

SUSTAINABLE INVESTMENTS

Integration of sustainability risks at Privium

June 2022

Art 3 SFDR Regulation (EU) 2019/2099

Introduction

The SFDR Regulation prescribes that Privium Fund Management B.V. (Privium) discloses on sustainability, this includes disclosure on the integration of sustainability risk.

Integration of sustainability risk

For each investment risk that Privium has identified, Privium records a description of the risk. Control measures have been taken by internal procedures and the use of a data collection tool. Monitoring takes place by the Risk Committee on a monthly basis and the monitoring of the control measures is part of the annual compliance monitoring.

At Privium, we believe that events and circumstances in the world could have impact on the value of all investments. As this is (also) applied when it comes to sustainability risks, we have implemented a Sustainability Risk Policy which forms part of the Compliance Handbook.

A sustainability risk is an environmental, social or governance event or condition that, if it occurs, could potentially or actually cause a material negative impact on the value of investments. As the identification, assessment and monitoring of sustainability risks in our Funds is an ongoing exercise that requires collaboration and communication across the company and relevant stakeholders, we apply a consistent framework to integrate sustainability risk analysis into the core of our investment activities.

We require for all the investments by our Funds to identify and assess the sustainability risks of the investments, analyze the potential impact on the investment's value and record the considerations. How this is done depends on the type of strategy and investments the Fund pursues. The identification and assessment of sustainability risk is part of the initial due diligence process of the respective investment, within the boundaries as set by the Global Risk Management Framework, the Due Diligence on Investments policy and the Sustainability Risk Policy, and as further explained in our Compliance Handbook. Also, the sustainability risks in the portfolio are monitored on an ongoing basis.

To decide which (type of) sustainability risks need to be focused on in the analysis of the different asset classes, we apply the concept of materiality. Sustainability risks are deemed material if they are likely to have a significant impact on an investment's value. The relevance of sustainability risks can differ per type of investment, financial sector and even sub-sector or individual investment. How these factors are applied and monitored therefore differs per type of strategy and investments the Fund pursues.