

Global Allocation Fund

The Netherlands

ANNUAL REPORT

for the year ended 31 December 2022

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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 |
| Delegate | Box Consultants B.V. Burgemeester Mollaan 72 5582 CK Waalre The Netherlands |
| Depositary | Darwin Depositary Services B.V. Barbara Strozziilaan 101 1083 HN Amsterdam The Netherlands |
| Legal Owner | Stichting Juridisch Eigendom Global Allocation Fund Woudenbergseweg 11 3953 ME Maarsbergen The Netherlands |
| Custodian | ABN AMRO Clearing Bank N.V. Gustav Mahlerlaan 10 1082 PP 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 Advisor | Van Campen Liem J.J. Viottastraat 52 1071 JT Amsterdam The Netherlands |
| Payment Bank | ABN AMRO Bank N.V. Gustav Mahlerlaan 10 1082 PP Amsterdam The Netherlands |

Historical multi-year overview

Key figures

| | 2022 | 2021 | 2020 | 2019 | 2018 ¹ |
|--|--------------------|-------------------|-------------------|-------------------|--------------------|
| <i>(All amounts in EUR)</i> | | | | | |
| Equity at the beginning of the year | 57,127,456 | 46,558,980 | 42,954,390 | 35,383,248 | - |
| Proceeds of participations | 1,181,080 | 13,055,000 | 8,659,516 | 12,652,000 | 49,574,101 |
| Redemption of participations | (8,542,795) | (8,156,866) | (6,698,096) | (10,182,974) | (11,750,253) |
| Result for the period | (7,481,320) | 5,670,342 | 1,643,170 | 5,102,116 | (2,440,600) |
| Equity at the end of the year | 42,284,421 | 57,127,456 | 46,558,980 | 42,954,390 | 35,383,248 |
| Investments | 42,135,444 | 56,871,234 | 44,631,115 | 42,677,145 | 35,046,707 |
| Cash and cash equivalents | 773,464 | 83,437 | 2,083,111 | 336,147 | 1,034,841 |
| Other assets and liabilities | (624,487) | 172,785 | (155,246) | (58,902) | (698,300) |
| Equity at the end of the year | 42,284,421 | 57,127,456 | 46,558,980 | 42,954,390 | 35,383,248 |
| Net profit/(loss) | | | | | |
| Investment income | 178,368 | 176,178 | 290,873 | 204,166 | 201,812 |
| Changes in value | (7,382,107) | 5,758,837 | 1,626,759 | 5,138,388 | (2,329,263) |
| Other results | 11,593 | (7,775) | - | - | - |
| Expenses | (289,174) | (256,898) | (274,462) | (240,438) | (313,149) |
| Net profit/(loss) | (7,481,320) | 5,670,342 | 1,643,170 | 5,102,116 | (2,440,600) |
| Number of participations | | | | | |
| Class A | 385,041.18 | 451,019.68 | 408,803.52 | 396,908.80 | 374,014.80 |
| Class B | 6,058.67 | 6,058.67 | 6,058.67 | 4,379.11 | 4,379.11 |
| Unitholders' equity per participation | | | | | |
| Class A | 108.23 | 125.09 | 112.35 | 107.15 | 93.64 |
| Class B | 100.89 | 117.79 | 106.85 | 102.93 | 90.86 |
| Performance | | | | | |
| Class A | (13.48%) | 11.34% | 4.85% | 14.43% | (6.36%) |
| Class B | (14.35%) | 10.24% | 3.80% | 13.29% | (9.14%) |

¹ The Fund commenced operations on 2 October 2017 therefore the 2018 period was from 2 October 2017 to 31 December 2018.

Management Report

Report of the Fund Manager

The Fund's objective is to achieve long term capital growth. To achieve the Fund objective, the Fund will invest in a diversified portfolio of Investment Funds (including hedge funds or other (alternative) collective investment vehicles worldwide), listed Investee companies, stocks, bonds, futures, currency forward contracts and in commodity related instruments including, but not limited to ETF's, ETP's, REIT's, index funds and structured products. The Fund is actively managed and does not use a benchmark index.

The Global Allocation Fund returned -13.48% (Class A) in 2022. Class B shares returned -14.35% during the same period.

The below review will cover the period between January 1, 2022 and December 31, 2022.

Review 2022

2022 was defined by a rapidly shifting paradigm in rates market as central banks accelerated measures to aggressively fight inflation. To put this in perspective, markets began the year pricing just over three 25bp rate hikes for 2022, but ended with the Fed delivering the equivalent of seventeen 25bp rate hikes. This regime shift caused significant volatility, leading to one of the worst years on record for both bond and equity markets.

In late 2021, the prevailing narrative and focus for the Fed was on slack in the labor market as economies transitioned to a "new normal" of co-existence with the COVID19 virus. However, the Fed's increased emphasis on the persistence of inflation quickly became clear.

Russia's full-scale invasion of Ukraine was a shock to the growth and inflation outlook. Amidst the largest land war in Europe since World War II, the resulting energy and food crisis unanchored inflation expectations and led to a synchronized, aggressive shift by developed market (DM) central banks who became focused on establishing credibility in fighting inflation, even at the expense of economic growth and market stability.

With heightened sensitivity around incoming data, strength in individual data prints - data point dependency - had an outsized influence on shifting the Fed's narrative and the market's expectations for rate hikes. By the fourth quarter, market pricing and Fed guidance finally began to coalesce around a similar level and incoming data did not drastically alter these projections. While monetary policy garnered the most attention, it was not the only source of volatility in markets. Most notably, in September, the UK government upheaval introduced fiscal credibility concerns, which had damaging effects on gilts and led to technical selling pressures across a variety of markets. Meanwhile, the evolution of China's COVID-zero policies, though restrictive for growth for much of the year, provided a source of enthusiasm into year-end.

Per year end, the portfolio of the Global Allocation Fund was allocated to the following four asset classes:

- Equities
- Fixed Income
- Alternatives (including commodities)

As of December 31, 2022, the portfolio of the GAF consists of 26 underlying funds.

Management Report (*continued*)

Outlook 2023

After a tumultuous time in markets, 2023 is shaping up to be a year of many opportunities. The current trajectory of inflation has helped near-term risk appetite in the markets – echoing the initial enthusiasm seen just a year ago. Though similar in tone, we believe the macro backdrop has dramatically changed and there is distinction to be made. Early last year there was a view in the market that the Fed was behind the curve – inflation was not transitory. More recently, on the back of aggressive Fed tightening, demand has slowed and evidence of inflation abating has materialized. Importantly, the Fed has signaled a change in the pace of hikes – 75 bps proved appropriate for a period of time, but the frontloading of rate hikes will now allow the Fed to downshift to 25bp increments before an eventual pause. Given the strength in the employment picture (as evidenced by solid nonfarm payroll prints and recently improving claims data), it's possible the Fed could engineer a soft landing, though acknowledge the increased potential for a recession by year-end. Even as the Fed's focus shifts to employment and wages, upcoming inflation prints remain important as the market should adapt to becoming “data-dependent”, instead of “data-point dependent”. Inflation will remain a key input for the Fed's pacing, while the labor market will be an important indicator for the terminal rate and the timing of the Fed pause. In 2022, global central banks took their cues from the US – synchronizing monetary policy with the actions of the Fed. If the Fed pauses in 2023, this may take pressure off other developed market (DM) central banks. With that said, the Bank of England (BoE) and the European Central Bank (ECB) have signaled further hikes given their primary mandates to maintain price stability, but the growth situation may prove challenging given the energy dynamics in the region (which thus far has been spared of the worst case scenarios due to milder winter weather). The Bank of Japan's (BoJ) path remains questionable but steps towards policy tightening, including the recent announcements around a loosening in yield curve remuneration (YCC) policy and BoJ Governor Kuroda's (a longstanding dove) upcoming retirement in April, point to potential for more changes ahead.

We expect limited changes within the portfolio. We have an overweight position in Equity, an underweight position in Fixed Income and an overweight position in Alternatives. We have an Equity overweight because we think the Equity risk premium is still interesting. Within Fixed Income we have a relatively large position in spread products and conditional coupon structures. The Alternatives exposure of the fund is being obtained through the investment in the Multi Strategy Alternatives Fund and an actively managed fund investing in commodities. Direct FX exposures within the fund are not expected to be hedged during the full year of 2023 either.

We are always looking for funds or products that offer a better risk/return ratio than any of the existing investments of the GAF. It might well be possible that exposures within the portfolio will be decreased when the year progresses.

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 GAF 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 on the investments 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.

Management Report *(continued)*

General principles of remuneration policy Privium Fund Management B.V. ('Privium') *(continued)*

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

Remuneration policy 2022

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

The two tables below offer an overview of the remuneration at the level of Privium. The first table shows the remuneration overview as of December 31, 2021 and the second table shows the remuneration overview as of December 31, 2022.

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

Overview as December 31, 2021

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

Overview as December 31, 2022

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

Management Report (*continued*)

Remuneration policy 2022 (*continued*)

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

In 2022 no variable payments regarding the Global Allocation Fund have been paid to any Identified Staff of Privium.

Privium has delegated certain portfolio management duties of some of its funds to outside investment advisers ('delegates'). Remuneration of identified staff of delegates is not included in the table. The delegates are subject to regulatory requirements on remuneration policies and disclosures that are comparable with the requirements applicable to Privium. Reference to the remuneration of the delegates is included in the Prospectus and annual report of the funds concerned.

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).

Remuneration Investee Funds

The Global Allocation 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 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. 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)

Risk management and willingness to take risks (continued)

| 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 portfolio of the Global Allocation Fund consists of long only equity investments, long only fixed income investments, investments in structured products and investments in hedge funds. Asset allocation decisions will be a major driver of the returns of the Fund. Another component of the returns will be the selection of the underlying investments itself. Price fluctuations due to general equity and bond market movements will therefore be an important part of the return. This risk is inherent when securities like equities and bonds are traded. | The Fund lost -13.48% in 2022 (Class A). The Fund does not have a benchmark. Global Equities, measured by the MSCI World Index (EUR) lost -14.74% in 2022, bonds measured by the Vanguard Global Bond Index Fund (EUR) lost -15.06% in 2022 and hedge funds measured by the HFRX Hedge Fund Index (in EUR) lost -6.28%. | 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 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 or structured products are selected. | The impact was neutral since the biggest part of the returns in 2022 can be contributed to the asset allocation. | 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 | 30.2% of the portfolio is invested in Fixed Income related investments. This includes cash as well. The Fund is therefore exposed to interest rate risk. | Overall the fixed income component of the portfolio experienced a negative year in 2022. | This will largely depend on interest rate movements. | No. The Fund Manager is comfortable with the risk exposure currently in place. |
| Foreign Exchange risk | No | Direct FX risk is currently not being hedged. As of December 31, 2022 87.4% of the investments were denominated in EUR. The remaining part was invested in USD denominated investments. The Fund has the possibility to hedge FX risks going forward. | 87.4% of the investments were denominated in EUR. During 2022 the USD appreciated vs EUR. So this had a positive contribution. | 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 funds that invest in fixed income (corporate credit, emerging market debt, sovereign debt, etc). | Overall the fixed income component of the portfolio experienced a negative year in 2022. | Medium (for the credit investments, but this will largely depend on the movements in credit markets) | No. The Fund Manager is comfortable with the risk exposure currently in place. |
| Operational risk | No | This risk is mostly mitigated by having rigid operational procedures in place. Next to that duties and responsibilities are clearly divided between Primum employees. The same is applicable to the service providers of the several Primum 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. As of December 31, 2022 the leverage calculations according to the Gross method and Commitment method were as follows: Gross method: 99.55% and Commitment method: 100%. | 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. Since the Fund is investing in other investment funds and products, a clear understanding of the sustainability risks in these investee funds / products is required. Therefore, the due diligence process for any new fund investment will contain at a minimum the following topics: <ul style="list-style-type: none"> • Analysis of the fund's sustainability risk related disclosures and reporting • Questioning the fund manager on the sustainability risks the fund is exposed to • Questioning the fund manager on the concentration of sustainability risks in the portfolio and its development over time • Analysis of the fund manager's policy for identifying, measuring and monitoring sustainability risks • Questioning if the fund manager takes Principle Adverse Impacts into account as prescribed by the SFDR²³ | None | None | 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 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 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.

Financial statements

BALANCE SHEET

(As at 31 December)

| | <i>Note(s)</i> | 31 December 2022 EUR | 31 December 2021 EUR |
|-------------------------------------|----------------|-------------------------------------|-------------------------------------|
| Assets | | | |
| Investments | | | |
| Investee funds | | 33,824,738 | 50,927,699 |
| Debt instruments | | 6,322,113 | 4,271,923 |
| Equities | | 1,988,593 | 1,671,612 |
| Total investments | 3 | 42,135,444 | 56,871,234 |
| Receivables | | | |
| Due from brokers | | 596,329 | 199,995 |
| Other receivables | | 16,301 | - |
| Total receivables | | 612,630 | 199,995 |
| Other assets | | | |
| Cash | 4 | 773,464 | 83,437 |
| Total other assets | | 773,464 | 83,437 |
| Total assets | | 43,521,538 | 57,154,666 |
| Liabilities | | | |
| Participants' equity | | | |
| Contribution of participants | | 39,790,713 | 47,152,428 |
| Unappropriated gain | | 2,493,708 | 9,975,028 |
| Total participants' equity | 7, 16 | 42,284,421 | 57,127,456 |
| Other liabilities | | | |
| Subscriptions received in advance | 6 | 600,000 | - |
| Due to brokers | | 600,367 | - |
| Accrued expenses and other payables | 5 | 36,750 | 27,210 |
| Total other liabilities | | 1,237,117 | 27,210 |
| Total liabilities | | 43,521,538 | 57,154,666 |

Financial statements

INCOME STATEMENT (For the years ended 31 December)

| | <i>Note(s)</i> | 2022 EUR | 2021 EUR |
|----------------------------------|----------------|---------------------------|---------------------------|
| Investment income | | | |
| Interest income | 8 | 80,464 | 81,649 |
| Dividend income | 9 | 97,904 | 94,529 |
| | | <u>178,368</u> | <u>176,178</u> |
| Changes in value | | | |
| Realised results | 3, 10 | 981,774 | 1,404,548 |
| Unrealised results | 3, 10 | (8,363,881) | 4,354,289 |
| | | <u>(7,382,107)</u> | <u>5,758,837</u> |
| Other results | | | |
| Foreign currency translation | 11 | 10,939 | (7,775) |
| Interest income on bank accounts | | 654 | - |
| | | <u>11,593</u> | <u>(7,775)</u> |
| Expenses | | | |
| Management fee | 12, 13, 14 | (81,409) | (81,877) |
| Administration fee | 12, 13 | (56,831) | (58,843) |
| Depositary fee | 12, 13 | (32,209) | (31,362) |
| Audit fee | | (25,011) | (20,650) |
| Custody fee | 12, 13 | (31,742) | (19,589) |
| Other operational costs | | (25,678) | (17,091) |
| Interest expense | | (1,947) | (5,358) |
| Regulatory and compliance fee | | (8,172) | (4,379) |
| Legal fees | | (472) | (4,374) |
| Bank charges | | (11,017) | (3,089) |
| Total expenses | 12 | <u>(274,488)</u> | <u>(246,612)</u> |
| Net results before tax | | (7,466,634) | 5,680,628 |
| Withholding tax | | (14,686) | (10,286) |
| Net results after tax | | (7,481,320) | 5,670,342 |

Financial statements

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

| | <i>Note</i> | 2022 EUR | 2021 EUR |
|--|-------------|---------------------------|---------------------------|
| Cash flows from operating activities | | | |
| Purchases of investments | | (11,130,415) | (22,067,435) |
| Proceeds from sale of investments | | 18,688,131 | 15,986,158 |
| Interest received | | 64,817 | 81,649 |
| Interest paid | | (1,947) | (5,358) |
| Dividend received | | 83,218 | 84,243 |
| Management fee paid | | (81,486) | (81,802) |
| Operating expenses paid | | (181,515) | (187,488) |
| Net cash flows used in operating activities | | <u>7,440,803</u> | <u>(6,190,033)</u> |
| Cash flows from financing activities | | | |
| Proceeds from sales of participations | | 1,781,080 | 12,355,000 |
| Payments on redemptions of participations | | (8,542,795) | (8,156,866) |
| Net cash flows provided by financing activities | | <u>(6,761,715)</u> | <u>4,198,134</u> |
| Net (decrease)/increase in cash | | 679,088 | (1,991,899) |
| Cash at the beginning of the year | | 83,437 | 2,083,111 |
| Foreign currency translation of cash positions | | 10,939 | (7,775) |
| Cash at the end of the year | <i>4</i> | <u>773,464</u> | <u>83,437</u> |

Notes to the financial statements

1. GENERAL INFORMATION

Global Allocation Fund (the “Fund”) is structured as an open-ended investment fund (*beleggingsfonds*) and a fund for joint account (*fonds voor gemene rekening*) organised and established under the laws of the Netherlands and was established in August 2017. The Fund is not a legal entity (*rechtspersoon*) but a contractual arrangement *sui generis* between the Fund Manager, the Legal Owner and each of the participants separately, governing the assets and liabilities acquired or assumed by the Legal Owner for the account and risk of the participants. The Fund is registered at the commercial register of the Chamber of Commerce of the Netherlands under number 66151457. The Fund commenced operations on 2 October 2017. The Fund has a registered office at Gustav Mahlerplein 3, Symphony Offices, 26th Floor, 1082 MS Amsterdam, the Netherlands.

The Fund has two classes of participations, Class A participations and Class B participations. The sole difference between the different classes is that Class A participants pay a lower management fee, due to the fact that the Delegate waived its delegation fee that is payable out of the management fee for this Class. Only investors that are a client of the Delegate are issued Class A participations against each such participant’s individual subscription. Other participants subscribing will be issued Class B participations, unless otherwise determined by the Fund Manager in its sole discretion. As at 31 December 2022, both Class A participations and Class B participations are in issue.

The investment objective of the Fund is to achieve long term capital growth. To achieve this, the strategy of the Fund is to invest in a diversified portfolio of investment funds (including hedge funds or other (alternative) collective investment vehicles worldwide), listed investee companies, stocks, debt instruments, futures, forward currency contracts and in commodity related instruments including, but not limited to ETF’s, ETP’s, REIT’s, index funds and structured products.

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 2022 and 2021.

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 the Dutch Central Bank (“De Nederlandsche Bank”).

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 (2:65 Wft new) by the AFM on 22 July 2014, in accordance with the Netherlands AIFMD implementation schedule.

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 Supplement to the Prospectus of the Fund.

The financial statements have been authorised for issue by the Fund Manager on 22 June 2023.

Notes to the financial statements

2. SIGNIFICANT ACCOUNTING PRINCIPLES AND POLICIES

Basis of preparation

The financial statements of the Fund have been prepared in accordance with reporting principles generally accepted in the Netherlands (“Dutch GAAP”) and the statutory provisions contained in Part 9, Book 2 of the Dutch Civil Code and Dutch Accounting Standard 394. The financial statements have also been prepared in accordance with the requirements of the Dutch Financial Supervision Act (“FSA”).

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.

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

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 Section 362, subsection 1, Book 2 of the Dutch Civil Code, 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 and debt 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

Financial investments 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.

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 2022, 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 2022 and 2021, 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.

Gains and losses arising from fair value changes are calculated based on historical cost and recognised in the income statement as 'realised gains on investee funds', 'realised gains on debt instruments', 'realised gains on equities', 'unrealised gains on investee funds', 'unrealised losses on debt instruments' and 'unrealised gains on equities'.

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 2022, no such estimated values were used.

Receivables and prepayments

The value of accounts receivable and prepayments 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. Cash is carried at face value.

Payables and accruals

Payables and accruals are included at fair value.

Cash

Cash comprises cash on hand and demand deposits.

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 participations 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.

Participants' equity

All references to net asset value ("NAV") throughout the financial statements are equivalent to participants' equity.

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.

Notes to the financial statements

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

Principles for determining the result

The Fund recognises financial assets and 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.

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 capitalized.

Notes to the financial statements

NOTES FOR INDIVIDUAL BALANCE SHEET ITEMS

3. Investments

Movement in schedule of investments

(All amounts in EUR)

| | 31 December 2022 | 31 December 2021 |
|---------------------------------------|-------------------|-------------------|
| Investment in investee funds | | |
| Opening balance | 50,927,699 | 39,541,076 |
| Purchases | 3,165,603 | 16,827,931 |
| Sales | (14,064,526) | (10,761,140) |
| Realised gains | 849,469 | 947,799 |
| Unrealised gains | (7,053,507) | 4,372,033 |
| As at 31 December | 33,824,738 | 50,927,699 |
| Investment in debt instruments | | |
| Opening balance | 4,271,923 | 3,790,500 |
| Purchases | 3,803,800 | 4,537,643 |
| Sales | (809,950) | (4,090,250) |
| Realised gains | (65,525) | 173,565 |
| Unrealised losses | (878,135) | (139,535) |
| As at 31 December | 6,322,113 | 4,271,923 |
| Investment in equities | | |
| Opening balance | 1,671,612 | 1,299,539 |
| Purchases | 4,761,379 | 1,301,861 |
| Sales | (4,209,989) | (1,334,763) |
| Realised gains | 197,830 | 283,184 |
| Unrealised gains | (432,239) | 121,791 |
| As at 31 December | 1,988,593 | 1,671,612 |
| Total investments | | |
| Opening balance | 56,871,234 | 44,631,115 |
| Purchases | 11,730,782 | 22,667,435 |
| Sales | (19,084,465) | (16,186,153) |
| Realised gains | 981,774 | 1,404,548 |
| Unrealised gains | (8,363,881) | 4,354,289 |
| As at 31 December | 42,135,444 | 56,871,234 |

Notes to the financial statements

NOTES FOR INDIVIDUAL BALANCE SHEET ITEMS (CONTINUED)

3. Investments (Continued)

Movement in schedule of investments (continued)

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 2022

| | Total EUR | Quoted prices (unadjusted) in active markets EUR | Other EUR |
|---------------------------------------|-------------------|---|------------------|
| Investment in investee funds (assets) | 33,824,738 | 27,256,128 | 6,568,610* |
| Total | 33,824,738 | 27,256,128 | 6,568,610 |

31 December 2021

| | Total EUR | Quoted prices (unadjusted) in active markets EUR | Other EUR |
|---------------------------------------|-------------------|---|------------------|
| Investment in investee funds (assets) | 50,927,699 | 42,702,951 | 8,224,748* |
| Total | 50,927,699 | 42,702,951 | 8,224,748 |

*For the investment in investee funds, the fair value is derived from Administrator statements. One of the investments of the Global Allocation Fund, the Multi Strategy Alternatives Fund, has a monthly Net Asset Value calculation frequency. The December 2022 Net Asset Value of the Multi Strategy Alternatives Fund was received in the second week of 2023 and therefore was not yet incorporated into the December 31, 2022 Net Asset Value of the Global Allocation Fund.

4. Cash

As at 31 December 2022, cash comprises of balances held with ABN AMRO Clearing Bank N.V. amounting to EUR 730,318 (2021: EUR 82,403) and ABN AMRO Bank N.V. of EUR 43,146 (2021: EUR 1,034).

As at 31 December 2022, no restrictions in the use of these balances exist.

5. Accrued expenses and other payables

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

| <i>(All amounts in EUR)</i> | 2022 | 2021 |
|--|---------------|---------------|
| Custody fee payable | 2,759 | 7,746 |
| Management fee payable | 6,895 | 6,972 |
| Audit fee payable | 21,804 | 6,753 |
| Administration fee payable | 4,361 | 4,788 |
| Other payables | 931 | 951 |
| Total accrued expenses and other payables | 36,750 | 27,210 |

Notes to the financial statements

NOTES FOR INDIVIDUAL BALANCE SHEET ITEMS (CONTINUED)

6. Subscriptions received in advance

Subscriptions received in advance represent the amounts received from unitholders for subscriptions to units of the Fund for the first business day of the next month. Unitholders are required to deposit the amounts with the Fund prior to the issuance of units.

As at 31 December 2022, the subscriptions received in advance amounted to EUR 600,000. As at 31 December 2021, there were no subscriptions received in advance.

7. Share capital

Structure of the Fund's capital

The Fund is structured as an open-ended investment fund and was established in Amsterdam in August 2017. The Fund has two classes of participations, Class A participations and Class B participations. The sole difference between the different classes is that Class A participants pay a lower management fee, due to the fact that the Delegate waived its delegation fee that is payable out of the management fee for this Class. Only investors that are a client of the Delegate are issued Class A participations against each such participant's individual subscription. Other participants subscribing will be issued Class B participations, unless otherwise determined by the Fund Manager in its sole discretion. As at 31 December 2022, both Class A participations and Class B participations are in issue.

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

| <i>(All amounts in EUR)</i> | 2022 | 2021 |
|--|--------------------------|--------------------------|
| <i>Contributions of participants</i> | | |
| Balance at the beginning of the year | 47,152,428 | 42,254,294 |
| Issue of participations | 1,181,080 | 13,055,000 |
| Redemption of participations | <u>(8,542,795)</u> | <u>(8,156,866)</u> |
| Total contributions at the end of the year | <u>39,790,713</u> | <u>47,152,428</u> |
| <i>Unappropriated gain</i> | | |
| Balance at the beginning of the year | 9,975,028 | 4,304,686 |
| Net result after tax | <u>(7,481,320)</u> | <u>5,670,342</u> |
| Total undistributed gain at the end of the year | <u>2,493,708</u> | <u>9,975,028</u> |
| Equity at the end of the year | <u>42,284,421</u> | <u>57,127,456</u> |

Notes to the financial statements

NOTES FOR INDIVIDUAL BALANCE SHEET ITEMS (CONTINUED)

7. Share capital (Continued)

Subscriptions and redemptions

Participants can, at the sole discretion of the Fund Manager, subscribe to the Fund on a weekly dealing day at the subscription price. The minimum initial subscription for each participant is EUR 100,000. The Class A participations and Class B participations were issued at an initial subscription price of EUR 100 per participation. No subscriptions fees are charged to the participants of the Fund. The Fund's policy allows for redemptions on a weekly basis and notice of 3 business days must be provided. No redemption fees are charged to the participants of the Fund.

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 |
|------------------------|--|----------------------------------|------------------------------------|--|
| Class A participations | 451,019.677 | 10,629.460 | (76,607.962) | 385,041.175 |
| Class B participations | 6,058.673 | - | - | 6,058.673 |
| Total | 457,078.350 | 10,629.460 | (76,607.962) | 391,099.848 |

The movement of the participations during the year ended 31 December 2021 was as follows:

| | Participations at the beginning of the year | Participations issued | Participations redeemed | Participations at the end of the year |
|------------------------|--|----------------------------------|------------------------------------|--|
| Class A participations | 408,803.519 | 109,399.466 | (67,183.308) | 451,019.677 |
| Class B participations | 6,058.673 | - | - | 6,058.673 |
| Total | 414,862.192 | 109,399.466 | (67,183.308) | 457,078.350 |

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, the Fund does not intend to pay dividends. All earnings will normally be retained for investments.

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

(All amounts in EUR)

| | 2022 | | 2022 | 2021 |
|-----------------------|------------------|--------------------|--------------------|------------------|
| | Profit | Loss | Total | Total |
| Investee funds | | | | |
| Realised result | 1,185,998 | (336,529) | 849,469 | 947,799 |
| Unrealised result | 2,545 | (7,056,052) | (7,053,507) | 4,372,033 |
| Total result | 1,188,543 | (7,392,581) | (6,204,038) | 5,319,832 |

(All amounts in EUR)

| | 2022 | | 2022 | 2021 |
|-------------------------|----------|------------------|------------------|---------------|
| | Profit | Loss | Total | Total |
| Debt instruments | | | | |
| Realised result | - | (65,525) | (65,525) | 173,565 |
| Unrealised result | - | (878,135) | (878,135) | (139,535) |
| Total result | - | (943,660) | (943,660) | 34,030 |

(All amounts in EUR)

| | 2022 | | 2022 | 2021 |
|---------------------|------------------|--------------------|--------------------|------------------|
| | Profit | Loss | Total | Total |
| Equities | | | | |
| Realised result | 230,927 | (33,097) | 197,830 | 283,184 |
| Unrealised result | - | (432,239) | (432,239) | 121,791 |
| Total result | 230,927 | (437,441) | (234,411) | 404,975 |
| Total result | 1,419,469 | (8,801,577) | (7,382,108) | 5,758,837 |

Notes to the financial statements

NOTES FOR INDIVIDUAL INCOME STATEMENT ITEMS (CONTINUED)

11. Foreign currency losses on translation

Realised and unrealised exchange differences consist of realised and unrealised translation gains and losses on assets and liabilities other than investment assets and liabilities. For the year ended 31 December 2022, this amounted to a gain of EUR 10,939 (2021: a loss of EUR 7,775). The following average and closing rates have been applied in the preparation of these financial statements (the equivalent of one Euro is shown):

| | 2022 | | 2021 | |
|---|---------|---------|---------|---------|
| | Average | Closing | Average | Closing |
| <i>(Showing the equivalent of 1 Euro)</i> | | | | |
| United States Dollar | 1,0524 | 1.0704 | 1.1828 | 1.1370 |

12. Costs

The Fund makes use of various parties for management, administration and custody services. The table below provides a breakdown of expenses for the years ended 31 December 2022 and 2021.

| <i>(All amounts in EUR)</i> | 2022 | 2021 |
|--|----------------|----------------|
| Expenses accruing to the Fund Manager | | |
| Management fee | 81,409 | 81,877 |
| Other expenses | | |
| Administration fee | 56,831 | 58,843 |
| Depositary fee | 32,209 | 31,362 |
| Audit fee | 25,011 | 20,650 |
| Custody fee | 31,742 | 19,589 |
| Other operational costs | 19,969 | 11,938 |
| Interest expense | 1,947 | 5,358 |
| Regulatory and compliance fee | 8,172 | 4,379 |
| Legal fees | 472 | 4,374 |
| FATCA fee | 5,709 | 5,153 |
| Bank charges | 11,017 | 3,089 |
| Total | 274,488 | 246,612 |

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 year ended 31 December 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 other operational costs of EUR 19,969 (2021: EUR 11,938), interest expense of EUR 1,947 (2021: EUR 5,358), bank charges of EUR 11,017 (2021: EUR 3,089) and legal fees of EUR 472 (2021: EUR 4,374) which are not detailed in the Prospectus.

Notes to the financial statements

NOTES FOR INDIVIDUAL INCOME STATEMENT ITEMS (CONTINUED)

12. Costs (continued)

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 unitholders' equity i.e., weekly.

For the years ended 31 December 2022 and 2021, the ongoing charges ratio for the Fund is as follows:

| | 2022 | | 2021 | |
|--|---------|---------|---------|---------|
| | Class A | Class B | Class A | Class B |
| Ongoing charges ratio including interest | 0.58% | 1.67% | 0.45% | 1.45% |
| Ongoing charges ratio excluding interest | 0.58% | 1.67% | 0.44% | 1.44% |
| Ongoing charges ratio including expenses of underlying funds | 0.56% | 0.56% | 0.58% | 0.58% |

Turnover factor

For the year ended 31 December 2022, the turnover factor for the Fund is 44.18% (2021: 32.87%). The turnover factor is calculated by adding total purchases and sales, subtracting total subscriptions plus total redemptions and dividing the total by the average unitholders' equity.

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 equal to:

- (i) Class A participations: 10 basis points (0.10%) of the participants' equity.
- (ii) Class B participations: 110 basis points (1.10%) of the participants' equity.

The management fee is calculated on the last calendar day of each month, payable monthly in arrears out of the Fund's assets. After two years from October 2017 (the closing date) the total annual management fee retained by the Fund Manager after the payment of the delegation fee is subject to a minimum of EUR 75,000 per annum.

The Fund Manager has entered into a delegation agreement with Box Consultants B.V. Certain portfolio management responsibilities have been delegated to Box Consultants B.V. The Fund Manager pays a delegation fee to the Delegate for the Class B participations only. No delegation fee is paid to Box Consultants B.V. regarding the Class A participations. Details of management 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 an annual fee, to be calculated and paid monthly in arrears on the basis of the participants' equity of the Fund before deduction of the management fee, and with a minimum of EUR 50,000 per annum. This annual fee is based on the following sliding scale:

- Part up to EUR 100 million 10 basis points
- Part between EUR 100 million and EUR 200 million 8 basis points
- Part above EUR 200 million 6 basis points

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

Notes to the financial statements

13. RELEVANT CONTRACTS (CONTINUED)

Custodian

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

Depository

The Fund has entered into a depository agreement with Darwin 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 24,000, payable quarterly in advance for depository services provided to the Fund. Details of depository fees charged for the year are disclosed in the income statement.

During the year 2023 the acquisition of Darwin Depository Services B.V. by Apex Group Ltd was closed.

Independent Auditor

The Fund appointed Ernst & Young Accountants LLP as the Independent Auditor. The Independent Auditor's remuneration consists of EUR 25,011 (2021: EUR 20,650) audit fee (including VAT) for the audit of the financial statements. The Independent Auditor does not provide any non-audit services or other audit services to the Fund.

Legal Owner

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

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 maintains an investment in the Multi Strategy Alternatives Fund, a fund also being managed by the Fund Manager and Box Consultants B.V. has also been appointed as Delegate of the Fund. The investment in Multi Strategy Alternatives Fund is maintained in the Class C participations and no management fee is applicable.

The Delegate is considered a related party. As at 31 December 2022, employees of the Delegate held 9,351.1050 (2021: 7,695.6990) Class A participations in the Fund. The Fund Manager is also considered a related party.

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

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

| | Paid | Balance |
|----------------|-------------|----------------|
| | EUR | EUR |
| Management fee | (81,486) | (6,895) |

Transactions from 1 January 2021 – 31 December 2021 and balances as at 31 December 2021

| | Paid | Balance |
|----------------|-------------|----------------|
| | EUR | EUR |
| Management fee | (81,802) | (6,972) |

Notes to the financial statements

15. FINANCIAL INVESTMENTS AND ASSOCIATED RISKS

The investment objective of the Fund is to achieve long term capital growth. To achieve this, the strategy of the Fund is to invest in a diversified portfolio of investment funds (including hedge funds or other (alternative) collective investment vehicles worldwide), listed investee companies, stocks, debt instruments, futures, forward currency contracts and in commodity related instruments including, but not limited to ETF's, ETP's, REIT's, index funds and structured products.

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.

Market price risk

Price risk is the risk that the value of the instrument will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk), whether caused by factors specific to an individual investment, its issuer or all factors affecting all instruments traded in the market.

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. As at 31 December 2022, interest rate risk arises on most of the Fund's investments in fixed income.

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's exposure to foreign exchange movements as at 31 December 2022 and 2021 are as follows:

| | 2022 | | 2021 | |
|----------------------|-------------------|---------------------------------|-------------------|---------------------------------|
| | Fair value EUR | % of Participants' equity | Fair value EUR | % of Participants' equity |
| Currency | | | | |
| United States Dollar | 5,712,029 | 13.5 | 3,603,950 | 6.3 |

Credit risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Fund. It arises from cash and other receivables. The carrying values of financial assets (excluding any investment in investee funds and equity instruments) best represent the maximum credit risk exposure as at the reporting date and amounts to EUR 7,708,207 (2021: EUR 4,555,355). The Fund had debt instruments amounting to EUR 6,322,113 (2021: EUR 4,271,923) at the year end.

The current credit rating of ABN AMRO Clearing Bank N.V. is A (2021: 'A'), as determined by Standard and Poor's. If the credit quality or the financial position of this entity deteriorates significantly the Investment Manager will deal with another provider.

Notes to the financial statements

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

Liquidity risk

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

The Fund's Prospectus provides for the weekly creation and cancellation of participants and it is therefore exposed to the liquidity risk of meeting participants' redemptions. The Fund's policy allows for redemptions on a weekly basis and notice of 3 business days must be provided.

The Fund's listed securities are considered to be readily realisable as they are listed on recognised exchanges.

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. 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.

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

17. DATE OF AUTHORISATION

The financial statements have been authorised for issue by the Fund Manager in Amsterdam on 22 June 2023.

Investment portfolio as at 31 December 2022

| Assets | Currency | Fair value EUR | % of NAV |
|--|----------|-------------------|---------------|
| Investee Funds | | | |
| BlackRock Global Funds - World Healthscience Fund | EUR | 1,118,636 | 2.65% |
| Comgest Growth Europe | EUR | 1,435,660 | 3.40% |
| GS Japan Equity Portfolio | EUR | 2,629,051 | 6.22% |
| JP Morgan Emerging Markets | EUR | 1,292,745 | 3.06% |
| JP Morgan Strategic Value | EUR | 1,306,136 | 3.09% |
| KBI Development Equity Fund | EUR | 2,351,589 | 5.56% |
| MSIF Asian Opportunity Fund | EUR | 1,072,402 | 2.54% |
| MSIM Global Fixed Income Opportunities Fund | EUR | 2,216,065 | 5.24% |
| Multi Strategy Alternatives Fund | EUR | 6,568,608 | 15.52% |
| NT Emerging Markets Custom ESG Equity Index UCITS FGR Fund | EUR | 1,194,051 | 2.82% |
| NT World Custom ESG Equity Index UCITS FGR Feeder Fund | EUR | 797,258 | 1.89% |
| Northern Trust High Dividend ESG UCITS FGR Feeder Fund | EUR | 1,102,545 | 2.61% |
| PGI Listed Infrastructure Fund | EUR | 1,494,744 | 3.53% |
| PIMCO GIS Income Fund | EUR | 2,219,842 | 5.25% |
| Robeco Capital Growth Funds - High Yield Bonds | EUR | 1,215,986 | 2.88% |
| SISF Asian Opportunity Fund | EUR | 1,232,462 | 2.91% |
| SISF Commodity | USD | 1,229,192 | 2.91% |
| Vanguard Global Short Term Bond Index Fund | EUR | 647,393 | 1.53% |
| Serviced Platform SICAV - Select Equity Long/Short UCITS | USD | 2,700,373 | 6.38% |
| | | 33,824,738 | 79.99% |
| Debt Instruments | | | |
| Credit Suisse AG London 0% 22/09/2025 | EUR | 1,134,280 | 2.68% |
| Goldman Sachs Fin C Intl 0% 08/06/2028 | EUR | 1,094,400 | 2.59% |
| Goldman Sachs Fin C Intl 0% 12/11/2028 | EUR | 1,060,250 | 2.51% |
| Netherlands Government Bond 2% 15/07/2024 | EUR | 1,730,733 | 4.09% |
| Barclays Bank PLC Float % 23/03/2029 | EUR | 1,302,450 | 3.08% |
| | | 6,322,113 | 14.95% |
| Exchange Traded Fund | | | |
| iShares MSCI Europe Quality Dividend ESG UCITS ETF | EUR | 581,558 | 1.38% |
| iShares Edge MSCI USA Value Factor UCITS ETF | EUR | 1,407,035 | 3.32% |
| | | 1,988,593 | 4.70% |
| | | 42,135,444 | 99.65% |

Investment portfolio as at 31 December 2021

| Assets | Currency | Fair value EUR | % of NAV |
|---|----------|-------------------|---------------|
| Investee Funds | | | |
| BlackRock Global Funds - China Bond Fund | EUR | 2,304,358 | 4.02% |
| BlackRock Global Funds - World Healthscience Fund | EUR | 1,816,645 | 3.18% |
| BlackRock Global Funds - World Technology Fund | EUR | 1,997,968 | 3.50% |
| Comgest Growth Europe Smaller Companies | EUR | 1,227,262 | 2.15% |
| Comgest Growth Europe | EUR | 2,101,416 | 3.68% |
| GS Japan Equity Portfolio | EUR | 3,623,746 | 6.34% |
| JP Morgan Emerging Markets | EUR | 1,633,839 | 2.86% |
| JP Morgan Strategic Value | EUR | 2,163,956 | 3.79% |
| KBI Development Equity Fund | EUR | 2,740,630 | 4.80% |
| MSIF Asian Opportunity Fund | EUR | 1,293,085 | 2.26% |
| MSIM Global Fixed Income Fund | EUR | 8,224,748 | 14.40% |
| MSIM Global Fixed Income Opportunities Fund | EUR | 2,759,430 | 4.83% |
| NT Europe Custom ESG Equity Index UCITS FGR Feeder Fund | EUR | 1,919,918 | 3.36% |
| NT World Custom ESG Equity Index UCITS FGR Feeder Fund | EUR | 938,168 | 1.64% |
| NT Emerging Markets Custom ESG Equity Index UCITS FGR Feeder Fund | EUR | 1,683,124 | 2.95% |
| PGI Listed Infrastructure Fund | EUR | 1,800,959 | 3.15% |
| PIMCO GIS Income Fund | EUR | 2,818,858 | 4.93% |
| Robeco Financial Institutions | EUR | 1,881,166 | 3.29% |
| Robeco Capital Growth Funds - High Yield Bonds | EUR | 1,545,817 | 2.71% |
| SISF Asian Opportunity Fund | EUR | 1,434,139 | 2.51% |
| Vanguard Global Short Term Bond Index Fund | EUR | 1,415,504 | 2.48% |
| Serviced Platform SICAV - Select Equity Long/Short UCITS | USD | 3,602,963 | 6.31% |
| | | 50,927,699 | 89.14% |
| Debt Instruments | | | |
| Credit Suisse AG London 0% 22/09/2025 | EUR | 1,355,060 | 2.37% |
| Goldman Sachs Fin C Intl 0% 08/06/2028 | EUR | 1,408,613 | 2.47% |
| Goldman Sachs Fin C Intl 0% 12/11/2028 | EUR | 1,508,250 | 2.64% |
| | | 4,271,923 | 7.48% |
| Exchange Traded Fund | | | |
| iShares Core MSCI World UCITS ETF | EUR | 1,671,612 | 2.93% |
| | | 1,671,612 | 2.93% |
| | | 56,871,234 | 99.55% |

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 2022 and 1 January 2022, 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

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

Independent auditor's report

To: the management board of Global Allocation 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 Global Allocation Fund based in Amsterdam, The Netherlands.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of Global Allocation 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 Global Allocation 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 and, where considered appropriate, tested the operating effectiveness, 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 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 management for the financial statements

The Management 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 management is responsible for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the financial statements, management is responsible for assessing the Fund's ability to continue as a going concern. Based on the financial reporting framework mentioned, the management 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 Management 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 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.

Amsterdam, 22 June 2023

Ernst & Young Accountants LLP

Signed by R.A.J.H. Vossen