

**PRIVIUM FUND MANAGEMENT B.V.
AMSTERDAM**

Annual Report 2017
June 25, 2018

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FINANCIAL REPORT

To the shareholders and management of
Privium Fund Management B.V.
Gustav Mahlerplein 3, 26 floor
1082 MS Amsterdam

<i>Reference</i>	<i>Processed by</i>	<i>Date</i>
10000665	JdH	June 25, 2018

Subject
Annual report of 2017

For the attention of the Board of Directors,

We hereby send you the report regarding the financial statements for the year 2017 of Privium Fund Management B.V.

1 AUDIT

In accordance with your instructions we have compiled the annual account 2017 of Privium Fund Management B.V. , including the balance sheet with counts of € 1,353,654 and the profit and loss account with a post-tax result of € 3,035.

For the independent auditor's report we refer to the chapter "other information" on page 29 of this report.

1.1 Appropriation of the net result 2017

The profit for the year 2017 amounts to € 3,035 compared with a profit for the year 2016 of € 11,088.

The board of directors proposes that the profit for the period 2017 of € 3,035 be added to the other reserves. This proposal has been processed in the annual account in advance of the adoption by the General Meeting.

The analysis of the result is disclosed on page 3.

2 RESULTS

2.1 Development of income and expenses

The result after taxation for 2017 amounts to € 3,035 compared to € 11,088 for 2016. The results for both years can be summarized as follows:

	2017		2016	
	€	%	€	%
Net turnover	4,224,686	100.0	2,450,819	100.0
Cost price	81,247	1.9	84,074	3.4
Gross turnover result	4,143,439	98.1	2,366,745	96.6
Expenses				
Cost of subcontracted work and other external charges	3,290,059	77.9	1,580,428	64.5
Employee expenses	411,938	9.8	297,943	12.2
Amortisation and depreciation	12,519	0.3	11,620	0.5
Other operating expenses	432,102	10.2	455,467	18.5
	4,146,618	98.2	2,345,458	95.7
Operating result	-3,179	-0.1	21,287	0.9
Financial income and expenses	7,539	0.2	-6,934	-0.3
Result before tax	4,360	0.1	14,353	0.6
Taxes	-1,325	-	-3,265	-0.1
Result after tax	3,035	0.1	11,088	0.5

3 FINANCIAL POSITION

The balance sheet can be summarized as follows:

	12/31/2017	12/31/2016
	€	€
Long term funds:		
Equity	393,173	390,137
Long term investments:		
Tangible fixed assets	26,464	37,411
Financial fixed assets	37,580	37,500
	<u>64,044</u>	<u>74,911</u>
Working capital	<u>329,129</u>	<u>315,226</u>

This amount is applied as follows:

Receivables, prepayments and accrued income	929,108	736,729
Cash and cash equivalents	360,502	362,737
	<u>1,289,610</u>	<u>1,099,466</u>
Debit: Short-term debt	960,481	784,240
Working capital	<u>329,129</u>	<u>315,226</u>

4 FISCAL POSITION

4.1 Fiscal unity

For purposes of corporate income tax, Cleardown B.V. forms a fiscal unity with its subsidiary:
- Privium Fund Management B.V.

The company is part of the fiscal unity with Cleardown B.V. for corporate income tax and therefore is not separately liable for tax. The corporate income tax is calculated as if the company was separately liable for tax and is offset against the current account of Cleardown B.V. For the calculation of the tax liability of the fiscal unity is referred to the financial statements of Cleardown B.V.

4.2 Taxable amount 2017

The taxable amount for 2017 has been calculated as follows:

	2017
	€
Result before taxes	4,360
<i>Tax differences:</i>	
Non-deductible expenses	2,267
Taxable amount 2017	6,627

Corporate income tax calculation

The corporate income tax due amounts to:

	2017
	€
20.0% of € 6,625	1,325

The entry is recognised in the profit and loss account as follows:

Taxes	1,325
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Privium Fund Management B.V., Amsterdam



We will gladly provide further explanations upon request.

Sincerely yours,
Bacom Consultancy Groep

R. Beers
Consultant



Report board of directors - Privium Fund Management BV

Results

Privium Fund Management BV (Privium) has grown substantially again in 2017. Net turnover grew by more than 60%. Privium received another FD Gazelle Award, for being one of the fastest growing companies in The Netherlands.

The 2017 post-tax result was a profit of Euro 3.035,-, despite investments in growing the firms activities. The Assets Under Management (AUM) of the funds managed by Privium has clearly increased and further growth is to be expected. An increasing amount of AUM is allocated to ESG/Sustainability/Impact related investments. Currently, the majority of our assets under management have a specific ESG/Sustainability/Impact focus. In particular the Privium Sustainable Alternative Fund and the FMO Privium Impact Fund are expected to grow further in AUM in 2018. We would describe the financial position of Privium as 'solid' and the risk appetite of the company as 'modest'.

Funds

The fund range has increased, as well as the diversification, which mitigates the market related risk for Privium Fund Management as a company. There were two new fund launches in 2017 and none of the funds stopped their activities. The **Dutch Mezzanine Fund II** was launched in 2017 and reached full capacity of Euro 122 million of committed capital, in two closings. After taking over the Delta Lloyd Mezzanine Fund (now called Dutch Mezzanine Fund I) this is a big success, raising more than twice the committed capital for fund II compared to fund I. With the launch of the **Global Allocation Fund**, we extended our cooperation with Box Consultants, to provide low cost and efficient investment solutions. The fund launches were supported by Clifford Chance (the team of Ate Veenstra and Quirine Eenhorst, that since moved from Clifford Chance to join Jones Day) and Van Campen Liem, as legal and tax counsels.

The **Amsterdams Klimaat & Energiefonds (AKEF)**, which was launched for the City of Amsterdam, reached an important milestone in 2017. The AKEF is a revolving fund, where the proceeds of investments are re-invested. The milestone of investing the Euro 45 million committed capital for the first time was reached in 2017. The aim of the fund is to make the investments on behalf of the investors, predominantly the City of Amsterdam, that both make a financial return and that reduce CO2 emissions.

The **Windmill Trend Evolution Fund**, a fund of funds that allocates to the next generation CTA's of MAN AHL, was the best performing fund. It realised its investors a 14% return in 2017, net of fees. The **Privium Sustainable Alternatives Fund** posted the biggest growth in Assets Under Management in 2017.

Team

During the year, we added a staff member to increase our risk management capabilities and we increased our middle office staff. Due to the reduced focus on business development, we were able to spend even more time on compliance and portfolio management activities. Staff growth is to be expected in 2018. The team has been active during the year as speakers and moderators at various industry conferences and educational events. The aim of those activities were both brand awareness and to educate investors and students about alternative investments. Being a proud sponsor of Alternatives 4 Children (A4C), the team also spend time on supporting this charity and its activities. Two new charity initiatives are foreseen for 2018 as our place in the community is important to us.

Regulation

Both the fund management industry and the regulators have to keep spending a lot of effort on (improving) the implementation of legislation that was implemented in recent years and that will be implemented in the next few years. While we are conscious of the time spend and the costs involved for both Fund Managers and investors, we expect that the increase in regulation will further improve the image of the (alternative) asset management industry. This will likely lead to increased allocations for alternative investments.

Privium Fund Management is supported both by Dutch Compliance and Compliance Advies (Arjan van der Heiden) when it comes to compliance and the internal audit. Privium continues to be part of industry body AIMA on various committees

Remuneration

Privium Fund Management B.V. has a careful, controlled and sustainable remuneration policy which meets all the requirements included in the Alternative Investment Fund Managers Directive (AIFMD) and the guidelines on sound remuneration policies under the AIFMD (ESMA Guidelines). 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 Fund Management BV.

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

Privium Fund Management B.V. 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 institution.

Remuneration policy 2017. This policy is based on the situation as of December 31, 2017. The financial year of the Fund Manager ends on December 31 of any year. For some of the funds the compensation consists of both a management and a performance fee. In 2017 the aggregate costs for staff totalled EUR 2.451.200 -. In the table below the Board of Privium Fund Management is being described as Identified Staff in senior management roles. All other staff members are categorized as identified staff outside senior management roles.

	Identified staff in senior management roles	Identified staff outside senior management roles	Total staff
Number of staff	2	19	21
Total fixed payment	€120,600	€2,330,600	€2,451,200
Total variable payment	€10,000	€80,002	€90,002

Variable payments to staff members in senior management roles are dependent on the profitability of the company. Variable payments to identified staff outside senior management depend on the

profitability of the company, the performance of the funds, extraordinary commitment to the firm, customer satisfaction, work according best practice ethical standards, and/or other performance/non-performance related criteria.

Privium Fund Management BV, the investment manager of the fund, 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 taking over this fund, 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 any). In total 21 staff members were involved during (some part of) the year, including consultants and including both part-time and full time staff. Of that 21, there were 6 staff (4 FTE) on the payroll. The other 15 staff members were hired on a consultancy basis / via their (personal) management entities.

Market environment

The market environment has been supportive, global equity markets (MSCI Global) returned 7% for the year in euro terms (despite the weakening of the USD vs the EUR). Government bond investors lost money in their investment in high quality European bonds, as yields rose. The 1 month Euribor rate stayed below 0% the entire year and the difference between USD Libor and Euribor keeps increasing (making it more costly to hedge USD risk for European investors). The oil price recovered notably. Prices of traditional assets classes (bonds and equities) have been driven up by the policies of central banks. These prices drive and/or support our multiyear outlook of a low return environment. While a combination of accommodative monetary policy and improving economic growth have led to these extended valuations in markets, this extension can continue for a while. Should markets correct or should investors be worried about high valuations, our fund range is sufficiently diversified to mitigate this risk.

Outlook

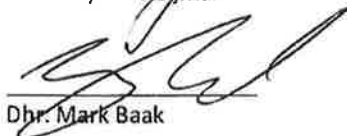
As indicated above, we are optimistic about the future and expect to continue our expansion in terms of the number of funds, Assets under Management and staff members.

Amsterdam, 25 June, 2018

The Board of Privium Fund Management BV:



Dhr. Clayton Heijman



Dhr. Mark Baak

FINANCIAL STATEMENTS

Balance sheet as at December 31, 2017

Profit and loss account of 2017

Notes to the Statements

Notes to the balance sheet as of December 31, 2017

Notes to the profit and loss account from 2017

1 BALANCE AS AT DECEMBER 31, 2017
(after appropriation of results)

		December 31, 2017		December 31, 2016	
		€	€	€	€
ASSETS					
Fixed assets					
Tangible fixed assets	(1)	26,464		37,411	
Financial fixed assets	(2)	37,580		37,500	
			64,044		74,911
Current assets					
Receivables, prepayments and accrued income	(3)	929,108		736,729	
Cash and cash equivalents	(4)	360,502		362,737	
			1,289,610		1,099,466
			<u>1,353,654</u>		<u>1,174,377</u>
EQUITY AND LIABILITIES					
Equity (5)					
Issued share capital		250,000		250,000	
Share premium reserve		64,829		64,829	
Revaluation reserve		36,750		36,750	
Other reserves		41,594		38,558	
			393,173		390,137
Current liabilities	(7)		960,481		784,240
			<u>1,353,654</u>		<u>1,174,377</u>

2 PROFIT AND LOSS ACCOUNT OF 2017

		2017	2016
		€	€
Net turnover	(8)	4,224,686	2,450,819
Cost price	(9)	81,247	84,074
Gross margin		<u>4,143,439</u>	<u>2,366,745</u>
Expenses			
Cost of subcontracted work and other external charges	(10)	3,290,059	1,580,428
Employee expenses	(11)	411,938	297,943
Amortisation and depreciation	(12)	12,519	11,620
Other operating expenses	(13)	432,102	455,467
		<u>4,146,618</u>	<u>2,345,458</u>
Operating result		-3,179	21,287
Financial income and expenses	(14)	7,539	-6,934
Result before tax		4,360	14,353
Taxes	(15)	-1,325	-3,265
Result after tax		<u><u>3,035</u></u>	<u><u>11,088</u></u>

3 NOTES TO THE FINANCIAL STATEMENTS

GENERAL

Activities

Privium Fund Management BV is managing a wide range of investment funds, as a regulated Alternative Investment Fund Manager (AIFM). The target participants in our funds are predominantly (the clients of) family offices, private banks, municipalities, insurance companies and pension funds.

Registered address

The registered and actual address of Privium Fund Management B.V. (CoC file 34268930) is Gustav Mahlerplein 3, 26 floor in Amsterdam.

GENERAL ACCOUNTING PRINCIPLES FOR THE PREPARATION OF THE ANNUAL ACCOUNTS

The annual accounts have been prepared in accordance with Title 9 Book 2 of the Dutch Civil Code. Valuation of assets and liabilities and determination of the result takes place under the historical cost convention. Unless presented otherwise at the relevant principle for the specific balance sheet item, assets and liabilities are presented at nominal value.

Income and expenses are accounted for on accrual basis. Profit is only included when realized on the balance sheet date. Losses originating before the end of the financial year are taken into account if they have become known before preparation of the financial statements.

Revenues from goods are recognised upon delivery. The cost price of these goods is allocated to the same period. Revenues from services are recognised in proportion to the services rendered. The cost price of these services is allocated to the same period.

PRINCIPLES OF VALUATION OF ASSETS AND LIABILITIES

General

Tangible fixed assets

Tangible fixed assets are presented at acquisition price less cumulative depreciation and, if applicable, less impairments in value. Depreciation is based on the estimated useful life and calculated as a fixed percentage of cost, taking into account any residual value. Depreciation is provided from the date an asset comes into use.

Financial fixed assets

Participating interests where significant influence is exercised over the business and financial policy are valued according to the equity method on the basis of the net asset value. Participating interests without such influence, are valued at the acquisition price, taking into account a provision for value decreases.

Receivables and deferred assets

Upon initial recognition the receivables on and loans to group companies and other related parties and other receivables are valued at fair value and then valued at amortised cost, which equals the face value, after deduction of any provisions. The fair value and amortised cost equal the face value. Any provisions for the risk of doubtful debts are deducted. These provisions are determined based on individual assessment of the receivables.

Cash and cash equivalents

The cash is valued at face value. If cash equivalents are not freely disposable, then this has been taken into account in the valuation.

Subordinated loans

Subordinated loans are recognised at fair value.

Current liabilities

On initial recognition current liabilities are recognised at fair value. After initial recognition current liabilities are recognised at the amortised cost price.

When there are no premiums, discounts or transaction costs, the amortised cost is equal to the nominal value.

PRINCIPLES FOR THE DETERMINATION OF THE RESULT

General

The result is defined as the difference between the revenue from services performed and the costs and expenses for that year, valued at historical costs.

Determination of the result

The result is determined based upon the difference between the net turnover and the costs and other expenses taking into account the aforementioned valuation principles.

Net turnover

The net turnover consists of revenue from during the reporting period nett of discounts, rebates and value added taxes.

Cost price

The cost of sales consists of the direct costs related to the services performed.

Gross margin

The gross operating profit and loss comprises nett turnover by the entity, other operating income and cost of outsourced work and other external charges.

Amortisation and depreciation

The depreciation on tangible fixed assets is calculated by using a fixed rate on the acquisition cost based on the expected life cycle. Gains and losses from the occasional sale of property, plant or equipment are included in depreciation.

Financial income and expenses

Financial income and expenses comprise interest income and expenses for loans (issued and received) during the current reporting period.

Taxes

Corporate income tax is calculated at the applicable rate on the result for the financial year, taking into account permanent differences between profit calculated according to the annual account and profit calculated for taxation purposes.

4 NOTES TO THE BALANCE SHEET AS AT DECEMBER 31, 2017

ASSETS

FIXED ASSETS

	12/31/2017	12/31/2016
	€	€
1. Tangible fixed assets		
Equipment	6,041	5,947
Transportation	20,423	31,464
	<u>26,464</u>	<u>37,411</u>
<i>Depreciation rates</i>		%
Equipment		20
Transportation		20
	2017	2016
	€	€
Equipment		
Purchase price	7,722	1,951
Cumulative depreciation and impairment	-1,775	-1,196
Carrying amount as of January 1	<u>5,947</u>	<u>755</u>
<i>Movement</i>		
Investments	1,572	5,771
Depreciation	-1,478	-579
	<u>94</u>	<u>5,192</u>
Purchase price	9,294	7,722
Cumulative depreciation and impairment	-3,253	-1,775
Carrying amount as of December 31	<u>6,041</u>	<u>5,947</u>

	2017	2016
	€	€
Transportation		
Purchase price	61,336	61,336
Cumulative depreciation and impairment	-29,872	-18,831
Carrying amount as of January 1	<u>31,464</u>	<u>42,505</u>
<i>Movement</i>		
Depreciation	<u>-11,041</u>	<u>-11,041</u>
Purchase price	61,336	61,336
Cumulative depreciation and impairment	-40,913	-29,872
Carrying amount as of December 31	<u>20,423</u>	<u>31,464</u>
	<u>12/31/2017</u>	<u>12/31/2016</u>
	€	€

2. Financial fixed assets

Participations in group companies	<u>37,580</u>	<u>37,500</u>
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Participations in group companies

	2017	2016
	€	€
<i>E3 Partners B.V.</i>		
Carrying amount as of January 1	37,500	750
Direct movement in revaluation reserve	-	36,750
Carrying amount as of December 31	<u>37,500</u>	<u>37,500</u>

During the year, E3 Partners B.V. was founded and the shareholders of E3 B.V. transferred their E3 B.V. shares into E3 Partners B.V., in return for E3 Partners B.V. shares. The sole aim of the transaction was to create a holding company. The transaction has no impact on the value of the share Privium Fund Management B.V. holds.

The valuation of the E3 Partner B.V. shares is based on 1. the last two transactions in E3 shares, 2. a potential upcoming transaction in E3 share by one of the other shareholders and 3. the price that has been agreed between Privium Fund Management B.V. and Cleardown B.V.. Cleardown B.V. has offered to buy the E3 Partners shares, the transaction is expected to close in 2018.

	2017	2016
	€	€
<i>DM Capital Partners B.V.</i>		
Carrying amount as of January 1	-	-
Investments	80	-
Carrying amount as of December 31	80	-

CURRENT ASSETS

	12/31/2017	12/31/2016
	€	€
3. Receivables, prepayments and accrued income		
Trade receivables	31,940	117,474
Receivables from group companies	58,121	200,021
Receivables from other related parties	121,811	110,826
Taxes and social securities	30,017	-
Other receivables, deferred assets	687,219	308,408
	<u>929,108</u>	<u>736,729</u>
Trade receivables		
Trade debtors	<u>31,940</u>	<u>117,474</u>
Receivables from group companies		
Privium Selection Management S.a.r.l.	36,500	36,500
Privium Fund Management Services HK Limited	21,621	163,521
	<u>58,121</u>	<u>200,021</u>

An interest rate has not been calculated.

	12/31/2017	12/31/2016
	€	€
Receivables from other related parties		
Current account Darwin Financial Platform B.V.	111,768	110,826
Current account Darwin Financial Holding B.V.	10,043	-
	<u>121,811</u>	<u>110,826</u>
An interest rate of 0,85% (Euribor +/- 0,15% + 1%) has been calculated.		
Taxes and social securities		
Turnover tax	<u>30,017</u>	<u>-</u>
Other receivables		
Privium Cap. Man. deposit	<u>3,571</u>	<u>3,571</u>
Prepayments and accrued income		
Receivable turnover	640,133	262,366
Rent	24,279	24,227
Insurance	11,036	10,044
Deposit	8,200	8,200
	<u>683,648</u>	<u>304,837</u>
4. Cash and cash equivalents		
ABN AMRO 24.91.02.226	165,467	145,160
ABN AMRO 24.93.56.228 USD	32,949	49,353
ABN AMRO 24.91.02.218	162,081	168,223
ABN AMRO 49.93.83.575 AUD	5	1
	<u>360,502</u>	<u>362,737</u>

EQUITY AND LIABILITIES**5. Equity**

	12/31/2017	12/31/2016
	€	€
Issued share capital		
Subscribed and paid up 250,000 ordinary shares at par value € 1.00	250,000	250,000
The statutory share capital amounts to € 250,000. The shareholders of the company are as follows: - Cleardown B.V.		
	2017	2016
	€	€
Share premium reserve		
Carrying amount as of January 1	64,829	64,829
Carrying amount as of December 31	64,829	64,829
Revaluation reserve		
Carrying amount as of January 1	36,750	-
Allocation	-	36,750
Carrying amount as of December 31	36,750	36,750
The valuation of the E3 Partner B.V. shares is based on 1. the last two transactions in E3 shares, 2. a potential upcoming transaction in E3 share by one of the other shareholders and 3. the price that has been agreed between Privium Fund Management B.V. and Cleardown B.V.. Cleardown B.V. has offered to buy the E3 Partners shares, the transaction is expected to close in 2018.		
Other reserves		
Carrying amount as of January 1	38,559	27,470
Allocation of financial year nett result	3,035	11,088
Carrying amount as of December 31	41,594	38,558

6. Subordinated loans

	2017	2016
	€	€
Subordinated loan		
Carrying amount as of January 1	-	100,000
Repayment	-	-100,000
Carrying amount as of December 31	-	-
	12/31/2017	12/31/2016
	€	€

7. Current liabilities

Trade creditors	154,770	118,512
Loans from participations in group companies	109,341	227,413
Taxes and social securities	15,525	24,631
Accruals and deferred income	680,845	413,684
	<u>960,481</u>	<u>784,240</u>

Trade creditors

Creditors	<u>154,770</u>	<u>118,512</u>
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Loans from participations in group companies

Cleardown B.V.	<u>109,341</u>	<u>227,413</u>
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An interest rate of 0,85% (Euribor +/- 0,15% + 1%) has been calculated.

Taxes and social securities

Turnover tax	-	11,829
Pay-roll tax	15,525	12,802
	<u>15,525</u>	<u>24,631</u>

	12/31/2017	12/31/2016
	€	€
Accruals and deferred income		
Holiday bonus	10,980	9,660
Accounting costs	1,500	1,500
Auditing costs	7,500	3,500
Recharge insurance	-	10,044
Legal costs	1,921	-
Payable bonus	20,000	-
Consultancy charges	622,164	226,095
Internal audit and risk monitoring	15,180	-
Recharge Bloomberg costs	-	162,885
Compliance advise costs	1,600	-
	<u>680,845</u>	<u>413,684</u>

OFF-BALANCE-SHEET RIGHTS, OBLIGATIONS AND ARRANGEMENTS

Rental obligations

There are rent obligations in respect of Gustav Mahlerplein 3, 26 floor, Amsterdam.
Amounts due an year € 90.608.

5 NOTES TO THE PROFIT AND LOSS ACCOUNT OF 2017

	2017	2016
	€	€
8. Net turnover		
Net turnover	4,224,686	2,450,819
9. Cost price		
Administration	81,247	84,074
10. Cost of subcontracted work and other external charges		
Work contracted	3,290,059	1,580,428
11. Employee expenses		
Wages and salaries	375,397	268,881
Social security charges	35,824	28,664
Other personnel costs	717	398
	411,938	297,943
<i>Wages and salaries</i>		
Gross wages	328,036	247,585
Expenses allowance	5,717	5,762
Movement of holiday bonus liability	21,644	15,534
Bonus	20,000	-
	375,397	268,881
<i>Social security charges</i>		
Social costs	35,824	28,664
<i>Other personnel costs</i>		
Canteen costs	107	398
Work wear	610	-
	717	398
Staff		
At company during 2017, 4 employees were employed (2016: 3).		
12. Amortisation and depreciation		
<i>Depreciation of tangible fixed assets</i>		
Equipment	1,478	579
Transportation	11,041	11,041
	12,519	11,620

	2017	2016
	€	€
13. Other operating expenses		
Accommodation expenses	94,247	91,742
Operating costs	1,121	1,277
Office expenses	158,408	193,199
Car expenses	9,664	9,400
Selling and distribution expenses	37,099	28,829
General expenses	131,563	131,020
	<u>432,102</u>	<u>455,467</u>
<i>Accommodation expenses</i>		
Rent buildings	94,124	91,742
Tax and business expenses	123	-
	<u>94,247</u>	<u>91,742</u>
<i>Operating costs</i>		
Repairs and maintenance	<u>1,121</u>	<u>1,277</u>
<i>Office expenses</i>		
Office supplies	2,457	2,441
Automation costs	4,998	4,082
Telephone	3,950	2,754
Postage	-131	254
Contributions and subscriptions	556	475
Insurance	1,003	10,043
Software	145,575	173,150
	<u>158,408</u>	<u>193,199</u>

	2017	2016
	€	€
<i>Car expenses</i>		
Fuels	1,545	1,759
Maintenance department	3,148	3,006
Insurance	1,930	1,794
Motor vehicle tax	1,128	928
	<u>7,751</u>	<u>7,487</u>
Private use	1,913	1,913
	<u>9,664</u>	<u>9,400</u>
<i>Selling and distribution expenses</i>		
Publicity and advertisement	2,814	309
Representation costs	8,258	6,585
Business gifts	-	250
Congress costs	3,496	-
Travelling expenses	22,531	19,567
Other cost of sales	-	2,118
	<u>37,099</u>	<u>28,829</u>
<i>General expenses</i>		
Audit costs	7,501	17,340
Accounting costs	10,677	10,060
Consultancy fees	-	3,995
Legal and tax counseling	-	18,585
External regulation	85,721	68,636
Compliance	27,630	12,341
Maintenance department Inventories	-	63
Other general expenses	34	-
	<u>131,563</u>	<u>131,020</u>
14. Financial income and expenses		
<i>Interest and similar income</i>		
Interest receivable Darwin Financial Platform B.V.	942	896
Interest receivable Darwin Financial Holding B.V.	43	-
Exchange rate differences	8,540	-
	<u>9,525</u>	<u>896</u>

	2017	2016
	€	€
<i>Interest and similar expenses</i>		
Interest and costs Tax Administration	-50	-65
Interest subordinated loan	-	-3,770
Interest payable	-516	-5
Exchange rate differences	-	-1,853
Interest payable Cleardown B.V.	-1,420	-2,137
	<u>-1,986</u>	<u>-7,830</u>
15. Taxes		
Corporate income tax	<u>-1,325</u>	<u>-3,265</u>

Signing of the financial statements

Creation financial statements

The financial statements are created by the management.

Amsterdam, June 25, 2018



C.H.A. Heijman



M. Baak

OTHER INFORMATION

OTHER INFORMATION

1 Independent auditor's report

The independent auditor's report is stated on page 30.

INDEPENDENT AUDITOR'S REPORT

CONFIDENTIAL

The board of Directors
and the shareholder of
Privium Fund Management B.V.
Postbus 75926
1070 AX AMSTERDAM

A. Report on the audit of the financial statements 2017 included in the annual report

Our opinion

We have audited the financial statements 2017 of Privium Fund Management B.V. based in Amsterdam.

In our opinion the accompanying financial statements give a true and fair view of the financial position of Privium Fund Management B.V. as at 31 December 2017, and of its result for 2017 in accordance with Part 9 of Book 2 of the Dutch Civil Code.

The financial statements comprise:

- 1 the balance sheet as at 31 December 2017;
- 2 the profit and loss account for 2017; and
- 3 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 Privium Fund Management B.V. 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.

HR18041



B. Report on the other information included in the annual report

In addition to the financial statements and our auditor's report thereon, the annual report contains other information that consists of:

- The management report;
- Other information as required by Part 9 of Book 2 of the Dutch Civil Code.

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.

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 management report in accordance with Part 9 of Book 2 of the Dutch Civil Code and other information as required by Part 9 of Book 2 of the Dutch Civil Code.

C. Description of responsibilities regarding the financial statements

Responsibilities of management for the financial statements

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, 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 company's ability to continue as a going concern. Based on the financial reporting framework mentioned, management should prepare the financial statements using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.



Management should disclose events and circumstances that may cast significant doubt on the company'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 assignment 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 judgement and have maintained professional skepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our audit included e.g.:

- Identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control;
- Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- Concluding on the appropriateness of management's use of the going concern basis of accounting, and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. 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 company to cease to continue as a going concern;

- Evaluating the overall presentation, structure and content of the financial statements, including the disclosures; and
- Evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with 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.

Purmerend, June 25, 2018

Van den Hoonaard Accountants

M.L. van den Hoonaard-Bieshaar RA