

ANNUAL REPORT

Privium Sustainable Alternatives Fund

Year ended 31 December 2016

Table of contents

General information	3
Key figures	4
Fund Manager report.....	5
Financial statements	10
Balance sheet as at 31 December	10
Profit and loss statement.....	11
Cash flow statement.....	12
Notes to the financial statements	13
Other Information.....	25
Appendix I – Portfolio of the Fund	29

General information

Registered office

Privium Sustainable Alternatives Fund
Symphony Towers 26/F
Gustav Mahlerplein 3
1082 MS Amsterdam
The Netherlands

Fund Manager

Privium Fund Management B.V.
Symphony Towers 26/F
Gustav Mahlerplein 3
1082 MS Amsterdam
The Netherlands
www.priviumfund.com/sustainable

Legal Owner

Stichting Juridisch Eigendom Privium
Sustainable Alternatives Fund
Smallepad 30F
3811 MG Amersfoort
The Netherlands

Investment Advisor

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

Administrator

Circle Investment Support Services B.V.
Smallepad 30F
3811 MG Amersfoort
The Netherlands

Legal and Tax Counsel

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

Custodian

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

Independent Auditor

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

Depositary

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

Key figures

	2016	2015	2014 ¹
Total for the Fund			
(all amounts in EUR x 1,000)			
Net Asset Value at 31 December	288,111	240,334	238,163
Result from investments	4,922	6,854	2,341
Changes in value	3,448	12,527	6,402
Other results	(330)	134	-
Costs	(1,463)	(1,272)	(1,123)
Net result for the year	6,577	18,243	7,620
Outstanding participations at 31 December	2,620,223	2,151,361	2,305,091
Per participation²			
(in EUR)			
Net Asset Value at 31 December	109.96	111.71	103.32
Result from investments	1.88	3.18	1.03
Changes in value	1.31	5.82	2.78
Other results	(0.12)	0.07	-
Costs	(0.56)	(0.59)	(0.49)
Net result	2.51	8.48	3.32

Dividend payment

During the year 2016, a dividend amount of EUR 10,689,958 (2015: EUR 1,921,965) was distributed by the Fund to the Participation holders.

¹ The 2014 figures are for the period 18 July 2014 through 31 December 2014.

² The result per participation is calculated using the number of outstanding participations as per the end of the period.

Fund Manager report

The Privium Sustainable Alternatives Fund (hereafter "Fund" or "PSAF") was launched on August 31, 2014 and since its inception the Fund allocates its proceeds into alternative investments which includes sustainable real estate, microfinance and renewable energy. The Fund has a composite benchmark which consists of 1) 50% GPR 250 World Property Index and 2) 50% in cash Euro 3-month total return index + 2%. The GPR 250 World Property Index is the index of the 250 largest property stocks in the world.

PSAF returned +2.4% (including dividends) in 2016. The Fund's composite benchmark returned +5.2% in 2016. The underperformance of PSAF during 2016 has been caused by the performance of some of the property stocks in the portfolio of PSAF. Here it is important to understand that the benchmark does not have any "sustainable" requirements.

General Information Fund Manager

The Fund will be managed by Privium Fund Management B.V. as sole Alternative Investment Fund Manager (AIFM) of the Fund. The Fund Manager is responsible for the entire management of the Fund in accordance with the provisions of the Fund Documents and applicable laws. The Fund Manager is also responsible for maintaining records and furnishing or causing to be furnished all required records or other information of the Fund to the extent such records, reports and other information are not maintained or furnished by the Administrator, the Legal Owner, the Depositary or other service providers.

Privium Fund Management B.V. is a private limited liability company (*besloten vennootschap met beperkte aansprakelijkheid*) incorporated under the laws of the Netherlands having its official seat (*zetel*) in Amsterdam, the Netherlands and its principal offices at Symphony Towers 26/F, Gustav Mahlerplein 3, 1082 MS Amsterdam, the Netherlands. The Fund Manager is registered in the Dutch trade register (*handelsregister*) under file number 34268930.

Additional Impact investments were added to the portfolio with the FMO Privium Impact Fund and the Education loans.

Since inception of PSAF the Fund invests in the micro finance sector through investments in the Triodos Microfinance Fund and responsAbility Microfinance. At the end of 2015 the allocation to this sector was increased by adding the BlueOrchard Microfinance Fund. Additionally, in June 2016 an investment was made into the FMO Privium Impact Fund. The FMO Privium Impact Fund participates in new and existing loans (to be) granted to Borrowers by FMO and linked to the sectors of primarily financial institutions, renewable energy, agribusiness and telecom infrastructure. The loans will include senior and subordinated loans. The debtors will mostly be companies or projects, located in Developing and Emerging Economies. The FMO Privium Impact Fund is also reporting on the impact results which the Fund has achieved since inception. Based on the impact report the Fund has supported 6,705 of jobs, 1,320t CO₂ emissions were avoided, 293 SME's were reached and 8.24 GWh of electricity was produced. The latter only relates to renewable forms of energy.

As of December 31, 2016 the FMO Privium Impact Fund had a total fund size of USD 44.3 million. As of December 31 2016, PSAF maintains an investment of USD 13.8 million in the FMO Privium Impact Fund. This represents a 5% position in PSAF. Between June 20, 2016 and December 31, 2016 the FMO Privium Impact Fund gained 1.25%. The targeted return range is 2.5%-4% per annum.

The other "Impact" position which was added in 2016 has been the education loan fund of Credit Suisse. Here the portfolio consists of a diversified portfolio of bonds with loans to students. The Credit Suisse Education Note invests in more than 500 underlying loans provided to students from more than 60 countries. Students will use the loan to finance their study on one of the European top universities or Business schools. The students are mainly coming from developing countries like India, Brazil, Columbia, Peru, China and Mexico. A specialized company called Prodigy, is responsible for the deal sourcing and the due diligence on the individual students. Prodigy is solely focused on providing loans to students in developing and emerging markets. Prodigy is also responsible for servicing the loans (collecting interest and principle payments). No proceeds are directly transferred to the students. Prodigy will always deal directly with the Universities and Business schools. Historical default rates have been relatively low. For most students Prodigy will often be the only possibility to finance a study abroad against reasonable terms. The interest students will pay on such loans will be around 7%. After completion of their study

they have a big chance on finding a good quality job against favourable terms. More than 50% of the students will return home after completion of their study or provide their families with cash to improve their standard of living. This will have a positive impact on the economies of those nations as well. The average maturity of the loans is 5.5 years. This matches the term of the respective study. PSAF is expected to make a net return of 4.6% (in EUR) per annum on this investment.

As said the Microfinance funds in portfolio include Triodos, responsAbility and BlueOrchard. All the funds ended the year in positive territory. The Triodos Microfinance performed best in 2016 (+4.3%) while the responsAbility was somewhat disappointing (+0.9). All the Funds were able to increase their assets under management. The fund size of BlueOrchard increased from USD 390 million to USD 689 million as of December 31, 2016. The impact achievement of the Microfinance funds concerns the number customers which the Micro Finance Institutions (MFI's) are actually financing in the respective developing countries. Jointly these MFI's are able to reach millions of people. The majority of these people are females and the average loan amount is close to USD 1,200.

Property stocks rose in 2016

The returns of the various property stocks in portfolio of PSAF varied greatly during 2016. The dispersions between regions were large as well. The Australian property stocks performed best and gained 17% on average (in euro). The British property stocks were hurt badly by Brexit. In euro terms these stocks lost close to 30%.

Prologis, a company which invests globally in logistics property was the best performing stock in portfolio. The stock gained over 30%. The two British property stocks in the portfolio of PSAF, Land Securities and Hammerson, respectively lost -19% and -14% in local currency terms. Additionally the GBP depreciated close to 14% against the euro. Mainly the result of the drop of the GBP after Brexit. Hammerson invests close to 50% of its portfolio in Ireland and therefore was less impacted by Brexit than Land Securities which only invests in British property. Together these stocks caused the property component of PSAF (+5.5%) to underperform the property component of the benchmark (+8.4%).

During 2016 PSAF bought two new US property stocks, Avalonbay and Ventas. Avalonbay invests in apartments in the United States and Ventas invests in nursing homes and hospitals in the United Kingdom and the United States. Both Ventas and Avalonbay invest in parts of the property market where PSAF did not have any exposure yet and therefore brings additional diversification.

Improving economic growth and European political risks

We are expecting economic growth to improve further. In the United States it is expected that the Trump government will try to stimulate economic growth by reducing taxes, infrastructure spending and lower regulation, facilitate domestic production and stimulate the use of fossil fuels. We expect the US budget deficit to increase and the dispersions between incomes to increase. The economic growth can also profit from an improving stock cycle. However Trump's protectionist approach can affect global economic growth in a negative way. We still see the easy monetary policy of the ECB as an important driver of the improving economic climate in Europe. Higher energy prices and the stimulus by the Chinese government are causing increasing economic growth in Emerging Markets as well. Global inflation is rising, although we do not expect any dramatic upward shift. Globally there is still enough spare production capacity. We expect the FED to increase rates two or three times during 2017 and we do not expect any increases in the Eurozone. We expect to have seen the low in bond yields. However we do not expect a dramatic upward shift in yields either. Political risks are increasing in the Eurozone as there will be elections in the Netherlands, France, Germany and possibly Italy.

We expect the microfinance market to continue to grow in 2017 and it is expected that Asia will see the strongest growth. It is expected that Central Asia will continue to be impacted by the weak economic situation in Russia and low energy prices. However we expect that the bottom has past. SME's in developing countries are a true growth market for the microfinance market now that the economic situation is improving. We expect the microfinance funds in portfolio of PSAF to profit from that trend.

Risk management and willingness to take risks

In the table below we list the various risk to which investors in the Fund are exposed and we discuss the measures applied to manage these risks and their potential impact on the Fund’s NAV’s.

Sorts of risks	Risk hedged	Measures applied and expected effectiveness	Impact on 2016 NAV	Expected impact on 2017 NAV if risk materializes	Adjustments to risk management in 2016 or 2017
Price/Market Risk	No	The fund maintains a number of long only equity investments. Strong bottom-up company analysis is a very important item in mitigating risks during the holding period of a position. However price fluctuations due to general equity market movements during the holding period can't be mitigated or avoided in full by conducting company analysis. This risk is inherent when securities like equities are traded.	The Fund underperformed most global equity indices but mostly outperformed traditional bonds and hedge funds. The Fund underperformed its benchmark mainly due to the exposure to UK Real Estate stocks.	Investments are selected after a thorough due diligence process but largely this will also depend on general market circumstances.	No
Manager Risk	No	The Fund maintains a number of investments in other investment funds. These are mostly Micro Finance type of funds or other Impact Fund type of funds. These funds are mostly managed by external Fund Management companies. An exception is the FMO Privium Impact Fund. A rigid due diligence process is in place when investment funds are selected.	The Fund underperformed most global equity indices but mostly outperformed traditional bond indices and hedge fund indices. The Fund underperformed its benchmark mainly due to the exposure to UK Real Estate stocks.	Much will depend on the actual positioning of the underlying investment funds. However we expect that the the selected investments funds will perform better than general equity markets over the long term.	No
Emerging Market risk	No	A significant weight of the portfolio is allocated to micro finance investments and Impact funds. These investments are mainly made in Emerging Markets. This risk is partially mitigated by having rigid selection criteria in place by the underlying Fund Managers.	None	This will depend on general market circumstances.	No
Interest rate risk	No	The Fund maintains a number of positions in Funds which invest in interest bearing securities but these are mostly floating rate positions. An additional explanation on interest rate risk can be found in the risk paragraph of the annual accounts.	This has been limited.	Much will depend on the actual positioning of the underlying investment funds.	No
Foreign Exchange risk	No	Direct FX risk is only partly hedged. The fund has the possibility to hedge currency risks in full.	Over 45% of the investments are denominated in EUR.	This will largely depend on FX movements.	No
Liquidity risk	No	Liquidity risk mostly has been mitigated by investing in positions that offer sufficient liquidity. However some of the underlying investments of PSAF, predominantly the Micro Finance Funds, may have a liquidity mismatch between the liquidity which is offered to investors and the liquidity of the underlying investments of those funds. During periods when these funds receive large redemptions from investors the underlying Fund Managers may decide to gate redemptions. When at the same time PSAF is having large redemptions from investors as well, the Fund Manager may suspend redemptions to protect the remaining investors of PSAF.	None	We would not expect a negative NAV impact if this risk would materialize.	No
Credit risk	No	Spare cash is maintained at ABN AMRO. ABN AMRO has an A credit rating (S&P credit rating) and we would reconsider the position if this changes.	None	None	No
Operational risk	No	This risk is mostly mitigated by having rigid operational procedures in place. Next to that duties and responsibilities are clearly divided between Privium employees. The same is applicable at the service providers of the several Privium Funds.	None	None	No
Counterparty Risk	No	This risk is mostly mitigated by selecting and maintaining relationships with top tier counterparties and service providers.	None	None	No

General principles of remuneration policy Privium Fund Management B.V. (‘Privium’)

Privium Fund Management B.V. has a careful, controlled and sustainable remuneration policy which meets all the requirements included in the Alternative Investment Fund Managers Directive (AIFMD) and the guidelines on sound remuneration policies under the AIFMD (ESMA Guidelines). The remuneration policy is consistent with and contributes to a sound and effective risk management framework and does not encourage risk taking beyond what is acceptable for Privium Fund Management B.V.

The Board of Privium Fund Management B.V. is responsible for establishing the Remuneration policy. The Board of Privium Fund Management B.V. reviews the Remuneration policy at least once a year and the policy may be amended if circumstances warrant that.

Remunerations at Privium Fund Management B.V. may consist out of a fixed salary (this may include a payment to cover certain expenses of staff members) and a variable remuneration.

Privium Fund Management B.V. may reclaim all or part of the variable remuneration paid if (i) this payment was made on the basis of incorrect information, (ii) in the event of fraud by the employee, (iii) in the event of serious improper behaviour by the employee or serious negligence in the performance of his tasks, or (iv) in the event of behaviour that has resulted in considerable losses for the institution.

Remuneration policy 2016

This policy is based on the situation as of December 31, 2016. The financial year of the Fund Manager ends on December 31 of any year. The financial year of most Funds of which Privium is the Fund Manager will end on December 31 of any year.

For some of the funds the compensation consists of both a management and a performance fee. In 2016 the aggregate costs for staff totalled EUR 1,303,881. In the table below the Board of Privium Fund Management is being described as Identified Staff in senior management roles. All other staff members are categorized as identified staff outside senior management roles.

	Identified staff in senior management roles	Identified staff outside senior management roles	Total staff
Number of staff	2	20	22
Total fixed payment	€ 96,936	€ 1,206,945	€ 1,303,881
Total variable payment	€ 0	€ 0	€ 0
Total payment	€ 96,936	€ 1,206,945	€ 1,303,881

Variable payments to staff members in senior management roles are dependent on the profitability of the company. Variable payments to identified staff outside senior management depend on the profitability of the company and/or the performance of the funds.

Privium Fund Management BV, the investment manager of the fund, does not charge any employee remuneration fees to the fund (except for the Supermarkt VastGoed fund). Employee remuneration is paid out of the management and performance fees (if any). In total 22 staff members were involved during (some part of) the year, including both part-time and full time staff.

Control Statement

The Board of Privium Fund Management declares to have an AO/IB (Handbook) that meets the requirements of the “Wet op het financieel toezicht and the ‘Besluit gedragstoezicht financiële ondernemingen (‘Bgfo”)”. During 2016 we assessed the various aspects of the Privium operations as outlined in this AO/IB. We have not identified any internal control measures that do not meet the requirements of Article 121 of the Bgfo and as such we declare that the operations in the year 2016 functioned effectively as described. During 2016 also a number of independent service providers have conducted checks on Privium’s operations as part of their ongoing responsibility. No errors have been signalled.

In 2016 the Fund Manager updated its Handbook as part of the annual update. During the fourth quarter of 2016 the Fund Manager decided to hire an external audit officer who’s responsibility will be conduct an annual due diligence on a number of internal procedures at the Fund Manager. These will mostly be related to Compliance and Risk Management. During the fourth quarter of 2016 this due diligence took place for the first time. The external audit officer has reported his findings to the Fund Manager in a report.

Amsterdam, 16 June 2017

Fund Manager
Privium Fund Management B.V.

Financial statements

Balance sheet as at 31 December

(all amounts in EUR)	Notes	2016	2015
Assets			
Investments			
Equities	1	126,425,620	106,887,825
Investment funds		130,305,840	108,837,788
Bonds		14,797,500	-
Forward contracts		43,927	-
Total of investments		271,572,887	215,725,613
Receivables			
Other receivables	3	600,321	758,144
Total of receivables		600,321	758,144
Other assets			
Cash	4	34,543,643	23,884,582
Total of other assets		34,543,643	23,884,582
Total assets		306,716,851	240,368,339
Liabilities			
Net asset value			
Participations paid in surplus	5	268,284,646	216,393,638
Undistributed income prior years		13,250,106	5,697,561
Result current year		6,576,737	18,242,503
Total net asset value		288,111,489	240,333,702
Investments			
Forward contracts	1	47,197	-
Total of investments		47,197	-
Other liabilities			
Bank overdrafts	4	13,513,934	-
Payable for investments purchased		5,000,401	-
Other liabilities	6	43,830	34,637
Total other liabilities		18,558,165	34,637
Total liabilities		306,716,851	240,368,339

Profit and loss statement

(For the year ended 31 December)

(all amounts in EUR)	Notes	2016	2015
Investment result			
Dividend income		4,917,401	6,809,982
Interest income		4,841	15,524
Other income		-	28,959
Total investment result		4,922,242	6,854,465
Revaluation of investments	7		
Realized results		1,735,932	4,250,039
Unrealized results		1,712,280	8,276,476
Total changes in value		3,448,212	12,526,515
Other results			
Foreign currency translation	8	(719,033)	133,567
Other income		388,445	-
Total other results		(330,588)	133,567
Operating expenses			
Management fee	9	228,627	204,420
Administration fees	10	80,943	71,036
Custody expenses	11	71,205	66,712
Depositary fees		42,557	38,960
Interest expenses	12	160,506	57,540
Brokerage fees and other transaction costs		36,683	20,290
Audit fees	13	10,032	10,890
Legal fees		28,077	27,020
Supervision fees		21,897	18,825
Other expenses		81,706	60,162
		762,233	575,855
Result for the year before tax		7,277,633	18,938,692
Withholding tax	15	700,896	696,189
Net result for the year after tax		6,576,737	18,242,503

Cash flow statement

(For the year ended 31 December)

(all amounts in EUR)

	Notes	2016	2015
Cash flow from operating activities			
Purchases of investments		(66,189,734)	(56,868,030)
Proceeds from sales of investments		18,838,270	61,303,663
Operating expenses paid		(577,042)	(513,978)
Other income received		388,445	28,959
Net cash flow from operations		(47,540,061)	3,950,614
Dividend received		4,358,836	6,626,813
Interest received		4,841	15,524
Interest paid		(160,506)	(57,540)
Net cash flow from operating activities		(43,336,890)	10,535,411
Cash flow from financing activities			
Proceeds from subscriptions to redeemable shares		78,609,244	40,311,825
Payments for redemption of redeemable shares		(26,718,236)	(54,461,233)
Dividend paid		(9,086,465)	(1,876,241)
Dividend tax paid		(1,603,493)	(45,724)
Net cash flow from financing activities		41,201,050	(16,071,373)
Net cash flow for the year		(2,135,840)	(5,535,962)
Cash at beginning of the year		23,884,582	29,286,977
Foreign currency translation of cash positions	8	(719,033)	133,567
Cash at the end of the year	4	21,029,709	23,884,582

Notes to the financial statements

General information

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.

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 the fair value of open positions. All gains and losses are recognized in the profit and loss account.

Dividend and interest income

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

Derivative financial instruments

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

Translation of foreign currency

Monetary assets and liabilities denominated in foreign currencies are translated into Euro at the rates of exchange prevailing at yearend. Transactions in foreign currencies are translated at the rates of exchange prevailing at the date of the transaction. 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 the Fund. Expenses are recorded in the period in which they originate. Transaction costs are borne by the Fund and be brought at the charge of the Fund's profit and loss account. Expenses on disposal of investments are deducted from the proceeds of disposal.

Cash

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

Cash flow statement

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

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

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 31 December 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 12).

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 balance sheet

1. Investments

(all amounts in EUR)

	2016	2015
Equities	126,425,620	106,887,825
Investment funds	130,305,840	108,837,788
Bonds	14,797,500	-
Forward contracts Long	43,927	-
Forward contract Short	(47,197)	-
Position as per 31 December	271,525,690	215,725,613

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

	2016	31-12-2015
<i>Equities</i>		
Opening balance	106,887,825	116,303,708
Purchases	29,936,572	1,764
Sales	(10,384,885)	(21,143,987)
Realised investment result	1,671,832	3,813,267
Unrealised investment result	(1,685,724)	7,913,073
Balance at 31 December	126,425,620	106,887,825
<i>Investment funds</i>		
Opening balance	108,837,788	84,743,036
Purchases	26,253,563	56,866,266
Sales	(8,615,507)	(33,571,689)
Realised investment result	226,222	436,772
Unrealised investment result	3,603,774	363,403
Balance at 31 December	130,305,840	108,837,788
<i>Bonds</i>		
Opening balance	-	-
Purchases	15,000,000	-
Unrealised investment result	(202,500)	-
Balance at 31 December	14,797,500	-
<i>Forward contracts</i>		
Opening balance	-	-
Sales and expirations	162,122	-
Realised investment result	(162,122)	-
Unrealised investment result	(3,270)	-
Balance at 31 December	(3,270)	-

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 31 December 2016 is the total net financial assets and liabilities at fair value through profit or loss in the amount of EUR 271,525,690 (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 13,576,285 (2015: EUR 10,786,287).

See Appendix I for a complete breakdown of the Fund's investment portfolio at 31 December 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 31 December 2016 is as follows (no lookthrough applied for investments in funds):

(all amounts in EUR)	FX rate	Gross fair value	Hedged value	Net fair value	% NAV
Pound Sterling	1.1717	29,017,138	-	29,017,138	10.07
US Dollars	0.9505	62,793,000	(13,761,928)	49,031,072	17.02
Australian Dollars	1.4595	14,919,109	-	14,919,109	5.18
Total		106,729,247	(13,761,928)	92,967,319	32.27

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

(all amounts in EUR)	FX rate	Gross fair value	Hedged value	Net fair value	% NAV
Australian Dollars	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
Total		86,400,776	-	86,400,776	35.94

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. The Fund is also exposed to credit risk on its cash which are held at ABN Amro Bank N.V. The Standard & Poor’s credit rating for ABN AMRO Bank N.V. is A (2015: AL).

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. 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 (2015: AL).

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)

	2016	2015
Dividend receivable	569,610	711,941
Deferred organizational fees	28,979	45,379
Prepaid administration fees	1,732	824
Balance at 31 December	600,321	758,144

4. Cash

(all amounts in EUR)

	2016	2015
Positive bank balances		
ABN AMRO Clearing Bank N.V.	34,538,899	23,704,818
Foreign cash at ABN AMRO Clearing Bank N.V.	4,744	179,764
	34,543,643	23,884,582
Bank overdrafts		
Foreign cash at ABN AMRO Clearing Bank N.V.	(13,513,934)	-
	(13,513,934)	-
Total cash at 31 December	21,029,709	23,884,582

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)

	2016	2015
Participations paid in surplus		
Opening balance	216,393,638	230,543,046
Subscriptions to redeemable shares	78,609,244	40,311,825
Redemption of redeemable shares	(26,718,236)	(54,461,233)
Closing balance	268,284,646	216,393,638
Undistributed income prior years		
Opening balance	5,697,561	-
Addition from undistributed result	18,242,503	7,619,526
Dividend paid	(10,689,958)	(1,921,965)
Closing balance	13,250,106	5,697,561
Undistributed result		
Opening balance	18,242,503	7,619,526
Addition to undistributed income prior years	(18,242,503)	(7,619,526)
Result current year	6,576,737	18,242,503
Closing balance	6,576,737	18,242,503
Total net assets value at 31 December	288,111,489	240,333,702

Movement schedule of participations

(in number of participations)

	2016	2015
Outstanding participations		
Opening balance	2,151,361	2,305,091
Subscriptions to redeemable shares	711,321	357,807
Redemption of redeemable shares	(242,459)	(511,537)
Outstanding participations at 31 December	2,620,223	2,151,361

6. Other liabilities

(all amounts in EUR)

	2016	2015
Management fees payable	20,875	17,690
Professional fees payable	-	572
Legal and audit fees payable	14,407	12,100
Reporting fees payable	3,025	3,025
AIFMD fees payable	313	1,250
Other liabilities	5,210	-
Balance at 31 December	43,830	34,637

Notes to the profit and loss statement

7. Revaluation of investments

(all amounts in EUR)	2016	2015
<i>Net realized result on financial assets and liabilities at fair value through profit or loss</i>		
Realized gains on equities	1,850,085	3,813,267
Realized losses on equities	(178,250)	-
Realized gains on investment funds	226,222	436,772
Realized gains on forward contracts	368,410	-
Realized losses on forward contracts	(530,535)	-
Total realized result	1,735,932	4,250,039
<i>Net unrealized result on financial assets and liabilities at fair value through profit or loss</i>		
Unrealized gains on equities	6,600,589	7,913,073
Unrealized losses on equities	(8,286,313)	-
Unrealized gains on investment funds	4,762,794	1,672,331
Unrealized losses on investment funds	(1,159,020)	(1,308,928)
Unrealized losses on bonds	(202,500)	-
Unrealized gains on forward contracts	43,927	-
Unrealized losses on forward contracts	(47,197)	-
Total unrealized result	1,712,280	8,276,476
Total revaluation of investments	3,448,212	12,526,515

8. Foreign currency translation

(all amounts in EUR)	2016	2015
Currency results on cash	(719,033)	133,567
Total currency results on cash	(719,033)	133,567

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 year ended 31 December 2016 amounts to EUR 228,627 (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 160,506 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)	2016	2015
Audit of financial statements	10,032	10,890
Other audit services	-	-
Non-audit services	-	-
Total audit fees	10,032	10,890

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 225,442 (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 14.25% (2015: 10.22%).

The pending dividend reclaims of the Fund are EUR 388,445.

16. Ongoing charges figure (OCF)

(all amounts in EUR)

	<u>2016</u>	<u>2015</u>
Average net asset value	260,764,424	230,506,874
Total ongoing expenses	565,044	498,025
Ongoing charges figure	0,217%	0.216%

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 2016 expenses with the prospectus

(all amounts in EUR)

	<u>Expenses</u>	<u>OCF</u>	<u>Prospectus</u>
Management fee	228,627	0.088%	0.090%
Administration fees	80,943	0.031%	0.031%
Custody expenses (including depositary fee)	113,762	0.044%	0.025%
Audit & reporting fees	14,570	0.006%	0.016%
Legal fees	28,077	0.011%	0.005%
Supervision fees	21,897	0.008%	
Organization fees (set-up costs)	16,400	0.006%	0.005%
Other expenses	60,768	0.023%	
Total	<u>565,044</u>	<u>0,217%</u>	<u>0.172%</u>

17. Turnover ratio's (TOR)

The turnover ratio for the Fund over the period 1 January 2016 until 31 December 2016 is: -6% (2015: 7%).

18. Core business and outsourcing

The following key task have been outsourced by the Fund:

Administration

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

19. Events after balance sheet date

None.

20. Personnel

The Fund did not employ personnel during the year.

21. 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 2017, the Fund will issue the FBI distribution to the Participants.

Amsterdam, 16 June 2017

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 31 December 2016 in investments the Fund holds in portfolio at these dates (1 January 2015 and 31 December 2015: No interests or positions held).

Independent Auditor's report

To: The Board of Directors of Privium Fund Management B.V. as investment manager of Privium Sustainable Alternatives Fund

Report on the audit of the financial statements 2016 included in the annual report

Our opinion

We have audited the financial statements 2016 of Privium Sustainable Alternatives Fund, based in Amsterdam, The Netherlands.

In our opinion the accompanying financial statements give a true and fair view of the financial position of Privium Sustainable Alternatives Hedge Fund as at December 31, 2016, and of its result and its cash flows for 2016 in accordance with Part 9 of Book 2 of the Dutch Civil Code and the requirements set with regard to the financial statements by or pursuant to the Dutch Financial Supervision Act.

The financial statements comprise:

- The Financial statements as at December 31, 2016
- The following statements for 2016: Profit and loss statement and cash flow statement
- The notes comprising a summary of the significant accounting policies and other explanatory information

Basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the Our responsibilities for the audit of the financial statements section of our report.

We are independent of Privium Sustainable Alternatives Fund in accordance with the Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore we have complied with the Verordening gedrags- en beroepsregels accountants (VGBA, Dutch Code of Ethics) and with the independence and other ethical requirements set forth in Code of Ethics for Professional Accountants of the International Ethics Standards Board for Accountants (the IESBA Code).

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Report on other information included in the annual report

In addition to the financial statements and our auditor's report thereon, the annual report contains other information that consists of:

- Fund Manager report (the managing board's report)
- Other information pursuant to Part 9 of Book 2 of the Dutch Civil Code
- General information, and the report of the investment manager

Based on the following procedures performed, we conclude that the other information:

- Is consistent with the financial statements and does not contain material misstatements
- Contains the information as required by Part 9 of Book 2 of the Dutch Civil Code and the requirements set by or pursuant to the Dutch Financial Supervision Act

We have read the other information. Based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements. By performing these procedures, we comply with the requirements of Part 9 of Book 2 of the Dutch Civil Code and the Dutch Standard 720. The scope of the procedures performed is less than the scope of those performed in our audit of the financial statements.

The board of directors is responsible for the preparation of the other information, including the board of director's report in accordance with Part 9 of Book 2 of the Dutch Civil Code and other information pursuant to Part 9 of Book 2 of the Dutch Civil Code and the requirements set by or pursuant to the Dutch Financial Supervision Act.

Description of responsibilities for the financial statements

Responsibilities of the board of directors for the financial statements

The board of directors of the investment entity is responsible for the preparation and fair presentation of the financial statements in accordance with Part 9 of Book 2 of the Dutch Civil Code and the requirements set with regard to the financial statements by or pursuant to the Dutch Financial Supervision Act. Furthermore, the board of directors is responsible for such internal control as the board of directors determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the financial statements, the manager is responsible for assessing the investment entity's ability to continue as a going concern. Based on the financial reporting frameworks mentioned, the manager should prepare the financial statements using the going concern basis of accounting unless the manager either intends to liquidate the investment entity or to cease operations, or has no realistic alternative but to do so. The manager should disclose events and circumstances that may cast significant doubt on the investment entity's ability to continue as a going concern in the financial statements.

Our responsibilities for the audit of the financial statements

Our objective is to plan and perform the audit assignment in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not have detected all material errors and fraud.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

We have exercised professional judgment and have maintained professional skepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our audit included e.g.:

- Identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining 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
- Obtaining 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 investment entity's internal control
- Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the board of directors
- Concluding on the appropriateness of the board of director's 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 investment entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements 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 auditor's report. However, future events or conditions may cause an investment entity to cease to continue as a going concern
- Evaluating the overall presentation, structure and content of the financial statements, including the disclosures
- Evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation

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

The Hague, 16 June 2017

Ernst & Young Accountants LLP

signed by R.J. Bleijs

Appendix I – Portfolio of the Fund

The following tables discloses a breakdown of the Fund's net asset value of the Fund at 31 December, 2016:

Portfolio	Fair value at 31 December 2016
(all amounts in EUR)	
Equities	
Unibail – Rodamco SE	19,992,321
Prologis	17,631,775
Boston Properties	17,439,788
Hammerson PLC	16,079,409
Vicinity Centres	14,915,504
Avalonbay Com Inc	13,975,999
Ventas Inc	13,454,235
Land Securities	12,936,589
Total equities	126,425,620
Investment funds	
Triodos Sicav II – Microfinance Fund (Z-Distribution)	53,629,115
ResponsAbility Global Microfinance Fund (EUR-Capitalisation)	32,625,246
BlueOrchard Microfinance Fund	16,801,260
FMO Privium Impact Fund	13,805,138
Triodos Sicav II – Triodos Renewables Europe Fund (Z-Capitalisation)	8,888,441
Triodos Vastgoedfonds N.V.	4,556,640
Total investment funds	130,305,840
Bonds	
Argentum Capital Float 15/12/2029	14,797,500
Total bonds	14,797,500
Forward contracts	
USD forward – long position	43,927
USD forward – short position	(47,197)
Total forward contracts	(3,270)
Total portfolio	271,525,690

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

Portfolio	Fair value at 31 December 2015
(all amounts in EUR)	
Equities	
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
Total equities	106,887,825
Investment funds	
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
Total investment funds	108,837,788
Total portfolio	215,725,613