

SEMI-ANNUAL REPORT

Savin Multi-Strategy Arbitrage Fund N.V.

Period ended 30 June 2023

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General information

Registered office

Savin Multi-Strategy Arbitrage Fund N.V.
Financial Offices 26th Floor
Gustav Mahlerplein 3
1082 MS Amsterdam
The Netherlands

Fund Manager

Privium Fund Management B.V.
Financial Offices 26th Floor
Gustav Mahlerplein 3
1082 MS Amsterdam
The Netherlands

Administrator

Bolder Fund Services (Netherlands) B.V.
Smallepad 30F
3811 MG Amersfoort
The Netherlands

Depository

APEX Depository Services B.V.
Van Heuven Goedhartlaan 935A
1181 LD Amstelveen
The Netherlands

STAK

Stichting Administratiekantoor Savin Multi-Strategy Arbitrage Fund
Financial Offices 26th Floor
Gustav Mahlerplein 3
1082 MS Amsterdam
The Netherlands

Legal and Tax Counsel

Van Campen Liem
J.J. Viottastraat 52
1071 JT Amsterdam
The Netherlands

Bank

ABN AMRO Bank N.V.
Gustav Mahlerlaan 10
1082 PP Amsterdam
The Netherlands

Prime Broker

ABN AMRO Clearing Bank N.V.
Gustav Mahlerlaan 10
1082 PP Amsterdam
The Netherlands

Custodian

ABN AMRO Clearing Bank N.V.
Gustav Mahlerlaan 10
1082 PP Amsterdam
The Netherlands

Auditor

Ernst & Young Accountants LLP
Antonio Vivaldistraat 150
1083 HP Amsterdam
The Netherlands

Key figures

	30-06-2023	2022	2021 ¹
(all amounts in EUR x 1,000)			
Net Asset Value			
Net Asset Value Class A	16,015	18,247	29,886
Net Asset Value Class F	15,687	18,777	24,836
Net Asset Value Class I	8,627	14,906	16,141
Net Asset Value Class A USD	652	920	690
Net Asset Value Class I USD	123	129	-
Total Net Asset Value	41,103	52,979	71,533
Outstanding Units			
Outstanding Units Class A	164,208	179,228	239,247
Outstanding Units Class F	158,766	182,443	197,806
Outstanding Units Class I	89,790	148,844	131,751
Outstanding Units Class A USD	8,772	11,759	7,778
Outstanding Units Class I USD	1,656	1,656	-
Total Outstanding Units	423,192	523,930	576,582
Result			
Result from investments	387	(268)	8
Changes in value	300	(10,138)	13,312
Other results	(761)	513	(1,542)
Costs	(1,513)	(3,710)	(5,052)
Net result	(1,587)	(13,603)	6,726
Per Unit²			
Net Asset Value per Unit Class A EUR	97.53	101.81	124.92
Net Asset Value per Unit Class F EUR	98.80	102.92	125.56
Net Asset Value per Unit Class I EUR	96.08	100.14	122.51
Net Asset Value per Unit Class A USD	81.03	83.78	100.79
Net Asset Value per Unit Class I USD	80.76	83.38	-

¹ The reported results cover the period from 1 February 2021 through 31 December 2021.

² The result per Unit is calculated using the number of outstanding Units as per the end of the period.

Fund manager report

The Savin Multi-Strategy Arbitrage Fund (the Savin Fund) made an investment into a position of USD 2 million nominal in the (1st lien) bonds of Diebold Nixdorf (hereinafter referred to as "Diebold"). To hedge the business risk, put options were bought on Diebold's shares at attractive terms compared to the bond position. Diebold then ran into liquidity and solvency problems (with the risk for the Savin Fund being more than adequately hedged) and had to restructure. As a result of that Diebold restructuring, the company's operations were transferred to a new entity. The shareholders in the 'old' Diebold haven't received anything in the restructuring and have lost their money. The holders of the 1st lien bonds, which the Savin Fund owns, have been converted into shares (in a debt-for-equity swap) of the new entity. Another compensation for the investors in the 1st lien bond, such as the Savin Fund, has been the right to participate in the 'super senior' bond of the 'new' Diebold. This super senior bond will be temporarily traded as a Debtor In Position (DIP) loan during the restructuring and will then be redeemed or converted into an ordinary listed bond (the latter being by far the most likely). Because we have accepted this option for the Savin Fund, we have a loan in the portfolio and therefore a position which isn't listed and therefore formally not in line with the investment restriction of the Savin Fund for a short period of time since the Savin Fund is only allowed to make investments in positions that are listed.

This situation is corrected automatically, during the restructuring process, without requiring any action on our part. Although the 1st lien bond was unlisted for a short period of time, taking the position in the super senior bond was in our view appropriate and in the interest of the Savin Fund participants, because:

1. The opportunity to participate in the new super senior bond was part of the compensation for the investors in the 1st lien bond (the old position of the Savin Fund). The only investors who were given the opportunity to participate in the super senior bond were the investors in the 1st lien bond.
2. By taking a position in the super senior bond, the Savin Fund and thus the participants in the Savin Fund also receives better compensation (more shares in the new company) on the 1st lien bond than if no position had been taken in the new super senior bond. These additional shares will benefit the participants of the Savin Fund and they would not have been able to benefit from them if the new position had not been taken.
3. There is a clear time period within which the new 1st lien bond will become listed. The restructuring will be completed by October 2, 2023 at the latest.

In the next Prospectus update we will explicitly include a paragraph that a situation like this can arise when companies run into problems and that we can temporarily hold such positions.

Semi-annual financial statements

Balance sheet

(all amounts in EUR)	Notes	30-06-2023	31-12-2022
		<u> </u>	<u> </u>
Assets			
Investments			
	1		
Equity securities		46,337,882	60,137,390
Bonds		17,887,846	8,906,556
Loans		1,407,854	-
Derivatives		59,685,575	35,928,781
Forward contracts		209,465	991,536
		<u> </u>	<u> </u>
Total of investments		125,528,622	105,964,263
		<u> </u>	<u> </u>
Intangible assets			
Deferred organisation costs	2	125,033	149,233
		<u> </u>	<u> </u>
Total intangible assets		125,033	149,233
		<u> </u>	<u> </u>
Receivables			
Due from broker	3	15,083,115	6,814,448
Other receivables	4	614,896	188,124
		<u> </u>	<u> </u>
Total of receivables		15,698,011	7,002,572
		<u> </u>	<u> </u>
Other assets			
Cash	5	22,414,299	4,398,665
		<u> </u>	<u> </u>
Total of other assets		22,414,299	4,398,665
		<u> </u>	<u> </u>
Total assets		163,765,965	117,514,733
		<u> </u>	<u> </u>

Balance sheet (Continued)

(all amounts in EUR)	Notes	<u>30-06-2023</u>	<u>31-12-2022</u>
Liabilities			
Net asset value	6		
Units paid in surplus		49,567,060	59,856,954
Undistributed income prior years		(6,877,586)	6,725,631
Result current period		(1,586,751)	(13,603,217)
Total net asset value		<u>41,102,723</u>	<u>52,979,368</u>
Investments	1		
Equity securities		72,768,550	23,919,246
Derivatives		30,397,039	25,154,210
Forward contracts		4,558	5,440
Total of investments		<u>103,170,147</u>	<u>49,078,896</u>
Other liabilities			
Bank overdrafts	5	3,124,532	7,011,436
Due to broker		16,110,477	7,533,868
Subscriptions received in advance		31,557	545,970
Other liabilities	7	226,529	365,195
Total other liabilities		<u>19,493,095</u>	<u>15,456,469</u>
Total liabilities		<u>163,765,965</u>	<u>117,514,733</u>

Profit and loss statement

(For the period 1 January to 30 June)

(all amounts in EUR)

	Notes	2023	2022
Investment result			
Dividend income		297,266	161,832
Dividend expenses		479,938	(214,688)
Interest income		(390,065)	42
Total investment result		387,139	(52,814)
Revaluation of investments			
Realised results		12,047,862	9,527,017
Unrealised results		(11,747,570)	(15,806,391)
Total changes in value		300,292	(6,279,374)
Other results			
Fee income from redemptions and subscriptions		5,260	5,478
Foreign currency translation		(810,608)	(43,460)
Interest result		44,135	-
Total other results		(761,213)	(37,982)
Operating expenses			
Management fee	8	(371,925)	(547,838)
Performance fee	9	-	(20)
Administration fees	10	(22,814)	(30,118)
Depositary fees	11	(12,264)	(11,150)
Interest expenses		(223,246)	(813,717)
Brokerage fees and other transaction costs		(625,696)	(625,420)
Audit fees	12	(11,929)	(11,532)
Supervision fees		(8,624)	977
Legal fees		-	(842)
Reporting expenses		(2,568)	(4,033)
Organisational expenses		(24,200)	(24,200)
Other expenses		(77,674)	(45,908)
		(1,380,940)	(2,113,801)
Result for the period		(1,454,722)	(8,483,971)
Withholding tax		(132,029)	(21,675)
Net result for the period after tax		(1,586,751)	(8,505,646)

Cash flow statement

(For the period 1 January to 30 June)

(all amounts in EUR)

	Notes	2023	2022
Cash flow from operating activities			
Purchases of investments		(1,205,893,811)	(542,197,895)
Proceeds from sales of investments		1,241,028,937	541,061,517
Interest received		105,625	(56,332)
Dividend received		157,264	161,165
Performance and management fee paid		(391,003)	(2,242,652)
Interest paid		(197,685)	(670,216)
Dividend paid		(468,735)	(236,363)
Operating expenses paid		(828,399)	(715,163)
Net cash flow from operating activities		33,512,193	(4,895,939)
Cash flow from financing activities			
Proceeds from subscriptions to redeemable units		233,209	8,120,250
Payments for redemption of redeemable units		(11,037,516)	(5,319,673)
Fee income from redemptions and subscriptions		5,260	5,478
Net cash flow from financing activities		(10,799,047)	2,806,055
Net cash flow for the period		22,713,146	(2,089,884)
Cash at beginning of the period		(2,612,771)	34,833,592
Foreign currency translation		(810,608)	(43,460)
Cash at the end of the period	5	19,289,767	32,700,248

Notes to the semi-annual financial statements

General information

The Fund is a public limited liability company (“naamloze vennootschap”), which is a legal entity (“rechtspersoon”). The Fund has an open-ended structure. The relationship between the Fund, the STAK, the Fund Manager and the Unitholders is governed by the Terms and Conditions, the Prospectus and the Subscription Agreement. By executing the Subscription Form, a Unitholder represents and warrants to have reviewed the Terms and Conditions and agrees to be bound thereby. A Unitholder is admitted to the Fund by the issuance of Units by the STAK to the Unitholder. The Fund was incorporated on February 1, 2021.

Fund Manager is in possession of an AFM 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’s office address is that of the Fund Manager, being Gustav Mahlerplein 3, 26th floor, 1082 MS Amsterdam, The Netherlands.

Investment objective: The Fund’s objective is to achieve a multi-year average annual return of 8%, net of fees with a volatility that is expected to be lower than equity markets and with a correlation to equity markets that is expected to be low (expected to be <0,3 on a multi-year time frame). To achieve this the strategy of the Fund is to employ complementary arbitrage strategies.

Market neutrality is to be achieved through hedging of residual risk factor exposure to equities, interest rates, credit and commodities. Daily and ad hoc stress tests and other risk management processes are conducted to maintain its objective for consistent positive returns with low volatility and low correlation to equity markets.

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

The semi-annual financial statement have not been audited by an independent auditor.

Accounting policies

General

The financial statements are prepared on a going concern basis and in accordance with Part 9, Book 2 of the Dutch Civil Code. The accounting principles of the Fund for the preparation of the semi-annual financial statement 2023 are the same as the accounting policies used for the 2022 annual financial statements. In addition, the accounting policy for the loans is included below.

Reporting period

The reporting period runs from 1 January 2023 to 30 June 2023.

Loans

Loans are valued at amortized cost.

Notes to the balance sheet**1. Investments**

(all amounts in EUR)

	30-06-2023	31-12-2022
Equity securities	46,337,882	60,137,390
Bonds	17,887,846	8,906,556
Loans	1,407,854	-
Derivative long	59,685,575	35,928,781
Forward contract long	209,465	991,536
Equity securities short	(72,768,550)	(23,919,246)
Derivative short	(30,397,039)	(25,154,210)
Forward contract short	(4,558)	(5,440)
Position as per reporting date	22,358,475	56,885,367

The market value of the investments is based on quoted market prices (except for the loans). The movement of the financial instruments is as follows:

(For the period ended 30 June)

(all amounts in EUR)

	2023	2022
<i>Equity securities</i>		
Opening balance	36,218,144	8,269,521
Purchases	3,400,865	78,639,550
Sales	(74,114,590)	(67,981,002)
Realised investment result	20,212,172	(7,443,788)
Unrealised investment result	(12,147,259)	(826,958)
Closing balance	(26,430,668)	10,657,323
<i>Bonds</i>		
Opening balance	8,906,556	-
Purchases	13,377,801	3,246,332
Sales	(2,974,337)	-
Realised investment result	(392,554)	-
Unrealised investment result	(1,029,620)	(65,772)
Closing balance	17,887,846	3,180,560
<i>Loans</i>		
Opening balance	-	-
Purchases	1,407,854	-
Closing balance	1,407,854	-

The loans are valued at cost. The fair value of the loan is not available. Since the loan is in the process to become listed, we assume that the fair value of the loan as of 30 June 2023 equals the amount of the closing balance.

(For the period ended 30 June)
(all amounts in EUR)

	2023	2022
<i>Derivatives</i>		
Opening balance	10,774,571	33,497,718
Purchases	33,098,334	3,783,963
Sales	(8,068,766)	(15,595,730)
Realised investment result	(8,726,101)	19,385,872)
Unrealised investment result	2,210,498	(14,581,109)
Closing balance	29,288,536	26,490,714
(all amounts in EUR)	2023	2022
<i>Forward contracts</i>		
Opening balance	986,096	148,685
Sales	(1,059,074)	2,415,067
Realised investment result	1,059,074	(2,415,067)
Unrealised investment result	(781,189)	(332,552)
Closing balance	204,907	(183,867)

2. Deferred intangible assets

The Fund has deferred the costs of setting up the organisation of the Fund. The total organisation costs amount to EUR 200,000 (excluding VAT) and these are expensed in a period of 60 months.

(For the period ended 30 June)

(all amounts in EUR)	2023	2022
Opening balance	149,233	197,633
Depreciation	(24,200)	(24,200)
Position at the end of the period	125,033	173,433

3. Due from brokers

The amount for due from broker consists of balances at brokers on which no restrictions on the use exist at 30 June 2023 and 31 December 2022.

4. Receivables

(all amounts in EUR)	30-06-2023	31-12-2022
Receivables		
Dividends receivable	30,896	22,923
Interest receivable	571,627	153,179
Rebates receivable	7,301	11,009
Prepaid directors fee	4,633	-
Prepaid administration fees	439	1,013
Balance at the end of the period	614,896	188,124

5. Cash

As of 30 June 2023 and 31 December 2022, no restrictions on the use of cash exist other than the restrictions that have been agreed with the Prime Broker. Here any margin liability of the Fund towards the Prime Broker is secured by the assets of the Fund. As of 30 June 2023 this liability amounted to EUR 29,905,840 (31 December 2022: EUR 19,568,290).

6. Net asset value

Movement schedule of net asset value

(For the period ended 30 June)
(all amounts in EUR)

	2023	2022
Units paid in surplus		
Opening balance	59,856,954	64,827,158
Subscriptions to redeemable Units	747,622	10,833,489
Redemption of redeemable Units	(11,037,516)	(5,319,673)
Closing balance	49,567,060	70,340,974
Undistributed income prior years		
Opening balance	6,725,631	-
Addition from undistributed result	(13,603,217)	6,725,631
Closing balance	(6,877,586)	6,725,631
Undistributed result		
Opening balance	(13,603,217)	6,725,631
Addition from undistributed result income prior years	13,603,217	(6,725,631)
Result current period	(1,586,751)	(8,505,646)
Closing balance	(1,586,751)	(8,505,646)
Total net assets value at reporting date	41,102,723	68,560,959

Movement schedule of Units

(For the period 1 January through 30 June)
(in number of Units)

	2023	2022
Outstanding Units		
Opening balance	523,930	576,582
Subscriptions to redeemable Units	7,187	91,982
Redemption of redeemable Units	(108,234)	(45,849)
Conversion	309	-
Outstanding Units at reporting date	423,192	622,715

7. Other liabilities

(all amounts in EUR)

	30-06-2023	31-12-2022
Management fees payable	61,311	80,457
Dividend payable	51,055	129,725
Supervision fees payable	8,624	-
Interest payable	25,561	-
Audit fees payable	35,785	23,856
Bank and brokerage fees payable	-	58,003
Other liabilities	44,193	73,154
Balance at the end of the period	226,529	365,195

Notes to the profit and loss statement

8. Management fee

The Fund Manager is entitled to an annual Management Fee equal to:

- 1.80% of the Net Asset Value (i.e. 180 basis points) of the Class A Units and Class A2 Units;
- 2.00% of the Net Asset Value (i.e. 200 basis points) of the Class F Units; and
- 1.50% of the Net Asset Value (i.e. 150 basis points) of the Class I Units and Class I2 Units,

excluding (i.e. before deduction of) the Management Fee, as at the last Business Day of each calendar month, payable monthly in arrears out of the Fund Assets. Any changes to the Management Fee are subject to the prior approval of the Fund and the Fund Manager. The Management Fee shall be calculated for each Class separately and applied against the Net Asset Value of the Units in the relevant Class.

The management fee for the period from 1 January 2023 through 30 June 2023 amounts to EUR 371,925 (2022: EUR 547,838).

9. Performance fee

The Fund Manager is entitled to an annual variable performance fee of:

- 20% of the Net Capital Appreciation during such year with respect to Class A Units and Class A2 Units;
- 20% of the Net Capital Appreciation during such year with respect to Class F Units; and
- 15% of the Net Capital Appreciation during such year with respect to Class I Units and Class I2 Units.

The Performance Fee shall be subject to a High Watermark principle that Performance Fee is only payable to the extent that the end value of the relevant year is higher than the end value of any previous year during the life of the relevant Class, ensuring that the Fund Manager only receives Performance Fee in so far as any decrease of net asset value during the life of the Fund has been recovered through a subsequent increase of net asset value. Where the closing date or the dissolution date of the Fund occurs during a calendar month, the Performance Fee shall be pro rata for the relevant portion of the month that the Fund was managed. The performance fee is calculated and measured as at the last business day of each calendar month, and payable annually after the end of the financial year of the Fund or at redemption, as applicable. The Performance Fee shall be calculated for each Class separately and applied against the net asset value of the units in the relevant class. The performance fee in respect of the relevant outstanding Units shall be payable to the Fund Manager within one (1) month after the end of the relevant financial year.

10. Administration fees

The Fund will pay the Administrator in remuneration for its services to the Fund, an annual fee equal to 0.08% of the Net Asset Value (i.e. 8 basis points) up to a Net Asset Value of EUR 50 million as of the last calendar day of each month, subject to an annual minimum fee of EUR 30,000 (excluding VAT). When the Net Asset Value of the Fund exceeds EUR 50 million the Fund will pay the Administrator as remuneration for its services to the Fund, an annual fee equal to 0.06% of the Net Asset Value (i.e. 6 basis points). When the Net Asset Value of the Fund exceeds EUR 100 million the Fund will pay the Administrator as remuneration for its services to the Fund, an annual fee equal to 0.04% of the Net Asset Value (i.e. 4 basis points). Administration fees are exclusive of a fixed office surcharge of 7.5% per year.

For the preparation of the (semi) annual statements, the Administrator will charge an annual fixed fee of EUR 4,000.

For FATCA related services the Administrator will charge the Fund an annual fixed fee of EUR 2,500. For Annex IV reporting related services, the Administrator will charge the Fund an annual fixed fee of EUR 2,000 per report.

11. Depositary fees

The Fund will pay to the Depositary in remuneration of its service to the Fund, limited to AIFMD depositary duties, an annual fee equal to 0.014% of the Net Asset Value (i.e. 1.4 basis points), subject to a minimum of EUR 16,945 (excluding VAT). The annual remuneration is subject to an annual indexation based on the CPI, published by CBS.

12. Audit fees

The audit fees relates solely to the audit of the annual financial statements. The Independent Auditor also provides assurance on the prospectus (including the terms and conditions of administration) of the Fund. The Independent Auditor does not provide any other audit or non-audit services to the Fund.

13. Related parties

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

All services rendered by the Fund from the Fund Manager therefore qualify as related party transactions. During the period, the Fund paid management fees of EUR 391,003 (2022: EUR 554,140).to the Fund Manager.

14. Income and withholding tax

The Fund as an investment fund ("beleggingsinstelling") as referred to in article 1:1 of the FSA filed an application with the Dutch tax authorities to obtain the status of an exempt investment institution ("vrijgestelde beleggingsinstelling") and this application has been approved by the Dutch Tax authority. See the Prospectus of the Fund for additional information.

Other notes

15. Core business and delegation

The following key tasks have been delegated by the Fund:

Administration

The administration has been delegated to Bolder Fund Services (Netherlands) B.V, who carries out the administration of the Fund, including the processing of all investment transactions, processing of revenues and expenses and the preparation of the NAV. It also states, under the responsibility of the Manager, the interim report and the financial statements of the Fund. For information on the fees of the Administrator refer to note 10.

16. Events after balance sheet date

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

17. Personnel

The Fund did not employ personnel during the period.

18. Appropriation of the result

As the primary Fund Objective of the Fund is to achieve capital growth, frequent and regular distributions of Net Proceeds (including profit distributions) by the Fund are not intended nor anticipated. However, the Fund Manager may, at its sole discretion and at any time, decide to distribute any Net Proceeds. It is expected that the Fund Manager will especially do so if the Fund Manager is of the opinion that there are no sufficient suitable investment opportunities to achieve the Fund Objectives. All distributions (including profit distributions) to the Unitholders will be made pro rata to the number of Units held by each Unitholder.

Any distribution (including profit distributions) to the Unitholders, including the amount, composition and manner of payment, shall be published on the Fund Manager's website.

Amsterdam, 22 August 2023

Fund Manager
Privium Fund Management B.V.

Other information

Personal holdings of the Fund Manager

As of June 30, 2023 members of Investment team of the Fund and other employees of the Fund Manager also maintain an investment in the Fund. This represents 25,672.99 (as of 1 January 2023: 19,885.27 Units in the Class A Unit Class) Units in the Class A Unit Class.

As of June 30, 2023 the Investment team of the Fund, had no positions in any companies in which the Fund has been invested (1 January 2023: none).