

SEMI-ANNUAL REPORT

Period ended 30 June 2018

Privium Sustainable Alternatives Fund

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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

Legal Owner

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

Delegate/Investment Advisor

ABN AMRO Investment Solutions SA
3 Avenue Hoche
75008 Paris
France

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

Depository

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

Key figures

	30-06-2018	2017	2016	2015
Total for the Fund				
(all amounts in EUR x 1,000)				
Net Asset Value at reporting date	397,157	324,077	288,111	240,334
Result from investments	5,341	5,560	4,922	6,854
Changes in value	(210)	(11,936)	3,448	12,527
Other results	313	2,074	(330)	134
Costs	(1,327)	(1,569)	(1,463)	(1,272)
Net result for the period	4,117	(5,871)	6,577	18,243
Outstanding participations at reporting date	3,727,561	3,061,794	2,620,223	2,151,361

Financial statements

Balance sheet

(all amounts in EUR)	Notes	<u>30-06-2018</u>	<u>31-12-2017</u>
Assets			
Investments			
Investment funds	1	341,980,927	279,663,698
Bonds		31,005,669	14,860,500
Forward contracts		167,613	38,312
Total of investments		<u>373,154,209</u>	<u>294,562,510</u>
Receivables			
Other receivables	2	1,382,537	614,964
Total of receivables		<u>1,382,537</u>	<u>614,964</u>
Other assets			
Cash	3	82,715,509	59,023,708
Total of other assets		<u>82,715,509</u>	<u>59,023,708</u>
Total assets		<u>457,252,255</u>	<u>354,201,182</u>
Liabilities			
Net asset value			
Participations paid in surplus	4	384,650,012	315,686,958
Undistributed income prior years		8,390,186	14,261,490
Result current period		4,116,711	(5,871,304)
Total net asset value		<u>397,156,909</u>	<u>324,077,144</u>
Investments			
Forward contracts	1	182,803	39,816
Total of investments		<u>182,803</u>	<u>39,816</u>
Other liabilities			
Bank overdrafts	3	39,225,549	15,227,364
Payable for investments purchased		20,574,428	14,812,690
Other liabilities	5	112,566	44,168
Total other liabilities		<u>59,912,543</u>	<u>30,084,222</u>
Total liabilities		<u>457,252,255</u>	<u>354,201,182</u>

Profit and loss statement

(For the period 1 January through 30 June)

(all amounts in EUR)	Notes	2018	2017
Investment result			
Dividend income		4,875,156	2,844,344
Interest income		466,167	1,688
Total investment result		5,341,323	2,846,032
Revaluation of investments			
Realised results		(1,012,030)	4,086,645
Unrealised results		802,080	(11,361,693)
Total changes in value		(209,950)	(7,275,048)
Other results			
Foreign currency translation		186,475	1,109,756
Miscellaneous income		126,038	-
Total other results		312,513	1,109,756
Operating expenses			
Management fee	6	151,310	128,539
Administration fees	7	60,022	46,036
Custody expenses	8	52,903	42,109
Depositary fees	9	28,240	24,836
Interest expenses	10	206,606	89,314
Brokerage fees and other transaction costs		75,726	26,934
Audit fees	11	6,897	6,044
Legal fees		34,767	9,787
Supervision fees		9,552	-
Other expenses		11,079	24,804
		637,102	398,403
Result for the period before tax		4,806,784	(3,717,663)
Withholding tax		(690,073)	(358,654)
Net result for the period after tax		4,116,711	(4,076,317)

Cash flow statement

(For the period 1 January through 30 June)

(all amounts in EUR)

	Notes	2018	2017
Cash flow from operating activities			
Purchases of investments		(129,234,814)	(78,672,153)
Proceeds from sales of investments		56,337,890	61,527,678
Dividend received		3,416,995	2,903,484
Interest received		465,556	554
Other income received		126,038	1,733
Interest paid		(161,860)	(75,779)
Operating expenses paid		(405,718)	(669,430)
Net cash flow from operations		(69,455,913)	(14,983,913)
Cash flow from financing activities			
Proceeds from subscriptions to redeemable shares		91,586,789	36,008,990
Payments for redemption of redeemable shares		(22,623,735)	(19,363,665)
Net cash flow from financing activities		68,963,054	16,645,325
Net cash flow for the period		(492,859)	1,661,412
Cash at beginning of the period		43,796,344	21,029,709
Foreign currency translation of cash positions		186,475	1,109,756
Cash at the end of the period	3	43,489,960	23,800,877

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) organised 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.

Subscription and redemption fee

In order to determine the total amount due by the subscriber to the Fund the total subscription price may at the sole discretion of the Fund Manager be increased by a surcharge in the event subscriptions on the applicable Subscription Note Date exceed redemptions on such day and the associated costs to the Fund are material. The surcharge shall not exceed 0.5% of the Total Subscription Price of the Participations subscribed for. During the reporting period, the Fund has not applied any such surcharges.

In order to determine the net amount due by the Fund to a Participant in consideration for the redemption of Participations, 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 Note 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. During the reporting period, the Fund has not applied any such discounts.

The Board of Directors of the Fund Manager authorised these semi-annual financial statements for issue on 16 August 2018.

Accounting policies

The financial statements are prepared in accordance with Part 9, Book 2 of the Dutch Civil Code. The accounting principles used to prepare this semi-annual report 2018 are the same as the accounting principles used for the annual report 2017.

All figures in this semi-annual report are denoted in euro's, unless stated otherwise. The reporting period extends from 1 January 2018 through 30 June 2018.

Notes to the balance sheet

1. Investments

(all amounts in EUR)

	30-06-2018	31-12-2017
Investment funds	341,980,927	279,663,698
Bonds	31,005,669	14,860,500
Forward contracts Long	167,613	38,312
Forward contract Short	(182,803)	(39,816)
Position as per reporting date	372,971,406	294,522,694

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

(For the period 1 January through 30 June)
(all amounts in EUR)

	2018	2017
<i>Investment funds</i>		
Opening balance	279,663,698	256,731,460
Purchases	117,947,179	76,559,780
Sales	(57,764,552)	(67,308,758)
Realised investment result	814,466	4,090,570
Unrealised investment result	1,320,136	(11,390,232)
Closing balance	341,980,927	258,682,820
<i>Bonds</i>		
Opening balance	14,860,500	14,797,500
Purchases	17,049,373	-
Sales	(399,834)	-
Unrealised investment result	(504,370)	27,000
Closing balance	31,005,669	14,824,500
<i>Forward contracts</i>		
Opening balance	(1,504)	(3,270)
Sales and expirations	1,826,496	-
Realised investment result	(1,826,496)	-
Unrealised investment result	(13,686)	1,540
Closing balance	(15,190)	(1,730)

2. Other receivables

(all amounts in EUR)

	30-06-2018	31-12-2017
Dividend receivable	1,368,403	600,315
Deferred organizational fees	9,744	13,920
Prepaid directors fees	3,479	729
Interest receivable	611	-
Other receivables	300	-
Closing balance	1,382,537	614,964

3. Cash

At 30 June 2018 and 31 December 2017, no restrictions on the use of cash exist.

4. 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

(For the period 1 January through 30 June)

(all amounts in EUR)

	2018	2017
Participations paid in surplus		
Opening balance	315,686,958	268,284,646
Subscriptions to redeemable shares	91,586,789	36,008,990
Redemption of redeemable shares	(22,623,735)	(19,363,665)
Closing balance	384,650,012	284,929,971
Undistributed income prior years		
Opening balance	14,261,490	13,250,106
Addition from undistributed result	(5,871,304)	6,576,737
Dividend paid	-	-
Closing balance	8,390,186	19,826,843
Undistributed result		
Opening balance	(5,871,304)	6,576,737
Addition to undistributed income prior years	5,871,304	(6,576,737)
Result current period	4,116,711	(4,076,317)
Closing balance	4,116,711	(4,076,317)
Total net assets value at reporting date	397,156,909	300,680,497

Movement schedule of participations

(For the period 1 January through 30 June)

(in number of participations)

	2018	2017
Outstanding participations		
Opening balance	3,061,794	2,620,223
Subscriptions to redeemable shares	883,605	328,873
Redemption of redeemable shares	(217,838)	(176,955)
Outstanding participations at reporting date	3,727,561	2,772,141

5. Other liabilities

(all amounts in EUR)

	30-06-2018	31-12-2017
Interest payable	44,746	-
Management fees payable	28,146	23,273
Legal and audit fees payable	10,043	12,342
Supervision fees payable	9,552	-
Custody fees payable	7,925	-
Administration fees payable	4,353	-
Reporting fees payable	2,268	3,025
AIFMD fees payable	323	318
Other liabilities	5,210	5,210
Closing balance	112,566	44,168

Notes to the profit and loss statement

6. 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 from 1 January 2018 through ended 30 June 2018 amounts to EUR 151,310 (2017: EUR 128,539). Out of this management fee the Fund Manager pays a fee to the Delegate/Investment Advisor.

7. 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.

8. Custody expenses

The Fund has appointed ABN AMRO Clearing Bank N.V. as custodian to the Fund. The custodian 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.

9. Depositary fee

The Fund has appointed Darwin Depositary Services B.V. as the depositary of the Fund. The depositary is entitled to an annual fee equal to 0.014% (1.4 basis points) of the Net Asset Value as of the last calendar day of each quarter. The depositary fee is payable quarterly in advance and subject to an annual minimum fee of EUR 30,000.

10. Interest expenses

The interest expenses of EUR 206,606 have seen another rise compared to previous year EUR (89,314). The rise is attributable to the negative interest charge from the ABN AMRO Bank N.V. on several currencies.

11. Audit fees

The audit fees relates solely to the audit of the annual financial statements. The Independent Auditor does not provide any other audit or non-audit services to the Fund.

12. 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 151,310 (first half of 2017: EUR 128,539) to the Fund Manager.

The Privium Sustainable Alternatives Fund maintains an investment in Class A of FMO Privium Impact Fund. The value of the investment as per 30 June 2018 amounts to EUR 37,866,529 (31 December 2017: EUR 15,373,126).

13. Income and withholding taxes

The Fund is organised 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 14.15% (first half of 2017: 12.61%).

14. Core business and outsourcing

The following key tasks 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 7.

15. Events after balance sheet date

None.

16. Personnel

The Fund did not employ personnel during the period.

17. 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 August 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 2018, the Fund will issue the FBI distribution to the Participants.

Amsterdam, 16 August 2018

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 2018 and 30 June 2018 in investments the Fund held in portfolio at these dates (1 January 2017 and 30 June 2017: No interests or positions held).