

# **SEMIANNUAL REPORT**

**Privium Sustainable Alternatives Fund**

**Period ended 30 June 2016**

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## General information

### Registered office

Privium Sustainable Alternatives Fund  
Gustav Mahlerplein 3, 26th floor  
1082 MS Amsterdam  
The Netherlands

### Fund Manager

Privium Fund Management B.V.  
Gustav Mahlerplein 3, 26th floor,  
1082 MS Amsterdam  
The Netherlands  
<http://www.priviumfund.com/sustainable>

### Legal and Tax Counsel

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

### Legal Owner

Stichting Juridisch Eigendom Privium  
Sustainable Alternatives Fund  
Utrechtseweg 31D  
3811 NA Amersfoort  
The Netherlands

### Custodian

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

### Investment Advisor

Triodos MeesPierson Sustainable Investment  
Management B.V.  
Hoofdstraat 101a  
3971 KE Driebergen  
The Netherlands

### Independent Auditor

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

### Administrator

Circle Investment Support Services B.V.  
Utrechtseweg 31D  
3811 NA Amersfoort  
The Netherlands

### Depository

Darwin Depository Services B.V.  
Barbara Strozziilaan 101  
1083 HN Amsterdam  
The Netherlands

## Key figures

	30-06-2016	2015	2014 <sup>1</sup>
<b>Total for the Fund</b> (all amounts in EUR x 1,000)			
Net Asset Value	257,871	240,334	238,163
Result from investments	2,204	6,988	2,341
Changes in value	(331)	12,527	6,402
Costs	(351)	(1,272)	(1,123)
<b>Total investment result for the year</b>	<b>1,522</b>	<b>18,243</b>	<b>7,620</b>
Outstanding units	2,295,203	2,151,361	2,305,091
<b>Per unit <sup>2</sup></b> (in EUR x 1)			
Net Asset Value	112.35	111.71	103.32
Results from investments	0.96	3.25	1.03
Changes in value	(0.14)	5.82	2.78
Costs	(0.15)	(0.59)	(0.49)
<b>Total investment result</b>	<b>0.67</b>	<b>8.48</b>	<b>3.32</b>

### Dividend payment

During the first half of 2016, no dividend was distributed by the Fund to the Participation holders.

<sup>1</sup> The 2014 figures are for the period 18 July 2014 through 31 December 2014.

<sup>2</sup> The result per unit is calculated using the number of outstanding units as per the end of the period.

## Financial statements

### Statement of financial position as at 30 June 2016

(all amounts in EUR)	Notes	<b>30-06-2016</b>	<b>31-12-2015</b>
<b>Assets</b>			
<b>Investments</b>			
	1		
Equities		119,127,062	106,887,825
Investment funds		121,788,756	108,837,788
<b>Total of investments</b>		<b>240,915,818</b>	<b>215,725,613</b>
<b>Receivables</b>			
Other receivables	3	641,103	758,144
<b>Total of receivables</b>		<b>641,103</b>	<b>758,144</b>
<b>Other assets</b>			
Cash and cash equivalents	4	16,376,364	23,884,582
<b>Total of other assets</b>		<b>16,376,364</b>	<b>23,884,582</b>
<b>Total assets</b>		<b>257,933,285</b>	<b>240,368,339</b>
<b>Liabilities</b>			
<b>Net asset value</b>			
	5		
Participations paid in surplus		232,409,204	216,393,638
Undistributed income prior years		23,940,064	5,697,561
Result current year		1,522,130	18,242,503
<b>Total net asset value</b>		<b>257,871,398</b>	<b>240,333,702</b>
<b>Investments</b>			
Derivatives	1	6,201	-
<b>Total of investments</b>		<b>6,201</b>	<b>-</b>
<b>Other liabilities</b>			
Other liabilities	6	55,686	34,637
<b>Total other liabilities</b>		<b>55,686</b>	<b>34,637</b>
<b>Total liabilities</b>		<b>257,933,285</b>	<b>240,368,339</b>

**Statement of comprehensive income**

(For the period through 30 June)

	Notes	<b>01-01-2016</b> <b>30-06-2016</b>	<b>01-01-2015</b> <b>30-06-2015</b>
(all amounts in EUR)			
<b>Investment result</b>			
Dividend income		2,565,827	4,718,111
Interest income		1,607	13,264
Other income		-	28,960
<b>Total investment result</b>		<b>2,567,434</b>	<b>4,760,335</b>
<b>Revaluation of investments</b>			
Realized results		249,846	3,698,360
Unrealized results		(375,143)	1,547,546
<b>Total changes in value</b>	7	<b>(125,297)</b>	<b>5,245,906</b>
<b>Other results</b>			
Foreign currency translation	8	(205,351)	6,758,596
<b>Total other results</b>		<b>(205,351)</b>	<b>6,758,596</b>
<b>Operating expenses</b>			
Management fee	9	109,191	101,370
Administration fees	10	38,395	34,985
Custody expenses	11	32,570	33,875
Depositary fees		20,137	-
Interest expenses	12	76,485	5,699
Brokerage fees and other transaction costs		17,815	15,660
Audit fees	13	4,455	6,435
Legal fees		5,942	13,550
Supervision fees		-	1,667
Other expenses		46,339	36,609
		<b>351,329</b>	<b>249,850</b>
<b>Result for the year before tax</b>		<b>1,885,457</b>	<b>16,514,987</b>
Withholding tax	15	363,327	331,489
<b>Comprehensive income for the year after tax</b>		<b>1,522,130</b>	<b>16,183,498</b>

**Statement of cash flows**

(For the period ended 30 June)

	<b>01-01-2016 30-06-2016</b>	<b>01-01-2015 30-06-2015</b>
<b>Cash flow from operating activities</b>		
Purchases of investments	(29,045,950)	(13,367,353)
Proceeds from sales of investments	3,736,649	27,718,351
Operating expenses paid	(262,008)	(237,760)
Other income received	-	-
<b>Net cash flow from operations</b>	<b>(25,571,309)</b>	<b>14,113,238</b>
Dividend received	2,315,088	5,015,826
Interest received	1,587	13,264
Interest paid	(63,799)	(5,699)
Other income	-	28,960
<b>Net cash flow from operating activities</b>	<b>2,252,876</b>	<b>5,052,351</b>
<b>Cash flow from financing activities</b>		
Proceeds from subscriptions to redeemable shares	33,008,461	18,885,778
Payments for redemption to redeemable shares	(16,992,895)	(47,677,638)
<b>Net cash flow from financing activities</b>	<b>16,015,566</b>	<b>(28,791,860)</b>
<b>Net cash flow for the year</b>		<b>(9,626,271)</b>
Cash and cash equivalents at the beginning of the year	23,884,582	29,286,977
Foreign currency translation of cash positions	(205,351)	191,958
<b>Cash and cash equivalents at the end of the year</b>	<b>16,376,364</b>	<b>19,852,664</b>

## Notes to the financial statements

### General

Privium Sustainable Alternatives Fund (the "Fund") is an open ended investment fund ("beleggingsfonds") and a fund for joint account (fonds voor gemene rekening) organized and established under the laws of The Netherlands. The Fund was incorporated on July 18, 2014.

The Fund is not a legal entity but a contractual agreement sui generis between the Fund Manager, the Legal Owner and each of the Participants separately, governing the assets and liabilities acquired or assumed by the Legal Owner for the account and risk of the Participants. In view of its legal form of fund for joint account the Fund is not eligible for registration in the Trade Register (handelsregister) of The Netherlands.

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

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

The Fund's objective is to achieve long term capital growth by investing in Investee Companies and Investment Funds focused on Sustainable alternatives.

To achieve the Fund Objective, the Fund will primarily invest in a diversified portfolio of Investment Funds and listed Investee Companies established worldwide (both developed countries and emerging markets) focused on Sustainable alternatives and instruments derived from them. The portfolio will be managed actively with a long term investment horizon and following a sustainability approach. Only those Investee Companies that score above the sector average in the relative analysis and are not substantially involved in controversies or controversial products are eligible for investment, based on policies and procedures as determined by the Fund Manager.

The performance objective of the Fund is to seek to outperform the following composite benchmark by 0.75% per annum, over rolling three-year periods:

- a) 50% GPR 250 World Property (total return, EUR) Index (BB ticker: G250PGLE Index); and
- b) 50% Euro cash 3 months (BB ticker: ECC0TR03 Index) + 2% per annum.

Measurement of performance will commence immediately after the Net Asset Value is calculated. Under normal circumstances, the ex-ante tracking error is expected to be a maximum of 10% per annum (as measured by any appropriate system selected by the Investment Advisor and validated by the Fund Manager). In the event the tracking error exceeds the above range and the Investment Advisor wishes to retain or increase the tracking error, the Investment Advisor shall set out in writing to the Fund Manager the reasons for doing so.



## Accounting policies

### General

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

### Basis of accounting

Valuation of assets and liabilities and determination of the result takes place under the historical cost convention. Unless presented otherwise at the relevant principle for the specific balance sheet item, assets and liabilities are valued according to the cost model.

### Measurement currency

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

### Receivables

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

### Investments

#### Recognition and basis of measurement

All investment securities are initially recognized at cost.

#### Valuation

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

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

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

#### Gains and losses

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

#### Dividend and interest income

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

**Derivative financial instruments**

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

**Translation of foreign currency**

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

**Brokerage/expenses**

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

**Cash and cash equivalents**

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

**Statement of cash flows**

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

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

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

**The ongoing charges figure (OCF)**

The ongoing charges figure contains all costs that have been charged to the Fund for the period 1 January 2016 until 30 June 2016 excluding the transaction costs, interest costs and performance fees. The ongoing charges figure is calculated by dividing all the costs of the period with the average net asset value. The average net asset value is calculated by adding all the monthly net asset values and divide them by the number of month's used (for this period the number of months is 6).

**Turnover ratio (TOR)**

The turnover ratio is calculated the following way: the sum of all purchases of investments plus the sum of all the sales of investments minus the sum for the subscriptions and redemptions. The total of this number will be divided by the average net asset value of the Fund and multiplied by 100.

## Notes to the statement of financial position

### 1. Investments

(all amounts in EUR)

	<b>30-06-2016</b>	<b>31-12-2015</b>
Equities	119,127,062	106,887,825
Investment funds	121,788,756	108,837,788
Forward contracts	(6,201)	-
<b>Position as per 30 June</b>	<b>240,909,617</b>	<b>215,725,613</b>

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

	<b>30-06-2016</b>	<b>31-12-2015</b>
<i>Equities</i>		
Position as per 1 January	106,887,825	116,303,708
Purchases	16,407,858	1,764
Sales	(3,677,106)	(21,143,987)
Realised investment result	190,303	3,813,267
Unrealised investment result	(681,818)	7,913,073
<b>Position as per 30 June</b>	<b>119,127,062</b>	<b>106,887,825</b>

	<b>30-06-2016</b>	<b>31-12-2015</b>
<i>Investment funds</i>		
Position as per 1 January	108,837,788	84,743,036
Purchases	12,638,092	56,866,266
Sales	-	(33,571,689)
Realised investment result	-	436,772
Unrealised investment result	312,876	363,403
<b>Position as per 30 June</b>	<b>121,788,756</b>	<b>108,837,788</b>

	<b>30-06-2016</b>	<b>31-12-2015</b>
<i>Forward contracts</i>		
Position as per 1 January	-	-
Purchases	-	-
Sales	(59,543)	-
Realised investment result	59,543	-
Unrealised investment result	(6,201)	-
<b>Position as per 30 June</b>	<b>(6,201)</b>	<b>-</b>

## 2. Risk management

The nature of the Fund’s investments involves certain risks and the Fund may utilize investment techniques (such as leverage, short selling and the use of derivatives) which may carry additional risks. An investment in the Fund therefore carries substantial risk and is suitable only for persons who can afford the risk of losing their entire investment.

The Fund’s financial risks are managed by diversification of the financial instruments at fair value through profit or loss. For further explanation of the investment objectives, policies and processes, refer to the General section of the notes to the financial statements.

### Market risk

Market risk is the risk that the value of a financial instrument fluctuates as a result of changes in market prices whether those changes are caused by factors specific to the individual security or its issuer or factors affecting all securities traded in the market. Market risk contains market price risk, currency risk and interest rate risk. Where non-monetary financial instruments – for example, equity securities – are denominated in currencies other than the EUR, the price initially expressed in foreign currency and then converted into EUR also fluctuates because of changes in foreign exchange rates. The paragraph ‘Currency risk’ sets out how this component of price risk is managed and measured.

The Fund’s investment strategy may include actively taking on equity-like exposure defined as exposure to equity, commodity and non-investment grade bond markets in various developed and emerging markets. The Fund may decide to hedge all or parts of these exposures.

The total market risk that the Fund bears at 30 June 2016 is the total net financial assets and liabilities at fair value through profit or loss in the amount of EUR 240,909,617 (2015: EUR 215,725,613). If the prices had risen/fallen by 5%, the total financial assets and liabilities at fair value through profit or loss would have increased/decreased by EUR 12,045,791 (2015: EUR 10,786,287).

See Appendix I for a complete breakdown of the Fund’s investment portfolio at 30 June 2016.

### Currency risk

Participations are euro-denominated and are issued and redeemed in this currency. However, a large part of the Fund may be invested in securities and other instruments that are exposed to currencies other than the euro. Accordingly, the value of such assets may be affected favourably or unfavourably by exchange rate fluctuations. In addition, potential investors whose assets and liabilities are predominantly denominated in another currency than the euro should take into account the possibility of foreign exchange losses arising from fluctuations in the exchange rate between the euro and their home currency.

The Fund’s investment strategy may include actively taking on foreign currency risk in various developed and emerging market currencies and is therefore exposed to a significant currency risk. The Fund may decide to hedge all or parts of the exposure to a foreign currency through an exchange traded instrument (such as a currency future or option) or through an OTC transaction (such as a forward rate agreement).

The currency exposure of the Fund at 30 June 2016 is as follows (no lookthrough applied for investments in funds):

(all amounts in EUR)	<b>FX rate</b>	<b>Gross fair value</b>	<b>Hedged value</b>	<b>Net fair value</b>	<b>% NAV</b>
Australian Dollar	1.3421	22,488,458		22,488,458	8.72%
Pound Sterling	1.1985	28,340,426		28,340,426	10.99%
US Dollars	0.9007	60,575,904	(12,627,761)	47,948,143	18.59%
<b>Total</b>		<b>111,404,788</b>		<b>98,777,027</b>	<b>38.30%</b>

The currency exposure of the Fund at 31 December 2015 is as follows (no lookthrough applied for investments in funds):

(all amounts in EUR)	<b>FX rate</b>	<b>Gross fair value</b>	<b>Hedged value</b>	<b>Net fair value</b>	<b>% NAV</b>
Australian Dollar	1.4904	18,971,285	-	18,971,285	7.89
Pound Sterling	1.3565	40,120,269	-	40,120,269	16.69
US Dollars	0.9212	27,309,222	-	27,309,222	11.36
<b>Total</b>		<b>86,400,776</b>	<b>-</b>	<b>86,400,776</b>	<b>35.94</b>

**Interest rate risk**

Interest rate risk refers to fluctuations in the value of, amongst others, fixed-income security resulting from changes in the general level of interest rates. When the general level of interest rates goes up, the prices of fixed-income securities will generally go down and vice versa. Financial assets and liabilities with longer durations tend to be more sensitive to changes in interest rates, usually making them more volatile than securities with shorter durations. The Fund’s income and operating cash flows are dependent on changes in market interest rates.

The Fund’s exposure to market risk for changes in interest rates relates to the Fund’s financial instruments at fair value through profit or loss. The Fund has no interest bearing financial assets or financial liabilities except for cash at banks which are subject to normal market related short term interest rates. Therefore the Fund is not exposed to significant interest rate risks.

**Credit risk**

The Fund could lose money if the issuer of an underlying fixed income security or money market instrument, the counterparty or clearing house of a derivatives contract or repurchase agreement, a Custodian or Prime Broker at which a deposit or other assets are held, or the counterparty in a securities lending agreement does not honor his obligations. Issuers of fixed income instruments and other counterparties are subject to varying degrees of credit risks which are reflected in their credit ratings. The Fund’s investment restrictions have been designed to limit the credit risk to any counterparty but this offers no guarantee that a credit event will not occur.

**Custody risk**

The Fund's assets are held at ABN AMRO Clearing Bank N.V. All long positions and regular cash accounts are segregated and therefore their counterparty risk should be negligible. The short positions and margin accounts do result in counterparty risk to the custodian. To manage the counterparty risk the credit rating of the custodian is monitored. The Standard & Poor's credit rating for ABN AMRO Clearing Bank N.V. is A/A-1 (2015: A/A-1).

**Liquidity risk**

Liquidity risk is the risk that the Fund will encounter difficulty in meeting obligations associated with financial liabilities. Most of the financial instruments in which the Fund has invested are exchange-traded. Under normal circumstances they are bought and sold based on the on-going demand and supply on an exchange. Despite the Fund Manager’s policy, which intends to limit liquidity risk, if due to unforeseen circumstances financial instruments cannot be sold or bought under normal conditions, this could lead to significant direct and indirect transaction costs. OTC transactions may involve additional risks, as there is no exchange or market on which to close out open positions.

**Capital management**

The Fund has no equity. The redeemable participations issued by the Fund provide an investor with the right to require redemption for cash at a value proportionate to the investor’s participations in the Fund’s net assets at each monthly redemption date and are classified as liabilities. For a description of the terms of the redeemable participations issued by the Fund, we refer to note 5. The Fund’s objectives in managing the redeemable participations are to ensure a stable base to maximize returns to all investors, and to manage liquidity risk arising from redemptions. The Fund’s management of the liquidity risk arising from redeemable participations is discussed in this note. The Fund is not subject to any externally imposed capital requirements.

**3. Other receivables**

(all amounts in EUR)	<b>30-06-2016</b>	<b>31-12-2015</b>
Dividend receivable	599,353	711,941
Interest receivable	20	-
Deferred organizational fees	37,178	45,379
Prepaid legal owner fees	3,479	-
Prepaid administration fees	1,073	824
<b>Position as per 30 June</b>	<b>641,103</b>	<b>758,144</b>

**4. Cash and cash equivalents**

(all amounts in EUR)	<b>30-06-2016</b>	<b>31-12-2015</b>
ABN AMRO Clearing Bank N.V.	28,922,362	23,704,818
Foreign cash at ABN AMRO Clearing Bank N.V.	(12,545,998)	179,764
<b>Position as per 30 June</b>	<b>16,376,364</b>	<b>23,884,582</b>

**5. Redeemable participations**

Redeemable participations are redeemable at the shareholders' option and are classified as financial liabilities.

On any Settlement Date, provided the requirements of the Terms and Conditions have been met, the Fund Manager may redeem Participations at the request of a Participant sent in writing to the Administrator.

The Fund Assets will be sufficiently liquid to, under normal circumstances, allow the Fund to redeem Participations as requested by its Participants for at least 10% of the assets managed.

Applications for the redemption of Participations should be submitted to the Administrator by means of a duly signed Redemption Notice specifying the details of the redemption. Redemption Notices are irrevocable once received by the Administrator.

The Redemption Price of a Participation redeemed, is equal to the Net Asset Value per Participation as at the Valuation Date of such Participation. The Total Redemption Price is the applicable redemption price multiplied by the number of redeemed Participations.

In order to determine the net amount due by the Fund to a Participant in consideration for the redemption of Participations (the "Total Redemption Amount"), the Total Redemption Price may at the sole discretion of the Fund Manager be reduced by a discount in the event redemptions on the applicable Redemption Notice Date exceed subscriptions on such day and the associated costs to the Fund are material. The discount shall not exceed 0.5% of the relevant Total Redemption Price of the Participations redeemed. The discount shall be for the benefit of the Fund.

Participants shall economically be treated as having redeemed on the Valuation Date of the Participations redeemed and accordingly shall not receive any distributions declared by the Fund during the period from such Valuation Date to the Settlement Date of the Participations redeemed.

**Movement schedule of net asset value**

(all amounts in EUR)

	<b>30-06-2016</b>	<b>31-12-2015</b>
<b>Participations paid in surplus</b>		
Opening balance	216,393,638	230,543,046
Proceeds from subscriptions to redeemable shares	(16,992,895)	40,311,825
Payments for redemption of redeemable shares	33,008,461	(54,461,233)
<b>Closing balance</b>	<b>232,409,204</b>	<b>216,393,638</b>
<b>Undistributed income prior years</b>		
Opening balance	5,697,561	-
Addition from undistributed result	18,242,503	7,619,526
Dividend paid	-	(1,921,965)
<b>Closing balance</b>	<b>23,940,064</b>	<b>5,697,561</b>
<b>Undistributed result</b>		
Opening balance	18,242,503	7,619,526
Addition to undistributed result	(18,242,503)	(7,619,526)
Result current year	1,522,130	18,242,503
<b>Closing balance</b>	<b>1,522,130</b>	<b>18,242,503</b>
<b>Total net asset value at 30 June</b>	<b>257,871,398</b>	<b>240,333,702</b>

**Movement of participations**

	<b>30-06-2016</b>	<b>2015</b>
<b>Outstanding participations</b>		
Opening balance	2,151,361	2,305,091
Proceeds from subscriptions to redeemable shares	297,479	357,807
Payments for redemption of redeemable shares	(153,637)	(511,537)
<b>Outstanding participations at 30 June</b>	<b>2,295,203</b>	<b>2,151,361</b>

**6. Other liabilities**

(all amounts in EUR)

	<b>30-06-2016</b>	<b>31-12-2015</b>
Management fees payable	18,859	17,690
Professional fees payable	-	572
Legal and audit fees payable	16,555	12,100
Reporting fees payable	2,063	3,025
AIFMD fees payable	312	1,250
Interest expenses	12,686	-
Other liabilities	5,211	-
<b>Position as per 30 June</b>	<b>55,686</b>	<b>34,637</b>

## Notes to the statement of comprehensive income

### 7. Revaluation of investments

(all amounts in EUR)

	<b>01-01-2016</b> <b>30-06-2016</b>	<b>01-01-2015</b> <b>30-06-2015</b>
<i>Net realized result on financial assets and liabilities at fair value through profit or loss</i>		
Realized gains on equity	190,303	3,261,588
Realized loss on equity	-	-
Realized gains on investment funds	-	436,772
Realized loss on investment funds	-	-
Realized gains on forward contracts	59,543	-
Realized loss on forward contracts	-	-
	<u>249,846</u>	<u>3,698,360</u>
 <i>Net unrealized result on financial assets and liabilities at fair value through profit or loss</i>		
Unrealized gains on equity	-	3,652,349
Unrealized loss on equity	(681,818)	(1,634,592)
Unrealized gains on investment funds	312,876	(479,782)
Unrealized loss on investment funds	-	9,572
Unrealized gains on forward contracts	-	-
Unrealized loss on forward contracts	(6,201)	-
	<u>(375,143)</u>	<u>1,547,546</u>
	<b><u>(125,297)</u></b>	<b><u>5,245,906</u></b>

### 8. Foreign currency translation

(all amounts in EUR)

	<b>01-01-2016</b> <b>30-06-2016</b>	<b>01-01-2015</b> <b>30-06-2015</b>
Currency results on cash and cash equivalents	<u>(205,351)</u>	<u>6,758,596</u>
	<b><u>(205,351)</u></b>	<b><u>6,758,596</u></b>



**9. Management fee**

The Fund Manager is entitled to an annual Management Fee equal to EUR 20,000 plus 0.08% of the Net Asset Value (i.e. 8 basis points) excluding (i.e. before deduction of) the Management Fee, as at the last calendar day of each month, with a minimum of EUR 110,000 per annum, payable monthly in arrears out of the Fund Assets. Any changes to the Management Fee are subject to the prior approval of the Fund Manager and the Legal Owner.

The management fee for the period ended 30 June 2016 amounts to EUR 109,191 (2015: EUR 204,420).

**10. Administration fees**

The Fund has appointed Circle Investment Support Services BV as the administrator. The administrator is entitled to an annual administration fee of 0.031% of the Net Asset Value (3.1 basis points) of the Fund. The administration fee is payable quarterly in arrears and subject to an annual minimum of EUR 30,000.

**11. Custody expenses**

The Fund has appointed ABN AMRO Clearing Bank N.V. as custodian to the Fund. The administrator is entitled to a safekeeping fee of 2.5-3.0bps of the value of the investments (depending on the type of investment). In addition, the custodian can charge a settlement fee, cash payment fee, corporate actions fee and proxy voting fee, all in accordance with their customary arrangements.

**12. Interest expenses**

The interest expenses of EUR 76,485 have seen another rise compared to previous year EUR 57,540. The rise is attributable to the negative interest charge from the ABN AMRO Bank N.V. on several currencies.

**13. Audit fees**

The Fund has appointed Ernst & Young Accountants LLP as the independent auditor of the Fund. The auditor’s remuneration is as follows:

(all amounts in EUR)	<b>01-01-2016</b> <b>30-06-2016</b>	<b>01-01-2015</b> <b>30-06-2015</b>
Audit of financial statements	4,455	6,435
Other audit services	-	-
Non-audit services	-	-
	<b>4,455</b>	<b>6,435</b>

**14. Related parties**

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

All services rendered by the Fund from the Fund Manager therefore qualify as related party transactions. During the period, the Fund paid management fees of EUR 108,022 (2015: EUR 204,275) to the Fund Manager.

**15. Income and withholding taxes**

The Fund is organized as an investment Fund (“Fonds voor gemene rekening”) under the current system of taxation in The Netherlands. The Fund is transparent for The Netherlands corporate income tax purposes. As a consequence, the Fund is not subject to The Netherlands corporate income tax. Certain dividend and interest income received by the Fund are subject to withholding tax imposed in the country of origin. During the year the average withholding tax rate incurred by the Fund was 14.17% (2015: 10.22%).

**16. Ongoing charges figure (OCF)**

(all amounts in EUR)	<b>01-01-2016</b> <b>30-06-2016</b>	<b>01-01-2015</b> <b>30-06-2015</b>
Average net asset value	247,960,365	230,506,874
Total ongoing expenses	257,029	495,025
<b>Ongoing charges figure</b>	<b>0.207%</b>	<b>0.216%</b>

For the calculation of the OCF, no lookthrough has been applied for investments in other investment funds.

The prospectus states that the total ongoing charges figure (excluding transactions costs, interest costs, and performance fees and assuming a net asset value of EUR 225,000,000) will be 0.172%.

**Comparison of 2015 expenses with the prospectus**

(all amounts in EUR)	<b>Expenses</b>	<b>OCF</b>	<b>Prospectus</b>
Management fee	109,191	0.04%	0.090%
Administration fees	38,395	0.02%	0.031%
Custody expenses (including depositary fee)	52,707	0.02%	0.025%
Audit & reporting fees	6,518	0.00%	0.016%
Legal fees	5,942	0.00%	0.005%
Supervision fees	625	0.00%	
Organization fees (set-up costs)	8,200	0.00%	0.005%
Other expenses	35,451	0.01%	
	<b>257,029</b>	<b>0.09%</b>	<b>0.172%</b>

**17. Turnover ratio’s (TOR)**

The turnover ratio for the Fund over the period 1 January 2016 until 30 June 2016 is: 33% (2015: 7%).

## **Other Notes**

### **Personnel**

The Fund did not employ personnel during the year.

### **Subsequent events**

There were no material events after the reporting period.

Amsterdam, 18 August 2016

Fund Manager

**Privium Fund Management B.V.**

## Other Information

### **Personal holdings of the Board of Directors of the Fund Managers**

The Board of Directors of the Fund Manager had no interests or positions at 1 January 2016 and 30 June 2016 in investments the Fund holds in portfolio at these dates (1 January 2015 and 31 December 2015: No interests or positions held).

### **Appropriation of the result**

The primary objective of the Fund is to achieve capital growth. Distributions of Net Proceeds (including profit distributions) will be made when (i) they are required in connection with the fiscal status of the Fund as a fiscal investment institution (fiscale beleggingsinstelling); or (ii) there are no sufficient suitable investment opportunities to achieve the Fund Objectives of the Fund. All distributions (including profit distributions) to the Participants will be made in July of each calendar year and pro rata to the number of Participations held by each Participant.

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

In August 2016 the Fund issued the 2015 FBI distribution to the Participants.

## Appendix I – Portfolio of the Fund

The following tables discloses a breakdown of the Fund's portfolio of the Fund at 30 June, 2016:

<b>Portfolio</b>	<b>Fair value at</b>
(all amounts in EUR)	<b>30 June 2016</b>
<b>Equities</b>	
Unibail – Rodamco SE	20,600,687
Land Securities	12,897,572
Hammerson PLC	15,442,854
Vicinity Centres	22,488,458
Prologis	15,519,970
Boston Properties	17,328,878
Ventas Inc	14,848,643
<b>Total equities</b>	<b>119,127,062</b>
<b>Investment funds</b>	
Triodos Sicav II – Microfinance Fund (Z-Distribution)	46,450,043
ResponsAbility Global Microfinance Fund (EUR-Capitalisation)	32,493,616
BlueOrchard Microfinance Fund	11,681,594
Triodos Sicav II – Triodos Renewables Europe Fund (Z-Capitalisation)	8,522,539
Triodos Sicav II – Microfinance Fund (I-Capitalisation)	5,555,253
FMO-PRIV IMP-A\$ (FPIFAUA)	12,878,413
Triodos Vastgoedfonds N.V.	4,207,298
<b>Total investment funds</b>	<b>121,788,756</b>
<b>Forward contracts</b>	
Long USD forward contract	(3,017)
Short USD forward contract	(3,184)
<b>Total investment funds</b>	<b>(6,201)</b>
<b>Total portfolio</b>	<b>240,909,617</b>

The following tables discloses a breakdown of the Fund's portfolio of the Fund at 31 December, 2015:

<b>Portfolio</b>	<b>Fair value at 31 December 2015</b>
(all amounts in EUR)	
<b>Equities</b>	
Unibail – Rodamco SE	20,666,814
Land Securities	20,622,881
Hammerson PLC	19,491,741
Vicinity Centres	18,965,597
Prologis	13,892,187
Boston Properties	13,248,605
<b>Total equities</b>	<b>106,887,825</b>
<b>Investment funds</b>	
Triodos Sicav II – Microfinance Fund (Z-Distribution)	45,993,272
ResponsAbility Global Microfinance Fund (EUR-Capitalisation)	32,329,077
BlueOrchard Microfinance Fund	11,530,407
Triodos Sicav II – Triodos Renewables Europe Fund (Z-Capitalisation)	8,752,274
Triodos Sicav II – Microfinance Fund (I-Capitalisation)	5,493,852
Triodos Vastgoedfonds N.V.	4,738,906
<b>Total investment funds</b>	<b>108,837,788</b>
<b>Total portfolio</b>	<b>215,725,613</b>