PRISMA ALTERNATIVES FUND (In Liquidation since June 14, 2017)

Audited financial statements as of June 14, 2017
and for the period January 1, 2017 through June 14, 2017

(Expressed in United States dollars)

R.C.S.: B 173.692

Incorporated with limited liability in the Grand Duchy of Luxembourg
as an investment company with variable capital
(*Société d'Investissement à Capital Variable* (SICAV)),
registered pursuant to Part II of the Luxembourg Law of 17 December 2010

PRISMA ALTERNATIVES FUND (IN LIQUIDATION)
TABLE OF CONTENTS

No subscriptions can be received on the basis of the financial statements. Subscriptions are only valid on the basis of the current prospectus, supplemented by the latest available annual report of the fund and the latest semi-annual report if published after such annual report.

PRISMA ALTERNATIVES FUND (IN LIQUIDATION)
CORPORATE INFORMATION

The Company
Prisma Alternatives Fund
2-4, Rue Eugène Ruppert
L - 2453 Luxembourg

Board of Directors of the Company

Chairman:
Until June 15, 2017:
Michael Gilleran
KKR Alternative Investment Management

Members:
Désirée Eklund
Alceda Fund Management S.A.

Until January 31, 2017:
Michael Sanders
Alceda Fund Management S.A

Alternative Investment Fund Manager
Alceda Fund Management S.A.

Investment Manager
Prisma Capital Advisors LLC
9 West 57th Street
New York, NY 10019, United States

Management Company
Alceda Fund Management S.A.
5, Heienhaff
L-1736 Senningerberg, Luxembourg

Supervisory Board of the Management Company

Chairman of the Board of Directors:
Roman Rosslenbroich
Managing Director of Aquila Holding GmbH, Hamburg, Germany

Members of the Board of Directors:
Jost Rodewald
Managing Director of AQ Management GmbH, Hamburg, Germany

Dr. Harald Schönebeck
Managing Director of Alceda Fund Management S.A., Senningerberg, Luxembourg

Directors of the Management Company:
Jens Eisenbart
Désirée Eklund
Dr. Harald Schönebeck
Albert Sowa

Liquidator, since June 14, 2017:
Alceda Fund Management S.A.,
Represented by Désirée Eklund

Depositary, Custodian, Administrator, Registrar and Transfer Agent
The Bank of New York Mellon S.A./NV
2-4, Rue Eugène Ruppert
L - 2453 Luxembourg

Independent Auditor
Ernst & Young S.A.
35E, Avenue J.F. Kennedy
L - 1855 Luxembourg
Luxembourg

Legal Advisers
Arendt & Medernach S.A.
14, rue Erasme
L-2082 Luxembourg
Luxembourg

Fried, Frank, Harris, Shriver & Jacobson LLP
One New York Plaza
New York, NY 10004
United States

Stibbe
Central Plaza, Loksumstraat 25
BE-1000 Brussels
Belgium

Stibbe
Stibbetoren, Strawinskylaan 2001
1077 ZZ Amsterdam
Netherlands

Investment Manager's Report

The Prisma Alternatives Fund - Prisma Spectrum (Lux) Fund (the "Fund") has been placed in voluntary liquidation as of June 14, 2017. The Fund was placed in liquidation as a result of significant redemption requests and was no longer of a sufficient size to remain economically viable.

Performance

Prisma Spectrum Lux Fund – I2 EUR returned 0.38% for the period January 1, 2017 to June 14, 2017. In the first quarter, the US, long positions in technology stocks were notably good performer. Fourth quarter 2016 earnings for technology companies were exceptionally strong, which drove the best quarterly performance for the NASDAQ since 2013. European equity manager performance was driven by positive European equity markets and by strong idiosyncratic single name performance over the quarter as correlations dropped across the board. Strong results proved to be a positive catalyst as fundamentals were typically improving. In Asia, value stocks generally performed well, as did US TMT hardware, energy and Japan related names. Notwithstanding this, longs in ADRs, Macau casinos and stocks in ASEAN detracted. Shorts had little significant impact on performance during the quarter.

Strong performance in Q1 was also driven by re-organizational equity holdings in energy and media, among others, albeit energy was a detractor to performance in March. Corporate structured credit positions delivered strong gains, particularly CDOs/CLOs. CMBS short positions also added to performance in the quarter. US event performance was primarily driven by equity positions in deal stocks with positive news as well as soft catalyst names in the industrial and semiconductor sectors. In Europe, strong performance was driven, in part, by strongly performing fundamentals of portfolio companies, with earnings releases typically providing a positive catalyst as they exceeded expectations. In Asia, macro and flow factors largely drove performance in the first quarter. The managers did well in the first half of the quarter, but suffered from a reversal in the Japan reflation trade and short Japanese yen and Chinese renminbi trades in the latter half of the quarter. The managers generally benefited from equity long/short positions particularly in TMT, trading in global convertible bonds and directional views in Asia equity markets.

In Q2 2017, corporate and distressed managers delivered positive returns due to performance in core Gaming, Retail and Entertainment names. European bank Tier 1 positions detracted from performance, specifically in June. Certain re-organizational equity positions also detracted from performance, particularly in the energy sector where companies traded down with lower oil prices. Structured credit delivered strong returns due, in part, to certain underlying mortgage trusts held by our managers being called, and to broader credit spread tightening. Returns were marginally offset by the Wells Fargo decision to withhold certain call proceeds due to litigation. In addition, hedges generally detracted from performance. Fixed Income Relative Value managers outperformed from "short the bond basis" in Europe, where they were short rich cash bonds against long cheap bond futures. Additional gains came from swap spread wideners and short the rich liquidity premium in the 10 year treasury sector. US event strategies did well during the quarter as corporate transactions and merger activity continued to be buoyed by a strong equity market and low interest rates. Deal stocks across Healthcare and Industrials did particularly well as well. Returns in European event were driven by activist positions reporting strong results, primarily in April. It was a strong earnings season in Europe; in fact the largest earnings beat since the financial crisis. Performance drivers included Industrials and chemical companies. In Asia, the portfolio benefited from positive sentiment in Japan as expectations of higher management responsiveness and accountability to shareholders lifted several positions. The positive investment performance was mostly offset by expenses attributable to the voluntary liquidation.

PRISMA | PAAMCO PRISMA

June 21, 2018

The economic and market views expressed herein reflect the views and opinions of PAAMCO Prisma and is no guarantee for the future development of the Fund. PAAMCO Prisma does not undertake to advise you of any changes in the views expressed herein and does not guarantee the accuracy, adequacy or completeness of such information.

Ernst & Young
Société anonyme

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Independent auditor's report

To the Shareholders of Prisma Alternatives Fund
2-4 rue Eugène Ruppert
L-2453 Luxembourg

Opinion

We have audited the financial statements of Prisma Alternatives Fund (the "Fund"), which comprise the statement of net assets and the schedule of investments as at 14 June 2017 (in liquidation), and the statement of operations and changes in net assets for the period then ended, and the notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at 14 June 2017 (in liquidation), and of the results of their operations and changes in their net assets for the period then ended in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the financial statements.

Basis for Opinion

We conducted our audit in accordance with the Law of July 23, 2016 on the audit profession (the "Law of July 23, 2016") and with International Standards on Auditing ("ISAs") as adopted for Luxembourg by the "Commission de Surveillance du Secteur Financier" ("CSSF"). Our responsibilities under those Law and standards are further described in the "responsibilities of the "réviseur d'entreprises agréé" for the audit of the financial statements" section of our report. We are also independent of the Fund in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants ("IESBA Code") as adopted for Luxembourg by the CSSF together with the ethical requirements that are relevant to our audit of the financial statements, and have fulfilled our other ethical responsibilities under those ethical requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

The Board of Directors of the Fund is responsible for the other information. The other information comprises the information included in the annual report but does not include the financial statements and our report of the "réviseur d'entreprises agréé" thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report this fact. We have nothing to report in this regard.

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Responsibilities of the Board of Directors of the Fund and those charged with governance for the financial statements

The Board of Directors of the Fund is responsible for the preparation and fair presentation of these financial statements in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the financial statements, and for such internal control as the Board of Directors of the Fund determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors of the Fund has used the non-going concern basis of accounting.

Responsibilities of the "réviseur d'entreprises agréé" for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a report of the "réviseur d'entreprises agréé" that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Law of July 23, 2016 and with ISAs as adopted for Luxembourg by the CSSF will always detect a material misstatement when it exists. 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.

As part of an audit in accordance with the Law of July 23, 2016 and with ISAs as adopted for Luxembourg by the CSSF, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain 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.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors of the Fund.
- Conclude on the appropriateness of the Board of Directors of the Fund's use of the non-going concern basis of accounting. Our conclusions are based on the audit evidence obtained up to the date of our report of the "réviseur d'entreprises agréé".
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Ernst & Young
Société anonyme
Cabinet de révision agréé

Michael Ferguson

Luxembourg, 21 June 2018

PRISMA ALTERNATIVES FUND (IN LIQUIDATION)
STATEMENT OF ASSETS AND LIABILITIES
AS OF JUNE 14, 2017

(Expressed in United States dollars, unless otherwise noted)

	Note	
ASSETS		
Cash and cash equivalents	**2.h**	$ 248,187,130
Investments in Portfolio Funds, at fair value (cost $95,803,796)	**2.b**	105,466,718
Redemptions receivable from Portfolio Funds	**2.c**	8,979,962
Unrealized appreciation on forward currency contracts	**7**	713,755
TOTAL ASSETS		363,347,565
LIABILITIES		
Redemptions payable	**2.d**	173,999,087
Investment management fee payable	**4**	540,925
Professional fees payable	**2.d**	498,774
Administration fees payable	**6**	482,159
Management company fee payable	**4**	250,493
Depositary and custodian fees payable	**6**	67,627
Other liabilities	**2.d**	260,440
TOTAL LIABILITIES		176,099,505
NET ASSETS		$ 187,248,060

NET ASSET VALUE PER SHARE

	Note	June 14, 2017	December 31, 2016	December 31, 2015
Class I1 (EUR) (Shares outstanding of 662,571 in 2017, 1,266,964 in 2016, and 1,288,161 in 2015)	9	€ 103.00	€ 103.62	€ 108.59
Class I2 (EUR) (Shares outstanding of 98,486 in 2017, 188,229 in 2016, and 3,168,476 in 2015)	9	€ 96.93	€ 97.16	€ 101.01
Class R1 (EUR) (Shares outstanding of 575 in 2017, 1,099 in 2016, and 127,141 in 2015)	9	€ 100.81	€ 101.43	€ 106.40
Class R2 (EUR) (Shares outstanding of 789,600 in 2017, 1,508,627 in 2016, and 431,292 in 2015)	9	€ 96.78	€ 97.02	€ 100.93
Class I2 (USD) (Shares outstanding of 140,952 in 2017, 268,979 in 2016, and 268,979 in 2015)	9	$ 98.68	$ 97.59	$ 99.76
Class R2 (USD) (Shares outstanding of 3,092 in 2017, 5,900 in 2016, and 12,854 in 2015	9	$ 99.42	$ 98.31	$ 100.53

The accompanying notes form an integral part of these financial statements.

PRISMA ALTERNATIVES FUND (IN LIQUIDATION)
STATEMENT OF OPERATIONS
FOR THE PERIOD JANUARY 1, 2017 THROUGH JUNE 14, 2017

(Expressed in United States dollars, unless otherwise noted)

	Note		
EXPENSES			
Investment management fees	**4**	$	1,919,827
Administration fees	**6**		480,980
Professional fees			461,345
Depositary and custodian fees	**6**		67,627
Subscription tax	**2.g**		26,230
Interest expense	**5**		7,610
Other expenses			630,020
Total expenses			3,593,639
NET GAIN/(LOSS) ON INVESTMENTS			
Net realized gain/(loss) on Portfolio Funds	**2.e**		29,693,390
Net realized gain/(loss) on forward currency contracts	**2.e,7**		23,931,210
Net realized gain/(loss) on foreign currency transactions	**2.f**		(9,408,402)
Net change in unrealized appreciation/(depreciation) on Portfolio Funds	**2.b**		(20,981,593)
Net change in unrealized appreciation/(depreciation) on forward currency contracts	**2.e,7**		(4,805,888)
NET INCREASE/(DECREASE) IN NET ASSETS RESULTING FROM OPERATIONS		$	14,835,078

The accompanying notes form an integral part of these financial statements.

PRISMA ALTERNATIVES FUND (IN LIQUIDATION)
STATEMENT OF CHANGES IN NET ASSETS
FOR THE PERIOD JANUARY 1, 2017 THROUGH JUNE 14, 2017

(Expressed in United States dollars, unless otherwise noted)

NET ASSETS AT BEGINNING OF PERIOD	$ 338,282,729
PARTICIPATING SHARE TRANSACTIONS	
Issuance of participating shares	
Class R2 (EUR)	53,330
	53,330
Redemptions of participating shares	
Class I1 (EUR)	(67,722,928)
Class I2 (EUR)	(9,445,726)
Class R1 (EUR)	(57,470)
Class R2 (EUR)	(75,617,945)
Class I1 (USD)	(12,796,299)
Class R2 (USD)	(282,709)
	(165,923,077)
Net increase/(decrease) from share transactions	(165,869,747)
NET INCREASE/(DECREASE) IN NET ASSETS RESULTING FROM OPERATIONS	
Net investment income/(loss)	(3,593,639)
Net realized gain/(loss)	44,216,198
Net change in unrealized appreciation/(depreciation)	(25,787,481)
Net increase/(decrease) resulting from operations	14,835,078
NET ASSETS AT END OF PERIOD	$ 187,248,060

The accompanying notes form an integral part of these financial statements.

PRISMA ALTERNATIVES FUND (IN LIQUIDATION)
SCHEDULE OF INVESTMENTS
JUNE 14, 2017

(Expressed in United States dollars)

INVESTMENTS IN PORTFOLIO FUNDS	Currency	Cost	Fair Value(1)	Percentage of Net Assets
Credit/Distressed				
Anchorage Capital Partners Offshore, Ltd.	USD	$ 6,888,688	$ 7,414,296	3.96%
Orchard Centar Limited	USD	2,002,075	603,416	0.32
Prisma SPC Holdings Ltd. - Portfolio J	USD			
(Silver Point Capital Offshore Fund, Ltd.)		5,064,550	6,562,225	3.50
Silver Point Capital Offshore Fund, Ltd.	USD	2,703,525	3,323,146	1.78
Total Credit/Distressed		16,658,838	17,903,083	9.56
Event Driven				
ECM Feeder Fund 4	USD	12,676,625	14,547,443	7.77
Myriad Opportunities Offshore Fund Limited	USD	1,015,409	1,206,054	0.64
Prisma SPC Holdings Ltd. - Portfolio P				
(West Face Long Term Opportunities Fund Ltd.)	USD	1,497,829	2,784,881	1.49
Total Event Driven		15,189,863	18,538,378	9.90
Fixed Income Arbitrage				
Prisma SPC Holdings Ltd. - Portfolio X				
(Credit Suisse Securitized Products Fund Ltd.)	USD	3,453,461	4,133,266	2.21
Global Macro				
Prisma SPC Holdings Ltd. - Portfolio N				
(D.E. Shaw Oculus International Fund)	USD	3,285,728	3,641,879	1.94
Long/Short Equity				
Ashoka Offshore Fund	USD	8,031,271	9,181,454	4.90
Hengistbury Fund Limited	USD	3,939,112	5,786,821	3.09
Tide Point Offshore Fund, Ltd.	USD	11,000,000	10,876,165	5.81
Turiya Fund	USD	4,776,406	5,994,452	3.20
Total Long/Short Equity		27,746,789	31,838,892	17.00
Niche/Tactical				
Ironsides P Fund L.P.	USD	4,131,111	5,022,293	2.68
Northwest Fund Limited	USD	4,484,785	4,354,608	2.33
Parallax Offshore Investors Fund, Ltd.	USD	14,000,000	13,995,258	7.47
Selwood AM Credit Fund Ltd.	USD	2,782,744	3,235,694	1.73
Total Niche/Tactical		25,398,640	26,607,853	14.21
Short Bias				
Ursus International Limited	USD	4,070,477	2,803,367	1.50
TOTAL INVESTMENTS IN PORTFOLIO FUNDS		$ 95,803,796	$ 105,466,718	56.32%

(1) At June 14, 2017, the Fund used the net asset value ("NAV") of the investments in Portfolio Funds, as reported as of June 30, 2017 by the Portfolio Managers, to represent fair value. Please refer to note 2.b.

The accompanying notes form an integral part of these financial statements.

(Expressed in United States dollars, unless otherwise noted)

1. ORGANIZATION

Prisma Alternatives Fund, an open-ended investment company with variable capital (S*ociété d'Investissement à Capital Variable*) (the "Company"), was incorporated on December 11, 2012 under the laws of the Grand Duchy of Luxembourg for an unlimited period of time. The Company is registered pursuant to Part II of the Luxembourg Law of December 17, 2010. The Company commenced operations on January 1, 2013. Alceda Fund Management S.A. (the "Management Company") serves as the Management Company of the Fund. The Company's investment program is managed by Prisma Capital Advisors LLC (the "Investment Manager"), an affiliate of Prisma Capital Partners LP, an investment adviser registered with the United States ("U.S.") Securities and Exchange Commission.

On August 19, 2014, the Management Company was authorized by the Commission de Surveillance du Secteur Financier under article 5 of Chapter 2 of the law of July 12, 2013 as an alternative investment fund manager.

The Company is an umbrella fund and may consist of one or several sub-funds as may be created from time to time by the Company, each sub-fund with its own investment objectives. As of June 14, 2017, the Company is comprised of one sub-fund, the Prisma Alternatives Fund - Prisma Spectrum (Lux) Fund (the "Sub-Fund", together with the Company, the "Fund").

The Fund seeks to achieve long-term capital appreciation over a several year period with lower volatility than, and low correlation to, broad equity and fixed income indices. The Fund allocates its assets primarily among a diverse group of alternative asset managers (the "Portfolio Managers") and the funds they operate (the "Portfolio Funds").

The Fund issued Class I1 and I2 and Class R1 and R2 shares (the "Shares") to its investors (the "Shareholders").

As of June 14, 2017, the Board of Directors (the "Board") made the determination to liquidate the Company's portfolio and fully redeem Shareholders' balances. The Management Company, represented by Désirée Eklund, has been appointed as the sole liquidator of the Company (the "Liquidator"). As such, the financial statements have been prepared on a basis other than going concern.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Basis of presentation

These financial statements have been prepared in accordance with Luxembourg legal and regulatory requirements applicable to investment funds ("GAAP") and are expressed in U.S. dollars. Previously, the financial statements were prepared in accordance with International Financial Reporting Standards. This change in the basis of accounting became effective on June 14, 2017 and did not result in a change to beginning net assets or net asset value per share. Management believes that the change in the accounting and presentation from IFRS allows the Investment Manager to more easily comply with regulations.

There are no material differences in the calculation of the Fund's NAV under GAAP and accounting principles generally accepted in the United States.

The financial statements are presented on the basis of the NAV calculated on the close of business as at June 14, 2017. The significant accounting policies are as follows:

b. Recognition and valuation of financial assets and liabilities

Valuation of investments in Portfolio Funds

The Fund designates its investments in Portfolio Funds at fair value upon initial recognition. After initial recognition, investments in Portfolio Funds are measured at fair value without any deduction for transaction costs that may be incurred on their sale. Gains and losses arising from changes in the fair value are included in profit or loss for the period in which they arise.

The NAV of each Portfolio Fund is determined as of the close of business on the last business day of each month. Investments in Portfolio Funds are subject to the terms of the respective limited partnership agreements, limited liability company agreements and offering memoranda (the “Agreements”).

The Fund values its investments in Portfolio Funds at fair value, which is based on the NAV per share, or its equivalent as provided by, or on behalf of, the Portfolio Managers. Generally, underlying investments held by the Portfolio Funds which are publicly-traded are valued at their current observable market values in the principal markets in which such securities are normally traded. Other investments are valued using procedures established by the Portfolio Manager of each of the Portfolio Funds. The fair values relating to the underlying investments held by a Portfolio Fund may have been estimated by such Portfolio Fund in the absence of readily ascertainable market values. Due to the inherent uncertainty as to valuations for certain non-marketable investments, the fair value determined by a Portfolio Manager may differ significantly from the values that would have been used had a ready market for these investments existed and the differences may be material.

If the Investment Manager determines, based on its own due diligence and investment monitoring procedures, that the most recent value reported by a Portfolio Fund does not represent fair value, or if a Portfolio Fund fails to report a value to the Fund, a fair value determination is made by the Investment Manager's valuation committee. The values assigned to such investments are based on available information and do not necessarily represent amounts that might ultimately be realized, as such amounts would depend on future circumstances and cannot reasonably be determined until the individual investments are actually liquidated. As of June 14, 2017, management did not value any Portfolio Funds pursuant to these procedures.

The Fund’s investments in Portfolio Funds involve varying degrees of credit risk, liquidity risk and market risk. While management monitors and attempts to manage these risks, the varying degrees of transparency of the securities held by the Portfolio Funds and the limited liquidity of the interests in the Portfolio Funds may hinder management’s ability to effectively manage and mitigate these risks. The Fund’s risk of loss in a Portfolio Fund is limited to its share of the fair value of such Portfolio Fund.

Valuation of forward currency contracts

The Fund designates its forward currency contracts at fair value upon initial recognition. Forward currency contracts are valued by the Investment Manager based on quoted market rates of the underlying currency or prices obtained from recognized financial data service providers. Gains and losses arising from changes in the fair value are included in profit or loss for the period in which they arise.

c. Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables are recognized initially at fair value plus transaction costs that are attributable to the acquisition of the financial asset. After initial measurement, loans and receivables are subsequently measured at amortized cost using the effective interest rate (“EIR”) method, less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in interest income in the statement of operations. The losses arising from impairment are recognized in the statement of operations. The Fund includes in this category amounts relating to interest receivables, redemptions receivable from Portfolio Funds and other receivables.

d. Other financial liabilities

The Fund includes in this category amounts relating to fees payables, redemptions payable, subscriptions received in advance and other payables.

(Expressed in United States dollars, unless otherwise noted)

e. Investment transactions and income

The Fund records its transactions in Portfolio Funds, derivatives and securities on a trade date basis. Realized gains and losses from Portfolio Fund redemptions are calculated on an average cost basis. Realized gains and losses from derivatives and securities transactions are calculated on the specific-identification method. Interest income, dividend income and operating expenses are recorded on an accrual basis.

f. Foreign currency translation

The functional and presentation currency of the Fund is the U.S. dollar.

Assets and liabilities in currencies other than the Fund's functional currency have been translated into that currency at exchange rates ruling at the end of each reporting period. Transactions occurring during the period in currencies other than the functional currency are recorded at the rate ruling at the date of the transaction.

Foreign exchange gains and losses on financial assets and financial liabilities are included as part of "Net realized gain/(loss) on foreign currency transactions" in the statement of operations.

Net foreign exchange gains and losses on monetary assets and liabilities other than financial assets and liabilities classified at fair value are included as part of "Net gain/(loss) on foreign exchange" in the statement of operations.

g. Taxes

In Luxembourg, the Fund is subject to a tax of 0.01% for Classes I1 and I2 and 0.05% for Classes R1 and R2 per annum of its NAV. This tax is payable quarterly on the basis of the value of the aggregate equity of the Fund at the end of the relevant calendar quarter. The Fund is not subject to any tax on profits or income. No stamp duty or other tax is payable in Luxembourg on the issue of Shares. No Luxembourg tax is payable on the realized capital appreciation of the assets of the Fund.

Dividends, interest and capital gains, if any, received by the Fund on its investments may be subject to non-recoverable withholding or other taxes in their countries of origin.

Management reviews and evaluates tax positions and determines if there are uncertain tax positions that require financial statement recognition. No reserves for uncertain tax positions were recorded as of June 14, 2017.

The Fund would recognize interest and penalties related to uncertain tax positions as income tax expense in the statement of operations. For the period January 1, 2017 through June 14, 2017, the Fund did not incur any interest or penalties.

h. Cash and cash equivalents

Cash and cash equivalents are on deposit with major financial institutions and may include highly liquid investments with an original maturity of three months or less and short-term liquid investments.

3. ALLOCATION OF PROFITS AND LOSSES

Profits, losses and management fees are allocated to the Shares in accordance with the provisions set forth in the Company's Constitution de Société (the "Articles").

Management may enter into certain transactions to minimize, to the extent possible, changes in the value of the Fund's non-U.S. dollar-denominated classes of shares arising from fluctuations in currency exchange rates and may, from time to time, purchase and sell spot and forward currency contracts, currency options and currency futures contracts to hedge against currency risks. There can be no assurance that such foreign currency transactions will be successful or will not generate

(Expressed in United States dollars, unless otherwise noted)

significant losses. Profits and losses from forward currency transactions will be allocated only to the Shares to which such contracts relate.

4. RELATED PARTY TRANSACTIONS

The Fund pays to the Investment Manager a quarterly investment advisory fee, in advance for advisory services equal to 0.3750% (1.50% annualized) of the NAV of Class I1 and Class R1 Shares and 0.1875% (0.75% annualized) of the NAV of Class I2 and Class R2 Shares for such fiscal quarter. The Shares are not subject to performance fee.

The Management Company receives a tiered management fee on a monthly basis for the provision of its services ranging from 0.04% to 0.11% per annum of the NAV of the Shares.

The Fund invests in certain Portfolio Funds through various portfolios of Prisma SPC Holdings Ltd., an exempted company incorporated under the laws of the Cayman Islands ("SPC") to operate as a segregated portfolio company. An affiliate of the Investment Manager also serves as the investment manager for SPC and other shareholders of SPC. SPC does not charge the Fund management fees or incentive fees. As of June 14, 2017, the Fund's total investment in the various portfolios of SPC was $17,122,251. For the period January 1, 2017 through June 14, 2017, the Fund recorded net realized gain/(loss) of $1,771,990, and net change in unrealized appreciation/(depreciation) of ($1,416,471), respectively.

5. LINE OF CREDIT

The Fund maintained a floating rate assignable Schuldschein (the "Credit Facility") with Deutsche Bank Aktiengesellschaft ("DB"), which matures on March 30, 2018. Under the Credit Facility, the Fund was able to issue notes not to exceed a maximum amount of $30,000,000 to DB for operating and investing purposes. Interest expense on the outstanding principal amount is accrued daily at a rate equal to 3-Month U.S. dollar LIBOR plus 1.25%. As security for the Credit Facility, the Fund has granted DB a first priority security interest in and continuing lien on the assets of the Fund, including, but not limited to, cash and cash equivalents and proceeds from its sales of investments in Portfolio Funds, but excluding investments in Portfolio Funds. Additionally, the Fund agreed to pay DB on a quarterly basis, its pro rata portion of a structuring fee equal to 0.70% per annum of the combined maximum principal amount available for borrowing by the Fund and other investment funds affiliated with the Investment Manager.

Pursuant to the Credit Facility, the maximum amount can also be used to satisfy margin requirements on the forward currency contracts. Any such margin requirements will reduce the maximum principal amount available to the Fund.

As of June 14, 2017, the Fund had no outstanding borrowings under the Credit Facility. Any outstanding balance of the Credit Facility approximates fair value. For period January 1, 2017 through June 14, 2017, the Fund recorded interest expense of $7,610 and structuring fees of $172,862. Structuring fees are included in other expenses on the statement of operations.

6. DEPOSITARY, CUSTODIAN, ADMINISTRATOR, REGISTRAR AND TRANSFER AGENT

The Bank of New York Mellon (Luxembourg) S.A. (the "Depositary" and "Custodian") serves as the depositary and custodian for the Fund. Generally, the Fund's interests in the Portfolio Funds and securities are held in the name of the Custodian for the benefit of the Fund. The Fund pays the Depositary and Custodian customary fees, at market rates, based on the nature and extent of the services provided.

The Bank of New York Mellon (Luxembourg) S.A. has also been appointed administration agent, registrar and transfer agent (the "Administrator") to provide administrative services to the Fund. The Fund pays the Administrator customary fees, at market rates, based on the nature and extent of the services provided.

(Expressed in United States dollars, unless otherwise noted)

7. FORWARD CURRENCY CONTRACTS

In the normal course of business, the Fund may enter into forward currency contracts to mitigate potential foreign exchange rate fluctuations. A forward currency contract is a firm commitment to buy or sell a specified quantity of foreign currency at a specified delivery date, unless the contract is closed before the specified delivery date. The Fund bears the risk of an unfavorable change in the foreign currency exchange rate underlying the forward currency contracts. The terms of forward currency contracts are not standardized and represent over-the-counter contracts; therefore, forward currency contracts can generally be terminated or closed-out only by agreement of both parties to the contracts.

Unrealized appreciation or depreciation on forward currency contracts is recognized to reflect the market value of open contracts at the end of each period. For the period January 1, 2017 through June 14, 2017, the Fund recorded change in unrealized appreciation/(depreciation) of $713,755, which is included in the net change in unrealized appreciation/(depreciation) on forward currency contracts on the statement of operations. When a forward currency contract is closed, the Fund records a realized gain or loss equal to the difference between the value of the contract at the time it was opened and the value at the time it was closed. For the period January 1, 2017 through June 14, 2017, the Fund recorded realized gain/(loss) of $23,931,210, which is included in the net realized gain/(loss) from forward currency contracts on the statement of operations.

Open forward currency contracts as of June 14, 2017 were as follows:

Purchase Currency	Notional Amount	Sale Currency	Amount	Settlement Date	Unrealized Appreciation/ (Depreciation)
EUR	€ 155,214,000	USD	$ 173,442,054	06/30/2017	$ 713,755

The Fund enters into master netting arrangements, when available, that incorporate the right of "offset" (assets less liabilities) with the same counterparty. A fund that is party to a master netting arrangement is permitted to offset fair value amounts recognized for the right to reclaim cash collateral or the obligation to return cash collateral against fair value amounts recognized for derivative instruments that have been offset under the same master netting arrangement. The Fund has elected not to offset cash on deposit as collateral with the counterparty against the fair value of the forward currency contracts in the statements of financial position. As previously discussed, pursuant to the Credit Facility, the maximum amount that can be drawn from the Credit Facility can also be used to satisfy margin requirements on the forward currency contracts. Any margin requirements will reduce the maximum amount that can be drawn by the Fund under the Credit Facility. All forward currency contracts are net settled with the counterparty.

8. INDEMNIFICATIONS

In the normal course of its operations, the Fund enters into contracts that contain a variety of indemnification terms. The Fund's maximum potential exposure under these arrangements is unknown. However, the Fund has not had prior claims or losses pursuant to these contracts and, based primarily on past experience, expects any risk of loss to be remote.

9. SHARE CAPITAL

The Fund has offered Class R1 and R2 Shares and Class I1 and I2 Shares as outlined in the Company's Articles. All classes will be issued in two different currencies, U.S. dollars and Euro. The minimum initial and subsequent subscription for the Class R1 (USD) and R2 (USD) Shares is $10,000 and $1,000, respectively. The minimum initial and subsequent subscription for the Class R1 (EUR) and R2 (EUR) Shares is €10,000 and €1,000, respectively. The minimum initial and subsequent subscription for the Class I1 (USD) and I2 (USD) Shares is $1,000,000 and $100,000, respectively. The minimum initial and subsequent subscription for the Class I1 (EUR) and I2 (EUR) Shares is €1,000,000 and €100,000, respectively. The minimum subscription amounts are subject to the sole discretion of the Board to accept lesser amounts.

(Expressed in United States dollars, unless otherwise noted)

Shares of a particular class may be redeemed as of the last day of any calendar quarter, upon not less than 65 days' prior written notice to the Administrator.

All issued Shares are fully paid-up with no par value and carry no preferential or pre-emptive rights. In compliance with Luxembourg law and the Articles, each Share of the Company of any class of whatever Sub-Fund it belongs is entitled to one vote at any general meeting of shareholders.

The following table contains the share transactions detail as of and for the period January 1, 2017 through June 14, 2017:

Class	Beginning Shares	Series Rollup	Shares Subscribed	Shares Redeemed	Shares Outstanding		NAV Per Share
Class I1 (EUR)	1,266,964	–	–	(604,393)	662,571	€	103.00
Class I2 (EUR)	188,229	–	–	(89,743)	98,486		96.93
Class R1 (EUR)	1,099	–	–	(524)	575		100.81
Class R2 (EUR)	1,508,627	–	505	(719,532)	789,600		96.78
Class I2 (USD)	268,979	–	–	(128,027)	140,952	$	98.68
Class R2 (USD)	5,900	–	–	(2,808)	3,092		99.42

10. COMMITMENTS AND CONTINGENCIES

The Fund did not have any commitments or contingencies as of June 14, 2017.

11. SUBSEQUENT EVENTS

For the period June 15, 2017 to June 21, 2018, the Fund paid redemption requests of approximately $178,377,890.

Management has evaluated the impact of all subsequent events on the Fund through June 21, 2018, the date the Fund's financial statements were available to be issued, and has determined that there were no additional subsequent events requiring recognition or disclosure in the financial statements.

12. DATE OF AUTHORIZATION FOR ISSUE

The financial statements were authorized for issuance by the Liquidator on June 21, 2018.