

October 31, 2021

NAV per share EUR 109.6

AuM EUR 628,767,981

Performance 1M: 1.7% (3.8% YTD)

Return	1M	3M	YTD	1Y	3Y	Annualized	S.i.
PSIF <sup>1</sup>	1.7%	1.5%	3.8%	3.9%	7.9%	2.8%	22.1%
Reference index <sup>2</sup>	0.1%	0.4%	1.2%	1.4%	2.9%	3.1%	24.7%

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 October 2021

- Return of 1.7% is higher than reference index
- Renewable funds – Some benefit from higher energy prices
- Financial inclusion – Strong demand for funding
- Impact result – Outcomes of the COP-26 conference



### Prices - return

Privium Sustainable Impact Fund (PSIF) returned 1.7% this month. This is higher than the 0.1% return of the reference index. This index is the change in the value of the interbank interest rate with a 2% mark-up. Financial Inclusion posted another stable month rising 0.2%, while Renewable Energy had an exceptionally strong month, up more than 3%.

### Renewable funds – Some benefit from higher energy prices

Renewable energy funds have had exceptionally strong price gains in October. As reports for the third quarter came in, the market starts to get more insight in how the current energy market turmoil is impacting the funds. In essence, there are three main factors affecting the performance of European renewable energy funds now: 1) how large is the exposure to wind generation, 2) is electricity delivered through long- or short-term contracts, and 3) is the value of assets affected by corporate tax rate changes and extended life expectancy?

The wind speeds in Europe have been much lower than expected, with lower power production consequently. For instance, UK Wind reported 50% lower electricity production than expected, while Greencoat Renewables produced 38% below budget. However, UK Wind revenue was more than compensated from rising power prices, as they have a share of revenue exposed to short-term power prices. On the other side of spectrum, a fund such as Bluefield Solar is not impacted by wind speeds, but also not benefitting materially from higher prices as 88% of revenues until mid-2022 are fixed with subsidies or long-term contracts.

Although the quarterly revenue is impacted by above, the value of the funds are also impacted by long-term power price assumptions, tax rates and asset life. As an example, Bluefield Solar is extending the expected life of some assets to 40 years from previously expected 30 years, which offsets the negative effects from higher corporate tax rates in the UK.

Also noteworthy is the high investment activity into new countries. Greencoat Renewables expanded their geographical footprint to Sweden, and at the same time raised EUR 165 million in a new share issue to fund their expected pipeline of 300MW. Octopus Renewables not only bought two wind farm projects in Poland, which are expected to be operational in the coming 9 months, but also made down payments for two wind parks in Finland. Ecofin US Renewables dipped their toes into wind power in Texas.

### Financial inclusion – Strong demand for funding

As economies rebound from the pandemic, the need for funding is also increasing. Particularly interesting is that the financial inclusion funds not only provide credit to institutions they had a previous relationship with from before the pandemic, but that they now also providing credit to new institutions again. Providing credit to new parties was essentially not possible during the first part of the pandemic with travel restrictions, as it is difficult to assess an institutions' processes, credit worthiness and ultimately trust without visiting them on-site. It is therefore encouraging to see that Triodos Microfinance Fund added two new investees to their portfolio, Tienda Pago in Mexico and La Hipotecaria in El Salvador, during the third quarter. BlueOrchard Microfinance Fund added Jamaica and Vietnam to their list of countries in October.

### Impact result – Outcomes of the COP-26 conference

The COP26 climate conference in Glasgow has recently come to an end. During this conference, the members of the UN have collectively discussed, among other things, the progress of climate goals and evaluated whether these are still in line with the Paris climate goals to limit global warning by 1.5 degree Celsius.

The resulting Glasgow climate pact contains several important outcomes that will contribute to making the climate goals a reality. One of the outcomes is the introduction of a global market for trading CO2 emission rights. Furthermore, a historic comment was made during the conference that explicitly mentioned the gradual phasedown of coal and 'inefficient' fossil fuels. Lastly, all participating countries are expected to reevaluate and strengthen their climate pledges each year.

PSIF invests in the FMO Privium Impact Fund. This fund participates in loans provided by FMO to developing countries. A percentage of these loans are used to finance renewable energy projects to combat climate change. FMO recognizes the challenges posed by COP-26 conference and the accompanying urgency to increase climate financing to developing countries. In these countries, partnerships are critical to work together and to realize climate adaptation solutions. FMO is contributing to this process by providing capital and technical support at an early stage.

### Update impact results Q3 2021\*



1,187 student loans



Renewable energy produced equivalent to 95,265 households



95,194 entrepreneurs financed

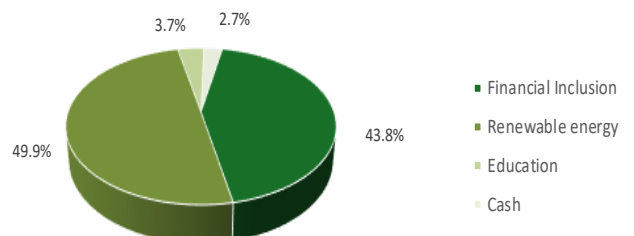


CO<sub>2</sub> emissions equal to 84,029 cars avoided\*\*

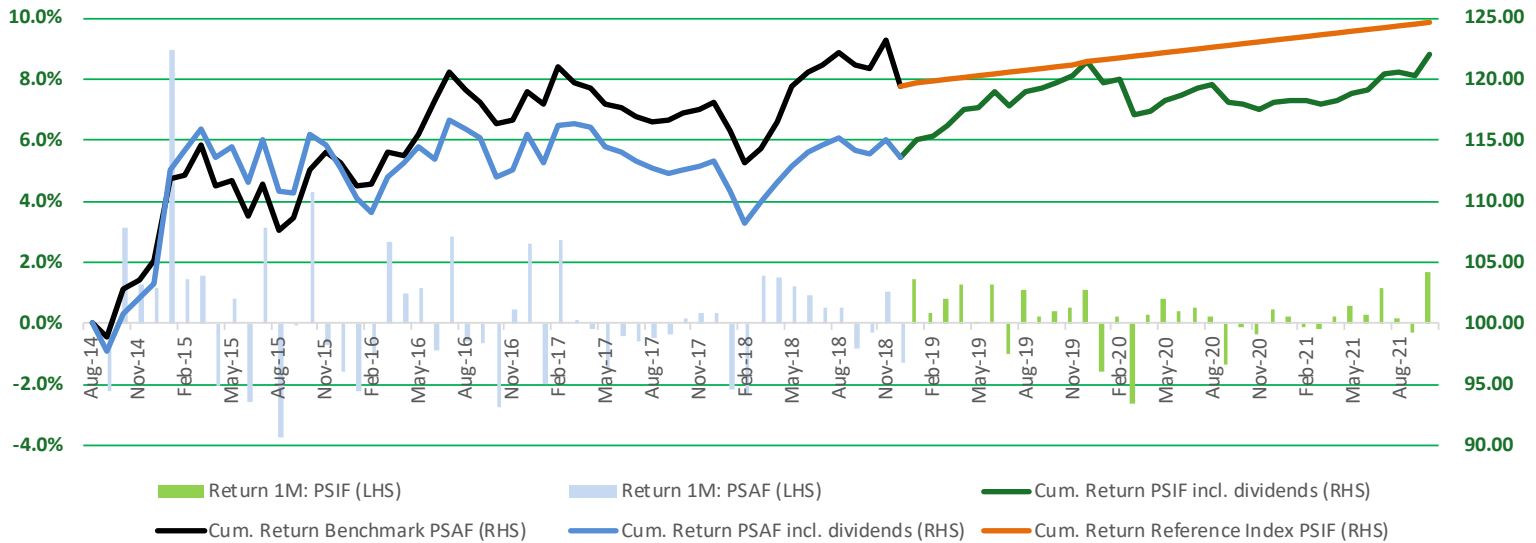
\*Available data four quarters including Q3 2021

\*\* Increase due to 2020 (covid year) emissions data in calculation

### Portfolio allocation



## Historical Performance - Privium Sustainable Impact Fund



### Portfolio overview

Name	Weight	Name	Weight
FMO Privium Impact Fund (Class A)	12.1%	John Laing Environmental Assets	2.4%
Triodos Microfinance Fund	11.3%	Aquila European Renewables	2.4%
Blue Orchard Microfinance Fund	10.7%	Gore Street Energy Storage Fund	2.4%
ABN AMRO Symbiotics EM Impact Debt	9.7%	SDCL Energy Efficiency Income Trust	2.3%
Greencoat UK Wind	6.8%	VH Sustainable Energy Opportunities	1.7%
The Renewables Infrastructure Group	6.4%	US Solar	1.7%
Foresight Solar	4.2%	Octopus Renewables Infrastructure Trust PLC	1.5%
NextEnergy Solar	4.0%	Triple Point Energy Efficiency	1.2%
Higher Education Notes	3.7%	Aquila Energy Efficiency Trust PLC	1.1%
Greencoat Renewables PLC	3.1%	Ecofin US Renewables Infrastructure	0.9%
Gresham House Energy Storage	3.1%	Downing Renewables & Infrastructure	0.9%
Bluefield Solar	2.8%	HydrogenOne Capital Growth PLC	0.9%

### Key facts

Management fee	0.30% per annum	Administrator*	Bolder Fund Services (Netherlands) 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	Trading	Monthly
Currency	EUR	Subscription notice	Before the 25th of the prior month
ISIN code	NL0010763587	Redemption notice	One month
Website	<a href="http://www.psif.nl">www.psif.nl</a>		* formerly Circle Investments Support Services B.V.

### About us

**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](http://www.afm.nl)) and the Dutch Central Bank ([www.dnb.nl](http://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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