

Multi Strategy Alternatives 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/Investment Advisor | Box Consultants B.V. Burgemeester Mollaan 72 5582 CK Waalre The Netherlands |
| Administrator | Apex Fund Services (Netherlands) B.V. Van Heuven Goedhartlaan 935A 1181 LD Amstelveen The Netherlands |
| Legal Owner | Stichting Juridisch Eigendom Multi Strategy Alternatives Fund Woudenbergseweg 11 3953 ME Maarsbergen The Netherlands |
| Independent Auditor | Ernst & Young Accountants LLP Antonio Vivaldistraat 150 1083 HP Amsterdam The Netherlands |
| Custodian | ABN AMRO Clearing Bank N.V. Gustav Mahlerlaan 10 1082 PP Amsterdam The Netherlands |
| Legal Advisor | Van Campen Liem J.J. Viottastraat 52 1071 JT Amsterdam The Netherlands |
| Depository | Darwin Depository Services B.V. Barbara Strozziilaan 101 1083 HN Amsterdam The Netherlands |
| Payment Bank | ABN AMRO Bank N.V. Gustav Mahlerlaan 10 1082 PP Amsterdam The Netherlands |

Historical overview

Key figures

| | 2022 | 2021 | 2020 | 2019 | 2018 |
|--------------------------------------|---------------------|--------------------|--------------------|--------------------|--------------------|
| <i>(All amounts in USD)</i> | | | | | |
| Equity at the beginning of the | 192,625,548 | 162,241,383 | 136,060,738 | 126,123,063 | 137,832,610 |
| Issue of participations | 4,144,168 | 47,487,277 | 7,341,421 | 15,450,619 | 2,925,000 |
| Redemption of participations | (10,531,607) | (19,060,930) | (7,695,827) | (15,874,374) | (7,285,647) |
| Result for the period | (31,000,779) | 1,957,818 | 26,535,051 | 10,361,430 | (7,348,900) |
| Equity at the end of the year | 155,237,330 | 192,625,548 | 162,241,383 | 136,060,738 | 126,123,063 |
| Investments | 149,461,730 | 189,821,230 | 157,073,493 | 135,620,353 | 117,844,300 |
| Cash | 5,177,972 | 1,769,907 | 9,522,594 | 504,646 | 8,344,695 |
| Other assets and liabilities | 597,628 | 1,034,411 | (4,354,704) | (64,261) | (65,932) |
| Equity at the end of the year | 155,237,330 | 192,625,548 | 162,241,383 | 136,060,738 | 126,123,063 |
| Net profit/(loss) | | | | | |
| Investment income | - | - | 2,086 | 138,002 | 114,404 |
| Changes in value | (30,530,404) | 2,276,606 | 26,898,150 | 10,603,815 | (7,101,336) |
| Other results | (9,520) | 155,490 | - | - | - |
| Expenses | (460,855) | (474,278) | (365,185) | (380,387) | (361,968) |
| Net profit/(loss) | (31,000,779) | 1,957,818 | 26,535,051 | 10,361,430 | (7,348,900) |

Number of participations

| | | | | | |
|---------------------------|----------------|----------------|--------------|----------------|----------------|
| Class A USD | 201,141.8673 | 233,697.1428 | 263,307.0547 | 1,207,242.9395 | 1,214,213.4669 |
| Class C USD | - | - | - | 62,864.3263 | 57,974.6540 |
| Class A Euro ² | 1,151,716.3745 | 1,169,347.0678 | 940,458.1245 | - | - |
| Class C Euro ² | 67,054.0019 | 74,947.5884 | 61,377.7259 | - | - |

NAV per participation

| | | | | | |
|--------------|--------|--------|--------|--------|-------|
| Class A USD | 121.90 | 135.67 | 124.96 | 107.25 | 99.25 |
| Class C USD | - | - | - | 104.70 | 96.80 |
| Class A Euro | 100.39 | 113.98 | 105.90 | - | - |
| Class C Euro | 96.89 | 109.91 | 102.03 | - | - |

Performance

| | | | | | |
|---------------------------|----------|-------|--------|-------|---------|
| Class A USD | (10.15)% | 8.57% | 16.52% | 8.05% | (5.51)% |
| Class C USD | - | - | 13.54% | 8.15% | (5.42)% |
| Class A Euro ⁴ | (11.92)% | 7.63% | 5.23% | - | - |
| Class C Euro ⁵ | (11.84)% | 7.72% | 2.37% | - | - |

¹The Class C USD were issued in November 2017 and were fully redeemed during 2020.

²The Class A Euro and Class C Euro share classes were issued in November and December 2020.

³The Class C USD performance for 2020 reflects the period from 1 January 2020 to 30 September 2020.

⁴The Class A Euro's performance for 2020 reflects the period from inception to 31 December 2020.

⁵The Class C Euro's performance for 2020 reflects the period from inception to 31 December 2020.

Management Report

Report of the Fund Manager

The investment objective of the Multi Strategy Alternatives Fund (MSAF) is to achieve long term capital growth by investing in a diversified portfolio of alternative investment funds. To achieve the objective, the strategy of the Fund is to focus on investment boutiques within larger asset managers. The performance objective of the Fund is to seek to outperform the following benchmark: HFRX Global Hedge Fund Index in USD, Bloomberg ticker HFRXGL index, on a risk adjusted basis.

The Multi Strategy Alternatives Fund lost -10.1495% (Class A USD) in 2022. The Class C EUR shares returned -11.8441%.

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 Multi Strategy Alternatives Fund was allocated to the following five investment strategies:

- Long/Short Equity
- Event Driven
- Diversified Fixed Income/Fixed Income Relative Value
- Long/Short Credit

All strategies– but not all the underlying managers - within the MSAF contributed negatively to returns during 2022. Especially the Diversified Fixed Income/Fixed Income Relative Value strategies posted weak returns. During the year we increased our exposure to Long/Short Equity strategies. During the year we exited the Global Macro exposure that we had in portfolio due to disappointing performance of the two Investee Funds.

As of December 31, 2022, the portfolio of the MSAF consists of 10 underlying funds. In the Euro Share Classes of the fund, direct FX exposures are still being hedged.

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 control (YCC) policy and BoJ Governor Kuroda's (a longstanding dove) upcoming retirement in April, point to potential for more changes ahead.

It is foreseen that we will maintain the allocation to Long/Short Equity given the increased dispersions across stocks and their ability to preserve capital (depending on the respective positioning). We expect limited changes within the current strategy allocation although we are always looking for funds that offer a better risk/return ratio than any of the existing investments of the MSAF. In general, we are satisfied with the current allocations, the various strategies and the individual managers.

Going into 2023 the fund only maintains investments in USD denominated investments. For investors in the Euro Share Classes we hedge the USD exposure on a monthly basis.

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 MSAF do not take into account the EU criteria for environmentally sustainable economic activities. However, in compliance with the SFDR, the Fund Manager does consider the effects of material sustainability risks on the value of the investments of the Fund. All relevant ESG/sustainability risks are being defined and assessed during the initial due diligence but also on an ongoing basis after an investment is made.

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

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

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

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 |

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 Multi Strategy Alternatives Fund have been paid to any Identified Staff of Privium.

Management Report (*continued*)

Remuneration policy 2022 (*continued*)

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

Risk management

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

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 |
|-------------------------|-------------|--|---|--|---|
| Manager Risk/Price risk | No | The Fund maintains investments in other investment funds (hedge funds). These funds are managed by external Fund Management companies. A rigid due diligence process is in place when investment funds are selected. | In 2022 the Fund lost -10.15% for the USD Class A and -11.92% for the EUR Class A. The Fund underperformed its benchmark which lost -4.41% in 2022 (HFRX Hedge Fund Index in USD). In EUR this benchmark lost -6.28%. | Much will depend on the actual positioning of the underlying investment funds. However we expect that the selected investments funds will perform better than general equity markets over the long term. Especially measured on a risk/return basis. | No |
| Interest rate risk | No | The Fund has no interest bearing financial instruments except for cash at bank. Therefore the Fund is not exposed to significant interest rate risk. | None | None | No |
| Foreign Exchange risk | Yes | Direct FX risk is hedged within the fund. | None | Currently 9 of the 10 Investee Funds in portfolio, are denominated in USD. The other Investee Fund is denominated in EUR. Here FX exposures are hedged. The appreciation of the USD during the year 2022 had no material impact on the EUR share classes since the increase in portfolio value, measured in EUR (but not reflected in the P&L), due to the appreciation of the USD was neutralized by the FX hedges that were maintained in the EUR denominated share classes. | 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 ABN AMRO. ABN AMRO has an A credit rating (S&P credit rating) 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 Primum employees. The same is applicable at the service providers of the several Primum 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 is not utilizing any borrowings to take positions. Because the Fund is hedging direct FX risk by using FX swaps and forwards, the fund is utilizing implied leverage. As of December 31, 2021 the leverage calculations according to the Gross method and Commitment method are as follows: Gross method: 171.35% and Commitment method: 100%. | None | None | None |
| 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 SFDR | 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)

| | | 31 December 2022 USD | 31 December 2021 USD |
|-------------------------------------|---|----------------------------|----------------------------|
| Assets | | | |
| Investments | | | |
| Investee funds | | 148,838,832 | 188,904,573 |
| Derivative financial assets | | 708,712 | 916,657 |
| Total investments | 3 | <u>149,547,544</u> | <u>189,821,230</u> |
| Receivables | | | |
| Due from brokers | | 2,000,000 | 4,000,000 |
| Other receivables | | 17,211 | - |
| Total receivables | | <u>2,017,211</u> | <u>4,000,000</u> |
| Other assets | | | |
| Cash | 4 | 5,177,972 | 1,769,907 |
| Total other assets | | <u>5,177,972</u> | <u>1,769,907</u> |
| Total assets | | <u>156,742,727</u> | <u>195,591,137</u> |
| Liabilities | | | |
| Participants' equity | | | |
| Contribution of participants | | 148,574,812 | 154,962,251 |
| Unappropriated gain | | 6,662,518 | 37,663,297 |
| Total participants' equity | 7 | <u>155,237,330</u> | <u>192,625,548</u> |
| Investments | | | |
| Derivative financial liabilities | | 79,864 | - |
| Total investments | 3 | <u>79,864</u> | <u>-</u> |
| Other liabilities | | | |
| Subscriptions received in advance | 6 | - | 1,660,020 |
| Due to brokers | | 1,338,205 | 1,250,000 |
| Accrued expenses and other payables | 5 | 87,328 | 55,569 |
| Total other liabilities | | <u>1,425,533</u> | <u>2,965,589</u> |
| Total liabilities | | <u>156,742,727</u> | <u>195,591,137</u> |

Financial statements

INCOME STATEMENT

(For the years ended 31 December)

| | <i>Note(s)</i> | 2022 USD | 2021 USD |
|---------------------------------------|-----------------|----------------------------|---------------------------|
| Changes in value | | | |
| Realised results | <i>3,10</i> | (8,568,517) | (9,591,778) |
| Unrealised results | <i>3,10</i> | <u>(21,961,887)</u> | <u>11,868,384</u> |
| | | <u>(30,530,404)</u> | <u>2,276,606</u> |
| Other results | | | |
| Foreign currency gains on translation | <i>9</i> | (59,280) | 155,488 |
| Interest income on bank accounts | <i>8</i> | <u>49,760</u> | <u>2</u> |
| | | <u>(9,520)</u> | <u>155,490</u> |
| Expenses | | | |
| Management fee | <i>11,12,13</i> | (139,712) | (151,986) |
| Administration fee | <i>11,12</i> | (70,340) | (77,139) |
| Custody fee | <i>11,12</i> | (67,324) | (75,449) |
| Bank charges | | (72,324) | (68,923) |
| Depositary fee | <i>11,12</i> | (28,329) | (28,651) |
| Audit fee | <i>11,12</i> | (22,992) | (23,434) |
| Other operational costs | | (41,633) | (21,797) |
| Interest expense | <i>11</i> | (9,019) | (16,877) |
| Legal ownership fee | <i>12</i> | <u>(9,182)</u> | <u>(10,022)</u> |
| Total expenses | <i>11</i> | <u>(460,855)</u> | <u>(474,278)</u> |
| Net profit/(loss) | | <u>(31,000,779)</u> | <u>1,957,818</u> |

Financial statements

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

| | <i>Note</i> | 2022 USD | 2021 USD |
|--|-------------|---------------------------|----------------------------|
| Cash flows from operating activities | | | |
| Purchase of investments | 3 | (66,567,833) | (35,500,000) |
| Proceeds from sale of investments | 3 | 89,278,787 | 16,250,001 |
| Net receipts from derivative financial assets and liabilities | 3 | (10,799,603) | (13,971,132) |
| Management fee paid | | (142,335) | (149,836) |
| Operating expenses paid | | (276,126) | (331,799) |
| Interest received | | 32,549 | 2 |
| Interest paid | | (10,635) | (15,828) |
| Net cash flows used in operating activities | | <u>11,514,804</u> | <u>(30,968,592)</u> |
| Cash flows from financing activities | | | |
| Proceeds from sales of participations | | 2,484,148 | 44,871,347 |
| Payments on redemptions of participations | | (10,531,607) | (19,060,930) |
| Net cash flows provided by/(used in) financing activities | | <u>(8,047,459)</u> | <u>25,810,417</u> |
| Net increase/(decrease) in cash | | 3,467,345 | (7,908,175) |
| Cash at the beginning of the year | | 1,769,907 | 9,522,594 |
| Foreign currency gains/(losses) on translation of cash positions | | (59,280) | 155,488 |
| Cash at the end of the year | 4 | <u>5,177,972</u> | <u>1,769,907</u> |

Notes to the financial statements

1. GENERAL INFORMATION

Multi Strategy Alternatives Fund (the “Fund”) is an open-ended investment fund (*beleggingsfonds*) for joint account (*besloten fonds voor gemene rekening*) organised and established on 30 July 2014 under the laws of the Netherlands. 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 Legal Owner of the Fund is registered at the commercial register of the Chamber of Commerce of the Netherlands under number 61167649. The Fund commenced operations on 15 January 2015. The most recent Prospectus of the Fund was issued in November 2020.

The Fund may issue Class A participations, Class B participations and Class C participations each denominated in USD and EUR. As at 31 December 2022, only the Class A participations (both USD and EUR) and the Class C participations (EUR) are in issue.

During 2020, the Fund Manager also started issuing EUR denominated Class A participations and Class C participations.

The investment objective of the Fund is to achieve long term growth by investing in a diversified portfolio of investee funds worldwide, predominantly hedge funds. When selecting investee funds, the Fund Manager will focus on fund managers that manage at least EUR 100,000,000 in the same strategy. The aim is to avoid illiquid strategies and illiquid investee funds.

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 subject to supervision by the AFM (Stichting Autoriteit Financiële Markten) and DNB (Central Bank of the Netherlands). On 22 July 2014, the AFM licence of the Fund Manager was automatically converted into an Alternative Investment Fund Managers Directive (“AIFMD”) licence by the AFM.

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

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

2. SIGNIFICANT ACCOUNTING PRINCIPLES AND POLICIES

Basis of preparation

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

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.

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

Functional currency

The financial statements are presented in United States Dollar (“USD”), which is the Fund’s functional currency.

Notes to the financial statements

2. SIGNIFICANT ACCOUNTING PRINCIPLES AND POLICIES (CONTINUED)

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 USD are converted to USD 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 and financial derivatives are initially measured at fair value which is the fair value of the consideration given or received. Financial investments are subsequently re-measured at fair value.

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’ and ‘realised (losses)/gains on derivative financial instruments’ or ‘unrealised gains on investee funds’ and ‘unrealised gains/(losses) on derivative financial instruments’.

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 and 2021, 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.

Notes to the financial statements

2. SIGNIFICANT ACCOUNTING PRINCIPLES AND POLICIES (CONTINUED)

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

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.

Where an up-to-date value of an underlying investment is not available yet, 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, certain estimated values were used since the official NAV's from the administrators of the investee funds were not available yet.

Receivables and prepayments

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

Payables and accruals

Payables and accruals and deferred income 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 shares of the Fund. As the nature of the Fund is to invest in financial instruments, all cash flows related to investments are classified as cash flows from operating activities.

Participants' equity

All references to NAV throughout the financial statements are equivalent to participants' equity.

Tax position

The Fund qualifies as a transparent or "closed" fund for joint account Dutch tax purposes. This implies that the Fund is not subject to corporate income tax. Distributions made by the Fund (for example in case of redemption by a participant) are not subject to dividend withholding tax.

Principles for determining the result

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

The changes in value of investments in investee funds are accounted for in the income statement. The Fund uses forward currency contracts to limit the exchange rate risk. Forward currency contracts are accounted for as currency transactions. The change in value of forward currency contracts are also accounted for in the income statement.

Interest income and expense are accounted for in the income statement on the accrual basis.

Notes to the financial statements

NOTES FOR INDIVIDUAL BALANCE SHEET ITEMS

3. Investments

Movement in schedule of investments

| <i>(All amounts in USD)</i> | 31 December 2022 | 31 December 2021 |
|---|-----------------------------|-----------------------------|
| Investment in investee funds | | |
| As at 1 January | 188,904,573 | 157,828,642 |
| Purchases | 66,656,038 | 36,750,000 |
| Sales | (89,278,787) | (20,250,001) |
| Realised gains | 2,231,086 | 4,379,354 |
| Unrealised gains/(losses) | (21,674,078) | 10,196,578 |
| As at 31 December | 146,838,832 | 188,904,573 |
| Derivative financial instruments | | |
| As at 1 January | 916,657 | (755,149) |
| Sales | 10,799,603 | 13,971,132 |
| Realised losses | (10,799,603) | (13,971,132) |
| Unrealised (losses)/gains | (287,809) | 1,671,806 |
| As at 31 December | 628,848 | 916,657 |
| Total investments | | |
| As at 1 January | 189,821,230 | 157,073,493 |
| Purchases | 66,656,038 | 36,750,000 |
| Sales | (76,479,184) | (6,278,869) |
| Realised losses | (8,568,517) | (9,591,778) |
| Unrealised (losses)/gains | (21,961,887) | 11,868,384 |
| As at 31 December | 149,467,680 | 189,821,230 |

Notes to the financial statements

NOTES FOR INDIVIDUAL BALANCE SHEET ITEMS (CONTINUED)

3. Investments (continued)

Movement in schedule of investments (continued)

The table below provides an analysis of the forward currency contracts at 31 December 2022.

2022

| Expiration date | Contract currency | Bought | Contract currency | Sold | Contract rate* | Valuation rate* | Unrealised USD |
|-----------------|-------------------|------------|-------------------|------------|----------------|-----------------|----------------|
| 31/01/2023 | USD | 1,336,283 | EUR | 1,250,000 | 1.0690 | 1.0728 | (4,754) |
| 31/01/2023 | USD | 13,227,973 | EUR | 12,400,000 | 1.0668 | 1.0728 | (75,110) |
| 31/01/2023 | EUR | 40,000,000 | USD | 42,683,296 | 1.0671 | 1.0728 | 229,876 |
| 31/01/2023 | EUR | 40,000,000 | USD | 42,682,580 | 1.0671 | 1.0728 | 230,591 |
| 31/01/2023 | EUR | 2,200,000 | USD | 2,347,433 | 1.0671 | 1.0728 | 12,792 |
| 31/01/2023 | EUR | 40,000,000 | USD | 42,683,668 | 1.0671 | 1.0728 | 229,503 |

Total unrealised gains on open forward currency contracts

622,898

* Showing the equivalent of 1 Euro.

At 31 December 2022, the Fund has also a FX spot instrument amounted to USD 5,950.

The table below provides an analysis of the forward currency contracts at 31 December 2021.

2021

| Expiration date | Contract currency | Bought | Contract currency | Sold | Contract rate* | Valuation rate* | Unrealised USD |
|-----------------|-------------------|------------|-------------------|------------|----------------|-----------------|----------------|
| 31/01/2022 | EUR | 40,000,000 | USD | 45,247,920 | 1.1312 | 1.1376 | 254,440 |
| 31/01/2022 | EUR | 21,500,000 | USD | 24,315,382 | 1.1309 | 1.1376 | 142,137 |
| 31/01/2022 | EUR | 40,000,000 | USD | 45,245,520 | 1.1311 | 1.1376 | 256,840 |
| 31/01/2022 | EUR | 40,000,000 | USD | 45,239,120 | 1.1310 | 1.1376 | 263,240 |

Total unrealised loss on open forward currency contracts

916,657

* Showing the equivalent of 1 Euro.

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

31 December 2022

| | Total USD | Quoted prices (unadjusted) in active markets USD | Other USD |
|---------------------------------------|--------------------|--|-------------------|
| Investment in investee funds (assets) | 148,838,832 | 59,768,553 | 89,070,279 |
| Total | 148,838,832 | 59,768,553 | 89,070,279 |

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

Notes to the financial statements

NOTES FOR INDIVIDUAL BALANCE SHEET ITEMS (CONTINUED)

3. Investments (continued)

31 December 2021

| | Total USD | Quoted prices (unadjusted) in active markets USD | Other USD |
|---------------------------------------|--------------------|---|-------------------|
| Investment in investee funds (assets) | 188,904,573 | 101,320,222 | 87,584,351* |
| Total | 188,904,573 | 101,320,222 | 87,584,351 |

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

4. Cash

As at 31 December 2022, cash comprises of balances held with ABN AMRO Clearing Bank N.V. amounting to USD 7,922 (2021: USD 146,500) and with ABN AMRO Bank N.V. of USD 5,170,050 (2021: USD 1,623,407). As at 31 December 2022 and 2021, 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 USD)</i> | 31 December 2022 | 31 December 2021 |
|-----------------------------|---------------------|---------------------|
| Administration fee payable | 15,875 | 19,014 |
| Management fee payable | 11,122 | 13,745 |
| Custody fee payable | 9,181 | 11,757 |
| Audit fee payable | 23,338 | 7,677 |
| Interest payable | - | 1,616 |
| Other payables | 27,812 | 950 |
| Brokerage fee payable | - | 810 |
| Total | 87,328 | 55,569 |

6. Subscriptions received in advance

Subscriptions received in advance represent the amounts received from participants for subscription to participations of the Fund for the first business day after the reporting period. Participants are required to deposit in advance the amounts with the Fund prior to the issuance of participations.

Notes to the financial statements

NOTES FOR INDIVIDUAL BALANCE SHEET ITEMS (CONTINUED)

7. Share capital

Structure of the Fund's capital

The Multi Strategy Alternatives Fund is structured as an open-ended contractual fund for joint accounts which is subject to Dutch law. The Fund may issue Class A participations, Class B participations and Class C participations, each denominated in USD and EUR. All classes are subject to the same investment objective and investment strategy. The sole difference between the different classes is that Class A participants will pay a lower management fee, due to the fact that the Delegate/Investment Advisor will waive its advisory fee that is payable out of the management fee for Class A. Only investors that are a client of the Delegate/Investment Advisor shall be issued Class A participations against each such participant's individual subscription. Class C participations will pay no management fee, due to the fact that both the Delegate and the Fund Manager will waive, respectively, the delegation fee payable out of the management fee and the management fee payable for this Class. Other participants subscribing will be issued Class B participations, unless otherwise determined by the Fund Manager in its sole discretion. The holders of Class A participations at any time wishing to increase their subscriptions, shall be issued Class A participations. As at 31 December 2022, only the Class A participations (both USD and EUR) and Class C participations (EUR) are in issue.

Structure of the Fund's capital

The movement of equity in the participations during the year ended 31 December 2022 and 2021 is as follows:

| <i>(All amounts in USD)</i> | 31 December 2022 | 31 December 2021 |
|--|-----------------------------|-----------------------------|
| <i>Contributions of participants</i> | | |
| Balance at the beginning of the year | 154,962,251 | 126,535,904 |
| Issue of participations | 4,144,168 | 47,487,277 |
| Redemption of participations | <u>(10,531,607)</u> | <u>(19,060,930)</u> |
| Total contributions at the end of the year | <u>148,574,812</u> | <u>154,962,251</u> |
| <i>Unappropriated gains</i> | | |
| Balance at the beginning of the year | 37,663,297 | 35,705,479 |
| Net results | <u>(31,000,779)</u> | <u>1,957,818</u> |
| Total undistributed gain at the end of the year | <u>6,662,518</u> | <u>37,663,297</u> |
| Equity at the end of the year | <u>155,237,330</u> | <u>192,625,548</u> |

Subscriptions and redemptions

Participants can, at the sole discretion of the Fund Manager, subscribe to the Fund on the first business day of each calendar month ("subscription day") at the NAV per participation as at the valuation day immediately preceding the subscription day ("subscription price"). The minimum initial subscription for each participant is USD 100,000. Participations were issued at an initial subscription price of USD 100 per participation and thereafter at the NAV per participation. No subscriptions fees are charged to the participants of the Fund.

Notes to the financial statements

NOTES FOR INDIVIDUAL BALANCE SHEET ITEMS (CONTINUED)

7. Share capital (Continued)

The Fund will enable participants to redeem participations at the NAV per participation as at the valuation day immediately preceding the redemption day (“redemption price”) on the first business day of each calendar month (“redemption day”). The Administrator must receive the redemption request in proper form at least one month before the relevant redemption day. The Fund Manager may decide, in its sole discretion to accept redemption notices which are not received in a timely manner. 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 USD | 233,697.1428 | 2,407.5996 | (34,962.8751) | 201,141.8673 |
| Class A Euro | 1,169,347.0678 | 31,276.7267 | (48,907.4200) | 1,151,716.3745 |
| Class C Euro | 74,947.5884 | - | (7,893.5865) | 67,054.0019 |
| Total | 1,477,991.7990 | 33,684.3263 | (91,763.8816) | 1,419,912.2437 |

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 USD | 263,307.0547 | 29,962.9555 | (59,572.8674) | 233,697.1428 |
| Class A Euro | 940,458.1244 | 357,587.4225 | (128,698.4791) | 1,169,347.0678 |
| Class C Euro | 61,377.7259 | 13,569.8625 | - | 74,947.5884 |
| Total | 1,265,142.9050 | 401,120.2405 | (188,271.3465) | 1,477,991.7990 |

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. However, the Fund reserves the right to declare dividends or make distributions if the Fund Manager so decides. As at 31 December 2022 and 2021, the Fund did not declare dividends or make distributions and all earnings were reinvested in the Fund.

Notes to the financial statements

NOTES FOR INDIVIDUAL INCOME STATEMENT ITEMS

8. Interest income

Interest income relates to the interest on bank and broker balances.

9. Foreign currency gains on translation

Realised and unrealised exchange differences consist of realised and unrealised translation gains and losses on assets and liabilities other than financial assets and liabilities. For the year ended 31 December 2022, this amounted to a loss of USD 59,280 (2021: a gain of USD 155,488). The following average and closing rates have been applied in the preparation of these financial statements (the equivalent of one United States Dollar is shown):

| | 2022 | | 2021 | |
|---|---------|---------|---------|---------|
| | Average | Closing | Average | Closing |
| <i>(Showing the equivalent of 1 United States Dollar)</i> | | | | |
| Euro | 0.9572 | 1.0704 | 0.8452 | 0.8795 |

10. Investment return

| <i>(All amounts in USD)</i> | Profit | 2022 | 2022 | 2021 |
|---|-------------------|---------------------|---------------------|---------------------|
| | | Loss | Total | Total |
| Investee funds | | | | |
| Realised result | 6,314,621 | (4,083,535) | 2,231,086 | 4,379,354 |
| Unrealised result | 2,996,204 | (24,670,282) | (21,674,078) | 10,196,578 |
| | 9,310,825 | (28,753,817) | (19,442,992) | 14,575,932 |
| Derivative financial instruments | | | | |
| Realised result | 16,127,168 | (26,926,771) | (10,799,603) | (13,971,132) |
| Unrealised result | 708,712 | (996,521) | (287,809) | 1,671,806 |
| | 16,835,880 | (27,923,292) | (11,087,412) | (12,299,326) |
| Total result | 26,146,705 | (56,677,109) | (30,530,404) | 2,276,606 |

Notes to the financial statements

NOTES FOR INDIVIDUAL INCOME STATEMENT ITEMS (CONTINUED)

11. Costs

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

| <i>(All amounts in USD)</i> | 31 December 2022 | 31 December 2021 |
|--|-----------------------------|-----------------------------|
| Expenses accruing to Fund Manager | | |
| Management fee | 139,712 | 151,986 |
| Other expenses | | |
| Bank charges | 72,324 | 68,923 |
| Custody fee | 67,324 | 75,449 |
| Administration fee | 70,340 | 77,139 |
| Depositary fee | 28,329 | 28,651 |
| Regulatory fee | 25,961 | 14,104 |
| Audit fee | 22,992 | 23,434 |
| FATCA fees | 12,607 | 4,000 |
| Legal ownership fee | 9,182 | 10,022 |
| Interest expense | 9,019 | 16,877 |
| Other operational costs | 3,065 | 3,693 |
| Total | 460,855 | 474,278 |

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 interest expense of USD 9,019 (2021: USD 16,877), regulatory fees of USD 25,961 (2021: USD 14,104), bank charges of USD 72,324 (2021: USD 68,923), FATCA fees of USD 12,607 (2021: USD 4,000) and other operational costs of USD 3,065 (2021: USD 3,693) which are not detailed in the Prospectus.

Ongoing charges ratio

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

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

| | 2022 | 2021 |
|--|-------------|-------------|
| Ongoing charges ratio | 0.24% | 0.26% |
| Ongoing charges ratio including expenses of underlying funds | 1.51% | 1.73% |

Turnover factor

For the year ended 31 December 2022, the turnover factor for the Fund is 82.50% (2021: 28.67%). The turnover factor is calculated by adding total purchases and sales, subtracting total subscriptions plus total redemptions and dividing the total by the average NAV.

Notes to the financial statements

NOTES FOR INDIVIDUAL INCOME STATEMENT ITEMS *(CONTINUED)*

12. RELEVANT CONTRACTS

Fund Manager

Management fee

Privium Fund Management B.V. acts as the Fund Manager to the Fund. The Fund Manager is entitled to an annual management fee of 0.09% of the NAV of Class A participations and 1.09% of the NAV of Class B participations as at the last day of each calendar month. The management fee is calculated monthly and payable monthly in arrears. The Fund Manager pays a delegation fee to the Delegate for the Class B participations. No management fee is applicable to Class C 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 of 0.04% of the NAV, as of the last day of each month, subject to an annual minimum fee of EUR 20,000 (including VAT). The fee is calculated monthly and paid quarterly in arrears.

The Administrator also charges a fee of EUR 5,000 per annum for the preparation of the financial statements.

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

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.

Legal owner fee

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%.

Independent Auditor

The Fund appointed Ernst & Young Accountants LLP as the Independent Auditor. The Independent Auditor's remuneration consists of USD 22,992 (2021: USD 23,434) audit fee (including VAT) for the audit of the financial statements.

Depository

The Fund has entered into a depository agreement with Darwin Depository Services B.V. The Depository charges an annual minimum fee of EUR 16,500, (excluding VAT), payable quarterly in advance, for depository services provided to the Fund. This also includes a fee for management of the legal owner. Details of depository fees charged for the year are disclosed in the income statement.

Notes to the financial statements

NOTES FOR INDIVIDUAL INCOME STATEMENT ITEMS (CONTINUED)

13. RELATED PARTY TRANSACTIONS

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

The following provides details on the related parties of the Fund and transactions with the related parties.

The Global Allocation Fund, a fund also being managed by the Fund Manager, maintains an investment in the Multi Strategy Alternatives Fund. 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. No management fee is applicable for this share class.

The Fund Manager is considered a related party also.

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 |
|----------------|-------------|----------------|
| | USD | USD |
| Management fee | 142,335 | 11,122 |

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

| | Paid | Balance |
|----------------|-------------|----------------|
| | USD | USD |
| Management fee | 149,836 | 13,745 |

Notes to the financial statements

14. FINANCIAL INVESTMENTS AND ASSOCIATED RISKS

The investment objective of the Fund is to achieve long term growth by investing in a diversified portfolio of investee funds worldwide, predominantly hedge funds. When selecting investee funds, the Fund Manager will focus on fund managers that manage at least EUR 100,000,000 in the same strategy. The aim is to avoid illiquid strategies and illiquid investee funds.

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 or future cash flows of a financial instrument 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. 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.

As at 31 December 2022 and 2021, price risk arises on the Fund's investments in investee funds.

The Fund's diversification of financial assets and liabilities at fair value through profit or loss represented per significant strategy as at 31 December 2022 and 2021 is as follows:

| Strategy | 2022 | | 2021 | |
|-------------------|--------------------|---------------|--------------------|---------------|
| | Amounts in USD | % of NAV | Amounts in USD | % of NAV |
| Long/Short Equity | 94,614,185 | 60.95% | 105,784,015 | 54.92% |
| Multi Strategy | 41,276,455 | 26.59% | 51,463,520 | 26.72% |
| Fixed Income | 12,948,192 | 8.34% | 31,657,038 | 16.43% |
| | 148,838,832 | 95.88% | 188,904,573 | 98.07% |

The table below details the sensitivity of the Fund's investments to a reasonable possible increase of 5% at 31 December 2022 and 2021:

| Strategy | 2022 | | 2021 | |
|-------------------|----------------|----------|----------------|----------|
| | Amounts in USD | % of NAV | Amounts in USD | % of NAV |
| Long/Short Equity | 4,730,709 | 3.05% | 5,289,201 | 2.75% |
| Multi Strategy | 2,063,823 | 1.33% | 2,573,176 | 1.34% |
| Fixed Income | 647,410 | 0.42% | 1,582,852 | 0.82% |

A 5% decrease of the Fund's investments in each strategy would have resulted in an equal but opposite effect, on the basis that all other variables remain constant.

Notes to the financial statements

14. FINANCIAL INVESTMENTS AND ASSOCIATED RISKS (CONTINUED)

Market risk (continued)

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Fund has no interest bearing financial instruments except for cash and amounts due to broker which are subject to normal market related short-term interest rates. Therefore, the Fund is not exposed to significant interest rate risks.

Currency risk

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

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

The Fund uses forward currency contracts in order to manage the currency risk exposure of foreign currency positions. The forward currency contracts are settled on a gross basis and as such, the Fund has a settlement risk of USD 116 million (31 December 2021: USD 290 million) and a credit risk exposure towards the counterparty at 31 December 2022 of USD Nil (31 December 2021: USD Nil).

The currency exposure of the Fund at 31 December 2022 is as follows:

| | | 2022 | |
|--------------------------------|---------------------|-------------------------|---------------------------|
| | Net position | Notional amounts | Total |
| | USD | forwards | currency |
| | | USD | exposure |
| | | | USD |
| Currency | | | |
| Euro | 13,237,950 | 115,832,721 | 129,070,671 |
| Participations in EUR | | | (130,717,269) |
| Total currency exposure | | | <u>(1,646,598)</u> |

As at 31 December 2022 all forward contracts will mature within 1 month.

The currency exposure of the Fund at 31 December 2021 is as follows:

| | | 2021 | |
|--------------------------------|---------------------|-------------------------|---------------------------|
| | Net position | Notional amounts | Total |
| | USD | forwards | currency |
| | | USD | exposure |
| | | | USD |
| Currency | | | |
| Euro | 25,571 | 289,646,053 | 289,671,624 |
| Participations in EUR | | | (160,918,769) |
| Total currency exposure | | | <u>128,752,855</u> |

Notes to the financial statements

14. FINANCIAL INVESTMENTS AND ASSOCIATED RISKS (CONTINUED)

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, derivative financial assets and interest receivable. The carrying values of financial assets (excluding any investments in investee funds) best represent the maximum credit risk exposure at the reporting date and amount to USD 6,485,826 (2021: USD 5,436,564).

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

The current credit rating of ABN AMRO Bank N.V., the parent company 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 Fund Manager will deal with another provider.

Liquidity risk

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

The Fund's Prospectus provides for the monthly creation and cancellation of participations and it is therefore exposed to the liquidity risk of meeting participants' redemptions. The Fund's policy only allows for redemptions on the last day of each calendar month and notice of one month must be provided.

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

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

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

Sustainability risk

Sustainability 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.

Notes to the financial statements

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

Sustainability risk *(continued)*

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.

15. EVENTS AFTER THE BALANCE SHEET DATE

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

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

Investment portfolio as at 31 December 2022

| Assets | Currency | Fair Value USD | % of NAV |
|---|----------|---------------------------|--------------------|
| Investee funds | | | |
| BlackRock Credit Alpha Offshore Class A1-USD-Series 1 | USD | 12,451,860 | 8.0 |
| BlackRock European Hedge - Class I USD | USD | 13,258,925 | 8.5 |
| GIM Portfolio Strategies Fund - Technology Long-Short Fund Class A-11-2003-USD | USD | 19,126,941 | 12.3 |
| GIM Portfolio Strategies Fund - Technology Long-Short Fund Class A-04-2012-USD | USD | 17,024,219 | 11.0 |
| Global Event Partners Ltd. Class A1-USD-Series 1 | USD | 13,518,149 | 8.7 |
| Global Event Partners Ltd. Class A1-USD-Series 20 | USD | 741,994 | 0.5 |
| JPMorgan Funds - Europe Equity Absolute Alpha Fund | EUR | 14,564,453 | 9.4 |
| Schroder GAIA Contour Tech Equity | USD | 12,174,960 | 7.8 |
| Schroder GAIA Egerton Equity | USD | 16,458,853 | 10.6 |
| Serviced Platform SICAV - Select Equity Long/Short UCITS Sub-Fund | USD | 16,570,287 | 10.7 |
| The Obsidian (Offshore) Fund Ltd. - Class V Master Series | USD | 12,948,191 | 8.3 |
| | | <u>148,838,832</u> | <u>95.8</u> |

Investment portfolio as at 31 December 2021

| Assets | Currency | Fair Value USD | % of NAV |
|---|----------|---------------------------|--------------------|
| Investee funds | | | |
| BlackRock Credit Alpha Offshore Class A1-USD-Series 1 | USD | 19,107,318 | 10.0 |
| BlackRock European Hedge - Class I USD | USD | 19,282,340 | 10.1 |
| BlackRock Strategic Funds - UK Emerging Companies Absolute Return Fund | USD | 18,566,433 | 9.6 |
| GIM Portfolio Strategies Fund - Technology Long-Short Fund Class A-12-2021-USD | USD | 1,250,000 | 0.6 |
| GIM Portfolio Strategies Fund - Technology Long-Short Fund Class A-04-2012-USD | USD | 12,778,126 | 6.6 |
| Global Event Partners Ltd. Class A1-USD-Series 1 | USD | 15,169,152 | 7.9 |
| Global Event Partners Ltd. Class A1-USD-Series 20 | USD | 768,606 | 0.4 |
| Global Event Partners Ltd. Class A1-USD-Series 21 | USD | 1,916,564 | 1.0 |
| JPMorgan Investment Funds - Global Macro Opportunities | USD | 14,501,880 | 7.5 |
| Legg Mason Global Funds PLC-Legg Mason Western Asset Macro Opportunities Bond Fund | USD | 14,344,793 | 7.4 |
| Schroder GAIA Contour Tech Equity | USD | 15,460,222 | 8.0 |
| Schroder GAIA Egerton Equity | USD | 19,040,753 | 9.9 |
| Serviced Platform SICAV - Select Equity Long/Short UCITS Sub-Fund | USD | 19,406,141 | 10.1 |
| The Obsidian (Offshore) Fund Ltd. - Class V Master Series | USD | 17,312,245 | 9.0 |
| | | <u>188,904,573</u> | <u>98.1</u> |

Other information

Provisions of the Prospectus on distribution policy

The Fund Manager does not intend to distribute any income of the Fund to participants. The Fund Manager shall have sole discretion whether to distribute any income of the Fund or whether to retain it within the Fund.

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

Date of authorisation

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

Independent auditor's report

To: the management board of Multi Strategy Alternatives 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 Multi Strategy Alternatives Fund based in Amsterdam, The Netherlands.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of Multi Strategy Alternatives 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 Multi Strategy Alternatives 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