

# Windmill Trend Evolution Fund

The Netherlands

ANNUAL REPORT

**for the year ended 30 June 2022**

## Table of contents

	<b>Page(s)</b>
General information	1
Historical overview	2-3
Report of the Fund Manager	4-11
Financial statements	
Balance sheet	12
Income statement	13
Statement of cash flows	14
Notes to the financial statements	
General information	15
Significant accounting principles and policies	15-17
Notes for individual balance sheet items	
Investments	18
Cash and cash equivalents	19
Pending investments	19
Subscriptions received in advance	19
Accrued expenses and other payables	19
Share capital	20-21
Notes for individual income statement items	
Investment return	21
Foreign currency gains on translation	22
Costs	22-23
Relevant contracts	23
Related party transactions	24
Financial investments and associated risks	24-26
Schedule of investments by investment strategy	26
Indirect investments	27-29
Provision of information	29
Date of authorisation	29
Investment portfolio as at 30 June	30
Other information	
Provisions of the Prospectus on distribution policy	31
Interests held by the Directors	31
Events after the balance sheet date	31
Independent auditor's report	32-34

## General information

Registered Office	Gustav Mahlerplein 3 Symphony Offices, 26 <sup>th</sup> Floor 1082 MS Amsterdam The Netherlands
Fund Manager	Privium Fund Management B.V. Gustav Mahlerplein 3 Symphony Offices, 26 <sup>th</sup> Floor 1082 MS Amsterdam The Netherlands
Delegate/Investment Advisor	Oakk Capital Partners B.V. Beurs-World Trade Center, 13 <sup>th</sup> Floor Beursplein 37 3011 AA Rotterdam The Netherlands
Legal Owner	TMF Bewaar B.V. Herikerbergweg 238 1101 CM Amsterdam Zuidoost The Netherlands
Administrator	Apex Fund Services (Netherlands) B.V. Van Heuven Goedhartlaan 935A 1181 LD Amstelveen The Netherlands
Independent Auditor	Ernst & Young Accountants LLP Antonio Vivaldistraat 150 1083 HP Amsterdam The Netherlands
Legal 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
Depository	Darwin Depository Services B.V. Barbara Strozziilaan 101 1083 HN Amsterdam The Netherlands

## Historical overview

### Key figures

	<b>2022</b>	<b>2021</b>
	<b>EUR</b>	<b>EUR</b>
Equity at the beginning of the year	31,640,216	30,365,164
Issue of participations	22,628,065	4,985,588
Direct investment result	10	-
Indirect investment result	6,501,024	4,890,655
	<u>60,769,315</u>	<u>40,241,407</u>
Redemption of participations	(1,876,033)	(8,330,484)
Expenses	(341,450)	(270,707)
<b>Equity at the end of the year</b>	<b><u>58,551,832</u></b>	<b><u>31,640,216</u></b>
Investments	52,286,281	31,388,391
Cash and cash equivalents	1,911,770	1,044,299
Other assets and liabilities	4,353,781	(792,474)
<b>Net assets at the end of the year</b>	<b><u>58,551,832</u></b>	<b><u>31,640,216</u></b>
<b>Net profit</b>		
Investment income	10	-
Indirect investment result	6,501,024	4,890,655
Expenses	(341,450)	(270,707)
<b>Net profit</b>	<b><u>6,159,584</u></b>	<b><u>4,619,948</u></b>
<b>Number of participations</b>		
Class A	308,648.8194	188,065.6933
Class B	16,806.6136	17,211.1175
<b>Participation per share</b>		
Class A (in EUR)	181.37	157.50
Class B (in USD)	160.32	139.08
<b>Performance per share</b>		
Class A	15.16%	17.32%
Class B	15.27%	18.40%

## Historical overview (*continued*)

	2022 EUR	2021 EUR
<b>Class A</b>		
<b>Performance</b>		
Changes in value	5,879,138	4,655,340
Expenses	(322,127)	(254,221)
<b>Net investment result</b>	<b><u>5,557,011</u></b>	<b><u>4,401,119</u></b>
<b>Share performance</b>		
Changes in value	19.05	24.75
Expenses	(1.04)	(1.35)
<b>Net investment result</b>	<b><u>18.01</u></b>	<b><u>23.40</u></b>
<b>Class B</b>		
<b>Performance</b>		
Changes in value	621,886	235,315
Expenses	(19,313)	(16,486)
<b>Net investment result</b>	<b><u>602,573</u></b>	<b><u>218,829</u></b>
<b>Share performance</b>		
Changes in value	37.00	13.67
Expenses	(1.15)	(0.96)
<b>Net investment result</b>	<b><u>35.85</u></b>	<b><u>12.71</u></b>

## Report of the Fund Manager

The Fund generated a healthy return for the reporting period, which was achieved by positive performances in all quarters of the reporting period. The quarters showed a growing return each quarter-on-quarter, with respective results of 1.8%, 2.6%, 4.3% and 5.7%. Broken down in sectors, the Fund mainly performed positively in two sectors; the bond sector and the commodity sector, with the other sectors performing from slightly negative (currency) to roughly break-even (credit and equity).

For the period under report (from July 1, 2021 up to June 30, 2022), the Fund achieved a positive result of +15.16% for the Euro-class and +15.27% for the USD-class.

### Windmill Trend Evolution Fund

#### Maand- en jaarrendementen (EUR klasse)\*

	jan	feb	mrt	apr	mei	jun	jul	aug	sep	okt	nov	dec	Ytd
2022	-3,32%	1,90%	5,91%	3,95%	-0,06%	1,65%							<b>10,26%</b>
2021	-2,18%	0,30%	2,22%	3,33%	3,31%	2,02%	2,33%	1,71%	-2,20%	3,21%	-1,94%	1,39%	<b>14,07%</b>
2020	-0,68%	-4,44%	3,96%	-1,05%	-1,20%	-2,23%	2,40%	0,37%	-1,17%	-0,25%	-0,03%	6,03%	<b>1,31%</b>
2019	-0,01%	-0,53%	5,08%	-0,20%	0,28%	3,57%	1,74%	0,60%	-4,67%	-1,88%	2,17%	4,68%	<b>10,91%</b>
2018	2,34%	-5,45%	-1,24%	-0,19%	-0,05%	0,44%	-1,84%	4,48%	-0,08%	-3,79%	-2,36%	3,59%	<b>-4,52%</b>
2017	0,12%	1,91%	0,20%	2,18%	2,24%	-1,22%	2,18%	1,47%	-0,58%	3,18%	0,23%	1,25%	<b>13,88%</b>
2016	2,29%	2,22%	0,63%	-2,44%	-1,22%	0,31%	0,53%	-1,51%	-0,58%	0,25%	-1,90%	3,01%	<b>1,45%</b>
2015	6,68%	0,20%	1,55%	-2,51%	-0,77%	-2,60%	2,05%	-0,83%	3,45%	-2,85%	-0,30%	-1,59%	<b>2,06%</b>
2014	-1,72%	2,98%	0,33%	2,31%	4,35%	1,98%	-2,60%	3,03%	-2,04%	3,09%	4,44%	-1,08%	<b>13,99%</b>
2013	1,32%	-0,56%	1,49%	9,58%	-5,68%	-1,82%	1,71%	-1,91%	0,07%	5,93%	2,76%	0,99%	<b>13,87%</b>
2012	2,34%	0,36%	0,90%	1,26%	3,38%	-1,80%	3,67%	-0,43%	2,92%	1,38%	2,27%	1,66%	<b>19,30%</b>
2011	-1,50%	0,12%	-0,05%	2,21%	-0,31%	-4,15%	2,31%	11,21%	2,72%	-4,75%	-0,98%	2,34%	<b>8,60%</b>

\* Periode tot mrt 2014 betreft het trackrecord AHL Evolution Programme na aftrek van management fee en maximale allocatie van 85%.  
 † 2014 Ytd rendement sinds start datum Windmill Trend Evolution Fund (1 april)

#### Maand- en jaarrendementen (USD klasse)

	jan	feb	mrt	apr	mei	jun	jul	aug	sep	okt	nov	dec	Ytd
2022	-3,23%	1,88%	5,98%	3,84%	0,03%	1,35%							<b>10,06%</b>
2021	-2,14%	0,35%	2,29%	3,49%	3,40%	1,95%	2,35%	1,73%	-2,13%	3,25%	-1,96%	1,55%	<b>14,78%</b>
2020	-0,87%	-4,45%	4,14%	-0,96%	-1,17%	-2,22%	2,59%	0,41%	-1,08%	-0,21%	-0,02%	6,28%	<b>1,99%</b>
2019	0,20%	-0,10%	5,20%	0,42%	0,49%	3,83%	1,76%	0,83%	-4,46%	-1,76%	2,29%	4,92%	<b>14,05%</b>
2018	2,49%	-5,29%	-1,13%	-0,06%	0,08%	0,61%	-1,76%	4,63%	0,05%	-3,52%	-2,16%	3,85%	<b>-2,64%</b>
2017	0,25%	1,91%	0,18%	2,29%	2,59%	-1,17%	2,35%	1,53%	-0,52%	3,21%	0,29%	1,44%	<b>15,22%</b>
2016			0,42%	-2,42%	-1,19%	0,36%	0,59%	-1,45%	-0,55%	0,31%	-1,78%	3,06%	<b>-2,74%</b>

### Overall report

We will highlight performances on a sector-by-sector<sup>1</sup> base below.

The Fund's commodity sector achieved the largest net gain of the Fund for the year, notably +12.51%, just like the years 2019-2020 and 2020-2021, where it was leading sector performance too. The commodity sector is followed by gains in the bond sector totalling +9.44% for the year. The last sector belonging to the gainers for the year is the equity sector, finishing the year with a gain of +0.31%.

As mentioned above the two net detractors for the year were the credit sector, which detracted 0.21% over the year and the currency sector detracting 2.41%.

Overleaf we will highlight the ups and downs per sector during the reporting period and the reasons behind these performances, focusing on months with a performance contribution per sector higher than 1%. Here, the bond sector leads with six months during which performance contributed more than 1%. This is followed by the commodity sector with four months, equity with three months and credit and currency, both with one month profits in excess of 1%. On the opposing side of the spectrum we see that credit had three months and bonds and equity each had two months with a loss in excess of 1%. The currency sector had one month and commodities had none this year.

<sup>1</sup> Please note that percentages mentioned in the sector allocations of the Fund's performance relate to the performance of Man AHL Evolution only, which is the largest fund allocation in the Windmill Trend Evolution Fund, varying between 58% to 76% of the overall allocation.

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## Report of the Fund Manager (*continued*)

### Commodity Sector Highlights – August-September 2021, November-December 2021

In August 2021 long energy positions, notably in German electricity and Dutch natural gas, were positive in aggregate amidst huge volatility from conflicting news flow; Nord Stream 1's closure restricted supply, but subsequent reports of ahead-of-target storage rates in Germany signalled lower demand going forward.

In September energy markets maintained their recent direction of travel, upwards, as inventory levels, weather factors, and supply-chain disruption on post-COVID demand all contributed to pricing pressure. Every position generated a gain for the Fund, with top performers being European natural gas and electricity markets.

With its emphasis on trading instruments not typically used by trend-followers, the Fund avoided the wild swings seen in conventional energy markets such as oil during November. The top performer was a long in carbon emissions.

Long energy positions were broadly beneficial in December as four French nuclear power stations were taken offline after failing safety checks, sending the price of energy higher across the continent. Natural gas and electricity were all beneficiaries, and only trading in coal tipped into the red. The price of iron ore rose, however, after its recent downward trend, generating a loss.

### Bond Sector Highlights – July 2021, September through November 2021, February-April 2022 and June 2022

Dominant long fixed income positions were top performers for the Fund during July 2021 and clear beneficiaries of the continued decline in government bond yields. Swedish interest-rate swaps performed best as the Riksbank maintained its policy stance despite a brightening macro outlook.

In September the Bond sector generated a loss, basically for the same reasons as for the negative result in the equity market in that same month (see Equity Sector Highlights – September 2021).

Profits in fixed income in October were predominantly driven by shorts. Canadian interest-rate-swap payer positions benefitted as the Bank of Canada cited inflationary forces as a reason for ending its quantitative easing programme, bringing forward its timeline for rising interest-rates. By contrast, in the UK the Debt Management Office cut its plans for bond issuance, sending prices of gilts higher and generating a small loss for the Fund's short position.

November saw plenty of volatility in fixed income markets. At the start of the month, there were gyrations in global yields as various central banks grappled with rolling back loose monetary policies in light of rising inflation, and at the end of the month the discovery of the Omicron COVID variant sent investors to the safety of government bonds.

The Fund entered February with short positions in most fixed income instruments across maturities. This proved beneficial for the inflationary theme alongside tightening prospects for central banks in the first half of the month and was positive overall despite the flight-to-safety effect which pushed yields lower on the outbreak of the Russia / Ukraine conflict. Most positions were beneficial, with shorts in Sweden and Japan top performers. A long position in Chinese swaps and a short position in Czech swaps detracted.

While stories of yield increases and the inversion of the 2s10s curve in the US hit the headlines in March 2022, yield rises were commonplace across the globe. The Fund's short positions gained in aggregate, most notably in Canada and Sweden although a similar position in South Africa generated a loss despite the South African Reserve Bank raising its main lending rate.

The increasingly hawkish stance of the Fed and ECB caused continued pressure on fixed income instruments, which played to the hand of the Fund's dominant short positions during April. Some of the top performers were Canadian swaps and Fannie Mae mortgage bonds while a short position in Chinese swaps detracted.

Despite the reversal mid-month June, trading in fixed income finished in the black. Short positions make up the majority of the Fund's positions; Canadian and Swedish swaps were some of the top performers while Euro and USD inflation swaps generated losses.

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## Report of the Fund Manager (*continued*)

### Currency Sector Highlights – March-April 2022

South Africa's exchange rate, in March, continued its rise against the US dollar, generating gains for the Fund. This was a common theme which generated profits across many commodity currencies, with the Brazilian real and Colombian peso also gaining versus the greenback. Losses were incurred in trading the Singapore dollar and Chinese renminbi.

Currencies trading was the only meaningful detractor in April. The Fund was positioned long commodity currencies against the US dollar, which was painful during April as the greenback rose in anticipation of rising US rates. Some of the worst affected were the South African rand and Mexican peso. Shorts in the South Korean won and Chinese renminbi, on the other hand, offset some of these losses.

### Credit Sector Highlights – November 2021, January and June 2022

The Fund's long credit positions were hit by the risk-off moves towards the end of the month of November 2021, particularly in European indices.

The Fund entered the new year with net long positions in equities and credit, which struggled against a more bearish market backdrop. Losses were incurred in January from long credit positions, most notably in US 5y investment-grade and European high-yield indices.

Shorts in credit performed positively as risk assets sold off throughout the month of June, notably in European investment-grade and high-yielding names.

### Equity Sector Highlights – July, September-October and December 2021, January 2022

Although many equity indices ended July in positive territory, their route was impeded mid-month by coronavirus worries. Overall net long positioning led to positive performance for the asset class, led by European capital goods and diversified financials.

Whether it was the prospect of earlier tapering of US quantitative easing, the highest German inflation in almost three decades, the potential default of the world's most indebted real estate developer in China, or supply chain disruption characterised by queues for fuel in the UK, there was plenty to worry markets in September. Broadly, this did not suit the Fund's dominantly risk-on positioning and resulted in a negative return in equities, fixed income and FX.

With around 80% of S&P companies that reported earnings in October surprising on the upside, a rebound from September's weakness in equities was likely. Long positions were profitable in general, most notably in US diversified financials and transportation stocks, and a loss was incurred from a short in US energies.

December saw equities shrug off their November woes with some US equity markets hitting a new all-time high, as news emerged that the Omicron variant was potentially less severe than initially feared. The top performers in equities came from longs in US healthcare and European capital goods stocks. Short positions in consumer services on both sides of the Atlantic fared less well, as concerns over the new coronavirus variant appeared overdone.

The bearish market backdrop also mentioned in the credit section on January 2022 results and the rotation from growth to value compounded losses for long positions in US healthcare and European capital goods sectors in the equity market.

### Outlook

The Fund Manager is positive about the future of the Windmill Trend Evolution Fund. We expect the selected investment funds to be able to generate positive performance in the period ahead. Especially when compared with long-only investments in traditional asset classes like equities and bonds we see the Windmill Trend Evolution Fund as a good alternative as well as a diversifier in a total investment portfolio.

We continue to closely monitor the COVID-19 situation and the geopolitical situation.



## Report of the Fund Manager (*continued*)

### Sustainable Finance Disclosure Regulation (SFDR)

As per 10 March 2021 the EU Sustainable Finance Disclosure Regulation (SFDR) has come into force. In the context of the Sustainable Finance Disclosure Regulation (SFDR), the Fund has been classified as an Article 6 fund. The investments of the Fund do not take into account the EU criteria for environmentally sustainable economic activities.

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

Privium Fund Management B.V, Fund Manager of various funds, has a careful, controlled and sustainable remuneration policy which meets all the regulatory requirements as included in the Alternative Investment Fund Managers Directive (AIFMD), the guidelines on sound remuneration policies under the AIFMD (ESMA Guidelines) and the Sustainable Finance Disclosure Regulation. 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 B.V.

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 remuneration (this may include a payment to cover certain expenses of staff members) and a variable remuneration.

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

### Remuneration policy 2021

This policy is based on the situation as of December 31, 2021. The financial year of Privium ends on December 31 of any year. The financial year of the Windmill Trend Evolution Fund ends on June 30 of any year, while the financial year of all other Funds of which Privium is the Fund Manager will end 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, 2020.

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
<b>Total remuneration</b>	<b>€ 209,992</b>	<b>€ 19,017,815</b>	<b>€ 19,227,807</b>

## Report of the Fund Manager (*continued*)

### Remuneration policy 2021 (*continued*)

#### Overview as December 31, 2020

	Identified staff in senior management roles	Identified staff outside senior management roles	Total staff
Number of staff	2	34	36
Total fixed remuneration	€ 148,421	€ 4,839,700	€ 4,988,121
Total variable remuneration	€ 35,000	€ 5,331,064	€ 5,366,064
<b>Total remuneration</b>	<b>€ 183,421</b>	<b>€ 10,170,764</b>	<b>€ 10,354,185</b>

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.

Variable payments to both identified staff members in senior management roles and identified staff outside senior management depend e.g. on the profitability of the company, the performance of the funds, extraordinary commitment to the firm, customer satisfaction, work according best practice ethical, compliance and risk management standards and other performance/non-performance related criteria. In 2021 no variable payments regarding the Windmill Trend Evolution Fund have been paid to any Identified Staff of Privium. Privium does not charge any employee remuneration fees to the funds, except for the Supermarkt Vastgoed fund.

Employee remuneration is paid out of the management and performance fees (if applicable). In total 39 staff members were involved during (some part of) the year 2021 (2020: 36), including consultants and including both part-time and full-time staff.

Three staff members, active in portfolio management, have earned more than Euro one million in relation to the performance results during the year 2021 (2020: one).

### Remuneration Investee Funds

The Windmill Trend Evolution 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.

### 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 ('Bgf')". During 2021 and the first half of 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 Bgf and as such we declare that the operations in the year 2021 and the first half of 2022 functioned effectively as described. During 2021 and the first half of 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.

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## Report of the Fund Manager (*continued*)

### Control Statement (*continued*)

Privium is updating its AO/IC (Handbook) on a regular basis as required by law. The 2021 update was completed in December 2021. During the fourth quarter of 2021 the external audit officer performed its annual due diligence on a number of internal procedures at the Fund Manager. These are mostly 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.

### 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") under management by the Fund Manager, 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 the liquidity profile of the AIF;
- Monitor sustainability risk levels;
- Monitor compliance with risk limits; and
- Provide regular updates to senior management concerning:
  - 1: The consistency of stated profile versus risk limits;
  - 2: The adequacy and effectiveness of the risk management process; and
  - 3: The current level of risk of each AIF and any actual or foreseeable breaches of risk limits.

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 the portfolio management function of the Fund Manager. 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 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 system flows through a sanity check. The sanity check will raise an exception if the variable falls outside its "normal" boundaries. The Risk Manager 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 by using a professional portfolio management system. Risk reports such as Value at Risk and Stress Scenarios are run using Bloomberg.

## Report of the Fund Manager (*continued*)

### Risk management (*continued*)

The CM system is being used for monitoring 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 Risk Management Procedures (Annex 17) of the Privium Handbook.

The reoccurring risk tasks are:

- Weekly risk report by risk management, including Value at Risk.
- Monthly reporting by portfolio management.
- Quarterly Operational risk management.
- Monthly stress scenarios. On ad hoc basis extra stress scenarios can be done.

On a monthly basis the Risk Committee of the Fund Manager meets to discuss the performances and risks of the Fund. Any breaches are discussed. On a yearly basis a 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 the fourth quarter of 2021, this audit was executed for the sixth time 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. The risk profile of the Fund has not 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 Investor Information Document.

In the table overleaf we list the various risks 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.

## Report of the Fund Manager (continued)

### Risk management and willingness to take risks (continued)

Sorts of risks	Risk hedged	Measures applied and expected effectiveness	Impact on the NAV of the Financial Year end June 30, 2022	Expected impact on 2023 NAV if risk materializes	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 Managers. A rigid due diligence process is in place when investment funds are selected.	The Fund does not have an official benchmark. As a reference, between July 1 2021 and June 30 2022, the MSCI World (LC) lost -12.43%, the HFRX Global Hedge Fund Index (EUR) lost -6.23% and the HFRX Macro/CTA Index (EUR) lost -0.10% during this time period.	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 asset classes over time.	No
Interest rate risk	No	The Fund does not maintain any direct interest bearing financial instruments except for cash maintained on the bank account of the Fund. The underlying funds may invest in interest rate sensitive positions. However based on current positioning of the underlying funds the Fund Manager is of the opinion that overall interest rate risk is low.	None	None	No
Concentration risk	No	The fund maintains a significant investment in the AHL Evolution Fund. As of June 30, 2022 this investment represented 58.4% of the NAV of the Windmill Trend Evolution Fund.	Large	Large	No
Foreign Exchange risk	Yes	Any direct FX risk will be hedged within the fund.	None	None	No
Liquidity risk	No	Liquidity risk mostly has been mitigated by investing in positions that offer sufficient liquidity.	None	None	No
Credit risk	No	Spare cash is maintained at ABN AMRO Bank N.V.. ABN AMRO Bank N.V. has an A 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 Privium employees. The same is applicable to the service providers of the various Privium Funds.	None	None	No
Counterparty Risk	No	This risk is mostly mitigated by selecting and maintaining relationships with top tier counterparties and service providers.	None	None	No
Leverage Risk	No	The Fund is not using leverage (no implied leverage and no actual borrowings). Nevertheless as of June 30, 2022 the leverage calculations according to the Gross method and Commitment method are as follows: Gross method: 81.01% and Commitment method: 100%.	None	None	No
Sustainability Risk	No	Sustainability risks are categorized into Environmental, Social or Governance (ESG) issues and may pose a material risk to the value of an investment. Since the Fund is investing in other investment funds, a clear understanding of the sustainability risks in these investee funds 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"> <li>•Analysis of the fund's sustainability risk related disclosures and reporting;</li> <li>•Questioning the fund manager on the sustainability risks the fund is exposed to;</li> <li>•Questioning the fund manager on the concentration of sustainability risks in the portfolio and its development over time;</li> <li>•Analysis of the fund manager's policy for identifying, measuring and monitoring sustainability risks; and</li> <li>•Questioning if the fund manager takes Principle Adverse Impacts into account as prescribed by the SFDR.</li> </ul>	None	None	No

## Financial statements

### BALANCE SHEET

(As at 30 June)

	<i>Note(s)</i>	<b>2022</b> <b>EUR</b>	<b>2021</b> <b>EUR</b>
<b>Assets</b>			
<b>Investments</b>			
Investee funds		52,263,878	31,377,013
Derivative financial instruments		22,403	11,378
	3	<u>52,286,281</u>	<u>31,388,391</u>
<b>Current assets (fall due in less than 1 year)</b>			
Pending investments	5	5,000,000	-
Cash and cash equivalents	4	1,911,770	1,044,299
Prepayments		4,901	654
		<u>6,916,671</u>	<u>1,044,953</u>
<b>Total assets</b>		<u>59,202,952</u>	<u>32,433,344</u>
<b>Liabilities</b>			
<b>Current liabilities (fall due in less than 1 year)</b>			
Subscriptions received in advance	6	(590,499)	(743,277)
Accrued expenses and other payables	7	(60,621)	(49,851)
		<u>(651,120)</u>	<u>(793,128)</u>
<b>Total liabilities</b>		<u>(651,120)</u>	<u>(793,128)</u>
<b>Total assets minus total liabilities</b>		<u>58,551,832</u>	<u>31,640,216</u>
<b>Equity</b>			
Contribution of participants		40,392,306	19,640,274
Unappropriated profit		18,159,526	11,999,942
<b>Total participants' equity</b>	8	<u>58,551,832</u>	<u>31,640,216</u>

*The accompanying notes are an integral part of these financial statements.*

## Financial statements

### INCOME STATEMENT (For the years ended 30 June)

	<i>Note(s)</i>	<b>2022</b> <b>EUR</b>	<b>2021</b> <b>EUR</b>
<b>Investment income</b>			
<i>Direct investment result</i>			
Interest income		10	-
		<u>10</u>	<u>-</u>
<i>Indirect investment result</i>			
Realised gains on investee funds	3, 9	1,033,419	1,058,329
Realised gains/(losses) on derivative financial instruments	3, 9	16,729	(95,242)
Unrealised gains on investee funds	3, 9	5,404,969	3,911,656
Unrealised gains on derivative financial instruments	3, 9	11,025	15,000
Foreign currency gains on translation	10	34,882	912
		<u>6,501,024</u>	<u>4,890,655</u>
<b>Total investment income</b>		<u><b>6,501,034</b></u>	<u><b>4,890,655</b></u>
<b>Expenses</b>			
Management fee	12, 13	(216,726)	(164,972)
Administration fee	11,12	(35,103)	(28,864)
Legal owner fee		(29,962)	(18,425)
Depositary fee	11,12	(21,009)	(20,617)
Audit fee	12	(19,814)	(15,968)
Other general expenses		(11,931)	(14,990)
Interest expense		(4,173)	(4,141)
Bank charges		(2,732)	(2,730)
<b>Total expenses</b>	11	<u><b>(341,450)</b></u>	<u><b>(270,707)</b></u>
<b>Net profit</b>		<u><u><b>6,159,584</b></u></u>	<u><u><b>4,619,948</b></u></u>

*The accompanying notes are an integral part of these financial statements.*

## Financial statements

### STATEMENT OF CASH FLOWS

(For the years ended 30 June)

	<i>Note(s)</i>	<b>2022</b> <b>EUR</b>	<b>2021</b> <b>EUR</b>
<b>Cash flows from operating activities</b>			
Proceeds from sale of investments		14,241,233	6,340,001
Purchase of investments		(33,689,710)	(2,590,000)
Net receipts/(payments) for derivative financial instruments		16,729	(95,242)
Interest received		10	-
Interest paid		(3,932)	(4,370)
Management fee paid		(206,010)	(164,357)
Administration fee paid		(31,991)	(29,392)
Depositary fee paid		(21,009)	(20,617)
Legal owner fee paid		(29,962)	(18,425)
Other general expenses paid		(19,795)	(11,529)
Audit fee paid		(19,496)	(15,645)
Bank charges paid		(2,732)	(2,730)
Custody fee paid		-	(5,425)
<b>Net cash flows (used in)/provided by operating activities</b>		<b><u>(19,766,665)</u></b>	<b><u>3,382,269</u></b>
<b>Cash flows from financing activities</b>			
Proceeds from sale of class A participations		22,475,287	5,537,248
Proceeds from sale of class B participations		-	-
Payments on redemption of class A participations		(1,824,861)	(8,317,273)
Payments on redemption of class B participations		(51,172)	(13,211)
<b>Net cash flows provided by/(used in) financing activities</b>		<b><u>20,599,254</u></b>	<b><u>(2,793,236)</u></b>
<b>Net increase in cash and cash equivalents</b>			
		<b>832,589</b>	<b>589,033</b>
Cash and cash equivalents at the beginning of the year		1,044,299	454,354
Foreign currency translation of cash positions		34,882	912
<b>Cash and cash equivalents at the end of the year</b>	<b>4</b>	<b><u>1,911,770</u></b>	<b><u>1,044,299</u></b>
<b>Analysis of cash and cash equivalents</b>			
Cash at bank		1,797,572	900,025
Cash held with broker		114,198	144,274
<b>Total cash and cash equivalents</b>	<b>4</b>	<b><u>1,911,770</u></b>	<b><u>1,044,299</u></b>

*The accompanying notes are an integral part of these financial statements.*



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## Notes to the financial statements

### 1. GENERAL INFORMATION

Windmill Trend Evolution Fund (the “Fund”) is structured as a contractual fund with an open-ended redemption structure under Dutch law. The Fund is a closed fund for joint account for Dutch tax purposes (*besloten fonds voor gemene rekening*) and is not a legal entity but a contractual arrangement *sui generis* between the Fund Manager, the Legal Owner and the participants. The Fund commenced operations on 1 April 2014. The Fund is managed by Privium Fund Management B.V. as Alternative Investment Fund Manager (“AIFM”) of the Fund. The Fund Manager is responsible for the entire management of the Fund in accordance with the provisions of the Fund Documents and applicable laws. The Fund Manager is also responsible for maintaining records and furnishing or causing to be furnished all required records or other information of the Fund to the extent such records, reports and other information are not maintained or furnished by the Administrator, the Legal Owner, the Depositary or other service providers.

Privium Fund Management B.V. is a private limited liability company (*besloten vennootschap met beperkte aansprakelijkheid*) incorporated under the laws of the Netherlands having its official seat (*zetel*) in Amsterdam, the Netherlands and its principal offices at Gustav Mahlerplein 3, Symphony Offices, 26<sup>th</sup> Floor, 1082 MS Amsterdam, the Netherlands. The Fund Manager is registered in the Dutch trade register (*handelsregister*) under file number 34268930.

The investment objective of the Fund is to achieve medium-term capital gains for the participants. To achieve the Fund Objective, it is expected that the Fund will primarily invest in trend-following funds mainly focused on innovative systematic strategies that invest outside the mainstream markets. However, the Fund may invest in non trend-following strategies as well. The Fund may also hold cash and cash equivalents.

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 Windmill Trend Evolution Fund do not take into account the EU criteria for environmentally sustainable economic activities.

The Fund may issue Class A and Class B participations. As at 30 June 2022 and 2021, both the Class A participations and Class B participations are in issue. Prospective participants can subscribe for Class A participations in EUR and for Class B participations in USD.

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 30 June 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.

The financial statements have been authorised for issue by the Fund Manager on 9 December 2022.

### 2. SIGNIFICANT ACCOUNTING PRINCIPLES AND POLICIES

#### Basis of preparation

The financial statements of the Fund have been prepared in accordance with accounting 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 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 and overleaf is a summary of the accounting policies of the Fund.

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## Notes to the financial statements

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

#### **Functional currency**

The financial statements are presented in Euro (“EUR”), which is the Fund’s functional currency.

#### **Recognition and measurement**

An asset is recognised in the balance sheet when it is probable that future economic benefits of the asset will flow to the Fund and the amount of the asset can be reliably measured. A liability is recognised in the balance sheet when it is probable that an outflow of resources embodying economic benefits will result from the settlement of a present obligation and the amount at which the settlement will take place can be measured reliably. Income is recognised in the income statement when an increase in future economic benefit related to an increase in an asset or decrease in a liability has arisen that can be measured reliably.

Expenses (including value added tax (“VAT”), where applicable) are recognised in the income statement when a decrease in future economic benefit related to a decrease in an asset or an increase in a liability has arisen that can be measured reliably.

#### **Estimates**

The preparation of financial statements in conformity with the relevant rules requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Fund’s accounting policies. If necessary, for the purposes of providing the view required under Section 362, subsection 1, Book 2 of the Dutch Civil Code, the nature of these estimates and judgements, including related assumptions, is disclosed in the notes to the financial statements in question.

#### **Foreign exchange**

Transactions in foreign currency, if any, are converted at the rates prevailing on the date of the transaction. Monetary assets and liabilities denominated in currencies other than EUR are converted to EUR at the exchange rates prevailing on the balance sheet date. Foreign currency exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates are recognised in the income statement. 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 investment in investee funds 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.

Gains and losses arising from fair value changes are recognised in the income statement as ‘realised gains on investee funds’ and ‘realised gains on derivative financial instruments’ or ‘unrealised gains on investee funds’ and ‘unrealised gains on derivative financial instruments’.

The Fund’s investment in investee funds are valued based on the reporting received from the administrators of those funds. As at 30 June 2022, the value of investment in investee funds is the aggregate of the Fund’s attributable share of the latest available (unaudited) net asset value (“NAV”) of the investee funds.

The profit or loss of the Fund on its investment 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 30 June 2022 and 2021, no such adjustments were made.

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## Notes to the financial statements

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

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

Where an up-to-date value of an underlying investment is not available, or the valuation date does not coincide with that of the Fund, the Fund Manager will use an estimated value.

#### *Forward currency contracts*

The Fund may use forward currency contracts to hedge the currency exposure. A forward currency contract involves an obligation to purchase or sell a specific currency at a future date, at a price set at the time the contract is made. Forward currency contracts are valued by reference to the forward price at which a new forward currency contract of the same size and maturity could be undertaken at the valuation date. The unrealised gain or loss on open forward currency contracts is calculated as the difference between the contract rate and this forward price.

#### *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 are included at fair value.

#### **Cash and cash equivalents**

Cash comprises cash on hand and demand deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to insignificant changes in value and are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

#### **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 net assets and NAV throughout the financial statements are equivalent to total participants' equity.

#### **Principles for determining the result**

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

The changes in value of the investments held by the Fund are accounted for in the income statement.

Dividends from investee funds, if any, are included at the date when they are declared.

Expenses are accounted for in the income statement on the accrual basis. Transaction costs in relation to investee funds are capitalised. Income and expenses are allocated to the share classes of the Fund on a pro-rata basis, except for costs specific to a particular class of shares.

#### **Tax position**

The Fund qualifies as a transparent or "closed" fund for joint-account for Dutch tax purposes. This implies that the Fund is not subject to corporate income tax. Distributions made by the Fund are not subject to Dutch dividend withholding tax.

## Notes to the financial statements

### NOTES FOR INDIVIDUAL BALANCE SHEET ITEMS

#### 3. Investments

##### *Movement in schedule of investments*

(All amounts in EUR)

	2022	2021
<b>Investment in investee funds</b>		
As at the beginning of the year	31,377,013	30,157,029
Purchases	28,689,710	2,590,000
Sales	(14,241,233)	(6,340,001)
Realised	1,033,419	1,058,329
Unrealised	5,404,969	3,911,656
<b>As at 30 June</b>	<b>52,263,878</b>	<b>31,377,013</b>
<b>Investment in derivative financial instruments</b>		
As at the beginning of the year	11,378	(3,622)
Purchases/(sales)	(16,729)	95,242
Realised	16,729	(95,242)
Unrealised	11,025	15,000
<b>As at 30 June</b>	<b>22,403</b>	<b>11,378</b>
<b>Total investments</b>		
As at the beginning of the year	31,388,391	30,153,407
Purchases	28,672,981	2,685,242
Sales	(14,241,233)	(6,340,001)
Realised	1,050,148	963,087
Unrealised	5,415,994	3,926,656
<b>As at 30 June</b>	<b>52,286,281</b>	<b>31,388,391</b>

The table below provides an analysis of the forward currency contracts as at 30 June 2022:

(All amounts in EUR)

Expiration date	Contract currency	Bought	Contract currency	Sold	Contract rate*	Current rate*	Unrealised EUR
29/07/2022	USD	2,700,000	EUR	2,548,017	1.05965	1.05041	22,403
<b>Total unrealised gain on open forward currency contracts</b>							<b>22,403</b>

\* Showing the equivalent of 1 Euro.

The table below provides an analysis of the forward currency contracts as at 30 June 2021:

(All amounts in EUR)

Expiration date	Contract currency	Bought	Contract currency	Sold	Contract rate*	Current rate*	Unrealised EUR
30/07/2021	USD	2,310,000	EUR	1,935,665	1.19339	1.18645	11,320
30/07/2021	USD	80,000	EUR	67,370	1.18747	1.18645	58
<b>Total unrealised gain on open forward currency contracts</b>							<b>11,378</b>

\* Showing the equivalent of 1 Euro.

## Notes to the financial statements

### NOTES FOR INDIVIDUAL BALANCE SHEET ITEMS (CONTINUED)

#### 4. Cash and cash equivalents

As at 30 June 2022, cash and cash equivalents comprise of balances held with ABN AMRO Bank N.V. amounting to EUR 1,797,572 (2021: EUR 900,025). As at 30 June 2022 and 2021, no restrictions in the use of these balances exist.

As at 30 June 2022, cash and cash equivalents also include amounts held at Saxo Bank amounting to EUR 114,198 (2021: EUR 144,274). This amount includes margin requirements. Margin represents cash deposited with the broker transferred as collateral against forward currency contracts.

#### 5. Pending investments

During the year ended 30 June 2022, the Fund made investments which were to be settled after the reporting date. The nature of these investments requires payment in advance of the settlement date. The pending investments amount of EUR 5,000,000 (2021: EUR Nil) represent the amounts paid in advance for these investments.

#### 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 of the next month. Participants are required to deposit the amounts with the Fund prior to the issuance of participations.

As at 30 June 2022, the subscriptions received in advance amounts to EUR 590,499 (2021: EUR 743,277). On 1 July 2022, the Fund issued 3,255.768 (2021: 4,719.221) participations of Class A to the subscribing participants.

#### 7. Accrued expenses and other payables

As at 30 June, accrued expenses and other payables consist of the following:

<i>(All amounts in EUR)</i>	<b>2022</b>	<b>2021</b>
Management fee payable	(25,026)	(14,310)
Audit fee payable	(16,289)	(15,971)
Administration fee (including annual report fee) payable	(14,197)	(11,085)
FATCA fee payable	(1,908)	(1,687)
Other payables	(1,396)	(616)
Licence fee payable	(1,316)	(5,948)
Interest payable	(360)	(119)
Commission and other charges payable	(129)	(115)
<b>Total accrued expenses and other payables</b>	<b><u>(60,621)</u></b>	<b><u>(49,851)</u></b>

## Notes to the financial statements

### NOTES FOR INDIVIDUAL BALANCE SHEET ITEMS (CONTINUED)

#### 8. Share capital

##### *Structure of the Fund's capital*

Windmill Trend Evolution Fund is structured as a contractual fund with an open-ended structure and is subject to Dutch law.

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

<i>(All amounts in EUR)</i>	<b>2022</b>	<b>2021</b>
<i>Contributions of participants</i>		
Balance at the beginning of the year	19,640,274	22,985,170
Issue of class A participations	22,628,065	4,985,588
Redemption of class A participations	(1,824,861)	(8,317,273)
Redemption of class B participations	(51,172)	(13,211)
<b>Total contributions at the end of the year</b>	<b><u>40,392,306</u></b>	<b><u>19,640,274</u></b>
<i>Unappropriated profit</i>		
Balance at the beginning of the year	11,999,942	7,379,994
Net profit/(loss)	6,159,584	4,619,948
<b>Total undistributed profit at the end of the year</b>	<b><u>18,159,526</u></b>	<b><u>11,999,942</u></b>
<b>Equity at the end of the year</b>	<b><u>58,551,832</u></b>	<b><u>31,640,216</u></b>

##### *Subscriptions and redemptions*

Participants can, at the sole discretion of the Fund Manager, subscribe to the Fund on a bi-monthly dealing day at the subscription price. The subscription price is equal to the NAV per participation as at the valuation date immediately preceding the applicable subscription date. The minimum subscription for each participant is EUR 10,000 for Class A participations and USD 100,000 for Class B participations. The minimum subscription amount may be waived by the Fund Manager in its sole discretion.

The Fund Manager will redeem participations at the request of a participant on a bi-monthly redemption day. A redemption day means:

- (i) the first (1st) Business Day of each month;
- (ii) the first (1st) Business Day after the fifteenth (15th) calendar day of each month if there is sufficient cash available and it will not harm the remaining investors and on a best effort basis; and/or
- (iii) under certain circumstances set out in the Terms and Conditions: such other day or days as the Fund Manager may from time to time determine at its sole discretion.

The redemption price of a participation is equal to the NAV per participation as at the valuation date immediately preceding the redemption date on which the relevant participant is redeemed. Applications for redemptions must be received at least ten business days before the relevant redemption date. In addition, the Fund has eleven business days after the release of the NAV of the applicable redemption date to pay the redemption proceeds to the participants.

The Fund's assets will be sufficiently liquid to, under normal circumstances, allow the Fund to redeem participations as requested by its participants for at least 10% of the assets managed.

## Notes to the financial statements

### NOTES FOR INDIVIDUAL BALANCE SHEET ITEMS (CONTINUED)

#### 8. Share capital (continued)

##### Subscriptions and redemptions (continued)

The Legal Owner and the Fund Manager may limit the redemption of participations on a redemption date to an aggregate total redemption price of ten per cent (10%) (or more, as long as such higher gate is not to the detriment of the remaining participants) of the Net Asset Value on the valuation date prior to the redemption date. In this case, the number of participations to be redeemed per participant will be pro rata the total number of participations offered for redemption. Any participations included in a redemption request that have not been redeemed as a result of such scale down of a redemption request are deemed to be offered for redemption on the following redemption date on a pro rata basis alongside subsequent redemption requests (but not compulsory redemptions) and shall be subject to the same limitations.

The movement of participations during the year ended 30 June 2022 is as follows:

	Participations at the beginning of the year	Participations issued	Participations redeemed	Participations at the end of the year
Class A	188,065.6933	131,839.3123	(11,256.1862)	308,648.8194
Class B	17,211.1175	-	(404.5039)	16,806.6136
<b>Total</b>	<b>205,276.8108</b>	<b>131,839.3123</b>	<b>(11,660.6901)</b>	<b>325,455.4330</b>

The movement of participations during the year ended 30 June 2021 is as follows:

	Participations at the beginning of the year	Participations issued	Participations redeemed	Participations at the end of the year
Class A	212,670.4051	35,124.5892	(59,729.3010)	188,065.6933
Class B	17,340.4945	-	(129.3770)	17,211.1175
<b>Total</b>	<b>230,010.8996</b>	<b>35,124.5892</b>	<b>(59,858.6780)</b>	<b>205,276.8108</b>

##### 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, it is not expected that the Fund will declare any 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.

### NOTES FOR INDIVIDUAL INCOME STATEMENT ITEMS

#### 9. Investment return

(All amounts in EUR)	2022		2022	2021
	Profit	Loss	Total	Total
<b>Investee funds</b>				
Realised results	1,237,195	(203,776)	1,033,419	1,058,329
Unrealised results	6,696,712	(1,291,743)	5,404,969	3,911,656
	<b>7,933,907</b>	<b>(1,495,519)</b>	<b>6,438,388</b>	<b>4,969,985</b>
<b>Derivative financial instruments</b>				
Realised results	16,729	-	16,729	(95,242)
Unrealised results	11,025	-	11,025	15,000
	<b>27,754</b>	<b>-</b>	<b>27,754</b>	<b>(80,242)</b>
<b>Total result</b>	<b>7,961,661</b>	<b>(1,495,519)</b>	<b>6,466,142</b>	<b>4,889,743</b>

## Notes to the financial statements

### NOTES FOR INDIVIDUAL INCOME STATEMENT ITEMS (CONTINUED)

#### 10. 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 investment assets and liabilities. For the year ended 30 June 2022, this amounted to gains of EUR 34,882 (2021: gains of EUR 912). The following average and closing rates have been applied in the preparation of these financial statements (the equivalent of one Euro is shown):

	2022		2021	
	Average	Closing	Average	Closing
<i>Showing the equivalent of 1 Euro</i>				
United States Dollar	1.1276	1.0484	1.1928	1.1857

#### 11. Costs

The Fund makes use of various parties for management, administration and depositary services. The table below provides a breakdown of expenses as at 30 June.

<i>(All amounts in EUR)</i>	2022	2021
<b>Expenses accruing to the Fund Manager</b>		
Management fee	(216,726)	(164,972)
<b>Other expenses</b>		
Administration fee (including annual report fee)	(35,103)	(28,864)
Legal owner fee	(29,962)	(18,425)
Depositary fee	(21,009)	(20,617)
Audit fee	(19,814)	(15,968)
Other general expenses	(11,931)	(14,990)
Interest expense	(4,173)	(4,141)
Bank charges	(2,732)	(2,730)
<b>Total expenses</b>	<b>(341,450)</b>	<b>(270,707)</b>

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 years ended 30 June 2022 and 2021, all costs actually charged to the Fund were in accordance with the costs disclosed in the Prospectus.

#### Ongoing charges ratio

The ongoing charges ratio is the ratio of the total costs (excluding costs of transactions on financial instruments and 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. The ongoing charges ratio includes performance fees.

For the year ended 30 June 2022, the ongoing charges ratio for the Fund is as follows:

Ongoing charges ratio	2022 0.82%
Ongoing charges ratio including expenses of underlying funds	1.88%

For the year ended 30 June 2021, the ongoing charges ratio for the Fund is as follows:

Ongoing charges ratio	2021 0.89%
Ongoing charges ratio including expenses of underlying funds	2.02%



## Notes to the financial statements

### NOTES FOR INDIVIDUAL INCOME STATEMENT ITEMS (CONTINUED)

#### 11. Costs (continued)

##### Turnover factor

This ratio demonstrates the rate at which the Fund's portfolio is turned over. For the year ended 30 June 2022, the turnover factor for the Fund is 44.79% (2021: (14.16%)). 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.

#### 12. RELEVANT CONTRACTS

##### **Fund Manager**

##### *Management fee*

Privium Fund Management B.V. acts as the Fund Manager to the Fund. From May 2022, the Fund Manager is entitled to a management fee of 0.52% of the NAV of the Fund (before deduction of management fee), as at the last calendar day of each month. Prior to this date, the Fund Manager was entitled to a management fee of 0.55% of the NAV of the Fund (before deduction of management fee), as at the last calendar day of each month. The management fee is subject to a minimum of EUR 50,000 per annum and is payable monthly in arrears. The Fund Manager pays a delegation fee to the Delegate from the management fee.

Details of management fees charged for the years are disclosed in the income statement.

##### **Administrator**

The Fund has entered into an administration agreement with Apex Fund Services (Netherlands) B.V. From May 2022, the Administrator charges a fee based on 0.08% of the NAV of the Fund up to EUR 50 million, 0.06% of the NAV between EUR 50 million and EUR 100 million and 0.04% of the NAV above EUR 100 million, to be calculated monthly and paid quarterly in arrears and with a minimum annual fee of EUR 35,000 per annum. Prior to this date, the Administrator charged a fee based on 0.08% of the NAV of the Fund up to EUR 30 million, 0.06% of the NAV between EUR 30 million and EUR 50 million, 0.04% of the NAV between EUR 50 million and EUR 100 million and 0.02% of the NAV above EUR 100 million, calculated monthly and paid quarterly in arrears and with a minimum annual fee of EUR 15,000 per annum.

The Administrator also charges a fee of EUR 5,000 per annum for the preparation of the Fund's annual report.

The Administrator provides certain trading duties for the Fund and charges a fee of EUR 250 per initial trade, EUR 175 per subsequent trade and EUR 75 per tax document required for an underlying investment.

Details of administration fees (including annual report fees) charged for the years are disclosed in the income statement.

The Administrator also provides FATCA services for the Fund and charge an annual fee of USD 4,000.

##### **Depositary**

Darwin Depositary Services B.V. charges a fee of 1.4 basis points of the assets under management. This fee is subject to a minimum of EUR 16,500 per annum and is payable quarterly in advance.

##### **Independent Auditor**

The Fund appointed Ernst & Young Accountants LLP as the Independent Auditor. The Independent Auditor's remuneration consists of EUR 19,814 (2021: EUR 15,968) audit fee for the audit of the financial statements. The Independent Auditor does not provide any non-audit services or other audit services to the Fund.

## Notes to the financial statements

### 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 Fund Manager is considered a related party.

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

*Transactions from 1 July 2021 to 30 June 2022 and balances as at 30 June 2022*

	<b>Paid EUR</b>	<b>Balance EUR</b>
Management fee	(216,726)	(25,026)

*Transactions from 1 July 2020 to 30 June 2021 and balances as at 30 June 2021*

	<b>Paid EUR</b>	<b>Balance EUR</b>
Management fee	(164,357)	(14,310)

The Delegate/Investment Advisor is also considered a related party. As at 30 June 2022, the Delegate/ Investment Advisor and/or its employees held 4,604.3753 Class A shares in the Fund (2021: 4,946.5821) and 317.3486 Class B shares in the Fund (2021: 251.1889).

### 14. FINANCIAL INVESTMENTS AND ASSOCIATED RISKS

The Fund's investment objective is to achieve medium-term capital gains for the participants.

The Fund attempts to accomplish its objective by primarily investing in trend-following funds and may acquire interests in other investee funds established worldwide mainly focused on similar innovative systematic strategies that invest outside the mainstream markets.

The Fund's activities expose it to a variety of financial risks: market risk (including market price risk, currency risk and interest rate risk), credit risk and liquidity risk.

The investee funds, to which the fund subscribes, may also indirectly expose the Fund to the financial risks as detailed above and because of this indirect exposure the financial risks discussed herein may not fully indicate the total exposure of the Fund.

#### **Market risk**

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market prices whether those changes are caused by factors specific to the individual security or its issuer or factors affecting all securities traded in the market. There may be various reasons why markets fall, like recessions caused by a change in the economic business cycle or a pandemic. Market risk comprises market price risk, interest rate risk and currency risk.

#### *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 30 June 2022, price risk arises on the Fund's investment in investee funds.

## 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 at bank which is 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.

As at 30 June 2022, 100% (2021: 100%) of the assets and liabilities of the Fund are denominated in the functional currency and therefore the Fund is not exposed to currency risk from its assets and liabilities as at the reporting dates.

Currency risk arises from the Fund's share classes. Class B participations are denominated in a currency other than EUR and are therefore exposed to currency fluctuations. It is the Fund's intention to hedge the currency exposure of USD participants to the Fund's base currency through the utilisation of forward currency contracts. Any profits or losses of currency hedges shall be allocated to the Class B participations. The table below outlines the USD exposure of the Class B participations as at 30 June 2022 and 2021 and the notional amount of the forward currency contracts used to mitigate the risk.

	Net Position EUR	2022 Notional Amount Forwards EUR	Net Currency Exposure EUR	Net Position EUR	2021 Notional Amount Forwards EUR	Net Currency Exposure EUR
<b>Currency</b>						
United States Dollar	5,776,309	(22,403)	5,753,907	45,284	(11,378)	33,906

The forward currency contracts mature within 1 month of the reporting date. The notional amounts represent the undiscounted cash flow at the maturity date.

##### 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. The carrying values of financial assets (excluding any investment in investee funds) best represent the maximum credit risk exposure as at the reporting dates and amounts to EUR 1,916,671 (2021: EUR 1,044,953).

## Notes to the financial statements

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

#### Liquidity risk

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

The Fund's Prospectus provides for the monthly creation and cancellation of participations and it is therefore exposed to the liquidity risk of meeting participants' redemptions. To manage this liquidity risk the Fund has a ten day notice period for the participants. In addition, the Fund has eleven business days after the release of the NAV of the applicable redemption date to pay the redemption proceeds to the participants. The Fund's assets will be sufficiently liquid to, under normal circumstances, allow the Fund to redeem participations as requested by its participants for at least 10% of the assets managed.

The Legal Owner and the Fund Manager may limit the redemption of participations on a redemption date to an aggregate total redemption price of ten per cent (10%) (or more, as long as such higher gate is not to the detriment of the remaining participants) of the Net Asset Value on the valuation date prior to the redemption date. In this case, the number of participations to be redeemed per participant will be pro rata the total number of participations offered for redemption. Any participations included in a redemption request that have not been redeemed as a result of such scale down of a redemption request are deemed to be offered for redemption on the following redemption date on a pro rata basis alongside subsequent redemption requests (but not compulsory redemptions) and shall be subject to the same limitations.

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.

As at 30 June 2022 and 2021, the Fund primarily invests in the AHL Fund. The Fund may redeem their investment in the AHL Fund on a monthly dealing day, provided 30 calendar days notice is given before the relevant dealing day. Payments are ordinarily made by the AHL Fund within 10 business days of the valuation day. Please see note 16 for further information regarding the AHL Fund.

#### Sustainability risk

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

### 15. SCHEDULE OF INVESTMENTS BY INVESTMENT STRATEGY

	2022 EUR	% of NAV	2021 EUR	% of NAV
Strategy				
CTA Systematic	52,263,878	89.3	31,377,013	99.2
<b>Total</b>	<b>52,263,878</b>	<b>89.3</b>	<b>31,377,013</b>	<b>99.2</b>

## Notes to the financial statements

### 16. INDIRECT INVESTMENTS

The information regarding the Fund's indirect investments is as follows:

#### AHL (Cayman) SPC - Class A Evolution Segregated Portfolio

##### General information:

AHL (Cayman) SPC - Class A Evolution Segregated Portfolio (the "Company") was incorporated as a segregated portfolio company with limited liability in the Cayman Islands. The Company operates as an open-ended mutual fund and is regulated under the Mutual Funds Law (as amended) of the Cayman Islands.

The Company currently has five share classes in issue, namely Class A1 USD, Class A1 AUD, Class A1 EUR, Class A1 JPY and Class Z USD.

The financial statements of AHL (Cayman) SPC - Class A Evolution Segregated Portfolio have been issued with an unqualified opinion for the year ended 30 June 2022 by Ernst & Young Ltd and are available at the office of the Fund Manager.

##### Further information:

##### (i) Details of the Fund's investment in the Company

As at 30 June 2022, the Fund's investment in the Class A1 EUR shares of the Company amounts to EUR 34,167,961 (2021: EUR 24,385,369) and represents 58.36% (2021: 77.08%) of the NAV of the Fund.

##### (ii) Balance sheet of the Company as at 30 June

	<b>2022</b>	<b>2021</b>
	<b>USD</b>	<b>USD</b>
<b>Assets</b>		
Cash and cash equivalents - unrestricted	171,014,851	523,453,368
Cash and cash equivalents - restricted	20,369,386	18,269,034
Investment in financial assets at fair value	3,400,001,207	2,634,572,051
Net unrealised gain on forward currency contracts	45,522	-
Other assets	315,642	261,268
<b>Total assets</b>	<b><u>3,591,746,608</u></b>	<b><u>3,176,555,721</u></b>
<b>Liabilities</b>		
Accrued expenses and other liabilities	148,487,275	100,839,962
Redemptions payable	78,170,391	126,973,852
Subscriptions received in advance	2,848,801	13,100,000
Net unrealised loss on forward currency contracts	2,736,216	2,048,114
Equalisation payable	2,151,620	7,013,743
<b>Total liabilities</b>	<b><u>234,394,303</u></b>	<b><u>249,975,671</u></b>
<b>Net assets attributable to holders of redeemable participating shares</b>	<b><u>3,357,352,305</u></b>	<b><u>2,926,580,050</u></b>

##### Net Asset Value per share:

Class A1 USD (based on 1,069,920,635 (2021: 1,099,214,683) shares in issue)	USD 2.8449	USD 2.3659
Class A1 AUD (based on 13,787,709 (2021: 14,040,357) shares in issue)	AUD 2.7629	AUD 2.3036
Class A1 EUR (based on 91,636,285 (2021: 104,492,122) shares in issue)	EUR 2.2191	EUR 1.8532
Class A1 JPY (based on 49,500,000 (2021: 49,500,000) shares in issue)	JPY 165.6813	JPY 137.0512
Class Z USD (based on 4,653,732 (2021: 4,793,068) shares in issue)	USD 2.9135	USD 2.2821

## Notes to the financial statements

### 16. INDIRECT INVESTMENTS (CONTINUED)

#### (iii) Statement of operations of the Company for the year ended 30 June

	2022 USD	2021 USD
<b>Investment income</b>		
Interest income	1,456,636	981,528
Other income	3,392,347	2,643,976
<b>Total investment income</b>	<b>4,848,983</b>	<b>3,625,504</b>
<b>Operating expenses</b>		
Performance fees	144,888,292	99,172,149
Management fees	64,713,577	55,415,545
Services manager fees	2,496,812	2,211,490
Depositary fees	353,402	300,131
Other expenses	136,540	180,572
Directors' fees	12,000	12,000
Interest expense	3,760	4,029
<b>Total operating expenses</b>	<b>212,604,383</b>	<b>157,295,916</b>
<b>Net investment loss</b>	<b>(207,755,400)</b>	<b>(153,670,412)</b>
<b>Realised and movement in unrealised gain/(loss) on investments, derivatives and foreign currency</b>		
Realised gain on investments, derivatives and foreign currency	63,650,416	881,855,606
Movement in unrealised gain/(loss) from investments, derivatives and foreign currency	686,616,990	(308,450,052)
<b>Net realised and movement in unrealised gain on investments, derivatives and foreign currency</b>	<b>750,267,406</b>	<b>573,405,554</b>
<b>Net increase in net assets resulting from operations</b>	<b>542,512,006</b>	<b>419,735,142</b>

#### (iv) Investment portfolio of the Company as at 30 June

The investment portfolio of the Company comprises the following investments as at 30 June (expressed as a percentage of the total assets of the Company):

	2022	2021
AHL Evolution Fund	72.40%	69.52%
Debt – Investment in securities at fair value - long	28.87%	20.50%
Forward currency contracts - long	0.00%	0.00%
Forward currency contracts - short	(0.08%)	(0.07%)
<b>Total</b>	<b>101.19%</b>	<b>89.95%</b>

## Notes to the financial statements

### 16. INDIRECT INVESTMENTS (CONTINUED)

(v) Statement of changes in net assets of the Company for the year ended 30 June

	<b>2022</b>	<b>2021</b>
	<b>USD</b>	<b>USD</b>
Net assets at the beginning of the year	2,926,580,050	2,445,339,224
Increase in net assets resulting from operations	542,512,006	419,735,142
(Decrease)/increase in net assets resulting from capital transactions	(116,601,874)	68,135,760
Increase/(decrease) in net assets resulting from effects of equalisation	4,862,123	(6,630,076)
<b>Net assets at the end of the year</b>	<b><u>3,357,352,305</u></b>	<b><u>2,926,580,050</u></b>

### 17. PROVISION OF INFORMATION

This annual report and the Prospectus of the Fund are available free of charge from the Fund Manager.

### 18. DATE OF AUTHORISATION

The financial statements have been authorised for issue by the Fund Manager in Amsterdam on 9 December 2022.

## Investment portfolio as at 30 June 2022

2022

Assets	Currency	Fair value EUR	% of NAV
<b>Investee funds</b>			
AHL (Cayman) SPC Class A Evolution Segregated Portfolio	EUR	34,167,961	58.4
Man AHL Alpha Core	EUR	5,835,711	10.0
Man AHL Trend Alternative	EUR	6,486,868	11.1
Florin Court Capital Fund	USD	5,773,338	9.8
		<b>52,263,878</b>	<b>89.3</b>

## Investment portfolio as at 30 June 2021

2021

Assets	Currency	Fair value EUR	% of NAV
<b>Investee funds</b>			
AHL (Cayman) SPC Class A Evolution Segregated Portfolio	EUR	24,385,369	77.1
Man AHL Evolution Frontier Limited	EUR	4,884,422	15.4
Man AHL Trend Alternative	EUR	2,107,222	6.7
		<b>31,377,013</b>	<b>99.2</b>



## Other information

### Provisions of the Prospectus on distribution policy

The Fund Manager shall have sole discretion whether to distribute any income of the Fund or whether to retain it within the Fund. Any amounts which it determines to distribute shall be paid to participants pro rata to the number of participations held by each of them.

### Interests held by the Directors

As at 30 June 2022, employees and/or Directors of the Fund Manager held 43.6062 Class A shares in the Fund (2021: 0).

### Events after the balance sheet date

The Russian invasion in Ukraine has caused clear market volatility. 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.

No other material events occurred after the balance sheet date that could influence the transparency of the financial statements.



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## Independent auditor's report

To: The shareholders and the directors of Privium Fund Management B.V. as investment manager of Windmill Trend Evolution Fund

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

### Our opinion

We have audited the financial statements 2022 of Windmill Trend Evolution Fund, based in Amsterdam, The Netherlands.

In our opinion the accompanying financial statements give a true and fair view of the financial position of Windmill Trend Evolution Fund as at June 30, 2022, and of its result and its cash flows for 2022 in accordance with Part 9 of Book 2 of the Dutch Civil Code.

The financial statements comprise:

- ▶ The balance sheet as at 30 June 2022
- ▶ The following statements for 2022: Profit and loss statement and cash flow statement
- ▶ 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 Windmill Trend Evolution 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.

## Report on 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
- ▶ General information

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



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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 as required by Part 9 of Book 2 of the Dutch Civil Code.

## Description of responsibilities for 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 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. Our audit included among others:

- ▶ Identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control
- ▶ Obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control



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- ▶ 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
- ▶ Evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation

We communicate 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.

Amsterdam, 9 December 2022

Ernst & Young Accountants LLP

Signed by R.A.J.H. Vossen