

SEMI-ANNUAL REPORT

Savin Multi-Strategy Arbitrage Fund N.V.

Period ended 30 June 2021

Table of contents

General information	3
Key figures	4
Financial statements	5
Balance sheet.....	5
Profit and loss statement.....	6
Cash flow statement.....	7
Notes to the financial statements	8
Other information	18
Personal holdings of the Fund Manager	18

General information

Registered office

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

Fund Manager

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

Administrator

Circle Investment Support Services B.V.
Smallepad 30F
3811 MG Amersfoort
The Netherlands
Investors.nl@circlepartners.com

Bank

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

Prime Broker

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

Legal and Tax Counsel

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

STAK

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

Custodian

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

Depositary

Darwin Depositary Services B.V.
Barbara Strozzilaan 101
1083 HN Amsterdam
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Auditor

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

Key figures

	30-06-2021
(all amounts in EUR x 1,000)	
Net Asset Value	
Net Asset Value Class A	8,628
Net Asset Value Class F	24,438
Net Asset Value Class I	7,400
Total Net Asset Value	40,466
Outstanding Units	
Outstanding Units Class A	69,537.07
Outstanding Units Class F	196,554.82
Outstanding Units Class I	60,946.13
Total Outstanding Units	327,038.02
Result	
Result from investments	(7)
Changes in value	9,111
Other results	(425)
Costs	(2,251)
Net result	6,428
Per Unit¹	
(in EUR x 1)	
Net Asset Value per Unit Class A	124.08
Net Asset Value per Unit Class F	124.33
Net Asset Value per Unit Class I	124.41

¹ The result per Unit is calculated using the number of outstanding Units as per the end of the period.

Financial statements

Balance sheet

(all amounts in EUR)	Notes	30-06-2021
Assets		
Investments		
Equity securities	1	20,399,826
Derivatives		60,110,609
Total of investments		80,510,435
Intangible assets		
Deferred organisation costs	2	177,235
Total intangible assets		177,235
Receivables		
Due from broker	3	1,551,836
Other receivables	4	61,886
Total of receivables		1,613,722
Other assets		
Cash	5	45,719,673
Total of other assets		45,719,673
Total assets		128,021,065
Liabilities		
Net asset value		
Units paid in surplus	6	34,037,846
Result current period		6,427,677
Total net asset value		40,465,523
Investments		
Equity securities	1	18,473,218
Derivatives		31,076,408
Total of investments		49,549,626
Other liabilities		
Bank overdrafts		24,324,759
Due to broker		1,797,909
Subscriptions received in advance		10,148,092
Other liabilities	7	1,735,156
Total other liabilities		38,005,916
Total liabilities		128,021,065

Profit and loss statement

(For the period 1 February through 30 June)

(all amounts in EUR)	Notes	2021
Investment result		
Dividend expenses		(6,501)
Total investment result		(6,501)
Revaluation of investments		
Realised results		(11,351,642)
Unrealised results		20,462,962
Total changes in value		9,111,320
Other results		
Foreign currency translation		(425,407)
Total other results		(425,407)
Operating expenses		
Management fee	8	(187,309)
Performance fee	9	(1,559,866)
Administration fees	10	(6,294)
Depositary fees	11	(9,047)
Interest expenses		(165,220)
Brokerage fees and other transaction costs		(235,700)
Audit fees	12	(9,853)
Supervision fees		(1,818)
Legal fees		(1,734)
Other expenses		(74,894)
		(2,251,735)
Result for the period		6,427,677

Cash flow statement

(For the period 1 February through 30 June)

(all amounts in EUR)	Notes	2021
Cash flow from operating activities		
Purchases of investments		(135,242,066)
Proceeds from sales of investments		113,638,650
Performance and management fee paid		(124,044)
Interest paid		(73,380)
Dividend paid		(2,787)
Operating expenses paid		(561,990)
Net cash flow from operating activities		(22,365,617)
Cash flow from financing activities		
Proceeds from subscriptions to redeemable units		44,204,106
Payments for redemption of redeemable units		(18,168)
Net cash flow from financing activities		44,185,938
Net cash flow for the period		21,820,321
Cash at beginning of the period		-
Foreign currency translation		(425,407)
Cash at the end of the period	5	21,394,914

Notes to the financial statements

General information

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

Fund Manager is in possession of an AFM license as referred to in article 2:65 (1)(a) FSA, and as a consequence may offer the Fund to professional and non-professional investors within The Netherlands.

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

The Fund’s objective is to achieve a multi-year average annual return of 8%, net of fees with low volatility and low correlation to equity markets. To achieve this, the strategy of the Fund is to employ complementary arbitrage strategies, striving for positive returns regardless of market conditions or general market direction.

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

Accounting policies

General

The financial statements are prepared in accordance with Part 9, Book 2 of the Dutch Civil Code. The accounting principles of the Fund are summarized below. These accounting principles have all been applied consistently throughout the reporting period.

Reporting period

The reporting period runs from 1 February 2021 to 30 June 2021.

Basis of accounting

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 valued according to the cost model.

Measurement currency

The amounts included in the financial statements are denominated in euro, which is the functional and presentation currency.

Receivables

Upon initial recognition the receivables are included at fair value and then valued at amortised cost. The fair value and amortized cost equal the face value. Possible provisions deemed necessary for the risk of doubtful accounts are deducted. These provisions are determined by individual assessment of the receivables.

Investments

Recognition and basis of measurement

All investment securities are initially recognized at cost.

Valuation

Investment securities are valued at the last reported sales price on the largest recognized market on which they are traded. For securities in which no trading took place on that date the securities are valued at the most recent official price. Securities which are neither listed nor quoted on any securities exchange or similar electronic system or if, being so listed or quoted, are not regularly traded thereon or in respect of which no prices as described above are available, will be valued at their probable realization value as determined by the Fund Manager (or Administrator as delegated party) in good faith having regard to its cost price. Investments in funds (fund-of-fund) will be valued on the basis of the latest available valuation of Investee Funds Interests provided by the administrators of the relevant Investee Fund. In the absence of quoted values or audited net asset value calculations, the valuation of the investments is based on the reported values of the respective funds in which the Fund has a position. Lacking any proper valuation, a fair price will be determined by the Fund Manager and Investment Advisor.

Cost of investment securities sold is determined on a FIFO method.

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to set off the recognized amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

Gains and losses

Gains and losses are treated as realised for financial statement purposes on the trade date of the transaction closing or offsetting the open position against the historical cost price. Unrealised gains and losses are the difference between the value initially recognized and the fair value of open positions. All gains and losses are recognized in the profit and loss account.

Dividend and interest income

Dividends are recorded on the date that the dividends are declared, gross of applicable withholding taxes. Interest income is recognized on accrual basis.

Derivative financial instruments

Derivative financial instruments including foreign exchange contracts, stock market indexes and interest rate futures, forward rate agreements, currency and interest rate swaps, currency and interest rate options (both written and purchased) and other derivative financial instruments are initially recognized in the balance sheet at cost and subsequently are remeasured at their fair value. Fair values are obtained from quoted market prices. All derivative financial instruments are carried in assets when amounts are receivable by the Fund and in liabilities when amounts are payable by the Fund. Changes in fair values of derivatives are included in the profit and loss statement.

Translation of foreign currency

Monetary assets and liabilities denominated in foreign currencies are translated into Euro at the rates of exchange prevailing at yearend. Transactions in foreign currencies are translated at the rates of exchange prevailing at the date of the transaction. Realised and unrealised gains and losses on foreign currency transactions are charged or credited to the profit and loss account as foreign currency gains and losses except where they relate to investments where such amounts are included within realised and unrealised gains and losses on investments.

Brokerage/expenses

Commissions payable on opening and closing positions are recognized when the trade is entered into the Fund. Expenses are recorded in the period in which they originate. Transaction costs are borne by the Fund and be brought at the charge of the Fund's profit and loss account. Expenses on disposal of investments are deducted from the proceeds of disposal.

Cash

For the purpose of presentation in the balance sheet and the cash flow statement, cash is defined as cash at banks and brokers. The cash at bank and brokers is valued at face value. If cash is not freely disposable, then this has been taken into account upon valuation.

Cash flow statement

The cash flow statement is prepared using the direct method. The cash flow statement shows the Fund's cash flows for the period divided into cash flows from operations and financing activities.

Due to the nature of the Fund's operations, cash flows related to the financial instruments are included under operating activities. Cash flows from financing activities include proceeds from subscriptions and payments for redemptions of Units of the Fund.

Bank overdrafts that are repayable on demand form an integral part of the Fund's cash management and are a component of cash.

Notes to the balance sheet

1. Investments

(all amounts in EUR)

	30-06-2021
Equity securities	1,926,608
Derivative long	58,462,569
Derivative short	(29,428,368)
Position as per reporting date	30,960,809

The market value of the investments is based on quoted market prices. The movement of the financial instruments is as follows:

(For the period 1 February through 30 June)

(all amounts in EUR)

	2021
<i>Equity securities</i>	
Opening balance	-
Purchases	(6,959,012)
Sales	13,161,953
Realised investment result	(3,743,269)
Unrealised investment result	(533,064)
Closing balance	1,926,608
<i>Derivatives</i>	
Opening balance	-
Purchases	82,940,678
Sales	(67,294,130)
Realised investment result	(7,608,373)
Unrealised investment result	20,996,026
Closing balance	29,034,201

2. Deferred intangible assets

The Fund has deferred the costs of setting up the organisation of the Fund. The total organisation costs amount to EUR 196,763 and these are expensed in a period of 60 months.

(all amounts in EUR)	2021
Opening balance	-
Deferred organisation costs	196,763
Depreciation	(19,528)
Position at the end of the period	177,235

3. Due from brokers

The amount for due from broker consists of balances at brokers on which no restrictions on the use exist at 30 June 2021.

4. Receivables

(all amounts in EUR)	30-06-2021
Receivables	
Prepaid administration fee	2,373
Prepaid directors fees	4,487
Prepaid operational fees	28,444
Other receivables	26,582
Balance at the end of the period	61,886

5. Cash

As of 30 June 2021, no restrictions on the use of cash exist other than the restrictions that have been agreed with the Prime Broker.

6. Net asset value**Movement schedule of net asset value**

(For the period 1 February through 30 June)

(all amounts in EUR)

	2021
Units paid in surplus	
Opening balance	-
Subscriptions to redeemable Units	34,056,014
Redemption of redeemable Units	(18,168)
Closing balance	34,037,846
Undistributed result	
Opening balance	-
Result current period	6,427,677
Closing balance	6,427,677
Total net assets value at reporting date	40,465,523

Movement schedule of Units

(For the period 1 February through 30 June)

(in number of Units)

	2021
Outstanding Units	
Opening balance	-
Subscriptions to redeemable Units	327,196
Redemption of redeemable Units	(158)
Outstanding Units at reporting date	327,038

7. Other liabilities

(all amounts in EUR)

	30-06-2021
Management fees payable	63,265
Performance fee payable	1,559,866
Interest payable	91,840
Dividend payable	3,714
Audit fees payable	9,853
Other liabilities	6,618
Balance at the end of the period	1,735,156

Notes to the profit and loss statement

8. Management fee

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

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

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

The management fee for the period from 1 February 2021 through ended 30 June 2021 amounts to EUR 187,309.

9. Performance fee

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

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

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

10. Administration fees

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

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

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

For the first year of operations, the Fund will pay the administrator for its services, a fixed all-in annual remuneration of EUR 12,000 per annum and 0.08% of the Net Asset Value (i.e. 8 basis points) if and to the extent that the Net Asset Value exceeds EUR 20 million. This all-in fee is only applicable for the first year of operations.

11. Depositary fees

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

12. Audit fees

The Fund will pay to Ernst & Young as remuneration for its services to the Fund, an estimated fee equal to EUR 16,900 (excluding VAT) for its first reporting period.

The audit fees relates solely to the audit of the annual financial statements. The Independent Auditor does not provide any other audit or non-audit services to the Fund.

13. Related parties

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

All services rendered by the Fund from the Fund Manager therefore qualify as related party transactions. During the period, the Fund paid management fees of EUR 124,044 to the Fund Manager.

14. Income and withholding tax

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

Other notes

15. Core business and delegation

The following key tasks have been delegated by the Fund:

Administration

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

16. Events after balance sheet date

As of August 12, 2021 the new Prospectus of the Fund has become effective. Please find below an explanation of the most important changes made to the Prospectus:

1: Clarification of a current portfolio restriction and addition of a portfolio restriction

The following portfolio restriction has been amended due to clarification purposes:

No single investment of the Fund may exceed 10% of the total portfolio, whereby the total portfolio is defined as the combination of all absolute positions and cash.

This portfolio restriction has been amended into:

No single investment, including an individual leg of an arbitrage position, of the Fund may exceed 10% of the total portfolio, whereby the total portfolio is defined as the notional value (including the notional value of derivatives) of all positions and cash.

The following restriction has been added as a portfolio restriction, also for clarification purposes:

The Fund will not engage in high frequency investment strategies (including algorithmic trading) or any other investment strategies where investment decisions are being taken by computers or other automated systems.

2: Minimum initial subscription amount Class A Units and closure of the Class F Units.

The minimum Total Subscription Price for Class A Units will be increased from EUR 150,000 to EUR 250,000. This will have no impact on existing Class A Unitholders.

Since the F Unit class has reached EUR 20 million in total subscriptions, this Unit Class has been closed to new investors.

17. Personnel

The Fund did not employ personnel during the period.

18. Appropriation of the result

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

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

Amsterdam, 12 August 2021

Fund Manager
Privium Fund Management B.V.

Other information

Personal holdings of the Fund Manager

As of June 30, 2021 members of Investment team of the Fund also maintain an investment in the Fund. This represents 25,158.24 Units in the Class A Unit Class.