



The unique and challenging year 2020 has had an impact worldwide. The weaknesses of our economy, health systems, political and social structures became painfully apparent. It is impossible to describe how difficult this year has been for everyone on our planet. That is why this impact report from the Privium Sustainable Impact Fund (PSIF) will mainly focus on the new developments in the Fund and the insight that 2020 offers us in the necessity and opportunities to further develop the impact sector.

The good news from 2020 is the continued growth of impact investing. New insights, legislation and investment opportunities are helping more and more investors navigate their way around the asset class and match their investments to their own impact goals. The Sustainable Development Goals (SDGs), the global goals of the United Nations, are becoming an increasingly important guideline in this regard. PSIF also uses the SDGs to provide insight into the impact achieved.

The Privium Sustainable Impact Fund is a Fund of investment funds. This means that the Fund invests in other funds that provide loans to local banks and other institutions. These then serve the ultimate borrowers. The Fund receives the impact data on which this report is based via the underlying funds. Unless otherwise stated, results refer to the Fund's actual interest in the underlying funds.

This is PSIF's annual impact report. Using the SDGs and with the help of case studies, the developments within the Fund and the impact achieved are made transparent.

Impact results 2020



1,728 student loans



**Renewable energy produced
equivalent to 96,182 households**



**96,854
entrepreneurs financed**



**CO₂ emissions equal to
60,149 cars avoided**

SFDR increases transparency of sustainable investments

The European Green Deal action plan will contribute to a sustainable economic recovery from the corona crisis in the coming years. The more investors opt for impact, the faster these goals will be achieved. By requiring the financial sector to be more transparent about their sustainable investments, investors can make a more informed choice.

As part of the European Green Deal, the Sustainable Finance Disclosure Regulation (SFDR) that came into effect in 2021 sets a general definition for sustainable investing. All European funds must report on this, regardless of their investment strategy. This quickly makes it clear which sustainable investment styles are being applied in a financial instrument.

The SFDR brings welcome insight to sustainable investors at all levels. For PSIF, it will make the impact analysis of the underlying funds more comprehensive, while investors in PSIF and other impact funds will get more information about their investments.

PSIF is classified as an "Article 9 Fund" under the SFDR, meaning that it has a specific sustainable investment objective. More SFDR related information can be found on the Fund's [website](#).

The impact themes:

Each of the themes the Privium Sustainable Impact Fund invests in contributes to several SDGs. Which SDGs fit which theme is determined based on the definitions of the UN. The impact of the Fund is measured for each SDG using impact indicators. In selecting these indicators, the Fund dovetails as much as possible with the reports of the underlying funds, the guidelines published by the UN and the work of the Platform for Sustainable Financing led by the Dutch Central Bank.

For the implementation of the indicators, the Fund uses information from the underlying funds. For example, within the education segment, the funds keep track of the percentage of students coming from countries with a low gross national product. By paying particular attention to students from these types of countries when providing student loans, SDG 10: Reducing Inequality is supported.

Where the reporting date of a fund deviates, the most up-to-date data is used. The part of the impact of the underlying funds that can be directly attributed to the investment of the Privium Sustainable Impact Fund is included in the score for the relevant impact indicator. An overview of the impact measurement process can be found on the last page of the report.

In order to grow with the developing economy in a country, people must have access to financial services. Globally, people without access to the financial sector are among the poorest, youngest and lowest educated in their country.

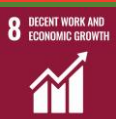


Financial inclusion

Impact indicator



Percentage female borrowers



Total loans to entrepreneurs



Percentage rural borrowers

Quality education is a basic condition for both personal development and the development of a country. This goes beyond learning to read and write. High-quality education opens the way to local growth, entrepreneurship and future leadership.



Education

Impact indicator



Number of student loans



Percentage of students from emerging countries

The switch from fossil to renewable energy is in full swing. But much still needs to be done before fossil energy generation is completely phased out.



Renewable energy

Impact indicator



MWh of renewable energy generated



MW generation or storage capacity



Tonnes CO₂ emissions avoided

Impact developments 2020

Thanks to the growing assets under management, the Fund was once again able to include several unique and innovative investments in the portfolio this year. The collaboration with renowned impact financier Symbiotics resulted in the launch of a new financial inclusive fund. In addition, several renewable energy funds had a successful IPO near the end of the year, as a result of which the Fund now also invests in the US renewable energy market and in battery storage, energy efficiency and energy infrastructure.



ABN AMRO Symbiotics EM Debt Fund

The Fund seeded a new financial inclusion fund. Microfinance expert Symbiotics launched it together with ABN AMRO in 2020.



Efficiency and infrastructure

New renewable energy funds focus on energy saving and efficiency. Greening of existing infrastructure and adaptation of the energy grid gives renewable energy more room to grow.



COVID-19 and impact

The pandemic has had devastating effects, especially in emerging countries. But opportunities for impact investing also arise from this challenge.



EUR 500 million AUM

Thanks to the growing focus on impact and the trust of our investors, the fund's assets under management grew to EUR 500 million. More scale means more impact.



Financial inclusion impact result 2020



70%

Female borrowers



According to research by the World Bank, 56% of adults without a bank account are women and 59% of these women are not active in the labor market. This while female entrepreneurs are a connecting factor in their community. The underlying funds operating in the Financial Inclusion segment provided 70% of their loans to women.

Goal 5: Achieve gender equality and empower all women and girls.

96,854

Loans to
entrepreneurs



Small entrepreneurs create jobs and support the economic development of their communities. In emerging countries, they provide 7 out of 10 jobs and 40% of the national income. But these entrepreneurs often find it difficult to obtain financing. There are an estimated 65 million medium and small companies in emerging countries that do not have enough capital to grow. With the investments of the Fund, the underlying funds provided loans to 96,854 entrepreneurs in emerging countries.

Goal 8: Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.

57%

Rural borrowers



Economic development in emerging countries is usually not smooth. Urban areas or regions with specific economic benefits are developing faster than rural areas. This can lead to large differences in prosperity. 57% of the loans provided by underlying funds operating in the Financial Inclusion segment were to borrowers in rural areas.

Goal 10: Reduce inequality within and between countries.

Financial Inclusion



Case study: ABN AMRO Symbiotics Emerging Markets Debt Fund

Being one of the largest impact loan managers in the world, Symbiotics is active in over 85 emerging countries. In collaboration with ABN AMRO, the Emerging Markets Debt Fund was set up in 2020 to tackle multiple problems in emerging countries through loans to small entrepreneurs and people at the bottom of the economic pyramid.

During its over 15 years of activity in the impact loan market, Symbiotics has built a strong infrastructure of local experts to quickly recognize opportunities to deploy impact capital and support small entrepreneurs through coaching, skill development programs and networking resources.

Recently, Symbiotics has expanded beyond microfinance to also target other challenges that emerging markets face. The ABN AMRO Symbiotics Emerging Markets Debt Fund therefore aims to generate impact in multiple SDGs apart from those generally associated with financial inclusion. In the coming year, the fund will increase its focus on ending poverty (SDG 1), education (SDG 4) and climate action (SDG 13).

Symbiotics takes an innovative triple approach integrating when selecting a development finance institution (DFI) or project to provide a loan to:

1. Symbiotics' sustainable finance principles (environmental, social and governance ratings) are applied, and a thorough analysis is performed to understand, avoid or mitigate any negative impacts;
2. Impact investing principles are applied. The expected impact results are mapped to the Sustainable Development Goals mapping and an intentionality study is performed to ensure that the financing is truly generates impact;
3. Inclusive finance principles are applied to ensure that the financing is reaching the bottom of the pyramid and therefore aligns with Symbiotics' investment targets.

Since its inclusion in the PSIF portfolio in April 2020, the DFI's and projects the fund invested in have already provided loans to 14,327 micro, small and medium cap entrepreneurs and retail clients of which 45% were women and 40% of loans were in rural areas.





Education impact result 2020

1,728

Student loans



Access to affordable and quality education is a prerequisite for participation in the economy and an indispensable link in the economic development in a country. Worldwide, some 263 million children and young people, one in five, do not attend school. 1,728 student loans have been granted with the investments of the Fund.

Goal 4: Ensure equal access to quality education and promote lifelong learning for all.

92%

Students from
developing countries



Lack of education contributes to maintaining and even increasing economic and social inequalities. In emerging countries, education is often not available or affordable for large parts of the population. Inequalities can be reduced by lending to students in these countries. 92% of student loans provided through the underlying funds went to students from developing countries¹.

Goal 10: Reduce inequality within and between countries.

¹) Developing countries defined as countries classified as 'non high-income economies' by the Word Bank

Impactthema's



Case study: Investing with impact beyond COVID-19

The corona virus turned the world on its head in 2020. This also applies to the world of impact investing. The lockdowns made it difficult to investigate new investment projects and put pressure on the income of microfinance banks. Economic uncertainty made it difficult for school-leavers to find jobs and the lower energy consumption created uncertainty for renewable energy projects.

All in all, the impact of the investment sector ultimately got through the year reasonably well. Bankruptcies at microfinance banks did not materialize and the first signs of recovery are already visible.

Most students got through 2020 well as loan agencies postponed interest payments and provided support.

The development of renewable energy projects is back on track and initiatives other than solar and wind farms are receiving more attention thanks to the lower sensitivity to energy prices, interesting returns and solutions for accelerating the energy transition.

In the field of policy development, COVID-19 has once again underlined the importance of crisis planning. Not only in the field of health, but certainly also for climate change, there is once again more attention for the challenges that still await us. Governments worldwide are

seizing the coming economic recovery work to make more sustainable choices.

Aided by lockdowns and limited freedom of movement, consumers have also discovered more sustainable solutions. Working from home became the norm and cycling and staycations saw a significant increase in popularity. This was good news for CO₂ emissions, which are estimated to be 6% lower in 2020 than a year earlier.

The effect of sustainable alternatives to our usual consumption patterns and activities has become apparent worldwide. Just like the realization that there are various possibilities to turn our negative impact into positive effects. This will translate into more investment opportunities, support from governments, interest from the business community and consumer attention for the impact sector.



Renewable energy impact results 2020



**262,500
MWh**

**Renewable energy
generated**



More clean energy is needed to be able to continue to meet our energy demand in a responsible manner. In 2020 the underlying funds generated more than 262,500 MWh of renewable energy that was attributable to the investments of the Fund. Based on the average Dutch electricity consumption¹, this is equal to the annual consumption of 96,182 homes. In this way, the fund contributes to SDG 7: Affordable and sustainable energy.

Goal 7: Ensure access to affordable, reliable, sustainable and modern energy for all.

**177
MW**

**Renewable
generation and
storage capacity**



The phasing out of fossil energy requires investments in sustainable generation capacity, new technology and energy infrastructure. To make our energy supply future-proof, more sustainable and cleaner, the amount of sustainable energy generation and storage capacity must be expanded. 177 MW of the renewable generation capacity of the underlying investments is attributable to the Fund.

Goal 9: Build resilient infrastructure, promote inclusive and sustainable industrialization, and drive innovation.

**114,400
tonnes**

**CO₂ emissions
avoided**



The more CO₂ emissions that can be avoided, the more this contributes to limiting the effects of climate change. Based on the energy mix in the region where they operate, the underlying investments of the Fund determine how many tonnes of CO₂ emissions have been avoided thanks to their sustainable energy generation. More than 114,400 tonnes of this was attributable to the investments of the Fund in 2020. Based on the annual emissions of passenger cars on Dutch roads², this equates to 60,149 cars.

Goal 13: Take urgent action to combat climate change and its impact.

Renewable Energy



Case study: Foresight Solar Foundation – Broadening impact

UK based Foresight Group manages the Foresight Solar Fund which has been part of the PSIF portfolio since 2019. The fund builds and operates 994 MW of solar assets in the UK, Australia and Spain which avoided 749,000 tonnes of CO₂ in 2020. Since 2016, the Group has pledged 5% of its annual corporate profits to the NextEnergy Foundation, which acts to provide energy and light from renewable energy sources to underserved regions, as well as to benefit the local communities in which the Group is present, and beyond.

A lack of energy access and security is a severe hindrance to the progress on all other Sustainable Development Goals (SDGs). Healthcare and educational facilities struggle to operate, financial services fail to reach clients, communications infrastructure and business can not function.

The Foresight Group's expertise in providing renewable electricity enables the Foresight Foundation to focus its efforts towards increasing access to renewable energy in underserved regions, and to marry this ambition with education, health and wider renewable-enabled infrastructure.

To ensure that all the supported projects fit the Foundation's impact goals, only small projects are supported, selection and monitoring are done internally, and the focus is on long-term relationships.

One such long-term project is Empower Malawi, which aims to install solar lighting systems on each primary school in one of the rural northern regions of Malawi. Each newly installed system allows for hundreds of children to increase their study time and help them to graduate to middle school, thus combining multiple impact targets.

Internal selection and monitoring of projects as well as strong support from the Foresight Group also allows for a swift response to crises. In 2020, the Foundation worked with its existing partners in Sub-Saharan Africa to

disseminate accurate COVID-19 health information as well as supporting local UK charities that respond to the increase in food poverty brought about as a side-effect to COVID-19.

In alignment with the focus of Foresight Group on biodiversity around its solar plants, the Foundation has also broadened its impact in this area. To do this, the foundation collaborates with Istituto Oikos, an organization involved in soil and sustainable agriculture conservation programmes, the management of water, forests and protected areas promotion of renewable energy and the development of small income generating activities linked to the sustainable use of resources.

One of the Foundation's latest projects combines its earlier activities in food security and education. In collaboration with the Akshaya Patra Foundation in India, 1.2 million nutritious meals per day are provided to primary school children.

Tekst and photo courtesy of Foresight Solar Foundation en Akshaya Patra Foundation



The impact reporting process

1

Map the SDGs to the segments in which the Fund invests

The UN provides a clear definition and relevant sub-goals for each SDG. The definitions are listed on the relevant theme result page.

2

Select indicators to measure the impact on each SDG

Based on the guidelines of the UN and the Sustainable Financing Platform, a clear and measurable indicator has been selected for each SDG.

3

Determine the interest of the Fund in each underlying investment

In order to be able to allocate the achieved impact as accurately as possible, the impact of an underlying fund is counted towards the position the Fund holds.

4

Collect the necessary indicators from the underlying funds

The underlying funds report their score on the relevant indicators to the Fund. Where reporting moments deviate, the most up-to-date indicators are used.

5

Determine the total result of the Fund

The indicators received are added up pro rata to arrive at the total result of the Fund on the various indicators.

6

Calculate the additional indicators: "number of households with sustainable electricity" and "CO2 emissions, number of cars saved"

The additional indicators are based on the Fund's result on SDG 7 and 13. These can be found on the relevant theme page.

Key facts

Management fee	0.30% per annum	Administrator	Circle Investments Support Services B.V.
Minimum subscription	EUR 100,-	Custodian	ABN AMRO Clearing Bank N.V.
Inception	August 1, 2014	Depository	Darwin Depository Services B.V.
Fund manager	Privium Fund Management B.V.	Auditor	EY - Ernst & Young LLP
Investment Advisor	ABN Amro Investment Solutions	Legal & Fiscal advisor	Van Campen Liem
Reference index	Euribor + 2% per annum	Subscriptions / redemptions	Monthly
Currency	EUR	Subscription notice	Before the 25th of the prior month
ISIN code	NL0010763587	Redemption notice	One month
Website	www.psif.nl		

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Privium Fund Management B.V. ('Privium') is a Dutch fund manager. Privium is regulated by the Dutch Authority for the Financial Markets (www.afm.nl) and the Dutch Central Bank (www.dnb.nl). Privium is

part of a group of companies with fund management activities in Amsterdam, London and Hong Kong. Privium manages a range of alternative investment funds.

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