

Multi-Strat S.à r.l.

ANNUAL ACCOUNTS FOR YEAR ENDED 31 DECEMBER 2019

**51, avenue J.F. Kennedy,
L - 1855 Luxembourg,
R.C.S. Luxembourg: B 181841**

Multi-Strat S.à r.l.

| TABLE OF CONTENTS | PAGE |
|--|-------------|
| MANAGEMENT REPORT | 2-3 |
| REPORT OF THE REVISEUR D’ENTREPRISES AGREE | 4-7 |
| BALANCE SHEET | 8-12 |
| PROFIT AND LOSS ACCOUNT | 13-14 |
| NOTES TO THE ANNUAL ACCOUNTS | 15-21 |

Multi-Strat S.à r.l.

MANAGEMENT REPORT

The Board of Managers of Multi-Strat S.à r.l. (the “Company”) herewith submits its report for the year ended 31 December 2019.

General

Multi-Strat S.à r.l. was incorporated on 25 October 2013 and organised under the laws of Luxembourg as a “société à responsabilité limitée” for an unlimited period and is subject to the Law of 22 March 2004 on securitisation (the “Securitisation Law”).

The registered office of the Company is established at 51, avenue John F. Kennedy, L-1855 Luxembourg.

The Company’s financial year starts on 1 January and ends on 31 December (with the exception of the first year, which began on the date of the incorporation of the Company on 25 October 2013 and ended on 31 December 2013).

The Company is a securitisation company within the meaning of the law of 22 March 2004 on securitisation and has as its corporate purpose the holding of investments in a portfolio of debt securities.

Summary of activities

The total carrying value of loan notes issued and outstanding as at 31 December 2019 amounted to USD 181,471,753 (2018: 201,016,831 USD).

Risk exposures

The principal risks facing the Company during the year relate to the financial instruments held by it and the Company expects the nature of these risks to remain the same for the foreseeable future.

Price risk

The investments purchased by the Company are subject to changes in value due to changes in market prices. Due to the limited recourse nature of the debt securities issued all price risk is ultimately borne by the note holders.

Credit risk

The Company is exposed to the risk of default on the portfolio of debt securities held. Due to the limited recourse nature of the debt securities issued all credit risk is ultimately borne by the note holders.

Liquidity risk and cash flow risk

The notes issued by the Company are limited recourse. Due to the limited recourse nature of the debt securities issued all liquidity and cash flow risks are ultimately borne by the note holders.

Interest rate risk

The investments purchased by the Company are subject to changes in value and income from them varies in line with changes in interest rates. Due to the limited recourse nature of the debt securities issued all interest rate risks are ultimately borne by the note holders.

Research and development activities

The Company was neither involved nor participated in any kind of research or development activities in the year ended 31 December 2019.

Branches of the Company

The Company does not have any branches.

Subsequent events

The current outbreak of coronavirus COVID-19 has the potential to adversely impact the economies in which the Company invests. Depending on the industry sector, the company’s portfolio investments are expected to see varying impacts on revenues, liquidity, the workforce and supply chains. The Company is in constant discussions with investee entities to trigger contingency planning and ensure the reliance of the infrastructure providing essential public services. The Company will also have to assess the future impact on estimated fair values and any risks of impairment. As the extreme measures taken by European countries have only recently come into effect, the situation is still in flux and the final impact will take time to determine.

Multi-Strat S.à r.l.

MANAGEMENT REPORT (CONTINUED)

Subsequent events (continued)

In April 2020 the Board of directors approved a redemption of \$11,750,000 which took place on 18 February 2020.

No other events have occurred subsequent to the year-end which would have material impact on the annual accounts for the year ended 31 December 2019.

Corporate Governance Statement

Risk Management

The Board has overall responsibility for the Company's system of internal control and risk management. The Company has an embedded risk management and reporting process which ensures that risks are identified, assessed and mitigated at an executive level and reported to the Board.

Changes in both external and internal environments are reviewed during the year to ensure their impacts on the Company's risk profile.

The Company outsources the performance of all of its operations to third party service providers. The Board exercises oversight with respect to the performance by these service providers of their contractual duties.

Internal control

The Board has overall responsibility for the Company's system of internal control and for reviewing its effectiveness. The system of internal control is designed to manage, rather than eliminate, risk of failure to achieve business objectives and can only provide reasonable and not absolute assurance against material misstatement or loss.

The Company's investment activity is managed by the Servicer. The Servicer has put in place the necessary controls to ensure that their obligations under the servicer agreement are properly discharged. The servicer provides a monthly report on which the calculation agent performs certain calculation checks.

The Company has outsourced the preparation of the annual financial statements to the corporate administrator. The corporate administrator controls this process through segregation of duties and the employment of suitably qualified personnel. The Board reviews and discusses the financial statements presented to them by the corporate administrator. Once satisfied the Board approves the financial statements.

The effectiveness of the system of internal control and risk management process is reviewed annually by the Board.

Luxembourg,

Board of Managers

To the Shareholders of
Multi-Strat S.à r.l.
51, Avenue John F. Kennedy
L-1855 Luxembourg

REPORT OF THE REVISEUR D'ENTREPRISES AGREE

Report on the audit of the annual accounts

Opinion

We have audited the annual accounts of Multi-Strat S.à r.l. (the "Company"), which comprise the balance sheet as at 31 December 2019, and the profit and loss account for the year then ended, and notes to the annual accounts, including a summary of significant accounting policies.

In our opinion, the accompanying annual accounts give a true and fair view of the financial position of the Company as at 31 December 2019, and of the results of its operations for the year then ended in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the annual accounts.

Basis for Opinion

We conducted our audit in accordance with the Law of 23 July 2016 on the audit profession ("Law of 23 July 2016") and with International Standards on Auditing ("ISAs") as adopted for Luxembourg by the "Commission de Surveillance du Secteur Financier" ("CSSF"). Our responsibilities under the Law of 23 July 2016 and ISAs are further described in the « Responsibilities of "Réviseur d'Entreprises agréé" for the audit of the annual accounts » section of our report. We are also independent of the Company 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 annual accounts, 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.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the annual accounts of the current period. These matters were addressed in the context of the audit of the annual accounts as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Valuation of investments (financial assets – other loans)

Refer to Note 3A to the annual accounts

| a. Why the matter was considered to be one of the most significant in our audit of the annual accounts of the current period | b. How the matter was addressed in our audit |
|--|--|
| <p>The fair value of investments held by the Company in financial assets – other loans represented 93% of its total assets as at 31 December 2019.</p> <p>These investments are illiquid by nature, therefore significant judgements and estimates are required to be applied by the Board of Managers in its assessment of their fair value. Inappropriate judgements made in relation to the methodology and inputs used or the assumptions taken may have a material impact on the valuation of the investment portfolio.</p> | <p>Our procedures over the valuation of the Company's investments in financial assets – other loans included, but were not limited to:</p> <p>) We inspected the valuation workings and pricing committee minutes received from management and assessed the accuracy of the fair value calculations by:</p> <ul style="list-style-type: none"> ○ agreeing the number/nominal amount of investment positions to custodian confirmations, ○ agreeing the pricing of the securities to independent pricing sources and relevant corroborative supporting documents, and ○ reperforming the calculation of the investment valuations. |

Responsibilities of the Board of Managers of the Company and Those Charged with Governance for the annual accounts

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

In preparing the annual accounts, the Board of Managers of the Company is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Managers of the Company either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Responsibilities of the Réviseur d'Entreprises agréé for the audit of the annual accounts

The objectives of our audit are to obtain reasonable assurance about whether the annual accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue a report of “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 23 July 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 annual accounts.

As part of an audit in accordance with the Law of 23 July 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 annual accounts, 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Managers of the Company.
- Conclude on the appropriateness of Board of Managers of the Company 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 report of the “Réviseur d'Entreprises agréé” to the related disclosures in the annual accounts 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 report of the “Réviseur d'Entreprises agréé”. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual accounts, including the disclosures, and whether the annual accounts represent the underlying transactions and events in a manner that achieves fair presentation.

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.



We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on other legal and regulatory requirements

The management report is consistent with the annual accounts and has been prepared in accordance with the applicable legal requirements.

Luxembourg, 28 April 2020

KPMG Luxembourg
Société coopérative
Cabinet de révision agréé

A handwritten signature in blue ink, appearing to read 'T. Ramphul'.

T. Ramphul
Associate Partner

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on other legal and regulatory requirements

The management report is consistent with the annual accounts and has been prepared in accordance with the applicable legal requirements.

Luxembourg, 28 April 2020

KPMG Luxembourg
Société coopérative
Cabinet de révision agréé

T. Ramphul
Associate Partner

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RCSL Nr. : B181841

Matricule : 2013 2452 459

eCDF entry date :

BALANCE SHEET

Financial year from ⁰¹ 01/01/2019 **to** ⁰² 31/12/2019 (in ⁰³ USD)

Multi Strat S.à r.l.

51, avenue John F. Kennedy
L-1855 Luxembourg

ASSETS

| | Reference(s) | Current year | Previous year |
|--|---------------------|---------------------------------|---------------------------------|
| A. Subscribed capital unpaid | | | |
| I. Subscribed capital not called | 1101 _____ | 101 _____ | 102 _____ |
| II. Subscribed capital called but unpaid | 1103 _____ | 103 _____ | 104 _____ |
| | 1105 _____ | 105 _____ | 106 _____ |
| B. Formation expenses | 1107 _____ | 107 _____ | 108 _____ |
| C. Fixed assets | 1109 _____ <u>3</u> | 109 _____ <u>172.703.894,00</u> | 110 _____ <u>189.209.627,00</u> |
| I. Intangible assets | 1111 _____ | 111 _____ | 112 _____ |
| 1. Costs of development | 1113 _____ | 113 _____ | 114 _____ |
| 2. Concessions, patents, licences, trade marks and similar rights and assets, if they were | 1115 _____ | 115 _____ | 116 _____ |
| a) acquired for valuable consideration and need not be shown under C.I.3 | 1117 _____ | 117 _____ | 118 _____ |
| b) created by the undertaking itself | 1119 _____ | 119 _____ | 120 _____ |
| 3. Goodwill, to the extent that it was acquired for valuable consideration | 1121 _____ | 121 _____ | 122 _____ |
| 4. Payments on account and intangible assets under development | 1123 _____ | 123 _____ | 124 _____ |
| II. Tangible assets | 1125 _____ | 125 _____ | 126 _____ |
| 1. Land and buildings | 1127 _____ | 127 _____ | 128 _____ |
| 2. Plant and machinery | 1129 _____ | 129 _____ | 130 _____ |

The notes in the annex form an integral part of the annual accounts

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Matricule: 2013 2452 467

| | Reference(s) | Current year | Previous year |
|---|-----------------------|---------------------------|---------------------------|
| 3. Other fixtures and fittings, tools and equipment | 1131 _____ | 131 _____ | 132 _____ |
| 4. Payments on account and tangible assets in the course of construction | 1133 _____ | 133 _____ | 134 _____ |
| III. Financial assets | 1135 _____ 3 | 135 <u>172.703.894,00</u> | 136 <u>189.209.627,00</u> |
| 1. Shares in affiliated undertakings | 1137 _____ | 137 _____ | 138 _____ |
| 2. Loans to affiliated undertakings | 1139 _____ | 139 _____ | 140 _____ |
| 3. Participating interests | 1141 _____ | 141 _____ | 142 _____ |
| 4. Loans to undertakings with which the undertaking is linked by virtue of participating interests | 1143 _____ | 143 _____ | 144 _____ |
| 5. Investments held as fixed assets | 1145 _____ 3B | 145 _____ - | 146 <u>64.610,00</u> |
| 6. Other loans | 1147 _____ 3A | 147 <u>172.703.894,00</u> | 148 <u>189.145.017,00</u> |
| D. Current assets | 1151 _____ 4 | 151 <u>12.056.523,00</u> | 152 <u>19.892.323,00</u> |
| I. Stocks | 1153 _____ | 153 _____ | 154 _____ |
| 1. Raw materials and consumables | 1155 _____ | 155 _____ | 156 _____ |
| 2. Work in progress | 1157 _____ | 157 _____ | 158 _____ |
| 3. Finished goods and goods for resale | 1159 _____ | 159 _____ | 160 _____ |
| 4. Payments on account | 1161 _____ | 161 _____ | 162 _____ |
| II. Debtors | 1163 _____ 4.1 | 163 <u>1.567.242,00</u> | 164 <u>1.601.876,00</u> |
| 1. Trade debtors | 1165 _____ | 165 _____ | 166 _____ |
| a) becoming due and payable within one year | 1167 _____ | 167 _____ | 168 _____ |
| b) becoming due and payable after more than one year | 1169 _____ | 169 _____ | 170 _____ |
| 2. Amounts owed by affiliated undertakings | 1171 _____ | 171 _____ | 172 _____ |
| a) becoming due and payable within one year | 1173 _____ | 173 _____ | 174 _____ |
| b) becoming due and payable after more than one year | 1175 _____ | 175 _____ | 176 _____ |
| 3. Amounts owed by undertakings with which the undertaking is linked by virtue of participating interests | 1177 _____ | 177 _____ | 178 _____ |
| a) becoming due and payable within one year | 1179 _____ | 179 _____ | 180 _____ |
| b) becoming due and payable after more than one year | 1181 _____ | 181 _____ | 182 _____ |
| 4. Other debtors | 1183 _____ 4.1 | 183 <u>1.567.242,00</u> | 184 <u>1.601.876,00</u> |
| a) becoming due and payable within one year | 1185 _____ 4.1 | 185 <u>1.567.242,00</u> | 186 <u>1.601.876,00</u> |
| b) becoming due and payable after more than one year | 1187 _____ | 187 _____ | 188 _____ |

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E. Prepayments

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The notes in the annex form an integral part of the annual accounts

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CAPITAL, RESERVES AND LIABILITIES


| | Reference(s) | Current year | Previous year |
|---|----------------|---------------------------|---------------------------|
| A. Capital and reserves | 1301 <u>5</u> | 301 <u>24.594,00</u> | 302 <u>24.594,00</u> |
| I. Subscribed capital | 1303 <u>5</u> | 303 <u>20.000,00</u> | 304 <u>20.000,00</u> |
| II. Share premium account | 1305 _____ | 305 _____ | 306 _____ |
| III. Revaluation reserve | 1307 _____ | 307 _____ | 308 _____ |
| IV. Reserves | 1309 <u>6</u> | 309 <u>460,00</u> | 310 <u>345,00</u> |
| 1. Legal reserve | 1311 <u>6</u> | 311 <u>460,00</u> | 312 <u>345,00</u> |
| 2. Reserve for own shares | 1313 _____ | 313 _____ | 314 _____ |
| 3. Reserves provided for by the articles of association | 1315 _____ | 315 _____ | 316 _____ |
| 4. Other reserves, including the fair value reserve | 1429 _____ | 429 _____ | 430 _____ |
| a) other available reserves | 1431 _____ | 431 _____ | 432 _____ |
| b) other non available reserves | 1433 _____ | 433 _____ | 434 _____ |
| V. Profit or loss brought forward | 1319 <u>5</u> | 319 <u>4.134,00</u> | 320 <u>4.249,00</u> |
| VI. Profit or loss for the financial year | 1321 _____ | 321 _____ | 322 _____ |
| VII. Interim dividends | 1323 _____ | 323 _____ | 324 _____ |
| VIII. Capital investment subsidies | 1325 _____ | 325 _____ | 326 _____ |
| B. Provisions | 1331 _____ | 331 <u>6.420,00</u> | 332 <u>6.420,00</u> |
| 1. Provisions for pensions and similar obligations | 1333 _____ | 333 _____ | 334 _____ |
| 2. Provisions for taxation | 1335 _____ | 335 <u>6.420,00</u> | 336 <u>6.420,00</u> |
| 3. Other provisions | 1337 _____ | 337 _____ | 338 _____ |
| C. Creditors | 1435 _____ | 435 <u>184.729.403,00</u> | 436 <u>209.070.936,00</u> |
| 1. Debenture loans | 1437 <u>7A</u> | 437 <u>181.471.753,00</u> | 438 <u>201.016.831,00</u> |
| a) Convertible loans | 1439 _____ | 439 _____ | 440 _____ |
| i) becoming due and payable within one year | 1441 _____ | 441 _____ | 442 _____ |
| ii) becoming due and payable after more than one year | 1443 _____ | 443 _____ | 444 _____ |
| b) Non convertible loans | 1445 <u>7A</u> | 445 <u>181.471.753,00</u> | 446 <u>201.016.831,00</u> |
| i) becoming due and payable within one year | 1447 _____ | 447 _____ | 448 _____ |
| ii) becoming due and payable after more than one year | 1449 <u>7A</u> | 449 <u>181.471.753,00</u> | 450 <u>201.016.831,00</u> |
| 2. Amounts owed to credit institutions | 1355 <u>7C</u> | 355 <u>1.264.519,00</u> | 356 <u>427.933,00</u> |
| a) becoming due and payable within one year | 1357 <u>7C</u> | 357 <u>1.264.519,00</u> | 358 <u>427.933,00</u> |
| b) becoming due and payable after more than one year | 1359 _____ | 359 _____ | 360 _____ |


The notes in the annex form an integral part of the annual accounts

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Matricule: 2013 2452 467

| | Reference(s) | Current year | Previous year |
|--|----------------------|---------------------------------|---------------------------------|
| 3. Payments received on account of orders in so far as they are not shown separately as deductions from stocks | 1361 _____ | 361 _____ | 362 _____ |
| a) becoming due and payable within one year | 1363 _____ | 363 _____ | 364 _____ |
| b) becoming due and payable after more than one year | 1365 _____ | 365 _____ | 366 _____ |
| 4. Trade creditors | 1367 _____ | 367 _____ | 368 _____ |
| a) becoming due and payable within one year | 1369 _____ | 369 _____ | 370 _____ |
| b) becoming due and payable after more than one year | 1371 _____ | 371 _____ | 372 _____ |
| 5. Bills of exchange payable | 1373 _____ | 373 _____ | 374 _____ |
| a) becoming due and payable within one year | 1375 _____ | 375 _____ | 376 _____ |
| b) becoming due and payable after more than one year | 1377 _____ | 377 _____ | 378 _____ |
| 6. Amounts owed to affiliated undertakings | 1379 _____ | 379 _____ | 380 _____ |
| a) becoming due and payable within one year | 1381 _____ | 381 _____ | 382 _____ |
| b) becoming due and payable after more than one year | 1383 _____ | 383 _____ | 384 _____ |
| 7. Amounts owed to undertakings with which the undertaking is linked by virtue of participating interests | 1385 _____ | 385 _____ | 386 _____ |
| a) becoming due and payable within one year | 1387 _____ | 387 _____ | 388 _____ |
| b) becoming due and payable after more than one year | 1389 _____ | 389 _____ | 390 _____ |
| 8. Other creditors | 1451 _____ 7B | 451 _____ 1.993.131,00 | 452 _____ 7.626.172,00 |
| a) Tax authorities | 1393 _____ | 393 _____ | 394 _____ |
| b) Social security authorities | 1395 _____ | 395 _____ | 396 _____ |
| c) Other creditors | 1397 _____ 7B | 397 _____ 1.993.131,00 | 398 _____ 7.626.172,00 |
| i) becoming due and payable within one year | 1399 _____ 7B | 399 _____ 1.993.131,00 | 400 _____ 7.626.172,00 |
| ii) becoming due and payable after more than one year | 1401 _____ | 401 _____ | 402 _____ |
| D. Deferred income | 1403 _____ | 403 _____ | 404 _____ |
| TOTAL (CAPITAL, RESERVES AND LIABILITIES) | | 405 _____ 184.760.417,00 | 406 _____ 209.101.950,00 |

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Annual Accounts Helpdesk :**Tel. : (+352) 247 88 494****Email : centralebilans@statec.etat.lu**

RCSL Nr. : B181841

Matricule : 2013 2452 459

eCDF entry date :

PROFIT AND LOSS ACCOUNT**Financial year from** ₀₁ 01/01/2019 **to** ₀₂ 31/12/2019 (in ₀₃ USD)

Multi Strat S.à r.l.

51, avenue John F. Kennedy
L-1855 Luxembourg**PROFIT AND LOSS ACCOUNT**


| | Reference(s) | Current year | Previous year |
|--|---------------------|------------------------------|------------------------------|
| 1. Net turnover | 1701 _____ | 701 _____ | 702 _____ |
| 2. Variation in stocks of finished goods and in work in progress | 1703 _____ | 703 _____ | 704 _____ |
| 3. Work performed by the undertaking for its own purposes and capitalised | 1705 _____ | 705 _____ | 706 _____ |
| 4. Other operating income | 1713 _____ | 713 _____ | 714 _____ |
| 5. Raw materials and consumables and other external expenses | 1671 _____ <u>8</u> | 671 _____ <u>-477.040,00</u> | 672 _____ <u>-682.975,00</u> |
| a) Raw materials and consumables | 1601 _____ | 601 _____ | 602 _____ |
| b) Other external expenses | 1603 _____ <u>8</u> | 603 _____ <u>-477.040,00</u> | 604 _____ <u>-682.975,00</u> |
| 6. Staff costs | 1605 _____ | 605 _____ | 606 _____ |
| a) Wages and salaries | 1607 _____ | 607 _____ | 608 _____ |
| b) Social security costs | 1609 _____ | 609 _____ | 610 _____ |
| i) relating to pensions | 1653 _____ | 653 _____ | 654 _____ |
| ii) other social security costs | 1655 _____ | 655 _____ | 656 _____ |
| c) Other staff costs | 1613 _____ | 613 _____ | 614 _____ |
| 7. Value adjustments | 1657 _____ | 657 _____ | 658 _____ |
| a) in respect of formation expenses and of tangible and intangible fixed assets | 1659 _____ | 659 _____ | 660 _____ |
| b) in respect of current assets | 1661 _____ | 661 _____ | 662 _____ |
| 8. Other operating expenses | 1621 _____ | 621 _____ | 622 _____ |


The notes in the annex form an integral part of the annual accounts

RCSL Nr. : B181842

Matricule : 2013 2452 467

| | Reference(s) | Current year | Previous year |
|---|----------------------|---------------------------------|---------------------------------|
| 9. Income from participating interests | 1715 _____ | 715 _____ | 716 _____ |
| a) derived from affiliated undertakings | 1717 _____ | 717 _____ | 718 _____ |
| b) other income from participating interests | 1719 _____ | 719 _____ | 720 _____ |
| 10. Income from other investments and loans forming part of the fixed assets | 1721 _____ | 721 _____ | 722 _____ |
| a) derived from affiliated undertakings | 1723 _____ | 723 _____ | 724 _____ |
| b) other income not included under a) | 1725 _____ | 725 _____ | 726 _____ |
| 11. Other interest receivable and similar income | 1727 _____ <u>10</u> | 727 _____ <u>24.507.046,00</u> | 728 _____ <u>27.462.839,00</u> |
| a) derived from affiliated undertakings | 1729 _____ | 729 _____ | 730 _____ |
| b) other interest and similar income | 1731 _____ <u>10</u> | 731 _____ <u>24.507.046,00</u> | 732 _____ <u>27.462.839,00</u> |
| 12. Share of profit or loss of undertakings accounted for under the equity method | 1663 _____ | 663 _____ | 664 _____ |
| 13. Value adjustments in respect of financial assets and of investments held as current assets | 1665 _____ <u>3</u> | 665 _____ <u>-10.721.453,00</u> | 666 _____ <u>-16.197.743,00</u> |
| 14. Interest payable and similar expenses | 1627 _____ | 627 _____ <u>-13.308.553,00</u> | 628 _____ <u>-10.582.121,00</u> |
| a) concerning affiliated undertakings | 1629 _____ <u>9</u> | 629 _____ | 630 _____ |
| b) other interest and similar expenses | 1631 _____ <u>9</u> | 631 _____ <u>-13.308.553,00</u> | 632 _____ <u>-10.582.121,00</u> |
| 15. Tax on profit or loss | 1635 _____ | 635 _____ | 636 _____ |
| 16. Profit or loss after taxation | 1667 _____ | 667 _____ <u>-</u> | 668 _____ <u>-</u> |
| 17. Other taxes not shown under items 1 to 16 | 1637 _____ | 637 _____ | 638 _____ |
| 18. Profit or loss for the financial year | 1669 _____ | 669 _____ <u>-</u> | 670 _____ <u>-</u> |

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Multi-Strat S.à r.l.

NOTES TO THE ACCOUNTS YEAR ENDED 31 DECEMBER 2019

Note 1 – General information

Multi-Strat S.à r.l. (the “Company”) was incorporated on 25 October 2013 and organised under the laws of Luxembourg as a “société à responsabilité limitée” for an unlimited period and is subject to the Law of 22 March 2004 on securitisation (the “Securitisation Law”).

The registered office of the Company is established at 51, avenue John F. Kennedy, L-1855 Luxembourg. The Company number with Registre du Commerce is B 181841.

The Company’s parent Company is Alcentra Multi-Strategy European Credit Fund, series of the BNY Series Trust, a Delaware statutory trust who registered office is at One Wall Street, New York, NY 10286, USA.

The Company’s financial year starts on 1 January and ends on 31 December of each year (with the exception of the first year, which began on the date of the incorporation of the Company on 25 October 2013 and ended on 31 December 2013).

The Company is a securitisation company within the meaning of the law of 22 March 2004 on securitisation and has as its corporate purpose the holding of investments in a portfolio of loans.

On 21 December 2017, the sole shareholder has approved the change of the name from Alcentra MS S.à r.l. to Multi-Strat S.à r.l.

Note 2 – Basis of preparation and summary of significant accounting policies

2.1 Basis of Preparation

The annual accounts have been prepared in accordance with Luxembourg legal and regulatory requirements. Accounting policies and valuation rules are, besides the ones laid down by the Law of 19 December 2002 amended on 17 December 2010 (the “amended law”), determined and applied by the Board of Managers.

The preparation of annual accounts requires the use of certain critical accounting estimates. It also requires the Board of Managers to exercise its judgement in the process of applying the accounting policies. Changes in assumptions may have significant impact on the annual accounts in the period in which the assumptions changed. The Board of Managers believe that the underlying assumptions are appropriate and that the annual accounts therefore present the financial position and results fairly.

The Company makes estimates and assumptions that affect the reported amounts of assets and liabilities. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

2.2 Significant accounting policies

The main valuation rules applied by the Company are the following:

2.2.1 Financial fixed assets – Other loans held as fixed assets

Other loans held as fixed assets are recorded initially at their purchase price. Subsequent to initial recognition these financial fixed assets are valued at their fair values with changes in fair values through the profit and loss account.

The fair values are determined by the Board of Managers on the basis of independent broker quotes, data vendors, and estimates and associated assumptions based on historical experience and other factors that are believed to be reasonable under these circumstances, the result of which form the basis of making judgements about the fair value of the underlying investments. Actual results may differ from these estimates.

2.2.2 Cash at bank and in hand

Cash at bank and in hand comprise cash in hand, cash at bank, deposits held at call with banks.

2.2.3 Interest income and expense

Interest income is recorded on accrual basis. Interest expense is recorded on accrual basis.

Multi-Strat S.à r.l.

NOTES TO THE ACCOUNTS (Continued) YEAR ENDED 31 DECEMBER 2019

Note 2 – Summary of significant accounting policies (continued)

2.2 Significant accounting policies (continued)

2.2.4 Other debtors

Other debtors are recorded at their nominal value. They are subject to value adjustments where the recoverability is either uncertain or compromised at the closing date. These value adjustments are not continued if the reason for which the value adjustments were made has ceased to apply.

2.2.5 Provisions

Provisions are intended to cover losses or debts, the nature of which is clearly defined and which, at the date of the balance sheet, are either likely to be incurred or certain to be incurred but uncertain as to their amount or as to the date on which they will arise.

2.2.6 Non-convertible loans

Non-convertible loans are initially recorded at their nominal amount. Subsequent to initial recognition, these Non-convertible loans are valued at their fair values which represent the fair value of the net assets (assets less liabilities excluding the Non-convertible loans) of the Company as at the balance sheet date.

Movements in the carrying amount of the non-convertible loans may vary as a result of the performance of the underlying portfolio and the fair value adjustments. In order to reflect the fair value adjustment to the Non-convertible loans, a net loss or gain allocated to the Noteholders is recorded in the profit and loss account.

2.2.7 Foreign currency translation

Accounting records of the Company are kept in US Dollar (USD).

Transactions expressed in currencies other than US Dollar are translated into US Dollar at the exchange rate effective at the time of the transaction.

Assets and liabilities are translated at the exchange rate effective at the balance sheet date. Exchange losses and gains are recorded in the profit and loss account of the financial year.

2.2.8 Derivatives

Derivatives are valued at their fair value. Unrealised gains on derivatives as at the balance sheet date are recorded under 'Investments held as fixed assets'. Unrealised losses on derivatives as at the balance sheet date are recorded under 'Amounts owed to credit institutions'. Net realised gain or loss on derivatives is recorded in the profit and loss account under 'Other interest and other financial income' and 'Interest and other financial charges' respectively.

Multi-Strat S.à r.l.

NOTES TO THE ACCOUNTS (Continued) YEAR ENDED 31 DECEMBER 2019

Note 3 – Financial fixed assets

A. Other loans

| | 31 December 2019 USD | 31 December 2018 USD |
|---|-------------------------------------|-------------------------------------|
| Cost - opening balance | 205,492,945 | 188,363,246 |
| Additions during the year | 46,398,397 | 119,361,423 |
| Disposals during the year | (52,118,067) | (102,231,724) |
| Cost - closing balance | 199,773,275 | 205,492,945 |
| Accumulated value adjustment - opening balance | (16,347,928) | (150,185) |
| Fair value movement during the year | (10,721,453) | (16,197,743) |
| Accumulated value adjustment - Closing Balance | (27,069,381) | (16,347,928) |
| Net book value | 172,703,894 | 189,145,017 |

B. Investments held as fixed assets

Unrealised gains on forward contracts

| | 31 December 2019 USD | 31 December 2018 USD |
|---|---------------------------------|---------------------------------|
| Amount Bought USD 17,620,120 | | |
| Amount Sold GBP 13,760,000 | | |
| Maturity Date 10 January 2019 | | |
| | - | 64,610 |
| | - | 64,610 |

As at 31 December 2019, unrealised losses on open forward contracts amounted to USD 1,264,518 (2018: USD 427,933) and have been disclosed under 'Amounts owed to credit institutions'. Refer to Note 7C.

Note 4 – Current assets

4.1 *Other receivables*

The position consists of:

| | 31 December 2019 USD | 31 December 2018 USD |
|--|-------------------------------------|-------------------------------------|
| Interest receivable on financial fixed assets | 1,449,334 | 1,453,544 |
| Receivable for securities sold but not yet settled | 65,303 | 118,734 |
| Withholding tax receivable | 22,858 | 14,724 |
| Other receivables - interest | 29,747 | 14,874 |
| | 1,567,242 | 1,601,876 |

4.2 *Cash at bank*

The amount of **USD 5,043,526** (2018: **USD 8,394,234**) is held with The Bank of New York Mellon, London Branch and **USD 5,445,755** (2018: **USD 9,896,213**) with BNP Paribas, Luxembourg Branch.

Multi-Strat S.à r.l.

NOTES TO THE ACCOUNTS (Continued) YEAR ENDED TO 31 DECEMBER 2019

Note 5 – Subscribed capital

As at 31 December 2018 the subscribed capital amounts to USD 20,000 and is divided into 20,000 shares fully paid up with a nominal value per share of USD 1.

| | Subscribed capital | Legal reserve | Results brought forward | Results for the year | Total |
|----------------------------------|--------------------|---------------|-------------------------|----------------------|--------|
| | USD | USD | USD | USD | USD |
| As at 31 December 2017 | 20,000 | 230 | 4,364 | - | 24,594 |
| Issue of subscribed capital | - | - | - | - | - |
| Allocation to legal reserve | - | 115 | (115) | - | - |
| Results for the financial year | - | - | - | - | - |
| As at 31 December 2018 | 20,000 | 345 | 4,249 | - | 24,594 |
| Allocation of prior year results | - | - | - | - | - |
| Allocation to legal reserve | - | 115 | (115) | - | - |
| Results for the financial year | - | - | - | - | - |
| As at 31 December 2019 | 20,000 | 460 | 4,134 | - | 24,594 |

Note 6 – Legal reserve

Luxembourg companies are required to allocate to a legal reserve a minimum of 5% of the annual net income, until this reserve equals 10% of the subscribed share capital. This reserve may not be distributed. A transfer of USD 115 to legal reserve is required in respect of the year ended 31 December 2019 (31 December 2018: USD 115).

Note 7 – Non-subordinated debts

A. Non-convertible loans

| | 31 December 2019 USD | 31 December 2018 USD |
|-------------------------------------|-------------------------|-------------------------|
| Notes at fair value | 181,471,753 | 201,016,831 |
| Fair value as at 31 December | 181,471,753 | 201,016,831 |

The Company (the “issuer”) issued the Loan notes in accordance with the Subscription note agreement entered into on 16 December 2013 with Alcentra Multi-Strategy European Credit Fund (formerly: Clareant Multi-Strategy European Credit Fund, (the “subscriber” or “noteholder”). The notes are issued in USD and bear a variable interest rate (2%+LIBOR).

As per clause 5.3 of the Subscription note agreement, the interest adjustment relate to the below:

- (i) the Subscriber shall determine in good faith whether the Interest paid (or to be paid) by the Issuer during the three month period ending on (and including) such date, is less than or greater than an amount (the "Target Amount") which is consistent with the profits of the accounts of the Issuer for the relevant Financial Year being equal to the Commercial Margin and the Subscriber's determination shall be binding in the absence of manifest error.
- (ii) If the aggregate Interest referred to above is (less)/greater than the Target Amount (i.e. the profit for the year), the issuer/subscriber shall pay to the subscriber/issuer an amount equal to the shortfall/excess, as applicable

Per Subscription Note Agreement between the Company and the subscriber, the final repayment date of the Loan notes is 12 months after the liquidation of the subscriber. There were no additional Loan notes issued during the year ended 31 December 2019 (2018: Nil). There were redemptions on 11 April 2019 of USD 2,670,000, 27 June 2019 of USD 550,000 and 5 November 2019 of USD 15,400,000 (2018: USD 22,000,000 in total). The nominal value of the notes issued as at 31 December amounted to USD 155,460,000 (2018: USD 174,080,000).

Multi-Strat S.à r.l.**NOTES TO THE ACCOUNTS (Continued)
YEAR ENDED TO 31 DECEMBER 2019****Note 7 – Non-subordinated debts (continued)****B. Other creditors**

Other creditors include the following:

| | 31 December 2019 USD | 31 December 2018 USD |
|--|-------------------------------------|-------------------------------------|
| Other creditors | 909,778 | 447,812 |
| Payable for securities purchased but not yet settled | 1,083,353 | 7,178,360 |
| | <u>1,993,131</u> | <u>7,626,172</u> |

C. Amounts owed to credit institutions

Amounts owed to credit institutions include the following:

Unrealised losses on forward contracts

| Amount Bought | Amount Sold | Maturity Date | 31 December 2019 USD | 31 December 2018 USD |
|----------------------|--------------------|----------------------|---------------------------------|---------------------------------|
| USD 136,870,912 | EUR 119,665,000 | 10 January 2019 | - | 427,933 |
| USD 134,058,702 | EUR 120,240,000 | 21 January 2020 | 1,087,698 | - |
| USD 16,293,250 | GBP 12,425,000 | 21 January 2020 | 176,820 | |
| | | | <u>1,264,518</u> | <u>427,933</u> |

Note 8 – Other external charges

| | 31 December 2019 USD | 31 December 2018 USD |
|----------------------|-------------------------------------|-------------------------------------|
| Administration fees | 128,489 | 108,575 |
| Audit fees | 50,243 | 43,058 |
| Directors fees | - | 5,879 |
| Tax fees | - | 23,989 |
| Tax services | 3,947 | 29,259 |
| Legal and other fees | 294,361 | 472,215 |
| | <u>477,040</u> | <u>682,975</u> |

Multi-Strat S.à r.l.**NOTES TO THE ACCOUNTS (Continued)
YEAR ENDED TO 31 DECEMBER 2019****Note 9 – Interest and other financial charges**

| | 31 December 2019 USD | 31 December 2018 USD |
|---|-------------------------------------|-------------------------------------|
| Interest paid | 7,709,627 | 7,470,731 |
| Unrealised loss on derivatives | 901,197 | - |
| Realised losses on investments | 4,697,729 | - |
| Foreign exchange movement on committed trades | - | - |
| Net foreign exchange movement on cash | - | 186,300 |
| Net gain allocated to noteholder | - | 2,925,090 |
| | <u>13,308,553</u> | <u>10,582,121</u> |

Note 10 – Other interest and other financial income

| | 31 December 2019 USD | 31 December 2018 USD |
|--|-------------------------------------|-------------------------------------|
| Interest income | 15,986,507 | 15,075,831 |
| Net foreign exchange movements on cash | 147,987 | - |
| Foreign exchange movements on committed trades | 225,764 | 456,525 |
| Realised gains on investments | - | 1,192,817 |
| Unrealised gains on derivatives | - | 2,684,378 |
| Realised gains on derivatives | 7,221,710 | 8,053,288 |
| Net loss allocated to noteholder | 925,078 | - |
| | <u>24,507,046</u> | <u>27,462,839</u> |

Note 11 - Taxation

The Company is subject to all taxes applicable to commercial companies in Luxembourg. Pursuant to the provision of the law of 22 March 2004, the commitments to remunerate investors and other creditors are fully deductible.

Note 12 – Commitments and Contingencies

As at 31 December 2019, the Company did not have any commitments and contingencies.

Note 13 – Employees

As at 31 December 2019, the Company did not employ any personnel and consequently, no payment for wages, salaries or social securities were made.

Note 14 – Subsequent events

The current outbreak of coronavirus COVID-19 has the potential to adversely impact the economies in which the Company invests. Depending on the industry sector, the company's portfolio investments are expected to see varying impacts on revenues, liquidity, the workforce and supply chains. The Company is in constant discussions with investee entities to trigger contingency planning and ensure the reliance of the infrastructure providing essential public services. The Company will also have to assess the future impact on estimated fair values and any risks of impairment. As the extreme measures taken by European countries have only recently come into effect, the situation is still in flux and the final impact will take time to determine.

In April 2020 the Board of directors approved a redemption of \$11,750,000 which took place on 18 February 2020.

No other events have occurred subsequent to the year end which would have material impact on the annual accounts for the year ended 31 December 2019.

Multi-Strat S.à r.l.

NOTES TO THE ACCOUNTS (Continued) YEAR ENDED TO 31 DECEMBER 2019

Note 15 – Related party transactions

During the year ended 31 December 2019, Alexandra Fantuz and Rolf Caspers resigned from their duties as managers of the Company. The appointed managers of the Company are San-Marie Greeff who is also director of Sanne Group (Luxembourg) S.A., which provides administration services to the Company and Simon Barnes who is an independent director. There were fees of \$6,825 (2018:\$18,891) paid to Sanne Group for administration services during year ended 31 December 2019. There were no fees paid to the Managers during the year ended 31 December 2019. During the year ended 31 December 2019, fees paid to Intabulis SCSp amounted to \$6,088 (2018:\$5,879) for management services. Jens Hoellermann, who is one of the managers of the Company, is the Managing Partner of Intabulis SCSp.

Alcentra Limited is the investment manager and investment advisor of the Company. There were no fees paid to Alcentra Limited during the year ended 31 December 2019 and 2018.