if this changes.	None	None	No
Operational risk	No	This risk is mostly mitigated by having rigid operational procedures in place. Next to that duties and responsibilities are clearly divided between Privium employees. The same is applicable at the service providers of the several Privium Funds.	None	None	No
Counterparty Risk	No	This risk is mostly mitigated by selecting and maintaining relationships with top tier counterparties and service providers.	None	None	No
Leverage Risk	No	The Fund may use leverage. This is limited to 20% of the Net Asset Value of the Fund. As of December 31, 2022 the leverage calculations according to the Gross method and Commitment method are as follows: Gross method: 113.92% and Commitment method: 115.18%.	None	None	No
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

Risk management

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

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

Under the AIFM Directive, the Fund Manager is required to establish and maintain a permanent risk management function. This function should have a primary role in shaping the risk policy of each Alternative Investment Fund ("AIF"), 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 Manager has full authority to close positions or the authorization to instruct the closing of positions on his behalf in case of a risk breach.

To ensure that all risk management tasks are executed correctly and timely, the Fund Manager uses an automated system (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 2022 and during the first two months of 2023 this audit was performed and the findings were reported to Privium's management. The audit did not demonstrate any material deviations.

General principles of remuneration policy Privium Fund Management B.V. (´Privium´)
Privium Fund Management B.V ("Privium") has a careful, controlled and sustainable remuneration policy which meets all requirements included in the Alternative Investment Fund Managers Directive (AIFMD) and the guidelines on sound remuneration policies under the AIFMD (ESMA Guidelines). In line with the Sustainable Finance Disclosure Regulation (SFDR) the remuneration policy of Privium takes into account sustainability risks. The remuneration policy is consistent with and contributes to a sound and effective risk management framework and does not encourage risk taking beyond what is acceptable for Privium.

The Board of Privium is responsible for establishing the Remuneration policy. The Board of Privium reviews the Remuneration policy at least once a year and the policy may be amended if circumstances warrant that. Remunerations at Privium may consist out of a fixed salary (this may include a payment to cover certain expenses of staff members) and a variable remuneration.

Privium may reclaim all or part of the variable remuneration paid if (i) this payment was made on the basis of incorrect information, (ii) in the event of fraud by the employee, (iii) in the event of serious improper behaviour by the employee or serious negligence in the performance of his tasks, or (iv) in the event of behaviour that has resulted in considerable losses for the fund or Privium.

Remuneration policy 2022
This overview is based on the situation as of December 31, 2022. The financial year of Privium ends on December 31 of any year. For some of the funds the compensation consists of both a management and a performance fee. Amounts reflect remuneration related to funds managed by Privium, for the time Privium was the Fund Manager of those funds.

The two tables below offer an overview of the remuneration at the level of Privium. The first table shows the remuneration overview as of December 31, 2021 and the second table shows the remuneration overview as of December 31, 2022.
Information per fund is not available. The Board of Privium is being described as Identified Staff in senior management roles. All other staff members are categorized as identified staff outside senior management roles.

<u>Overview as December 31, 2021</u>

	Identified staff in senior management roles	Identified staff outside senior management roles	Total staff
Number of staff	2	37	39
Total fixed remuneration	€ 167.492	€ 9.691.135	€ 9.858.627
Total variable remuneration	€ 42.500	€ 9.326.680	€ 9.369.180
Total remuneration	**€ 209.992**	**€ 19.017.815**	**€ 19.227.807**

Overview as December 31, 2022

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

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

Regarding the 2022 performance of the Guardian Fund an amount of EUR 32,779 has been paid to Identified Staff of 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 Guardian Fund this is not applicable to the Guardian Fund.

Privium Fund Management B.V., the Fund Manager of the various funds, does not charge any employee remuneration fees to the funds, except for the Supermarkt Vastgoed fund. The Supermarkt Vastgoed fund already had an ‘at cost’ fee model prior to Privium being appointed as Fund Manager, instead of the more common model where the Fund Manager receives a management fee that is a percentage of the AUM.
Employee remuneration is paid out of the management and performance fees (if applicable). In total 41 staff members were involved during (some part of) the year 2022 (2021: 39), including consultants and including both part-time and full-time staff.

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

Control Statement
The Board of Privium Fund Management B.V. declares to have an AO/IB (Handbook) that meets the requirements of the "Wet op het financieel toezicht and the 'Besluit gedragstoezicht financiële ondernemingen ('Bgfo")". During 2022 we assessed the various aspects of the Privium operations as outlined in the AO/IB (Handbook). We have not identified any internal control measures that do not meet the requirements of Article 121 of the Bgfo and as such we declare that the operations in the year 2022 functioned effectively as described. During 2022 a number of independent service providers have conducted checks on Privium´s operations as part of their ongoing responsibility and investor demand. No errors have been signaled.

Privium is updating its AO/IC (Handbook) on a regular basis as required by law. The 2022 update was completed in November 2022. During the fourth quarter of 2022 and the first two months of 2023 the external audit officer performed its annual due diligence on a number of internal procedures at the Fund Manager. These are related to Compliance and Risk Management. The external audit officer has reported his findings to the Fund Manager in a report. No meaningful errors have been signalled.

Sustainable Finance Disclosure Regulation (SFDR)
As per 10 March 2021 the EU Sustainable Finance Disclosure Regulation (SFDR) has come into force. In the context of the Sustainable Finance Disclosure Regulation (SFDR), the Fund has been classified as an Article 6 fund. The investments of the Fund do not take into account the EU criteria for environmentally sustainable economic activities. However, in compliance with the SFDR, the Fund Manager does consider the effects of material sustainability risks on the value of the Fund's investments. On a company by company basis, 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.

Financial statements

Balance sheet as at 31 December

(Before appropriation of result)

(all amounts in EUR)	Notes	2022	2021
Assets			
Investments	1		
Equity securities		65,016,792	164,242,264
Total of investments		**65,016,792**	**164,242,264**
Intangible assets			
Deferred organisation costs	2	36,519	52,214
Total intangible assets		**36,519**	**52,214**
Receivables			
Due from brokers		311,700	-
Other receivables	3	5,378	1,414
Total receivables		**317,078**	**1,414**
Other assets			
Cash	4	1,346,037	6,271,970
Total of other assets		**1,346,037**	**6,271,970**
Total assets		**66,716,426**	**170,567,862**
Liabilities			
Net asset value	5		
Units paid in surplus		131,503,741	121,846,689
Undistributed income prior years		37,267,403	39,668,289
Result current year		(112,232,088)	(2,400,886)
Total net asset value		**56,539,056**	**159,114,092**
Other liabilities	6		
Bank overdrafts		8,911,278	10,140,506
Due to broker		886,478	-
Subscriptions received in advance		250,000	1,126,000
Other liabilities		129,614	187,264
Total other liabilities		**10,177,370**	**11,453,770**
Total liabilities		**66,716,426**	**170,567,862**

Profit and loss statement

(For the year ended 31 December)

(all amounts in EUR)	Notes	2022	2021
Investment result			
Dividend income		-	15,538
Total investment result		**-**	**15,538**
Revaluation of investments	7		
Realised results		(27,214,485)	6,241,212
Unrealised results		(82,801,355)	(902,746)
Total changes in value		**(110,015,840)**	**5,338,466**
Other results			
Foreign currency translation	8	(691,292)	(597,521)
Other results		-	(19,784)
Total other results		**(691,292)**	**(617,305)**
Operating expenses			
Management fee	9	(799,565)	(1,455,509)
Performance fee	10	(32,779)	(5,235,034)
Administration fees	11	(54,056)	(83,643)
Custody expenses	12	(13,632)	(25,162)
Depositary fees	13	(23,463)	(24,740)
Interest expenses	14	(458,709)	(147,007)
Brokerage fees and other transactions		(28,883)	(57,070)
Audit fees	16	(29,333)	(24,754)
Legal owner fees	15	(8,514)	(8,758)
Supervision fees		(24,389)	(9,505)
Organisational expenses	2	(15,695)	(15,695)
Other expenses		(35,938)	(48,542)
Total operating expenses		**(1,524,956)**	**(7,135,419)**
Result for the year before tax		**(112,232,088)**	**(2,398,720)**
Withholding tax	20	-	(2,166)
Net result for the year after tax		**(112,232,088)**	**(2,400,886)**

Cash flow statement

(For the year ended 31 December)

(all amounts in EUR)	Notes	2022	2021
Cash flow from operating activities			
Purchases of investments		(58,857,838)	(93,359,948)
Proceeds from sales of investments		48,642,248	38,954,575
Dividend received		-	15,538
Performance and management fee paid		(911,246)	(16,014,387)
Interest paid		(420,958)	(147,007)
Dividend paid		-	(2,166)
Other expenses paid		(238,671)	(267,893)
Net cash flow from operating activities		**(11,786,465)**	**(70,821,288)**
Cash flow from financing activities			
Proceeds from subscriptions to units		11,251,294	65,754,367
Payments for redemption of units		(2,470,242)	(6,149,249)
Net cash flow from financing activities		**8,781,052**	**59,605,118**
Net cash flow for the year		**(3,005,413)**	**(11,216,170)**
Cash at beginning of the year		(3,868,536)	7,945,155
Foreign currency translation	8	(691,292)	(597,521)
Cash at the end of the year	4	**(7,565,241)**	**(3,868,536)**

Notes to the financial statements

General information

Guardian Fund (the "Fund") is a contractual investment fund ("beleggingsfonds" or "fonds voor gemene rekening"). It is not a legal entity but a contractual arrangement sui generis between the Fund Manager, the Legal Owner and the Unitholders. The Fund was established on 1 August 2010 and shall continue to exist for an indefinite period of time. The Fund's office address is that of the Fund Manager.

The Fund has an open-ended structure, which means that the Fund will on request issue and redeem Units, subject to certain restrictions as described herein. The Fund is governed inter alia by the Terms and Conditions. By subscribing to the Fund, a Unitholder represents and warrants to have reviewed the Terms and Conditions and agrees to be bound thereby. A Unitholder is admitted to the Fund by the issuance of Units.

The Fund's objective is to achieve capital growth through the long-term equity ownership of several listed businesses. To achieve this objective, the investment policy of the Fund is to predominantly invest in a concentrated portfolio of listed equity instruments issued by public companies around the world which meet the Investment Criteria. The portfolio will be managed actively subject to the Fund's performance and risk objectives and the Investment Restrictions.

The Fund has eight (8) classes of Units:

- General Class A;
- General Class A – International Investors;
- Institutional Class A;
- Institutional Class A – Austrian Investors;
- Institutional Class B;
- Institutional Class C;
- Initial Class 1; and
- Initial Class 2.

The Classes differ in respect of certain key terms (fee levels) as specified in this Prospectus. Units of different Classes shall be issued in Series, a separate Series on each subscription date. All Classes provide exposure to the same Investment Objective and Investment Policy. The General Class A – International Investors may be held by foreign investors with specific reporting requirements in their home state. The Institutional A Class – Austrian Investors Class may be held by investors residing in Austria only. Units of different Classes shall be issued in Series, a separate Series on each subscription date. All Classes provide exposure to the same Investment Objective and Investment Policy.

Unitholders have no proprietary rights with respect to the assets of the Fund but an economic interest in the assets of the Fund. The Trustee is the legal owner of all assets of the Fund. The Trustee will acquire and hold the assets on behalf and for the account of the Unitholders. Such interest of the Unitholders is represented by the Units held by each of them. Pursuant to the Terms and Conditions, the Trustee will grant a power of attorney to the Manager to manage (beheren) the assets of the Fund in accordance with the Terms and Conditions.

The base currency of the Fund is Euro.

The Fund qualifies as a transparent or "closed" fund for joint account Dutch tax purposes, since, Units can only be transferred to the Fund itself and Units can only be redeemed by the Fund.

The Fund is not listed on the stock exchange.

Finance Disclosure Regulation (SFDR)
In the context of the EU Sustainable Finance Disclosure Regulation (SFDR), the Fund has been classified as an Article 6 fund. The investments of the Fund do not take into account the EU criteria for environmentally sustainable economic activities.

Accounting policies

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

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

Judgement, estimates, assumptions and uncertainties
The management of the Fund makes various judgments and estimates when applying the accounting policies and rules for preparing the financial statements. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the consolidated financial statements in future periods. There are no significant estimates and assumptions.

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

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

Investments

Recognition and basis of measurement
All investment securities are initially recognized at cost.

Valuation
1. any security which is listed or quoted on any securities exchange or similar electronic system and regularly traded thereon will be valued at its last traded price on the relevant Business Day or, if no trades occurred on such day, at the closing bid price, as at the relevant Business Day, and as adjusted in such manner as the Administrator, in its sole discretion, thinks fit, having regard to the size of the holding; where prices are available on more than one exchange or system for a particular security the price will be the last traded price or closing bid or offer price, as the case may be, on the exchange which constitutes the main market for such security or the one which the Administrator in its sole discretion determine provides the fairest criteria in ascribing a value to such security;

2. investments, other than securities, which are dealt in or traded through a clearing firm or an exchange or through a financial institution will be valued by reference to the most recent official settlement price quoted by that clearing house, exchange or financial institution; if there is no such price, then the average will be taken between the lowest offer price and the highest bid price at the close of business on any market on which such investments are or can be dealt in or traded, provided that where such investments are dealt in or traded on more than one market, the Administrator may determine at its discretion which market shall prevail;

3. any security which is neither listed nor quoted on any securities exchange or similar electronic system or if, being so listed or quoted, is not regularly traded thereon or in respect of which no prices as described above are available, will be valued at its probable realization value as determined by the Administrator in good faith having regard to its cost price, the price at which any recent transaction in the security may have been effected, the size of the holding having regard to the total amount of such security in issue, and such other factors as the Administrator in its sole discretion deems relevant in considering a positive or negative adjustment to the valuation;

4. investments, other than securities, which are not dealt in or traded through a clearing firm or an exchange or through a financial institution will be valued on the basis of the latest available valuation provided by the relevant counterparty;

5. deposits will be valued at their cost-plus accrued interest;

6. all other Fund Assets and Fund Obligations shall be valued on the basis of current fair value, subject to the most recent market quotations and customary valuation methods that apply for the relevant Fund Asset or Fund Obligation; and

7. any value (whether of an investment or cash) otherwise than in Euros will be converted into Euros at the rate (whether official or otherwise) which the Administrator in its absolute discretion deems applicable as at close of business on the relevant Business Day, having regard, among other things, to any premium or discount which they considers may be relevant and to costs of exchange.

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

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

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

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

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

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

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

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

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

Ongoing charges figure (OCF)
The ongoing charges figure contains all costs that have been charged to the Fund for the year 1 January 2022 until 31 December 2022 excluding the transaction costs, interest costs and performance fees. The ongoing charges figure is calculated by dividing all the costs of the period with the average net asset value. The average net asset value is calculated by adding all the monthly net asset values and divide them by the number of month's used (for this period the number of months is 12).

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

Notes to the balance sheet

1. Investments

(all amounts in EUR)	2022	2021
Equity securities	65,016,792	164,242,264
Position as per 31 December	**65,016,792**	**164,242,264**

The market value of the investments is based on quoted market prices. The movement of the financial instruments is as follows:

	2022	2021
Equity		
Opening balance	164,242,264	104,498,425
Purchases	59,744,316	93,359,948
Sales	(48,953,948)	(38,954,575)
Realised investment result	(27,214,485)	6,241,212
Unrealised investment result	(82,801,355)	(902,746)
Balance at 31 December	**65,016,792**	**164,242,264**

2. Deferred organisation costs

The Fund has deferred the costs of changing the Fund Manager role and Privium Fund Management B.V. becoming the Alternative Investment Fund Manager of the Fund. The total organisation costs amount to EUR 69,217 and these are expensed in a period of 60 months.

(all amounts in EUR)	2022	2021
Opening balance	52,214	37,191
Deferred organisation costs	-	30,718
Depreciation	(15,695)	(15,695)
Position as per 31 December	**36,519**	**52,214**

3. Other receivables

(all amounts in EUR)	2022	2021
Prepaid administration fee	5,378	1,414
Position as per 31 December	**5,378**	**1,414**

4. Cash

At 31 December 2022 and 31 December 2021, no restrictions on the use of cash exist. The following cash position were held:

(all amounts in EUR)	**2022**	**2021**
BinckBank N.V.	-	(7,594,351)
Interactive Brokers (UK) Ltd.	(8,911,278)	-
Rabobank	1,346,037	3,725,815
Position as per 31 December	**(7,565,241)**	**(3,868,536)**

5. Redeemable units

Unitholders may have their Units redeemed by the Fund. The Fund aims to only work with investors who share the long-term philosophy of the Fund Manager. To ensure potential investors think seriously about their investment horizon, redemption fees apply to redemptions of Units of all Classes except of Initial Class 2 within three (3) years of investing.

The early redemption fee decreases on a linear basis over thirty-six (36) months of investing from three per cent (3%) to zero per cent (0%).

Redemption is possible at the first (1) Business Day of each calendar month. Unitholders should send a completed redemption notice to the Fund Manager and the Administrator at least twenty (20) Business Days before the desired Transaction Date. If the Investor fails to do a timely redemption request, then the redemption will be postponed until the following Transaction Date. The Fund Manager may decide, in its absolute discretion, to shorten this period between receiving a redemption notice and the Transaction Date, but the request needs to be received by the Fund Manager and the Administrator at least one business day before the Transaction Date, in all cases.

On each Transaction Date the Fund will redeem Units at the Unit NAV on the Business Date preceding such Transaction Date (possibly less a redemption charge).

On each Transaction Date the Fund will, if so requested by a Unitholder, redeem Units at the Net Asset Value of the Unit at the end of the Business Day preceding that on which redemption takes place, minus a possible redemption charge of maximum three per cent (3%). The full redemption fee is for the benefit of the Fund Manager. Given the fact that the Fund is investing on the basis of fundamentals and the potential of companies and not betting on a short-term direction of a stock price, a redemption charge will be charged to the Unitholders upon a redemption within 3 years after Units in the Fund have been received in order to discourage a short term investment.

The Fund Manager reserves the right to restrict redemption of Units on a Transaction Date to Units representing up to five per cent (5%) of the Fund’s Net Asset Value. In the event redemption requests exceeding that amount are received, the number of Units redeemed per redeeming Unitholder will be prorated accordingly. Any remaining Units offered for redemption will receive preferential treatment over subsequent redemption requests at the next following Transaction Dates, in which case redemption will take place against the Unit NAV on the Business Day preceding that Transaction Date.

The minimum redemption amount is EUR 10,000. The Fund Manager may decide, but is not obliged, to lower this amount in individual cases.

Movement schedule of net asset value

(all amounts in EUR)	2022	2021
Participations paid in surplus		
Opening balance	121,846,689	56,416,571
Subscriptions to redeemable units	12,127,294	71,579,367
Redemption of redeemable units	(2,470,242)	(6,149,249)
Closing balance	**131,503,741**	**121,846,689**
Undistributed income prior years		
Opening balance	39,668,289	9,049,231
Addition from undistributed result	(2,400,886)	30,619,058
Closing balance	**37,267,403**	**39,668,289**
Undistributed result		
Opening balance	(2,400,886)	30,619,058
Addition to undistributed income prior years	2,400,886	(30,619,058)
Result current year	(112,232,088)	(2,400,886)
Closing balance	**(112,232,088)**	**(2,400,886)**
Total net assets value at 31 December	**56,539,056**	**159,114,092**

Movement schedule of units

(in number of units)	2022	2021
Outstanding units		
Opening balance	972,216	311,512
Subscriptions to redeemable units	120,377	700,403
Redemption of redeemable units	(18,122)	(17,774)
Conversion of redeemable units[2]	-	(21,925)
Outstanding units at 31 December	**1,074,471**	**972,216**

[2] Conversions are transactions whereby units of one class are converted to another class within the Fund.

6. Other liabilities

The short term liabilities as at 31 December consist of the following items:

(all amounts in EUR)	**2022**	**2021**
Bank overdrafts	8,911,278	10,140,506
Due to brokers	886,478	-
Subscriptions received in advance	250,000	1,126,000
	10,047,756	**11,266,506**
Other liabilities		
Management fees payable	49,847	128,749
Interest payable	37,751	-
Audit fees payable	27,191	28,929
Custodian fees payable	-	6,040
Other liabilities	14,825	23,546
Total	**129,614**	**187,264**
Total other liabilities	**10,177,370**	**187,264**

Notes to the profit and loss statement

7. Revaluation of investments

(all amounts in EUR)	**2022**	**2021**
Net realised result on financial assets and liabilities at fair value through profit or loss		
Realised gains on equities	13,446,693	10,334,682
Realised losses on equities	(40,661,178)	(4,093,470)
Total realised result	**(27,214,485)**	**6,241,212**
Net unrealised result on financial assets and liabilities at fair value through profit or loss		
Unrealised gains on equities	4,607,195	27,539,528
Unrealised losses on equities	(87,408,550)	(28,442,274)
Total unrealised result	**(82,801,355)**	**(902,746)**
Total revaluation of investments	**(110,015,840)**	**5,338,466**

8. Foreign currency translation

Realised and unrealised exchange differences consist of realised and unrealised translation gains (losses) on assets and liabilities other than financial instruments at fair value through profit or loss and amount to a loss of EUR 691,292 (2021: a loss of EUR 597,521).

9. Management fee

For managing the Fund, the Fund Manager will receive a fixed annual management fee which is a percentage of the Fund's Net Asset Value. The management fee will be calculated bi-monthly on the basis of the Net Asset Value of the Fund, to be paid monthly in arrears.

The following Management Fee percentages are applied per Class:

- General Class A 1.20%
- General Class A – International Investors 1.20%
- Institutional Class A 1.00%
- Institutional Class A – Austrian Investors 1.00%
- Institutional Class B 0.90%
- Institutional Class C 0.90%
- Initial Class 1 1.10%
- Initial Class 2 0.80%

The Management Fee for the year 2022 amounts to EUR 799,565 (2021: EUR 1,455,509).

10. Performance fee

For managing the Fund, the Fund Manager is entitled to a performance fee amounting to the Fund's increase in Net Asset Value per month. The fee will be calculated bi-monthly on the basis of the Net Asset Value of the Fund and will be crystalized and paid quarterly (except for the possible realized performance fee in respect of Units that redeem, which shall be realized per the moment of redemption).

The following Performance Fee percentages are applied per Class:

- General Class A — 25% above 5% annual hurdle
- General Class A – International Investors — 25% above 5% annual hurdle
- Institutional Class A — 25% above 5% annual hurdle
- Institutional Class A – Austrian Investors — 25% above 5% annual hurdle
- Institutional Class B — 20% above 5% annual hurdle
- Institutional Class C — 20% above 6% annual hurdle
- Initial Class 1 — 25% above 6% annual hurdle
- Initial Class 2 — 25% above 6% annual hurdle

The Performance Fee for the year 2022 amounts to EUR 32,779 (2021: EUR 5,235,034).

11. Administration fees

The Fund has appointed Bolder Fund Services (Netherlands) B.V. as the administrator. The administrator is entitled to an annual administration fee of 0.05% of the Net Asset Value of the Fund as of the last calendar day of each month up to an NAV of EUR 100,000,000. Thereafter, an annual fee equal to zero point zero four per cent (0.04%) of the Net Asset Value of the Fund as of the last calendar day of each month shall apply. The minimum administrator fee will at all times be EUR 17,500 per annum. For each additional activated Class, an additional fee of EUR 1,500 shall apply.

For the preparation of the Fund's annual and semi-annual financial statements, the Administrator will charge an annual fixed fee of four thousand Euros (EUR 4,000) (excluding VAT). For FATCA related services, the Administrator will charge the Fund an annual fixed fee of three thousand Euros (EUR 3,000) (excluding VAT) based on a total of one hundred and twenty (120) Unitholders. For each additional Unitholder, an additional fee of fifty Euros EUR 50) shall apply. For Annex IV reporting related services, the Administrator will charge the Fund an annual fixed fee of two thousand Euros (EUR 2,000) per report (excluding VAT).

12. Custody expenses

The Fund has appointed Interactive Brokers-Ireland Limited as custodian to the Fund. In remuneration of the Custodian's services to the Fund, the Fund shall pay the Custodian an annual remuneration equal to zero point zero one five per cent (0.015%) (i.e. one point five (1.5) basis points) of the Net Asset Value.

13. Depositary fees

The Fund has appointed Darwin Depositary Services B.V. as the depositary of the Fund. The depositary is entitled to an annual fee equal to 0.014% (1.4 basis points) of the Net Asset Value as of the last calendar day of each quarter. The depositary fee is payable quarterly in advance and subject to an annual minimum fee of EUR 16,945.

14. Interest expenses

The interest expenses for 2022 and 2021 consist of the following items:

(all amounts in EUR)	**2022**	**2021**
Broker interest charges	454,626	134,843
Bank interest charges	4,083	12,164
	458,709	**147,007**

15. Legal Owner fees

Stichting Juridisch Eigendom, Guardian Fund 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 has been capped at EUR 6,500 per annum. Any additional services being performed will be paid based on an hourly rate basis.

16. Audit fees

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

Other notes

Risk management
The nature of the Fund's investments involves certain risks and the Fund may utilise investment techniques (such as leverage, short selling and the use of derivatives) which may carry additional risks. An investment in the Fund therefore carries substantial risk and is suitable only for persons who can afford the risk of losing their entire investment. The Fund's financial risks are managed by diversification of the financial instruments at fair value through profit or loss. For further explanation of the investment objectives, policies and processes, refer to the General section of the notes to the financial statements

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

The total market risk that the Fund bears at 31 December 2022 is the total net financial assets and liabilities at fair value through profit or loss in the amount of EUR 65,016,792 (2021: EUR 164,242,264). If the prices had risen/fallen by 5%, the total financial assets and liabilities at fair value through profit or loss would have increased/decreased by EUR 3,250,840 (2021: EUR 8,212,113).

Currency risk
The Fund may invest in assets denominated in currencies other than its functional currency, the EUR. Consequently, the Fund is exposed to risks that the exchange rate of the EUR relative to other currencies may change in a manner which has an adverse effect on the reported value of that portion of the Fund's assets which are denominated in currencies other than the EUR. The Fund is exposed to currency risk since most of the investments are denominated in USD.

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

	2022		**2021**	
	Fair value	**% of NAV**	**Fair value**	**% of NAV**
Swedish krona	508,627	0.90	-	-
United States dollar	54,163,925	95.80	154,101,758	96.85
Total	**54,672,552**	**96.70**	**154,101,758**	**96.85**

Interest rate risk
Interest rate risk refers to fluctuations in the value of, amongst others, fixed-income security resulting from changes in the general level of interest rates. When the general level of interest rates goes up, the prices of fixed-income securities will generally go down and vice versa. Financial assets and liabilities with longer durations tend to be more sensitive to changes in interest rates, usually making them more volatile than securities with shorter durations. The Fund's income and operating cash flows are dependent on changes in market interest rates.

At 31 December 2022, the Fund has no interest bearing securities except for cash at banks which is subject to normal market related short term interest rates. Therefore, the Fund is not exposed to significant interest rate risks.

Credit risk
The Fund could lose money if the issuer of an underlying fixed income security or money market instrument, the counterparty or clearing house of a derivatives contract or repurchase agreement, a Custodian at which a deposit or other assets are held, or the counterparty in a securities lending agreement does not honor his obligations. Issuers of fixed income instruments and other counterparties are subject to varying degrees of credit risks which are reflected in their credit ratings. The Fund’s investment restrictions have been designed to limit the credit risk to any counterparty but this offers no guarantee that a credit event will not occur. The Fund is also exposed to credit risk on its cash which are held at Rabobank and Interactive Brokers (UK) Ltd. The Standard & Poor's credit rating for these banks are A+ and A- at 31 December 2022 (2021: A+ and BBB+).

The Fund’s maximum exposure to credit risk (not taking into account the value of any collateral or other security held) in the event that counterparties fail to perform their obligations at 31 December 2022 and 2021 in relation to the assets, is the carrying amount of EUR 1,663,115 (2021: EUR 6,273,384) as indicated in the statement of financial position.

Custody risk
The Fund's assets are held at Interactive Brokers-Ireland Limited. All long positions and regular cash accounts are segregated and therefore their counterparty risk should be negligible.

Liquidity risk
The Fund may invest in securities or investment funds which can be illiquid and can apply a lock-up for their investors. This might have a pricing and liquidity effect on the Fund and might ultimately lead to a slower redemption process for investors in the Fund. The Liquidity of the Fund is monitored by the Fund Manager on an ongoing basis.

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

17. Ongoing charges figure (OCF)

(all amounts in EUR)	**2022**	**2021**
Average net asset value	80,436,068	153,872,265
Total ongoing expenses	1,004,584	1,696,308
Ongoing charges figure	**1.25%**	**1.10%**

18. Turnover ratio (TOR)

The turnover ratio for the Fund over the period 1 January 2022 until 31 December 2022 is 117 (2021: 35). This large figure is explained by the Fund’s active trading policy, 2022 was much more volatile and therefore there was more trading activity.

19. Related parties

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party making financial or operational decisions.

All services rendered by the Fund from the Fund Manager therefore qualify as related party transactions. During the year, the Fund paid management fees of EUR 878,467 (2021: EUR 1,402,500) and performance fees of EUR 32,779 (2021: EUR 14,611,887) to the Fund Manager.

20. Income and withholding tax

The Fund is organized as an investment Fund ("Fonds voor gemene rekening") under the current system of taxation in The Netherlands. The Fund is transparent for The Netherlands corporate income tax purposes. As a consequence, the Fund is not subject to The Netherlands corporate income tax. Certain dividend and interest income received by the Fund are subject to withholding tax imposed in the country of origin. During the year no average withholding tax rate incurred by the Fund (2021: 13.94%).

21. Core business and outsourcing

The following key task have been outsourced by the Fund:

Administration
The administration has been delegated to Bolder Fund Services (Netherlands) B.V, who carries out the administration of the Fund, including the processing of all investment transactions, processing of revenues and expenses and the preparation of the NAV. It also states, under the responsibility of the Manager, the interim report and the financial statements of the Fund. For information on the fees of the Administrator refer to note 11.

22. Events after 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

As of May 25, 2023, the name of Darwin Depositary Services B.V. has been changed into APEX Depositary Services B.V. Their new address will be: Van Heuven Goedhartlaan 935A, 1181 LD Amstelveen.

23. Personnel

The Fund did not employ personnel during the year (2021: nil).

24. Appropriation of the result

The primary objective of the Fund is to achieve capital growth. Distributions are not foreseen. The Fund's Net Proceeds will be added annually to the Fund's reserves unless the Fund Manager specifies otherwise. Any distributions to Unitholders will be made pro rata to the numbers of Units held by each of them in each Series. Distributions of Net Proceeds will be made in cash, in Euro.

Amsterdam, 21 June 2023

Fund Manager
Privium Fund Management B.V.

Other information

Personal holdings of the Fund Manager

As of December 31, 2022 the Investment team of the Fund also maintains an investment in the Fund. This represents 1,000 (2021: 1,000) Initial Class 2 Units.

The Investment team of the Fund, also holds the following positions in companies in which the Fund has been invested.

	31-12-2022	31-12-2021
Positions		
23andme Holding	-	6,000
Affirm	-	1,170
Alphabet	2,220	30
Amazon	130	-
Block	620	-
Cloudflare	4,725	2,500
Coinbase	-	850
Confluent	450	-
Crowdstrike	-	1,150
Datadag	1,050	-
Elastic	-	1,700
Embracer	2,000	-
Nvidia	675	-
Palantir	-	58,500
Roblox	330	250
Roku	-	1,000
Sea	-	3,900
Shopify	9,825	690
Snowflake	1,400	950
Spotify	3,825	1,200
Square	-	400
Stoneco	-	4,000

Independent Auditor's report

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

Independent auditor's report

To: the management board of Guardian Fund

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

Our opinion

We have audited the financial statements for the financial year ended 31 December 2022 of Guardian Fund based in Amsterdam, The Netherlands.

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

The financial statements comprise:
- The balance sheet as at 31 December 2022
- The profit and loss account for 2022
- 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 Guardian 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.

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.

As in all of our audits, we addressed the risks related to management override of controls. For these risks we have performed procedures among others 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 accounting policies' section of 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.

These risks did however not require significant auditor's attention during our audit.

We considered available information and made enquiries of relevant executives, directors, and the management board.

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 management board, reading minutes, inspection of compliance reports, and performing substantive tests of details of classes of transactions, account balances or disclosures.

We 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 “Basis of accounting” in “Accounting policies” section of the financial statements, the financial statements have been prepared on a going concern basis. When preparing the financial statements, the management board 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 management board exercising professional judgment and maintaining professional skepticism.

We considered whether the management’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. Based on our procedures performed, we did not identify material uncertainties about going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause a 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.

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

Description of responsibilities regarding the financial statements

Responsibilities of manager for the financial statements

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

As part of the preparation of the financial statements, management is responsible for assessing the Fund’s ability to continue as a going concern. Based on the financial reporting framework mentioned, the fund manager should prepare the financial statements using the going concern basis of accounting unless management either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so. The manager should disclose events and circumstances that may cast significant doubt on the 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 company’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 management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant findings in internal control that we identify during our audit.

The Hague, 21 June 2023

Ernst & Young Accountants LLP

signed by R.J. Bleijs