

August 31, 2021

NAV per share EUR 108.1

AuM EUR 607,107,141

Performance 1M: 0.2% (2.4% YTD)

Return	1M	3M	YTD	1Y	3Y	Annualized	S.i.
PSIF ¹	0.2%	1.6%	2.4%	0.9%	5.1%	2.7%	20.6%
Reference index ²	0.1%	0.4%	1.0%	1.4%	2.6%	3.2%	24.4%

1) This is a combination of the return of the PSAF (until Dec. 31, 2018) and the PSIF (starting Jan. 1, 2019). The returns include dividends.

2) PSAF used a benchmark for comparison. PSIF does not use a benchmark. For informational purposes a reference index has been used starting Jan 1, 2019.

Newsletter PSIF August 2021

- Return of 0.2% is slightly ahead of reference index
- Renewable funds – positive Q2 reports
- Financial inclusion – Myanmar and AA Symbiotics Impact
- Impact result – Energy storage as a solution for volatility in energy markets
- Dividend payment

Prices - return

Privium Sustainable Impact Fund (PSIF) returned 0.2 percent this month including dividend. This is slightly ahead of the 0.1 percent return of the reference index. This index is the change in the value of the interbank interest rate with a 2 percent mark-up. Both renewable energy funds (+0.2%) and financial inclusion funds (+0.1%) contributed positively. In August PSIF made a net dividend distribution to Participants of EUR 2.0206 per participation.

Renewable funds – positive Q2 reports

August was a calm month in terms of capital raises, and PSIF made no changes to the portfolio. Among the top five renewable holdings, Foresight Solar fund (FSFL), John Laing Environmental (JLEN), The Renewable Infrastructures Group (TRIG) and NextEnergy Solar (NESF) all reported their results for the second quarter. A general trend we see is that wind farms, especially in the UK, had lower power generation due to lower wind speeds, while solar farms saw more sun than on average and therefore produced more electricity than expected. Over time these difference tend to even out but can impact results in the short term.

As a consequence, funds with predominantly wind exposure, such as TRIG, Aquila European Renewables (AERI) had a negative net asset value development during the quarter after having paid dividends. On the contrary, funds with larger share of solar generation like FSFL and JLEN, reported gains. NextEnergy Solar (NESF) reported flat growth, whereas Octopus Renewables, somewhat unexpectedly, reported negative growth. At the same time, many fund managers are raising their short-term electricity price forecasts while largely maintaining the long-term forecasts. The short-term revisions are mainly driven by higher carbon emissions prices, which this year has climbed from 30 to 60 EUR/tonne so far this year.

Among PSIF smaller holdings, Victory Hill Global Sustainable Environmental Opportunities (GSEO) was active in August and committed GBP 50 million to solar assets in Australia, with plans to build embedded battery storage capacity. By combining onsite storage capacity, the aim is to contribute to stabilize the grid and reduce the curtailment of renewable power generation.

Update impact results Q2 2021*



1,273 student loans



Renewable energy produced equivalent to 91,218 households



98,565 entrepreneurs financed



CO₂ emissions equal to 53,450 cars avoided

*Available data four quarters including Q2 2021



The first tranche, which is GBP 15 million of the committed capital, will go to two solar assets with 17MW generation capacity. Also notable is the price development of HydrogenOne Capital Growth fund (HGEN), which increased by 12 percent since launch of the fund at end of July.

We expect the fund activity to pick up again from September and are looking for new potential investment opportunities which could contribute to diversification from geographical, technological and impact point of view.

Financial inclusion – Myanmar and AA Symbiotics Impact

ABN AMRO Symbiotics Impact Fund (+0.2 percent), BlueOrchard Microfinance Fund (+0.3 percent) and FMO Privium Impact Fund (+0.3 percent) all gained during the month, offsetting the return of Triodos Microfinance Fund, which fell 0.1 percent. The situation in Myanmar is a concern for most microfinance investors. As responsible investors, the fund managers are actively working with the local institutions to support and find solutions to their local challenges arising from the political situation, rather than simply selling the holdings. In aggregate, the exposure to Myanmar is marginal for the financial inclusion funds and shouldn't have any material impact on PSIF. The latest update from ABN AMRO Symbiotics reveal that the investments have so far contributed to creating 51,207 jobs and financed more than 28,000 people, of which 41% were women. This is significantly contributing to the UN SDG's of No Poverty, Gender Equality and Decent Work and Economic Growth.

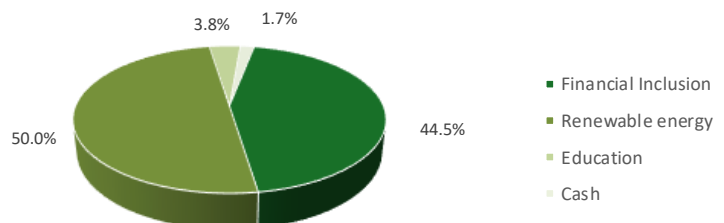
Impact result – Energy storage as a solution for volatility in energy markets

In the energy market, the ancient law of supply and demand applies, just like all other markets. Energy prices have recently skyrocketed across Europe, with the UK as the absolute outlier at £540 per MWh versus an average price of £60 at the start of this year.

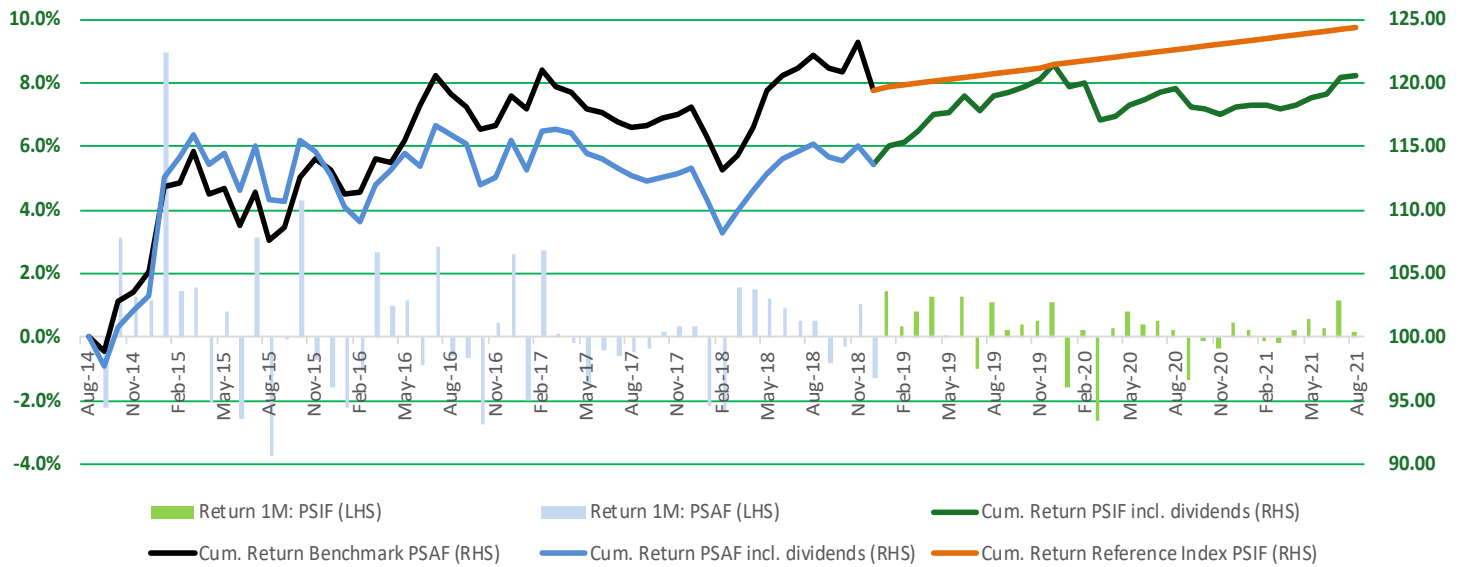
In the case of the UK, the causes of this price increase are due to different factors. First, the production of wind energy is extremely low due to low wind speeds. In addition, the price of gas is an important factor for the price of energy as a marginal source of energy, and this price has also risen significantly in 2021. Finally, there were problems in the connection of the power grid between France and the UK. These developments outline the challenges that have mainly arisen as a result of the energy transition.

A possible solution to these challenges are large-scale battery projects that enable the ability to store renewable energy, which can be deployed at most critical times. This provides stability to the power grid, less volatility in energy prices and an orderly transition to power generation with more renewable energy sources, which reduce the dependence on fossil fuels for power production. PSIF has a few funds in its portfolio that invest in the development and management of energy storage in the UK, including the Gresham House Energy Storage Fund and the Gore Street Energy Fund.

Portfolio allocation



Historical Performance - Privium Sustainable Impact Fund



Portfolio overview

Name	Weight	Name	Weight
FMO Privium Impact Fund (Class A)	12.2%	Aquila European Renewables	2.5%
Triodos Microfinance Fund	11.5%	John Laing Environmental Assets	2.6%
Blue Orchard Microfinance Fund	11.1%	SDCL Energy Efficiency Income Trust	2.4%
ABN AMRO Symbiotics EM Impact Debt	9.8%	Gore Street Energy Storage Fund	2.2%
Greencoat UK Wind	6.4%	VH Sustainable Energy Opportunities	1.7%
The Renewables Infrastructure Group	6.1%	US Solar	1.8%
Foresight Solar	4.3%	Octopus Renewables Infrastructure Trust PLC	1.6%
Higher Education Notes	3.8%	Triple Point Energy Efficiency	1.2%
NextEnergy Solar	4.0%	Aquila Energy Efficiency Trust PLC	1.1%
Greencoat Renewables PLC	3.4%	Ecofin US Renewables Infrastructure	1.0%
Gresham House Energy Storage	2.9%	Downing Renewables & Infrastructure	0.9%

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		

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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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