

**Multi-Strat S.à r.l.**

**ANNUAL AUDITED ACCOUNTS FOR YEAR ENDED  
31 DECEMBER 2020**

**5, Heienhaff L  
L – 1736 Senningerberg  
R.C.S. Luxembourg: B 181841**

# **Multi-Strat S.à r.l.**

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# 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 2020.

### 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 5, Heienhaff L – 1736 Senningerberg (previously 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 2020 amounted to USD 151,078,870 (2019: USD 181,471,753).

### 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 2020.

### Branches of the Company

The Company does not have any branches.

### Repurchase of shares

The Company did not repurchase any of its own shares during the year from incorporation to 31 December 2020 (2019: EUR nil).

## MANAGEMENT REPORT (CONTINUED)

### Events during the year

On 31 December 2019, the World Health Organisation (“WHO”) was notified of an outbreak of coronavirus (“COVID-19”) in China. The virus has spread across other countries including the UK. This has led to an increased level of uncertainty in the financial markets which has triggered volatility in interest rates, foreign exchange rates, equity prices and materialised credit risks among others. Initially the sell-off following the spread of Covid-19 was broad based, across a wide variety of sectors. However, defensive sectors such as utilities, healthcare, grocery retail and telecoms recovered relatively quickly, leaving behind sectors directly impacted by the pandemic such as oil and gas, leisure/gaming, non-grocery retail and consumer durables. Alcentra Limited (the “Portfolio Manager”) looks across sectors when assessing opportunities and have been able to construct a well-diversified portfolio of mainly stressed investments. Thus far, the Portfolio Manager has remained cautious on heavily affected sectors which come with uncertainties that are difficult to quantify e.g. the likelihood of regulatory changes or support or direct commodity price risk. The European credit market has continued to grind tighter on stressed names, especially following the developments around a vaccine. The Portfolio Manager has deployed capital at a solid pace in the 2nd vintage closed-ended fund and have been active on the asset management side, playing a leading role in restructuring processes. The portfolio companies benefitted from the improving economic environment and because of improving liquidity, some of the anticipated liquidity needs did not materialise. Special Situations strategy is focused on downside protection through strong asset coverage, solid cash flows and other fundamental factors. The Portfolio Manager also primarily invested in first ranking senior secured debt in jurisdictions with strong creditor rights i.e. mainly in Western and Northern Europe. The Portfolio Manager monitors the assets closely with risk assessments on a weekly, monthly and quarterly basis. The Portfolio Manager is able to track each individual investment very closely, including frequent interaction with management and the board.

### Subsequent events

In February 2021 San-Marie Greff resigned as manager of the Company and Joerg Oster was appointed as manager of the Company.

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 2020.

## 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.

## **Multi-Strat S.à r.l.**

### **MANAGEMENT REPORT (CONTINUED)**

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

Luxembourg, 20 April 2021

Board of Managers



**KPMG Luxembourg, Société coopérative**  
39, Avenue John F. Kennedy  
L-1855 Luxembourg

Tel.: +352 22 51 51 1  
Fax: +352 22 51 71  
E-mail: [info@kpmg.lu](mailto:info@kpmg.lu)  
Internet: [www.kpmg.lu](http://www.kpmg.lu)

To the Shareholder of  
Multi-Strat S.à r.l.  
51, avenue John F Kennedy  
L-1855 Luxembourg  
Grand Duchy of 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 2020, 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 2020 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 as adopted for Luxembourg by the CSSF 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 Code of Ethics for Professional Accountants, including International Independence Standards, issued by the International Ethics Standards Board for 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.

#### ***Emphasis of Matter***

We draw attention to Note 3 of the annual accounts, which describes errors pertaining to restructuring transactions that occurred in the prior years which had not been recorded in the annual accounts of the prior years. The errors were corrected in the accompanying annual accounts for the year ended 31 December 2020 and the comparative information has not been restated. Our opinion is modified in respect of this matter.



### **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 2.2 and 3A to the annual accounts

<i>a. Why the matter was considered to be one of the most significance in our audit of the annual accounts of the current period</i>	<i>b. How the matter was addressed in our audit</i>
<p>The fair value of investments held by the Company in financial assets – Other Loans represented 89.31% of its total assets as at 31 December 2020.</p> <p>Investments include several types of instruments (such as shares, bonds , structured credits, special situation assets). The valuation of investments is considered to be a key audit matter due to the significance of the balance and significant judgements to the annual accounts as a whole.</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> <ul style="list-style-type: none"> <li>— We inspected the valuation workings and pricing committee minutes received from management and assessed the accuracy of the fair value calculations by:</li> <li>— agreeing the number/nominal amount of investment positions to external confirmations,</li> <li>— agreeing the pricing of the securities to independent pricing sources and relevant corroborative supporting documents, and</li> <li>— reperforming the calculation of the investment valuations.</li> </ul>

### **Other information**

The Board of Managers is responsible for the other information. The other information comprises the information stated in the annual report including the management report but does not include the annual accounts and our report of the “réviseur d’entreprises agréé” thereon.

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



In connection with our audit of the annual accounts, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the annual accounts 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.

### ***Responsibilities of the Board of Managers for the annual accounts***

The Board of Managers is responsible for the preparation and fair presentation of the 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 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 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 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 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 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.





- Conclude on the appropriateness of Board of Managers' 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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the annual accounts of the current period and are therefore the key audit matters. We describe these matters in our report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### ***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 2021

KPMG Luxembourg  
Société coopérative  
Cabinet de révision agréé

V. Chan Yin  
Partner

1.

**Annual  
Accounts  
Helpdesk : Tel.  
: (+352) 247 88  
494**

Email : centralebilans@statec.etat.lu

RCSL Nr. : B181841

Matricule : 2013 2452 459

eCDF entry date :

**BALANCE SHEET**

**Financial year from** <sup>01</sup> 01/01/2020 **to** <sup>02</sup> 31/12/2020 (in <sup>03</sup> USD )

Multi Strat S.à r.l.

5, Heienhaff L - 1736  
Senningerberg

**ASSETS**

	Reference(s)	Current year	Previous year
<b>A. Subscribed capital unpaid</b>			
I. Subscribed capital not called	1101 _____	101 _____	102 _____
II. Subscribed capital called but unpaid	1103 _____	103 _____	104 _____
	1105 _____	105 _____	106 _____
<b>B. Formation expenses</b>	1107 _____	107 _____	108 _____
<b>C. Fixed assets</b>	1109 _____ <u>3</u>	109 _____ <u>137.698.445,00</u>	110 _____ <u>172.703.894,00</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 _____ <b>3</b>	135 <u>1 37.698.445,00</u>	136 <u>1 72.703.894,00</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 _____	145 _____	146 _____ -
6. Other loans	1147 _____ <b>3A</b>	147 <u>1 37.698.445,00</u>	148 <u>1 72.703.894,00</u>
<b>D. Current assets</b>	1151 _____ <b>5</b>	151 <u>1 6.467.381,00</u>	152 <u>12.056.523,00</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 _____ <b>5.1</b>	163 <u>6.252.562,00</u>	164 <u>1.567.242,00</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 _____ <b>5.1</b>	183 <u>6.252.562,00</u>	184 <u>1.567.242,00</u>
a) becoming due and payable within one year	1185 _____ <b>5.1</b>	185 <u>6.252.562,00</u>	186 <u>1.567.242,00</u>
b) becoming due and payable after more than one year	1187 _____	187 _____	188 _____

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Matricule: 2013 2452 467

	Reference(s)	Current year	Previous year
III. Investments	1189 _____	189 _____	190 _____
1. Shares in affiliated undertakings	1191 _____	191 _____	192 _____
2. Own shares	1209 _____	209 _____	210 _____
3. Other investments	1195 _____ <u>4</u>	195 _____ <u>77.442,00</u>	196 _____
IV. Cash at bank and in hand	1197 _____ <u>5.2</u>	197 _____ <u>10.137.377,00</u>	198 _____ <u>10.489.281,00</u>
<b>E. Prepayments</b>	1199 _____	199 _____	200 _____
<b>TOTAL (ASSETS)</b>		201 _____ <u>154.165.826,00</u>	202 _____ <u>184.760.417,00</u>

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Matricule: 2013 2452 467

**CAPITAL, RESERVES AND LIABILITIES**

	Reference(s)	Current year	Previous year
<b>A. Capital and reserves</b>	1301 <u>6</u>	301 <u>24.594,00</u>	302 <u>24.594,00</u>
I. Subscribed capital	1303 <u>6</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>460,00</u>
1. Legal reserve	1311 <u>6</u>	311 <u>460,00</u>	312 <u>460,00</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>6</u>	319 <u>4.134,00</u>	320 <u>4.134,00</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>B. Provisions</b>	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 _____
<b>C. Creditors</b>	1435 _____	435 <u>154.134.812,00</u>	436 <u>184.729.403,00</u>
1. Debenture loans	1437 <u>8A</u>	437 <u>151.078.870,00</u>	438 <u>181.471.753,00</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>8A</u>	445 <u>151.078.870,00</u>	446 <u>181.471.753,00</u>
i) becoming due and payable within one year	1447 _____	447 _____	448 _____
ii) becoming due and payable after more than one year	1449 <u>8A</u>	449 <u>151.078.870,00</u>	450 <u>181.471.753,00</u>
2. Amounts owed to credit institutions	1355 _____	355 _____	356 _____
a) becoming due and payable within one year	_____	357 _____	358 _____
b) becoming due and payable after more than one year	1357 _____	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 _____ <b>8B</b>	451 _____ <b>3.055.942,00</b>	452 _____ <b>3.257.650,00</b>
a) Tax authorities	1393 _____	393 _____	394 _____
b) Social security authorities	1395 _____	395 _____	396 _____
c) Other creditors	1397 _____ <b>8B</b>	397 _____ <b>3.055.942,00</b>	398 _____ <b>3.257.650,00</b>
i) becoming due and payable within one year	1399 _____ <b>8B</b>	399 _____ <b>3.055.942,00</b>	400 _____ <b>3.257.650,00</b>
ii) becoming due and payable after more than one year	1401 _____	401 _____	402 _____
<b>D. Deferred income</b>	1403 _____	403 _____	404 _____
<b>TOTAL (CAPITAL, RESERVES AND LIABILITIES)</b>		405 _____ <b>154.165.826,00</b>	406 _____ <b>184.760.417,00</b>

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 <sup>01</sup> 01/01/2020 to <sup>02</sup> 31/12/2020 (in <sup>03</sup> USD )

Multi Strat S.à r.l.  
5, Heienhaff L - 1736  
Senningerberg

**PROFIT AND LOSS ACCOUNT**

	Reference(s)	Current year	Previous year
<b>1. Net turnover</b>	1701 _____	701 _____	702 _____
<b>2. Variation in stocks of finished goods and in work in progress</b>	1703 _____	703 _____	704 _____
<b>3. Work performed by the undertaking for its own purposes and capitalised</b>	1705 _____	705 _____	706 _____
<b>4. Other operating income</b>	1713 _____	713 _____	714 _____
<b>5. Raw materials and consumables and other external expenses</b>	1671 _____ 9	671 _____ -557.404,00	672 _____ -477.040,00
a) Raw materials and consumables	1601 _____	601 _____	602 _____
b) Other external expenses	1603 _____ 9	603 _____ -557.404,00	604 _____ -477.040,00
<b>6. Staff costs</b>	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 _____
<b>7. Value adjustments</b>	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 _____
<b>8. Other operating expenses</b>	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
<b>9. Income from participating interests</b>	1715 _____	715 _____	716 _____
a) derived from affiliated undertakings	1717 _____	717 _____	718 _____
b) other income from participating interests	1719 _____	719 _____	720 _____
<b>10. Income from other investments and loans forming part of the fixed assets</b>	1721 _____ 12	721 _____ 26.489.437,00	722 _____ 15.986.507,00
a) derived from affiliated undertakings	1723 _____	723 _____	724 _____
b) other income not included under a)	1725 _____ 12	725 _____ 26.489.437,00	726 _____ 15.986.507,00
<b>11. Other interest receivable and similar income</b>	1727 _____ 13	727 _____ 3.492.883,00	728 _____ 8.520.539,00
a) derived from affiliated undertakings	1729 _____ 13	729 _____ 3.492.883,00	730 _____ 925.078,00
b) other interest and similar income	1731 _____ 13	731 _____ -	732 _____ 7.595.461,00
<b>12. Share of profit or loss of undertakings accounted for under the equity method</b>	1663 _____	663 _____	664 _____
<b>13. Value adjustments in respect of financial assets and of investments held as current assets</b>	1665 _____ 11	665 _____ -8.346.337,00	666 _____ -11.622.648,00
<b>14. Interest payable and similar expenses</b>	1627 _____ 10	627 _____ -21.078.579,00	628 _____ -12.407.356,00
a) concerning affiliated undertakings	1629 _____ 10	629 _____ -4.061.298,00	630 _____ -7.709.627,00
b) other interest and similar expenses	1631 _____ 10	631 _____ -17.017.281,00	632 _____ -4.497.729,00
<b>15. Tax on profit or loss</b>	1635 _____	635 _____	636 _____
<b>16. Profit or loss after taxation</b>	1667 _____	667 _____	668 _____
<b>17. Other taxes not shown under items 1 to 16</b>	1637 _____	637 _____	638 _____
<b>18. Profit or loss for the financial year</b>	1669 _____	669 _____	670 _____



## NOTES TO THE ACCOUNTS

### YEAR ENDED 31 DECEMBER 2020

#### 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 5, Heienhaff L – 1736 Senningerberg (previously 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 accounts are prepared on a going concern basis. The Board of managers of the Company has considered the impact of COVID-19 on the going concern of the Company.

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 include investments in Equities, Bonds, Structured credits and Special situation 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.

## **NOTES TO THE ACCOUNTS (CONTINUED)**

### **YEAR ENDED 31 DECEMBER 2020**

#### **Note 2 – Summary of significant accounting policies (continued)**

##### *2.2 Significant accounting policies (continued)*

###### *2.2.3 Interest income and expense*

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

###### *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 Derivates (Forward contracts)*

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

## NOTES TO THE ACCOUNTS (CONTINUED)

### YEAR ENDED 31 DECEMBER 2020

#### Note 3 – Financial fixed assets

##### A. Other loans

	31 December 2020 USD	31 December 2019 USD
Cost - opening balance	199,773,275	205,492,945
Additions during the year	29,010,720	46,398,397
Disposals during the year	(55,735,269)	(52,118,067)
<b>Cost - closing balance</b>	<b>173,048,726</b>	<b>199,773,275</b>
Accumulated value adjustment - opening balance	(27,069,381)	(16,347,928)
Fair value movement during the year	(8,280,900)	(10,721,453)
<b>Accumulated value adjustment - Closing Balance</b>	<b>(35,350,281)</b>	<b>(27,069,381)</b>
<b>Net book value</b>	<b>137,698,445</b>	<b>172,703,894</b>

During 2020, the Company discovered that, following restructuring of the asset that took place over the past years, the Cost of Investment and the PIK Interest had not been accounted correctly in the prior years' annual accounts. As a consequence, the Cost of investment and the amount of PIK Interest was understated by USD 5.3M. It was decided not to reissue prior years' annual accounts and to correct the errors in the current year by:

- increasing 'Other loans' and 'Income from other investments and loans forming part of the fixed assets' by EUR 5.3m;
- increasing 'other interest and similar expenses' by EUR 1.9m; and
- increasing 'Value adjustments in respect of financial assets and of investments held as current assets' by EUR 3.3m.

#### Note 4 – Other Investment

##### Unrealised gains on forward contracts

			31 December 2020 USD	31 December 2019 USD
<b>Amount Bought</b>	<b>Amount Sold</b>	<b>Maturity Date</b>		
EUR 6,700,000	USD 8,130,512	15 January 2021	70,281	-
GBP 190,000	USD 252,592	15 January 2021	7,161	-
			<b>77,442</b>	<b>-</b>

As at 31 December 2020, unrealised losses on open forward contracts amounted to USD 1,407,398 (2019: USD 1,264,518) and have been disclosed under Other creditors. Refer to Note 8B.

#### Note 5 – Current assets

##### 5.1 *Other receivables*

The position consists of:

	31 December 2020 USD	31 December 2019 USD
Interest receivable on financial fixed assets	874,726	1,449,334
Receivable for securities sold but not yet settled	4,072,185	65,303
Withholding tax receivable	35,904	22,858
Other receivables - interest	1,269,747	29,747
	<b>6,252,562</b>	<b>1,567,242</b>

## NOTES TO THE ACCOUNTS (CONTINUED)

### YEAR ENDED TO 31 DECEMBER 2020

#### Note 5 – Current assets (continued)

##### 5.2 Cash at bank

The amount of USD 6,105,093 (2019: USD 5,043,526) is held with The Bank of New York Mellon, London Branch and USD 4,032,283 (2019: USD 5,445,755) with BNP Paribas, Luxembourg Branch.

#### Note 6 – Subscribed capital

As at 31 December 2020 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 2018	20,000	345	4,249	-	24,594
Issue of subscribed capital	-	-	-	-	-
Allocation to legal reserve	-	115	(115)	-	-
Results for the financial year	-	-	-	-	-
As at 31 December 2019	20,000	460	4,134	-	24,594
Allocation of prior year results	-	-	-	-	-
Allocation to legal reserve	-	-	-	-	-
Results for the financial year	-	-	-	-	-
As at 31 December 2020	20,000	460	4,134	-	24,594

#### Note 7 – 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 Nil to legal reserve is required in respect of the year ended 31 December 2020 (31 December 2019: USD 115).

#### Note 8 – Non-subordinated debts

##### A. Non-convertible loans

	31 December 2020	31 December 2019
	USD	USD
Notes at fair value	151,078,870	181,471,753
Fair value as at 31 December	151,078,870	181,471,753

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:

- 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.
- 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

## NOTES TO THE ACCOUNTS (CONTINUED)

### YEAR ENDED TO 31 DECEMBER 2020

#### Note 8 – Non-subordinated debts (continued)

##### A. Non-convertible loans (continued)

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 2020 (2019: Nil). During the year, there were redemptions of USD 26,900,000 (2019: USD 18,620,000 in total). The nominal value of the notes issued as at 31 December 2020 amounted to USD 128,560,000 (2019: USD 155,460,000).

##### B. Other creditors

Other creditors include the following:

	31 December 2020 USD	31 December 2019 USD
Other creditors	129,223	909,778
Payable for securities purchased but not yet settled	1,519,320	1,083,353
Unrealised losses on forward contracts *	1,407,399	1,264,518
	<u>3,055,942</u>	<u>3,257,650</u>

Unrealised losses on forward contracts include the following:

Amount Bought	Amount Sold	Maturity Date	31 December 2020 USD	31 December 2019 USD
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
USD 12,449,524	GBP 9,145,001	15 January 2021	421,950	-
USD 114,272,417	EUR 94,165,000	15 January 2021	985,449	-
			<u>1,407,399</u>	<u>1,264,518</u>

\*The unrealised losses on forward contracts have been restated from Amounts owed to credit institutions to Other creditors in the balance sheet in both 2020 and 2019.

#### Note 9 – Other external charges

	31 December 2020 USD	31 December 2019 USD
Administration fees	130,988	128,489
Audit fees	83,755	50,243
Tax services	3,351	3,947
Directors fees	15,541	-
Legal and other fees	323,769	294,361
	<u>557,404</u>	<u>477,040</u>

## NOTES TO THE ACCOUNTS (CONTINUED)

### YEAR ENDED TO 31 DECEMBER 2020

#### Note 10 – Interest and other financial charges

	31 December 2020 USD	31 December 2019 USD
<b>Concerning affiliated undertakings</b>		
Interest paid	4,061,298	7,709,627
	<u>4,061,298</u>	<u>7,709,627</u>
<b>Other interest and similar expenses</b>		
Realised losses on investments	9,931,716	4,697,729
Realised losses on forward contracts	6,634,490	-
Foreign exchange movement on committed trades	131,658	-
Net foreign exchange movement on cash	319,417	-
	<u>17,017,281</u>	<u>4,697,729</u>

#### Note 11 – Value adjustments in respect of financial assets and of investments held as current assets

	31 December 2020 USD	31 December 2019 USD
Unrealised loss on forward contracts	65,437	901,197
Fair value movement on investments	8,280,900	10,721,451
	<u>8,346,337</u>	<u>11,622,648</u>

#### Note 12 – Income from other investments and loans forming part of the fixed assets

	31 December 2020 USD	31 December 2019 USD
Interest income	26,489,437	15,986,507
	<u>26,489,437</u>	<u>15,986,507</u>

#### Note 13 – Other interest receivable and similar income

	31 December 2020 USD	31 December 2019 USD
<b>Derived from affiliated undertakings</b>		
Net loss allocated to noteholder	3,492,883	925,078
	<u>3,492,883</u>	<u>925,078</u>
<b>Other interest and similar income</b>		
Net foreign exchange movements on cash	-	147,987
Foreign exchange movements on committed trades	-	225,764
Realised gains on forward contracts	-	7,221,710
	<u>-</u>	<u>7,595,461</u>

#### Note 14 - 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.

## **NOTES TO THE ACCOUNTS (CONTINUED)**

### **YEAR ENDED TO 31 DECEMBER 2020**

#### **Note 15 – Commitments and Contingencies**

As at 31 December 2020, the Company did not have any contingencies. The unfunded commitment amount is USD 381,867.

#### **Note 16 – Employees**

As at 31 December 2020, the Company did not employ any personnel and consequently, no payment for wages, salaries or social securities were made.

#### **Note 17 – Related party transactions**

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, Simon Barnes and Jens Hoellermann who are both independent directors. There were fees of USD 22,710 (2019: USD 6,825) paid to Sanne Group for administration services during year ended 31 December 2020. Iain McCleod resigned as Manager of the Company in 2019. Joerg Oster was appointed manager of the Company in February 2021. There were fees of USD 9,984 paid to Iain McCleod during the year ended 31 December 2020 (2019: USD nil) which related to prior years fees. During the year ended 31 December 2020, service fees paid to Intabulis SCSp amounted to USD 15,541 (2019: USD 4,891) for management services. Jens Hoellermann and Simon Barnes, who are managers of the Company, are Partners 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 2020 and 2019.

#### **Note 18 – Subsequent events**

In February 2021 San-Marie Greff resigned as manager of the Company and Joerg Oster was appointed as manager of the Company.

No events have occurred subsequent to the year-end which would have material impact on the annual accounts for the year ended 31 December 2020.