

# **ANNUAL REPORT**

**Privium Sustainable Impact Fund**

**Year ended 31 December 2021**

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## General information

### Registered office

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

### Fund Manager

Privium Fund Management B.V.  
Symphony Towers 26/F  
Gustav Mahlerplein 3  
1082 MS Amsterdam  
The Netherlands  
[www.priviumfund.com/strategies\\_amsterdam/](http://www.priviumfund.com/strategies_amsterdam/)  
<https://www.psif.nl/>

### Legal Owner

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

### Delegate/Investment Advisor

ABN AMRO Investment Solutions SA  
3 Avenue Hoche  
75008 Paris  
France

### Administrator

Bolder Fund Services (Netherlands) B.V.  
Smallepad 30F  
3811 MG Amersfoort  
The Netherlands

### Legal and Tax Counsel

Van Campen Liem  
J.J. Viottastraat 52  
1071 JT Amsterdam  
The Netherlands

### Custodian

ABN AMRO Clearing Bank N.V.  
Gustav Mahlerlaan 10  
1082 PP Amsterdam  
The Netherlands

### Depository

Darwin Depository Services B.V.  
Barbara Strozziilaan 101  
1083 HN Amsterdam  
The Netherlands

### Independent Auditor

Ernst & Young Accountants LLP  
Antonio Vivaldistraat 150  
1083 HP Amsterdam  
The Netherlands

## Key figures

	2021	2020	2019	2018	2017
<b>Total for the Fund</b> (all amounts in EUR x 1,000)					
Net Asset Value at 31 December	653,978	500,998	377,064	602,934	324,077
Result from investments	16,388	9,931	6,263	10,382	5,560
Changes in value	10,358	(23,764)	15,946	(5,508)	(11,936)
Other results	5,209	3,758	2,374	(555)	2,074
Costs	(3,032)	(2,381)	(1,839)	(3,201)	(1,569)
<b>Net result for the year</b>	<b>28,923</b>	<b>(12,456)</b>	<b>22,744</b>	<b>1,118</b>	<b>(5,871)</b>
Outstanding participations at 31 December	5,908,452	4,641,932	3,385,660	5,828,749	3,061,794
<b>Per participation<sup>1</sup></b> (in EUR x 1)					
Net Asset Value at 31 December	110.69	107.93	111.37	103.44	105.85
Result from investments	2.77	2.14	1.85	1.78	1.82
Changes in value	1.75	(5.12)	4.71	(0.94)	(3.90)
Other results	0.88	0.81	0.70	(0.10)	0.68
Costs	(0.51)	(0.51)	(0.54)	(0.55)	(0.51)
<b>Net result</b>	<b>4.90</b>	<b>(2.68)</b>	<b>6.72</b>	<b>0.19</b>	<b>(1.91)</b>

### Dividend payment

During the year 2021, a gross dividend amount of EUR 13,321,603 (2020: None) was distributed by the Fund to the Participants.

<sup>1</sup> The result per participation is calculated using the number of outstanding participations as per the end of the period.

## Fund Manager report

### **PSIF 2021 return higher than the reference index**

The Privium Sustainable Impact Fund (hereafter referred to as the fund or PSIF) started on 31 August 2014 and currently consists of alternative investments in financial inclusion, renewable energy, student loans, forestry and social investments. The reference index for the fund is the Euro cash 3-month yield index +2%. This reference index yielded +1.4% in 2021. PSIF's return for 2021 was +4.8% and so the fund outperformed the reference index after a sizeable underperformance in 2020. This outperformance was caused by the higher return from the financial inclusions and renewable energy funds in the PSIF portfolio. They all profited from the positive economic consequences of the global economic recovery after the Covid-19 pandemic.

### **Expansion with seven British renewable energy funds in PSIF**

During 2021 the investments in renewable energy expanded with seven British investment funds. The new funds are the Victory Hill Global Sustainable Energy Opportunities Fund, Aquila Energy Efficiency Trust, ThomasLloyd Energy Impact Trust, HydrogenOne Capital Growth, Octopus Renewables Infrastructure Trust, SDCL Energy Efficiency Income Trust and US Solar Fund. At the beginning of the year Triodos Renewable Europe Fund was sold. This brings the total number of renewable energy holdings of the PSIF portfolio to 18 UK listed funds. The assets invested in these funds increased from € 226 million to € 326 million. The percentage of invested capital in renewable energy thus rose from 45% to almost 50%. This higher percentage reflects our positive outlook on the (sustainable) energy sector. We will now discuss the new funds in somewhat more detail.

The Victory Hill Global Sustainable Energy Opportunities (GSEO) invests in energy efficiency projects. GSEO invests worldwide in sustainable wind and solar energy, energy efficiency, energy storage and gasification installations. The projects, among others, include a solar park in Brazil, a battery storage project in Australia, fuel storage in the US and a zero emission combined heat and power plant (CHP) in the UK. These projects make a positive contribution to multiple SDGs. To identify these contributions the fund works closely with Aardvark as an ESG specialist.

The Aquila Energy Efficiency Trust was listed in May. The fund focuses on energy efficiency projects such as rooftop solar PV, combined heat and power generation, smart metering and lighting, and aims for a high single digit expected long term return.

ThomasLloyd Energy Impact Trust is a new fund that was launched in December 2021 and gathering assets of GBP 150 million, of which PSIF seeded EUR 6 million. The fund invests in renewable energy power and infrastructure in Emerging Asia with focus on solar and biomass energy production in India and the Philippines. Every euro invested in Emerging Markets has higher impact considering that electricity tends to be dirtier – in India, as coal still stand for about 65% of electricity production (iea.org). Corresponding figure in the Philippines is about 55%. The fund is also backed by the UK government, and aims to return 7-9% per year over time.

The HydrogenOne Capital Growth fund invests in the whole hydrogen value chain, from hydrogen generation projects to infrastructure and hydrogen technology companies. The opportunities, from financial as well as sustainability perspectives, are attractive, but as the risks are also high, the exposure in the PSIF portfolio is therefore scaled accordingly. The hydrogen industry is still in an early development stage, it is a key priority in the EU Green Deal and clean energy transition.

The British Octopus Renewables Infrastructure Fund (ORIT) has a portfolio of solar and wind farms in Europe. It also has a stake in developer Simply Blue Group which provides ORIT with the opportunity to participate in the growth of the floating offshore wind sector and other to be built projects.

The SDCL Energy Efficiency Income Trust (SEEIT) invests in projects that use either clean(er) energy or much less energy than the applications they replace. The projects are located in Europe, the US and some other countries including Singapore. An example is a Spanish project where waste from olives processing into oil is used to generate energy. Another project SEEIT invested in was a British fast charging network for electric cars. These and the other projects provide the fund with a stable income stream.

Finally PSIF invested in US Solar Fund (USF) which invests in US solar farms in several US states like Oregon, Utah, North Carolina and California. The produced electricity is sold predominantly by Power Price Agreements with large off takers. These stable cash flows allow the fund to provide investors with a solid dividend yield. USF is the second fund in the PSIF portfolio focused on US renewables, the other one is Ecofin US Renewables Infrastructure. Both funds together make up about 2.5% of the PSIF portfolio by year end.

As the world economy recovered from the Covid-19 pandemic the funds profited from the buoyant capital markets. Especially the higher inflation rates and power prices proved to be very positive for expected cash flows. The rising but still low interest rates did not impact the renewables funds in a meaningful way. The prices of the renewable energy funds increased strongly by almost 10% over the year as a whole. The most important non-financial impact of sustainable energy funds is the clean energy production of their investments. This sustainable impact is also stated in the PSIF's impact report on the website, [www.psif.nl](http://www.psif.nl). For the PSIF portfolio during 2021, the sustainable impact was equal to the electricity consumption of 101,040 Dutch single-family homes or a reduction in CO2 emissions equal to that of 84,303 passenger cars.

### **New Forestry and Social Impact strategies**

PSIF diversified the portfolio further with investments in the forestry and social impact sector. For forestry the fund invested in the Foresight Sustainable Forestry Company (FSFC) and the Schroder Big Society Capital Social Impact Trust was bought for social impact exposure. FSFC invests in British forestry projects where the wood yield is used as sustainably as possible. The trend towards more sustainable construction and packaging is driving strong global demand for wood. In addition, the fund will convert relatively barren land into forest land and receive additional income for this in the form of carbon credits. The fund also makes a positive contribution to biodiversity through responsible forestry methods. PSIF invested € 5 million in the Foresight fund.

The Schroders BSC Social Impact Trust invests in UK social enterprises, social housing projects and social projects whose returns depend on the achievement of specific social indicators. Examples of these projects are family therapy, homelessness and welfare projects. PSIF has participated for € 5 million in a share sale of the Schroders fund.

### **Financial inclusion – price recovery and increased impact**

The financial inclusion (microfinance) funds on balance achieved a positive return last year. The Triodos Microfinance Fund increased the most with a performance of +7.9%. Both their investments in the equity capital of the financial institutions and their loans increased strongly. These investments were marked up by undoing the provisioning for the consequences of the Covid-19 pandemic. During the year some additions to the holdings of the financial inclusion funds were made. At year end the total holdings in these funds amounted to 44% of the PSIF portfolio. A total of 133,556 entrepreneurs were financed with the investments of the funds in portfolio. In addition to this indicator, we also measure how many borrowers live in rural areas and the percentage of female borrowers. These correspond to Sustainable Development Goals 10 and 5. We report on this in the annual impact report published on the PSIF website. During the year 2021 direct foreign exchange exposures were hedged in full.

### **Outlook - Compounding uncertainties**

After two years of a global pandemic, the 2022 recovery has stalled, impacted by inflation fears, tightening central banks, and, as since a month ago, a war in Europe.

The base-case scenario expects that growth in the eurozone will be lower than initially been expected, owing to rising energy and commodity prices, including metals and agricultural goods. The war in Ukraine also weighs on European consumer sentiment.

The effect of the war in Ukraine is a worrisome backdrop for markets. We can only hope for a swift end to the war and the eventual rebuilding of a free Ukraine. For global consumers, the war has meant higher prices across a range of goods including oil, gas, wheat and other commodities which will disproportionately affect regions already suffering from resource insecurity or famine and could spur civil unrest. A structural shift will be needed to secure new, non-Russian sources of commodities and for global trade flows to adjust.

The underlying investments of the Fund have reported limited exposure to Ukraine and Belarus. The underlying investments have no exposure to Russia. Any remaining exposure is found with the financial inclusion funds and is fully or partially provisioned as a precaution. We expect a resolution or at minimum a cessation of hostilities to be negotiated at which time the damage done to the population and economy of Ukraine, including any holdings of the underlying funds can be assessed. While an immediate spill over effect to other countries appears unlikely at the moment, the underlying funds are currently cautious to allocate to the region and are monitoring their positions in the region closely. In the longer term, apart from Ukraine, the Eastern European and Middle-Eastern regions are likely to be most affected which could hamper local economic growth.

Diversification is one way to buffer the effect of market volatility on a portfolio. Also for the year 2022 we anticipate to hedge direct foreign exchange exposures in full.

#### *Sustainable Finance Disclosure Regulation (SFDR)*

As per 10 March 2021 the EU Sustainable Finance Disclosure Regulation (SFDR) has come into force. In the context of the Sustainable Finance Disclosure Regulation (SFDR), the Fund has been classified as an Article 9 fund. The investments of the Fund do not take into account the EU criteria for environmentally sustainable economic activities.

### **Sustainable investment objective**

#### **Sustainability indicator performance**

The objective of the Privium Sustainable Impact Fund (PSIF) is to achieve long term capital growth by making sustainable impact investments. Following the International Finance Corporation (IFC) definition, impact investing is defined as investments made into companies, organizations, vehicles and funds with the intent to contribute to measurable positive social, economic and environmental impact alongside financial returns

Each of the themes the Privium Sustainable Impact Fund invests in, aims to contribute 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. More details can be found in the 2021 the Impact report.



Financial inclusion


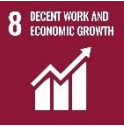



Education








Renewable energy




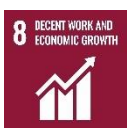




In the below table an additional explanation is being provided about the specific impact targets that have been defined, the attached performance indicators and how these are being measured.

<b>Financial Inclusion</b>			
<b>SDG</b>	<b>Target</b>	<b>Key Performance Indicator (KPI)</b>	<b>How is the impact being measured</b>
<p>5</p> 	Increase gender equality and empower all women and girls	% loans to women (based on the Net Asset Value of the Fund)	The impact of the Fund is being measured based on the information being received from the underlying investments, including Annual Reports, Impact Reports or other periodic reporting information. Where the reporting date of an investment deviates, the most up-to-date data is used.
<p>8</p> 	Increase sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all	The impact is being measured by the increased number of jobs supported (based on the Net Asset Value of the Fund).	The impact of the Fund is being measured based on the information being received from the underlying investments, including Annual Reports, Impact Reports or other periodic reporting information. Where the reporting date of an investment deviates, the most up-to-date data is used.
<p>10</p> 	Reduce the development gap between urban and rural communities in developing economies by increasing the number of loans to borrowers in rural areas	% loans to borrowers in rural areas (based on the Net Asset Value of the Fund)	The impact of the Fund is being measured based on the information being received from the underlying investments, including Annual Reports, Impact Reports or other periodic reporting information. Where the reporting date of an investment deviates, the most up-to-date data is used.



Education			
SDG	Target	Key Performance Indicator (KPI)	How is the impact being measured
<p>4</p> 	<p>Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all by providing loans to underprivileged students with access to education.</p> <p>Due to the fact that the related investment structure will mature over time as the loans will be paid off, the number of loans will decrease. Any Increase will depend on development of new investment structures.</p>	<p>The number of loans being provided to students (based on the Net Asset Value of the Fund)</p>	<p>The impact of the Fund is being measured based on the information being received from the underlying investments, including Annual Reports, Impact Reports or other periodic reporting information. Where the reporting date of an investment deviates, the most up-to-date data is used.</p>
<p>10</p> 	<p>Reduce inequality within and among countries by increasing the number of students from developing economies that gaining access to education.</p> <p>Due to the fact that the related investment structure will mature over time as the loans will be paid off, the number of loans will decrease. Any Increase will depend on development of new investment structures.</p>	<p>The % of loans being provided to students from non-high income countries (based on the Net Asset Value of the Fund)</p>	<p>The impact of the Fund is being measured based on the information being received from the underlying investments, including Annual Reports, Impact Reports or other periodic reporting information. Where the reporting date of an investment deviates, the most up-to-date data is used.</p>

<b>Renewable Energy</b>			
<b>SDG</b>	<b>Target</b>	<b>Key Performance Indicator (KPI)</b>	<b>How is the impact being measured</b>
7 	Ensure access to affordable, reliable, sustainable and modern energy for all by increasing the share of renewable energy in the global energy mix	The number of MWh generated (based on the Net Asset Value of the Fund)	The impact of the Fund is being measured based on the information being received from the underlying investments, including Annual Reports, Impact Reports or other periodic reporting information. Where the reporting date of an investment deviates, the most up-to-date data is used.
9 	Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation by increasing the construction of renewable energy capacity and infrastructure	The number of MW generation or storage capacity installed (based on the Net Asset Value of the Fund)	The impact of the Fund is being measured based on the information being received from the underlying investments, including Annual Reports, Impact Reports or other periodic reporting information. Where the reporting date of an investment deviates, the most up-to-date data is used.
13 	Take urgent action to combat climate change and its impacts by avoiding CO2 emissions from fossil fuel by investing in renewable energy	The number of tCO2 emissions avoided (based on the Net Asset Value of the Fund)	The impact of the Fund is being measured based on the information being received from the underlying investments, including Annual Reports, Impact Reports or other periodic reporting information. Where the reporting date of an investment deviates, the most up-to-date data is used.

 <p>2021: 68% female borrowers (2020: 70%)</p>	 <p>2021: 1,008 student loans (2020: 1,728)</p>	 <p>2021: 278,899 MWh Renewable energy generated (2020: 262,500)</p>
 <p>2021: 126,633 to entrepreneurs (2020: 96,854)</p>	 <p>2021: 96% students from developing countries (2020: 92%)</p>	 <p>2021: 246 MW renewable generation and storage capacity (2020: 177)</p>
 <p>2021: 56% rural borrowers (2020: 57%)</p>		 <p>2021: 125,732 tonnes CO2 avoided (2020: 114,400)</p>

Most current reporting from underlying funds per December 31, 2021 (2020). This may include unaudited data from the underlying investments and some investments haven't reported yet because their KPI reporting is still in development since these are newly launched funds.

The sustainability indicator performance of the Fund increased in the last year as the number of renewable energy funds and the invested amounts increased. This led to more produced renewable energy and an increase in the number of household equivalents from 96,182 (2020 figure) to 101,050. The same trend is for the avoided CO2 emissions which stood at an 60,149 Dutch passenger car equivalent<sup>2</sup> in 2020 and increased to 84,303 last year. This large increase is partially related to 2020 (Covid year) emissions data in the calculation. Also the number of financed entrepreneurs increased sharply from 96,854 to 126,633 as investments in financial inclusion funds increased. Also the funds themselves invested more of their cash holdings in loans to financial institutions as economic condition improved markedly last year. The education allocation in the PSIF portfolio declined since the number of student loans declined as students redeemed their loans and the Fund didn't invest in a new student loan product

During the year PSIF participated in the launch of a number of new UK listed renewable energy funds, as well as adding to existing funds. The individual funds focus on the generation of renewable energy (wind, solar, hydro, green gas, etc), storage of electricity in utility scale batteries, and forms of energy efficiency which might or might not include renewable energy generation. These funds have a net-positive impact on the SDGs 7,9 and 13. Two other new UK listed funds focus on social impact and forestry. The social impact fund invests in UK projects for affordable housing, social outcome contracts and debt for Social Enterprises. The portfolio companies in this fund delivered over 10,000 affordable homes and financed 100 social organizations reaching more than 157,000 people. Last but not least the forestry fund in which PSIF invested end last year will invest in British forestry projects where the forest yield is used as sustainably as possible. The fund will also convert relatively barren land into forest land and receive additional income for this in the form of carbon credits.

It is expected that additional optimizations regarding setting impact targets will be made in the period ahead.

### Proportion of Sustainability related investments

Showing the percentage of sustainable investments in the portfolio and a description of investments marked as 'other'.

Sustainable Investments	98.50%
Other	1.50%

<sup>2</sup> Here the definition of an average Dutch passenger car is being used as defined by the Centraal Bureau voor de Statistiek (CBS): <https://opendata.cbs.nl/statline/#/CBS/nl/dataset/82044NED/table?ts=1594825505506>

While PSIF aims to select as much of its portfolio investments as possible to be aligned with its sustainable objective, this is not always possible. Fund assets that are not aligned with its sustainable objective are grouped in the category 'other'. An asset may be marked as 'other' for the following reasons:

- Cash or money market instruments: the Fund may hold cash or money market instruments committed to a planned investment, cash freely available for investment or cash for portfolio management purposes.
- Foreign currency hedging: the Fund may hedge its foreign currency exposure for portfolio management purposes. The Fund does not apply hedging instruments or other derivatives for other purposes.
- Marked for divestment: An investment that is found to no longer fit with the Fund's objective will be invested within a reasonable timeframe.

### **Adverse impact indicators**

PSIFs investments may have a principal adverse impact on sustainability factors as defined in Regulation (EU) 2019/2088. Therefore, the Fund will consider these and start reporting on the principal adverse impacts over the year 2022 and any actions taken to mitigate them in a dedicated report. The relevant indicators will be outlined in the report. However, as a fund of funds, the completeness of PSIFs reporting will depend in part on the reporting of its underlying investments. In its reporting, the Fund will indicate any missing or incomplete indicators and its efforts to obtain them.

### **Alignment with international governance standards**

As a fund of funds, PSIF needs to investigate the quality of the companies, organizations, vehicles and funds managing the ultimate investments. This analysis is based on a combination of international standards from the UN Principles for Responsible investment (UNPRI), UN Global Compact, the OECD Guidelines for Multinational Enterprises and SASB. Focus points for this analysis are: employee engagement, diversity & inclusion; business ethics; operational and manager quality.

### **EU Taxonomy**

PSIF and its underlying funds are working towards reporting alignment to the EU Taxonomy. As currently the topics of the EU Taxonomy that are clearly defined are: Climate Change Mitigation and Climate Change Adaptation, alignment will most likely be identified in the Fund's renewable energy investments. While some of the underlying investments in this theme have already provided projected alignments, or even have reported tangible numbers most investments have not reported such numbers yet.

### **Risk management and willingness to take risks**

There have been no risk breaches during the year 2021. The risk profile of the Fund hasn't changed during the reporting period. Neither did the investment objective (s) or any of the investment restrictions of the Fund changed during the reporting period.

Reference to the investment objective (s), risk profile and the investment restrictions of the Fund is made in the Prospectus of the Fund and the Key Investor Information Document.

In the table below we list the various risk to which investors in the Fund are exposed and we discuss the measures applied to manage these risks and their potential impact on the Fund's NAV's.

## Privium Sustainable Impact Fund

Sorts of risks	Risk hedged	Measures applied and expected effectiveness	Impact on 2021 NAV	Expected impact on 2022 NAV if risk materializes	Adjustments made or expected adjustments to risk management in 2021 or 2022
Price/Market Risk	No	The fund maintains a number of long only equity investments. This includes the listed Renewable Energy Funds. Strong bottom-up company analysis is a very important item in mitigating risks during the holding period of a position. However price fluctuations due to general equity market movements during the holding period can't be mitigated or avoided in full by conducting company analysis. This risk is inherent when securities like equities are traded.	The Privium Sustainable Impact Fund gained +4.8% in 2021. The Fund does not have an official benchmark but the fund's performance is compared with a reference index only. This includes Euribor + 2%. The index gained +1.4% in 2021.	Investments are selected after a thorough due diligence process but the occurrence of this risk will also largely depend on general market circumstances.	No
Manager Risk	No	The Fund maintains a number of investments in other investment funds. These are mostly Micro Finance funds or other Impact funds. These funds are mostly managed by external Fund Management companies. An exception is the FMO Privium Impact Fund. A rigid due diligence process is in place when investment funds are selected.	The Fund outperformed the reference index during 2021. Global Equities, measured by the MSCI World Index (EUR) gained +25.4% in 2021, bonds measured by the Vanguard Global Bond Index Fund (EUR) lost -2.83% in 2021.	Much will depend on the actual positioning of the underlying investment funds. However we expect that the the selected investments funds will perform better than general equity markets over the long term on a risk adjusted basis.	No
Emerging Market risk	No	A significant weight of the portfolio is allocated to micro finance investments and Impact funds. These investments are mainly made in Emerging Markets. This risk is partially mitigated by having rigid selection criteria in place by the underlying Fund Managers.	None	This will depend on general market circumstances.	No
Interest rate risk	No	The Fund maintains a number of positions in Funds which invest in interest bearing securities but these are mostly floating rate positions. An additional explanation on interest rate risk can be found in the risk paragraph of the annual accounts.	This has been limited.	Much will depend on the actual positioning of the underlying investment funds.	No
Foreign Exchange risk	No	The fund has the possibility to hedge direct currency risks in full.	As of December 31, 2021 over 30% of the portfolio was allocated to EUR denominated investments. This includes cash as well. The Fund also maintained investments denominated in USD and GBP. Foreign FX exposure was fully hedged.	Direct FX exposures are hedged in full.	Yes
Liquidity risk	No	Liquidity risk mostly has been mitigated by investing in positions that offer sufficient liquidity. However some of the underlying investments of PSIF, predominantly the Micro Finance Funds, may have a liquidity mismatch between the liquidity which is offered to investors and the liquidity of the underlying investments of those funds. When these funds receive large redemptions from investors the underlying Fund Managers may decide to gate redemptions. When at the same time PSIF is having large redemptions from investors as well, the Fund Manager may suspend redemptions to protect the remaining investors of PSIF.	None	We would not expect a negative NAV impact if this risk would materialize.	No
Credit risk	No	Spare cash is maintained at ABN AMRO. ABN AMRO has an A credit rating (S&P credit rating) and we would reconsider the position if this changes.	None	None	No
Operational risk	No	This risk is mostly mitigated by having rigid operational procedures in place. Next to that duties and responsibilities are clearly divided between Privium employees. The same is applicable at the service providers of the several Privium Funds.	None	None	No
Counterparty Risk	No	This risk is mostly mitigated by selecting and maintaining relationships with top tier counterparties and service providers.	None	None	No
Leverage Risk	No	The Fund is not utilizing any borrowings to take positions. Because the Fund is hedging direct FX risk by using FX forwards, the fund is utilizing implied leverage. As of December 31, 2021 the leverage calculations according to the Gross method and Commitment method are as follows: Gross method: 167.30% and Commitment method: 100%.	None	None	No
Sustainability Risk	No	Sustainability risks are categorized into Environmental, Social or Governance (ESG) issues and may pose a material risk to the value of an investment. Since the Fund is investing in other investment funds and products, a clear understanding of the sustainability risks in these investee funds / products is required. Therefore, the due diligence process for any new fund investment will contain at a minimum the following topics: <ul style="list-style-type: none"> <li>• Analysis of the fund's sustainability risk related disclosures and reporting;</li> <li>• Questioning the fund manager on the sustainability risks the fund is exposed to;</li> <li>• Questioning the fund manager on the concentration of sustainability risks in the portfolio and its development over time;</li> <li>• Analysis of the fund manager's policy for identifying, measuring and monitoring sustainability risks; and</li> <li>• Questioning if the fund manager takes Principle Adverse Impacts into account as prescribed by the SFDR.</li> </ul>	None	None	No

## **Risk management**

Privium Fund Management B.V. has a clear and elaborate Risk Management framework, in line with current legislation, such as the Alternative Investment Fund Manager Directive (AIFMD). The Risk Management function within Privium is performed by an independent Risk Manager. Privium has a Risk Management Committee which meets at least on a monthly basis.

The Risk Management framework consists of several individual components, whereby Risk Monitoring is being performed on an ongoing basis.

Under the AIFM Directive, the Fund Manager is required to establish and maintain a permanent risk management function. This function should have a primary role in shaping the risk policy of each Alternative Investment Fund ("AIF") under management by the Fund Manager, risk monitoring and risk measuring in order to ensure that the risk level complies on an ongoing basis with the AIF's risk profile.

The risk management function performs the following roles:

- Implement effective risk management policies and procedures in order to identify, measure, manage and monitor risks;
- Ensure that the risk profile of an AIF is consistent with the risk limits set for the AIF;
- Monitor the liquidity profile of the AIF;
- Monitor sustainability risk levels;
- Monitor compliance with risk limits; and
- Provide regular updates to senior management concerning:
  - 1: The consistency of stated profile versus risk limits;
  - 2: The adequacy and effectiveness of the risk management process; and
  - 3: The current level of risk of each AIF and any actual or foreseeable breaches of risk limits.

As described by the AIFM Directive quantitative risk limits are, where possible, constructed for various risk categories: market risk, liquidity risk, credit risk, counterparty risk, and operational risk. These risk limits should be in agreement with the risk profile of the fund.

The risk management function is fully independent from the portfolio management function of the Fund Manager. The risk manager has full authority to close positions or the authorization to instruct the closing of positions on his behalf in case of a risk breach.

To ensure that all risk management tasks are executed correctly and timely, the Fund Manager uses an automated system that registers all risk tasks, keeps a list of all pending risk tasks, and escalates risk tasks that have not been executed or report a violation of a risk rule. The system produces an audit log that can be verified by the internal auditor, the external auditor, the management board, the regulator or other stake holders. Not all risk variables have limits but to identify any new relevant risks, every variable that is reported in the system flows through a sanity check. The sanity check will raise an exception if the variable falls outside its "normal" boundaries. The Risk Manager is notified of these exceptions and will make an assessment whether the situation is stable or whether further escalation is needed.

The positions of the fund are administered and reconciled by using a professional portfolio management system. Risk reports such as Value at Risk and Stress Scenarios are run using Bloomberg.

The CM system is being used for monitoring of the pre-defined risk limits. The limits can either be configured as notification limits, soft limits or hard limits. In case of a breach of any of the limits, the escalation procedures are followed as described in the Risk Management Procedures (Annex 17) of the Privium Handbook.

The reoccurring risk tasks are:

- Weekly risk report by risk management, including Value at Risk.
- Monthly reporting by portfolio management
- Quarterly Operational risk management
- Monthly stress scenarios. On ad hoc basis extra stress scenarios can be done.

On a monthly basis the Risk Committee of the Fund Manager meets to discuss the performances and risks of the Fund. Any breaches are discussed. On a yearly basis a Risk Evaluation and Product Review is conducted.

In 2016 Privium’s senior management team decided to engage an external party in the annual evaluation of the internal processes. This audit primarily focusses on risk management and compliance processes. In Q4 2021 this audit was executed for the sixth time and the findings were reported to Privium’s management. The audit did not demonstrate any material deviations.

**General principles of remuneration policy Privium Fund Management B.V. ( ‘Privium’ )**

Privium Fund Management B.V, Fund Manager of various funds, has a careful, controlled and sustainable remuneration policy which meets all the regulatory requirements as included in the Alternative Investment Fund Managers Directive (AIFMD), the guidelines on sound remuneration policies under the AIFMD (ESMA Guidelines) and the Sustainable Finance Disclosure Regulation. 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 Privium Fund Management B.V.

The Board of Privium is responsible for establishing the Remuneration policy. The Board of Privium reviews the Remuneration policy at least once a year and the policy may be amended if circumstances warrant that. Remunerations at Privium may consist out of a fixed remuneration (this may include a payment to cover certain expenses of staff members) and a variable remuneration.

Privium 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 fund or Privium.

**Remuneration policy 2021**

This policy is based on the situation as of December 31, 2021. The financial year of Privium ends on December 31 of any year. For some of the funds the compensation consists of both a management and a performance fee. Amounts reflect remuneration related to funds managed by Privium, for the time Privium was the Fund Manager of those funds.

The two tables below offer an overview of the remuneration at the level of Privium. The first table shows the remuneration overview as of December 31, 2020 and the second table shows the remuneration overview as of December 31, 2021.

Information per fund is not available. The Board of Privium is being described as Identified Staff in senior management roles. All other staff members are categorized as identified staff outside senior management roles.

Overview as December 31, 2020

	Identified staff in senior management roles	Identified staff outside senior management roles	Total staff
Number of staff	2	34	36
Total fixed remuneration	€ 148,421	€ 4,839,700	€ 4,988,121
Total variable remuneration	€ 35,000	€ 5,331,064	€ 5,366,064
<b>Total remuneration</b>	<b>€ 183,421</b>	<b>€ 10,170,764</b>	<b>€ 10,354,185</b>

Overview as December 31, 2021

	Identified staff in senior management roles	Identified staff outside senior management roles	Total staff
Number of staff	2	37	39
Total fixed remuneration	€ 167.492	€ 9.691.135	€ 9.858.627
Total variable remuneration	€ 42.500	€ 9.326.680	€ 9.369.180
<b>Total remuneration</b>	<b>€ 209.992</b>	<b>€ 19.017.815</b>	<b>€ 19.227.807</b>

Privium has delegated certain portfolio management duties of some of its funds to outside investment advisers ('delegates'). Remuneration of identified staff of delegates is not included in the table. The delegates are subject to regulatory requirements on remuneration policies and disclosures that are comparable with the requirements applicable to Privium. Reference to the remuneration of the delegates is included in the Prospectus and annual report of the funds concerned.

Variable payments to both identified staff members in senior management roles and identified staff outside senior management depend e.g. on the profitability of the company, the performance of the funds, extraordinary commitment to the firm, customer satisfaction, work according best practice ethical, compliance and risk management standards and other performance/non-performance related criteria. In 2021 no variable payments regarding the Privium Sustainable Impact Fund have been paid to any Identified Staff of Privium. Privium does not charge any employee remuneration fees to the funds, except for the Supermarkt Vastgoed fund.

Employee remuneration is paid out of the management and performance fees (if applicable). In total 39 staff members were involved during (some part of) the year 2021 (2020: 36), including consultants and including both part-time and full-time staff.

Three staff members, active in portfolio management, have earned more than Euro one million in relation to the performance results during the year 2021 (2020: one).

*Remuneration Investee Funds*

The Privium Sustainable Impact Fund invests, among other securities, in other Investee Funds. These Funds are managed by other Investment Managers. These Investment Managers are regulated and need to comply with the local legislation in the countries in which they are regulated.

The Investment Objective and Investment Strategy of the Investee Funds are guided by a clear framework and should avoid any excessive risk taking. The Investment Managers of the Investee Funds each have remuneration policies in place as required by law. This both includes fixed and variable remuneration. In the audited financial statements of the Investee Funds these remuneration policies are explained in greater detail. Also on the websites of the Investment Managers these remuneration policies have been published.



**Control Statement**

The Board of Privium Fund Management B.V. declares to have an AO/IB (Handbook) that meets the requirements of the “Wet op het financieel toezicht and the ‘Besluit gedragstoezicht financiële ondernemingen (‘Bgfo”)”. During 2021 we assessed the various aspects of the Privium operations as outlined in the AO/IB (Handbook). We have not identified any internal control measures that do not meet the requirements of Article 121 of the Bgfo and as such we declare that the operations in the year 2021 functioned effectively as described. During 2021 a number of independent service providers have conducted checks on Privium’s operations as part of their ongoing responsibility and investor demand. No errors have been signaled.

Privium is updating its AO/IC (Handbook) on a regular basis as required by law. The 2021 update was completed in December 2021. During the fourth quarter of 2021 the external audit officer performed its annual due diligence on a number of internal procedures at the Fund Manager. These are mostly related to Compliance and Risk Management. The external audit officer has reported his findings to the Fund Manager in a report. No meaningful errors have been signalled.

## Financial statements

### Balance sheet as at 31 December

(all amounts in EUR)	Notes	<u>2021</u>	<u>2020</u>
<b>Assets</b>			
<b>Investments</b>			
Investment funds	1	622,921,017	440,113,997
Bonds		21,222,177	30,509,208
Forward contracts		1,360,497	-
<b>Total of investments</b>		<b><u>645,503,691</u></b>	<b><u>470,623,205</u></b>
<b>Receivables</b>			
Due from broker		339	-
Prepaid investments	2	2,484,609	-
Other receivables	3	420,475	-
<b>Total of receivables</b>		<b><u>2,905,423</u></b>	<b><u>-</u></b>
<b>Other assets</b>			
Cash	4	13,304,884	33,417,839
<b>Total of other assets</b>		<b><u>13,304,884</u></b>	<b><u>33,417,839</u></b>
<b>Total assets</b>		<b><u>661,713,998</u></b>	<b><u>504,041,044</u></b>
<b>Liabilities</b>			
<b>Net asset value</b>			
Participations paid in surplus	5	629,402,500	492,023,618
Undistributed income prior years		(4,347,174)	21,430,528
Result current year		28,922,964	(12,456,099)
<b>Total net asset value</b>		<b><u>653,978,290</u></b>	<b><u>500,998,047</u></b>
<b>Investments</b>			
Forward contracts	1	-	1,542,239
<b>Total of investments</b>		<b><u>-</u></b>	<b><u>1,542,239</u></b>
<b>Other liabilities</b>			
Due to brokers		7,500,250	-
Subscriptions received in advance		-	1,250,000
Other liabilities	6	235,458	250,758
<b>Total other liabilities</b>		<b><u>7,735,708</u></b>	<b><u>1,500,758</u></b>
<b>Total liabilities</b>		<b><u>661,713,998</u></b>	<b><u>504,041,044</u></b>

**Profit and loss statement**

(For the year ended 31 December)

(all amounts in EUR)	Notes	<u>2021</u>	<u>2020</u>
<b>Investment result</b>			
Dividend income	7	14,886,626	8,679,354
Interest income	8	1,501,520	1,251,589
<b>Total investment result</b>		<b><u>16,388,146</u></b>	<b><u>9,930,943</u></b>
<b>Revaluation of investments</b>	9		
Realised results		(32,142,602)	8,843,889
Unrealised results		42,500,400	(32,607,483)
<b>Total changes in value</b>		<b><u>10,357,798</u></b>	<b><u>(23,763,594)</u></b>
<b>Other results</b>			
Foreign currency translation	10	4,105,460	3,701,012
Interest income on bank accounts		5,210	-
Other income	11	1,098,671	56,833
<b>Total other results</b>		<b><u>5,209,341</u></b>	<b><u>3,757,845</u></b>
<b>Operating expenses</b>			
Management fee	12	(1,778,717)	(1,290,543)
Administration fees	13	(197,726)	(145,759)
Custody expenses	14	(161,824)	(115,411)
Depositary fees	15	(95,775)	(69,326)
Interest expenses	17	(142,774)	(294,502)
Brokerage fees and other transaction costs		(299,291)	(152,809)
Audit fees	18	(24,369)	(15,263)
Legal fees		(2,220)	-
Supervision fees		(46,253)	(56,531)
Tax advisory fees		(13,153)	(24,401)
Other expenses		(8,809)	(9,227)
<b>Total operating expenses</b>		<b><u>(2,770,911)</u></b>	<b><u>(2,173,772)</u></b>
<b>Result for the year before tax</b>		<b><u>29,184,374</u></b>	<b><u>(12,248,578)</u></b>
Withholding tax	20	(261,410)	(207,521)
<b>Net result for the year after tax</b>		<b><u>28,922,964</u></b>	<b><u>(12,456,099)</u></b>

**Cash flow statement**

(For the year ended 31 December)

(all amounts in EUR)	Notes	<u>2021</u>	<u>2020</u>
<b>Cash flow from operating activities</b>			
Purchases of investments		(272,870,701)	(278,920,208)
Proceeds from sales of investments		111,821,076	129,679,138
Dividend received		14,204,754	8,471,833
Interest received		1,506,730	1,251,589
Interest paid		(163,475)	(273,801)
Management fee paid		(1,739,379)	-
Operating expenses paid		(883,370)	(1,801,874)
Other income received		1,098,671	56,833
<b>Net cash flow from operating activities</b>		<b>(147,025,694)</b>	<b>(141,536,490)</b>
<b>Cash flow from financing activities</b>			
Proceeds from subscriptions to redeemable shares		169,966,150	176,458,883
Payments for redemption of redeemable shares		(33,837,268)	(38,819,082)
Dividend paid		(11,323,363)	-
Dividend tax paid		(1,998,240)	-
<b>Net cash flow from financing activities</b>		<b>122,807,279</b>	<b>137,639,801</b>
<b>Net cash flow for the year</b>		<b>(24,218,415)</b>	<b>(3,896,689)</b>
Cash at beginning of the year		33,417,839	33,613,516
Foreign currency translation	10	4,105,460	3,701,012
<b>Cash at the end of the year</b>	4	<b><u>13,304,884</u></b>	<b><u>33,417,839</u></b>

## Notes to the financial statements

### General information

Privium Sustainable Impact Fund (the "Fund") is an open ended investment fund ("beleggingsfonds") and a fund for joint account (fonds voor gemene rekening) organized and established under the laws of The Netherlands. The Fund was incorporated, its predecessor the Privium Sustainable Alternatives Fund, was incorporated on July 18, 2014.

The Fund is not a legal entity but a contractual agreement sui generis between the Fund Manager, the Legal Owner and each of the Participants separately, governing the assets and liabilities acquired or assumed by the Legal Owner for the account and risk of the Participants. In view of its legal form of fund for joint account the Fund is not eligible for registration in the Trade Register (handelsregister) of The Netherlands.

Fund Manager is in possession of an AFM license as referred to in article 2:65 (1)(a) FSA, and as a consequence may offer the Fund to professional and non-professional investors within The Netherlands.

The Fund's office address is that of the Fund Manager, being Gustav Mahlerplein 3, 26th floor, 1082 MS Amsterdam, The Netherlands.

The Fund's objective is to achieve long term capital growth by making Sustainable impact investments. To achieve the Fund's objective, the strategy of the Fund is to invest in a diversified portfolio of listed and unlisted Investment Funds, Investee Companies and fixed income instruments. The Fund will have exposure in both developed countries and emerging markets and shall be focused on Sustainable impact investments. The portfolio will be managed actively with a long term investment horizon and following a sustainability approach. Following the IFC definition, impact investing is defined as "investments made into companies, organizations, vehicles and funds with the intent to contribute to measurable positive social, economic and environmental impact alongside financial returns". Impact can be measured in terms such as CO2 emission avoided, renewable energy produced (in MW), number of jobs created and the number of people that got access to education.

Since the Fund has sustainable investment as its objective in the context of the Sustainable Finance Disclosure Regulation (SFDR), the Fund is classified as an Article 9 fund. Additional SFDR related disclosures can be found in a separate chapter of the Prospectus of the Fund.

### Subscription and redemption fee

In order to determine the total amount due by the subscriber to the Fund the total subscription price may at the sole discretion of the Fund Manager be increased by a surcharge in the event subscriptions on the applicable Subscription Note Date exceed redemptions on such day and the associated costs to the Fund are material. The surcharge shall not exceed 0.5% of the Total Subscription Price of the Participations subscribed for. The surcharge shall be for the benefit of the Fund. For 2021 the Fund has not applied any such surcharges.

In order to determine the net amount due by the Fund to a Participant in consideration for the redemption of Participations, the Total Redemption Price may at the sole discretion of the Fund Manager be reduced by a discount in the event redemptions on the applicable Redemption Note Date exceed subscriptions on such day and the associated costs to the Fund are material. The discount shall not exceed 0.5% of the relevant Total Redemption Price of the Participations redeemed. The discount shall be for the benefit of the Fund. For 2021 the Fund has not applied any such discounts.

## Accounting policies

### General

The financial statements are prepared in accordance with Part 9, Book 2 of the Dutch Civil Code. The accounting principles of the Fund are summarized below. These accounting principles have all been applied consistently throughout the financial year and the preceding period.

### Basis of accounting

Valuation of assets and liabilities and determination of the result takes place under the historical cost convention. Unless presented otherwise at the relevant principle for the specific balance sheet item, assets and liabilities are valued according to the cost model.

### Measurement currency

The amounts included in the financial statements are denominated in euro, which is the functional and presentation currency.

### Receivables

Upon initial recognition the receivables are included at fair value and then valued at amortised cost. The fair value and amortized cost equal the face value. Possible provisions deemed necessary for the risk of doubtful accounts are deducted. These provisions are determined by individual assessment of the receivables.

### Investments

#### Recognition and basis of measurement

All investment securities are initially recognized at cost.

#### Valuation

Investment securities are valued at the last price on the largest recognized market on which they are traded. For securities in which no trading took place on that date the securities are valued at the most recent official price. 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 their probable realization value as determined by the Fund Manager (or Administrator as delegated party) in good faith having regard to its cost price. Investments in funds (fund-of-fund) will be valued on the basis of the latest available valuation of Investee Funds Interests provided by the administrators of the relevant Investee Fund. In the absence of quoted values or audited net asset value calculations, the valuation of the investments is based on the reported values of the respective funds in which the Fund has a position.

Cost of investment securities sold is determined on a FIFO method.

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to set off the recognized amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

#### Gains and losses

Gains and losses are treated as realised for financial statement purposes on the trade date of the transaction closing or offsetting the open position against the historical cost price. Unrealised gains and losses are the difference between the value initially recognized and the fair value of open positions. All gains and losses are recognized in the profit and loss account.

#### Dividend and interest income

Dividends are recorded on the date that the dividends are declared, gross of applicable withholding taxes. Interest income is recognized on accrual basis.

**Derivative financial instruments**

Derivative financial instruments including foreign exchange contracts, stock market indexes and interest rate futures, forward rate agreements, currency and interest rate swaps, currency and interest rate options (both written and purchased) and other derivative financial instruments are initially recognized in the balance sheet at cost and subsequently are remeasured at their fair value. Fair values are obtained from quoted market prices. All derivative financial instruments are carried in assets when amounts are receivable by the Fund and in liabilities when amounts are payable by the Fund. Changes in fair values of derivatives are included in the profit and loss statement.

**Translation of foreign currency**

Monetary assets and liabilities denominated in foreign currencies are translated into Euro at the rates of exchange prevailing at yearend. Transactions in foreign currencies are translated at the rates of exchange prevailing at the date of the transaction. Realised and unrealised gains and losses on foreign currency transactions are charged or credited to the profit and loss account as foreign currency gains and losses except where they relate to investments where such amounts are included within realised and unrealised gains and losses on investments.

**Brokerage/expenses**

Commissions payable on opening and closing positions are recognized when the trade is entered into the Fund. Expenses are recorded in the period in which they originate. Transaction costs are borne by the Fund and be brought at the charge of the Fund’s profit and loss account. Expenses on disposal of investments are deducted from the proceeds of disposal.

**Cash**

For the purpose of presentation in the balance sheet and the cash flow statement, cash is defined as cash at banks and brokers. The cash at bank and brokers is valued at face value. If cash is not freely disposable, then this has been taken into account upon valuation.

**Cash flow statement**

The cash flow statement is prepared using the direct method. The cash flow statement shows the Fund’s cash flows for the period divided into cash flows from operations and financing activities.

Due to the nature of the Fund’s operations, cash flows related to the financial instruments are included under operating activities. Cash flows from financing activities include proceeds from subscriptions and payments for redemptions of participations of the Fund.

Bank overdrafts that are repayable on demand form an integral part of the Fund’s cash management and are a component of cash.

**Ongoing charges figure (OCF)**

The ongoing charges figure contains all costs that have been charged to the Fund for the period 1 January 2021 until 31 December 2021 excluding the transaction costs, interest costs and performance fees. The ongoing charges figure is calculated by dividing all the costs of the period with the average net asset value. The average net asset value is calculated by adding all the monthly net asset values and divide them by the number of month’s used (for this period the number of months is 12).

**Turnover ratio (TOR)**

The turnover ratio is calculated the following way: the sum of all purchases of investments plus the sum of all the sales of investments minus the sum for the subscriptions and redemptions. The total of this number will be divided by the average net asset value of the Fund and multiplied by 100.

## Notes to the balance sheet

### 1. Investments

(all amounts in EUR)

	<u>2021</u>	<u>2020</u>
Investment funds	622,921,017	440,113,997
Bonds	21,222,177	30,509,208
Forward contract Long	1,360,497	-
Forward contract Short	-	(1,542,239)
<b>Position as per 31 December</b>	<b><u>645,503,691</u></b>	<b><u>469,080,966</u></b>

#### FX Forward contract details

Contract	Maturity	Bought	Sold	Value
FX Forward EUR / GBP	04/01/2022	EUR 250,134	GBP 210,000	339
FX Forward EUR / GBP	31/01/2022	EUR 276,978,970	GBP 232,700,000	338,927
FX Forward EUR / USD	31/01/2022	EUR 175,071,133	USD 198,000,000	1,021,571

The market value of the investments is based on quoted market prices. The movement of the financial instruments is as follows:

<i>Investment funds</i>		
Opening balance	440,113,997	317,189,016
Purchases	153,152,946	150,234,584
Sales	(11,137,539)	(1,011,042)
Realised investment result	1,522,243	1,011,042
Unrealised investment result	39,269,370	(27,309,603)
<b>Balance at 31 December</b>	<b><u>622,921,017</u></b>	<b><u>440,113,997</u></b>

<i>Bonds</i>		
Opening balance	30,509,208	27,663,384
Purchases	127,218,005	128,685,624
Sales	(136,962,511)	(120,313,009)
Realised investment result	129,181	(522,210)
Unrealised investment result	328,294	(5,004,581)
<b>Balance at 31 December</b>	<b><u>21,222,177</u></b>	<b><u>30,509,208</u></b>

<i>Forward contracts</i>		
Opening balance	(1,542,239)	(1,248,940)
Sales and expirations	33,794,026	(8,355,057)
Realised investment result	(33,794,026)	8,355,057
Unrealised investment result	2,902,736	(293,299)
<b>Balance at 31 December</b>	<b><u>1,360,497</u></b>	<b><u>(1,542,239)</u></b>

#### Portfolio breakdown to valuation methods

(all amounts in EUR)

	<u>2021</u>	<u>2020</u>
Quoted prices	358,248,947	280,319,884
Net Present Value calculations	287,255,083	188,761,082
<b>Balance at 31 December</b>	<b><u>645,504,030</u></b>	<b><u>469,080,966</u></b>



## 2. Prepaid investments

The amount for prepaid investments consists of balances at brokers on which no restrictions on the use exist at 31 December 2021 and 31 December 2020.

## 3. Other receivables

(all amounts in EUR)

	<b>2021</b>	<b>2020</b>
Dividends receivable	420,462	-
Prepaid administration fee	13	-
<b>Balance at 31 December</b>	<b>420,475</b>	<b>-</b>

## 4. Cash

At 31 December 2021 and 31 December 2020, no restrictions on the use of cash exist.

## 5. Redeemable participations

Redeemable participations are redeemable at the shareholders' option and are classified as financial liabilities.

On any Settlement Date, provided the requirements of the Terms and Conditions have been met, the Fund Manager may redeem Participations at the request of a Participant sent in writing to the Administrator.

The Fund Assets will be sufficiently liquid to, under normal circumstances, allow the Fund to redeem Participations as requested by its Participants for at least 10% of the assets managed.

Applications for the redemption of Participations should be submitted to the Administrator by means of a duly signed Redemption Notice specifying the details of the redemption. Redemption Notices are irrevocable once received by the Administrator.

The Redemption Price of a Participation redeemed, is equal to the Net Asset Value per Participation as at the Valuation Date of such Participation. The Total Redemption Price is the applicable redemption price multiplied by the number of redeemed Participations.

In order to determine the net amount due by the Fund to a Participant in consideration for the redemption of Participations (the "Total Redemption Amount"), the Total Redemption Price may at the sole discretion of the Fund Manager be reduced by a discount in the event redemptions on the applicable Redemption Notice Date exceed subscriptions on such day and the associated costs to the Fund are material. The discount shall not exceed 0.5% of the relevant Total Redemption Price of the Participations redeemed. The discount shall be for the benefit of the Fund.

Participants shall economically be treated as having redeemed on the Valuation Date of the Participations redeemed and accordingly shall not receive any distributions declared by the Fund during the period from such Valuation Date to the Settlement Date of the Participations redeemed.

**Movement schedule of net asset value**

(all amounts in EUR)

	<b>2021</b>	<b>2020</b>
<b>Participations paid in surplus</b>		
Opening balance	492,023,618	355,633,817
Subscriptions to redeemable shares	171,216,150	175,208,883
Redemption of redeemable shares	(33,837,268)	(38,819,082)
<b>Closing balance</b>	<b>629,402,500</b>	<b>492,023,618</b>
<b>Undistributed income prior years</b>		
Opening balance	21,430,528	(1,313,749)
Addition from undistributed result	(12,456,099)	22,744,277
Dividend paid	(13,321,603)	-
<b>Closing balance</b>	<b>(4,347,174)</b>	<b>21,430,528</b>
<b>Undistributed result</b>		
Opening balance	(12,456,099)	22,744,277
Addition to undistributed income prior years	12,456,099	(22,744,277)
Result current year	28,922,964	(12,456,099)
<b>Closing balance</b>	<b>28,922,964</b>	<b>(12,456,099)</b>
<b>Total net assets value at 31 December</b>	<b>653,978,290</b>	<b>500,998,047</b>

**Movement schedule of participations**

(in number of participations)

	<b>2021</b>	<b>2020</b>
<b>Outstanding participations</b>		
Opening balance	4,641,932	3,385,660
Subscriptions to redeemable shares	1,578,005	1,614,474
Redemption of redeemable shares	(311,485)	(358,202)
<b>Outstanding participations at 31 December</b>	<b>5,908,452</b>	<b>4,641,932</b>

**6. Other liabilities**

(all amounts in EUR)

	<b>2021</b>	<b>2020</b>
Interest payable	-	20,701
Management fees payable	166,673	127,335
Audit fees payable	12,371	15,263
Reporting fees payable	4,868	2,859
AIFMD fees payable	342	336
Supervision fees payable	-	31,998
Administration fees payable	-	3,726
Custodian fees payable	16,154	10,364
Withholding tax payable	34,972	32,888
Other liabilities	78	5,288
<b>Balance at 31 December</b>	<b>235,458</b>	<b>250,758</b>

## Notes to the profit and loss statement

### 7. Dividend income

The dividend income have seen a rise compared to previous year due to more dividend distributions from securities.

(all amounts in EUR)	<b>2021</b>	<b>2020</b>
Dividend income	14,886,626	8,679,354
<b>Total dividend income</b>	<b>14,886,626</b>	<b>8,679,354</b>

### 8. Interest income

(all amounts in EUR)	<b>2021</b>	<b>2020</b>
Interest income	1,501,520	1,251,589
<b>Total interest income</b>	<b>1,501,250</b>	<b>1,251,589</b>

### 9. Revaluation of investments

(all amounts in EUR)	<b>2021</b>	<b>2020</b>
<i>Net realised result on financial assets and liabilities at fair value through profit or loss</i>		
Realised gains on investment funds	1,522,243	1,011,042
Realised gains on bonds	4,088,768	-
Realised gains on forward contracts	12,928,534	24,967,720
Realised losses on bonds	(3,959,587)	(522,210)
Realised losses on forward contracts	(46,722,560)	(16,612,663)
<b>Total realised result</b>	<b>(32,142,602)</b>	<b>8,843,889</b>
<i>Net unrealised result on financial assets and liabilities at fair value through profit or loss</i>		
Unrealised gains on investment funds	42,847,127	3,341,755
Unrealised gains on bonds	785,661	-
Unrealised gains on forward contracts	2,902,736	-
Unrealised losses on investment funds	(3,577,757)	(30,651,358)
Unrealised losses on bonds	(457,367)	(5,004,581)
Unrealised losses on forward contracts	-	(293,299)
<b>Total unrealised result</b>	<b>42,500,400</b>	<b>(32,607,483)</b>
<b>Total revaluation of investments</b>	<b>10,357,798</b>	<b>(23,763,594)</b>

### 10. Foreign currency translation

Realised and unrealised exchange differences consist of realised and unrealised translation gains (losses) on assets and liabilities other than financial instruments at fair value through profit or loss and amount to a gain of EUR 4,105,460 (2020: a gain of EUR 3,701,012).

**11. Other income**

(all amounts in EUR)

	<b>2021</b>	<b>2020</b>
Other income	1,098,671	56,833
<b>Total other income</b>	<b>1,098,671</b>	<b>56,833</b>

Other income in 2021 consists of the repayment by the Dutch Government of withheld dividend tax 2020.

**12. Management fee**

The Fund Manager is entitled to an annual Management Fee equal to 0,30% of the Net Asset Value (i.e. 30 basis points) excluding (i.e. before deduction of) the Management Fee, as at the last calendar day of each month, with a minimum of EUR 110,000 per annum, payable monthly in arrears out of the Fund Assets. Any changes to the Management Fee are subject to the prior approval of the Fund Manager and the Legal Owner.

The management fee for the year amounts to EUR 1,778,717 (2020: EUR 1,290,543). The Fund Manager has entered into a delegation agreement with ABN AMRO Investment Solutions (AAIS). Certain portfolio management responsibilities have been delegated to AAIS. A certain part of the management fee is paid to AAIS for their work.

**13. Administration fees**

The Fund has appointed Bolder Fund Services (Netherlands) B.V. as the administrator. The administrator is entitled to an annual administration fee of 0.031% of the Net Asset Value (3.1 basis points) of the Fund. The administration fee is payable quarterly in arrears and subject to an annual minimum of EUR 30,000.

For the preparation of the Fund's annual and semi-annual financial statements, the Administrator will charge an annual fixed fee of three thousand seven hundred and fifty Euros (EUR 3,750) (excluding VAT).

For FATCA related services, the Administrator will charge the Fund an annual fixed fee of two hundred and fifty Euros (EUR 250) (excluding VAT). For Annex IV reporting related services, the Administrator will charge the Fund an annual fixed fee of twelve hundred and fifty Euros (EUR 1,250) per report.

**14. Custody expenses**

The Fund has appointed ABN AMRO Clearing Bank N.V. as custodian to the Fund. The administrator is entitled to a safekeeping fee of 2.5-3.0 bps of the value of the investments (depending on the type of investment). In addition, the custodian can charge a settlement fee, cash payment fee, corporate actions fee and proxy voting fee, all in accordance with their customary arrangements.

**15. Depositary fees**

The Fund has appointed Darwin Depositary Services B.V. as the depositary of the Fund. The depositary is entitled to an annual fee equal to 0.014% (1.4 basis points) of the Net Asset Value as of the last calendar day of each quarter. The depositary fee is payable quarterly in advance and subject to an annual minimum fee of EUR 30,000.

**16. Legal Owner fees**

CSC Governance B.V. has been appointed as Management Board of the Legal Owner. The remuneration consists of an annual fixed fee of EUR 3,500 and variable remuneration of 0.0125%. This fee has been capped at EUR 6,500 per annum. Any additional services being performed will be paid based on an hourly rate basis.

**17. Interest expenses**

The interest expenses of EUR 142,774 have seen a fall compared to previous year EUR 294,502 due to a significantly lower cash balance in 2021 compared to 2020. The interest expenses concern the interest on the brokers accounts of ABN Clearing N.V. and ABN AMRO Bank N.V. which have a negative interest rate.

**18. Audit fees**

The Fund has appointed Ernst & Young Accountants LLP as the independent auditor of the Fund. The Independent Auditor's remuneration for the audit of the annual report amounts to EUR 24,369 (2020: EUR 15,263). The Independent Auditor does not provide any other audit or non-audit services to the Fund.

**19. Related parties**

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party making financial or operational decisions.

All services rendered by the Fund from the Fund Manager therefore qualify as related party transactions. During the year, the Fund paid management fees of EUR 1,739,379 (2020: EUR 1,257,498) to the Fund Manager.

The Privium Sustainable Impact Fund maintains an investment in Class A of FMO Privium Impact Fund. The value of the investment as per 31 December 2021 amounts to EUR 77,913,468 (2020: EUR 54,555,017).

**20. Income and withholding tax**

The Fund qualifies as a non-transparent or "opaque" fund for Dutch tax purposes, since Participations can be transferred to persons other than (i) the Fund itself and (ii) relatives connected by blood or affinity in the direct line of a Participant without the requirement to obtain (implicit) approval from all Participants. Consequently, pursuant to article 2(2) CITA the Fund qualifies as an 'open' fund for joint account and therefore a taxable entity. In principle, this would imply that the Fund is subject to the standard Dutch corporate income tax regime. However, pursuant to article 28 CITA, provided certain criteria are met, an investment fund (beleggingsfonds) is eligible for the status of a fiscal investment institution (fiscale beleggingsinstelling). The Fund has this status. During the year the average withholding tax rate incurred by the Fund was 1.76% (2020: 2.39%).

## Other notes

### Risk management

An investment in the Fund carries a high degree of risk. There can be no assurance that the Fund will achieve its Fund Objective or that Investee Funds' investment policy and the Investee Companies' activities will be successful. The value of the Fund's investments and the Participations may fall as well as rise and returns on past investments are no guarantee as to the returns on future investments. Accordingly, Participants 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. Due to the Investment Strategy, the Net Asset Value of Fund Assets can strongly fluctuate. Potential participants 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. Participants should realize that the existence and occurrence of certain risks may contribute to the existence and occurrence of other risks.

### Market risk

Markets may rise and fall and the prices of financial instruments 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.

As of 31 December 2021, the sector allocations of the Fund were as follows:

(in %)	<b>2021</b>	<b>2020</b>
Microfinance investments	63.4	67.7
Renewable energy investments	31.4	20.2
Education related investments	3.2	6.1
Cash balances	2.0	6.0
<b>Total</b>	<b>100.0</b>	<b>100.0</b>

The total market risk that the Fund bears at 31 December 2021 is the total net financial assets and liabilities at fair value through profit or loss in the amount of EUR 645,504,030 (2020: EUR 469,080,966). If the prices had risen/fallen by 5%, the total financial assets and liabilities at fair value through profit or loss would have increased/decreased by EUR 32,275,202 (2020: EUR 23,454,048).

### Currency risk

The Net Asset Value of the Participations may be affected by exchange rate fluctuations.

As certain of the Fund Assets may be denominated in currencies other than EUR while the Fund's accounts will be denominated in EUR, returns on certain Fund Assets may be significantly influenced by currency risk. The Fund Manager however may hedge against a decline in the value of the Fund's non-EU denominated Fund Assets. Should the Fund Manager decide to hedge the risk of currency devaluations or fluctuations, it may be that the Fund Manager will not always succeed in realizing hedges under acceptable conditions and consequently the Fund may be subject to the risk of changes in relation to the EUR value of the currencies in which any of its assets are denominated.

The currency exposure of the Fund at 31 December 2021 is as follows (no lookthrough applied for investments in funds):

(all amounts in EUR)

	<b>2021</b>			
	<b>Gross fair value</b>	<b>Swaps</b>	<b>Net fair value</b>	<b>% NAV</b>
Pound sterling	280,303,085	(276,796,650)	3,506,435	0.54
US dollars	176,088,669	(174,142,480)	1,946,189	0.30
Australian dollars	544	-	544	0.00
Singapore dollars	3,326	-	3,326	0.00
Hong Kong dollars	115	-	115	0.00
<b>Total</b>			<b>5,456,609</b>	<b>0.84</b>

The currency exposure of the Fund at 31 December 2020 is as follows (no lookthrough applied for investments in funds):

(all amounts in EUR)

	<b>2020</b>			
	<b>Gross fair value</b>	<b>Swaps</b>	<b>Net fair value</b>	<b>% NAV</b>
Pound sterling	172,825,544	(172,711,840)	113,704	0.02
US dollars	110,030,084	(109,887,861)	142,223	0.03
Australian dollars	539	-	539	0.00
Singapore dollars	3,171	-	3,171	0.00
Hong Kong dollars	108	-	108	0.00
<b>Total</b>			<b>259,745</b>	<b>0.05</b>

### Interest rate risk

Interest rate risk refers to fluctuations in the value of, amongst others, fixed-income security resulting from changes in the general level of interest rates. When the general level of interest rates goes up, the prices of fixed-income securities will generally go down and vice versa. Financial assets and liabilities with longer durations tend to be more sensitive to changes in interest rates, usually making them more volatile than securities with shorter durations. The Fund's income and operating cash flows are dependent on changes in market interest rates.

The Fund's exposure to market risk for changes in interest rates relates to the Fund's financial instruments at fair value through profit or loss. The Fund has interest bearing financial assets or financial liabilities except for cash at banks which are subject to normal market related short term interest rates. The Fund maintains a number of positions in Funds which invest in interest bearing securities but these are mostly floating rate positions.

### Credit risk

The Fund could lose money if the issuer of an underlying fixed income security or money market instrument, the counterparty or clearing house of a derivatives contract or repurchase agreement, a Custodian at which a deposit or other assets are held, or the counterparty in a securities lending agreement does not honor his obligations. Issuers of fixed income instruments and other counterparties are subject to varying degrees of credit risks which are reflected in their credit ratings. The Fund's investment restrictions have been designed to limit the credit risk to any counterparty but this offers no guarantee that a credit event will not occur. The Fund is also exposed to credit risk on its cash which are held at ABN AMRO Bank N.V. The Standard & Poor's credit rating for ABN AMRO Bank N.V. is A (2020: A).

The Fund's maximum exposure to credit risk (not taking into account the value of any collateral or other security held) in the event that counterparties fail to perform their obligations at 31 December 2021 and 2020 in relation to the assets, is the carrying amount of EUR 37,432,484 (2020: EUR 63,927,047) as indicated in the statement of financial position.

#### **Custody risk**

The Fund's assets are held at ABN AMRO Clearing Bank N.V. All long positions and regular cash accounts are segregated and therefore their counterparty risk should be negligible. To manage the counterparty risk the credit rating of the custodian is monitored. The Standard & Poor's credit rating for ABN AMRO Clearing Bank N.V. is A (2020: A).

#### **Liquidity risk**

Some of the Fund Assets may be invested 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 may be impaired and the Fund may experience severe adverse price movements upon liquidation of its Fund Assets.

#### **Sustainability risk**

Sustainability risk in the context of the Fund is defined as the risk of a decrease in the value of an investment of the Fund due to an environmental, social or governance (ESG) related event. Such an event may have a direct negative impact on the financials of a portfolio company or a longer-term impact on the operations or performance capacity of an investment

#### **Capital management**

The Fund has no equity. The redeemable participations issued by the Fund provide an investor with the right to require redemption for cash at a value proportionate to the investor's participations in the Fund's net assets at each monthly redemption date and are classified as liabilities. For a description of the terms of the redeemable participations issued by the Fund, we refer to note 5. The Fund's objectives in managing the redeemable participations are to ensure a stable base to maximize returns to all investors, and to manage liquidity risk arising from redemptions. The Fund's management of the liquidity risk arising from redeemable participations is discussed in this note. The Fund is not subject to any externally imposed capital requirements.

#### **21. Ongoing charges figure (OCF)**

(all amounts in EUR)	<b>2021</b>	<b>2020</b>
Average net asset value	592,417,328	429,967,116
Total ongoing expenses	2,328,846	1,726,461
<b>Ongoing charges figure</b>	<b>0.393%</b>	<b>0.402%</b>
<b>Ongoing charges figure underlying investment funds</b>	<b>0.509%</b>	<b>0.652%</b>
<b>Total ongoing charges figure</b>	<b>0.902%</b>	<b>1.054%</b>

The prospectus states that the total ongoing charges figure (excluding transactions costs, interest costs, and performance fees and assuming a net asset value of EUR 400,000,000) will be 0.41%.



**Comparison of 2021 expenses with the prospectus**

(all amounts in EUR)	<b>Expenses</b>	<b>OCF</b>	<b>Prospectus</b>
Management fee	1,778,717	0.300%	0.300%
Custody expenses	161,824	0.027%	0.030%
Administration	191,492	0.032%	0.030%
Depositary and legal owner	104,271	0.018%	0.010%
Organization fee	-	0.000%	0.010%
Audit & reporting fees	30,917	0.005%	0.010%
Other expenses	61,625	0.011%	0.020%
<b>Total</b>	<b>2,328,846</b>	<b>0.393%</b>	<b>0.410%</b>

**Comparison of 2020 expenses with the prospectus**

(all amounts in EUR)	<b>Expenses</b>	<b>OCF</b>	<b>Prospectus</b>
Management fee	1,290,543	0.300%	0.300%
Custody expenses	115,411	0.027%	0.030%
Administration	139,624	0.032%	0.030%
Depositary and legal owner	77,695	0.018%	0.010%
Organization fee	-	0.000%	0.010%
Audit & reporting fees	21,707	0.005%	0.010%
Other expenses	81,481	0.019%	0.020%
<b>Total</b>	<b>1,726,461</b>	<b>0.401%</b>	<b>0.410%</b>

**22. Turnover ratio (TOR)**

The turnover ratio for the Fund over the period 1 January 2021 until 31 December 2021 is: 32 (2020: 45)

**23. Core business and outsourcing**

The following key tasks have been outsourced by the Fund:

**Administration**

The administration has been delegated to Bolder Fund Services (Netherlands) B.V, who carries out the administration of the Fund, including the processing of all investment transactions, processing of revenues and expenses and the preparation of the NAV. It also states, under the responsibility of the Manager, the interim report and the financial statements of the Fund. For information on the fees of the Administrator refer to note 13.

**Investment advisor**

ABN AMRO Investment Solutions SA has been appointed as Investment Advisor/Delegate. For information on fees we refer to note 12.

**24. Events after balance sheet date**

The Russian invasion in Ukraine has caused clear market volatility. The Fund has limited exposure to Ukraine, Belarus or Russia.

On behalf of the Fund Manager, the administrator of the Fund carries out ongoing sanctions screening on the investors of the Fund. Here, no hits have been identified.

Further escalation of the conflict is expected to dampen global growth, especially in Europe. This might have an impact on the performance of the Fund.

No other material events occurred after the balance sheet date that could influence the transparency of the financial statements.

**25. Personnel**

The Fund did not employ personnel during the year (2020: nil).

**26. Appropriation of the result**

The primary objective of the Fund is to achieve capital growth. Distributions of Net Proceeds (including profit distributions) will be made when (i) they are required in connection with the fiscal status of the Fund as a fiscal investment institution (fiscale beleggingsinstelling); or (ii) there are no sufficient suitable investment opportunities to achieve the Fund Objectives of the Fund. All distributions (including profit distributions) to the Participants will be made in July of each calendar year and pro rata to the number of Participations held by each Participant.

Any distribution (including profit distributions) to the Participants, including the amount, composition and manner of payment, shall be published on the Fund Manager's website.

Amsterdam, 17 June 2022

Fund Manager  
**Privium Fund Management B.V.**

## **Other information**

### ***Personal holdings of the Fund Manager***

The Board of Directors of the AIFM had no interests or position at 1 January 2021 and 31 December 2021 in investments the Fund held in portfolio at these dates.

### ***Independent Auditor's report***

The independent auditor's report has been attached at the end of this report.

## Appendix I – Portfolio of the Fund

	Nominal/Quantity	Market value
<b>Bonds</b>		
ARGENTUM CAPITAL SA Dec 29 Floating - XS1261183500@CSSS	15,000,000	3,097,500
ARGENTUM CAPITAL SA May 31 Floating - XS1794373255@CSSS	15,000,000	8,731,502
ARGENTUM CAPITAL SA Nov 28 Floating - XS1549447297@CSSS	400,000	138,440
ARGENTUM CAPITAL SA Aug 27 Floating - XS1234887682@CSSS	7,975,000	525,354
ARGENTUM CAPITAL SA Feb 38 0% - XS2177691834@CSSS	15,610,000	8,203,144
ARGENTUM CAPITAL SA Oct 29 Floating - XS1261178096@CSSS	3,570,000	526,237
<b>Total Bonds</b>		<b>21,222,177</b>
<b>Investment Funds</b>		
BLUEFIELD SOLAR INCOME FUND - BSIF LSE	12,044,523	17,808,411
FORESIGHT SOLAR FUND PLC - FSFL LSE	22,162,232	26,731,043
GREENCOAT UK WIND PLC - UKW LSE	25,491,843	42,633,501
JOHN LAING ENVIRONMENTAL ASS - JLEN LSE	12,324,331	15,392,781
NEXTENERGY SOLAR FUND LTD - NESF LSE	21,236,546	25,665,045
GREENCOAT RENEWABLES PLC - GRP ISX	17,254,746	19,325,316
AQUILA ENERGY EFFICIENCY TRU - AEET LSE	6,000,000	6,833,678
DOWNING RENEWABLES & INFRASTR - DORE LSE	4,500,000	5,540,096
FORESIGHT SUSTAINABLE FOREST - FSF LSE	4,672,000	5,335,050
HYDROGENONE CAPITAL GROWTH P - HGEN LSE	4,280,000	6,083,817
OCTOPUS RENEWABLES INFRASTRU - ORIT LSE	9,411,702	12,404,303
RENEWABLES INFRASTRUCTURE GR - TRIG LSE	25,473,570	40,724,291
SCHRODER BSC SOCIAL IMPACT T - SBSI LSE	4,000,000	4,972,110
SDCL ENERGY EFFICIENCY INCOM - SEIT LSE	10,845,887	15,158,890
TRIPLE POINT ENERGY EFFICIEN - TEEC LSE	5,875,000	7,023,254
VH GLOBAL SUSTAINABLE ENERGY - GSEO LSE	8,900,000	11,327,609
ABN AMRO Symbiotics Emerging Markets Impact Debt	691,814	62,287,582
ECOFIN US RENEWABLES INFRASTR - RNEW LSE	7,000,000	6,094,987
THOMASLOYD ENERGY IMPACT TR (EO) - TLEPUSD EO	6,800,000	6,638,522
AQUILA EUROPEAN RENEWABLES I - AERI LSE	14,628,800	14,921,376
BLUEORCHARD MICROFIN DEBT-EI - ORCHIEU LUX	5,596	67,435,156
TRIODOS SICAV II-MICR-IIICAP - TMFFIII LUX	2,819,365	79,618,877
GORE STREET ENERGY STORAGE F - GSF LSE	10,947,263	15,365,688
GRESHAM HOUSE ENRG STRG FUND - GRID LSE	12,533,130	19,455,146
FMO PRIVIUM IMPACT FUND-AUSD - FPIFAUA NA	734,981	77,913,468
US SOLAR FUND PLC - USF LSE	12,130,000	10,231,020
<b>Total Investment Funds</b>		<b>622,921,017</b>

## Independent auditor's report

To: the management board of Privium Sustainable Impact Fund

### Report on the audit of the financial statements 2021 included in the annual report

#### Our opinion

We have audited the financial statements 2021 of Privium Sustainable Impact Fund based in Amsterdam, The Netherlands.

In our opinion the accompanying financial statements give a true and fair view of the financial position of Privium Sustainable Impact Fund at 31 December 2021, and of its result for 2021 in accordance with Part 9 of Book 2 of the Dutch Civil Code.

The financial statements comprise:

- The balance sheet as at 31 December 2021
- The following statements for 2021: profit and loss statement and cash flow statement
- The notes comprising a summary of the accounting policies and other explanatory information

#### Basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the Our responsibilities for the audit of the financial statements section of our report.

We are independent Privium Sustainable Impact Fund 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 regulations in the Netherlands. Furthermore we have complied with the "Verordening gedrags- en beroepsregels accountants" (VGBA, Dutch Code of Ethics).

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

### Report on other information included in the annual report

In addition to the financial statements and our auditor's report thereon, the annual report contains other information that consists of:

- General Information
- Key figures
- Fund Manager Report
- Other information as required by Part 9 of Book 2 of the Dutch Civil Code

Based on the following procedures performed, we conclude that the other information:

- Is consistent with the financial statements and does not contain material misstatements
- Contains the information as required by Part 9 of Book 2 of the Dutch Civil Code

We have read the other information. Based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements. By performing these procedures, we comply with the requirements of Part 9 of Book 2 of the Dutch Civil Code and the Dutch Standard 720. The scope of the procedures performed is substantially less than the scope of those performed in our audit of the financial statements.

The manager is responsible for the preparation of the other information, including the board report in accordance with Part 9 of Book 2 of the Dutch Civil Code and other information required by Part 9 of Book 2 of the Dutch Civil Code.

## Description of responsibilities for the financial statements

### Responsibilities of the manager for the financial statements

The Fund Manager is responsible for the preparation and fair presentation of the financial statements in accordance with Part 9 of Book 2 of the Dutch Civil Code. Furthermore, the fund manager is responsible for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the financial statements, management is responsible for assessing the fund's ability to continue as a going concern. Based on the financial reporting framework mentioned, the manager should prepare the financial statements using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so. The Manager should disclose events and circumstances that may cast significant doubt on the company's ability to continue as a going concern in the financial statements.

### Our responsibilities for the audit of the financial statements

Our objective is to plan and perform the audit engagement in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not detect all material errors and fraud during our audit.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

We have exercised professional judgment and have maintained professional skepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our audit included among others:

- Identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit 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 misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control

- Obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control
- Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management
- Concluding on the appropriateness of management's use of the going concern basis of accounting, and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a company to cease to continue as a going concern
- Evaluating the overall presentation, structure and content of the financial statements, including the disclosures
- Evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation

We communicate with the fund manager regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant findings in internal control that we identify during our audit.

The Hague, 17 June 2022

Ernst & Young Accountants LLP

signed by R.J. Bleijs