



## **FMO PRIVIUM IMPACT FUND**

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PROSPECTUS

[JULY] 2019

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## CONTENTS

| Section  | Page |
|--|------|
| Directory .....  | 1    |
| Overview of Classes of Units .....                             | 2    |
| Important Notice .....   | 3    |
| 1. Executive Summary .....                                     | 5    |
| 2. Definitions .....   | 8    |
| 3. The investment opportunity.....                             | 15   |
| 4. Risk factors.....   | 20   |
| 5. Legal and regulatory structure of the Fund .....            | 30   |
| 6. Fund management and governance .....                        | 34   |
| 7. Admission to the Fund. Subscriptions.....                   | 44   |
| 8. Transfer and redemption of Units .....                      | 46   |
| 9. Costs and expenses.....                                     | 49   |
| 10. Valuation. Reporting and information disclosure .....      | 53   |
| 11. Distributions .....  | 57   |
| 12. Certain Dutch taxation aspects .....                       | 58   |
| 13. Selling restrictions.....                                  | 60   |
| 14. Additional information for Swiss investors.....            | 62   |
| 15. Declaration of the AIFM .....                              | 63   |
| 16. Assurance report OF the independent auditor .....          | 64   |
| Schedule 1 Terms and Conditions (including Class Details)..... | 66   |

## **DIRECTORY**

### **FMO PRIVIUM IMPACT FUND**

#### **Office**

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1082 MS Amsterdam  
The Netherlands

Tel: +31 0(20) 4626644

Email: [info@priviumfund.com](mailto:info@priviumfund.com)

<http://www.priviumfund.com/>

#### **AIFM**

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

#### **Administrator**

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

#### **Legal and Tax Advisor**

Jones Day  
Concertgebouwplein 20  
1071 LN Amsterdam  
The Netherlands

#### **Depository**

KAS Trust & Depository Services B.V.  
De Entree 500  
1101 EE Amsterdam  
The Netherlands

#### **Legal Owner**

Stichting Juridisch Eigendom FMO Privium  
Impact Fund  
Woudenbergseweg 11  
3953 ME Maarsbergen  
The Netherlands

#### **Delegate**

FMO Investment Management B.V.  
Anna van Saksenlaan 71  
2593 HW 's-Gravenhage  
The Netherlands

#### **Auditor**

Ernst & Young Accountants LLP  
Wassenaarseweg 80  
2596 CZ Den Haag  
The Netherlands

## OVERVIEW OF CLASSES OF UNITS

### CLASS A

ISIN CODE: NL0011765904

VALOREN: CH31830495

BLOOMBERG: FPIFAUA NA

### CLASS B - A

ISIN CODE: []

VALOREN: []

BLOOMBERG: []

### CLASS B - D

ISIN CODE: NL0011765912

VALOREN: CH31833958

BLOOMBERG: FPIFBED NA

### CLASS F

ISIN CODE: NL0012135750

VALOREN: CH035027128

BLOOMBERG: FPIFFEA NA

### CLASS I - A

ISIN CODE: NL0012818223

VALOREN: CH40798031

BLOOMBERG: FPIFIEA NA

### CLASS I - D

ISIN CODE: NL0012939029

VALOREN: CH42104370

BLOOMBERG: FPIFIDE NA

### CLASS U - A

ISIN CODE: NL0013380173

BLOOMBERG: FPIFUAU NA

### CLASS U - D

ISIN CODE: NL0013380181

BLOOMBERG: FPIFUDU NA

## IMPORTANT NOTICE

Capitalized terms and expressions have the meaning ascribed to them in Section 2 of this Prospectus.

Potential Unitholders should review this Prospectus and its ancillary documents carefully and consult their legal and financial advisers to ascertain possible legal, financial, tax or other issues related to the subscription for or acquisition, holding, transfer or redemption of, Units. The contents of this Prospectus are not to be construed as an invitation to invest or as investment, legal or tax advice. The Units are an appropriate investment only for professional and other investors who are capable themselves of evaluating the merits and risks of an investment in the Fund.

Potential Unitholders should review in particular the risk factors set out in Section 4 (*Risk Factors*) of this Prospectus. The Fund carries a high degree of risk and is suitable only for persons who can assume the risk of losing their entire investment in the Fund. There is no guarantee that the Fund will achieve its Fund Objective. The value of your investments may fluctuate. Returns on past investments are no guarantee as to the returns on future investments.

The AIFM accepts responsibility for the information contained in this Prospectus. To the best knowledge and belief of the AIFM (which has taken all reasonable care to ensure that such is the case), the information contained in this Prospectus is in accordance with the facts and does not omit anything likely to affect the importance of such information.

The information herein is subject to change at any time. Neither the delivery of this Prospectus nor the offer, issue or sale of Units will, under any circumstances, constitute a representation that the information contained in this Prospectus and its ancillary documents is correct at any time subsequent to the date of this Prospectus as printed on the cover of this Prospectus.

No person has been authorised to provide any information or make any representation in connection with the Fund, other than the information and representations contained in this Prospectus and its ancillary documents. Any such other information or representations, if given or made, should not be relied upon as having been authorised by the AIFM.

The AIFM is authorised by the AFM to act as manager (*beheerder*) of investment institutions (*beleggingsinstellingen*) and to offer participation rights in investment institutions in The Netherlands and has for this purpose been granted a licence under the FMSA. Pursuant to the FMSA, the AFM and DNB are the joint supervisory authorities. Notwithstanding the AFM's and DNB's supervision, it is inherent to the investments made by the Fund that Unitholders run a significant risk that their investment in the Fund will lose its value.

The distribution of this Prospectus and the offer, sale and delivery of the Units in certain jurisdictions may be restricted by law. No action has been or will be taken to permit the distribution of this Prospectus in any jurisdiction where any action would be required for such purpose or where distribution of this Prospectus would be unlawful.

This Prospectus does not constitute an offer for, or an invitation to subscribe to or purchase, any Units in any jurisdiction to any person to whom it is unlawful to make such offer or invitation in such jurisdiction. Persons into whose possession this Prospectus comes are required to inform themselves about and observe any such restrictions. Reference is furthermore made to the - non-exhaustive - list of selling restrictions set forth in Section 13

*(Selling Restrictions)* of this Prospectus and the additional information for Swiss investors in Section 14 *(Additional information for Swiss investors)*.

This Prospectus will be governed by and construed in accordance with the laws of the Netherlands. This Prospectus will be published in the English language only. Translations of Dutch legal terms used in this Prospectus are for convenience only and shall not influence the interpretation thereof.

## 1. EXECUTIVE SUMMARY

### 1.1 Introduction

The following is a brief summary only and is qualified in its entirety by the more detailed information appearing in the body of this Prospectus. Information in this executive summary is not intended to be exhaustive and should always be read in conjunction with the full text of this Prospectus, including the Terms and Conditions. The information provided in this summary has been updated until and reflects the situation as per the date mentioned on the cover page of this Prospectus.

### 1.2 The Fund and the AIFM

The Fund will be established with the purpose of granting investors access to FMO's portfolio of loans. The Fund will invest in a diversified portfolio of new and existing loans alongside FMO. The establishment of the Fund is a joint initiative of the AIFM, FMO and ABN AMRO.

Privium Fund Management B.V., the AIFM, will act as the manager (*beheerder*) of the Fund and Stichting Juridisch Eigendom FMO Privium Impact Fund, the Legal Owner, will act as the legal owner (*entiteit die het juridisch eigendom houdt*) of the assets and liabilities of the Fund. In managing the assets and liabilities of the Fund, the AIFM will act solely in the best interest of the Unitholders. The Legal Owner will be the legal owner of all assets and liabilities of the Fund. The Legal Owner will acquire and hold the assets of the Fund and assume the obligations for the account and risk of the Unitholders. The Legal Owner will solely act in the best interest of the Unitholders.

### 1.3 Investment case and strategy. Target Return. Risks

The Fund's objective is to achieve long term capital growth with Impact. To achieve this, the strategy of the Fund is to invest in a diversified portfolio of both existing and new loans alongside FMO. The targeted return net of fees of the Fund is expected to be between 2 and 4 per cent. per annum, over a multi-year cycle and once the Fund's portfolio has been built up, while generating Impact.

Potential Unitholders should review in particular the risk factors set out in Section 4 (*Risk Factors*) of this Prospectus. The Fund carries a high degree of risk and is suitable only for persons who can assume the risk of losing their entire investment in the Fund. There is no guarantee that the Fund will achieve its Fund Objective. The value of your investments may fluctuate. Returns on past investments are no guarantee as to the returns on future investments.

### 1.4 Legal, tax and regulatory aspects of the Fund

#### 1.4.1 *Legal structure*

The Fund is not a legal entity (*rechtspersoon*) but a contractual arrangement *sui generis* between the AIFM, the Legal Owner and each of the Unitholders separately, governing the assets and liabilities acquired or assumed by the Legal Owner for the account and risk of the Unitholders. The Fund has an open-ended structure. The Fund is governed by the Terms and Conditions. By executing the Subscription Form, a Unitholder represents and warrants to have reviewed the Terms and Conditions and agrees to be

bound thereby. A Unitholder is admitted to the Fund by the issuance of Units to the Unitholder.

The Fund shall have eight (8) classes of Units: Class A Units, Class B - A Units, Class B - D Units, Class F Units, Class I - A Units, Class I - D Units, Class U - A Units and Class U - B Units. All Classes provide exposure to the same Investment Objective and Investment Strategy. The sole differences between the different Classes are that:

- (a) Class A Unitholders will pay a lower Management Fee, due to the fact that the AIFM will waive part of its management fee for this Class;
- (b) Class A Units and Class U Units will be denominated in USD, while Class B Units, Class F Units and Class I Units will be denominated in EUR;
- (c) in principle no distributions will normally be made on Class A Units, Class B - A Units, Class F Units, Class I - A Units and Class U - A Units, while semi-annual distributions of approximately 2 per cent of the Net Asset Value of the applicable Class per year are expected to be made to Class B - D Unitholders, Class I - D Unitholders and Class U - D Unitholders, at the sole discretion of the AIFM;
- (d) Class F Unitholders are subject to a longer notice period of six (6) months when requesting a redemption of Class F Units, as opposed to 30 calendar days for Class A Units, Class B Units, Class I Units and Class U Units; and
- (e) minimum subscription amounts may vary between classes of Units.

Only Unitholders that are investment institutions (*beleggingsinstellingen*) managed by the AIFM and invest in the Fund shall be issued Class A Units. Class F Units will normally only be issued to persons that are employees of FMO and its subsidiaries and are living in the Netherlands at the time of such issue. Class B Units will normally only be issued to the seed investor. Other Unitholders subscribing will be issued Class I or Class U Units, unless otherwise determined by the AIFM in its sole discretion. The Unitholders are redeemable subject to certain conditions as set forth in this Prospectus and the Terms and Conditions.

#### 1.4.2 *Tax aspects*

The Fund is transparent for Dutch corporate income tax purposes. As a consequence, the Fund is not subject to Dutch corporate income tax. Distributions by the Fund (if any) are not subject to Dutch dividend withholding tax. Further information on taxation can be found in Section 12.

#### 1.4.3 *Regulatory position of the Fund*

Privium Fund Management B.V., the manager of the Fund ("**AIFM**"), has been granted a licence as referred to in article 2:65(1)(a) Wft, and may offer the Fund to professional and non-professional investors in the Netherlands. The AIFM is subject to conduct of business and prudential supervision by the AFM and DNB.

The AIFM's license was granted prior to the implementation of the AIFMD in the Netherlands, and was converted by law into an AIFMD license on 22 July 2014, in



accordance with the Dutch AIFMD implementing act. This Prospectus complies with the Wft as in force on the date of this Prospectus.

Further information with respect to the regulatory position and supervision of the AIFM in respect of its management of the Fund is set forth in section 5.2 of this Prospectus.

#### 1.4.4 *Fund governance*

The AIFM shall call a meeting of Unitholders (i) as often as the AIFM deems necessary in the interest of the Unitholders and (ii) in case of one (1) or more Unitholders holding, in aggregate, at least 25% of the outstanding Units request the AIFM to call such meeting.

#### 1.5 **Distribution policy**

Any distribution to the Unitholders shall be published on the AIFM's website. Distribution of Net Proceeds will be made in cash in the Class Currency.

It is not the intention of the AIFM to make regular (annual) distributions to holders of Class A Units, Class B - A Units, Class F Units, Class I - A Units and Class U - A Units. Subject to sufficient cash being available, it is the intention of the AIFM to make semi-annual distributions of 2% of the Net Asset Values of Class B - D Units, Class I - D Units and Class U - D Units per year to applicable Unitholders.

#### 1.6 **Transfer and redemption of interests in the Fund. Applicable restrictions**

Subject to certain terms and conditions, Class A Units, Class B Units, Class I Units and Class U Units can be redeemed monthly with 30 calendar days notice prior to the relevant Settlement Date, while Class F Units can be redeemed subject to a notice period of six (6) months prior to the relevant Settlement Date. The AIFM can impose a gate of 2% of the Net Asset Value per Class per month in its sole discretion.

#### 1.7 **Unitholders' eligibility. Minimum Investment. Subscriptions**

The minimum subscription amount, as set out in the Class Details, is (i) USD 100 for Class A Units, (ii) EUR 100 for Class B Units, (iii) EUR 1,000 for Class F and Class I Units, and (iv) USD 1,000 for Class U Units. This minimum subscription amount may be waived by the AIFM in its sole discretion. Non-Dutch investors can be subject to higher minimum subscription amounts.

Section 7 of this Prospectus contains the subscription procedures. The AIFM reserves the right to reject an application in whole or in part.

A Unitholder may transfer all of its Units provided certain conditions have been met (including consent of the AIFM) and will be able to redeem its Units upon its request. The AIFM may suspend a redemption under certain conditions. Section 8 of this Prospectus contains the transfer and redemption procedures.

#### 1.8 **Website**

The AIFM's website address is [www.priviumfund.com](http://www.priviumfund.com). Further information on the Fund can also be found on that website.

## 2. DEFINITIONS

Unless the context otherwise requires, the following capitalised terms used in this Prospectus have the following meanings:

|                         |   |
|-------------------------|---|
| <b>"Administrator"</b>  | means Circle Investment Support Services B.V. being the administrator of the Fund or such other administrator of the Fund as appointed from time to time in accordance with the Terms and Conditions;   |
| <b>"Affiliate"</b>      | means a person directly or indirectly controlling or controlled by or under common control with the party at issue.<br><br>The term "control" (and any derivative thereof) means - for the purpose of the definition of Affiliate - in respect of an entity the right (i) to exercise the majority of the voting rights in the meeting of shareholders (or similar meeting of investors, partners or other owners) of such entity, (ii) to appoint the majority of the members of the body in charge of the day-to-day business of such entity, or (iii) to determine the policy and strategy of such entity; |
| <b>"AFM"</b>            | means the Dutch Authority for the Financial Markets ( <i>Stichting Autoriteit Financiële Markten</i> );   |
| <b>"AIFM"</b>           | means Privium Fund Management B.V., being the manager ( <i>beheerder</i> ) of the Fund, or such other manager as appointed from time to time in accordance with the Terms and Conditions;   |
| <b>"AIFMD"</b>          | means Directive 2011/61/EU of the European Parliament and of the Council of 8 June 2011 on Alternative Investment AIFMs, as amended from time to time;  |
| <b>"AIFM's Website"</b> | means the internet website of the AIFM: <a href="http://www.priviumfund.com/">http://www.priviumfund.com/</a> ;   |
| <b>"Auditor"</b>        | means Ernst & Young Accountants LLP or such other accountant as appointed from time to time in accordance with the Terms and Conditions;  |
| <b>"Base Currency"</b>  | means USD, being the base currency of the Fund;   |
| <b>"Borrower"</b>       | means any company, corporation, partnership, fund, trust or other entity FMO has provided a loan  |

|  |  |
|--|--|
|  | or credit facility to and in which loan or credit facility the Fund has participated;  |
| <b>"Business Day"</b>                  | means any day on which banks are generally open for business in The Netherlands;   |
| <b>"Cash Management"</b>               | means the management of the liquid assets of the Fund not invested in loan participations under the Framework Agreement;   |
| <b>"Class"</b>                         | means a class of Units in the Fund, each class representing a proportionate right to the Fund Assets and Fund Obligations (pro rata to the relevant Net Asset Value per Class) and having a different currency of denomination. The specifics of each Class are set forth in the applicable Class Details; |
| <b>"Class B"</b>                       | means both Class B- A and Class B – D;   |
| <b>"Class Currency"</b>                | means the currency of a Class as specified in the Class Details;   |
| <b>"Class Details"</b>                 | means the document containing the specifics of a Class, for each Class included in a separate annex to these Terms and Conditions;   |
| <b>"Class I"</b>                       | means both Class I – A and Class I – D;  |
| <b>"Class U"</b>                       | means both Class U – A and Class U – D;  |
| <b>"Committed and Invested Amount"</b> | means the sum of (i) the remaining amount committed by the Fund to FMO for investment in loan participations under the Framework Agreement, and (ii) the total amount actually invested by the Fund in loan participations under the Framework Agreement;  |
| <b>"Culpable Behaviour"</b>            | means (i) gross negligence ( <i>grove onzorgvuldigheid</i> ), (ii) wilful default ( <i>opzet</i> ), or (iii) fraud ( <i>fraude</i> );  |
| <b>"Delegate"</b>                      | means FMO Investment Management B.V., a private limited liability company ( <i>besloten vennootschap met beperkte aansprakelijkheid</i> ) incorporated and existing under the laws of the Netherlands, or such other delegate as appointed from time to time;  |
| <b>"Depositary"</b>                    | means KAS Trust & Depositary Services B.V., being the depositary ( <i>bewaarder</i> ) in the meaning of article 4:37f of the FMSA, of the Fund, or such  |

other person permitted to act as depositary in the aforementioned meaning as may be appointed from time to time by the AIFM;

|  |   |
|--|---|
| <b>"Determination Date"</b>                | means with respect to a subscription or a redemption of Units, the date on which the Net Asset Value per Unit as of the applicable Valuation Date is determined;  |
| <b>"Developing and Emerging Economies"</b> | means economies or countries (i) which were classified by the World Bank in its most recent World Development Report as (having) low income economies, lower middle income economies or upper middle income economies, or (ii) which were classified as such when the approval in principle for the financing by FMO was approved and the financing contracted by the end of that same calendar year; |
| <b>"DNB"</b>                               | means the Dutch Central Bank ( <i>De Nederlandsche Bank N.V.</i> );   |
| <b>"Dutch GAAP"</b>                        | means generally accepted accounting principles in the Netherlands;  |
| <b>"EUR" or "euro"</b>                     | means the euro, the single currency of the participating member states of the European Union;   |
| <b>"FMO"</b>                               | means Nederlandse Financierings Maatschappij Voor Ontwikkelingslanden N.V., a public limited liability company ( <i>naamloze vennootschap</i> ), having its corporate seat in Den Haag, and its business address at Anna van Saksenlaan 71, 2593 HW The Hague, the Netherlands;   |
| <b>"FMSA"</b>                              | means the Dutch Financial Markets Supervision Act ( <i>Wet op het financieel toezicht</i> );  |
| <b>"Framework agreement"</b>               | means the framework agreement between the AIFM, the Legal Owner and FMO entered into on or prior to the Launch date, as amended from time to time;  |
| <b>"Fund"</b>                              | means the aggregate of the Fund Assets and the Fund Obligations, in which monies or other assets are called or received for the purpose of collective investment by the Unitholders, as governed by the Fund's Terms and Conditions;  |

|                                    |   |
|------------------------------------|---|
| <b>"Fund Assets"</b>               | means all bonds, notes, debentures, loans and other debt instruments, all shares, and convertible securities and all derivatives, and other assets ( <i>goederen</i> ), including cash, that are acquired by the Legal Owner (or the AIFM in the name of and on behalf of the Legal Owner) and held by the Legal Owner in its own name for the account and risk of the Unitholders in connection with the Fund; |
| <b>"Fund Objectives"</b>           | means the objectives of the Fund as set forth in Section 3 of this Prospectus;  |
| <b>"Fund Obligations"</b>          | means the obligations which the Legal Owner (or the AIFM in the name of and on behalf of the Legal Owner) assumes and/or incurs in its own name for the account and risk of the Unitholders in connection with the Fund;  |
| <b>"Impact"</b>                    | means the economic, social, environmental and/or governance impact of investments made by the Fund;   |
| <b>"Investment"</b>                | means any investment made by the Fund, including, but not limited to, investments in (participations in) loans, bonds, notes, debentures and other debt instruments, derivatives, and other assets ( <i>goederen</i> );   |
| <b>"Investment Restrictions"</b>   | means the investment restrictions to be observed by the Fund as set forth in Section 3;   |
| <b>"Launch Date"</b>               | means the initial Settlement Date of the Fund;  |
| <b>"Legal Owner"</b>               | means Stichting Juridisch Eigendom FMO Privium Impact Fund, a foundation ( <i>stichting</i> ) under the laws of The Netherlands having its principal offices at Woudenbergseweg 11, 3953 ME Maarsbergen, the Netherlands, being the legal owner of the Fund, or such other legal owner of the Fund as appointed from time to time in accordance with the Terms and Conditions;                                  |
| <b>"Management Fee"</b>            | means the fee due by the Fund to the AIFM as remuneration for its management of the Fund as set forth in Section 9 of this Prospectus;  |
| <b>"Net Asset Value"</b>           | means the balance of the value of the Fund Assets and the value of the Fund Obligations;  |
| <b>"Net Asset Value per Class"</b> | means the Net Asset Value attributable to a Class;  |

|                                   |   |
|-----------------------------------|---|
| <b>"Net Asset Value per Unit"</b> | means the relevant Net Asset Value per Class divided by the number of Units in issue within such Class;   |
| <b>"Net Proceeds"</b>             | means all dividends and interest and all divestment, redemption and other income and proceeds of the Fund, net of taxes, fees, costs and other charges to be borne by the Fund, and after payment of or making reasonable reservation for any obligations and expenses of the Fund; |
| <b>"Ordinary Consent"</b>         | means the written consent of Unitholders, together representing more than 50% of the issued and outstanding Units;  |
| <b>"Organisational Expenses"</b>  | means all costs incurred in connection with the formation of the Fund as further set forth in Section 9 of this Prospectus;   |
| <b>"Prospectus"</b>               | means the prospectus relating to the Fund, as amended from time to time, containing at least such information as the AIFM is required to provide to (prospective) Unitholders pursuant to the FMSA;   |
| <b>"Redemption Form"</b>          | means the standard form through which a request for redemption of Units is made, or other forms that contain all information that is required to redeem participations and are deemed acceptable at the sole discretion of the AIFM;  |
| <b>"Redemption Notice Date"</b>   | means the date on which the Administrator receives a Redemption Form from a Unitholder seeking to redeem Units;   |
| <b>"Redemption Price"</b>         | means the Net Asset Value per Unit as at the last Valuation Date prior to the relevant Settlement Date on which the relevant Unit is redeemed;  |
| <b>"Register"</b>                 | means the register in which in respect of each Unitholder are entered its name, address and other contact details, the bank or securities account details on which the Unitholder wishes to receive payments, its tax status and the number of Units held within a certain Class;   |
| <b>"Settlement Date"</b>          | means with respect to a subscription or redemption of Units, the date on which the Units are issued or redeemed, which shall be the third Business Day following the Determination Date;  |

|                                   |  |
|-----------------------------------|--|
| <b>"Subscription Form"</b>        | means the standard form through which a (prospective) Unitholder subscribes for Units and submits itself to the Terms and Conditions, or such other form that contains all information that is required to subscribe for Units and for a (prospective) Unitholder to submit to the Terms and Conditions and is deemed acceptable at the sole discretion of the AIFM; |
| <b>"Subscription Notice Date"</b> | means the date on which the Administrator receives a Subscription Form from a (prospective) Unitholder seeking to subscribe for Units;   |
| <b>"Subscription Price"</b>       | means the Net Asset Value per Unit as at the last Valuation Date prior to the relevant Settlement Date;  |
| <b>"Target Return"</b>            | has the meaning ascribed to it in Section 3.2.1;   |
| <b>"Terms and Conditions"</b>     | means the terms and conditions of management and custody ( <i>voorwaarden van beheer en bewaring</i> ) of the Fund, including its annexes, as amended from time to time;   |
| <b>"Total Redemption Price"</b>   | means the Redemption Price multiplied by the number of redeemed Units;   |
| <b>"Total Subscription Price"</b> | means the Subscription Price multiplied by the number of issued Units;   |
| <b>"Trade Date"</b>               | means the first Business Day of each month or such other day or days as the AIFM may determine at its sole discretion from time to time;   |
| <b>"Unit"</b>                     | means a unit in which the rights of the Unitholders to the Net Asset Value have been divided, each Unit of a Class representing an equal interest in the Net Asset Value of such Class without priority or preference of one over the other, on the understanding that the Fund may also issue fractions of Units, expressed up to four (4) decimals;                |
| <b>"Unitholder"</b>               | means a person who participates in the Fund in accordance with its Subscription Form and the Terms and Conditions;   |
| <b>"USD" and "US Dollar"</b>      | means the lawful currency of the United States of America; and   |

**"Valuation Date"**

means the last Business Day of each month or such other day or days as the AIFM may from time to time determine at its sole discretion.



### 3. THE INVESTMENT OPPORTUNITY

#### 3.1 The FMO Privium Impact Fund. Introduction

The Fund will be established with the purpose of granting investors access to FMO's portfolio of loans. The establishment of the Fund is a joint initiative of the AIFM, FMO and ABN AMRO. The Fund shall participate in new and existing loans (to be) granted to Borrowers by FMO and linked to the sectors of primarily financial institutions, energy and agribusiness and telecom infrastructure. The loans will include senior and subordinated loans. The loans will have a fixed maturity and may have a fixed or floating interest rate.

A significant part of the Fund's subscriptions will be used to ultimately participate in loans whose debtors, being companies, are located in Developing and Emerging Economies. This concerns companies (i) listed or having their registered office in Developing and Emerging Economies, (ii) listed or having their registered office outside of Developing and Emerging Economies but carrying out a significant portion of their operation in Developing and Emerging Economies or deriving a material proportion of their revenues or profits from Developing and Emerging Economies, and/or (iii) controlled by an entity established in Developing and Emerging Economies.

#### 3.2 Fund Objectives

##### 3.2.1 *Target Return*

The targeted return net of fees is expected to be between 2 and 4 per cent. per annum, over a multi-year cycle and once the Fund's portfolio has been built up (the "**Target Return**").

##### 3.2.2 *Impact objectives*

In addition to achieving the Target Return, the Fund aims to make socially and environmentally responsible investments, hereby aiming to provide providing investors with an attractive financial return while at the same time endeavouring to create Impact in Developing and Emerging Economies.

Impact will be measured according to the impact methodology as adopted by FMO. Impact will be reported through general indicators on portfolio level and sector specific indicators.

Measuring impact is also referred to in Section 4.2.11.

#### 3.3 Investment Strategy

The Fund will be able to co-invest in both existing and new loans (to be) provided by FMO to its clients. The co-investments of the Fund will be structured as participations in such loans provided by FMO. The loans will include senior and subordinated loans. FMO will remain the lender of record. The Fund will solely acquire an economic participation in such loans. It is noted that even though FMO benefits from a guarantee provided by the Dutch State, such guarantee does not cover the obligations of FMO under the Framework Agreement and, consequently, does not cover any loan participations invested in by the Fund.

The loans will have a fixed maturity and can include loans with a fixed or floating interest rate. Loans will solely be denominated in either USD or EUR. Thus the Fund will not invest in loans denominated in the local currencies of Developing and Emerging Economies. It is the reasonable expectation of the AIFM that at least 80% of the Investments will be denominated in USD.

Except in case of the Fund's Cash Management, the Fund will always co-invest with FMO, creating a strong alignment between the Unitholders and FMO. It is noted that FMO has also granted other investment institutions (*beleggingsinstelling*) managed by a third party, and may grant other parties, rights to invest in loans to Borrowers. The ability of the Fund to invest in certain loans might be limited by preferential rights being granted by FMO to other investment institutions. Currently one investment institution has such a preferential right, permitting that investment institution to decide first whether or not to invest, and for what amount, in a loan.

An allocation policy has been developed that sets out an approach to these matters, which policy may not be amended by FMO IM to the detriment of the Fund without the written consent of the AIFM. The allocation policy also sets out the preferential right granted to the other investment institution. As the allocation policy of FMO IM cannot be amended by FMO IM to the detriment of the Fund without the written consent of the AIFM, no further preferential rights to the detriment of the Fund can be granted by FMO IM outside the control of the AIFM thus protecting the Fund's position.

The Fund will invest in four focus sectors of FMO, i.e. financial institutions, energy, agribusiness and telecom infrastructure.

The Investment Strategy can be changed by the AIFM. Please refer to Section 5.1.8 for further information thereon.

### 3.4 **Investment Restrictions**

#### 3.4.1 *Investment restrictions*

The following investment restrictions are applicable to the ability of the AIFM to make Investments. These restrictions are based on the Committed and Invested Amount of the Fund, and for such purposes valued at the cost of acquisition by the Fund. It is noted that the restrictions set out under (a), (b) and (d) below will only come into effect twelve (12) months after the Launch Date. Until such time the AIFM will endeavour to act in the spirit of those investment restrictions.

##### (a) Sector concentration limits

|                        |  |
|------------------------|--|
| Financial institutions | Max 65% of the Committed and Invested Amount |
| Energy                 | Max 40% of the Committed and Invested Amount |
| Agribusiness           | Max 40% of the Committed and Invested Amount |
| Telecom infrastructure | Max 20% of the Committed and Invested Amount |

(b) Geographic concentration limits

|                              |  |
|------------------------------|--|
| Africa                       | Max 40% of the Committed and Invested Amount |
| Asia                         | Max 40% of the Committed and Invested Amount |
| Europe and<br>Central Asia   | Max 40% of the Committed and Invested Amount |
| Latin America &<br>Caribbean | Max 40% of the Committed and Invested Amount |

(c) Individual loan size

- (i) The Fund will not have an exposure to a specific loan in excess of the amount FMO is financing from its own balance sheet.
- (ii) The Fund will not have an exposure to a single Borrower in excess of 10% of the Committed and Invested Amount.

(d) Minimum Fund cash buffer

The Fund will aim to retain a cash buffer of at least 5% of the Net Asset Value as a buffer for e.g. redemption requests by Unitholders, settlement of currency exposure hedges and fees. Such cash can be invested in Cash Management instruments such as short duration investment grade government bonds, for liquidity management purposes as well as to meet short-term liabilities of the Fund.

3.4.2 *Use of leverage. Other permitted borrowings*

The Fund does not intend to leverage ('borrowings') its Investments through debt financing for longer periods of time. Nevertheless, the Fund could make use of bridge financing for liquidity purposes up to 10% of the Net Asset Value. Such loans will be obtained from reputable banks authorised to provide such loans to the Fund. As security for such financing the Fund may pledge or otherwise encumber Fund Assets, including without limitation the cash flows expected to be derived from such Fund Assets.

In addition, and as set out in further detail in paragraph 3.4.4 below, the AIFM does make use of FX forward or FX swaps contracts. The Fund's exposure under such FX Forward contracts or FX swaps could result in the Fund being leveraged. However, such exposure should normally be limited as FX Forward contracts or FX swaps are only used for hedging purposes.

3.4.3 *Investments in other funds and investment entities*

The Fund may not directly or indirectly invest in other investment institutions (*beleggingsinstellingen*) or undertakings for collective investment in transferable securities (*instellingen ter collectieve belegging in effecten* or *icbe's*), other than money market funds for liquidity management purposes.

#### 3.4.4 *Hedging*

As further detailed, if applicable in the Class Details, the AIFM will hedge a Class' exposure to currencies other than the Class Currency. For this purpose, the Fund is likely to use FX forward contracts or FX swaps to be entered into with reputable banks or FX brokers authorised to provide such products to the Fund.

As security for such financial derivative transactions the Fund may pledge or otherwise encumber Fund Assets, or transfer certain Fund Assets for security purposes for the benefit of its counterparties. In addition, FMO has issued a guarantee to ABN AMRO Clearing Bank N.V. ("**AACB**") covering payment obligations of the Fund in relation to FX hedging transactions entered into by the Fund. As a result of this guarantee, the Fund can reduce the amount of security granted or transferred to AACB and increase the amount of Fund Assets available for Impact Investments by the Fund.

### 3.5 **The Fund's operational and lending processes**

#### 3.5.1 *Delegate*

The strategy of the Fund is to invest in a diversified portfolio of new and existing loans alongside FMO. The Fund's operational and lending processes run parallel to FMO's processes where the Delegate will issue an advice to the AIFM with respect to investment opportunities for the Fund as offered by FMO. During the lending process, the Delegate registers eligible transactions for potential Fund participation in a transaction pipeline overview that is regularly shared with the AIFM. Based on the expected (i) risk/return profile of the transaction as received from FMO, (ii) the Investment Restrictions, (iii) the (expected) Impact as received from FMO and (iv) portfolio fit of a transaction, the Delegate issues an investment advice to the AIFM. Subsequently, the AIFM takes the potential investment into further consideration with a view to the investment criteria and portfolio construction of the Fund, and then decides whether or not to approve the potential investment. Once the decision to invest in the loan is taken by the AIFM, the investment will be made on behalf of the Fund where the Delegate facilitates the procedure of contracting between the Fund and FMO.

The Fund will be granted participations in loans to Borrowers pursuant to the Framework Agreement. A participation is a back-to-back contractual relationship between FMO as seller/grantor and the Fund as the buyer/participant, under which FMO remains the lender of record and title to the loan is not transferred to the Fund, who does not therefore acquire direct contractual rights against the Borrower or the other lenders under the loan agreement or associated security and other documents. For each Investment in such participations a separate participation agreement will be entered into by the parties to, and on the basis of, the Framework Agreement. It is noted that even though FMO benefits from a guarantee provided by the Dutch State, such guarantee does not cover the obligations of FMO under the Framework Agreement and, consequently, does not cover any loan participations invested in by the Fund. By entering into a participation agreement, the Fund will be exposed to inter alia the credit risk on the Borrower and FMO and country risk of the jurisdiction of the Borrower. The Fund will receive its pro rata share of interest and principal payments from FMO upon receipt by FMO of such payments from the Borrower.

The loan participations are self-liquidating upon maturity and/or repayment (including interest, costs and expenses) in full of the loan by a Borrower. If a suitable opportunity arises, the AIFM may also decide at its sole discretion to sell Fund Assets. However, given the illiquid nature of participations of loans the Fund invests in, it may not always be possible to do so or to sell such assets at the appropriate value. Any sale of loan participations to third parties is subject to prior approval by FMO. FMO is under no obligation to repurchase any participations itself.

As further specified in the Framework Agreement, the Fund will be granted consent rights in relation to certain amendments to a loan agreement that affect the financial position of the Fund.

### 3.5.2 *FMO investment process*

New loans are first assessed by FMO by checking the fit with FMO's mission and its eligibility criteria as well as by completing an initial KYC ("know-your-customer") procedure on the (potential) Borrower. On each (potential) Borrower an initial ESG (environmental, social and governance) ("ESG") risk assessment is performed. Also, the (potential) Borrower needs to show willingness to implement FMO's standards.

Once FMO has given a clearance-in-principle on the envisaged loan transaction, all documentation related to this clearance is submitted to the Delegate who will assess whether in principle the transaction is eligible for participation by the Fund.

After the clearance-in-principle by FMO and after agreement on a term sheet by FMO and the (potential) Borrower, a due diligence process takes place by FMO, which is prepared by a detailed request for information, followed by an on-site due diligence visit. The results of the due diligence and analyses thereof are laid down in an investment proposal which forms the basis for the final investment decision by FMO.

## 4. **RISK FACTORS**

### 4.1 **Introduction**

An investment in the Fund carries a high degree of risk. There can be no assurance that the Fund's investment policy will be successful or that the Fund will achieve its Fund Objectives. The value of its Investments and the Units may fall as well as rise and returns on past investments are no guarantee as to the returns on future investments. Accordingly, Unitholders may lose all or part of their investment in the Fund. An investment in the Fund requires the financial ability and willingness to accept for an indefinite period of time the risk and lack of liquidity inherent in the Fund. Potential Unitholders should consider, among others, the non-exhaustive list of risks mentioned below, review this Prospectus and its ancillary documents carefully and in their entirety, consult with their professional advisors and conduct and subsequently rely upon their own investigation of risk factors associated with the proposed investment. Unitholders should realize that the existence and occurrence of certain risks may contribute to the existence and occurrence of other risks.

### 4.2 **General risks associated with investments**

#### 4.2.1 *Market Risks*

Markets may rise and fall and the prices of financial instruments, loans and loan participations, and other assets on the financial markets in general, and more specifically the prices of assets of the nature and type the Fund may invest in and hold, can rise and fall. A careful selection and spread of investments does not provide any guarantee of positive results.

The markets of Emerging and Developing Economies can be more volatile than developed markets as a result of both internal and external factors, thus increasing the risk of material losses by the Fund.

#### 4.2.2 *Lack of liquidity*

All or some of the Fund's Investments may be in assets which are illiquid or may become illiquid under certain market conditions. Accordingly, it may not always be possible to purchase or sell those assets for their expected value or, if applicable, the prices quoted on the various exchanges. The Fund's ability to respond to market movements or other facts and circumstances (potentially) impacting the value of an Investment may be impaired and the Fund may experience severe adverse price movements upon liquidation of its Investments.

#### 4.2.3 *Investments in non-publicly traded assets*

The Fund expects to primarily invest in non-publicly traded assets. In the absence of any liquid trading market for these Investments, such assets may be hard to liquidate and the Fund and the Unitholders may not realise the full value thereof. The same adverse effect on the Fund may follow from contractual or other legal restrictions on the Fund's ability to divest.

Furthermore, companies whose securities are not publicly traded may not be subject to the disclosure and other investor protection requirements applicable to companies whose securities are publicly traded.

Valuations of Investments in non-publicly traded assets will be made with all appropriate care and diligence and in accordance with market standards. However, no guarantee can be given that the value attributed to such asset is entirely accurate. Therefore, the Net Asset Value may not accurately describe the amount, which may be realised upon sale of the Investments of the Fund.

#### 4.2.4 *Risks related to syndicated transactions*

The Fund will participate in loans extended by FMO to Borrowers. Other parties might participate in the same or in a similar manner or act in parallel with FMO and in such instances unilateral rights or majority lender consent structures may be applicable. FMO may in its sole discretion decide to accept or grant such rights or consent structures. Therefore, no assurance can be given that matters in relation to the loan or loan documentation for which the Fund has been granted a voting right can or will be decided upon and executed in accordance with the vote the Fund has given.

#### 4.2.5 *General political factors*

Investment results may be adversely affected by developments in countries in which the Borrowers or the Fund's counterparties are located. This may result in a partial or complete loss by the Fund as a result of the breakdown of the country's financial system. Such developments include, without limitation: war; civil unrest, ranging from protests to civil war; changes in the political situation and/or government of a country; acts of terrorism; expropriation and creeping expropriation; and inability to transfer moneys cross-border or convert moneys to hard currency.

#### 4.2.6 *Emerging markets; Political, social and economic factors*

Many of the countries where Borrowers are located in are subject to a greater degree of economic, political and social instability than other, more developed countries. This instability may result from, among other things, the following: (i) presence of authoritarian governments or military involvement in political and economic decision making, (ii) internal insurgencies; (iii) hostile relations with neighbouring countries; and (iv) ethnic, religious, and racial disaffection. This social, political and economic instability significantly increases the risk, and could significantly and adversely affect the value, of the loans extended to Borrowers within the affected countries as well as the participation therein by the Fund. Governments in certain countries participate to a significant degree in their economies through ownership interests and/or regulation. Action by these governments could have a significant adverse effect on the value of any loans in the affected countries.

#### 4.2.7 *Currency risk*

As the Fund's Investments may be denominated in currencies other than the applicable Class Currency, while the Fund's accounts for such Class will be denominated in the Class Currency, returns on certain Investments may be significantly influenced by

currency risk. An example is that a loan invested in is denominated in USD, while Class B, Class F and Class I are denominated in EUR.

Although the AIFM will hedge a Class against a decline in the value of the Fund's Investments not denominated in the applicable Class Currency resulting from currency devaluations or fluctuations, as detailed in the applicable Class Details, the AIFM may not always succeed in realizing hedges under acceptable conditions and consequently such Classes shall be subject to the risk of changes in relation to the Class Currency value of the currencies in which any of the Investments attributable to that Class are denominated. Changes in exchange rates can adversely affect affordability of the loan for the Borrower since revenues of the Borrower might be in a different currency than the loan. As a result, the Fund may receive less interest or principal payments than expected or it may receive no interest or principal at all. This will adversely impact the Net Asset Value.

The ability of Borrowers to repay their loans might also be affected by changes in the value of a currency. A decrease of the value of such currency in relation to the currency of the loan, i.e. either USD or EUR, granted to the Borrower could decrease the ability of the Borrower to meet its obligations under such loan, possibly causing defaults on such loans thus lowering the value of any Investment of the Fund in such loans, and, consequently, lowering the Net Asset Value. Currency controls imposed by governments could further increase the risk of the Borrower not being able to repay its loans, resulting in defaults and a lower Net Asset Value.

#### 4.2.8 *Redemption risk*

Units may be redeemed at the request of a Unitholder in accordance with Section 8 of this Prospectus and the applicable terms of the Terms and Conditions. Redemptions may cause the Fund to dispose of assets in order to meet its redemption obligations earlier than anticipated or under less favourable market conditions than the Fund would otherwise have disposed of such assets. This may result in a lower Net Asset Value of the Fund generating lower or negative returns for the non-redeeming Unitholders. Significant redemptions may lead to significant losses to Unitholders, which remain invested in the Fund.

It is noted that Class F Units can only be redeemed with a six (6) month notice period as opposed to Class A, Class B, Class I and Class U Units, which can be redeemed with a one (1) month notice period, as described in further detail in Section 8.

#### 4.2.9 *Risk of loans being converted into equity in restructuring. Workout scenario*

In certain instances, where a Borrower has defaulted on its obligations *vis-à-vis* FMO and/or other lenders and a restructuring of the loan is negotiated and agreed to, it may be possible that outstanding amount of the loan and/or (future) interest, as the case may be, is converted into equity in part or in whole. This may adversely impact the risk profile of the Fund as the Fund will be exposed to equity risks rather than credit risk, as well as adversely impact the value of the Investment and therefore the Net Asset Value.



#### 4.2.10 *Regulatory constraints. FMO and the EU Bank Recovery and Resolution Directive*

FMO is subject to detailed banking laws and government regulation in the Netherlands. DNB has broad administrative power over many aspects of the banking business, including liquidity, capital adequacy, permitted investments, ethical issues and anti-money laundering. As of 4 November 2014, FMO is subject to indirect supervision by the European Central Bank ("**ECB**") under the new system of supervision, which comprises the ECB and the national competent authorities of participating EU Member States, the Single Supervisory Mechanism ("**SSM**"). The SSM is one of the elements of the Banking Union. The indirect supervision means that the ECB may give instructions to DNB in respect of FMO or even assume direct supervision over the prudential aspects of FMO's business.

One of the recently introduced measures is the Bank Recovery and Resolution Directive ("**BRRD**"), which has been implemented in Dutch law. Together with other resolution or recovery rules that could become applicable to FMO in the future, new powers will, and in the future may, be granted by way of statute to DNB and/or any other relevant authority which could be used in such a way that could result in debt instruments or other forms of debts of FMO, including the Fund's loan participations under the Framework Agreement, absorbing losses by means of writing down debt or converting such debt into equity, likely resulting in significant loss for the Fund.

#### 4.2.11 *Measuring Impact*

Impact will be measured according to the impact methodology as adopted by FMO. Impact will be reported through general indicators on portfolio level and sector specific indicators. Even though the AIFM shall take due care to ensure that Impact is reported in an accurate and verifiable manner, the AIFM has to rely on information provided by third parties that may need to rely on other parties for their information as well. Furthermore, an assessment or measurement of Impact is often qualitative and subjective of nature and, consequently, will need to be treated as such by Unitholders.

#### 4.2.12 *Subordination risks*

Loans are subject to the risk that a court could subordinate a loan, which might hold the most senior position in the Borrower's capital structure, to presently existing or future indebtedness or take other action detrimental to the holders of such loans. Further subordination of subordinated loans might even occur.

#### 4.2.13 *Interest rate risks*

An investment in Units may involve the risk that subsequent changes in market interest rates may adversely affect the value of the Units. Changes in interest can both directly and indirectly affect the Net Asset Value. The value of loan participations may decrease if the market interest rate increases, while the ability of Borrowers to repay their loans might be affected by changes in interest rates.

#### 4.2.14 *Uncertainty preferred creditor status*

On certain occasions in the past FMO has been treated as a preferred creditor in certain countries. In some of the countries where FMO operates, it may benefit from a *de facto*

preferred creditor status. However, no assurance can be given that FMO will be treated as a preferred creditor in prevailing circumstances at all or in relation to any loan and no assurance can be given whether or not this benefit extends to any participation by the Fund in any loan.

#### 4.2.15 *Counterparty risk*

The Fund will be subject to the risk of the inability or refusal of dealers, brokers, custodians, payment or clearing institutions, principals or other service providers or other counterparties to its transactions, including but not limited to FMO, to perform or to perform in time under such services or transactions. Any such failure, refusal or delay, whether due to insolvency, bankruptcy or other causes, could subject the Fund to substantial losses. It is expected that the Fund will seek to mitigate these risks by reviewing the creditworthiness and reliability of all service providers and counterparties and only entering into transactions with those parties that the Fund believes to be creditworthy and reliable. FMO is the contractual party to the Borrower and as such receives all payments due from the Borrower, including amounts that FMO is required to on-pay to the Fund pursuant to each loan participation agreement. The Fund therefore has credit risk on FMO as long as any amount due under a loan participation agreement remains outstanding.

#### 4.2.16 *Fund borrowing*

The Fund can attract loans within the limits set out in the Investment Restrictions. Repayment obligations to funding parties may be secured upon the Fund Assets. This means that funding parties will be preferred creditors of the Fund. There can also be no assurance that the Fund will be able to obtain debt financing up to the amount and on the terms as it intends and any such impediment may negatively impact the return of the Fund.

#### 4.2.17 *Inflation*

Due to inflation, the relative value of Units may decline. The Fund will not specifically hedge inflation risk or take other measures to mitigate this specific risk.

#### 4.2.18 *Risks inherent to the use of derivatives*

The Fund may make use of derivatives within the limits set out in the Investment Restrictions.

##### (a) *Margin and Leverage*

The derivatives used may be highly volatile and may expose the Fund to a high risk of loss. Potential initial margin deposits required to establish a position in such instruments permit a high degree of leverage. As a result, depending on the type of instrument, a relatively small movement in the price of a contract may result in a profit or a loss, which is high in proportion to the amount of funds actually placed as initial margin and may result in losses exceeding the margin deposited.

(b) Liquidity Risk

Transactions in over-the-counter derivatives may also involve additional liquidity risk, as there is no exchange or market on which to close out an open position. It may be impossible to liquidate an existing position, to assess the value of a position or to assess the exposure to risk. In adverse market conditions, there may be virtually no liquidity with very significant price movements as a result, which could lower the Net Asset Value of the Fund significantly within a short period of time.

(c) Hedges

Appropriate hedges may not at all times be available to the Fund to cover the risks posed by derivative transactions which it enters into. Therefore, the Fund may not be able to limit losses incurred in those transactions or may only be able to close out a position at significant costs to the Fund.

4.2.19 *Availability of investment opportunities*

The success of the Fund depends upon the ability of the AIFM and the Delegate to identify, recommend and consummate Investments that it believes offer the potential for superior returns and subsequently to realise them. The activities of identifying, completing and realising an attractive Investment opportunity is competitive and involves a high risk of uncertainty.

There can be no assurance that the AIFM or the Delegate will be able to identify and consummate a sufficient number of opportunities to permit the Fund to invest all of its funds available for investment to the extent described herein.

4.2.20 *Non-diversified status of Investments*

Notwithstanding the Investment Restrictions the Fund may, with regard to its Investments, not be able to achieve adequate diversification in respect of Borrowers, counterparties, credit quality, duration, maturity, geography, instrument and investment type, sector, capitalisation, liquidity, volatility and/or currency. Consequently, the Fund's Investments may be subject to and experience greater risk and market fluctuation than a fund that has investments representing a broader range of investment alternatives.

4.2.21 *Concentration of Investments*

The Fund may, especially during its first year after establishment, hold relatively few, large investments in relation to the size of the Fund. The Fund could be subject to significant losses if it holds a large position in a particular Investment that declines in value or is otherwise adversely affected. Lack of liquidity may aggravate such losses significantly. It may not always be possible to dispose of such Investments without incurring significant losses. Potential profits may not always be immediately realisable and may therefore be lost prior to realisation.

As the Fund will also primarily invest in loans granted by FMO, the Fund will also be reliant on the continuing services of FMO. If FMO for whatever reason would cease to be available for the provision and maintenance of the loans invested in by the Fund, this could materially affect the returns of the Fund.

### 4.3 Risks relating to conflicts of interest

#### 4.3.1 *FMO - Delegate*

The Delegate is a wholly owned subsidiary of FMO. To ensure that the Delegate can provide its services as independently as possible, a number of measures have been taken at both the Delegate and FMO to protect the interests of the Delegate's clients such as the AIFM and the Fund by avoiding or, if it is not possible to avoid a conflict of interest, to manage such a conflict of interest to the best of their ability.

FMO, including without limitation its employees that provide certain services to the Delegate on a delegated or insourced basis, may not always be at liberty to disclose all the information it has concerning a Borrower or a particular loan granted by FMO to such Borrower, due to possible information barriers (Chinese walls) within its organisation, confidentiality obligations or otherwise.

#### 4.3.2 *FMO - Fund*

While the interests of FMO and the Fund in relation to investments in the loans are normally aligned, this might be different under certain circumstances such as financial difficulties of the Borrower or a default under a loan granted to such Borrower. While the aim of the Fund is to achieve optimal financial performance for the Unitholders, FMO might also take into account other interests and have additional financial interests in such Borrower. Such decisions of FMO might negatively affect the value of Investments by the Fund in loans provided by FMO to such Borrower.

The ability of the Fund to invest in certain loans might be limited by preferential rights being granted by FMO to other investment institutions. Currently one investment institution has such a preferential right, permitting that investment institution to decide first whether or not to invest, and for what amount, in a loan.

An allocation policy has been developed that sets out an approach to these matters, which policy may not be amended by FMO IM to the detriment of the Fund without the written consent of the AIFM. The allocation policy also sets out the preferential right granted to the other investment institution. As the allocation policy of FMO IM cannot be amended by FMO IM to the detriment of the Fund without the written consent of the AIFM, no further preferential rights to the detriment of the Fund can be granted by FMO IM outside the control of the AIFM thus protecting the Fund's position.

It is noted that employees of FMO and its affiliates, including the Delegate, are entitled to invest in Class F Units. To ensure that such employees do not take advantage of any knowledge they might have in light of their relationship with FMO and/or its affiliates, a redemption of Class F Units has to be requested six months in advance. As a result such redemption will take place against the Net Asset Value of the Class F Units at the time of redemption and not at the time such request is made by a Unitholder.

#### 4.3.3 *Fund - other participants in FMO loans*

In addition to FMO and the Fund, there may also be other parties participating in a loan in which the Fund has invested. Similar to the position of FMO, the interests of such other investors might not always align with the interest of the Fund, and decisions taken

by such other investors might result in a decrease in value of the Fund's investment in such loan. In relation to a specific loan, FMO or the Fund may be subject to decisions being taken with a certain required majority which depends on the amount of the loan a party has committed to or paid out in relation to the total amount of (a) loan(s) committed to or paid out in a facility, and the absence of a required majority to take a certain decision or being outvoted may have an adverse impact on the value of the loan and the Net Asset Value.

In addition, in certain syndicated transactions there might be parties that have unilateral acceleration rights in relation to their loan, which, if such rights are exercised, may result in a cross-default meaning that a Borrower is in default under all loan agreements it has entered into (containing such a provision) with any lender and is required to repay all outstanding amounts including interest and costs. The unlikelihood of the Borrower being able to repay all lenders in such an event may result in bankruptcy or restructuring of its debt which in turn may adversely impact the value of the loan and the Net Asset Value.

#### 4.3.4 *Other clients*

The AIFM, the Delegate and/or Affiliates of the AIFM may or will manage or advise clients other than the Fund. There can be no assurance that such services do not conflict with the interests of the Fund. Although the AIFM intends to manage potential and actual conflicts of interest issues in good faith in compliance with its conflicts of interest policy, there can be no assurance that such conflicts of interest may be resolved in the best interests of the Fund should they arise.

#### 4.3.5 *AIFM's compensation*

The AIFM will have substantial influence in decisions as to the actions taken by the Fund, including making of Investments and disposing of Investments. The compensation that may become payable to the AIFM will be based, in part, on the realised or unrealised appreciation of the assets of the Fund. Accordingly, such compensation may create an incentive to make investments that are riskier or more speculative than would be the case in the absence of such form of compensation.

#### 4.3.6 *Diverse Unitholders*

Unitholders may have conflicting investment, tax and other interests with respect to their investments in the Fund. The conflicting interests may relate to, among other things, the nature of Investments of the Fund, the structuring of Investments and the timing of disposition of Investments. As a consequence, conflicts of interest may arise in connection with decisions made by the AIFM that may be more beneficial for one Unitholder than for another Unitholder, especially with respect to Unitholders' individual tax situations. The AIFM will consider the investment, tax and other interests of the Fund and its Unitholders as a whole, not the investment, tax or other interests of any Unitholder individually.

### 4.4 **Risks relating to the Legal Owner**

Due to the insolvency, negligence or fraudulent actions of the Legal Owner, its officers or employees or third parties used for the custody of assets of the Fund, the value of

Units may decline. The Legal Owner acts or may act as legal owner for other investment entities. Though the FMSA provides for a ranking scheme protecting Fund Assets against recourse by creditors of another investment entity for which the Legal Owner acts as legal owner, this protection may not always be adequate to prevent Fund Assets from being sold off for debts of the Legal Owner not being Fund Obligations.

#### 4.5 **Risks relating to the Fund**

##### 4.5.1 *Changing legislation*

The regulatory and tax environment for investment funds in general as well as certain financial instruments and other types of investments is evolving and changes therein may adversely affect both the Fund's ability to pursue its investment strategies and the value of its Investments. The effect of any future regulatory or tax change on the Fund is impossible to predict.

##### 4.5.2 *Unclear legislation*

Unclear rules and regulations and conflicting advice may result in a breach of rules and regulations applicable to the Fund. Resulting fines and other sanctions and possible damage to the reputation of the Fund, the AIFM and other connected persons may result in a negative impact on the Net Asset Value of the Fund and the Units.

##### 4.5.3 *Partnership risk*

The Fund is structured as a fund for joint account (*fonds voor gemene rekening*). The Terms and Conditions provide that the parties to the Terms and Conditions do not intend to establish a partnership (*maatschap* or *vennootschap onder firma*) or limited partnership (*commanditaire vennootschap*), that the Unitholders do not intend to cooperate with each other and that an Unitholder's obligation to pay a consideration for Units to be issued is a commitment (*verbintenis*) to the Legal Owner and not a contribution (*inbreng*) or commitment to make a contribution within the meaning of title 7A.9 of the Dutch Civil Code.

Currently, uncertainty exists if funds for joint account in general can be qualified as a partnership (*maatschap* or *vennootschap onder firma*) or limited partnership (*commanditaire vennootschap*). Though the AIFM believes that the Fund, in view of its abovementioned characteristics, cannot be qualified as a partnership, it cannot be fully excluded that a court would under circumstances qualify the Fund as a partnership.

If the Fund would be qualified as a partnership, it is unlikely that the provision in the Terms and Conditions that the Unitholders are not liable for the Fund Obligations can be invoked against third parties. For this reason, the AIFM will in principle insert in all material agreements entered into by or on behalf of the Fund provisions limiting the recourse rights of the counterparties under these agreements to the assets held by the Legal Owner on behalf of the Fund.

##### 4.5.4 *Restrictions on transfers and potential illiquidity of Units*

Units may not be registered under any securities laws and, therefore, cannot be resold unless they are subsequently registered under such laws or regulations thereunder. Units are also subject to substantial restrictions on their transferability under the Terms and

Conditions. There is no public market for the Units and none is expected to develop. The redemption of Units is subject to certain conditions as set out in the Terms and Conditions

#### 4.5.5 *Limited rights of Unitholders*

The AIFM has exclusive authority for managing all operations of the Fund. Unitholders cannot exercise any management or control functions with respect to the Fund's operations, although they have limited voting rights in certain organisational respects as set forth in the Terms and Conditions.

## 5. LEGAL AND REGULATORY STRUCTURE OF THE FUND

### 5.1 Legal structure of the Fund

#### 5.1.1 *Legal form*

The Fund is a fund for joint account (*fonds voor gemene rekening*) organised and established under the laws of The Netherlands.

The Fund is under Dutch law not a legal entity (*rechtspersoon*) nor a partnership, commercial partnership or limited partnership (*maatschap, vennootschap onder firma* or *commanditaire vennootschap*), but a contractual arrangement *sui generis* between the AIFM, the Legal Owner and each of the Unitholders separately, governing the assets and liabilities acquired or assumed by the Legal Owner for the account and risk of the Unitholders.

The Fund has its principal offices at the offices of the AIFM at Symphony Towers 26/F, Gustav Mahlerplein 3, 1082 MS Amsterdam, The Netherlands. In view of its legal form of fund for joint account the Fund is not eligible for registration in the Dutch trade register (*handelsregister*).

The Fund was established by the adoption of its Terms and Conditions by agreement between the AIFM and the Legal Owner and the subsequent admission of the first Unitholder on the Launch Date.

The Fund is managed by the AIFM. The assets, rights and obligations of the Fund are held by the Legal Owner and/or, subject to the decision of the AIFM and the Legal Owner, by one or more sub-custodians. The Unitholders will invest in the Fund as participants (*participanten*) and will as such acquire Units in the Fund.

#### 5.1.2 *Qualification*

The Fund is a fund for joint account (*fonds voor gemene rekening*). Currently, uncertainty exists if funds for joint account in general can under Dutch law be qualified as partnership (*maatschap* or *vennootschap onder firma*) or limited partnership (*commanditaire vennootschap*) under Dutch law.

Though the AIFM believes that in view of certain specific provisions of the Terms and Conditions the Fund is an agreement *sui generis* and cannot be qualified as a partnership, it cannot be fully excluded that a court would under circumstances qualify the Fund as a partnership.

If the Fund would be qualified as a partnership, it is unlikely that the provision that the Unitholders are not liable for the Fund Obligations (as set forth in the Terms and Conditions) can be invoked against third parties. For this reason, the AIFM will in principle insert in all material agreements entered into by the Fund provisions limiting the recourse rights of the counterparties under these agreements to the assets held by the Legal Owner on behalf of the Fund.



### 5.1.3 *Classes of Units*

The AIFM may at its sole discretion decide to create different Classes of Units in the Fund. Each Class may differentiate as to e.g. the Class Currency and/or fee structure. The specifics of each Class shall be set forth in a separate annex, the applicable Class Details, to the Terms and Conditions.

Currently the Fund issues Class A, Class B - A, Class B - D, Class F, Class I - A, Class I - D, Class U- A and Class U - D Units, though the Manager may at any time decide to create and issue a new Class of Units.

### 5.1.4 *Intermediary investment holding companies*

The AIFM may structure the Fund's Investments through such intermediate holding structures as the AIFM deems in the best interests of the Fund in view of the legal, tax and/or regulatory requirements of the Fund and the Unitholders in the Fund.

### 5.1.5 *Term and termination of the Fund*

The Fund has been established for an indefinite period of time. The Fund shall in any case be dissolved and, consequently, liquidated upon the occurrence of any of the following events:

- (a) the resignation of the AIFM, without a successor AIFM having been appointed in time in accordance with article 8.2 of the Terms and Conditions;
- (b) notice serve by the AIFM and the Legal Owner on the Unitholders following any change in the law as a result of which, in the reasonable opinion of the AIFM and the Legal Owner, the continuation of the Fund becomes unlawful;
- (c) termination of the Framework Agreement;
- (d) a decision of the meeting of Unitholders to dissolve the Fund taken by Ordinary Consent.

The AIFM can also decide to dissolve the Fund if such dissolution and liquidation is deemed to be in the interest of the Unitholders, as determined by the AIFM at its sole discretion. Such dissolution shall be deemed to be effective on the date of any such resolution having been taken by the AIFM.

### 5.1.6 *Liquidation*

Upon termination of the Fund, no further business shall be conducted except for such action necessary for the winding up of the affairs of the Fund. The balance left after the liquidation shall be paid, in cash or in kind, to the Unitholders (*pro rata* to the numbers of Units held by them, against cancellation of these Units).

During such liquidation the Terms and Conditions shall, to the extent possible, remain in full force and effect. For the avoidance of doubt, upon dissolution and for the duration of the liquidation redemption requests can no longer be made by Unitholders.

### 5.1.7 *Key Fund documents. Governing law and jurisdiction*

The key documents governing the Fund will be:

- (a) the Terms and Conditions, including any annexes thereto, representing the key organisational document of the Fund and *inter alia* setting forth the agreement between the AIFM and the Legal Owner concerning the management and custody on behalf of the Fund;
- (b) this Prospectus; and,
- (c) the Subscription Form.

The key Fund documents will be governed by Dutch law. The competent Dutch courts will have exclusive jurisdiction to settle any claims, actions or disputes arising out or in connection with the key Fund documents.

Copies of the Terms and Conditions and this Prospectus will be published on the AIFM's Website and are available free of charge at the offices of the AIFM.

### 5.1.8 *Amendment of the Terms and Conditions or this Prospectus*

The Terms and Conditions may be amended pursuant to a joint resolution of the Legal Owner and the AIFM.

The AIFM shall inform the Unitholders of a proposed amendment of the Terms and Conditions or the Prospectus on the AIFM's Website. The AIFM shall publish both the proposed amendments and an explanatory note in respect of the envisaged amendment. After implementation of the amendment, the AIFM shall also publish the amendment and an explanatory note on the AIFM's Website to the extent such amendment deviates from the proposed amendment.

An amendment of the Terms and Conditions and/or this Prospectus causing a reduction in the Unitholders' rights or security, imposing costs on the Unitholders or causing a change to the investment policy, strategy or restrictions of the Fund does not become effective for the Unitholders until one (1) month after the date of publication of the proposed amendment. During this period of one (1) month the Unitholders have the right to redeem of their Units under the ordinary conditions set forth in the Terms and Conditions.

## 5.2 **Regulatory position of the Fund. Supervision**

The AIFM is authorised by the AFM to act as manager (*beheerder*) of investment institutions and to offer participation rights in investment institutions in the Netherlands and has for this purpose been granted a licence under the FMSA.

Pursuant to the FMSA, the AFM and DNB are the joint supervisory authorities. The supervision by the AFM primarily relates to conduct of business whereas the supervision by the DNB focuses on prudential supervision. The FMSA regulates Dutch and non-Dutch investment institutions and their managers active in the Netherlands in the interest of investors and market integrity. A licence under the FMSA provides certain safeguards to investors as licences are only granted if requirements concerning

expertise, integrity, capital adequacy, the conduct of business and information provision are satisfied. Furthermore, the Fund and the AIFM are subject to periodic reporting requirements and compliance with guidance and directions of the AFM and DNB.

Notwithstanding the AFM's and DNB's supervision, it is inherent to the investments made by the Fund that Unitholders run a significant risk that their investment in the Fund will lose its value.

## 6. FUND MANAGEMENT AND GOVERNANCE

### 6.1 The AIFM

#### 6.1.1 *Introduction and key duties*

The Fund will be managed by Privium Fund Management B.V. as sole manager (*beheerder*) of the Fund. The AIFM is responsible for the entire management of the Fund in accordance with the provisions of the Fund's organisational documents and applicable laws.

Privium Fund Management B.V. is a private limited liability company (*besloten vennootschap met beperkte aansprakelijkheid*) 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 AIFM is registered in the Dutch trade register (*handelsregister*) under file number 34268930. The AFM has granted the AIFM a license to manage investment institutions (*beleggingsinstellingen*) in the meaning of the FMSA.

#### 6.1.2 *Management Board of the AIFM*

The statutory management board (*bestuur*) of the AIFM directly determines the policy of the Fund. The management board of the AIFM consists of Mr C.H.A. Heijman and Mr M. Baak.

#### 6.1.3 *Delegation of duties*

The AIFM will with due observance of the applicable terms and conditions of the FMSA delegate certain portfolio management, financial, accounting, administrative and other services to the Delegate, the Administrator and one or more other external service providers.

#### 6.1.4 *Resignation and removal of the AIFM*

The AIFM shall resign and can be removed as AIFM of the Fund on certain grounds set forth in the Terms and Conditions, i.e.:

- (a) at its own initiative, subject to notification of the Legal Owner and all Unitholders at least two (2) calendar months before the envisaged effective date of resignation; and,
- (b) with immediate effect upon its bankruptcy (*faillissement*) or dissolution (*ontbinding*) or upon the AIFM having been granted suspension of payments (*surseance van betaling*),

it being understood that no resignation of the AIFM shall be effective before the appointment of a successor AIFM, whether or not on a temporary basis, in accordance with the provisions of article 8.2 of the Terms and Conditions has become effective.

In case of resignation or removal of the AIFM, the Unitholders shall by resolution taken by Ordinary Consent appoint a substitute AIFM.

#### 6.1.5 *Other investment institutions managed by the AIFM*

The AIFM may act as manager of other investment institutions. As of the date of this Prospectus the AIFM manages the following investment institutions:

- Dutch Mezzanine Fund I
- Dutch Mezzanine Fund II
- Multi Strategy Alternatives Fund
- Principia Fund N.V.
- Cangaru Alternatives Fund
- Westermeerwind Aandelenfonds
- Aescap 2.0
- Privium Sustainable Impact Fund
- Still Equity Fund
- Global Allocation Fund
- Strategy One Fund
- Supermarkt Vastgoed FGR
- Windmill Trend Evolution Fund
- Westermeerwind Leningfonds

#### 6.1.6 *Liability of the AIFM. Indemnification*

The AIFM shall only be liable towards the Unitholders for a loss suffered by them in connection with the performance of its duties and responsibilities if and to the extent that such loss is directly caused by its Culpable Behaviour. To cover potential professional liability risks the AIFM carries out with respect to the Fund, the AIFM holds a professional indemnity insurance against liability arising from professional negligence which is appropriate to the risks covered.

Subject to certain restrictions set forth in the Terms and Conditions, the AIFM will be indemnified out of the assets of the Fund against liabilities and charges incurred in connection with the performance of its duties and services to the Fund.

#### 6.1.7 *Disclosure of information related to the AIFM, the Legal Owner and the Depositary*

Any information on the AIFM, the Legal Owner and the Depositary which pursuant to Dutch law must be registered in the Dutch trade register (*handelsregister*), the FMSA licence of the AIFM and the semi-annual and annual reports of the AIFM will be published on the AIFM's Website and are available for inspection at the offices of the AIFM, where copies can be obtained free of charge.

#### 6.1.8 *Remuneration*

The Fund Manager 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 the Fund Manager.

The Board of the Fund Manager is responsible for establishing the remuneration policy, and reviews the remuneration policy at least once a year. The policy may be amended if circumstances warrant that.

Remunerations at the Fund Manager may consist out of a fixed salary (this may include a payment to cover certain expenses of staff members) and a variable remuneration. The Fund Manager 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.

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. The Fund Manager does not charge any employee remuneration fees to the Fund. Employee remuneration is paid out of the Management Fee.

The current remuneration policy can be downloaded from the Fund Manager's website. A copy of the remuneration policy can be requested from the Fund Manager free of charge.

## 6.2 The Delegate

The AIFM has engaged FMO Investment Management B.V. to advise the AIFM on the selection of Investments (except for the Fund's Cash Management) and on the Fund's portfolio under the terms of a delegation agreement.

FMO Investment Management B.V. is a private limited liability company (*besloten vennootschap met beperkte aansprakelijkheid*) under the laws of The Netherlands having its official seat (*zetel*) in Den Haag, the Netherlands and its principal offices at Anna van Saksenlaan 71, 2593 HW Den Haag, the Netherlands. The Delegate is registered in the Dutch trade register (*handelsregister*) under file number 62649108. The AFM has granted the Delegate a license to provide certain investment services in the meaning of the FMSA, including the provision of investment advice. However, as the (possible) Investments to be advised on by the Delegate are not financial instruments, the services of the Delegate are not subject to supervision by the AFM.

Pursuant to the delegation agreement, the Delegate shall, acting in good faith and with diligence, perform certain portfolio management and advisory services with respect to the Fund. In this respect, subject to the overall control and responsibility of the AIFM and in accordance with the AIFM's instructions, the Delegate shall provide the following services:

- (a) identifying and analyzing investments in instruments which - in view of the Fund Objectives - may be suitable for the Fund to invest in - and advising the AIFM in relation thereto as well as advising the AIFM on the portfolio construction;

- (b) arranging for the participation in loans under the Framework Agreement by preparing and advising on participation agreements to be entered into pursuant to the Framework Agreement;
- (c) informing the AIFM on the loan participations on a regular basis and advising ad hoc on provisioning of loans invested in by the Fund;
- (d) advising the AIFM generally with respect to asset management of loan portfolios;
- (e) advising the AIFM on the valuation of the loans in which the Fund participates and their respective models;
- (f) advising the AIFM on (envisaged) amendments to the contractual arrangement in respect of the loans participated in by the Fund;
- (g) assisting the AIFM in the preparation of monthly reports to investors and such other reports as agreed between the parties in this agreement, and providing the AIFM with (input for) such reports for the purpose of distributing to the Unitholders; and
- (h) providing any other advisory services in respect of the Fund as may be agreed from time-to-time.

The Delegate shall not be responsible for the day-to-day management of the Fund and shall not provide fund administration services or risk management services to the AIFM or the Legal Owner. The delegation shall not affect the AIFM's liability or obligations towards the Fund and its Unitholders.

The power to make investment and divestment decisions shall remain the exclusive prerogative of the AIFM and the AIFM shall not be bound by any of the recommendations from the Delegate. The Delegate shall have no power under this Agreement to enter into any transaction or agreement on behalf of the AIFM or the Legal Owner (or for the purpose of the Fund) or to bind the AIFM or the Legal Owner (or the Fund Assets) in any other way, save where expressly authorised to do so by a decision of the AIFM made and confirmed in writing to the Delegate.

The AIFM shall directly remunerate the Delegate for the services rendered under the delegation agreement out of the Management Fee.

The Delegate is not entitled to sub-delegate any of the functions delegated to it, or any part thereof, without the prior written consent of the AIFM. Conditions regarding sub-delegation as set out in article 20 subparagraphs 4, 5, and 6 of the AIFMD and articles 75(f) and 81(2) of the Delegated Regulation shall apply to any such sub-delegation.

It is acknowledged by the AIFM and the Delegate that the Delegate provides investment services to third parties other than the AIFM or the Fund, and the Delegate shall ensure that such services to other parties shall not prejudice its services and obligations under this Agreement. There will be informal contact in a dynamic manner between the AIFM and the Delegate regarding amongst others any potential conflict of interest in connection therewith.

The delegation agreement is governed by and must be interpreted according to the laws of the Netherlands. The competent courts of Amsterdam, the Netherlands, and its appellate courts have exclusive jurisdiction to decide on a dispute between the AIFM and the Delegate in connection with the Delegation Agreement.

Subject to certain restrictions set forth in the delegation agreement, the Delegate will be indemnified out of the assets of the Fund against liabilities and charges incurred in connection with the performance of its duties and services to the AIFM in respect of the Fund.

The AIFM reserves the right to, at its own discretion, but with due observance of any applicable terms of the Terms and Conditions, change or terminate the delegation agreement referred to above and/or to appoint a substituting Delegate. A termination of the Delegate Agreement and/or the decision to appoint a substituting Delegate is subject to the written consent of Unitholders together representing more than fifty per cent. (50%) of the issued and outstanding Units expressed, at the discretion of the AIFM, either (i) in one or more documents, each signed by one or more Unitholders, or (ii) in a meeting of Unitholders convened and held in accordance with the Terms and Conditions

### 6.3 **The Legal Owner**

#### 6.3.1 *Introduction and key duties*

Stichting Juridisch Eigendom FMO Privium Impact Fund will be the legal owner (*entiteit die het juridisch eigendom houdt*) of the Fund. The key responsibility of the Legal Owner is (i) to hold, for the account and risk of the Fund and the Unitholders in the Fund, legal title to all assets and rights of the Fund, (ii) to, as debtor, assume obligations and liabilities of the Fund, and (iii) to be the contracting entity in respect of all agreements entered into on behalf of the Fund. The Legal Owner will do so at the instruction of the AIFM, but will not engage itself actively in the management of the Fund.

In acting as a legal owner of the Fund, the Legal Owner shall act solely in the interests of the Unitholders. The Legal Owner may act as legal owner for other investment institutions. The Legal Owner will administrate the Fund Assets and Fund Obligations strictly separate from those of other investment institutions for which it acts as legal owner. The FMSA provides that the Fund Assets held by the Legal Owner may only be used for payment of (i) the Fund Obligations and (ii) the participation rights of the Unitholders. In case of insolvency of the Fund the liabilities referred to in sub (i) have priority over the liabilities referred to sub (ii). Creditors of the Legal Owner other than "Fund creditors" only have recourse on the Fund Assets held by the Legal Owner provided that (a) all liabilities referred to in sub (i) and (ii) have been met, and (b) it is not possible that any of such liabilities will again arise in the future.

Stichting Juridisch Eigendom FMO Privium Impact Fund is a foundation (*stichting*) under the laws of The Netherlands having its principal offices at Woudenbergseweg 11, 3953 ME Maarsbergen, the Netherlands. The Legal Owner is registered at the Dutch trade register under file number 64905721.



### 6.3.2 *Board and management of the Legal Owner*

The sole member of the board (*bestuur*) of the Legal Owner is, on the date hereof, TCS Governance B.V.. TCS Governance B.V. is a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*) under the laws of The Netherlands having its principal offices at Woudenbergseweg 11, 3953 ME Maarsbergen, the Netherlands, and registered at the Dutch trade register under file number 30176226.

Subject to the terms of the agreement entered into by the AIFM with TCS Governance B.V. and the articles of association of the Legal Owner, the AIFM is entitled to replace the board of the Legal Owner at its sole discretion.

### 6.3.3 *Resignation and removal of the Legal Owner*

The Legal Owner shall resign and can be removed on certain grounds set forth in the Terms and Conditions, i.e.:

- (a) at its own initiative, subject to notification of the AIFM and the Unitholders at least two (2) calendar months before the envisaged effective date of resignation; and,
- (b) with immediate effect upon its bankruptcy (*faillissement*) or dissolution (*ontbinding*) or upon the Legal Owner having been granted suspension of payments (*surseance van betaling*).

In addition, the AIFM can dismiss and remove the Legal Owner subject to notification of the Legal Owner and the Unitholders at least two (2) calendar months before the envisaged effective date of resignation.

No resignation, dismissal or removal of the Legal Owner shall be effective before the appointment of a successor Legal Owner, whether or not on a temporary basis, in accordance with the provisions of article 10.2 of the Terms and Conditions.

In case of resignation or removal of the Legal Owner, the AIFM appoints a substitute legal owner.

### 6.3.4 *Liability of the Legal Owner. Indemnification*

The Legal Owner shall only be liable towards the Unitholders for a loss suffered by them in connection with the performance of its duties and responsibilities, if and to the extent that such loss is directly caused by its Culpable Behaviour, howsoever arising and notwithstanding the use of third party custodians by the Legal Owner. Otherwise the Legal Owner shall not be liable towards the Unitholders for any loss suffered by any Unitholder as a result of any act or omission of a third party.

Subject to certain restrictions set forth in the Terms and Conditions, the Legal Owner will be indemnified out of the assets of the Fund against liabilities and charges incurred in connection with the performance of its duties and responsibilities to the Fund.

#### 6.4 **The Depositary**

The AIFM has under the terms of the Depositary Agreement engaged KAS Trust & Depositary Services B.V. as Depositary of the Fund.

KAS Trust & Depositary Services B.V. is a private limited liability company (*besloten vennootschap met beperkte aansprakelijkheid*). The Depositary has its offices at De Entree 500 in Amsterdam. It was established on 9 June 1966 for an indefinite period of time and it is registered in the Trade Register of the Chamber of Commerce under registration number 33117326.

The Depositary shall inter alia be responsible for the safe-keeping of the Fund Assets, ensure that the Fund's cash flows are properly monitored and ensure that certain Fund-related procedures are implemented in accordance with the provisions of the Terms and Conditions and applicable laws.

In acting as Depositary of the Fund, the Depositary shall act honestly, fairly, professionally, independently and in the interests of the Fund and the Unitholders.

The Depositary shall only be liable towards the Fund or the Unitholders for a loss suffered by them as a result of the Depositary's negligent or intentional failure to properly fulfil its obligations. The Depositary shall furthermore be liable, to the extent set forth in the FMSA, for the loss of financial instruments held in custody by the Depositary or a third party to whom the custody of the financial instruments has been delegated by the Depositary.

#### 6.5 **The Administrator**

The AIFM has engaged Circle Investment Support Services B.V. as the Administrator of the Fund to provide, subject to the overall direction of the AIFM, certain financial, accounting, administrative and other services in respect of the Fund.

The Administrator is part of Circle Partners, an international group that offers a broad range of financial and accounting services to private clients, companies and institutions from its offices in the Netherlands, the British Virgin Islands, the Cayman Islands, Curaçao, Hong Kong, Luxembourg, Slovakia, Switzerland and the United States.

Pursuant to an administration agreement between the AIFM and the Administrator, the Administrator will be responsible, inter alia, for the following matters under the general supervision of the AIFM:

- (a) the general administration of the Fund Assets and Fund Obligations;
- (b) the calculation of the Net Asset Value, the Net Asset Value per Class and the Net Asset Value per Unit;
- (c) preparing the Fund's semi-annual and annual financial accounts;
- (d) the administrative processing of subscriptions and redemptions of Units;
- (e) performing know your customer and anti-money laundering procedures on (prospective) Investors;

- (f) maintaining the register of Investors;
- (g) performing due diligence on (prospective) Investors; and,
- (h) the provision of information to the AIFM to enable the AIFM to comply with financial and regulatory reporting obligations.

The Administrator will not provide any investment advisory or management services and therefore will not be in any way responsible for the Fund's performance.

Subject to certain restrictions set forth in the administration agreement, the Administrator will be indemnified out of the assets of the Fund against liabilities and charges incurred in connection with the performance of its duties and services to the Fund.

The AIFM reserves the right to, at its own discretion, but with due observance of any applicable terms of the Terms and Conditions and the aforementioned administration agreement, change or terminate the administration agreement referred to above and/or to appoint a substituting Administrator.

## 6.6 **The Unitholders. Meetings of Unitholders**

### 6.6.1 *Introduction*

(Prospective) Unitholders should realize that they are not permitted to engage in the investment operations of the Fund and that they do not have any (voting) rights to interfere in the related decision taking of the AIFM.

The AIFM can make decisions which Unitholders do not agree to. In such a situation, a Unitholder can decide to dispose of its interest in the Fund, however subject to and in accordance with the applicable terms as set forth in this Prospectus and the Terms and Conditions.

Unitholders do have certain information rights *vis-à-vis* the AIFM and the Legal Owner and can participate in the decision taking on certain key aspects of the organisation of the Fund set forth in this Prospectus and the Terms and Conditions.

### 6.6.2 *Meetings of Unitholders*

Meetings of Unitholders will only be held when called by the AIFM. The AIFM must call a meeting of Unitholders (i) as often as the AIFM deems the holding of a meeting necessary in the interest of the Unitholders, and (ii) in case one (1) or more Unitholders holding, in total, at least twenty-five per cent. (25%) of the outstanding Units request the AIFM in writing to call and hold such meeting, stating the matters to be placed on the agenda for such meeting.

Meetings of Unitholders will be held in Amsterdam, The Netherlands, or at another place in The Netherlands to be determined by the AIFM. Notice for a meeting of Unitholders will be given at least fifteen (15) days prior to the date of the meeting of Unitholders. Such notice will state the date, time, place and location and the agenda for the meeting and enclose any documents relevant for the meeting. The notice will be

sent to the Unitholders or published in a Dutch nationally circulated newspaper. The notice will as well be published on the AIFM's Website.

Every Unitholder has the right to attend the meeting and to speak at the meeting. A Unitholder may attend the meeting by proxy, provided that the power of attorney is set forth in writing and prior to the meeting submitted for verification to the chairman of the meeting.

#### 6.6.3 *Voting by Unitholders*

To each Unit is attached the right to cast one (1) vote. Resolutions require, as set forth in the Terms and Conditions, either a simple or a qualified majority of the votes that can be cast on all outstanding Units being exercised in favour of the proposal.

Resolutions can be taken both in and outside of a meeting of Unitholders. In the latter case, the resolution must appear from one or more documents signed for approval by the required majority of Unitholders.

### 6.7 **Fund policy regarding voting rights and voting conduct**

The Fund will not pursue an active and specific voting policy in respect of voting rights it can exercise on its Investments and will determine its voting conduct on case-by-case basis.

### 6.8 **Conflicts of interests**

#### 6.8.1 *General*

In the business and operations of the Fund, conflicts of interest may arise in respect of investment and divestment transactions, the hiring of service providers as well as other transactions. The Fund's organisational documents will provide for provisions safeguarding the appropriate equitable solution of such conflict of interest situation.

A key role in the solution of conflict of interest situations will be played by the meeting of Unitholders, it being understood, for instance, that except with prior approval of the Unitholders, by Ordinary Consent, the Fund will not, directly or indirectly:

- (a) enter into any transaction with the AIFM, the Delegate, the Legal Owner, any Unitholder or any of its or their Affiliates;
- (b) enter into any transaction against non-arm's length terms and conditions; or,
- (c) enter into any transaction with any other funds managed by the AIFM, the Delegate or Affiliates of the AIFM or the Delegate.

#### 6.8.2 *Involvement of the AIFM in other funds*

The AIFM, the Delegate and its or their Affiliates may advise and manage, and in the future may continue to advise and manage, other clients and/or investment funds having Fund Objectives and an investment strategy substantially the same as those of the Fund.

The ability of the Fund to invest in certain loans might be limited by preferential rights being granted by FMO to other investment institutions. Currently one investment institution has such a preferential right, permitting that investment institution to decide first whether or not to invest, and for what amount, in a loan.

An allocation policy has been developed that sets out an approach to these matters, which policy may not be amended by FMO IM to the detriment of the Fund without the written consent of the AIFM. The allocation policy also sets out the preferential right granted to the other investment institution. As the allocation policy of FMO IM cannot be amended by FMO IM to the detriment of the Fund without the written consent of the AIFM, no further preferential rights to the detriment of the Fund can be granted by FMO IM outside the control of the AIFM thus protecting the Fund's position.

#### 6.8.3 *Agreements with service providers*

The Fund endeavours transparency in respect of agreements and transactions the Fund enters into with the AIFM, the Legal Owner and key service providers to the Fund (and their Affiliates). For the key terms of the agreements reached with the AIFM and other key service providers to the Fund reference is made to the applicable subsections of this Section 6.

The Fund furthermore will otherwise not enter into agreements or transactions with Affiliates of the AIFM and/or Legal Owner.

#### 6.9 **Complaints procedure**

A Unitholder can make complaints on the Fund, the AIFM or any service provider to the Fund in writing (which includes by e-mail) with the management board of the AIFM. The AIFM will confirm receipt of a complaint within two weeks. At the same time, the AIFM will indicate in which manner the complaint will be dealt with.

#### 6.10 **Equal treatment**

The terms of this Prospectus and of the Terms and Conditions and any other documentation pertaining to the Fund shall apply equally to all Unitholders, it being understood that the rights and obligations of all Unitholders are proportional to the number of their Units, unless disclosed otherwise to the Unitholders in accordance with the FMSA.

## 7. **ADMISSION TO THE FUND. SUBSCRIPTIONS**

### 7.1 **Unitholder suitability. Minimum Investment**

The Fund focuses on a Unitholders' base consisting of both retail investors and institutional investors like pension funds and investment institutions. Potential investors outside the Netherlands are urged to review the selling restrictions set out in Section 13. Potential Swiss investors are also urged to review Section 14.

The investment in the Fund of a Unitholder is subject to a minimum amount as specified in the applicable Class Details. The minimum subscription amount, as set out in the Class Details, is (i) USD 100 for Class A Units, (ii) EUR 100 for Class B Units, (iii) EUR 1,000 for Class F and Class I Units, and (iv) USD 1,000 for Class U Units. The AIFM may at its sole discretion resolve to accept subscriptions for lower amounts. Non-Dutch investors can be subject to higher minimum subscription amounts.

A transparent entity for Dutch tax purposes cannot be a Unitholder if the AIFM has reasonably determined that the participation by such Unitholder in the Fund would negatively affect or jeopardise the tax status of the Fund.

### 7.2 **Subscriptions**

#### 7.2.1 *Conditions*

On Settlement Dates, the AIFM may, at its sole discretion, issue Units at the request of a new or existing Unitholder set forth in a duly signed and completed Subscription Form that has been submitted to the AIFM.

#### 7.2.2 *Subscription Price*

The subscription price of a Unit is equal to the Net Asset Value per Unit as per the Valuation Date preceding the applicable Settlement Date. The Total Subscription Price is the applicable subscription price multiplied by the number of issued Units.

Unitholders shall economically be treated as having subscribed on the Trade Date in respect of the Units subscribed for and accordingly shall receive any distributions declared by the Fund during the period from such Trade Date to the Settlement Date of the Units subscribed for.

#### 7.2.3 *Procedure*

Applications for Units must be made by submitting a duly signed and completed Subscription Form to the Administrator. If the Subscription Notice Date falls: (i) prior to or on the twenty-fifth (25<sup>th</sup>) day of a month, the Valuation Date of the Units subscribed for shall be the last day of that month; (ii) after the twenty-fifth (25<sup>th</sup>) day of a month, the Valuation Date of the Units subscribed for shall be the Valuation Date of the month immediately thereafter. The Determination Date of Units subscribed for shall be determined by the AIFM in its sole discretion, but shall be no later than the tenth (10<sup>th</sup>) Business Day after the Valuation Date of such Units. The Settlement Date of Units subscribed for shall be the third (3<sup>rd</sup>) Business Day after such Determination Date. Units subscribed for shall be issued on such Settlement Date.

Payment of the Total Subscription Price with respect to the Units subscribed for must be received in the Class Currency in the bank account of the Legal Owner as specified below:

*Class A , Class F, Class I and Class U Units*

Payment of the Total Subscription Price must be received in the respective Class Currency in the bank account of the Legal Owner on or prior to the twenty-fifth (25th) day of a month before the relevant Settlement Date.

*Class B Units*

Payment of the Total Subscription Price must be received in the bank account of the Legal Owner at the latest on the Settlement Date of the Units subscribed for. The Settlement Date of the Units subscribed shall be on the third (3rd) Business Day after the Determination Date.

The AIFM reserves the right to accept or reject any application in whole or in part at its absolute discretion. When an application is rejected, the amount paid on application or the balance thereof (as the case may be) will be returned (without interest) as soon as practicable.

Completed applications are irrevocable once the relevant Subscription Form has been received by the Administrator. Upon issuance of the Units in satisfaction of an application, the Administrator will confirm the number and value of the Units so issued

### **7.3 Unitholder representations and warranties. Prevention of money laundering**

#### *7.3.1 Representations and warranties*

The Subscription Form requires each investor subscribing for Units to make certain representations and warranties to the Legal Owner and the AIFM.

Persons subscribing on behalf of others, such as nominees, securities giro's and feeder and custody entities, will need to represent to the AIFM and the Legal Owner in an addendum to the Subscription Form certain additional representations, including but not limited to compliance with know your customer (KYC) and anti-money laundering (AML) rules.

#### *7.3.2 Prevention of money laundering and financing of terrorism*

Measures aimed at the prevention of money laundering and financing of terrorism will require each investor subscribing for Units to evidence its identity to the Administrator. The procedure used by the Administrator is stated in the Subscription Form and is compliant with the Dutch Act on the prevention of money laundering and financing of terrorism (*Wet ter voorkoming van witwassen en financieren van terrorisme*).

Subscriptions made in violation with the applicable client identification and anti-money laundering requirements may result in the rejection of the subscription. Unitholders should be aware that any amount paid to the Legal Owner will be at risk once it has been invested in the Fund and that in case of a rejection of the subscription the amount paid may not be fully recoverable from the Fund.

## 8. TRANSFER AND REDEMPTION OF UNITS

### 8.1 Introduction

Units cannot be transferred other than (by way of redemption) to the Fund itself. Though the Fund is in principle prepared to redeem Units at the request of a Unitholder, the Fund will under circumstances not be able and/or not obliged to do so. Those circumstances are set out in further detail below.

Units therefore do not form a liquid investment and (prospective) Unitholders should take into account that under circumstances they cannot liquidate such numbers of their Units at such moments as they intend to.

### 8.2 Transfer of Units

Units in the Fund cannot be transferred other than, by way of redemption of the Units, to the Fund itself or to persons who are relatives of the transferring Unitholder by blood or affinity in the direct line (*bloed- of aanverwanten in de directe lijn*) and cannot be made subject to any pledge, mortgage, usufruct, charge, lien, retention or other encumbrance (whether or not a *beperkt recht*) of any nature whatsoever.

### 8.3 Redemption of Units at the request of a Unitholder

On Settlement Dates, the AIFM shall, subject to the provisions of the Terms and Conditions, redeem Units at the request of a Unitholder set forth in a Redemption Form. Unitholders should note the possible limitations on redemptions and suspension of redemptions as described in further detail below.

### 8.4 Redemption Price

The redemption price of a Unit is equal to the Net Asset Value per Unit as per the Valuation Date preceding the Settlement Date. The Total Redemption Price is the applicable redemption price multiplied by the number of redeemed Units.

Unitholders shall economically be treated as having redeemed on the Trade Date in respect of the Units redeemed and accordingly shall not receive any distributions declared by the Fund during the period from such Trade Date to the Settlement Date of the Units redeemed.

### 8.5 Procedure

Applications for the redemption of Units should be submitted to the Administrator by means of a duly signed Redemption Form specifying the details of the redemption. Redemption Forms are irrevocable once received by the Administrator.

Class A, Class B, Class I and Class U Unitholders need to ensure that a signed Redemption Form will be received by the Administrator on the first (1<sup>st</sup>) day of the month prior to the relevant Valuation Date. It is noted that Class F Unitholders need to submit their Redemption Form at least six (6) months prior to the relevant Valuation Date. As a result, such redemption will take place against the Net Asset Value of the Class F Units as per the last Valuation Date prior to the Settlement Date, and not the



Net Asset Value of Class F Units at the time the Redemption Form has been submitted by a Unitholder.

If the Redemption Notice Date falls: (i) prior to or on the first (1<sup>st</sup>) day of a month, the Valuation Date of the Units redeemed shall be the last day of that month; (ii) after the first (1<sup>st</sup>) day of a month, the Valuation Date of the Units redeemed shall be the last day of the month immediately thereafter. The Determination Date of Units redeemed shall be determined by the AIFM in its sole discretion, but shall be no later than the tenth (10<sup>th</sup>) Business Day after the Valuation Date of such Units. The Settlement Date of the Units redeemed shall be on the third (3<sup>rd</sup>) Business Day after such Determination Date.

The Total Redemption Price will normally be paid to the redeeming Unitholder on the Settlement Date of the Units redeemed, unless exceptional circumstances occur, in which case the consideration will be paid at the earliest possible Business Day thereafter.

#### 8.6 **Limitation of redemptions**

The Legal Owner and the AIFM may limit the redemption of Units on a Settlement Date to an aggregate Total Redemption Price of two per cent. (2%) or more of the Net Asset Value on the Valuation Date prior to the Settlement Date. In this case, the number of Units to be redeemed per Unitholder will be *pro rata* the total number of Units offered for redemption. Any Units included in a redemption request that have not been redeemed as a result of such scale down of a redemption request are deemed to be offered for redemption on the following Settlement Date on a *pro rata* basis alongside subsequent redemption requests (but not compulsory redemptions) and shall be subject to the same limitations.

#### 8.7 **Suspension of redemption**

The AIFM may further limit the redemption of Units, i.e. to less than two per cent. (2%) of the Net Asset Value, or suspend the redemption of Units if:

- (a) the determination of the Net Asset Value has been suspended (see Section 11.2);
- (b) the transfer of funds realised from the sale of Fund Assets cannot, in the sole opinion of the AIFM, be effected at normal rates of exchange;
- (c) in the sole opinion of the AIFM the sale of Fund Assets cannot be realised at prices reflecting their fair value within the period of time available to the AIFM to act in the best interests of both the redeeming and remaining Unitholders;
- (d) the sale of Fund Assets is otherwise restricted or suspended;
- (e) a state of affairs exists which constitutes a state of emergency as a result of which the sale of Fund Assets would, in the sole opinion of the AIFM, not be practical or would negatively affect the rights of other Unitholders;
- (f) this is necessary to ensure the fair treatment of the Unitholders in all Classes;
- (g) the Unitholder did not act in compliance with applicable legislation or the Terms and Conditions; or

- (h) for whatever reason, the valuation of Fund Assets or Fund Obligations to be sold cannot be promptly or accurately ascertained.

If the AIFM suspends the redemption of Units, it shall announce the suspension on the AIFM's Website and inform the AFM of such suspension without delay.

## 8.8 **Mandatory redemption of Units**

The AIFM and the Legal Owner shall under certain extraordinary circumstances as set forth in the Terms and Conditions and with due regard to the general provisions and conditions relating to redemption of Units be entitled to redeem all (but not part of) the Units of any Unitholder.

The AIFM and the Legal Owner shall be entitled to redeem all (but not part of) the Units of any Unitholder:

- (a) if the Unitholder is dissolved, becomes insolvent, is unable to pay its debts, institutes or has instituted against it a proceeding seeking a judgment of insolvency or bankruptcy, any other relief under any bankruptcy, insolvency or similar law;
- (b) if in the AIFM's reasonable opinion the tax position of the Legal Owner, the Fund or any of the other Unitholders is or will become negatively affected due to the tax status or position or any change therein of the relevant Unitholder or any other circumstance concerning such Unitholder; or
- (c) if, for whatever reason, the continuation of the relationship cannot reasonably be expected from the AIFM and/or Legal Owner.

All Units owned by a Unitholder will be redeemed automatically as per the Business Day preceding the date that the Unitholder no longer complies with either requirement imposed on a tax transparent Unitholder set forth above under "Unitholders' Suitability" in Section 7.1.

As set out in the Subscription Form and the Terms and Conditions, each Unitholder shall agree that it shall immediately notify the AIFM (i) of any change to its legal or tax status, (ii) if any status, position or change therein as referred to in sub (a) above occurs in its respect, or (iii) if it becomes aware of circumstances in all reasonableness qualifying as circumstances as referred to in sub (b) and/or sub (c) above in its respect.

## 9. COSTS AND EXPENSES

### 9.1 Introduction

In this Section 9 are mentioned all costs and expenses related to the organisation, management and transactions of the Fund which will be paid by or charged to the Fund and accordingly result in a reduction of the Fund's Net Asset Value.

This Section does not refer to costs and fees charged by their own service providers in connection with an envisaged investment in or divestment from the Fund (like fees and costs charged to a Unitholder by its advisors, banks or brokers).

All costs referred to in this Section will be allocated to the period to which they relate. Unless indicated otherwise, all costs will be brought at the charge of the Fund's profit and loss account and *pro rata* allocated to the Classes.

All amounts and percentages mentioned in this Section 10 are exclusive of Dutch or foreign value added tax (VAT), if due. Under present legislation, the Fund cannot deduct VAT charged to the Fund.

### 9.2 Cost categories

#### 9.2.1 *Transaction costs*

Transaction costs *inter alia* include all costs of sourcing, evaluating, making, holding or disposing of Investments, including, but not limited to, brokerage fees, (other) transaction costs and expenses and interest on investment-related borrowings. All transaction costs allocated to the Fund shall be borne by the Fund and be brought at the charge of the Fund's profit and loss account.

The AIFM will select transactional service providers on the basis of various considerations, like quality, promptness of performance of services and fee rates. Fee rates may not exceed market standard rates. The total amount of transaction costs from time to time is variable and depends on the number and size of transactions and applicable rates.

#### 9.2.2 *Fund operational costs*

Fund operational costs *inter alia* include all costs of legal, tax, administrative, auditing, reporting and similar services and advices provided to the Fund, the costs of supervision of the Fund and all costs of communications with and meetings of the Unitholders.

All operational costs shall be borne by the Fund and be brought at the charge of the Fund's profit and loss account.

#### 9.2.3 *Management Fee*

##### (a) Class A

Class A has been created to make sure that fund of funds managed by the AIFM (such as the Privium Sustainable Impact Fund) can invest in this Fund without Privium making money on both sides. The annual Management Fee for this

separate share class will be 0.90 per cent. of the Net Asset Value of Class A, excluding (i.e. before deduction of) the accrued Management Fee, which will be paid in full by the AIFM to the Delegate, subject to any VAT (if applicable).

(b) Class B and Class F

The AIFM is entitled to an annual Management Fee due in respect of Class B and Class F Units of 0.98 per cent. of the Net Asset Value of each Class, excluding (i.e. before deduction of) the accrued Management Fee. 0.08 per cent. is for the benefit of the AIFM, with a minimum of EUR 90,000 (or the equivalent thereof in another currency) for all Classes other than Class A in aggregate, calculated pro rata the Net Asset Value of each applicable Class. The total fee on these Classes, including the 0.90 per cent. fee for the Delegate, which will be paid in full by the AIFM to the Delegate (subject to any VAT (if applicable)), will be 0.98 per cent. with a minimum of 0.90 per cent plus Euro 90,000 (being the minimum amount of the Management Fee for the benefit of the AIFM itself).

Class B and Class F Units will not be available for investments from other funds managed by Privium Fund Management B.V.

(c) Class I and Class U

The AIFM is entitled to an annual Management Fee due in respect of Class I and Class U Units of 1.15 per cent. of the Net Asset Value of each Class, excluding (i.e. before deduction of) the accrued Management Fee. 0.15 per cent. is for the benefit of the AIFM, with a minimum of EUR 90,000 (or the equivalent thereof in another currency) for all Classes other than Class A in aggregate, calculated pro rata the Net Asset Value of each applicable Class. The total fee on these Classes, including the 1 per cent. fee for the Delegate, which will be paid in full by the AIFM to the Delegate (subject to any VAT (if applicable)), will be 1.15 per cent. with a minimum of 1% per cent plus Euro 90,000 for all Classes other than Class A in aggregate, calculated pro rata the Net Asset Value of each applicable Class (being the minimum amount of the Management Fee for the benefit of the AIFM itself).

Class I and Class U Units will not be available for investments from other funds managed by Privium Fund Management B.V.

(d) Calculation and payment

The Management Fee will accrue on a daily basis by reference to the latest adopted Net Asset Value per Class, excluding (i.e. before deduction of) the accrued Management Fee, and will be payable by the Fund in arrears as per the first Business Day of each calendar month.

For the avoidance of doubt, the Fund shall not bear the cost of remunerating any employee of the AIFM or any of its Affiliates or any office rental, utilities or office equipment or other overhead or travel costs of any of their respective personnel, it being acknowledged that the Management Fee is intended to compensate the AIFM for such costs.

Under present Dutch tax legislation, the Management Fee due to the AIFM is exempt from Dutch VAT as it is a reimbursement for the management of assets pooled for the purpose of collective investment. Applicable legislation or case law may change after the date of this Prospectus and such changes may have retroactive effect.

#### 9.2.4 *Organisational Expenses*

The Fund will bear its own organisational and start-up expenses in connection with the establishment of the Fund, including (but not limited to) legal, accounting and tax advisory fees, research costs, incorporation expenses and travel costs, subject to a maximum of EUR 175.000 (excluding VAT). Any costs in excess of this maximum shall be borne by the AIFM. Organisational Expenses shall be capitalized and be depreciated in accordance with the applicable provisions of Dutch GAAP in five years.

#### 9.2.5 *Administrator fee*

The Fund will bear the fees and expenses of the Administrator. The following fees have been agreed (exclusive of VAT and FATCA-related fees):

| <b>Assets of the Fund</b> | <b>Annual administration fee (basis points)</b> | <b>Minimum annual administration fee</b> | <b>Annual fee for preparation of semi-annual and annual financial statements in accordance with Dutch GAAP</b> | <b>AIFMD Reporting fee per report</b> |
|---------------------------|---|--|--|---------------------------------------|
| USD 0 - 100 million       | 4.5 bps (0.045%)                                | USD 32,000                               | USD 5,500 (excluding VAT)  | USD 2,000                             |
| > USD 100 million         | 3 bps (0.03%)                                   |  |  |                                       |

#### 9.2.6 *Legal Owner fees*

As TCS Governance B.V. acts as the sole director of the Legal Owner, the following fees are payable by the Fund to TCS Governance B.V.: a fixed annual directorship fee of EUR 3,500 (excluding VAT and disbursements), plus a variable fee of 0,0125 per cent. of the Net Asset Value. The total amount of fees payable is capped at EUR 6,500. This will be excluding VAT and disbursements.

#### 9.2.7 *Audit fees*

The annual audit fees payable to the Auditor will be EUR 21,000 per annum. This will be excluding VAT and disbursements.

#### 9.2.8 *Depositary fees*

The annual fees of the Depositary are 0.02 per cent. of the Net Asset Value, with a minimum of EUR 17,500 (excluding VAT, indexation and disbursements).

#### 9.2.9 *Swiss Representative fees and Swiss Paying Agent fees*

The annual fees of the Swiss Representative are CHF 5,000 (including VAT and disbursements). The set-up fees of the Swiss Representative are CHF 2,000 (including VAT and disbursements). The annual fees of the Swiss Paying Agent are CHF 1,500 (including VAT and disbursements). The set-up fees of the Swiss Paying Agent are CHF 1,000 (including VAT and disbursements).

#### 9.2.10 *Costs of indirect investments*

The Fund may invest in money market funds for liquidity purposes. If the Fund invests either directly or indirectly in such funds, the costs associated herewith may consist of transaction costs, operational costs, management fees, performance fees and organisational expenses of such other fund will indirectly be borne by the Fund. Any return commission received by the Fund, the AIFM or an Affiliate of the AIFM in connection with an investment in such funds will be for the benefit of and credited to the Fund.

Where the Fund invests in such funds, the costs associated with the funds concerned will be disclosed and specified in the Fund's annual report.

#### 9.2.11 *Ongoing charges figure*

The ongoing charges figure is the total amount of the costs of each Class incurred in a year - except for transaction costs and interest costs - expressed as a percentage of the Class' average Net Asset Value for the year concerned. The ongoing charges figure for each Class will be published annually in the Fund's annual accounts.

The projected annual ongoing charges figure per Class (or a combination of two Classes), assuming a Net Asset Value of USD 131 million, is presented in the table below.

| Ongoing Charges Figure | Class A | Class B | Class F | Class I | Class U |
|------------------------|---------|---------|---------|---------|---------|
|                        | 1.13%   | 1.21%   | 1.21%   | 1.38%   | 1.38%   |

## 10. VALUATION, REPORTING AND INFORMATION DISCLOSURE

### 10.1 Valuation principles

The AIFM shall value the Fund Assets and Fund Obligations in accordance with Dutch GAAP and, where more specific, the following valuation methods:

- (a) loan participations will be valued using an amortised cost minus provisions method; the AIFM will follow the FMO provisioning as much as possible. The Delegate will advise the AIFM on any FMO provisioning of a loan invested in by the Fund;
- (b) securities for which no daily price is calculated shall be valued on the basis of the most recent official price, unless the AIFM is of the opinion that this price does not correspond with the actual value of the security in question, in which case the AIFM can determine the value itself on the basis of all available information;
- (c) 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 its probable realisation value as determined by the AIFM in good faith having regard to its cost price, the price at which any recent transaction in the security may have been effected, the size of the holding having regard to the total amount of such security in issue, and such other factors as the AIFM in its sole discretion deems relevant in considering a positive or negative adjustment to the valuation;
- (d) investments, other than securities, which are not dealt in or traded through a clearing firm or an exchange or through a financial institution will be valued on the basis of the latest available valuation provided by the relevant counterparty;
- (e) deposits will be valued at their cost plus accrued interest;
- (f) all other Fund Assets and Fund Obligations shall be valued on the basis of current fair value, subject to the most recent market quotations and customary valuation methods that apply for the relevant Fund Asset or Fund Obligation; and,
- (g) all Fund Assets and Fund Obligations denominated in another currency shall be converted into the Class Currency in accordance with the currency exchange rate prevailing at the close of business of the relevant Valuation Date.

In the annual report of the Fund the AIFM will also describe a fair value methodology and outcome of the value of the loan participations invested in by the Fund, based on the input from FMO.

## 10.2 Reporting to Unitholders

### 10.2.1 *Financial year*

The financial year of the Fund shall begin on the first day of January and end on the thirty-first day of December of the same calendar year. The first financial year of the Fund will begin at the Launch Date and will end on the thirty-first day of December of the same year.

### 10.2.2 *Reporting on Net Asset Value*

Subject to certain exception grounds set forth in the Terms and Conditions, the AIFM shall as per each Valuation Date determine the Net Asset Value, the Net Asset Value per Class and the Net Asset Value per Unit. The Net Asset Value per Class and the Net Asset Value per Unit shall be expressed in the applicable Class Currency and be determined in accordance with the Fund's valuation principles referred to above. The AIFM shall after each Valuation Date without delay publish the Net Asset Value, the Net Asset Value per Class and the Net Asset Value per Unit as per such Valuation Date on the AIFM's Website.

The AIFM may delegate certain aspects of the determination of the Net Asset Value, the Net Asset Value per Class and the Net Asset Value per Unit to the Administrator. In determining the Net Asset Value of the Fund and the Net Asset Value per Unit, the Administrator will follow the valuation policies and procedures adopted by the Fund as set out above. If and to the extent that the AIFM or another third party is responsible for or otherwise involved in the pricing of any of the Fund's portfolio securities or other assets, the Administrator may accept, use and rely on such prices in determining the various Net Asset Values and shall not be liable to the Fund, any Unitholder in the Fund, the AIFM or any other person in so doing.

The AIFM may declare a suspension of the determination of the Net Asset Value, the Net Asset Value per Class and the Net Asset Value per Unit:

- (a) if one or more stock exchanges on which Fund Assets are listed (or on which securities which belong to the assets of a collective investment scheme in which the Fund is invested are listed directly or indirectly), are closed on other days than normal days of closure or if the transactions on these exchanges are suspended or subject to irregular restrictions;
- (b) if the communication means or calculation facilities normally used to determine the Net Asset Value no longer function or if, for any other reason, the value of a Fund Asset or Fund Obligation, cannot be determined with the speed or accuracy desired by the AIFM;
- (c) if there are factors relating to the political, economic, military or monetary situation that make it impossible for the AIFM to determine the Net Asset Value;  
or
- (d) if a resolution to liquidate the Fund is passed.

When the AIFM is unable to determine the Net Asset Value, the Net Asset Value per Class and the Net Asset Value per Unit, this will be published on the AIFM's Website.



In case of errors in the calculation of such Net Asset Values, the AIFM will as soon as possible prepare a report on the errors that were made and which correction will need to be made to the applicable Net Asset Value. If a correction is required of more than 0.5 per cent. (0.5%) of such Net Asset Value, and a Unitholder incurred a loss exceeding EUR 50 (or the equivalent thereof in the applicable Class Currency) by an allocation or redemption against the erroneously calculated Net Asset Value, the Fund will at the request of such (former) Unitholder provide compensation (in cash or in Units) for the relevant (former) Unitholder for the actual loss incurred.

#### 10.2.3 *Monthly reporting*

Within fifteen (15) Business Days after the end of each calendar month, the AIFM shall prepare a monthly report stating the total value of the Fund Assets, the Fund's asset mix, the number of outstanding Units per Class and the most recently calculated Net Asset Value per Unit and the date on which the calculation was made. The monthly report shall be published on the AIFM's Website and is available for Unitholders free of charge at the offices of the AIFM.

#### 10.2.4 *Semi-annual reporting*

Within nine (9) weeks after the end of the first half of each financial year of the Fund, the AIFM shall, in accordance with the applicable legal requirements, prepare and publish semi-annual accounts in relation to the first half of the relevant financial year consisting of at least a balance sheet and profit and loss account. The semi-annual accounts shall be drawn up in accordance with the provisions of Dutch GAAP. The semi-annual accounts shall not be audited. The semi-annual accounts shall be published on the AIFM's Website and are available for Unitholders free of charge at the offices of the AIFM.

#### 10.2.5 *Annual reporting*

Within six (6) months after the end of each financial year of the Fund, the AIFM shall, in accordance with the applicable legal requirements, prepare and publish the Fund's annual accounts (consisting of at least a balance sheet, profit and loss account and explanatory notes), annual report and other information for such financial year. The annual accounts shall be drawn up in accordance with the provisions of Dutch GAAP and shall be audited by the Auditor. The Auditor will report to the AIFM on its audit and disclose in its report other work performed for the Fund. The Auditor's report shall be added to the annual accounts. The annual accounts shall be published on the AIFM's Website and are available for Unitholders free of charge at the offices of the AIFM.

#### 10.2.6 *Miscellaneous interim reporting*

The AIFM shall periodically disclose to the Unitholders:

- (a) the percentage of the Fund Assets which are subject to special arrangements arising from their illiquid nature;
- (b) any new arrangements for managing the liquidity of the Fund; and,
- (c) the current risk profile of the Fund and the risk management systems employed by the AIFM to manage those risks.

The AIFM shall on a regular basis disclose to the Unitholders:

- (a) any changes to the maximum level of Fund-level leverage which the AIFM may employ on behalf of the Fund as well as any right of the reuse of collateral or any guarantee granted under the leveraging arrangement; and,
- (b) the total amount of leverage employed by the Fund.

The information referred to in this subsection "Miscellaneous interim reporting" shall be included in the monthly reports referred to above.

## 11. DISTRIBUTIONS

### 11.1 Distributions policy.

As the Fund Objectives of the Fund are to achieve capital growth, frequent and regular distributions of Net Proceeds by the Fund are not intended nor anticipated. However, the AIFM may, at its sole discretion and at any time, decide to distribute any Net Proceeds. It is expected that the AIFM will especially do so if the AIFM is of the opinion that there are no sufficient suitable investment opportunities to achieve the Fund Objectives of the Fund. All distributions to the Unitholders will be made *pro rata* to the number of Units held by each of them.

It is the intention of the AIFM (i) not to make any regular distributions on Class A, Class B - A, Class F, Class I - A and Class U - A Units, and (ii) to make semi-annual distributions of 2% of the Net Asset Values of Class B - D, Class I - D and Class U - D Units per year to applicable Unitholders.

Any distribution to the Unitholders, including the amount and manner of payment, shall be separately notified to the Unitholders through a notice on the AIFM's Website.

### 11.2 Form of distributions

Distributions of Proceeds will be made in cash in the applicable Class Currency.

## 12. CERTAIN DUTCH TAXATION ASPECTS

### 12.1 Introduction

The following summary of certain Dutch taxation matters is based on the laws and practice in force as of the date of this Prospectus and is subject to any changes in law and the interpretation and application thereof, which changes could be made with retroactive effect. The following summary does not purport to be a comprehensive description of all the tax considerations that may be relevant to a Unitholder, and does not purport to deal with the tax consequences applicable to all categories of Unitholders. Unitholders should consult their professional advisers on the tax consequences of their acquiring, holding and disposing of the Units.

### 12.2 Taxation of the Fund

The Fund is transparent for Dutch corporate income tax purposes. As a consequence, the Fund is not subject to Dutch corporate income tax. Distributions by the Fund (if any) are not subject to Dutch dividend withholding tax.

### 12.3 Taxation of Unitholders

#### 12.3.1 *Dutch resident Unitholders*

Unitholders who are individuals and are resident or deemed to be resident in The Netherlands for Dutch income tax purposes will generally be taxed in "Box 3" on the fair market value of their Units in the Fund held as a portfolio investment at an effective tax rate of up to 1.68% (maximum effective tax rate for 2019).

Corporate and institutional Unitholders that are resident or deemed to be resident in The Netherlands, without being exempt from Dutch corporate income tax, will be subject to Dutch corporate income tax on all income and gains realised in connection with the Units. As the Fund is transparent for Dutch corporate income tax purposes, such income and gains will consist of any income derived and any gain realised in respect of the Fund investments in proportion to the Unitholder's participation in the Fund.

Due to the transparency of the Fund for Dutch corporate income tax purposes, changes of the proportional interest of a Unitholder e.g. as a result of a new Unitholder investing in the Fund may lead to a realization of capital gains for Dutch corporate income tax purposes.

Dutch tax resident Unitholders, whether private individual, corporate or institutional, may, depending on the source country of the relevant Fund Investment and the interpretation of any applicable tax treaty between such country and The Netherlands, benefit from certain exemptions and/or reductions from withholding and capital gains tax relating to the Fund Investments. Any remaining withholding tax at the level of the Fund Investments is generally creditable to Dutch resident private individual Unitholders and corporate and institutional Unitholders that are subject to Dutch corporate income tax.

### 12.3.2 *Non-Dutch resident Unitholders*

Non-Dutch resident Unitholders normally will not be subject to Dutch income or corporate taxation with respect to income or capital gains realised in connection with a Unit, unless there is a specific connection with The Netherlands, such as an enterprise or part thereof which is carried on through a permanent establishment in The Netherlands. For a Unitholder holding the Units in the context of an enterprise it cannot be ruled out that a permanent establishment is deemed to exist.

A Unitholder will not become resident or deemed to be resident in The Netherlands by reason only of the holding of a Unit.

## 13. SELLING RESTRICTIONS

### 13.1 General

The distribution of this Prospectus and the offer, sale and delivery of the Units in certain jurisdictions other than the Netherlands may be restricted by law. No action has been or will be taken to permit the distribution of this Prospectus in any jurisdiction where any action would be required for such purpose or where distribution of this Prospectus would be unlawful.

This Prospectus does not constitute an offer for, or an invitation to subscribe to or purchase, any Units in any jurisdiction to any person to whom it is unlawful to make such offer or invitation in such jurisdiction. Persons into whose possession this Prospectus comes are required to inform themselves about and observe any such restrictions. Set forth below is a non-exhaustive list of selling restrictions.

### 13.2 Switzerland

Swiss investors should take note of the additional information and restrictions set out in Section 14.

### 13.3 France

The Fund has been authorised by the AFM to be marketed towards only professional investors as defined by Schedule II of the European Directive 2014/65/EU (MiFID II) in France from August 7, 2018. The marketing is defined by Position No. 214-04 of the Autorité des Marchés Financiers, the French regulator.

### 13.4 Spain

The Units may not be offered or sold in Spain except in accordance with the requirements of the Spanish Securities Market Law 4/2015, of October 23 (*Real Decreto Legislativo 4/2015, de 23 de octubre, por el que se aprueba el texto refundido de la Ley del Mercado de Valores, "TRLMV"*), as amended and restated, and Royal Decree 1310/2005, of November 4, on the listing of securities, public offers and applicable prospectus (*Real Decreto 1310/2005, de 4 de noviembre, por el que se desarrolla parcialmente la Ley 24/1988, de 28 de julio, del Mercado de Valores en materia de admisión a negociación de valores en mercados secundarios oficiales, de ofertas públicas de venta o suscripción y del folleto exigible a tales efectos*) (the "**Spanish Securities Market Law**").

This Prospectus is for information purposes only. Neither the Units, this offering nor this Prospectus and its contents have been approved or registered with the Spanish Securities and Exchange Commission (*Comisión Nacional del Mercado de Valores, "CNMV"*), and therefore it is not intended for the public offering in Spain.

Marketing of the Units is made in accordance with the EU cross border distribution requirements (Passport) provided in Article 76 of Law 22/2014 (which transposes Directive 2011/61/EU on Alternative Investment Fund Managers into Spanish law) and, in particular, once the AFM has communicated to the AIFM that the notification requirements to the CNMV have been met.

The Units are exclusively offered and sold in Spain to investors considered professional investors, as defined in Article 205 of TRLMV.

### 13.5 **United Kingdom**

In the United Kingdom, this document is being distributed only to and is directed at: (i) persons who have professional experience in matters relating to investments falling within Article 19 of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2001 (as amended) (the "**FPO**"); (ii) high net worth entities and other persons to whom it may otherwise lawfully be communicated falling within Article 49 of the FPO; (iii) certified sophisticated investors falling within Article 50 of the FPO; or (iv) other persons to whom it may lawfully be directed under an exemption contained in the FPO (the persons specified in (i), (ii), (iii) and (iv) above are, together, referred to as relevant persons). Accordingly, this document is exempt from the general restriction in Section 21 of the Financial Services and Markets Act 2000 on the grounds that it will be communicated only to relevant persons. Persons who are not relevant persons must not act on or rely on this document or any of its contents. Any investment or investment activity to which this document relates is available only to relevant persons and will be engaged in only with relevant persons. Relevant persons in receipt of this document must not distribute, publish, reproduce, or disclose this document (in whole or in part) to any person who is not a relevant person.

### 13.6 **Luxembourg**

The Fund has been authorised by the AFM to be marketed towards only professional investors as defined by the Schedule II of the European Directive 2014/65/EU (MiFID II) in Luxembourg from August 7, 2018.

#### 14. **ADDITIONAL INFORMATION FOR SWISS INVESTORS**

By way of derogation from the minimum subscription amount set out in the Prospectus and the Class Details for Class I and Class U Units, the minimum subscription amount for Swiss investors shall be EUR 100,000 (or the equivalent thereof in USD) for each Class, both for initial and subsequent subscriptions. Only Class I and Class U Units will be distributed in Switzerland.

The shares of the Fund shall be distributed in Switzerland exclusively to qualified investors as defined by Article 10 § 3 of the Collective Investment Scheme Act 2006, as amended, (CISA) and Article 6 of the Collective Investment Scheme Ordinance 2006, as amended, (CISO) (Qualified Investors). The Fund has not been and will not be registered with the Swiss Financial Market Supervisory Authority (FINMA).

The representative of the Fund in Switzerland is Hugo Fund Services SA, 6 Cours de Rive, CH-1204 Geneva (the "**Representative**"). The offering documents, articles of association and audited financial statements can be obtained free of charge from the Representative. The place of performance for the shares of the Fund offered or distributed in or from Switzerland is the registered office of the Representative. The courts of the canton of Geneva shall have jurisdiction in relation to any disputes arising out of the duties of the Representative. Any dispute related to the distribution of shares of the Fund in and from Switzerland shall be subject to the jurisdiction of the registered office of the distributor.

The paying agent in Switzerland is Banque Heritage SA, 61 Route de Chêne, CH-1207 Geneva, Switzerland (the "**Paying Agent**"). Shares may be subscribed and/or redeemed with the Paying Agent. A handling commission will be charged by the Paying Agent. If a subscription or redemption is made through the Paying Agent, instructions and money must be received by the paying agent at least 24 hours before the appropriate dealing cut-off time.

The fees and expenses associated with the representation, paying agency and other distribution items may be charged to the Fund. As applicable, the actual amount of such fees and expenses will be disclosed in the audited financial statements.

The Fund Manager does not pay retrocessions for distribution. In respect of distribution in or from Switzerland, the Fund Manager does not grant rebates to investors.



**15. DECLARATION OF THE AIFM**

The AIFM declares that the Fund, the Legal Owner and the AIFM are compliant with the rules and regulations set forth in or pursuant to the FMSA and that this Prospectus meets the requirements set forth in or pursuant to the FMSA.

Privium Fund Management B.V.

## 16. ASSURANCE REPORT OF THE INDEPENDENT AUDITOR

To: the fund manager of FMO Privium Impact Fund

### Our opinion

In accordance with Section 115x, subsection 1, under e, of the Besluit Gedragstoezicht financiële ondernemingen Wft (BGfo Wft, Decree on the Supervision of the Conduct of Financial Undertakings pursuant to the Act on Financial Supervision ), we have examined the prospectus of the fund manager of FMO Privium Impact Fund, Amsterdam.

In our opinion the prospectus dated 18 July 2019 of FMO Privium Impact Fund contains, in all material respects, at least the information required by or pursuant to the Wet op het financieel toezicht (Wft, Act on Financial Supervision) for a prospectus of an alternative investment fund.

### Basis for our opinion

We performed our examination in accordance with Dutch law, including Dutch Standard 3000A, “Assurance-opdrachten anders dan opdrachten tot controle of beoordeling van historische financiële informatie (attest-opdrachten)” (Assurance engagements other than audits or reviews of historical financial information (attestation engagements)). This engagement is aimed to obtain reasonable assurance. Our responsibilities in this regard are further described in the Our responsibilities for the examination of the prospectus section of our report.

We are independent of FMO Privium Impact Fund and Privium Fund Management B.V. 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 requirements in The Netherlands. Furthermore we have complied with the Verordening gedrags- en beroepsregels accountants (VGBA, Dutch Code of Ethics).

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

### Relevant matters relating to the scope of our examination

Our examination consists of verifying that the prospectus contains the required information, which means we did not examine the accuracy of the information included in the prospectus.

Furthermore, Dutch law does not require the auditor to perform additional assurance procedures with respect to Section 115x, subsection 1, under c, of the BGfo Wft. Pursuant to Section 115x, subsection 1 under c of the BGfo Wft, the prospectus of an alternative investment fund contains the information which investors need in order to form an opinion on the alternative investment fund and the costs and risks attached to it.

Our opinion is not modified in respect of these matters.

### Responsibilities of the manager for the prospectus

The manager of the FMO Privium Impact Fund is responsible for the preparation of the prospectus that contains at least the information required by or pursuant to the Wft for a prospectus of an alternative investment fund.

Furthermore, the fund manager is responsible for such internal control as it determines is necessary to enable the preparation of the prospectus that is free from material omission, whether due to error or fraud.

#### Our responsibilities for the examination of the prospectus

Our responsibility is to plan and perform our examination in a manner that allows us to obtain sufficient and appropriate assurance evidence for our opinion.

Our examination has been performed with a high, but not absolute, level of assurance, which means we may not have detected all material omissions in the prospectus due to error and fraud.

We apply the “Nadere voorschriften kwaliteitssystemen” (NVKS, Regulations for Quality management systems) and accordingly maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Our examination included e.g.:

- Identifying and assessing the risks of material omissions of information required by or pursuant to the Wft in the prospectus, whether due to errors or fraud, designing and performing assurance 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 omission resulting from fraud is higher than for one resulting from errors, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control
- Obtaining an understanding of internal control relevant to the examination in order to design assurance procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the manager of the alternative investment fund

The Hague, July 18, 2019

Ernst & Young Accountants LLP

Signed by R.J. Bleijs

**SCHEDULE 1**  
**TERMS AND CONDITIONS (INCLUDING CLASS DETAILS)**

FMO PRIVIUM IMPACT FUND

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TERMS AND CONDITIONS  
OF  
MANAGEMENT AND CUSTODY

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## 1. DEFINITIONS

1.1 In these Terms and Conditions the following capitalized terms shall have the following meanings:

**"Administrator"** means Circle Investment Support Services B.V. being the administrator of the Fund, or such other administrator of the Fund as may be appointed from time to time in accordance with these Terms and Conditions;

**"Affiliate"** means a person directly or indirectly controlling or controlled by or under common control with the party at issue.

The term "control" (and any derivative thereof) means - for the purpose of the definition of Affiliate - in respect of an entity the right (i) to exercise the majority of the voting rights in the meeting of shareholders (or similar meeting of investors, partners or other owners) of such entity, (ii) to appoint the majority of the members of the body in charge of the day-to-day business of such entity, or (iii) to determine the policy and strategy of such entity;

**"AFM"** means the Dutch Authority for the Financial Markets (*Stichting Autoriteit Financiële Markten*);

**"AIFM"** means Privium Fund Management B.V., a private limited liability company (*besloten vennootschap met beperkte aansprakelijkheid*) under the laws of the Netherlands having its official seat (*zetel*) in Amsterdam, the Netherlands and its principal offices at Gustav Mahlerplein 3, 26<sup>th</sup> floor, 1082 MS Amsterdam, the Netherlands, being the manager (*beheerder*) of the Fund, or such other manager as may be appointed from time to time in accordance with these Terms and Conditions;

**"AIFMD"** means Directive 2011/61/EU of the European Parliament and of the Council of 8 June 2011 on Alternative Investment AIFMs, as amended from time to time;

**"AIFM's Website"** means the internet website of the AIFM: <http://www.priviumfund.com/>;

**"Annex"** means an annex to these Terms and Conditions;

**"Article"** means an article of these Terms and Conditions;

**"Auditor"** means Ernst & Young Accountants LLP or such other registered accountant or other expert as referred to in section 2:393 subsection 1 of the Dutch Civil Code charged

with the audit of the Fund's financial reports as appointed from time to time by the AIFM;

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| <b>"Borrower"</b>             | means any company, corporation, partnership, fund, trust or other entity FMO has provided a loan or credit facility to and in which loan or credit facility the Fund has participated, by co-investing with FMO;  |
| <b>"Business Day"</b>         | means any day on which banks are generally open for business in The Netherlands;  |
| <b>"Class"</b>                | means a class of Units in the Fund, each class representing a proportionate right to the Fund Assets and Fund Obligations (pro rata to the relevant Net Asset Value per Class) and having a different currency of denomination. The specifics of each Class are set forth in the applicable Class Details;  |
| <b>"Class B"</b>              | means both Class B- A and Class B – D;  |
| <b>"Class Currency"</b>       | means the currency of a Class as specified in the Class Details;  |
| <b>"Class Details"</b>        | means the document containing the specifics of a Class, for each Class included in a separate annex to these Terms and Conditions;  |
| <b>"Class I"</b>              | means Class I – A and Class I – D;  |
| <b>"Class U"</b>              | means Class U – A and Class U – D;  |
| <b>"Culpable Behaviour"</b>   | means gross negligence ( <i>grove onzorgvuldigheid</i> ), (ii) wilful default ( <i>opzet</i> ), or (iii) fraud ( <i>fraude</i> );   |
| <b>"Delegate"</b>             | means FMO Investment Management B.V., a private limited liability company ( <i>besloten vennootschap met beperkte aansprakelijkheid</i> ) incorporated and existing under the laws of the Netherlands, or such other delegate as appointed from time to time;;  |
| <b>"Depositary"</b>           | means KAS Trust & Depositary Services B.V., a depositary ( <i>bewaarder</i> ) having its principal offices at De Entree 500, 1101 EE RL Amsterdam, The Netherlands, being the depositary ( <i>bewaarder</i> ), in the meaning of article 4:37f of the FMSA, of the Fund, or such other person permitted to act as depositary in the aforementioned meaning as may be appointed from time to time by the AIFM; |
| <b>"Depositary Agreement"</b> | means the agreement between the Depositary and the AIFM (also acting on behalf of the Fund and the Unitholders) setting forth the appointment by the AIFM of the Depositary as the depositary of the Fund and regulating <i>inter alia</i> the  |

flow of information deemed necessary to allow the Depositary to perform its functions for the Fund;

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| <b>"Determination Date"</b>                | means with respect to a subscription or a redemption of Units, the date on which the Net Asset Value per Unit as of the applicable Valuation Date is determined;  |
| <b>"Developing and Emerging Economies"</b> | means economies or countries (i) which were classified by the World Bank in its most recent World Development Report as (having) low income economies, lower middle income economies or upper middle income economies, or (ii) which were classified as such when the approval in principle for the financing was approved and the financing contracted by the end of that same calendar year;                  |
| <b>"DNB"</b>                               | means the Dutch Central Bank ( <i>De Nederlandsche Bank N.V.</i> );   |
| <b>"Dutch GAAP"</b>                        | means generally accepted accounting principles in the Netherlands;  |
| <b>"EUR" or "Euro"</b>                     | means the Euro, the single currency of the participating member states of the European Union;   |
| <b>"FMO"</b>                               | means Nederlandse Financierings-Maatschappij voor Ontwikkelingslanden N.V., a public limited liability company ( <i>naamloze vennootschap</i> ), having its corporate seat in Den Haag, and its business address at Anna van Saksenlaan 71, 2593 HW The Hague, the Netherlands;   |
| <b>"FMSA"</b>                              | means the Dutch Financial Markets Supervision Act ( <i>Wet op het financieel toezicht</i> );  |
| <b>"Fund"</b>                              | means the aggregate of the Fund Assets and the Fund Obligations, in which monies or other assets are called or received for the purpose of collective investment by the Unitholders, as governed by these Terms and Conditions;   |
| <b>"Fund Assets"</b>                       | means all bonds, notes, debentures, loans and other debt instruments, all shares, and convertible securities and all derivatives, and other assets ( <i>goederen</i> ), including cash, that are acquired by the Legal Owner (or the AIFM in the name of and on behalf of the Legal Owner) and held by the Legal Owner in its own name for the account and risk of the Unitholders in connection with the Fund; |
| <b>"Fund Objectives"</b>                   | means the purposes of the Fund as set forth in Article 4.1;   |
| <b>"Fund Obligations"</b>                  | means the obligations which the Legal Owner (or the AIFM in the name of and on behalf of the Legal Owner) assumes and/or incurs in its own name for the account and risk of the Unitholders in connection with the Fund and any obligation  |

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|                                    | assumed and/or incurred in accordance with Article 6.1 hereof;  |
| <b>"Framework agreement"</b>       | means the framework agreement between the AIFM, the Legal Owner and FMO entered into on or prior to the Launch date, as amended from time to time;  |
| <b>"Impact"</b>                    | means the economic, social, environmental and/or governance impact of investments made by the Fund;   |
| <b>"Indemnified Person"</b>        | means any person entitled to be indemnified at the charge of the Fund in accordance with the provisions of Article 26.1;  |
| <b>"Investment"</b>                | means any investment made by the Fund, including, but not limited to, investments in (participations in) loans, bonds, notes, debentures and other debt instruments, derivatives, and other assets ( <i>goederen</i> );   |
| <b>"Investment Restrictions"</b>   | means the investment restrictions to be observed by the Fund as set forth in Section 3 of the Prospectus;   |
| <b>"Investment Strategy"</b>       | means the investment strategy to be observed by the Fund as set forth in Section 3 of the Prospectus;   |
| <b>"Launch Date"</b>               | means the initial Settlement Date of the Fund;  |
| <b>"Legal Owner"</b>               | means Stichting Juridische Eigendom FMO Privium Impact Fund, a foundation ( <i>stichting</i> ) under the laws of the Netherlands having its official seat in Amsterdam, the Netherlands and its principal offices at Woudenbergseweg 11, 3953 ME Maarsbergen, the Netherlands, being the holder of the legal titles of the Fund Assets and Fund Obligations, or such other legal owner as may be appointed from time to time in accordance with these Terms and Conditions; |
| <b>"Management Fee"</b>            | means the fee due by the Fund to the AIFM as remuneration for its management of the Fund as set forth in Article 19.4;  |
| <b>"Net Asset Value"</b>           | means the balance of the total value of the Fund Assets and the total value of the Fund Obligations, determined in accordance with the provisions of Article 20;  |
| <b>"Net Asset Value per Class"</b> | means the Net Asset Value attributable to a Class;  |
| <b>"Net Asset Value per Unit"</b>  | means the relevant Net Asset Value per Class divided by the number of Units in issue within such Class;   |
| <b>"Net Proceeds"</b>              | means all dividend and interest income, all divestment and redemption proceeds and all other income and proceeds of the Fund, net of taxes, fees, costs and other charges to be borne by the Fund, and after payment of or making   |



reasonable reservation for any obligations and expenses of the Fund;

- "Ordinary Consent"** means the written consent of Unitholders together representing more than fifty per cent. (50%) of the issued and outstanding Units expressed, at the discretion of the AIFM, either (i) in one or more documents, each signed by one or more Unitholders, or (ii) in a meeting of Unitholders convened and held in accordance with the provisions of Article 13;
- "Organisational Expenses"** means all costs incurred in connection with the formation of the Fund as further set forth in Section 9 of the Prospectus;
- "Prospectus"** means the prospectus relating to the Fund, as amended from time to time, containing at least such information as the AIFM is required to provide to (prospective) Unitholders pursuant to the FMSA;
- "Redemption Form"** means the standard form through which a request for redemption of Units is made;
- "Redemption Price"** means the Net Asset Value per Unit in the relevant Class as at the last Valuation Date prior to the relevant Redemption Date on which the relevant Unit is redeemed;
- "Register"** means the register in which in respect of each Unitholder are entered its name, address and other contact details, the bank or securities account details on which the Unitholder wishes to receive payments, its tax status and the number of Units held within a certain Class;
- "Settlement Date"** means with respect to a subscription or redemption of Units, the date on which the Units are issued or redeemed, which shall be the third Business Day following the Determination Date;
- "Subscription Form"** means the standard form through which a (prospective) Unitholder subscribes for Units and submits itself to the Terms and Conditions;
- "Subscription Price"** means the Net Asset Value per Unit in the relevant Class as at the last Valuation Date prior to the relevant Settlement Date;
- "Target Return"** means the targeted return net of fees, that is expected to be between 2% and 4% per annum, over a multi-year cycle and once the Fund's portfolio has been built up;
- "Terms and Conditions"** means the terms and conditions of management and custody (*voorwaarden van beheer en bewaring*) of the Fund set forth

herein, including the Annexes, as amended from time to time;

**"Total Redemption Price"** means the Redemption Price multiplied by the number of redeemed Units;

**"Total Subscription Price"** means the Subscription Price multiplied by the number of issued Units;

**"Unit"** means a unit in which the rights of the Unitholders to the Net Asset Value have been divided, each Unit of a Class representing an equal interest in the Net Asset Value of such Class without priority or preference of one over the other, on the understanding that the Fund may also issue fractions of Units, expressed up to four (4) decimals;

**"Unitholder"** means a person who participates in the Fund in accordance with its Subscription Form and these Terms and Conditions;

**"USD" and "US Dollar"** means the lawful currency of the United States of America; and,

**"Valuation Date"** means the last Business Day of each month or such other day or days as the AIFM may from time to time determine at its sole discretion.

1.2 Reference in these Terms and Conditions to any law, statute or statutory instrument or governmental regulation shall be deemed to include any modification, amendment, extension or re-enactment thereof.

1.3 References in these Terms and Conditions to "persons" are references to companies, corporations, unincorporated associations, partnerships, all other (corporate) entities (*rechtspersonen*) as well as individuals and natural persons (*natuurlijke personen*).

1.4 In these Terms and Conditions the masculine shall include the feminine and the neuter and the singular shall include the plural and vice versa as the context shall admit or require.

1.5 In these Terms and Conditions the headings used are for ease of reference only and shall not be deemed to form any part of these Terms and Conditions.

## 2. NAME. LEGAL FORM. TAX AND REGULATORY STATUS

2.1 The name of the Fund is FMO Privium Impact Fund.

2.2 The Fund is a fund for joint account (*fonds voor gemene rekening*) established and existing under the laws of the Netherlands.

2.3 Under Dutch law the Fund is not a legal entity nor a partnership, commercial partnership or limited partnership (*maatschap, vennootschap onder firma* or *commanditaire vennootschap*), but a contractual arrangement *sui generis* between the AIFM, the Legal Owner and each of the Unitholders separately, governing the assets

and liabilities acquired or assumed by the AIFM or the Legal Owner for the account and risk of the Unitholders.

- 2.4 These Terms and Conditions form part of the contractual relationship existing between the AIFM, the Legal Owner and each Unitholder (separately) originating from the execution of the Unitholder's Subscription Form.
- 2.5 These Terms and Conditions do not form an agreement between any or all Unitholders among themselves and are not (otherwise) aimed at any cooperation among or between any or all Unitholders and no provision of these Terms and Conditions shall constitute or be interpreted as constituting any right or obligation existing between any or all Unitholders *vis-à-vis* each other or as a cooperation agreement (*samenwerkingsovereenkomst*) between the AIFM, the Legal Owner and any of the Unitholders.
- 2.6 An Unitholder's obligation to pay a consideration for Units is a commitment (*verbintenis*) to the Legal Owner (represented by the AIFM) only. This commitment is no contribution (*inbreng*) or commitment to make a contribution within the meaning of title 7A.9 of the Dutch Civil Code.
- 2.7 The Fund is for Dutch tax purposes a "closed fund for joint account" (*besloten fonds voor gemene rekening*) and is not subject to Dutch corporate income tax or Dutch dividend withholding tax nor intended to be considered an entity subject to taxation on profits, income, gains or capital in any other jurisdiction.
- 2.8 The Fund is an investment fund (*beleggingsfonds*) as referred to in article 1:1 of the FMSA. The AIFM is licenced as manager (*beheerder*) of investment institutions in the meaning of article 2:65 of the FMSA. Consequently, the AIFM is subject to supervision by the AFM and DNB in respect of the Fund.

### 3. **TERM**

The Fund is formed for an indefinite period of time but shall terminate early upon the occurrence of any of the events set forth in Articles 25.1 and 25.2.

### 4. **FUND OBJECTIVES, INVESTMENT STRATEGY AND RESTRICTIONS**

- 4.1 The Fund Objectives are to achieve the Target Return, principally through participating in loans for which FMO is the lender of record and to carry out all functions and acts in connection therewith. In addition to achieving the Target Return, the Fund aims to make socially and environmentally responsible investments, hereby providing investors with an attractive financial return while at the same time creating Impact in Developing and Emerging Economies.
- 4.2 The Fund shall try to achieve the Fund Objectives with due observance of the Investment Strategy and the Investment Restrictions as set forth in the Prospectus.
- 4.3 If so specified in the relevant Class Details, the AIFM can decide to hedge a Class' exposure to currencies other than the Class Currency. In such event, any income, losses, gains, costs and expenses related to hedging such foreign exchange risk shall accrue only to the relevant Class.

## 5. MANAGEMENT AND ADMINISTRATION. LIABILITY OF THE AIFM

- 5.1 The AIFM is charged with the entire management and administration of the Fund, including, but not limited to, the Fund's portfolio management and risk management. The AIFM is, subject to these Terms and Conditions, entitled and authorised (i) to acquire (*verkrijgen*) and to dispose of (*beschikken over*) Fund Assets and to enter into and assume Fund Obligations in the name of the Legal Owner for the account and risk of the Unitholders, and (ii) to perform any and all other acts in its own name or in the name of the Legal Owner for the account and risk of the Unitholders which are reasonably necessary for or conducive to the attainment of the Fund Objectives. For the purposes as referred to in the previous sentence under (i) and (ii), the Legal Owner grants to the Manager the authority to act in the name of the Legal Owner, as set out further in Article 6.
- 5.2 In the performance of its obligations and in the exercise of its rights, powers and authorities hereunder, the AIFM shall act honestly and exercise the standard of care, skill, prudence and diligence under the circumstances then prevailing that a prudent (*zorgvuldig*) person acting in a like capacity and familiar with such matters would use in the conduct of managing an investment fund of like character, risk profile and Fund Objectives as the Fund, having regard to the provisions hereof.
- 5.3 In managing and administering the Fund, the AIFM shall act in the best interest of the Unitholders and the integrity of the markets. The management and administration of the Fund shall be performed for the account and risk of the Unitholders. Benefits and/or losses resulting therefrom shall consequently be for the benefit of or be borne by the Unitholders, without prejudice to the provisions of Article 12.4.
- 5.4 The AIFM shall only be liable towards the Unitholders for a loss suffered by them in connection with the performance of its duties and responsibilities under these Terms and Conditions, if and to the extent that such loss is determined by court order of final adjudication to be directly caused by the Culpable Behaviour of the AIFM. The AIFM shall not be liable towards the Unitholders for any loss suffered by any Unitholder as a result of any act or omission of a third party or as a result of any act or omission by the AIFM arising from the AIFM's reliance upon any representation or warranty by an Unitholder.
- 5.5 The AIFM may, subject to the applicable conditions and restrictions set forth in the FMSA, delegate certain of its management duties under these Terms and Conditions to one or more third parties provided that the AIFM shall exercise reasonable prudence (*zorgvuldigheid*) in the selection of such third parties and provided furthermore that the AIFM's liability towards the Fund and the Unitholders shall not be affected by the fact that the AIFM has so delegated functions to a third party (or by any further sub-delegation).

## 6. AUTHORITY TO INVEST AND ADMINISTER

- 6.1 Subject to the Fund Objectives, the Investment Strategy, the Investment Restrictions and this Article 6, the AIFM may invest in any eligible assets and assume eligible obligations. The determination of the AIFM as to whether or not the assets and obligations are of a type which may be acquired or held by or on behalf of the Fund in

view of the Fund Objectives, Investment Strategy and Investment Restrictions shall be conclusive.

- 6.2 Subject to the Fund Objectives, the Investment Strategy, the Investment Restrictions and this Article 6, the AIFM may in the name of the Legal Owner borrow cash and assume other Fund Obligations up to a maximum of ten per cent. (10%) of the Net Asset Value.
- 6.3 It is the intention that subject only to the Investment Strategy and the Investment Restrictions and the specific restrictions mentioned herein, the AIFM shall have the broadest power and authority in making investments consistent with the investment powers herein provided. The AIFM shall have sole discretionary power to retain for as long a period as it shall think proper and to manage, convert, exchange, transfer and dispose of the Fund Assets and Fund Obligations. The AIFM shall have and may exercise every right and privilege pertaining to management, provided that the exercise of such right or privilege is consistent with these Terms and Conditions.
- 6.4 Without limiting the generality of the foregoing, the AIFM's powers and authority shall include to, on behalf of the Fund and where appropriate as attorney-in-fact (*gevolmachtigde*) of and in the name of the Legal Owner, and for this purpose the Legal Owner hereby grants a power of attorney to the AIFM, with full powers of substitution, to perform all acts necessary for or conducive to the management of the Fund, including, without limitation to:
  - 6.4.1 enter into, perform and carry out contracts of any kind necessary or incidental to achievement of the Fund Objectives;
  - 6.4.2 bring, sue, prosecute, defend, settle or comprise actions at law related to the Fund Objectives;
  - 6.4.3 employ, retain, replace or otherwise secure or enter into agreements or other undertakings with persons or firms in connection with the management and operation of the Fund, all on such terms and for such consideration as the AIFM deems advisable;
  - 6.4.4 secure the payment of any Fund Obligation by mortgage, charge, pledge or assignment of any interest in all, or any part of, the Fund Assets;
  - 6.4.5 exercise the statutory and contractual rights attached to or concerning the Investments, such as voting rights and distribution rights; and,
  - 6.4.6 engage in any kind of lawful activity, and perform and carry out contracts of any kind, necessary or advisable in connection with the accomplishment of the Fund Objectives.
- 6.5 Notwithstanding the provisions of this Article 6, the AIFM can solely decide to (i) terminate the agreement between the AIFM and the Delegate, and/or (ii) appoint a substituting Delegate, after having obtained Ordinary Consent.

## 7. CONFLICTS OF INTEREST

7.1 Except with prior approval of the Unitholders, by Ordinary Consent, and unless as contemplated under these Terms and Conditions or disclosed in the Prospectus, the Fund will not, directly or indirectly:

7.1.1 enter into any investment, divestment or other business transaction (including, but not limited to, the hiring of service providers as referred to in Article 5.5) with the AIFM, the Legal Owner, any Unitholder or any of its or their Affiliates;

7.1.2 enter into any investment, divestment or other business transaction against non-arm's length terms and conditions; or,

7.1.3 enter into any investment, divestment or other business transaction with any other funds managed by the AIFM or its Affiliates or advised by the Delegate or its Affiliates.

7.2 For the avoidance of doubt, the Fund may enter into any investment, divestment or other business transaction with the Delegate and/or Affiliates of the Delegate as set out in more detail in the Investment Strategy.

7.3 Subject to Article 7.4 and save as may be required pursuant to any contractual arrangements existing at the launch of the Fund, the AIFM and the Delegate will not allocate and offer any investment opportunity sourced by it or otherwise offered or disclosed to it and falling within the restrictions set by the Fund Objectives, Investment Strategy and Investment Restrictions to any other fund or entity managed, advised or otherwise controlled by the AIFM, the Delegate or any of their Affiliates without having considered such opportunity as an investment opportunity for the Fund and, with the approval of the Unitholders, by Ordinary Consent, subsequently having decided not to make the investment on behalf of the Fund.

7.4 The AIFM, the Delegate or any of its or their Affiliates may first offer an investment opportunity falling within the Fund Objectives, Investment Strategy and Investment Restrictions to another fund or entity managed, advised or otherwise controlled by either of them, such situations to be dealt with in accordance with their respective applicable procedures, measures or policies.

## 8. RESIGNATION AND REMOVAL OF THE AIFM

8.1 The AIFM shall resign:

8.1.1 at its own initiative, subject to notification of the Legal Owner and all Unitholders at least two (2) calendar months before the envisaged effective date of resignation; and,

8.1.2 with immediate effect upon its bankruptcy (*faillissement*) or dissolution (*ontbinding*) or upon the AIFM having been granted suspension of payments (*surséance van betaling*),

it being understood that no resignation of the AIFM shall be effective before the appointment of a successor AIFM, whether or not on a temporary basis, in accordance with the provisions of Article 8.2 has become effective.

- 8.2 The Unitholders shall no later than thirty (30) Business Days after the date of occurrence of the event causing the resignation of the AIFM, by resolution taken by Ordinary Consent appoint a substitute AIFM. As long as no successor AIFM has been appointed, the person designated for that purpose by the Legal Owner shall temporarily act as AIFM of the Fund.
- 8.3 Upon the effective date of the resignation of the AIFM, any rights and obligations of the AIFM under these Terms and Conditions shall immediately cease to exist (it being understood that the AIFM remains entitled to its Management Fee and its reimbursements referred to in Article 19.2 to the extent allocable to an already expired period of time).
- 8.4 The AIFM hereby commits itself to cooperate fully in the transfer of its contractual position to a successor AIFM.

## 9. **FUND ASSETS AND FUND OBLIGATIONS. THE LEGAL OWNER**

- 9.1 All Investments and other Fund Assets shall be legally owned by and will be administered in the name of the Legal Owner. All Fund Obligations shall be assumed by the Legal Owner as debtor. All agreements of the Fund shall be entered into in the name of the Legal Owner.
- 9.2 The Legal Owner shall acquire and hold the Fund Assets for the purpose of management and custody (*ten titel van beheer en bewaring*) for the account and risk of the Unitholders and will receive any income and proceeds on or originating from Fund Assets paid to it by a custodian or the underlying obligor in a capacity of agent, nominee or otherwise on behalf and for the benefit of the Unitholders.
- 9.3 The Legal Owner shall assume the Fund Obligations in its own name for the account and risk of the Unitholders, as qualified by these Terms and Conditions and without prejudice to the provisions of Article 12.4.
- 9.4 The Legal Owner shall ensure that with respect to the Fund Obligations assumed and contracts entered into in the name of the Legal Owner, it shall be explicitly stipulated that (i) the Legal Owner is acting in its capacity as Legal Owner of the Fund, and, unless the Legal Owner deems such statement in a specific contract not feasible, immaterial and/or not in the interests of the Unitholders, that (ii) the counter party or counter parties undertake(s) to never seek recovery on anything other than the Fund Assets.
- 9.5 The Legal Owner's sole corporate objective according to its bylaws shall be to act as Legal Owner for the Fund. The Legal Owner shall not conduct any other activities.
- 9.6 In acting as Legal Owner of the Fund, the Legal Owner shall act solely in the interests of the Unitholders. The Legal Owner cannot represent (*vertegenwoordigen*) or bind the Unitholders.
- 9.7 The Legal Owner shall only be liable towards the Unitholders for a loss suffered by them in connection with the performance of its duties and responsibilities under these Terms and Conditions, if and to the extent that such loss is determined by a court order of final adjudication to be directly caused by the Culpable Behaviour of the Legal Owner. Otherwise the Legal Owner shall not be liable towards the Unitholders for any

loss suffered by any Unitholder as a result of any act or omission of a third party or as a result of any act or omission by the Legal Owner arising from the Legal Owner's reliance upon any representation or warranty by an Unitholder.

## 10. RESIGNATION AND REMOVAL OF THE LEGAL OWNER

10.1 The Legal Owner shall resign:

10.1.1 at its own initiative, subject to notification of the AIFM and all Unitholders at least two (2) calendar months before the envisaged effective date of resignation; and,

10.1.2 with immediate effect upon its bankruptcy (*faillissement*) or dissolution (*ontbinding*) or upon the Legal Owner having been granted suspension of payments (*surseance van betaling*),

it being understood that no resignation or removal of the Legal Owner shall be effective before the appointment of a successor Legal Owner, whether or not on a temporary basis, in accordance with the provisions of Article 10.2 has become effective.

In addition, the AIFM can dismiss and remove the Legal Owner subject to notification of the Legal Owner and the Unitholders at least two (2) calendar months before the envisaged effective date of resignation.

10.2 Following or in anticipation of the resignation of the Legal Owner, the AIFM shall no later than ten (10) Business Days after the date of occurrence of the event causing the resignation appoint a substitute Legal Owner. As long as no successor Legal Owner has been appointed, the person or entity designated for that purpose by the AIFM shall temporarily act as Legal Owner of the Fund.

10.3 The Legal Owner hereby commits itself to cooperate fully in the transfer of its contractual position and all Fund Assets and Fund Obligations held by or registered in the name of the Legal Owner to a successor Legal Owner. In particular, the Legal Owner hereby (i) commits in advance to transfer all Fund Assets and Fund Obligations to the successive Legal Owner and to carry out all necessary *in rem* acts and other acts, and (ii) grants irrevocable power of attorney to the AIFM, with full powers of substitution, to in its name perform all acts referred to in or conducive to what is stated sub (i) of this Article 10.3.

## 11. THE DEPOSITARY

11.1 The AIFM has, under the terms of the Depositary Agreement, appointed the Depositary as depositary (*bewaarder*) of the Fund. The AIFM may, subject to the applicable provisions of the Depositary Agreement, amend the Depositary Agreement or substitute the Depositary by another person as the depositary of the Fund.

11.2 The Depositary shall, in the way stated below, be responsible for the safe-keeping of the Fund Assets:

11.2.1 all Fund Assets that are financial instruments that can be physically delivered to the Depositary shall be held in custody by the Depositary;



- 11.2.2 all Fund Assets that are financial instruments that can be registered in a financial instruments account opened in the books of the Depository are registered on such accounts opened in the name of the Fund (or in the name of the AIFM acting on behalf of the Fund); and,
  - 11.2.3 in respect of all Fund Assets other than those referred to in Articles 11.2.1 and 11.2.2, the Depository shall verify the ownership of the Fund (or of the AIFM acting on behalf of the Fund) and maintain a record of those assets for which it is satisfied that the Fund or, as the case may be, the AIFM acting on behalf of the Fund, holds the ownership of such assets.
- 11.3 The Depository shall furthermore:
- 11.3.1 in general ensure that the Fund's cash flows are properly monitored;
  - 11.3.2 in particular ensure that (i) all payments made by or on behalf of Unitholders upon the subscription or issuance of Units have been received, and that (ii) all cash of the Fund has been booked in cash accounts opened at a permitted entity in the name of the Fund, in the name of the AIFM acting on behalf of the Fund or in the name of the Depository acting on behalf of the Fund. Where the cash accounts are opened in the name of the Legal Owner acting on behalf of the Fund, no cash of the entity referred to in the preceding sentence and none of the Depository's own cash shall be booked on such accounts;
  - 11.3.3 ensure that the sale, issue, re-purchase, redemption and cancellation of Units are carried out in accordance with applicable law and these Terms and Conditions;
  - 11.3.4 ensure that the value of the Units is calculated in accordance with applicable law and the procedures laid down in Articles 20 and 21 of these Terms and Conditions;
  - 11.3.5 carry out the instructions of the AIFM, unless they conflict with applicable law or these Terms and Conditions;
  - 11.3.6 ensure that in transactions involving Fund Assets any consideration is remitted to the Fund within the usual time limits; and,
  - 11.3.7 ensure that the Fund's income is applied in accordance with applicable law and these Terms and Conditions.
- 11.4 In acting as Depository of the Fund, the Depository shall act honestly, fairly, professionally, independently and in the interests of the Fund and the Unitholders.
- 11.5 The Depository shall only be liable towards the Fund or the Unitholders for a loss suffered by them as a result of the Depository's negligent or intentional failure to properly fulfil its obligations under these Terms and Conditions.
- 11.6 In addition to the grounds for liability set forth in Article 11.5, the Depository shall be liable to the Fund or to the Unitholders for the loss of financial instruments referred to in Articles 11.2.1 or 11.2.2 by the Depository or a third party to whom the custody of the financial instruments has been delegated unless the Depository can prove that the loss has arisen as a result of an external event beyond its reasonable control, the

consequences of which would have been unavoidable despite all reasonable efforts to the contrary.

## **12. UNITHOLDERS. RIGHTS AND OBLIGATIONS OF THE UNITHOLDERS**

- 12.1 A transparent entity for Dutch tax purposes cannot be an Unitholder if the AIFM has reasonably determined that the Unit by such Unitholder in the Fund would negatively affect or jeopardise the tax status of the Fund.
- 12.2 Subject to the qualifications set forth in these Terms and Conditions, each Unitholder shall in respect of its Units held in a Class, be beneficially entitled to the Fund Assets and Fund Obligations attributable to such Class and any income generated thereon *pro rata* the number of its Units held in such Class.
- 12.3 Each Unitholder shall be bound by and subject to these Terms and Conditions by submitting a signed Subscription Form to the AIFM. Each Unitholder will be provided with a copy of these Terms and Conditions.
- 12.4 The liability of an Unitholder *vis-à-vis* the Fund will be limited to the amount of the Total Subscription Price due by the Unitholder in respect of its Units to the extent not previously paid to the Legal Owner, but notwithstanding its liability by virtue of the law and these Terms and Conditions for its default on any of its obligations under these Terms and Conditions and its Subscription Form. The Unitholders shall not be liable for the AIFM's obligations, the Legal Owner's obligations or the Fund Obligations.

## **13. MEETINGS OF UNITHOLDERS. RESOLUTIONS OF UNITHOLDERS TAKEN OUTSIDE OF MEETINGS**

- 13.1 Meetings of Unitholders will only be held when called by the AIFM. The AIFM must call a meeting of Unitholders (i) as often as the AIFM deems the holding of a meeting necessary in the interest of the Unitholders, and (ii) in case one (1) or more Unitholders holding, in total, at least twenty-five per cent. (25%) of the outstanding Units request the AIFM in writing to call and hold such meeting, stating the matters to be placed on the agenda for such meeting, in which case the meeting must be held within twenty-one (21) Business Days after the date of the request.
- 13.2 The agenda for a meeting of Unitholders shall be determined at the sole discretion of the AIFM or, as the case may be, the Unitholder(s) who requested the AIFM to hold the meeting in accordance with the second sentence of Article 13.1. No valid resolutions can be taken on subjects not mentioned on the agenda unless such resolution is taken by unanimity of votes of all Unitholders.
- 13.3 The AIFM shall convene the meetings of Unitholders by written notice to all Unitholders at least fifteen (15) calendar days prior to the date of the meeting. The notice shall at least set forth the date, time, place, location and agenda for the meeting.
- 13.4 With any request of the AIFM for consent or approval by the Unitholders, the AIFM will prepare a memorandum providing background information on the matter. The memorandum will be published on the AIFM's Website and be sent to the Unitholders not later than simultaneously with the convocation.

- 13.5 An Unitholder may authorise (*volmachtigen*) another Unitholder or other person to attend a meeting of Unitholders (or participate in a meeting of Unitholders by telephone), to address the meeting and to vote at the meeting, provided that the relevant power of attorney is validly set forth in a written document submitted prior to the meeting to the chairman of the meeting.
- 13.6 The AIFM shall appoint a chairman of the meetings of Unitholders unless the meeting is called at the request of one or more of the Unitholders in which case the requesting Unitholder(s) shall appoint the chairman of the meeting. The chairman shall be responsible for determining the procedure to be adopted for the conduct of any meeting of Unitholders.
- 13.7 Each Unitholder may cast one (1) vote per Unit. Blank votes will be deemed not to have been cast.
- 13.8 The AIFM or such other person designated by the chairman of the meeting shall record all votes taken during conference calls or at meetings of Unitholders and maintain a copy of consents obtained in writing, by facsimile, or by email. Detailed voting records should promptly be made available by the AIFM to any Unitholder upon request.
- 13.9 The AIFM, or such other person designated by the chairman of the meeting will keep minutes of the meetings of Unitholders. The draft minutes will be distributed to all Unitholders within thirty (30) days after the date of the meeting and submitted for approval at the following meeting of Unitholders.
- 13.10 The Unitholders may also adopt resolutions outside a meeting, or in a meeting for which notice was given less than fifteen (15) calendar days prior to the meeting date, in which case resolutions shall be adopted in writing, provided that the proposed resolutions are submitted to all Unitholders and none of them objects to the proposed manner of adopting resolutions.

#### **14. UNITS, CLASSES AND REGISTER**

- 14.1 Units are rights registered in the name of the Unitholders. Unit certificates shall not be issued.
- 14.2 The AIFM may create different Classes and differentiate between such Classes at its sole discretion, including without limitation as to the currency of denomination. Upon the creation of a new Class, the AIFM shall add a new annex to these Terms and Conditions containing the relevant Class Details, it being understood, for the avoidance of doubt, that this will not constitute an amendment of these Terms and Conditions for the purposes of Article 23.
- 14.3 The AIFM shall keep the Register. The AIFM shall sign all entries to the Register.
- 14.4 The AIFM may rely on the accuracy of the information provided by each Unitholder for inclusion in the Register and treat such information as conclusive with respect to such Unitholder and its entitlement to its Units. The AIFM shall not be bound:
- 14.4.1 by any change in such information which has not been notified to the AIFM in accordance with Article 14.5 hereof; or,

- 14.4.2 to recognise any interest or claim of any person to a Unit other than those of the Unitholder duly registered in the Register as holder of these rights.
- 14.5 Each Unitholder shall notify the AIFM promptly by written notice of any change in the information included in the Register in relation to such Unitholder. The AIFM shall upon receipt of such notice cause the Register to be amended accordingly within ten (10) Business Days.
- 14.6 Upon written request to that effect by the Unitholder to the AIFM, the Register shall be available at the AIFM's office for the inspection of each Unitholder on Business Days, but only in so far as it concerns the Unitholder's own entry. Any costs related hereto shall be charged to the relevant Unitholder.
- 14.7 The AIFM may provide information included in the Register to tax, regulatory or other authorities if, in the AIFM's reasonable opinion, this is required, necessary, conducive to or in the interest of the AIFM, Legal Owner, the Fund or any of the Unitholders, including but not limited in order for the AIFM to comply with applicable law and regulations and for the application of tax treaties between the jurisdiction of source of any income or gain and the jurisdiction of residence of an Unitholder respectively the Netherlands. The AIFM may also otherwise use and disclose information included in the Register and any other information obtained from the Unitholders in order to comply with applicable law and regulation. Each Unitholder shall at the written request of the AIFM provide the AIFM with such information and documentation as the AIFM may in all reasonableness require from the Unitholder in support of the AIFM's duty, right and compliance referred to in this Article 14.7.
- 15. PROSPECTUS. SUBSCRIPTIONS.**
- 15.1 The AIFM shall at the request of an eligible prospective investor provide such prospective investor with the Prospectus.
- 15.2 The AIFM may at its sole discretion, but notwithstanding the further provisions of these Terms and Conditions, resolve to issue new Units at the request of a new or existing Unitholder set forth in a Subscription Form or decide to temporarily discontinue or indefinitely stop the issuance of Units.
- 15.3 The price of issuance of a Unit shall be equal to the Subscription Price. The AIFM shall determine the Total Subscription Price due by the subscriber and the further conditions of the issuance.
- 15.4 The AIFM may at its sole discretion resolve to refuse or to only partly accept a subscription for Units.
- 15.5 Units shall be issued by the Legal Owner and acquired by the Unitholders on Settlement Dates but the Units subscribed for will not be issued if the Total Subscription Price due by the subscriber has not been received by the Legal Owner.
- 15.6 A signed Subscription Form will need to be received by the Administrator prior to or on the twenty-fifth (25<sup>th</sup>) day of the month prior to the relevant Valuation Date. Subscription Forms not received in time will be held over until the following Valuation Date. Completed applications are irrevocable once received by the Administrator.

15.7 Immediately upon the completion of the issuance of new Units, the AIFM shall procure that the appropriate entries are made in the Register.

## 16. REDEMPTION OF UNITS

16.1 The AIFM is obliged to, subject to this Article 16 and the further provisions of these Terms and Conditions, redeem Units at the request of a Unitholder set forth in a Redemption Form. Any and all Units that are redeemed shall not be held by the Legal Owner or the AIFM but shall be automatically cancelled.

16.2 The price of redemption of a Unit shall be equal to the Redemption Price. The AIFM shall determine the Total Redemption Price.

16.3 Units shall be redeemed by the Fund on Valuation Dates. Redemption of Units as referred to in Article 17.1 may be effected at all times.

16.4 A signed Redemption Form will need to be received by the Administrator on the first (1<sup>st</sup>) day of the month prior to the relevant Valuation Date. Redemption Forms not received in time will be held over until the following Valuation Date. Completed Redemption Forms are irrevocable once received by the Administrator.

16.5 The Total Redemption Price will be paid to the redeeming Unitholder on the applicable Settlement Date unless exceptional circumstances occur, in which case the Total Redemption Price will be paid at the earliest possible Business Day thereafter.

16.6 Requests for redemption may be refused in case anti-money laundering verification procedures so require.

16.7 The AIFM reserves the right to limit the number of Units to be redeemed on any Settlement Date to such number of Units of which the value equals no more than two per cent. (2%) of the Net Asset Value on the Valuation Date prior to the Settlement Date. In this case, the number of Units to be redeemed per Unitholder will be *pro rata* to the total number of Units requested to be redeemed as per the relevant Settlement Date. Any Units requested to be redeemed as per such Settlement Date that have not been redeemed as a result of such scale down are deemed to be offered for redemption on the following Settlement Date on a *pro rata* basis alongside subsequent redemption requests (not including compulsory redemptions) and shall be subject to the same limitations.

16.8 The AIFM may further limit the redemption of Units, i.e. to less than two per cent. (2%) of the Net Asset Value, or suspend the redemption of Units if:

16.8.1 the determination of the Net Asset Value has been suspended in accordance with Article 21.3;

16.8.2 the transfer of funds realised from the sale of Fund Assets cannot, in the sole opinion of the AIFM, be effected at normal rates of exchange;

16.8.3 in the sole opinion of the AIFM the sale of Fund Assets cannot be realised at prices reflecting their fair value within the period of time available to the AIFM to act in the best interests of both the redeeming and remaining Unitholders;

- 16.8.4 the sale of Fund Assets is otherwise restricted or suspended;
  - 16.8.5 a state of affairs exists which constitutes a state of emergency as a result of which the sale of Fund Assets would, in the sole opinion of the AIFM, not be practical or would negatively affect the rights of other Unitholders;
  - 16.8.6 the Unitholder did not act in compliance with applicable legislation or these Terms and Conditions; or,
  - 16.8.7 for whatever reason, the valuation of Fund Assets or Fund Obligations to be sold cannot be promptly or accurately ascertained.
- 16.9 If the AIFM suspends the repurchase or redemption of the Units, it shall inform the AFM of such suspension without delay.
- 16.10 Immediately upon completion of the redemption of Units, the AIFM shall procure that the necessary amendments are made to the Register.
- 16.11 Subject to Article 5.5, the Legal Owner and the AIFM may delegate any or all part of their duties and responsibilities under this Article 16 to the Administrator.

## 17. **MANDATORY REDEMPTION OF UNITS**

- 17.1 The AIFM and the Legal Owner shall be entitled to redeem all (but not part of) the Units of any Unitholder:
- 17.1.1 if the Unitholder is dissolved, becomes insolvent, is unable to pay its debts, institutes or has instituted against it a proceeding seeking a judgment of insolvency or bankruptcy, any other relief under any bankruptcy, insolvency or similar law;
  - 17.1.2 if in the AIFM's reasonable opinion the tax position of the Legal Owner, the Fund or any of the other Unitholders is or will become negatively affected due to the tax status or position or any change therein of the relevant Unitholder or any other circumstance concerning such Unitholder; or,
  - 17.1.3 if, for whatever reason, the continuation of the relationship cannot reasonably be expected from the AIFM and/or Legal Owner.
- 17.2 Each Unitholder agrees that it shall immediately notify the AIFM, (i) of any change to its legal or tax status, (ii) if any status, position or change therein as referred to in Article 17.1.1 occurs in its respect, or (iii) if it becomes aware of circumstances in all reasonableness qualifying as circumstances as referred to in Article 17.1.2 and/or 17.1.3 in its respect.

## 18. **TRANSFER AND ENCUMBRANCE OF UNITS**

- 18.1 Units cannot be transferred or assigned except to the Fund by way of redemption as provided in Articles 16 and 17 or to persons who are relatives of the transferring Unitholder by blood or affinity in the direct line (*bloed- of aanverwanten in de directe lijn*) and cannot be made subject to any pledge, mortgage, usufruct, charge, lien,

retention or other encumbrance (whether or not a *beperkt recht*) of any nature whatsoever.

18.2 Any transfer, assignment or encumbrance of Units in violation of this Article 18 shall be null and void.

## 19. FEES AND EXPENSES

19.1 The following fees, costs and expenses shall be borne by the Fund:

19.1.1 all transaction costs, i.e. all costs related to the sourcing, evaluating, making, holding or disposing of Investments, including, but not limited to advisors' fees, (other) transaction costs and expenses and interest on investment-related borrowings;

19.1.2 all of the Fund's operational costs, including, but not limited to, all costs of legal, tax, administrative, custody, depositary, accounting, reporting and similar services and advices provided to the Fund, the costs of supervision of the Fund and all costs of communications with and meetings of the Unitholders;

19.1.3 all fees, costs and expenses in connection with the compliance by the Fund and the AIFM in its capacity of the manager of the Fund with the AIFMD related legislation;

19.1.4 all taxes and governmental charges levied against the Fund or its income or assets, including but not limited to irrecoverable VAT payable by the AIFM in respect of services provided to it and falling within the scope of this Article 19.1;

19.1.5 Organisational Expenses up to a maximum amount equal to EUR 175,000, which Organisational Expenses shall be capitalized and be depreciated in accordance with the applicable provisions of Dutch GAAP; and,

19.1.6 the Management Fee.

19.2 To the extent that the AIFM pays or otherwise bears any costs or expenses on behalf of the Fund that are pursuant to Article 19.1 to be borne by the Fund, the Fund shall reimburse the AIFM for the same.

19.3 Costs, fees and expenses that are not explicitly assumed by the Fund pursuant to Article 19.1 shall not be borne by the Fund. For the avoidance of doubt, the Fund shall not bear the cost of remunerating any employee of the AIFM or any of its Affiliates or any office rental, utilities or office equipment or other overhead or travel costs of any of their respective personnel, it being acknowledged that the Management Fee is intended to compensate the AIFM for such costs.

19.4 The AIFM is entitled to an annual Management Fee due by the Fund per Class equal to such percentage of the Net Asset Value per Class as specified in the Class Details excluding (i.e. before deduction of) the accrued Management Fee. The Management Fee will accrue on a daily basis by reference to the latest adopted Net Asset Value per Class and will be payable by the Fund in arrears as per the first Business Day of each calendar month.

## 20. VALUATION PRINCIPLES

- 20.1 The AIFM has delegated the valuation of the Fund Assets and Fund Obligations to the Administrator, who shall value the Fund Assets and Fund Obligations in accordance with Dutch GAAP and, where more specific, the following valuation methods:
- 20.1.1 loan participations will be valued using an amortised cost minus provisions method; the AIFM will follow the FMO provisioning as much as possible. The FMO provisioning can be described as prudent. The Delegate will advise the AIFM on any FMO provisioning of a loan invested in by the Fund;
  - 20.1.2 securities for which no daily price is calculated shall be valued on the basis of the most recent official price, unless the AIFM is of the opinion that this price does not correspond with the actual value of the security in question, in which case the AIFM can determine the value itself on the basis of all available information;
  - 20.1.3 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 its probable realisation value as determined by the AIFM in good faith having regard to its cost price, the price at which any recent transaction in the security may have been effected, the size of the holding having regard to the total amount of such security in issue, and such other factors as the AIFM in its sole discretion deems relevant in considering a positive or negative adjustment to the valuation;
  - 20.1.4 investments, other than securities, which are not dealt in or traded through a clearing firm or an exchange or through a financial institution will be valued on the basis of the latest available valuation provided by the relevant counterparty;
  - 20.1.5 deposits will be valued at their cost plus accrued interest;
  - 20.1.6 all other Fund Assets and Fund Obligations shall be valued on the basis of current fair value, subject to the most recent market quotations and customary valuation methods that apply for the relevant Fund Asset or Fund Obligation; and,
  - 20.1.7 all Fund Assets and Fund Obligations denominated in another currency shall be converted into the Class Currency in accordance with the currency exchange rate prevailing at the close of business of the relevant Valuation Date.
- 20.2 If a correction is required of more than 0.5 per cent. (0.5%) of such Net Asset Value, and a Unitholder incurred a loss exceeding EUR 50 (or the equivalent thereof in the applicable Class Currency) by an allocation or redemption against the erroneously calculated Net Asset Value, the Fund will at the request of such (former) Unitholder provide compensation (in cash or in Units) for the relevant (former) Unitholder for the actual loss incurred.



## 21. REPORTING

21.1 The financial year of the Fund shall begin on the first day of January and end on the thirty-first day of December of the same calendar year. The first financial year of the Fund will begin at the Launch Date and end on the thirty-first (31<sup>st</sup>) day of December of the same year.

21.2 On each Valuation Date the Administrator shall determine the Net Asset Value, the Net Asset Value per Class and the Net Asset Value per Unit. The Net Asset Value shall be expressed in the Class Currency. The AIFM shall after each Valuation Date without delay publish the Net Asset Value, the Net Asset Value per Class and the Net Asset Value per Unit as per such Valuation Date on the AIFM's Website.

21.3 The AIFM may declare a suspension of the determination of the Net Asset Value, the Net Asset Value per Class and the Net Asset Value per Unit:

21.3.1 if one or more stock exchanges on which Fund Assets are listed (or on which securities which belong to the assets of a collective investment scheme in which the Fund is invested are listed directly or indirectly), are closed on other days than normal days of closure or if the transactions on these exchanges are suspended or subject to irregular restrictions;

21.3.2 if the communication means or calculation facilities normally used to determine the Net Asset Value no longer function or if, for any other reason, the value of a Fund Asset or Fund Obligation, cannot be determined with the speed or accuracy desired by the AIFM;

21.3.3 if there are factors relating to the political, economic, military or monetary situation that make it impossible for the AIFM to determine the Net Asset Value;  
or,

21.3.4 if a resolution to liquidate the Fund is passed.

Such suspension shall without delay be published on the AIFM's Website.

21.4 In case of errors in the calculation of the Net Asset Value, the AIFM will as soon as possible prepare a report on the errors that were made and which correction will need to be made to the applicable Net Asset Value.

21.5 Within two (2) weeks after the end of each calendar month, the AIFM shall prepare a monthly report stating the total value of the Fund Assets, the Fund's asset mix, the number of outstanding Units and the most recently calculated Net Asset Value per Unit and the date on which the calculation was made.

21.6 Within nine (9) weeks after the end of the first half of each financial year of the Fund, the AIFM shall, in accordance with the applicable legal requirements, prepare and publish the Fund's semi-annual accounts in relation to the first half of the relevant financial year consisting of at least a balance sheet and profit and loss account. The semi-annual accounts shall be drawn up in accordance with the relevant provisions of Dutch GAAP. The semi-annual accounts shall not be audited.

- 21.7 Within six (6) months after the end of the each financial year of the Fund, the AIFM shall, in accordance with the applicable legal requirements, prepare and publish the Fund's annual accounts (consisting of at least a balance sheet, profit and loss account and explanatory notes), annual report and other information for such financial year. The annual accounts and annual report shall be drawn up in accordance with the relevant provisions of Dutch GAAP and shall be audited by the Auditor. The Auditor will report to the AIFM on its audit and disclose in its report other work performed for the Fund. The Auditor's report shall be added to the annual accounts.
- 21.8 The annual report shall consist of or provide information on at least:
- 21.8.1 the annual accounts;
  - 21.8.2 a report on the Fund's activities during the expired financial year;
  - 21.8.3 any material changes during the expired financial year in the information set forth in the Prospectus and in the information referred to in Articles 21.11 and 21.12; and,
  - 21.8.4 such information on the remuneration for the expired financial year paid by the AIFM to its staff as required from time to time under applicable laws and regulations.
- 21.9 The annual accounts and the semi-annual accounts will be adopted by joint resolution of the AIFM and the Legal Owner.
- 21.10 The AIFM will publish the Fund's monthly reports, semi-annual accounts and annual accounts on the AIFM's Website, notwithstanding other publications requirements under applicable laws. Simultaneously, the AIFM will notify the Unitholders that they can obtain copies of the monthly reports, (semi-)annual accounts, the annual report and the Auditor's report free of charge at the offices of the AIFM.
- 21.11 The AIFM shall periodically disclose to the Unitholders:
- 21.11.1 the percentage of the Fund Assets which are subject to special arrangements arising from their illiquid nature;
  - 21.11.2 any new arrangements for managing the liquidity of the Fund; and,
  - 21.11.3 the current risk profile of the Fund and the risk management systems employed by the AIFM to manage those risks.
- 21.12 The AIFM shall on a regular basis disclose to the Unitholders:
- 21.12.1 any changes to the maximum level of Fund-level leverage which the AIFM may employ on behalf of the Fund as well as any right of the reuse of collateral or any guarantee granted under the leveraging arrangement; and,
  - 21.12.2 the total amount of leverage employed by the Fund.
- 21.13 The AIFM shall at the request of any Unitholder, and each Unitholder shall at the request of the AIFM, promptly furnish to the requesting party any information which

is necessary in order to determine or discharge any obligation to withhold taxation or to file tax returns and reports for taxation or other statutory purposes provided that the AIFM or such Unitholder is able to obtain such information without unreasonable effort or expense.

- 21.14 The AIFM shall use its best efforts, at any Unitholders' request (but not at the own initiative of the AIFM), to take any action necessary to comply with the laws, regulations and rules of any jurisdiction, or to obtain the benefit of any tax credits or to recover any taxes withheld by any jurisdiction, in which the Fund makes investments, in respect of the interest of such Unitholder.
- 21.15 The AIFM shall use its reasonable best efforts to ensure that no Unitholder will be subject to any tax filing obligations or income or similar tax payment obligations with respect to the income of the Fund in any jurisdiction (other than the jurisdiction in which such Unitholder is domiciled) solely as a result of the direct or indirect activities of the Fund. In addition, in making investment decisions, the AIFM shall consider the potential impact of withholding taxes on the Fund and its Unitholders on the returns from such Investment.

## 22. **DISTRIBUTIONS**

- 22.1 The AIFM may, at its sole discretion and at any time, decide to distribute any Net Proceeds to the Unitholders, as set out in further detail in the Class Details. Such distributions will be made in cash in the Class Currency.
- 22.2 The AIFM shall publish on the AIFM's Website, the details of any distribution made to the Unitholders, including the composition and manner of payment thereof.

## 23. **AMENDMENT TO THE TERMS AND CONDITIONS**

- 23.1 These Terms and Conditions may be amended pursuant to a joint resolution of the Legal Owner and the AIFM.
- 23.2 A proposed amendment to the Terms and Conditions shall, together with an explanation to the proposed amendments, be published on the AIFM's Website.
- 23.3 An amendment of the Terms and Conditions causing a reduction in the Unitholders' rights or security, imposing costs on the Unitholders or causing a change to the Investment Strategy or Investment Restrictions of the Fund does not become effective for the Unitholders until one (1) month after the date on which the notification has been published on the AIFM's Website. During this period of one (1) month the Unitholders have the right to redeem their Units under the ordinary conditions set forth in these Terms and Conditions.
- 23.4 All parties to these Terms and Conditions shall be bound by any amendment to these Terms and Conditions effected in accordance with the provisions of this Article 23.

## 24. **REGULATORY CHANGES**

- 24.1 A worldwide investment management regulatory climate exists in which, during the existence of the Fund, additional and/or amended legislation and regulations relating to

the supervision on investment funds such as the Fund and AIFMs such as the AIFM ("Regulatory Changes") may come into force.

- 24.2 Furthermore, the AIFM may amend the Terms and Conditions if the AIFM reasonably determines that a Regulatory Change has a material adverse effect on the Fund, the AIFM and/or the Legal Owner, such that: (i) the material adverse effect of the applicable Regulatory Change on the Fund, the AIFM and/or the Legal Owner, as applicable, is removed or mitigated; and (ii) the Fund shall bear its reasonable allocable portion of the costs in relation to the implementation of and compliance with the Regulatory Change (it being understood such allocation is in principle determined on the basis of the percentage of value of the assets managed through the Fund in proportion to the value of the total assets under management of all funds managed by the AIFM).

## 25. DISSOLUTION AND LIQUIDATION

- 25.1 The Fund shall be dissolved upon the happening of any of the following events:
- 25.1.1 the resignation of the AIFM, without a successor AIFM having been appointed in time in accordance with Article 8.2;
  - 25.1.2 notice served by the AIFM and the Legal Owner on the Unitholders following any change in the law as a result of which, in the reasonable opinion of the AIFM and the Legal Owner, the continuation of the Fund becomes unlawful;
  - 25.1.3 termination of the Framework Agreement;
  - 25.1.4 a decision of the meeting of Unitholders to dissolve the Fund taken by Ordinary Consent.
- 25.2 The AIFM can decide to dissolve the Fund if such dissolution and liquidation is deemed to be in the interest of the Unitholders, as determined by the AIFM at its sole discretion. Such dissolution shall for the purposes of Article 25.3 be deemed to be effective on the date of any such resolution having been taken by the AIFM
- 25.3 Any dissolution of the Fund shall be effective on the date the event giving rise to the dissolution occurs, but the existence of the Fund shall not be terminated unless and until all its affairs have been liquidated as provided in the further provisions of this Article 25.
- 25.4 Upon dissolution of the Fund, no further business shall be conducted except for such action necessary for the liquidation of the affairs of the Fund in accordance with the applicable provisions of the law and these Terms and Conditions, including the sale or realisation otherwise of any remaining Fund Assets and payment of any remaining Fund Obligations and the distribution of any Fund Assets remaining after payment of the Fund Obligations to the Unitholders. During the liquidation period these Terms and Conditions shall, to the extent possible, remain in full force and effect. For the avoidance of doubt, upon dissolution and for the duration of the liquidation, Unitholders cannot request for redemption of their Units.
- 25.5 The liquidation of the Fund shall be effected by the AIFM, provided, however, that if the Fund is dissolved for a reason set forth in Article 25.1.1, then the Unitholders shall

by Ordinary Consent appoint another party as liquidator which shall have the rights and obligation of a AIFM under these Terms and Conditions be it for the sole purpose of and within the restrictions set by Article 25.4.

- 25.6 The balance left after the liquidation shall be paid, in cash or in kind, to the Unitholders in accordance with the provisions of Article 22. If any Fund Obligation is contingent or uncertain in amount, a reserve will be established in such amount as the AIFM deems reasonably necessary; upon the satisfaction or other discharge of such contingency, the amount of the reserve not required, if any, will be distributed in accordance with the provisions of Article 22.

## 26. **INDEMNIFICATION**

- 26.1 The Legal Owner, the AIFM and any of their respective (former) directors, employees and advisors, including for the avoidance of doubt the Delegate, (each of them in this Article 26 referred to as an "Indemnified Person"), will be indemnified out of the Fund Assets against any and all liabilities, actions, proceedings, claims, costs, demands or expenses incurred or threatened by any of them arising out of or in connection with the capacity or former capacity of such Indemnified Person in the exercise of powers, provision of services or performance or omission of any activities on behalf of or in respect of the Fund within the framework of these Terms and Conditions, provided however that no Indemnified Person shall be so indemnified with respect to any matter determined by court order of final adjudication as resulting from the Culpable Behaviour of such Indemnified Person.

- 26.2 If an Indemnified Person becomes involved in any capacity in any action, proceeding or investigation in connection with any matter arising out of or in connection with the services provided by the Indemnified Person to the Fund, the Indemnified Person shall be reimbursed out of Fund Assets for its reasonable legal and other expenses (including the cost of investigation and preparation) as such legal and other expenses are incurred; provided that the Indemnified Person shall provide the AIFM with a written undertaking to promptly repay to the Fund the amount of such reimbursed expenses paid if it shall ultimately be determined by a court of final adjudication that there was no entitlement to indemnification pursuant to Article 26.1.

- 26.3 The rights of the Indemnified Persons to be indemnified in accordance with this Article shall survive the termination of the Fund.

## 27. **CONFIDENTIALITY**

The AIFM, the Legal Owner and each of the Unitholders shall maintain in strict confidence all confidential information related to the Fund, the AIFM, the Legal Owner and the Unitholders which it obtains pursuant to or in connection with the relationship created by the Fund and agrees that (i) if applicable, it shall use such information solely in the performance of its duties as AIFM or Legal Owner, (ii) it shall not disclose such confidential information (either directly or indirectly) to any other person other than (a) any governmental, regulatory, self-regulatory body or taxing authority that has oversight or jurisdiction over the activities of the party concerned, as the case may be; provided, that such disclosure shall be made only to the extent lawfully requested or legally required by such governmental, regulatory, self-regulatory body or taxing authority, (b) its Affiliates, employees, advisors, agents and representatives provided

that the recipient of such information is legally or contractually bound to keep such information confidential, and (c) if the Unitholder is the trustee of a trust or (the depository of) a limited partnership or fund for joint account, to beneficiaries under or partners or Unitholders in such trust, limited partnership or fund for joint account if (i) required to do so under the terms of such trust deed, limited partnership agreement or fund terms and conditions, and (ii) provided that such beneficiaries, limited partners or Unitholders, as applicable, are bound by such duties of confidentiality as if they were Unitholders.

## 28. MISCELLANEOUS

- 28.1 The AIFM shall, and shall cause the Fund to comply and to continue to comply with, all applicable regulations (including any applicable anti-terrorism and money laundering regulations). The AIFM will promptly inform the Unitholders of any non-compliance that comes to its attention which could have an impact on the Unitholders.
- 28.2 If any Article or provision of these Terms and Conditions shall be held to be invalid or unlawful in any jurisdiction such Article or provision shall only be ineffective to the extent of such invalidity or unenforceability. The remainder of these Terms and Conditions shall not be affected thereby and shall remain in full force and effect and any such invalidity or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provisions in any other jurisdiction.
- 28.3 No failure to exercise and no delay in exercising on the part of any of the Unitholders any right, power or privilege hereunder shall operate as a waiver thereof nor shall any single or partial exercise of any right, power or privilege preclude any other or further exercise thereof or the exercise of any other right, power or privilege. The rights and remedies provided in these Terms and Conditions are cumulative and not exclusive of any rights or remedies otherwise provided by law.
- 28.4 These Terms and Conditions and the Subscription Form constitute the entire agreement between the AIFM, the Legal Owner and each of the Unitholders, separately, and replaces, supersedes and invalidates all previous agreements (whether written or orally), documentations and correspondences with respect to the subject matter of these Terms and Conditions and the Subscription Form. There are no representations, agreements, arrangements or understandings between the parties relating only to the subject matter to these Terms and Conditions and the Subscription Form which are not fully expressed in these documents.

## 29. NOTICES

- 29.1 All notices to Unitholders shall be sent in writing to the addresses of Unitholders stated in the Register and will be published on the AIFM's Website.
- 29.2 All notices to the Legal Owner, the AIFM or the Administrator shall be made in the form of e-mail or by post and shall be addressed or directed as to the addresses set out below or such other address as may have been notified to the Unitholders in accordance with the provisions of Article 29.1:

To the Legal Owner:

Stichting Juridische Eigendom FMO  
Privium Impact Fund

Woudenbergseweg 11  
3953 ME Maarsbergen  
The Netherlands  
E-mail: [fpif@circlepartners.com](mailto:fpif@circlepartners.com)

To the AIFM:

Privium Fund Management B.V.  
Gustav Mahlerplein 3, 26<sup>th</sup> floor  
1082 MS Amsterdam  
The Netherlands  
E-mail: [info@priviumfund.com](mailto:info@priviumfund.com)

To the Administrator:

Circle Investment Support Services B.V.  
Smallepad 30F  
3811 MG Amersfoort  
The Netherlands  
E-mail: [fpif@circlepartners.com](mailto:fpif@circlepartners.com)

### 30. **APPLICABLE LAW AND COMPETENT COURT**

- 30.1 These Terms and Conditions shall be governed by the laws of the Netherlands.
- 30.2 These Terms and Conditions shall remain in full force and effect until amended in accordance with Article 23 hereof.
- 30.3 The competent courts of Amsterdam and its appellate courts shall have exclusive jurisdiction to decide on a dispute between the parties arising from these Terms and Conditions.

**ANNEX 1**  
**CLASS DETAILS: CLASS A UNITS**

These Class Details form an integral part of the Terms and Conditions and the Prospectus of the Fund and should be read in combination with these documents.

|                                    |   |
|------------------------------------|---|
| <b>Class</b>                       | Class A   |
| <b>Currency</b>                    | US Dollar   |
| <b>Currency hedging</b>            | Yes   |
| <b>Minimum Subscription Amount</b> | USD 100 (one hundred US dollars)  |
| <b>Distributions</b>               | It is the intention of the AIFM not to make any regular distributions on Class A Units.   |
| <b>Management Fee</b>              | Class A has been created to make sure that fund of funds managed by the AIFM (such as the Privium Sustainable Impact Fund) can invest in this Fund without Privium making money on both sides. The annual Management Fee for this separate share class will be 0.90 per cent. of the Net Asset Value of Class A, excluding (i.e. before deduction of) the accrued Management Fee, which will be paid in full by the AIFM to the Delegate, subject to any VAT (if applicable). |



**ANNEX 2**  
**CLASS DETAILS: CLASS B - A UNITS**

These Class Details form an integral part of the Terms and Conditions and the Prospectus of the Fund and should be read in combination with these documents.

|                                    |   |
|------------------------------------|---|
| <b>Class</b>                       | Class B - A Units   |
| <b>Currency</b>                    | Euro  |
| <b>Currency hedging</b>            | Yes   |
| <b>Minimum Subscription Amount</b> | EUR 100 (one hundred euro's)  |
| <b>Distributions</b>               | It is the intention of the AIFM not to make any regular distributions on Class B - A Units.   |
| <b>Management Fee</b>              | Class B - A Units will normally only be issued to the seed investor. The AIFM is entitled to an annual Management Fee due in respect of Class B - A of 0.98 per cent. of the Net Asset Value of Class B - A, excluding (i.e. before deduction of) the accrued Management Fee. 0.08 per cent. is for the benefit of the AIFM, with a minimum of EUR 90,000 (or the equivalent thereof in another currency) in aggregate with such amount as payable by all Classes other than Class A, calculated pro rata the Net Asset Value of each applicable Class. The total fee on this Class, including the 0.90 per cent. fee for the Delegate, which will be paid in full by the AIFM to the Delegate (subject to any VAT (if applicable)), will be 0.98 per cent. with a minimum of 0.90 per cent plus Euro 90,000 (being the minimum amount of the Management Fee for the benefit of the AIFM itself) in aggregate with such amount as payable by all Classes other than Class A, calculated pro rata the Net Asset Value of each Class. This Class B – A will not be available for investments by other funds managed by Privium Fund Management B.V. |

**ANNEX 3**  
**CLASS DETAILS: CLASS B - D UNITS**

These Class Details form an integral part of the Terms and Conditions and the Prospectus of the Fund and should be read in combination with these documents.

|                                    |   |
|------------------------------------|---|
| <b>Class</b>                       | Class B - D   |
| <b>Currency</b>                    | Euro  |
| <b>Currency hedging</b>            | Yes   |
| <b>Minimum Subscription Amount</b> | EUR 100 (one hundred euro's)  |
| <b>Distributions</b>               | It is the intention of the AIFM to distribute 2% of the Net Asset Value of Class B to Unitholders of Class B.   |
| <b>Management Fee</b>              | Class B - D Units will normally only be issued to the seed investor. The AIFM is entitled to an annual Management Fee due in respect of Class B of 0.98 per cent. of the Net Asset Value of Class B - D, excluding (i.e. before deduction of) the accrued Management Fee. 0.08 per cent. is for the benefit of the AIFM, with a minimum of EUR 90,000 (or the equivalent thereof in another currency) in aggregate with such amount as payable by all Classes other than Class A in aggregate, calculated pro rata the Net Asset Value of each applicable Class. The total fee on this Class, including the 0.90 per cent. fee for the Delegate, which will be paid in full by the AIFM to the Delegate (subject to any VAT (if applicable)), will be 0.98 per cent. with a minimum of 0.90 per cent plus Euro 90,000 (being the minimum amount of the Management Fee for the benefit of the AIFM itself) in aggregate with such amount as payable by all Classes other than Class A, calculated pro rata the Net Asset Value of each applicable Class. This Class B – D will not be available for investments by other funds managed by Privium Fund Management B.V. |

**ANNEX 4**  
**CLASS DETAILS: CLASS F UNITS**

These Class Details form an integral part of the Terms and Conditions and the Prospectus of the Fund and should be read in combination with these documents.

|                                      |   |
|--------------------------------------|---|
| <b>Class</b>                         | Class F   |
| <b>Currency</b>                      | Euro  |
| <b>Currency hedging</b>              | Yes   |
| <b>Minimum Subscription Amount</b>   | EUR 1,000 (one thousand euro's)   |
| <b>Distributions</b>                 | It is the intention of the AIFM not to make any regular distributions on Class F Units.   |
| <b>Management Fee</b>                | <p>Class F Units will normally only be issued to persons that (i) are employees of FMO and its subsidiaries, and (ii) are living in the Netherlands at the time of such issue. The AIFM is entitled to an annual Management Fee due in respect of Class F of 0.98 per cent. of the Net Asset Value of Class F, excluding (i.e. before deduction of) the accrued Management Fee. 0.08 per cent. is for the benefit of the AIFM, with a minimum of EUR 90,000 (or the equivalent thereof in another currency) for all Classes other than Class A in aggregate, calculated pro rata the Net Asset Value of each applicable Class. The total fee on these Classes, including the 0.90 per cent. fee for the Delegate, which will be paid in full by the AIFM to the Delegate (subject to any VAT (if applicable)), will be 0.98 per cent. with a minimum of 0.90% per cent plus Euro 90,000 for all Classes other than Class A in aggregate, calculated pro rata the Net Asset Value of each applicable Class (being the minimum amount of the Management Fee for the benefit of the AIFM itself).</p> <p>This Class F will not be available for investments by other funds managed by Privium Fund Management B.V., and will normally only be issued to employees of FMO and its subsidiaries.</p> |
| <b>Notice period for redemptions</b> | In deviation from Article 16.4 of the Terms and Conditions, the Administrator will need to receive signed Redemption Forms at least six (6) months prior to the relevant Valuation Date. Forms not received in time will be held over until the following Settlement Date. As a result such redemption will take place against the Net Asset Value of the Class F Units at the time of redemption and not at the time such redemption request is made   |

by a Unitholder. Completed Redemption Forms are irrevocable once received by the Administrator.

**Important notice**

Class F Units will normally only be issued to persons that are employees of FMO and its subsidiaries and are living in the Netherlands at the time of such issue.

**ANNEX 5**  
**CLASS DETAILS: CLASS I - A UNITS**

These Class Details form an integral part of the Terms and Conditions and the Prospectus of the Fund and should be read in combination with these documents.

|                                    |   |
|------------------------------------|---|
| <b>Class</b>                       | Class I - A   |
| <b>Currency</b>                    | Euro  |
| <b>Currency hedging</b>            | Yes   |
| <b>Minimum Subscription Amount</b> | EUR 1,000 (one thousand euro's)   |
| <b>Distributions</b>               | It is the intention of the AIFM not to make any regular distributions on Class I – A Units.   |
| <b>Management Fee</b>              | Subscribing Unitholders will normally be issued Class I or Class U D Units, unless otherwise determined by the AIFM in its sole discretion. The AIFM is entitled to an annual Management Fee due in respect of Class I – A of 1.15 per cent. of the Net Asset Value of Class I - A, excluding (i.e. before deduction of) the accrued Management Fee. 0.15 per cent. is for the benefit of the AIFM, with a minimum of EUR 90,000 (or the equivalent thereof in another currency) for all Classes other than Class A in aggregate, calculated pro rata the Net Asset Value of each applicable Class. The total fee on these Classes, including the 1 per cent. fee for the Delegate, which will be paid in full by the AIFM to the Delegate (subject to any VAT (if applicable)), will be 1.15 per cent. with a minimum of 1% per cent plus Euro 90,000 for all Classes other than Class A in aggregate, calculated pro rata the Net Asset Value of each applicable Class (being the minimum amount of the Management Fee for the benefit of the AIFM itself). |

Class I – A will not be available for investments by other funds managed by Privium Fund Management B.V.

**ANNEX 6**  
**CLASS DETAILS: CLASS I - D UNITS**

These Class Details form an integral part of the Terms and Conditions and the Prospectus of the Fund and should be read in combination with these documents.

|                                    |  |
|------------------------------------|--|
| <b>Class</b>                       | Class I - D  |
| <b>Currency</b>                    | Euro   |
| <b>Currency hedging</b>            | Yes  |
| <b>Minimum Subscription Amount</b> | EUR 1,000 (one thousand euro's)  |
| <b>Distributions</b>               | It is the intention of the AIFM to distribute 2% of the Net Asset Value of Class I - D to Unitholders of Class I - D   |
| <b>Management Fee</b>              | <p>Subscribing Unitholders will normally be issued Class I or Class U Units, unless otherwise determined by the AIFM in its sole discretion. The AIFM is entitled to an annual Management Fee due in respect of Class I - D of 1.15 per cent. of the Net Asset Value of Class I - D, excluding (i.e. before deduction of) the accrued Management Fee. 0.15 per cent. is for the benefit of the AIFM, with a minimum of EUR 90,000 (or the equivalent thereof in another currency) for all Classes other than Class A in aggregate, calculated pro rata the Net Asset Value of each applicable Class. The total fee on these Classes, including the 1 per cent. fee for the Delegate, which will be paid in full by the AIFM to the Delegate (subject to any VAT (if applicable)), will be 1.15 per cent. with a minimum of 1% per cent plus Euro 90,000 for all Classes other than Class A in aggregate, calculated pro rata the Net Asset Value of each applicable Class (being the minimum amount of the Management Fee for the benefit of the AIFM itself).</p> <p>Class I – D will not be available for investments by other funds managed by Privium Fund Management B.V.</p> |

**ANNEX 7**  
**CLASS DETAILS: CLASS U - A UNITS**

These Class Details form an integral part of the Terms and Conditions and the Prospectus of the Fund and should be read in combination with these documents.

|                                    |  |
|------------------------------------|--|
| <b>Class</b>                       | Class U - A  |
| <b>Currency</b>                    | USD  |
| <b>Currency hedging</b>            | Yes  |
| <b>Minimum Subscription Amount</b> | EUR 1,000 (one thousand euro's)  |
| <b>Distributions</b>               | It is the intention of the AIFM not to make any regular distributions on Class U - A Units.  |
| <b>Management Fee</b>              | <p>Subscribing Unitholders will normally be issued Class I or Class U Units, unless otherwise determined by the AIFM in its sole discretion. The AIFM is entitled to an annual Management Fee due in respect of Class U – A of 1.15 per cent. of the Net Asset Value of Class U - A, excluding (i.e. before deduction of) the accrued Management Fee. 0.15 per cent. is for the benefit of the AIFM, with a minimum of EUR 90,000 (or the equivalent thereof in another currency) for all Classes other than Class A in aggregate, calculated pro rata the Net Asset Value of each applicable Class. The total fee on these Classes, including the 1 per cent. fee for the Delegate, which will be paid in full by the AIFM to the Delegate (subject to any VAT (if applicable)), will be 1.15 per cent. with a minimum of 1% per cent plus Euro 90,000 for All Classes other than Class A in aggregate, calculated pro rata the Net Asset Value of each applicable Class (being the minimum amount of the Management Fee for the benefit of the AIFM itself).</p> <p>Class U – A will not be available for investments by other funds managed by Privium Fund Management B.V.</p> |

**ANNEX 8**  
**CLASS DETAILS: CLASS U - D UNITS**

These Class Details form an integral part of the Terms and Conditions and the Prospectus of the Fund and should be read in combination with these documents.

|                                    |   |
|------------------------------------|---|
| <b>Class</b>                       | Class U - D   |
| <b>Currency</b>                    | USD   |
| <b>Currency hedging</b>            | Yes   |
| <b>Minimum Subscription Amount</b> | EUR 1,000 (one thousand euro's)   |
| <b>Distributions</b>               | It is the intention of the AIFM to distribute 2% of the Net Asset Value of Class U - D to Unitholders of Class U - D.   |
| <b>Management Fee</b>              | <p>Subscribing Unitholders will normally be issued Class I or Class U Units, unless otherwise determined by the AIFM in its sole discretion. The AIFM is entitled to an annual Management Fee due in respect of Class U of 1.15 per cent. of the Net Asset Value of each Class, excluding (i.e. before deduction of) the accrued Management Fee. 0.15 per cent. is for the benefit of the AIFM, with a minimum of EUR 90,000 (or the equivalent thereof in another currency) for all Classes other than Class A in aggregate, calculated pro rata the Net Asset Value of each applicable Class. The total fee on these Classes, including the 1 per cent. fee for the Delegate, which will be paid in full by the AIFM to the Delegate (subject to any VAT (if applicable)), will be 1.15 per cent. with a minimum of 1% per cent plus Euro 90,000 for all Classes other than Class A in aggregate, calculated pro rata the Net Asset Value of each applicable Class (being the minimum amount of the Management Fee for the benefit of the AIFM itself).</p> <p>Class U – D will not be available for investments by other funds managed by Privium Fund Management B.V.</p> |

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