

Don't take any unnecessary risks.

Read the Key Investor Information Document.

THIS IS A MANDATORY ANNOUNCEMENT

FMO Privium
**IMPACT
FUND**

Fund developments

During the month of December, no significant changes occurred in the existing portfolio. The Fund took new participations in two FMO loans for a total value of USD 4 million. Besides the usual introductions to the new investments, this newsletter will also provide you with some explanation on FMO's categorization of environmental and social risk and impact of its borrowers. This topic features frequently in our materials.

On page 3 of this report you will find the updated impact figures of the Fund and we have supplied a new case study as an annex. This new case study features a bank which has been part of the Fund's portfolio from the beginning: National Development Bank in Sri Lanka.

The first of the new investments made in December is a USD 2 mln participation in a loan to Yoma Strategic Holdings ('Yoma'). Yoma is a company based in Singapore with its main activities in Myanmar. The FMO loan will be used by a subsidiary in Myanmar, that services the agricultural sector through import and sales of agricultural equipment, mainly modern tractors. Myanmar is confronted with increasing urbanisation which results in a lack of workers for the agricultural sector. To maintain at least the same level of food production the government of Myanmar is supporting mechanisation and modernisation of the agricultural sector.

The second Fund investment concerns a participation in a loan to Nations Trust Bank PLC ('NTB') in Sri Lanka. This is a mid-sized bank focussing on SMEs. NTB has 93 branches and another 49 leasing centres across Sri Lanka. More than 2,700 people work for the 600,000 customers of the bank.

Categorization of environmental and social aspects

In our reporting we frequently mention that FMO uses international environmental and social standards to determine the E&S risk category of its borrowers. Providing you with a list of all standards would involve too long a list. Besides, not all standards are equally relevant to all of our Fund investments. In its classification FMO uses the IFC Environmental and Social Risk Categorization Framework. In this framework 'category A' is the highest risk category for projects with a large potential E&S impact. 'C' is the lowest risk category. FMO's borrowers in the Energy and Agribusiness sectors are classified based on the likelihood of the borrower having a negative environmental and/or social impact that is 'divers, irreversible, or unprecedented'. In determining the risk category of a Financial Institution, FMO assess the composition of the loan portfolio at the time of financing and the expected future composition.

The higher the risk classification, the more requirements FMO will include in the loan agreement with the borrower concerning the implementation of E&S policies, monitoring tools and integration in the organisation. If you wish to learn more on this subject, the FMO Sustainability Policy offers more guidance. This document sets out FMO's commitment to sustainable development including the most relevant guidelines, codes and principles. By following this Policy, FMO intends to protect people and the environment impacted by its own operations and its investments and to help borrowers manage their environmental and social impact and improve their corporate governance.

www.fmo.nl/policies-and-position-statements.

Overview

Fund Net Asset Value (NAV) in USD		130,883,697
Number of loans on the portfolio		56
Average exposure per loan (in USD)		2,247,458.82
Average maturity of the loans (years)		5.75
Average interest margin of the portfolio (bps)		486
Number of countries		26
Total number of loans in the portfolio, since launch		59
Total exposure in FMO loans		117,660,765
Total provision on the loans in the portfolio		1,250,000
Percentage of loans in the portfolio, denominated in USD		100%

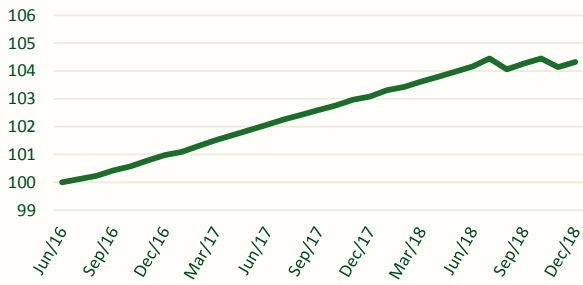
Return (including dividend payments, where applicable)

Classe	FX	NAV per participation	Monthly return	Year to date return	12 month return	Return since inception	Start date per class
A	USD	109.61	0.41%	3.88%	3.88%	9.61%	Jun-16
B	EUR	99.27	0.17%	1.20%	1.20%	4.31%	Jul-16
F	EUR	103.03	0.17%	1.21%	1.21%	3.03%	Mar-17
I – A	EUR	99.83	0.16%	-0.17%	n.a.	-0.17%	Aug-18
I – D	EUR	98.83	0.16%	-0.17%	n.a.	-0.17%	Aug-18

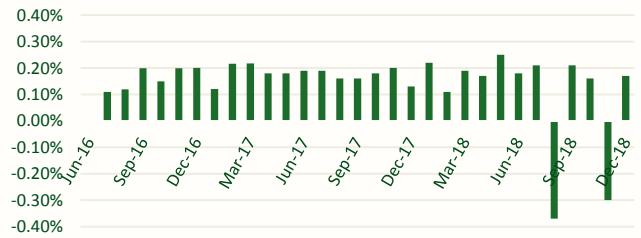
Portfolio overview

Historical financial performance

B class (EUR) – including dividends



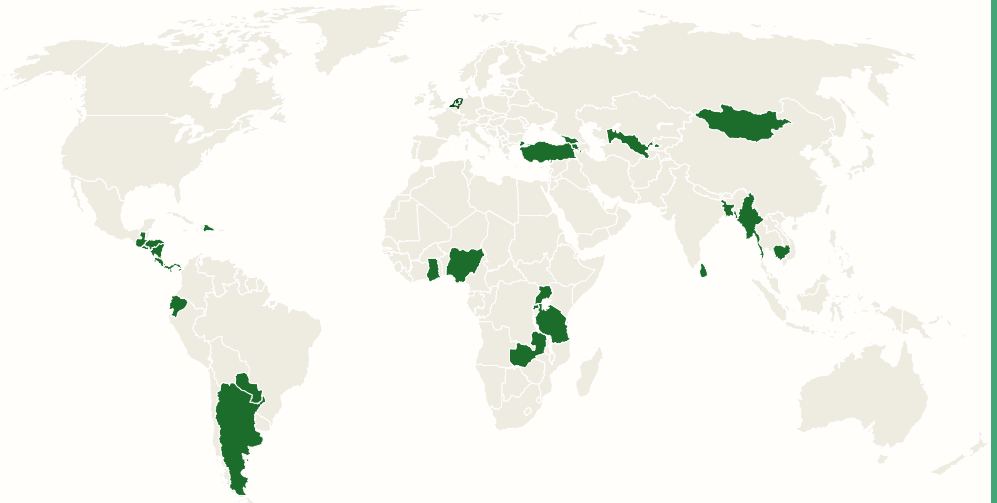
Monthly returns



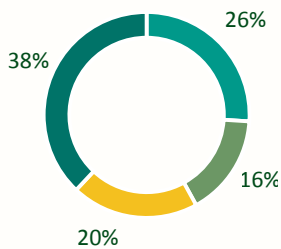
Top 5 countries



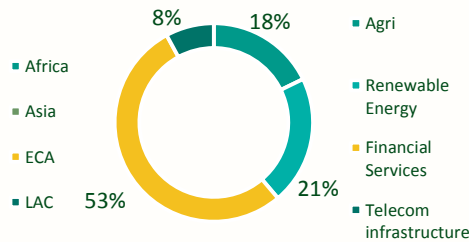
Country exposure



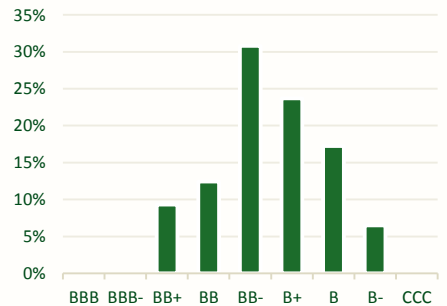
Region



Sector



Credit rating*



10 largest investments

Company name	Sector	Land	Date	\$ exposure
1 Hidronormandia	Renewable energy	Ecuador	Juli 2018	3,500,000
2 Tiryaki	Agri-business	Turkey	March 2018	3,500,000
3 INT Towers	Telecom infrastructure	Nigeria	March 2018	3,176,875
4 Irrawaddy Towers Asset Holding PTE	Telecom infrastructure	Myanmar	June 2016	3,066,032
5 Ararat Bank	Financial services	Armenia	April 2018	3,000,000
6 Access Bank Ghana	Financial services	Ghana	September 2018	3,000,000
7 Access Bank Nigeria	Financial services	Nigeria	September 2018	3,000,000
8 IHS Rwanda	Telecom infrastructure	Rwanda	July 2016	2,973,750
9 Montechristi Solar	Renewable energy	Domin. Rep.	October 2018	2,931,525
10 Nicaragua Sugar Estates	Agri-business	Nicaragua	October 2018	2,850,000

*Credit rating is based on FMO's methodology, which has been validated by Moody's

Below is an overview of the contribution the fund made since inception towards the five impact indicators. To enable you, as an investor in the FMO Privium Impact Fund, to interpret the impact figures reported, there is a short explanation of each indicator below. The results are always calculated by taking into account the ratio between the funding from the FMO Privium Impact Fund and the total value of the company or project. Only the share attributable to the fund is reported.

* For a more detailed description of the impact model and the indicators, we refer to the website of FMO:

www.fmo.nl/impact/how-we-measure-impact



23,459 Number of jobs supported

This indicator comprises two components: 1) The number of employees (FTEs) working at the company – a figure that's relatively easy to come by via the annual reports; 2) Indirect jobs created – this is based on an estimate based on the outcome of FMO's Impact Model. This is an input-output model in which the expected impact of the investment on the chain is modelled. Together, these components form the outcome of the number of jobs supported.



15,604 Greenhouse gases avoided
tCO₂eq

The greenhouse gases avoided are calculated as the company's or project's anticipated CO₂ emissions compared against the most likely alternative. The required data is taken from independently verified documentation.



710 Number of SMEs financed

This number is measured for investments in the financial sector, by taking the number of outstanding SME loans at year end. This is not per se the same as the number of SMEs reached – a client could have multiple loans. It is a snapshot of the number of outstanding SME loans, not a sum of the number of loans funded during the term of the investment.



36.54 GWh electricity produced
GWh per annum

Energy production is associated with projects in the energy sector. In the case of the FMO Privium Impact Fund, it only relates to renewable forms of energy. The electricity generated and supplied is expressed in GWh (Gigawatt hours) per year. The figure reported here represents the annual production, based on the period of the last financial year per project. As soon as there are projects in the portfolio that are still under construction, we will also report a second figure that reflects expected annual production.



40,645 Equivalent number of people served via power generation

The number of people served is estimated by dividing the (expected) electricity production of the project by the average electricity consumption per head of the population in the country impacted by connection to the grid. The energy projects in which the fund invests essentially deliver electricity to the grid. It is therefore not possible to calculate an exact figure, but it is an estimate of the number of people that could be served in principle.

Key characteristics

Investment methodology	Investors get exposure to the private loans that are originated by FMO and provided to selected projects and companies in developing countries.
Investable sectors	<ul style="list-style-type: none"> • Agri-business; theme's are food and water • Renewable energy • Financial services • Telecom Infrastructure
Target return	2% to 4% per annum
Launch date	20 June 2016
Fund domicile	The Netherlands
Fund type	Fund for joint account (FGR)
Fund Manager	Privium Fund Management B.V.
Fund advisor / delegate	FMO Investment Management B.V.
Subscriptions / redemptions	Monthly
Subscription notice	Before the 24th of the prior month
Redemption notice	1 month (a 2% fund level redemption gate may apply)
Administrator	Circle Investments Support Services B.V.
AIFMD Depository	KAS Trust & Depository Services B.V.
Auditor	Ernst & Young Accountants LLP
Legal and tax advisor	Jones Day
Websites	www.priviumfund.com/funds and www.fmopriviumimpactfund.nl

Class	ISIN	Bloomberg		Minimum investment	Annual dividend (part of target return)	Launch date	Management fee	Only available for
A	NL0011765904	FPIFAUA NA	USD	100.-	Not applicable	June 2016	0.90%	Privium Sustainable Impact Fund
B	NL0011765912	FPIFBED NA	EUR	100.-	2%	July 2016	0.98%	Seed investor
F	NL0012135750	FPIFFEA NA	EUR	1,000.-	Not applicable	March 2017	0.98%	FMO employees
I – A	NL0012818223	FPIFIEA NA	EUR	1,000.-	Not applicable	August 2018	1.15%	NL, CH, ES, LU, UK, FR
I – D	NL0012939029	FPIFIDE NA	EUR	1,000.-	2%	August 2018	1.15%	NL, CH, ES, LU, UK, FR

About the Fund Manager

Privium Fund Management B.V. ('Privium') is a Dutch fund manager. Privium is regulated by the Dutch Authority for the Financial Markets (www.afm.nl) and the Dutch central bank (www.dnb.nl). Privium is part of a group of companies with fund management activities in Amsterdam, London and Hong Kong. Privium manages a range of alternative investment funds.

About the Fund Advisor / delegate

FMO Investment Management BV ('FMO IM') is a Dutch investment advisor and is fully owned by the Dutch development bank FMO NV. FMO IM advises the Fund Manager about the loan portfolio. All loans that are advised to the Fund Manager have been approved by FMO NV and FMO NV is an investor in all of the loans. The strategy of FMO IM is to improve the scalability of impact investing by providing investors access to the sustainable investments from FMO's in developing countries.

Contact

Joost Akkerman

T: +31 20 46 26 644

E: jakkerman@priviumfund.com

Mark Baak

T: +31 20 46 26 644

E: mbaak@priviumfund.com

Disclaimer:

The FMO Privium Impact Fund, a Dutch fund for joint account ('FGR'), is registered with the Dutch Authority for the financial markets (www.afm.nl). No rights may be derived from the provided information, data and calculations. Also by the risks inherent to this investment fund, the value of the investments may fluctuate. Past performance is no guarantee or guide to future performance. We refer to the prospectus of the fund for further information.