

The difference is the impact

ANNUAL REPORT

FMO Privium Impact Fund

Year ended 31 December 2023



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General information

Involved parties

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 2596 CZ The Hague
 The Netherlands

Administrator
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 3811 MG Amersfoort
 The Netherlands

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 1101 EE Amsterdam
 The Netherlands

Swiss Representative
 ACOLIN Fund Services AG
 6 Cours de Rive
 1204 Geneva
 Switzerland

Swiss Paying Agent
 Banque Heritage SA
 61 Route de Chêne
 CH-1208 Geneva
 Switzerland

On-line information

All relevant information is available on these websites:

- www.fmopriviumimpactfund.com
- https://www.priviumfund.com/strategies_amsterdam/

Overview of the classes

Class	ISIN Bloomberg	Currency	Minimum Investment	Annual dividend (part of expected return)	First NAV	Available for	Management fee
A	NL0011765904 FPIFAUA NA	USD	100.-	N/A	June 2016	Primum Sustainable Impact Fund	0.90%
B-A	NL0013691314 FPIFBAE	EUR	100.-	N/A	November 2019	Seed investor class	0.98%
B-D	NL0011765912 FPIFBED NA	EUR	100.-	2%	July 2016	Seed investor class	0.98%
F	NL0012135750 FPIFFEFA NA	EUR	1,000.-	N/A	March 2017	FMO employees	0.98%
I-A	NL0012818223 FPIFIEA NA	EUR	1,000.-	N/A	August 2018	NL, CH, ES, LU, UK, FR	1.15%
I-D	NL0012939029 FPIFIDE NA	EUR	1,000.-	2%	August 2018	NL, CH, ES, LU, UK, FR	1.15%
U-A	NL0013380173 FPIFUUAU NA	USD	1,000.-	N/A	March 2019	NL, CH, ES, LU, UK, FR	1.15%
U-D	NL0013380181 FPIFUDU NA	USD	1,000.-	2%	March 2019	NL, CH, ES, LU, UK, FR	1.15%

Key Figures

Totals for the Fund		2023	2022	2021	2020
Net Asset Value at 31 December	USD	158,419,930	152,475,230	154,943,626	143,342,353
Number of outstanding units at 31 December		1,271,598.32	1,316,796.99	1,330,573.74	1,234,981.86
Investment result					
Direct result	USD	12,857,624	9,202,829	8,034,900	8,884,885
Revaluation	USD	-135,888	-3,446,222	-6,451,498	6,392,900
Other results	USD	988,647	-781,763	1,437,407	-802,230
Movement in provision of loans	USD	-477,938	-4,018,843	508,285	-4,496,835
Costs	USD	-1,873,890	-1,775,899	-1,855,351	-1,918,940
Total investment result for the period	USD	11,358,555	-819,898	1,673,743	8,059,780
Investment result per unit¹					
Direct result	USD	10.11	6.99	6.04	7.19
Revaluation	USD	-0.11	-2.62	-4.85	5.18
Other results	USD	0.78	0.59	1.08	-0.65
Movement in provision of loans	USD	-0.38	-3.05	0.38	-3.64
Costs	USD	-1.47	-1.35	-1.39	-1.55
Total investment result per unit	USD	8.93	-0.62	1.26	6.53
Total for the Fund – Impact					
Number of jobs supported		9,022	11,002	7,896	11,377
Greenhouse gas avoided (tCO ₂ eq)		29,928	40,406	31,172	15,645
Financed emissions (tCO ₂ eq)		90,521	91,268	62,491	70,925
SDG 8 - % of the portfolio (as of invested capital)		100%	100%	100%	100%
SDG 10 - % of the portfolio (as of invested capital)		36%	38%	39%	41%
SDG 13 - % of the portfolio (as of invested capital)		42%	37%	35%	30%
General overview at 31 December 2023					
Number of loans on the portfolio		72	70	69	70
Average exposure per loan (in USD)		1,880,738	1,928,532	1,932,015	1,842,957
Average maturity of the loans (years)		5.15	5.11	5.07	4.74
Average interest margin of the portfolio (bps)		451	468	450	481
Number of countries		33	33	32	32
Total number of loans in the portfolio, since launch		130	116	103	87
Total exposure in FMO loans		141,237,754	141,367,226	137,004,481	129,007,018
Total provision on the loans in the portfolio		9,382,711	9,169,091	5,595,443	9,234,697
Percentage of loans in the portfolio, denominated in USD		95%	97%	98%	100%

¹ The result per unit is calculated using the total number of outstanding units as per the end of the period.

Key figures per class

		2023	2022	2021	2020
Class A (USD) - Issue date June, 2016					
Net Asset Value at 31 December	USD	105,247,271	98,236,175	88,587,613	66,649,864
<i>Number of outstanding units at 31 December</i>		<i>795,729.8916</i>	<i>795,729.8917</i>	<i>734,981.4043</i>	<i>578,652.8537</i>
Net Asset Value per unit at 31 December	USD	132.27	123.45	120.53	115.18
Performance for the year		7.14%	2.43%	4.64%	1.75%
Class B-A (EUR) - Issue date Nov, 2019					
Net Asset Value at 31 December	EUR	3,608,663	3,013,983	2,480,044	1,198,867
Net Asset Value at 31 December	USD	3,983,603	3,226,468	2,819,810	1,464,656
<i>Number of outstanding units at 31 December</i>		<i>32,958.9432</i>	<i>29,002.1165</i>	<i>24,027.0239</i>	<i>12,056.3837</i>
Net Asset Value per unit at 31 December	EUR	109.49	103.92	103.22	99.44
Performance for the year		5.36%	0.68%	3.80%	0.19%
Class B-D (EUR) - Issue date July, 2016					
Net Asset Value at 31 December	EUR	30,143,415	34,921,257	40,639,391	47,255,952
Net Asset Value at 31 December	USD	33,275,316	37,383,205	46,206,987	57,732,597
<i>Number of outstanding units at 31 December</i>		<i>303,330.0000</i>	<i>362,866.0000</i>	<i>416,699.0000</i>	<i>492,958.0000</i>
Net Asset Value per unit at 31 December	EUR	99.37	96.24	97.53	95.86
Dividend distribution per unit	EUR	1.9886	1.9480	1.9561	1.9313
Performance for the year (incl. distribution)		5.33%	0.68%	3.78%	0.18%
Class F (EUR) – Issue date March, 2017					
Net Asset Value at 31 December	EUR	102,462	97,252	96,594	102,160
Net Asset Value at 31 December	USD	113,108	104,108	109,827	124,810
<i>Number of outstanding units at 31 December</i>		<i>898.4808</i>	<i>898.4808</i>	<i>898.4808</i>	<i>986.3910</i>
Net Asset Value per unit at 31 December	EUR	114.04	108.24	107.51	103.57
Performance for the year		5.36%	0.68%	3.80%	0.19%

		2023	2022	2021	2020
Class I-A (EUR) Issue date August, 2018					
Net Asset Value at 31 December	EUR	2,952,040	2,924,600	5,675,854	5,742,458
Net Asset Value at 31 December	USD	3,258,757	3,130,785	6,453,446	7,015,561
<i>Number of outstanding units at 31 December</i>		<i>26,863.9168</i>	<i>28,011.7893</i>	<i>54,678.8551</i>	<i>57,366.5785</i>
Net Asset Value per unit at 31 December	EUR	109.89	104.41	103.80	100.10
Performance for the year		5.25%	0.58%	3.70	0.06%

Class I-D (EUR) Issue date August, 2018					
Net Asset Value at 31 December	EUR	5,004,432	6,260,361	5,449,800	5,588,214
Net Asset Value at 31 December	USD	5,524,393	6,701,716	6,196,422	6,827,121
<i>Number of outstanding units at 31 December</i>		<i>50,866.4073</i>	<i>65,641.4047</i>	<i>56,331.0354</i>	<i>58,706.0795</i>
Net Asset Value per unit at 31 December	EUR	98.38	95.37	96.75	95.19
Dividend distribution per unit	EUR	1.9694	1.9312	1.9413	1.9184
Performance for the year (incl. distribution)		5.22%	0.58%	3.67%	0.04%

Class U-A (USD) - Issue date March, 2019					
Net Asset Value at 31 December	USD	5,283,931	2,037,218	3,269,658	2,922,617
<i>Number of outstanding units at 31 December</i>		<i>44,726.2180</i>	<i>18,422.8482</i>	<i>30,204.2967</i>	<i>28,181.4967</i>
Net Asset Value per unit at 31 December	USD	118.14	110.58	108.25	103.71
Performance for the year		6.84%	2.15%	4.38%	1.50%

Class U-D (USD) - Issue date March, 2019					
Net Asset Value at 31 December	USD	1,733,551	1,655,554	1,299,862	605,127
<i>Number of outstanding units at 31 December</i>		<i>16,224.4583</i>	<i>16,224.4583</i>	<i>12,753.6453</i>	<i>6,074.0754</i>
Net Asset Value per unit at 31 December	USD	106.85	102.04	101.92	99.62
Dividend distribution per unit	USD	2.1302	2.0526	2.0407	2.0001
Performance for the year (incl. distribution)		6.80%	2.13%	4.35%	1.48%

Report of the AIFM

The FMO Privium Impact Fund (“the Fund”) was launched in June 2016 by Privium Fund Management B.V. This was done in close cooperation with FMO Investment Management B.V. as investment advisor (Delegate) and initially the clients of ABN AMRO MeesPierson as exclusive investors.

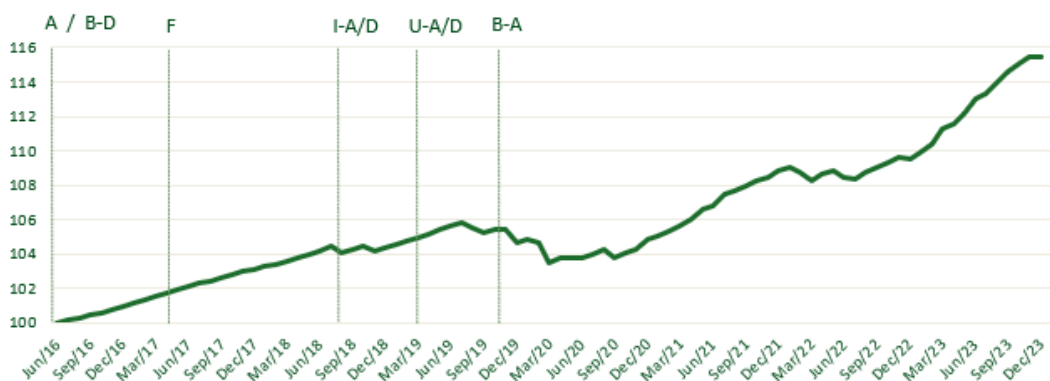
The Fund has the purpose of granting investors access to FMO's portfolio of loans. The Fund may invest in a diversified portfolio of new and existing loans alongside FMO with the aim to support job creation and reduce inequalities while limiting climate change in emerging and developing economies while targeting a financial return. It may invest in loans to financial institutions, renewable energy projects and agribusiness companies.

After the initial launch in 2016, the Fund has opened up to the employees of FMO via the F-share class (2017), but remained closed to other investors. During the course of 2018 this changed, initially with the launch of two new Euro denominated share classes, both referred to as I-class with a distinction between an Accumulating and a Distributing characteristic. As of March 1, 2019, the Fund opened two more share classes referred to as the U-A and U-D classes which are USD denominated and like the I-class have a distinction between an Accumulating and a Distributing characteristic. As of November 1, 2019 a second – accumulating - class opened exclusively for clients of ABN AMRO MeesPierson (B-A), next to the existing Distributing share class for these investors (B-D).

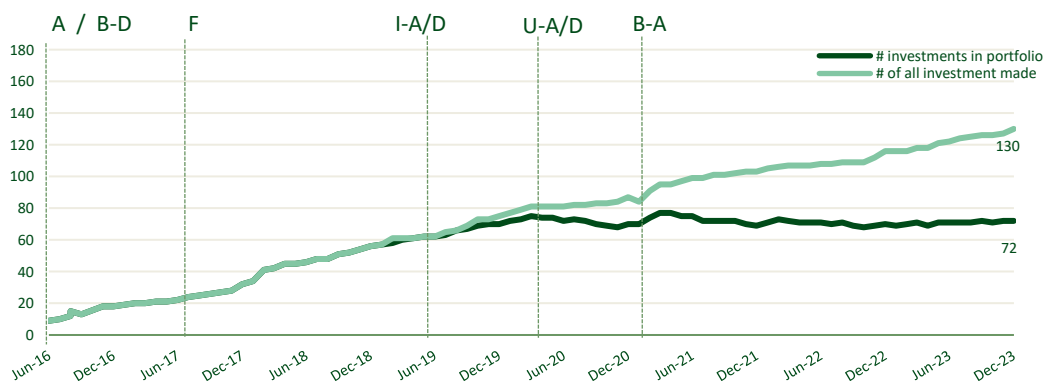
During the year, the Net Asset Value of the fund slightly increased from USD 154.9 million as of December 31, 2022 to USD 158.4 million as of December 31, 2023.

Historical Performance

B-class (EUR) Including dividends



Current and historical loan count in portfolio



Developments and Portfolio performance

The world outside

2023 was another year of upheaval. The volatile global economic and geo-political circumstances were aggravated by more extreme weather conditions, food crises, the collapse of several major banks, the ongoing war in Ukraine, the war in Gaza, and Sahel coups. All with direct and prolonged, devastating effects on the well-being of entire communities, also in or near the Fund's geographies. This instability is often worsened by adverse financial factors in many emerging markets such as higher interest rates, high inflation, and increased sovereign debt.

Over the next decade, the World Bank estimates one billion young people — a majority living in emerging markets — will try to enter the job market. If they aren't able to find decent jobs, this will leave millions without hope for a sustainable future. Our investments support jobs in local markets – around 9,000 direct and indirect jobs as per end of 2023 – and enhance access to energy, food and finance: crucial factors in breaking the downward cycle of poverty and migration.

In 2024 the Fund can continue its strategic course as FMO will focus on the same priorities as in 2023, working towards its 2030 goals. With regard to growing its impactful business, it aims to further increase new investments in the categories: Reduced Inequalities and Green which aligns with our Fund's ambitions.

The global economic and political situation in some of our markets may pose challenges. Given the immense climate challenge that lies ahead and the huge investments that are needed to support job creation and overall economic development in emerging markets, the Fund supports the investment strategy of FMO which may be deemed to be countercyclical and supports its focus on the long term. Investing when others may shy away, always with FMO's mission in mind: enabling entrepreneurs to increase inclusive and sustainable prosperity.

Regulatory developments

While the SFDR has now come into force, some aspects continue to remain uncertain, including aspects regarding reporting. The regulation has seen various further explanations and changes via various Regulatory Technical Standards, while a comprehensive assessment survey on the framework itself has already taken place in late 2022 and 2023. The regulation will undoubtedly continue to develop over the coming years. Since 2020 FMO has a project team on the EU Sustainable Finance Regulations, covering also the SFDR and Taxonomy to track, prepare and adapt for these developments. FMO continues to see a risk that it could become harder to invest in emerging markets if institutions are not given the flexibility to find suitable solutions and time to align especially since the investments it makes are all in entities based in non-EU countries which do not directly abide by the same set of regulations. This could send a perverse signal that investing in emerging markets is not sustainable. FMO continues to advocate to stakeholders, also via organisations and associations such as the European Development Financial Institutions association and the Global Impact Investor Network, that the regulations should be more inclusive towards companies operating in emerging markets. The European Commission has since 2022 a High-Level Expert Group (HLEG) on scaling up sustainable finance in low and middle-income countries. The group's task is to identify challenges and opportunities of sustainable finance in partner countries and provide recommendations to the European Commission on how to scale up funding from the private sector. Even so the FMO Primum Impact Fund welcomes the concept of the SFDR as a standard for more and higher quality impact reporting.

Portfolio performance in a nutshell

At the start of 2023 the Fund portfolio had a combined value of USD 152.5 million consisting of 70 loans. During the year, USD 36.7 million was invested across 23 participations. In 2023, no loans were prepaid ahead of schedule while 13 loans were repaid in full according to their schedules.

The total level of provisions per December 31, 2023 represents 5.92% of the NAV and consists of specific provisioning for non-performing Fund investments. The total provision amounts to USD 9,382,711 (2022: USD 9,169,091) and covers provisions on nine positions of which six remained the same investments as in the previous year. It is noteworthy that one of the loans that was repaid during the year, had a provision in place, but the final repaid amount was substantially higher than the impairment level. As FMO is and continues to be in close consultation with these companies and other creditors, we can see how these efforts do pay off both in terms of financial results and impact which can still be achieved if a company or project is able to come through its difficulties. As per December 31, 2023 FPIF still held one loan to a Ukrainian agricultural distributor. In the first quarter of 2022, this loan was provisioned for 85% to reflect the temporary shutting down of company activities. Considering the ongoing war, the provisioning has only increased slightly to 87% reflecting the unchanged situation. This leaves FPIF's exposure to Ukraine at 0.13% of NAV. We monitor the progress closely and we will update investors of the developments in the Quarterly updates. Apart from these provisioned loans the vast majority of the portfolio continued to perform in line with expectations.

The weighted average interest margin for the portfolio stood at 4.51% at year-end versus 4.67% last year.

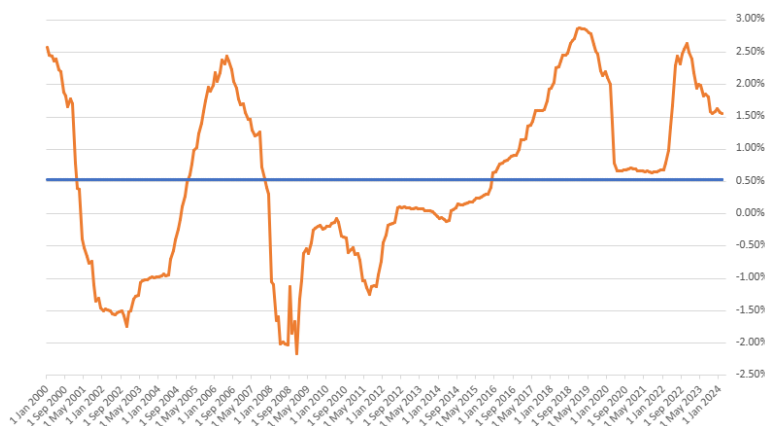
As all but two of the FMO loans in the portfolio are denominated in USD and most participants are Euro investors who are invested in a EUR hedged share class, we continue to hedge the USD exposure to EUR for Class B-D (EUR), Class B-A (EUR), Class F (EUR), Class I-A and Class- I-D so that investors in these share classes are not exposed to movements in the EUR/USD exchange rate.

In 2023 the EUR appreciated some 3% vs the USD.

Interest rates are still lower in the Eurozone compared to the US. The Interest Rate Differential is therefore effectively a cost component for the Fund. During the year 2023 direct foreign exchange exposures were hedged in full. Also during 2024 we anticipate to hedge direct foreign exchange exposures in full.

From January 1, 2023 to December 31, 2023 the net returns for the various share classes were as follows (including dividends for Class B-D, Class I-D and Class U-D):

	2023	2022
Class A (USD)	7.14%	2.43%
Class B-A (EUR)	5.36%	0.68%
Class B-D (EUR)	5.33%	0.68%
Class F (EUR)	5.36%	0.68%
Class I-A (EUR)	5.25%	0.58%
Class I-D (EUR)	5.22%	0.58%
Class U-A (USD)	6.84%	2.15%
Class U-D (USD)	6.80%	2.13%



In 2022 the Fund's loan positions started to transition from USD LIBOR loan portfolio to either Term SOFR or daily compounded SOFR. All preparations by FMO, such as legal templates, system amendments, tooling, data, instructions, training, and internal and external communications is ongoing or already finalized. FMO is engaging with all its customers including those in the Fund's portfolio to discuss the conversion approach and over three quarters of the relevant loan contracts have been transitioned. The remaining loans were, in agreement with the FMO front office and the clients, moved to synthetic LIBOR. These synthetic LIBOR contracts will be remediated before the end of September 2024.

Investor reporting

Since the launch of the Fund a monthly report has been issued to Dutch investors in Dutch. With the opening of new classes in subsequent years, the Fund started to issue reports on a quarterly basis in English as well. In 2019 the Fund Manager noticed an increasing desire among its growing international investor base (particularly those from France and Switzerland) to provide a French version of both the quarterly Fund reports and the accompanying case studies. In 2020, it was decided to reduce the length of the Dutch monthly report (while keeping the more extensive quarterly report), thereby increasing efficiency, and further aligning and improving consistency across all three reports. Since the start of the Fund, case studies have been consistently provided on a quarterly basis to provide more insight into the investments made by the Fund. During the reporting year the four case studies, presented on the next page, have been published.

The most recent reports are available on www.priviumfund.com and more is available via www.fmopriviumimpactfund.nl.

Annual Report FMO

The Fund Manager has taken note of the letter of the management board of FMO included in the annual report 2022 of FMO which states that in 2022 FMO initiated a follow-up on the recommendations the Dutch Central Bank (DNB) gave in its conclusions and observations, which included acknowledgement of the improvements FMO made. FMO has further enhanced its KYC capabilities by embedding the KYC department in the frontline of the investment process, giving KYC a natural position in any project decision. As a result of the file remediation, FMO reported a limited number of incidents to DNB at the end of 2021 and the beginning of 2022. These involved late notifications of unusual transactions to the Financial Intelligence Unit (FIU). DNB initiated an investigation into these incidents and the related KYC files. FMO expects this investigation to result in enforcement measures by DNB.

In August of 2023 FMO reported that, as a result of late notifications of unusual transactions to the Financial Intelligence Unit (FIU) in 2021 and 2022, DNB decided on enforcement measures. DNB is currently re-assessing these measures upon request of FMO (by means of objection). FMO's related Financial Economic Crime (FEC) framework enhancement program – which involved a full KYC file remediation – was finalized at the end of 2021. During 2023, FMO focused on continuous improvement of its FEC framework, through (amongst others) periodic review of policies and procedures, training, and monitoring of performance.

Q1 LAAD, Latin America & the Caribbean



Marketing communication

Invest with Impact

How financing can be a catalyst for sustainable agribusiness

The agri-challenge
The Latin America and Caribbean (LAC) region is important in providing food and ecosystem services—not only within the region, but across the world. Soybean, fruits and vegetables, sugar, and coffee are just some of the leading exported goods from countries and islands in this region. In fact, it's estimated that 18% of all global food and agriculture exports come from the LAC region.

While the agribusiness sector has thrived in the last decade as economies have further industrialized and digitized, it still plays an important role. Agribusiness is responsible for 20% of the GDP in some countries in the region, and more importantly, an important source of employment in rural areas.

Agribusiness can be a catalyst for long-term development and job creation—of core sustainability. Human rights and environmental and social (E&S) risks must be taken into consideration to ensure sustainable land use and forestry practices. As production and exports increase, simultaneous strengthening and restoring ecosystems to contribute to climate resilience in the long run must occur. Certainly not an easy task—but there are those that are up to the challenge.

Supporting the agribusiness sector's development
LAAD is a non-deposit taking bank that exclusively provides financing to SMEs in the agribusiness sector across the

LAC region. Founded in 1969, they have focused on encouraging rural development and bolstering food security since then. They have 18 offices, allowing them to reach 25 countries across Latin America and the Caribbean.

LAAD supports thousands of jobs through the several hundred loans it provides each year. Due to their deep local knowledge and networks, they have been able to grow their portfolio consistently over the years. This makes them the preferred partner of most SMEs, which is an understated segment. Even if commercial finance is available, most SMEs would rather partner with LAAD thanks to the bank's deep knowledge, flexibility, and decades of experience.

LAAD has a tailored approach per country. The company works with a lean team structure allowing them to remain flexible and quickly adapt to volatile macroeconomic conditions. While commercial banks may exit more quickly following tougher circumstances, LAAD continues to provide financing to its customers, particularly when it's most needed.

The FMO Loans
LAAD has been a long-term customer of FMO since the early 2000s, the latest facility signed in 2022. In 2020 FMO syndicated a USD 20m facility for LAAD with both a Fund and others participating, aimed in part at funding the growth of the LAAD's agri-portfolio and ensuring the support of its customers during the hardest days of the COVID-19 pandemic.



LAC
2,100,000 people
100,000,000 USD (2020)



THE GLOBAL GOALS

Q2 AKlease, Turkiye



Marketing communication

Invest with Impact

Sustainable finance for a sustainable economy

A country of rich history
Turkey—now officially referred to as the Republic of Turkey—is a transcontinental mountainous country over twice the size of Germany. Home to some of the earliest consistently settled regions and inhabited by ancient civilizations like the Persians and Hittites, Turkey is steeped in rich history. It was a global power to be reckoned with when it was the Ottoman Empire, which was partitioned in the early 20th century.

Though it experienced strong economic growth at the start of the 21st century, Turkey's GDP began to stagnate in 2013, and the country has more recently experienced increased financial instability and high inflation. A founding OECD and G20 member, Turkey's economy today remains one of the larger ones in the world, and is a key producer of agricultural products, textiles, consumer appliances, electronics, and a broad range of manufacturing activities. However, these industries can significantly contribute to GHG emissions—Turkey emits over 500 million tons annually—which necessitates action to minimize the effects of climate change, many of which are already affecting the country.

Leasing with a purpose
Ak Kirasari Kiralama A.Ş. (or AKlease) is one of the top leasing subsidiaries of Akbank T.A.Ş., one of the largest private banks in Turkey. They lease a wide range of assets, such as machinery, healthcare equipment, and real estate. With a strong market share, they provide financial support

to parties active across the corporate, commercial, and SME segment.

AKlease primarily finances equipment in the textile and natural resources sector, although they are also active in sectors such as manufacturing, construction and transportation. With a strong focus on customer service, AKlease can focus on client retention and acquisition in a competitive market. Combined with using the client base and resources of their parent company, AKlease has demonstrated notable financial stability over the years.

More significantly, AKlease clearly shows their commitment to climate action. In the past years, they have grown their focus of renewable energy (RE) and energy efficiency in their lease portfolio. In 2020 they launched an ECO-lease program (the first and only sustainability-linked product in the Turkish leasing market), aimed at leases in the RE / energy efficiency sector. Through these products, AKlease delivers impactful value, not only to their clients, but for the country at large.

The FMO Loans
AKlease became an FMO client in 2021, when FMO arranged a USD 100 mln syndicated loan facility with a wide variety of investors. In 2020 and 2022, FMO provided two separate USD 25 mln facilities—the latter of which was marked 50% Green—to support AKlease's ambitions to become one of the leading leasing companies in the green markets.



Turkiye
85,140,000 people
430,000,000 USD (2020)



THE GLOBAL GOALS

Q3 Polaris, Nicaragua



Marketing communication

Invest with Impact

Increasing renewable energy access for all

Land of Lakes and Volcanoes
The largest country in Central America, Nicaragua is home to a diverse population of 6 million. With a string of volcanoes, its biodiversity, coral reefs and islands, the country has been a popular tourist destination.

Despite Nicaragua's richness in natural resources, the full potential of Nicaragua has yet to be realized which more capital can unlock. Nicaragua went through several political upheavals and unrest, and monetary crises which have contributed to higher unemployment rates and poverty.

Clever use of volcanoes
For much of its history, Nicaragua relied on oil-based products and expensive fossil fuels. Electricity rates were some of the highest in Central America. In the early 2000s the government decided to revamp its electrical grid and require the private sector in promoting and distributing hydroelectric and geothermal plants. These efforts were successful: 43% of the energy now comes from renewable sources, making Nicaragua a unique leader in renewable energy production.

Polaris Energy Nicaragua S.A. (Polaris) developed, operates, and owns geothermal facilities across the country, including the San Jacinto-Tizate plant, a two-phased geothermal project near several young active volcanoes. The project is home to a plant with a basic capacity of 72 MW. A binary power plant recently increased the installed power generation capacity to 84 MW. The technology is critical for standardizing use of geothermal electricity locations across multiple locations.

Geothermal plants typically use flash steam, which pumps water of 250-300°C from underground from high pressure into low pressure tanks, which causes the water to partially flash to steam, producing liquid and steam at the surface. The steam expands into a turbine to produce electricity via a generator thus creating power.

A binary plant uses two separate fluid cycles, with the first cycle extracting geothermal energy from the separated brine, and the secondary cycle converting heat to sun the generator and generate electricity. The primary cycle transfers hot geofluid to the secondary cycle via a heat exchanger and cools it down. The secondary cycle heats and vaporizes cold high-pressure fluid with hot geofluid. The high-pressure vapor expands in a turbine before getting cooled and condensed.

As it's a closed-loop system, nothing but water vapor escapes, meaning the geofluid can be reheated and reused, making binary plants a more accessible, sustainable method of geothermal production.

Since 2013, the main plant has been operational, with the binary plant reaching completion in 2022.

The FMO Loans
FMO first provided financing to Polaris in 2009 and 2020 to fund the development and construction of the geothermal power plant. The project has since been refinanced twice, in 2015 and 2021.



Nicaragua
15,910,000 people
62,000,000 USD (2020)



THE GLOBAL GOALS

Q4 Agric Commodities and Finance, Africa



Marketing communication

Invest with Impact

A sustainable supply chain is a resilient one

The Mother Continent
Africa the land where it all began. With the first known hominids evolving on the continent, and the oldest recorded history stemming from ancient Egypt, Africa is steeped in deep, rich history. Home to dozens of powerful empires and kingdoms in pre-colonial days, it's believed that over 10,000 different states with unique languages existed across the second largest continent as its apogee.

Today, much of Africa—swallowing South Africa and some Northern African countries—have a relatively undeveloped economy. Many rely on agricultural outputs and subsistence farming, but have rich mineral resources and abilities to have strong potential to boost its GDP in the future.

Unearthing the untapped potential
ETC Group (ETG) started out in 1967 in Kenya and has grown into the largest independent agricultural supply chain manager on the African continent, with subsidiary Agri Commodities and Finance (ACF) functioning as the main trading company. Globally ETG owns over 120 processing plants and 480 warehouses.


Most of their footprint however is in Africa, where they provide a range of operations including procurement, processing, distribution, and merchandising. In 2019, ETG established the Beyond Beans Foundation, which builds sustainability programs in subsidiary ACF's cocoa and cashew supply chains, notably in West Africa. Currently, FMO is supporting ACF

with capacity development funding to develop a new Supply Chain Risk Assessment Tool to reinforce the current system in already placed.


Thanks to their strong supply chain, ACF can ensure a two-way trade flow from smallholder farmers in least-developed countries of Africa to diverse buyers across the globe. This trade flow involves supplying agricultural inputs and agronomic services to farmers to boost crop yields, the farmer's products are then sold into the global supply chain for a fair price.

The agronomic support provided includes efficient fertilizer usage, soil assessment, and post-harvest services like storage and transportation, empowering the farmers with the tools and know-how to maximize their output. One key pillar of ACF is farmer livelihood, as they focus on improving the standard of living for farmers in their supply chain. ACF therefore plays a critical role in SDG 2 (Reducing Inequalities), while also strongly supporting to SDG 2 (Zero Hunger) as they are one of the most important suppliers to the World Food Program in Africa.

The FMO Loans
In 2019 FMO supported the parent company ETG by arranging a USD 100 mln syndicated loan. In 2020 another USD 90 mln syndicated facility followed specifically for ACF's working capital need, which was topped up to USD 100 mln in 2023.



Africa
1,210,000,000 people
34,000,000,000 USD (2020)
LPI: 100,000,000 USD (2020)
(5% of global production)



THE GLOBAL GOALS

Portfolio overview and diversification

Originally, the Alternative Investment Fund Manager (“AIFM” – or ‘Beheerder’) aimed for participation amounts of USD 2.5 million per selected FMO loan in order to build and maintain the desired level of diversification. Since the total Fund value surpassed USD 100 million (in April 2018), allocation of slightly larger participations of USD 3.0 million per selected FMO loan became possible (while still maintaining the desired level of diversification). As of October 2019, the Fund value surpassed USD 150 million allowing for a further increase per participation to USD 4.0 million per selected FMO loan.

During the reporting year the Fund’s Investment Committee decided positively on multiple participations, both new and increases of existing participations where the invested amount did not yet exceed USD 4 million. The average outstanding participation amount continued to remain at USD 1.9 million as per year end.

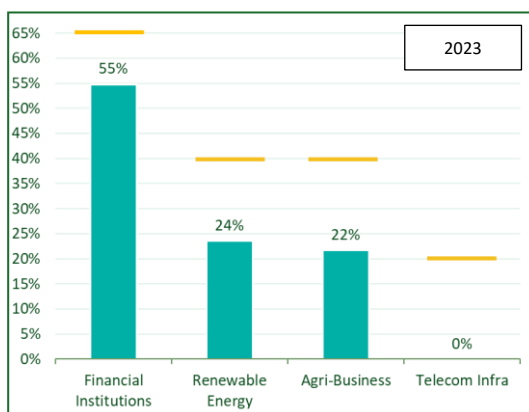
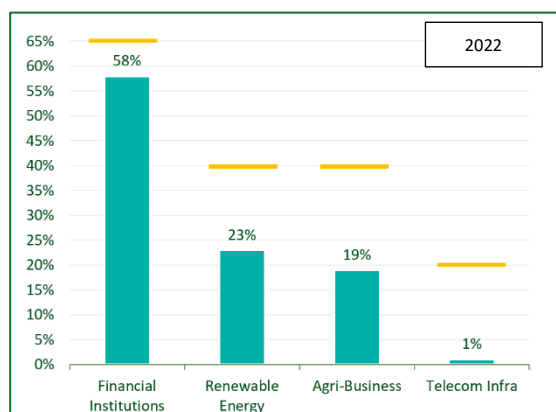
In addition to diversifying across eligible FMO loans, we have also continued to diversify the Fund’s assets across sectors and geographies, as we believe that diversification is a risk mitigant and enhances the likelihood of a stronger financial and impact return.

Sector diversification

The Fund aims to maintain a diversified portfolio and thus continuously seeks to diversify across the eligible sectors. Since FMO adjusted its corporate strategy in 2017 to apply further focus towards its three core-sectors: Financial Institutions, Renewable Energy and Agribusiness, and Food & Water, no new investments were made in the Telecom Infrastructure sector. FMO believes that it is in the three selected sectors where it can make the best investments for both impact and financial return. At the end of 2023 an update to the prospectus was announced to strike the Telecom Infrastructure sector from the Fund’s investment strategy and adjust the sector limits accordingly as of February 1, 2024. This was possible as the last Telecom Infrastructure investment left the portfolio in during the third quarter of 2023. As of February 1, 2024 the following sector concentration limits apply: 1: Financial institutions: Max 80% of the Invested Capital; 2: Energy: Max 40% of the Invested Capital; 3) Agribusiness: Max 45% of the Invested Capital.

The Sector Diversification graph below shows the actual sector diversification as of December 31, 2022 and 2023 versus the Fund’s limits at that time. Diversification is within the limits as these were applicable during 2023. In 2024 we will look to add more investments in the relatively underrepresented sectors Renewable Energy and Agribusiness, subject to FMO loans being available for participation. It should be noted that most suitable and available loans continue to be available in the Financial Institutions sector.

Sector Diversification limits 2022 vs 2023 at December 31



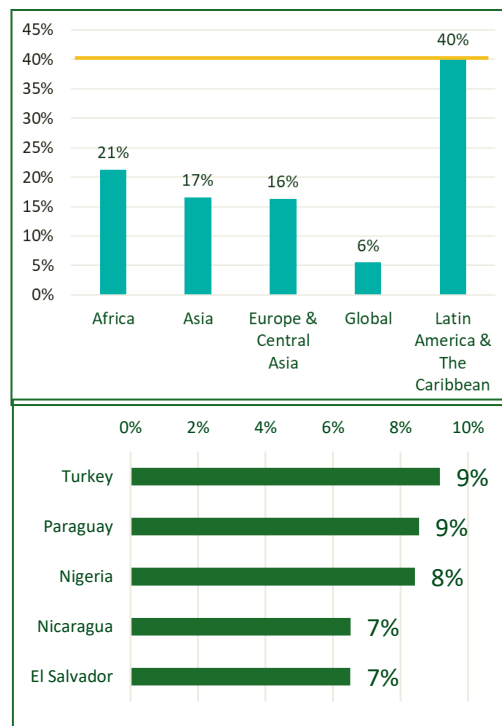
Geographic diversification

To provide more insight into the portfolio’s geographical diversification, regular fund reporting now displays a global segment. These represent clients active in multiple countries where the loan has been provided not (directly) to a local subsidiary, but to the overarching company.

Since the inception of the Fund, the pipeline of available and eligible FMO loans contained a relatively large number of projects with attractive impact characteristics and good risk/return profiles in the Latin America & Caribbean (LAC) region. This continued to be the case into 2023 which meant that the exposure to LAC neared its maximum exposure at 40%.

A prospectus change per February 1 2024 will allow up to 50% exposure in any of the regions, not accounting for the global segment. While we will continue to seek growth of the portfolio in the three regions of Africa, Asia and ECA, we acknowledge the fact that this is driven by available FMO deal flow and that a majority of most suitable loans continue to be with clients active in Latin America & the Caribbean.

The graph shows the actual geographical diversification as of December 31, 2023 versus the Fund’s limits of 40% per region as valid per that date, therefore not including the February 2024 update.

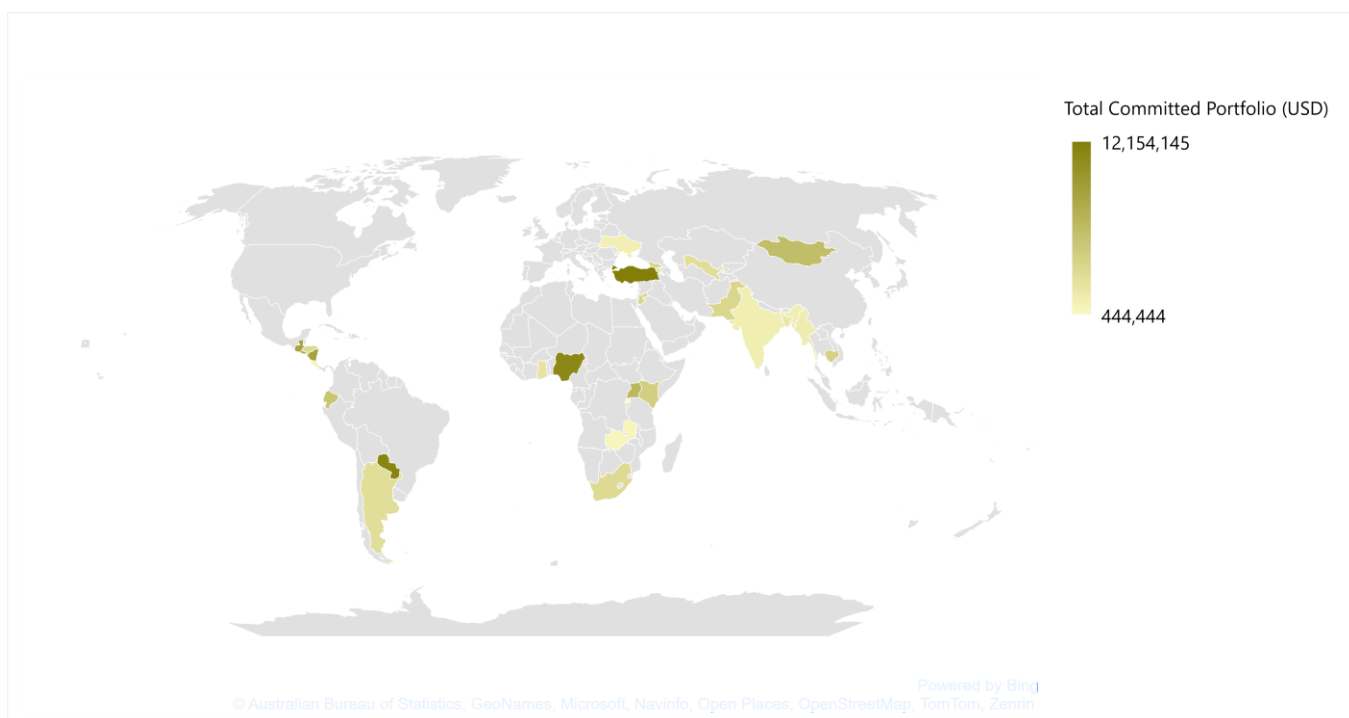


Largest country exposures

Per December 31, 2023 the country with the largest exposure in the portfolio changed from Nigeria to Turkey.

The exposure of our Fund to the five largest countries combined amounts to 39.2% of the Fund’s portfolio and is spread across 22 customers. The full portfolio is spread across 33 countries, these are shown on a world map in the Quarterly reports of the Fund. In the overview below this map is further enhanced to reflect the level of exposure per country. This map does not include exposures to those clients which are allocated to the section Global.

Portfolio breakdown as per year end 2023



Sustainable investment objective

The Fund has making sustainable investments as its objective and aims to provide investors with an attractive financial return while at the same time creating Impact in Developing and Emerging Economies.

The Fund does not compare its impact performance to a benchmark or index but instead reports its contribution to the SDG's both quantitatively and qualitatively.

Impact achieved by the Fund is measured according to the impact methodology as adopted by FMO and reported through impact indicators on portfolio level and sector specific indicators. These are aligned with the UN Sustainable Development Goals (SDGs)³. The Fund aims to support the Sustainable Development Goals 8 (Decent Work and Economic Growth), 10 (Reduced Inequalities) and 13 (Climate Action).

Impact targets

The following targets have been defined:

- 1: 100% of the Fund's Invested Capital contributes to SDG 8 and therefore the Fund's social objective.
- 2: The Fund's target for investments contributing to SDG 10 is set at $\geq 30\%$ of the Invested Capital of the Fund.
- 3: The Funds target for investments contributing to SDG 13 and the Fund's environmental objective is set at $\geq 30\%$ of the Invested Capital of the Fund.

100% of the Fund's Invested Capital has a sustainable objective. Here Invested Capital means the total amount of the Fund's holdings in loan participations and is equal to the gross value of the loans in the portfolio plus interest receivable minus any provisions. While the Fund 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.

It can be assumed that the category other will make up no more than 25% of the Fund's total Net Asset Value, meaning that a minimum of 75% of the Fund's Net Asset Value will be invested into sustainable investments.

Per December 31, 2023 the portfolio of the fund is allocated as follows:

Sustainable investments	85%
Other	15%

Development impact

The Fund Manager reports on a quarterly and annual basis on the impact developments of the Fund. The Fund uses FMO's impact measurement methodologies to provide insight into the impact of its investments. This includes FMO's SDG labeling system to indicate how much of the portfolio supports the three Sustainable Development Goals (SDGs) FMO primarily focusses on being: decent Work and Economic Growth (SDG 8), Reduced Inequalities (SDG 10), and Climate Action (SDG 13). The Fund also reports on three main impact indicators; Jobs supported, Avoided CO₂ emissions and Financed emissions. Performance data on these indicators are collected annually. This annual collection process occurs throughout the year and starts in principle 12 months after contracting. The labels are assigned during the loan's ESG analysis and are presented by the percentage of the label applicable to the outstanding amount. The Fund's reports always reflect the current information available at the moment of reporting.

³ The mentioned SDG target definitions have been defined by the United Nations.

As described the Fund pursues a sustainable investment objective. Following FMO's methodology, 100% of the investments of the Fund have a social objective and count towards SDG 8. The Key Performance Indicator (KPI) is the number of jobs supported attributable to the Fund's investment. The Fund's target for investments contributing to SDG 10 Reduced Inequalities and to the social objective is set at $\geq 30\%$ of the invested capital of the Fund. The KPIs for this objective are both the percentage of inclusive businesses and/or the investments in the poorest countries automatically resulting in a 100% application of the capital. While an investment may already receive the full applicability of the label for the customer being active in a specific country, a percentage may also be to the type of business the investment supports. This is, however, not double counted in the overall resulting percentage. An investment can never be more than 100% calculated to the SDG 10 label.

The Fund's target for investments contributing to SDG 13 (climate action) and to the environmental objective is set at $\geq 30\%$ of the invested capital of the Fund. The KPIs are further quantified the number of avoided CO₂ emissions and the number of financed CO₂ emissions. While the aim is to over time be able to lower the financed CO₂ emissions, it should be recognized that each new investment in a financial institution will initially result in a total growing number of financed emissions

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

SDG	Target	Key Performance Indicator (KPI)	How is the impact being measured
	<p>Promoting economic growth that is a) sustained, b) inclusive and c) sustainable; and employment that is a) full, b) productive and c) decent.</p>	<p>The impact is being measured by the increased number of jobs supported (based on the Invested Capital of the Fund). All investments in our portfolio are considered to contribute to SDG 8.</p>	<p>This indicator comprises two components: 1) The number of employees (FTEs) working at the company – a figure that’s relatively easy to come by via the annual reports; 2) Indirect jobs created – this is based on an estimate based on the outcome of FMO’s Joint Impact Model (JIM). This is an input-output model in which the estimated impact of the investment on the chain is modelled. Together, these components form the outcome of the number of jobs supported.</p>
	<p>1) financing inclusive business that reduce inequalities within countries by expanding access to goods, services and/or increase livelihood opportunities on a commercially viable basis to people at the Base of the Pyramid by making them part of the companies' value chain of suppliers, distributors, retailers or customers; and 2) all investments made in low-income countries.</p>	<p>The impact is being measured by the percentage of inclusive businesses and by the percentage of low-income countries being supported (attributed to the Fund based on the invested capital of the Fund).</p>	<p>Investments which receive a Reduced Inequalities label (based on FMO's methodology) contribute positively towards SDG 10. Two tracks underlie the SDG 10 label: 1) investment in the poorest countries (reducing inequality among countries). This results in a 100% acknowledgement of the loan, and 2) investment in inclusive businesses (reducing inequality within countries) which may result in a percentage based on applicability of the underlying investment. These two tracks are combined in one target: a loan can acquire the Reduced Inequalities label by investing in a poorest country or in inclusive business.</p>
	<p>Providing finance to projects that reduce greenhouse gas emissions, increase resource efficiency, preserve and grow natural capital, support climate mitigation and climate adaptation in the region in which they operate.</p>	<p>The impact is being measured by increasing the percentage of the portfolio which has received a Green label, increasing the number of avoided CO₂ emissions and lowering the number of financed CO₂ emissions.</p>	<p>Investments which receive a Green label (based on FMO's methodology) contribute positively towards SDG 13. This includes finance to projects that reduce greenhouse gas emissions, increase resource efficiency, preserve and grow natural capital, support climate mitigation and climate adaptation.</p> <p>Avoided CO₂ emissions: The greenhouses gas emissions avoided are calculated as the company's or project's anticipated CO₂ emissions compared against the most likely alternative. The required data is taken from independently verified documentation and is calculated as tons of CO₂ equivalents per year.</p> <p>Financed CO₂ emissions: This number indicates the greenhouse gas emissions equivalent of tCO₂ and is measured for all investments in the portfolio according to the methodologies of the Partnership for Carbon Accounting Financials (PCAF).</p>

Methodology developments

As FMO is a learning organization always seeking further improvements and alignment it is inevitable that methodologies change over time and previous data points may become incomparable. These improvements are always taken with careful consideration of a multitude of stakeholders including investor perspectives. This does not mean that all perspectives can be adhered to. The goals of these improvements are always to gain better insight, improve compatibility through cross sector alignment and seek ways to steer investing towards the set sustainable objectives.

In 2020 a model was created in cooperation with specialist consultancy firm Steward Redqueen and several other development banks; the Joint Impact Model (JIM). Co-creating has been a deliberate choice to improve further alignment and ultimately comparability between impact investors. Since its creation, the model has been updated and improved several times. Since 2021 the model is fully aligned with the Platform Carbon Accounting Financials (PCAF).

The PCAF model so far has received commitments from well over 450 financial institutions globally. Through this cooperation the JIM is being used or considered by a substantial number of financial institutions globally as well. Clients of organizations such as FMO are potentially eligible for the foundation’s technical assistance program allowing them to better understand their impact attribution including for example GHG emissions. In 2023 the foundation launched the third version of the model, which also includes tooling for calculating more Principle Adverse Indicators. FMO will implement the latest version available in 2024, allowing the reporting year 2023 to remain comparable to the previous year.

The results continue to be calculated by taking into account the ratio between the funding from the FMO Privium Impact Fund and the total value of the company or project. Only the share attributable to the Fund is reported.



Generally, the differences are due to changes in portfolio composition and regular updates of impact related data during the following year.

Comparing results

To enable you as an investor in the FMO Privium Impact Fund to interpret the impact figures, there is a short explanation with each indicator. For more information on the impact model and methodologies visit www.fmo.nl/impact/how-we-measure-impact.

The below table provides an overview of the Key Performance Indicators (KPI’s) per invested capital as of December 31, 2023 and December 31, 2022.

	<p>Private business activity, investment and innovation are major drivers of productivity, inclusive economic growth and job creation.</p> <p>SDG 8 calls for promoting economic growth that is a) sustained, b) inclusive and c) sustainable; and employment that is a) full, b) productive and c) decent.</p> <p>All investments in our portfolio are considered to contribute to SDG 8. Impact is measured via the jobs supported indicator</p>										
	<table border="1"> <thead> <tr> <th>Percentage of invested capital supporting SDG 8</th> </tr> </thead> <tbody> <tr> <td>100%</td> </tr> <tr> <td>2022</td> </tr> <tr> <td>100%</td> </tr> </tbody> </table>	Percentage of invested capital supporting SDG 8	100%	2022	100%	<table border="1"> <thead> <tr> <th>Key Performance Indicator</th> </tr> </thead> <tbody> <tr> <td>Number of supported jobs</td> </tr> <tr> <td>9,022</td> </tr> <tr> <td>2022</td> </tr> <tr> <td>11,002</td> </tr> </tbody> </table>	Key Performance Indicator	Number of supported jobs	9,022	2022	11,002
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11,002											

	<p>Investments which contribute to SDG 10 have received a Reducing Inequalities label. This label is applied via two tracks: 1) financing inclusive business that reduce inequalities within countries (e.g. investments made specifically in support of gender equality or smallholders) by expanding access to goods, services and/or increase livelihood opportunities on a commercially viable basis to people at the Base of the Pyramid by making them part of the companies' value chain of suppliers, distributors, retailers or customers; and 2) all investments made in low income countries.</p>		
	<p>Percentage of invested capital supporting SDG 10</p> <p>36%</p> <p>2022 38%</p>	<p>Key Performance Indicator Percentage of inclusive businesses</p> <p>24%</p> <p>2022 20%</p>	<p>Key Performance Indicator Percentage of low-income countries</p> <p>12%</p> <p>2022 18%</p>
	<p>Investments which receive a Green label contribute positively towards SDG 13. This includes finance to projects that reduce greenhouse gas emissions, increase resource efficiency, preserve and grow natural capital, support climate mitigation and climate adaptation. Impact data is presented as avoided GHG emissions in eq of tons CO2 and emissions scope 3.</p>		
	<p>Percentage of invested capital supporting SDG 13</p> <p>42%</p> <p>2022 37%</p>	<p>Key Performance Indicator Avoided CO2 emissions (tCO2eq)</p> <p>29,928</p> <p>2022 40,406</p>	<p>Key Performance Indicator Financed CO2 emissions (tCO2eq)</p> <p>90,521</p> <p>2022 91,268</p>

ESG developments in the period ahead

With the introduction of the Joint Impact Model during the reporting year further improvements have been implemented regarding measuring the impact outcomes at portfolio level, enabling impact monitoring. Additional optimization regarding setting impact targets are expected to be made in the period ahead.

Policy on the integration of sustainability risks into investment decisions

Not all sustainability risks may have a material negative effect on the value of an investment. Also, the relevancy of each sustainability risk may differ based on the economic sector the investment is active in. Therefore, the Fund applies the Materiality Map of the Sustainability Accounting Standards Board ("SASB") to determine which sustainability risks are material to consider in the investment decision making process.

SASB has identified more than 25 sustainability risks divided across the E, S, and G topics. Depending on the economic sector the investment is active in, these risks are marked either 1) not material, 2) not likely material, 3) likely material. For a risk to be classified as likely material, SASB has found that for over 50% of the companies active in that sector, the risk has a significant impact on the financial position or operational activities.

FMO's ESG risk assessment (and consequent categorizing in A-highest, B-medium and C-low risks) is based on the International Finance Corporation (IFC) Performance Standards. IFC's ESG Performance Standards are a sustainability data

framework are widely used in the development finance community as a harmonized set of standards. This harmonization aims to reduce the ESG data reporting burden and enhance sustainability reporting in emerging capital markets. IFC’s Environmental and Social Performance Standards and Corporate Governance Methodology uses the following indicators.

- 1: Assessment and Management of Environmental and Social Risks and Impacts.
- 2: Labor and Working Conditions.
- 3: Resource Efficiency and Pollution Prevention.
- 4: Community Health, Safety, and Security.
- 5: Land Acquisition and Involuntary Resettlement.
- 6: Biodiversity Conservation and Sustainable Management of Living Natural Resources.
- 7: Indigenous Peoples
- 8: Cultural Heritage

FMO’s risk rating methodology relates to the SASB based ESG risk methodology of FPIF in the following manner:

SASB		FMO
High risk sensitivity (-)	Direct Investments: Category A and B+	Financial Intermediaries: Category FI-A
Average risk sensitivity (=)	Direct Investments: Category B	Financial Intermediaries: Category FI-B
Low risk sensitivity (+)	Direct Investments: Category C	Financial Intermediaries: Category FI-C

Before each investment decision is taken the relevant material sustainability risks are investigated using the following focus points:

- Policy and practices: Investigating if relevant sustainability risks to the investment are well covered by policies informs if all risks are sufficiently in scope and in control. If so, then the value of the investment may be less sensitive to the relevant sustainability risk than its peers.
- Incidents: If the sector or the investment experienced significant incidents regarding the relevant sustainability risk recently, this may inform the understanding of both the frequency of it occurring, as well as the investments readiness and quality of response. Better preparedness and a strong response mean the value of the investment may be less sensitive to the relevant sustainability risk than its peers.

This analysis will provide a low, average or high estimated sensitivity of the value of the investment to material sustainability risks and informs the investment decision making process. A high sensitivity does not automatically disqualify an investment from inclusion in the Fund, but this information will be included in the decision-making process.

Considering the sector focus of the Fund, the following sustainability risks are presumed to be likely material for the investments made by the Fund in the economic sector Financial Institutions, Energy, Agribusiness and Telecom as defined by SASB:

Commercial banks & Consumer Finance	Renewable Resources & Alternative Energy	Agricultural Products	Telecommunication Services
Data Privacy	Energy Management	GHG emissions Energy	Energy Management
Data security	Water & Wastewater Management	Management	Data Privacy
Access & Affordability	Product Design & Lifecycle management	Water & Wastewater Management	Data Security
Selling Practices & product Labeling	Materials Sourcing & Efficiency	Product quality & safety	Materials Sourcing & Efficiency
Product Design & Lifecycle management		Employee health & safety	Competitive behavior
Business ethics		Supply chain management	Systemic riskmanagement
Systemic risk management		Materials Sourcing & Efficiency	

During the course of 2023 the last Telecom investment left the portfolio and as per February 2024 Telecom will no longer be part of the Fund’s strategy.

Monitoring of sustainability risks in the Fund

On a monthly basis, the sustainability risk exposure for the investments of the Fund are reviewed and updated if and when applicable. Here, material changes to the individual sustainability risks of an investment are not expected to occur often. An update of the estimated sensitivity of the value of the investment to a sustainability risk might be triggered by a change in the policies and practices of the investment, or by a significant incident regarding the sustainability risk. The material sustainability risk exposures and the concentration of high sensitivity investments in the Fund are part of the risk management policy of the Fund Manager and are monitored on a monthly basis.

Adverse impact indicators

Potential investments may have a principal adverse impact on sustainability factors. Therefore, the Fund considers these in the selection process. Reporting on the principal adverse impacts regarding the year 2023 and any actions taken to mitigate them will be published in a dedicated PAI report that will be published on the website of the Fund Manager. The completeness of FPIF’s reporting depends in part on the reporting of FMO and the underlying borrowers. In its reporting, the Fund will indicate any missing or incomplete indicators and its efforts to obtain them.

EU Taxonomy alignment

Considering FPIF’s investments, the assessment of Taxonomy eligibility undertaken by FMO on its loan portfolio in 2023 informs the Fund’s own alignment calculations. As FMO invests outside the EU, none of its counterparties are required to disclose their Taxonomy eligibility or alignment. There was also no voluntary disclosure by FMO’s counterparties. Therefore, FMO reports that 0% of its balance sheet in 2023 is Taxonomy eligible (2022: 0%). From this, it follows that 0% of the holdings of the Fund are Taxonomy aligned.

As FMO’s currently does not have a strategy or weighing for the financing of Taxonomy-aligned activities, FPIF does not target Taxonomy aligned investments. Until there is more clarity on the application outside the EU, FMO will continue to classify assets, steer, and report based on its Green label. At the same time, FMO will review developments

in the Taxonomy to determine what can be aligned at each stage and fill data gaps when and where required. At such time, FPIF will reconsider its targeting of Taxonomy aligned investments.

Portfolio overview

Below overview is sorted by size of exposure at the borrower level as stated at 31 December 2023.

Customer	Country of Risk	Strategic Sector	Total Committed Portfolio (USD)
Ak Lease (Ak Finansal Kiralama A.S.)	Türkiye	Financial Institutions	4,424,000
Agri Commodities & Finance FZ-LLC	Global	Agri, Food and Water	4,000,000
AGROFERTIL SA	Paraguay	Agri, Food and Water	4,000,000
Access Bank Plc	Nigeria	Financial Institutions	4,000,000
BANCO DE AMERICA CENTRAL, S.A	Guatemala	Financial Institutions	4,000,000
Financiera Finexpar S.A.E.C.A	Paraguay	Financial Institutions	4,000,000
First City Monument Bank Limited	Nigeria	Financial Institutions	4,000,000
JSC BANK OF GEORGIA	Georgia	Financial Institutions	4,000,000
LAAD Americas N.V.	Latin America & The Caribbean	Financial Institutions	4,000,000
Banco de la Producción, S.A.	Nicaragua	Financial Institutions	3,807,692
Al Husainiyah Power Generation Company PSC	Jordan	Energy	3,805,119
Capella Solar S.A. de C.V.	El Salvador	Energy	3,626,601
Polaris Energy Nicaragua S.A.	Nicaragua	Energy	3,564,096
SUDAMERIS BANK S.A.E.C.A.	Paraguay	Financial Institutions	3,525,000
XacBank JSC	Mongolia	Financial Institutions	3,500,000
Transmision de Electricidad S.A.	Guatemala	Energy	3,414,322
SA Taxi Development Finance (Pty) Limited	South Africa	Financial Institutions	3,375,000
Indorama Eleme Fertilizer & Chemicals Limited	Nigeria	Agri, Food and Water	3,300,000
Equity Bank (Kenya) Limited	Kenya	Financial Institutions	3,288,898
Ulusoy Un Sanayi ve Ticaret AS	Türkiye	Agri, Food and Water	3,253,660
Ecom Agroindustrial Corp. Limited	Global	Agri, Food and Water	3,176,364
Sugar Corporation of Uganda Limited	Uganda	Agri, Food and Water	3,000,467
VICENTIN S.A.I.C.	Argentina	Agri, Food and Water	3,000,000
Banco Pichincha C.A	Ecuador	Financial Institutions	3,000,000
Tiryaki Agro Gıda Sanayi Ve Ticaret A.S.	Türkiye	Agri, Food and Water	2,666,667
Amret PLC	Cambodia	Financial Institutions	2,666,667
Khan Bank JSC	Mongolia	Financial Institutions	2,637,803
Pacific Solar Energy S.A. de C.V.	Honduras	Energy	2,500,000
Bosforo LTDA de C.V.	El Salvador	Energy	2,492,592
Montecristi Solar FV, S.A.S.	Dominican Republic (the)	Energy	2,362,500
AFRICA EMS NYAMWAMBA LTD	Uganda	Energy	2,297,688
Zephyr Power Limited	Pakistan	Energy	2,241,996
ContourGlobal Hydro Cascade CJSC	Armenia	Energy	2,222,719
BRAC	Bangladesh	Financial Institutions	2,222,222
Banco Promerica S.A.	El Salvador	Financial Institutions	2,104,841
Banco de la Produccion, S.A	Ecuador	Financial Institutions	2,000,000
Kilic Deniz Urunleri Uretim Ihracat Ithalat VE TIC. A.S.	Türkiye	Agri, Food and Water	1,809,818
Yoma Strategic Holdings Ltd	Myanmar	Agri, Food and Water	1,680,000
Sathapana Bank Plc	Cambodia	Financial Institutions	1,575,000
Gharo Solar Limited	Pakistan	Energy	1,515,400
Access Bank Ghana PLC	Ghana	Financial Institutions	1,500,000
Joint Stock Commercial Bank HAMKORBANK	Uzbekistan	Financial Institutions	1,500,000
Joint Stock Innovative Commercial Bank Ipak Yuli	Uzbekistan	Financial Institutions	1,500,000
Vistaar Financial Services Private Limited	India	Financial Institutions	1,500,000

Nibulon Agricultural Limited Liability Company	Ukraine	Agri, Food and Water	1,400,000
Bugoye Hydro Limited	Uganda	Energy	1,390,761
Nicaragua Sugar Estates Limited	Nicaragua	Agri, Food and Water	1,350,000
Banco Promerica S.A.	Guatemala	Financial Institutions	1,294,118
SIDIAN BANK LIMITED	Kenya	Financial Institutions	1,142,857
Banco Improsa S.A.	Costa Rica	Financial Institutions	1,125,000
Vientos de Electrotecnia S.A. de C.V.	Honduras	Energy	1,008,671
Niche Cocoa Industry Limited	Ghana	Agri, Food and Water	900,000
Itezhi Tezhi Power Corporation Limited	Zambia	Energy	793,750
Sucafina Holding S.A.	Global	Agri, Food and Water	583,333
I&M Bank (Rwanda) Plc	Rwanda	Financial Institutions	533,333
Federacion de Cajas de Credito y de Bancos de los Trabajadores, Sociedad Cooperativa de Responsabilidad Limitada de Capital Vari	El Salvador	Financial Institutions	500,000
EXIM Bank Tanzania Limited	Tanzania, the United Republic of	Financial Institutions	444,444
Banco Bolivariano C.A.	Ecuador	Financial Institutions	416,667
Armenian Economy Development Bank OJSC	Armenia	Financial Institutions	309,524
			141,249,590

Outlook

In 2023, we witnessed continued geo-political and economic fragmentation, conflict within and between countries, and humanitarian crises. But we also saw the emergence of new game-changing technologies, and regulatory advancements to preserve nature and curb climate change. The current global landscape has experienced heightened geopolitical tensions, impacting regions in which the Fund invests. The ongoing conflict between Russia and Ukraine persists, with no immediate resolution in sight. Additionally, new conflicts have emerged in Sudan and Niger, while ongoing challenges continue in Myanmar. In the Middle East, the recent escalation between Israel and Hamas has raised concerns about regional stability. These developments have not only led to humanitarian concerns but also adversely affected economic growth. Not all these countries and regions are represented in our portfolio. Where they do, we continue to monitor the effects and discuss these effects in the Investment Committee.

In January 2024, the International Monetary Fund (IMF) projected that global growth will be at 3.1 percent in 2024, consistent with the estimate for 2023. Growth in emerging markets and developing economies is also expected to hold steady at 4.1 percent in 2024. Global inflation is expected to decrease to 5.8 percent in 2024, down from 6.8 percent in 2023. However, inflation in emerging markets and developing economies is projected to remain relatively high at 8.1 percent, showing only a slight decline of 0.3 percent compared to 2023. Decreases in inflation are driven by monetary policies, softening labor markets and ongoing declines in relative energy prices. The IMF outlines several factors that could impact global growth in 2024. Among these are the extent to which low-income and emerging market economies are able to manage their high debt levels, the progression of geopolitical tensions, and productivity gains stemming from artificial intelligence. The latter may initially benefit advanced economies more than emerging markets and developing economies.

Slower economic growth, high interest rates, and continued geopolitical tensions are forecasted for 2024 and will affect the context in which FMO operates. These factors will influence financing opportunities, while highlighting the importance of DFI action.

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

Privium Fund Management B.V. (“Privium”) has a careful, controlled and sustainable remuneration policy which meets all requirements included in the Alternative Investment Fund Managers Directive (AIFMD) and the guidelines on sound remuneration policies under the AIFMD (ESMA Guidelines). In line with the Sustainable Finance Disclosure Regulation (SFDR) the remuneration policy of Privium takes into account sustainability risks. 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.

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 salary (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 2023

This overview is based on the situation as of December 31, 2023. 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, 2023 and the second table shows the remuneration overview as of December 31, 2022.

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, 2023

	Identified staff in senior management roles	Identified staff outside senior management roles	Total staff
Number of staff	3	36	39
Total fixed remuneration	€ 313,990	€ 8,753,783	€ 9,067,773
Total variable remuneration	€ 0	€ 1,677,298	€ 1,677,298
Total remuneration	€ 313,990	€ 10,431,081	€ 10,745,071

Overview as December 31, 2022

	Identified staff in senior management roles	Identified staff outside senior management roles	Total staff
Number of staff	3	38	41
Total fixed remuneration	€ 279,397	€ 9,303,709	€ 9,583,106
Total variable remuneration	€ 0	€ 479,953	€ 479,953
Total remuneration	€ 279,397	€ 9,783,663	€ 10,063,059

Variable payments to both identified staff members in senior management roles and identified staff outside senior management depend on financial and non-financial performance indicators, such as; positive results of and the effort of employees to the profitability of the company, the performance of the funds, extraordinary commitment to the firm, customer satisfaction, work according best practice ethical standards, compliance with risk management policies, compliance with internal and external rules among them sustainability (risks). The variable payments are for at least 50% based on non-financial performance indicators and variable payments are not granted when the non-financial performance criteria- such as having taken into account the set (sustainability) risks – are not met.

In 2023 no variable payments regarding the FMO Privium Impact Fund have been paid to any Identified Staff of Privium.

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.

Privium Fund Management B.V., the Fund Manager of the various funds, does not charge any employee remuneration fees to the funds.

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 2023 (2022: 41), including consultants and including both part-time and full-time staff.

One staff member earned more than Euro one million in relation to the performance results during the year 2023 (2022: zero).

Risk management and willingness to take risks

There have been no risk breaches during the year 2023. 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 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.

Sorts of risks	Risk hedged	Measures applied and expected effectiveness	Impact on 2023 NAV	Expected impact on 2024 NAV if risk materializes	Adjustments made or expected adjustments to risk management in 2023 or 2024
Price/Market Risk	No	The Fund invests in a diversified portfolio of new and existing loans alongside FMO. The Fund's operational and lending process run parallel to FMO's processes where FMO Investment Management BV (Delegate/Investment Advisor) will issue an advice to the Fund on each eligible loan as offered by FMO. Based on the expected i) risk/return profile of the transaction as received from FMO, (ii) the Investment restrictions, (iii) the (expected) Impact as received from FMO and (iv) portfolio fit of a transaction, the Delegate/Investment Advisor issues an investment advice to the AIFM. Subsequently, the AIFM takes the potential investment into further consideration with a view to the investment criteria and portfolio construction of the Fund, and then decides whether or not to approve the potential investment. However price impact due to general market movements or during the holding period can't be mitigated or avoided in full by conducting company or project analysis. This risk is inherent when securities like loans are traded.	The Fund gained +5.33% in 2023 (Class B-D). On a number of loans new provisions were taken during 2023 and on certain other loans provisions were increased or decreased.	Investments are selected after a thorough due diligence process but largely this will also depend on general market circumstances.	No
Credit risk	No	The underlying borrowers may default on the respective loans. Therefore provisions or write-downs may need to be taken by the Fund. This will have a negative impact on the NAV of the Fund. Credit risk may also materialize if a counterparty event occurs as the Fund's 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.	See above	Provisions and write-downs may need to be taken if defaults occur or are anticipated.	No
Political Risk	No	Many of the countries where Borrowers are located in are subject to a greater degree of economic, political and social instability than other, more developed countries.	None	Much will depend what actually happens in the underlying countries where the Fund has exposures to.	No
Emerging Market risk	No	The markets of Emerging and Developing Economies can be more volatile than developed markets as a result of both internal and external factors, thus increasing the risk of material losses by the Fund.	None	This will depend on general market circumstances.	No

Interest rate risk	No	The Fund invests in interest bearing securities. A majority of the loans in portfolio are floating rate. An additional explanation on interest rate risk can be found in the risk paragraph of the annual accounts.	Due to the floating rate nature of the majority of the loans in portfolio, the increase of interest rates has been beneficial.	The value of loan participations may change, while the ability of Borrowers to repay their loans might be affected by changes in interest rates.	No
Foreign Exchange risk	Yes	Direct FX risk will be hedged for the EUR denominated share classes of the Fund.	None. During 2023 all but two loans in the portfolio of FPIF were USD denominated. Two loans are denominated in EUR. Currency risk is hedged on these positions. The depreciation of the USD during the year 2023 had no impact on the EUR share classes since the decrease in portfolio value, measured in EUR (but not reflected in the P&L), due to the depreciation of the USD, was fully neutralized by the FX hedges that were maintained in the EUR denominated share classes.	None	No
Liquidity risk	No	The underlying loans generally have long term maturities and will be repaid according to a certain repayment schedule. The loans may even become illiquid under certain market conditions. Accordingly, it may not always be possible to receive or realise the full value of the loan.	None	This will depend on general market circumstances and certain idiosyncratic events around the Fund's investments.	No
Operational risk	No	As part of operational risk, the AIFM periodically assess the legal risk, compliance risk and outsourcing risk. This risk is mostly mitigated by having rigid operational procedures in place. Next to that duties and responsibilities are clearly divided between Primum employees. The same is applicable at the service providers of the several Primum 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 Swaps, the fund is utilizing implied leverage. As of December 31, 2023 the leverage calculations according to the Gross method and Commitment method are as follows: Gross method: 104.78% and Commitment method: 100%.	None	None	No

Sustainability Risk	No	<p>Sustainability risks are categorized into Environmental, Social or Governance (ESG) issues and may pose a material risk to the value of an investment. Not all sustainability risks may have a material negative effect on the value of an investment. Therefore, the Fund applies the Materiality Map of the Sustainability Accounting Standards Board (SASB) to determine which sustainability risks are material to consider in the investment decision making process. Here a connection has been made between FMO's risk rating methodology and SASB based ESG risk methodology. In each investment decision the relevant material sustainability risks are investigated using the following focus points:</p> <ul style="list-style-type: none"> - Policy and practices: Investigating if relevant sustainability risks to the investment are well covered by policies informs if all risks are sufficiently in scope and in control. If so, then the value of the investment may be less sensitive to the relevant sustainability risk than its peers. - Incidents: If the sector or the investment experienced significant incidents regarding the relevant sustainability risk recently, this may inform the understanding of both the frequency of it occurring, as well as the investments readiness and quality of response. Better preparedness and a strong response mean the value of the investment may be less sensitive to the relevant sustainability risk than its peers. 	None	None	No
Fraud risk	No	<p>The Fund Manager is aware of the possibility of fraud which might affect the assets of the Fund. Because of this the Fund Manager applies a range of measures and procedures to mitigate the fraud risk. These procedures are part of the Handbook of the Fund Manager. Due to the segregation of duties and responsibilities among people the risk of fraud is mitigated further.</p>	None	This will depend on the scope and composition of the Fraud taking place.	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 Management team. 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"), 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 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;
 3. and the current level of risk of each AIF and any actual or foreseeable breaches of risk limits.

To identify the Risk Profile and main risks, and ensure the right measurement, management and monitoring of these risks, the Fund Manager has a rigid Risk Onboarding Process. It ensures that the Investment Process is properly documented and the Product itself is properly reviewed.

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 Portfolio Management. The Risk Management team 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 (CM) 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 CM system flows through a sanity check. The sanity check will raise an exception if the variable falls outside its "normal" boundaries. Risk Management 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 using SS&C Eze Investment Suite and risk metrics such as value at risk, stress scenarios and portfolio liquidity are obtained through Bloomberg.

The CM system is responsible 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 Global Risk Management Framework (Annex 17) of the Privium Handbook.

On a monthly basis the Risk Committee of the Fund Manager meets to discuss the performances and risks of the Fund. Any breaches are thoroughly discussed during these meetings. Additionally, a yearly 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 2023 and during the first two months of 2024 this audit was performed and the findings were reported to Privium's management. The audit did not demonstrate any material deviations.

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 2023 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 2023 functioned effectively as described. During 2023 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 2023 update was completed in November 2023. During the fourth quarter of 2023 and the first two months of 2024 the external audit officer performed its annual due diligence on a number of internal procedures at the Fund Manager. These are 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 signaled.

Amsterdam, 14 June 2024

The AIFM

Privium Fund Management B.V.

Financial statements

Balance sheet as at 31 December 2023

(Before appropriation of results)

(all amounts in USD)	Notes	2023	2022
Assets			
Investments	1		
Loans		131,855,043	132,198,135
Swaps		49,195	258,127
Total of investments		131,904,238	132,456,262
Receivables			
Other receivables	2	3,557,276	2,800,058
Total of receivables		3,557,276	2,800,058
Other assets			
Cash	3	23,558,578	17,435,870
Total of other assets		23,558,578	17,435,870
Total assets		159,020,092	152,692,190

(all amounts in USD)	Notes	2023	2022
Liabilities			
Net asset value	4	158,419,930	152,475,230
Investments			
Swaps	1	338,505	25,054
Total of investments		338,505	25,054
Other liabilities			
Due to brokers		4,527	-
Other liabilities	5	257,130	191,906
Total other liabilities		261,657	191,906
Total liabilities		159,020,092	152,692,190

Profit and loss statement

(For the year ended 31 December)

(all amounts in USD)	Notes	2023	2022
Investment result			
Interest income		12,857,624	9,202,829
Total investment result		12,857,624	9,202,829
Revaluation of investments			
	6		
Realized results		386,495	(3,364,552)
Unrealized results		(522,383)	(81,670)
Total changes in value		(135,888)	(3,446,222)
Other results			
Foreign currency translation	7	826,169	(937,323)
Bank interest income		574	-
Other results		161,904	155,560
Total other results		988,647	(781,763)
Movement in provisions on loans			
	1	(477,938)	(4,018,843)
Operating expenses			
Management fee	8	(1,522,475)	(1,481,587)
Administration fees	9	(79,895)	(73,347)
Depositary fees		(38,123)	(36,979)
Interest expenses		-	(7,396)
Brokerage fees and other transaction costs		(42,397)	(41,640)
Audit fees	10	(64,793)	(38,176)
Legal fees		(47,151)	(18,864)
Supervision fees		(22,287)	(25,089)
Legal owner fees	11	(10,327)	(9,187)
Other expenses	12	(46,442)	(43,634)
Total operating expenses		(1,873,890)	(1,775,899)
Result for the year			
		11,358,555	(819,898)

Statement of cash flows

(For the year ended 31 December)

(all amounts in USD)	Notes	2023	2022
Cash flow from operating activities			
Participations in FMO loans		(38,618,366)	(41,107,817)
Repayments from FMO loans		38,971,438	36,536,937
Proceeds from sales of investments		386,495	(3,364,552)
Interest received		12,100,200	8,934,615
Other income received		161,904	155,560
Management fee paid		(1,517,478)	(1,484,299)
Interest paid		-	(7,396)
Operating expenses paid		(554,726)	(724,945)
Net cash flow from (used in) operating activities		10,929,467	(1,061,897)
Cash flow from financing activities			
Proceeds from subscriptions		4,641,991	6,045,493
Payments for redemption		(9,228,041)	(9,839,165)
Dividend paid		(827,805)	(928,526)
Net cash flow from financing activities		(5,413,855)	(4,722,198)
Net cash flow for the year		5,515,612	(5,784,095)
Cash at beginning of the year		17,435,870	23,949,153
Foreign currency translation of cash positions		607,096	(729,188)
Cash at the end of the year	3	23,558,578	17,435,870

Notes to the financial statements

General information

FMO Privium Impact Fund (the Fund) was constituted on 26 February 2016 and commenced operations on 20 June 2016.

The targeted return net of fees is expected to be between 2 and 4 percent per annum, over a multi-year cycle, while generating impact. In addition to achieving the Target Return, the Fund aims to make socially and environmentally responsible investments, hereby aiming to provide providing investors with an attractive financial return while at the same time endeavoring to create Impact in Developing and Emerging Economies. The Fund will be able to co-invest in both existing and new loans (to be) provided by FMO to its clients. The co-investments of the Fund will be structured as participations in such loans provided by FMO. The loans will include senior and subordinated loans.

Since the Fund has making sustainable investments 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 disclosure regarding Article 9 can be found in the Prospectus of the Fund.

The Fund is a fund for joint account ('fonds voor gemene rekening') organised and established under the laws of The Netherlands. The Fund is under Dutch law not a legal entity (rechtspersoon) nor a partnership, commercial partnership or limited partnership (maatschap, vennootschap onder firma or commanditaire vennootschap), but a contractual arrangement sui generis between the AIFM, the Legal Owner and each of the Unitholders separately, governing the assets and liabilities acquired or assumed by the Legal Owner for the account and risk of the Unitholders.

The Fund has its principal offices at the offices of the AIFM at Symphony Towers 26/F, Gustav Mahlerplein 3, 1082 MS Amsterdam, The Netherlands.

The Fund is established by the adoption of its Terms and Conditions by agreement between the AIFM and the Legal Owner and the subsequent admission of the first Unitholder, being the Launch Date.

The Fund is managed by the AIFM. The assets, rights and obligations of the Fund is held by the Legal Owner. The Unitholders invests in the Fund as participants (participanten) and acquires Units in the Fund.

The Fund Manager authorised these financial statements for issue on 14 June 2024.

Accounting policies

Basis of preparation

The financial statements are prepared in accordance with Part 9, Book 2 of the Dutch Civil Code and the the Dutch Act on Financial Supervision ('Wet op het financieel toezicht'). The accounting principles of the Fund are summarized below. These accounting principles have all been applied consistently throughout the reporting 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.

Going concern

The financial statements of the Fund have been prepared on a going concern basis as the management has no indications that the activities cannot be continued in the near future.

Adjustment of error in presentation

The balance sheet and profit and loss statement for the period ended 31 December 31, 2022 were materially incorrect. The setup of the financial statements did not comply with the Dutch Accounting Standards Board guidelines for annual reporting. The appropriate accounting standards were not followed, which resulted in a rubrical error. The mapping of the financial statement line items was not completely in line with the Accounting policies as described in the financial statements and prescribed in the Dutch Accounting Standards. More specifically, this relates to the Provisions on loans which was presented on the liabilities side of the balance sheet and the Movement in provisions on loans which was presented as Investment result in the profit and loss statement. The result and the Net Asset Value for the year 2022 remained unchanged, however the following 2022 accounts/line items were impacted.

	Before adjustment	After adjustment	Adjustment
Balance sheet			
Loans	141,367,226	132,198,135	(9,169,091)
Total of investments	141,625,353	132,456,262	(9,169,091)
Total assets	161,861,281	152,692,190	(9,169,091)
Total other liabilities	9,360,997	191,906	(9,169,091)
Total liabilities	161,861,281	152,692,190	(9,169,091)
Profit and loss statement			
Total investment result	5,183,986	9,202,829	4,018,843
Movement in Provision on loans (separate line item between Other results and Operating expenses)		(4,018,843)	(4,018,843)

The financial Statements for the year 2023 have been adjusted for the errors, inclusive of the representation of the comparative figures by deducting the Provision on loans from the amortized cost of the Loans in the balance sheet and presenting the Movement in provisions on loans under Other results in the Profit and loss statement. The related notes and key figures also have been adjusted accordingly. As stated above this does not affect the Net Asset Value or financial performance of the Fund.

Judgement, estimates, assumptions and uncertainties

The management of the Fund makes various judgements and estimates when applying the accounting policies and rules for preparing the financial statements. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the financial statements in future periods.

Estimates and assumptions

The Fund based its assumptions and estimates on circumstances and information available when the financial statements were prepared. Assumptions about future developments (or future developments that do not occur, may change due to market changes or circumstances arising that are beyond the control of the Fund. These changes in estimates will be accounted for prospectively. The key estimates and assumptions are described below:

The key estimate and assumptions relate to the determination of provision on loans, which is based on the incurred loss model. For defaulted loans (i.e., such as loans with arrears) various scenarios are being assessed and on that basis probability of default and impact (loss given default) is estimated by the Fund.

Reporting period

The reporting period is from 1 January 2023 through 31 December 2023.

Measurement currency

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

Offsetting

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.

Investments

Recognition and basis of measurement

All investment securities are initially recognized at fair value.

Valuation

Subsequent measurement of the loan participations is at amortized cost. Provision for loans on individual loan participations are deducted from amortised cost and expensed in the profit and loss statement. The Investment Advisor advises the AIFM on any FMO provisioning of a loan invested in by the Fund.

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 fair value and subsequently are remeasured at their fair value. Fair values of the derivative financial instruments 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 income statement.

Receivables and payables

Upon initial recognition the receivables and payables 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.

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 available, this has been taken into account upon valuation.

Interest income

Interest income is recognized on accrual basis.

Revaluation of investments

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

Translation of foreign currency

Monetary assets and liabilities denominated in foreign currencies are translated into the class currency 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. Realized and unrealized 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 realized and unrealized gains and losses on investments.

The following closing rate has been applied in preparation of these financial statements:

<i>Showing the equivalent of 1 USD</i>	2023	2022
Euro	0.9059	0.9610

Brokerage/expenses

Commissions payable on opening and closing positions are recognized on the trade date. Expenses are recorded in the period in which they originate. Transaction costs are borne by the Fund and charged to the Fund's profit and loss account. Expenses on disposal of investments are deducted from the proceeds of disposal.

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 operating 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 units 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 2023 until 31 December 2023 excluding the transaction costs and interest costs. 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.

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

The movement of the financial investments is as follows:

(all amounts in USD)	2023	2022
<i>Loans</i>		
Opening balance	132,198,135	131,409,037
Participations in FMO loans	38,622,893	41,107,817
Repayments from FMO loans	(38,971,438)	(36,536,937)
FX result	219,073	(208,135)
Mutation provision on loans	(477,938)	(4,018,843)
Written-off provision on loans	264,318	445,196
Balance as per 31 December	131,855,043	132,198,135

As per 31 December 2023 the total provision amounts to USD 9,382,711 (2022: USD 9,169,091).

The fair value of the loans at 31 December 2023 equals USD 120,184,090 (2022: USD 116,401,398).

(all amounts in USD)	2023	2022
<i>Swaps</i>		
Opening balance	233,073	314,743
Sales and expirations	(386,495)	3,364,552
Realised investment result	386,495	(3,364,552)
Unrealised investment result	(522,383)	(81,670)
Position as per 31 December	(289,310)	233,073

2. Other receivables

(all amounts in USD)	2023	2022
Interest receivable	3,557,276	2,799,278
Other receivables and prepayments	-	780
Position as per 31 December	3,557,276	2,800,058

3. Cash

(all amounts in USD)	2023	2022
Euro bank accounts	321,804	2,179,232
US Dollar bank accounts	23,236,774	15,256,638
Total cash	23,558,578	17,435,870

At 31 December 2023 and 31 December 2022, cash and cash equivalents are partly restricted due to the required margin on the Swaps of the Fund. As at 31 December 2023, the margin requirements amounts to USD 285,560 (2022: USD 1,156).

A bank guarantee of EUR 4,000,000 was provided to ABN AMRO Clearing Bank in order to replace 50% of the cash collateral (margin) requirement that needs to be held by the Fund in order to be able to hedge the FX exposures for the various EUR denominated share classes. The maximum amount FMO N.V. will cover under the agreement is 50% of the outstanding margin. This is capped at EUR 7,500,000.

4. Net asset value

The movement of the individual Classes during the year ended 31 December 2023 is as follows:

(all amounts in USD)	Opening balance	Subscriptions	Redemptions	Conversion	Dividend paid	Result	Net Asset Value
Class A	98,236,175	-	-	-	-	7,011,096	105,247,271
Class B-A	3,226,469	853,949	(88,997)	(286,202)	-	278,384	3,983,603
Class B-D	37,383,205	788,042	(7,119,145)	-	(680,269)	2,903,483	33,275,316
Class F	104,108	-	-	-	-	9,000	113,108
Class I-A	3,130,785	-	(423,714)	286,202	-	265,484	3,258,757
Class I-D	6,701,716	-	(1,520,331)	-	(112,975)	455,983	5,524,393
Class U-A	2,037,218	3,000,000	(75,854)	-	-	322,567	5,283,931
Class U-D	1,655,554	-	-	-	(34,561)	112,558	1,733,551
Total	152,475,230	4,641,991	(9,228,041)	-	(827,805)	11,358,555	158,419,930

The units of Class B-A, Class B-D, Class F, Class I-A and Class I-D are issued in Euro. At 31 December 2023, the net asset values of Class B-A, Class B-D, Class F, Class I-A and Class I-D in their Class currency are respectively EUR 3,608,663, EUR 30,143,415, EUR 102,462, EUR 2,952,040 and EUR 5,004,432.

The movement in units of the individual Classes during the year ended 31 December 2023 is as follows:

(in number of units)	Opening balance	Subscriptions	Redemptions	Conversion	Closing balance
Class A	795,730	-	-	-	795,730
Class B-A	29,002	7,203	(800)	(2,446)	32,959
Class B-D	362,866	7,297	(66,833)	-	303,330
Class F	898	-	-	-	898
Class I-A	28,012	-	(3,584)	2,436	26,864
Class I-D	65,641	-	(14,775)	-	50,866
Class U-A	18,423	26,985	(682)	-	44,726
Class U-D	16,224	-	-	-	16,224
Total	1,316,796	41,485	(86,674)	(10)	1,271,597

The movement of the individual Classes during the year ended 31 December 2022 is as follows:

(all amounts in USD)	Opening balance	Subscriptions	Redemptions	Conversion	Dividend paid	Result	Net Asset Value
Class A	88,587,613	7,325,000	-	-	-	2,323,562	98,236,175
Class B-A	2,819,810	538,377	-	-	-	(131,718)	3,226,469
Class B-D	46,206,987	260,035	(4,812,219)	(1,047,209)	(761,230)	(2,463,159)	37,383,205
Class F	109,827	-	-	-	-	(5,719)	104,108
Class I-A	6,453,446	20,408	(3,027,631)	-	-	(315,438)	3,130,785
Class I-D	6,196,423	390,375	(483,845)	1,047,209	(133,996)	(314,450)	6,701,716
Class U-A	3,269,658	-	(1,282,114)	-	-	49,674	2,037,218
Class U-D	1,299,862	585,000	(233,356)	-	(33,302)	37,350	1,655,554
Total	154,943,626	9,119,195	(9,839,165)	-	(928,528)	(819,898)	152,475,230

The units of Class B-A, Class B-D, Class F, Class I-A and Class I-D are issued in Euro. At 31 December 2022, the net asset values of Class B-A, Class B-D, Class F, Class I-A and Class I-D in their Class currency are respectively EUR 3,013,983, EUR 34,921,257, EUR 97,252, EUR 2,924,600 and EUR 6,260,361.

The movement in units of the individual Classes during the year ended 31 December 2022 is as follows:

(in number of units)	Opening balance	Subscriptions	Redemptions	Conversion	Closing balance
Class A	734,981	60,749	-	-	795,730
Class B-A	24,027	4,975	-	-	29,002
Class B-D	416,699	2,450	(46,283)	(10,000)	362,866
Class F	898	-	-	-	898
Class I-A	54,679	175	(26,842)	-	28,012
Class I-D	56,331	3,631	(4,406)	10,085	65,641
Class U-A	30,204	-	(11,781)	-	18,423
Class U-D	12,754	5,753	(2,283)	-	16,224
Total	1,330,573	77,733	(91,595)	85	1,316,796

5. Other liabilities

(all amounts in USD)	2023	2022
Management fees payable	130,975	125,978
Audit fees payable	53,882	37,484
Depository fees payable	3,202	19,505
Supervision fees payable	22,743	-
Legal fees payable	39,478	-
Reporting fees payable	6,168	8,308
Other payables	682	631
Position as per 31 December	257,130	191,906

Notes to the statement of comprehensive income

6. Revaluation of investments

(all amounts in USD)	2023	2022
<i>Net realized result on financial assets and liabilities at fair value through profit or loss</i>	-	-
Realized gains on swaps	6,093,226	5,053,308
Realized losses on swaps	(5,706,731)	(8,417,860)
Total realized result	386,495	(3,364,552)
<i>Net unrealized result on financial assets and liabilities at fair value through profit or loss</i>	-	-
Unrealized gains on swaps	-	-
Unrealized losses on swaps	(522,383)	(81,670)
Total unrealized result	(522,383)	(81,670)
Total revaluation of investments	(135,888)	(3,446,222)

Swaps contracts are opened at the end of each month for a period of one month.

Swaps 2023	Currency amount sold	Currency	Currency amount bought	Settlement date	Fair value (USD)
<i>Currency bought</i>					
USD	133,552	EUR	102,000	31-01-2024	(831)
USD	3,117,178	EUR	2,800,000	31-01-2024	(22,877)
USD	4,008,521	EUR	3,600,000	31-01-2024	(30,134)
USD	33,396,990	EUR	30,000,000	31-01-2024	(243,765)
USD	5,566,435	EUR	5,000,000	31-01-2024	(40,898)
Subtotal currency bought					(338,505)
Swaps 2023	Currency amount bought	Currency	Currency amount sold		Fair value (USD)
<i>Currency sold</i>					
USD	334,042	EUR	300,000	31-01-2024	2,510
USD	6,235,286	EUR	5,600,000	31-01-2024	46,685
Subtotal currency sold					49,195
Total					(289,310)

(all amounts in USD)					
Swaps 2022	Currency amount bought	Currency	Currency amount sold	Settlement date	Fair value
<i>Currency sold</i>					
USD	320,134	EUR	300,000	31-01-2023	(1,650)
USD	4,481,562	EUR	4,200,000	31-01-2023	(23,404)
Subtotal currency sold					(25,054)
Swaps 2022	Currency amount sold	Currency	Currency amount bought		Fair value
<i>Currency bought</i>					
USD	103,498	EUR	97,000	31-01-2023	546
USD	3,094,199	EUR	2,900,000	31-01-2023	16,373
USD	21,342,028	EUR	20,000,000	31-01-2023	110,192
USD	3,146,664	EUR	2,950,000	31-01-2023	17,538
USD	15,791,329	EUR	14,800,000	31-01-2023	83,314
USD	5,761,935	EUR	5,400,000	31-01-2023	30,165
Subtotal currency bought					258,128
Total					233,073

7. Foreign currency translation

(all amounts in USD)	2023	2022
Foreign currency translation results on cash accounts	826,169	(937,323)
Total foreign currency translation	826,169	(937,323)

The currency results consist of translation differences on foreign currency cash accounts and spot contracts. The currency results in 2023 were caused by a decrease in the Euro cash accounts.

8. Management fee

The AIFM receives an annual management fee for managing the Fund equal to 0.90% of the Net Asset Value of Class A of the Fund prior to deducting provision for fees payable to the AIFM. This management fee will be paid in full by the AIFM to the Investment Advisor/Delegate.

The AIFM receives an annual management fee for managing the Fund equal to 0.98% of the Net Asset Value of Class B-A, Class B-D and Class F and 1.15% of the Net Asset Value of Class I-A, Class I-D, Class U-A and Class U-D, with a minimum of EUR 90,000. Of the management fee, 0.08% (Class B-A, Class B-D and Class F) and 0.15% (Class I-A, Class I-D, Class U-A and Class U-D) is for the benefit of the AIFM and 0.90% (Class B-A, Class B-D and Class F) and 1.0% (Class I-A, Class I-D, Class U-A and Class U-D) will be paid in full by the AIFM to the Investment Advisor/Delegate.

The fee is calculated monthly on the basis of the gross of fee Net Asset Value of each Class as of the Valuation Day that coincides with the last Business Day of the month and is paid monthly in arrears in EUR. This fee is free of VAT.

The management fee for the period ended 31 December 2023 amounts to USD 1,522,475 (2022: USD 1,481,587).

9. Administration fees

The administration agreement between the AIFM and the Administrator provides for payment to the Administrator of an annual administrative fee equal to 0.045% of the Net Asset Value of the Fund (based on a Fund size of up to USD 100 million), subject to a minimum fee of USD 32,000 per annum in respect of the administration of the Fund. The Administrator will, in addition, be paid USD 5,500 (excl. V.A.T.) annually for the preparation of the Fund's annual financial statements, plus USD 2,000 per report for providing support in connection with the requirements of AIFMD Reporting.

(all amounts in USD)	2023	2022
Administration fees	66,363	60,769
Reporting fees	8,314	7,727
FATCA fees	2,721	2,529
AIFMD fees	2,497	2,322
Total	79,895	73,347

10. 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 USD 64,793 of which USD 53,106 pertains to 2023 audit and USD 11,687 pertains to 2022 overruns (2022: USD 38,176). The Independent Auditor will also be asked to provide assurance whenever there is an update of the Prospectus of the Fund.

11. 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.

12. Other expenses

(all amounts in USD)	2023	2022
Miscellaneous fees	36,239	34,098
License fees	3,245	3,159
Advisory fees	6,958	3,277
Compliance fees	-	3,100
	46,442	43,634

13. Income and withholding taxes

The Fund is organized as an investment Fund (“Fonds voor gemene rekening”) under the current system of taxation in The Netherlands. The Fund is transparent for Dutch corporate income tax purposes. As a consequence, the Fund is not subject to Dutch corporate income tax exclusive VAT and amounts are subject to an annual inflation correction. Certain dividend and interest income received by the Fund may be subject to withholding tax imposed in the country of origin.

Other notes

Risk management

The nature of the Fund's investments involves certain risks and the Fund may utilise investment techniques (such as leverage, short selling and the use of derivatives) which may carry additional risks. An investment in the Fund therefore carries substantial risk and is suitable only for persons who can afford the risk of losing their entire investment.

The Fund's financial risks are managed by diversification of the financial instruments. For further explanation of the investment objectives, policies and processes, refer to the General section of the notes to the financial statements.

Market risk

Markets may rise and fall and the prices of financial instruments, loans and loan participations, 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. There may be various reasons why markets fall like recessions caused by a change in the economic business cycle or a pandemic outbreak.

Market risk contains market price risk, currency risk and interest rate risk. Where non-monetary securities – for example, equity securities – are denominated in currencies other than the USD, the price initially expressed in foreign currency and then converted into USD also fluctuates because of changes in foreign exchange rates. The paragraph 'Currency risk' sets out how this component of price risk is managed and measured.

Market price risk

The prices of securities generally as well as those in which the Fund invests can and will rise and fall. A careful selection and spread of investments offers no guarantee of positive performance.

The markets of Emerging and Developing Economies can be more volatile than developed markets as a result of both internal and external factors, thus increasing the risk of material losses by the Fund.

Currency risk

As the Fund's Investments may be denominated in currencies other than the applicable Class Currency, while the Fund's accounts for such Class will be denominated in the Class Currency, returns on certain Investments may be significantly influenced by currency risk. An example is that a loan invested in is denominated in USD, while certain Classes are denominated in EUR.

Although the AIFM hedges a Class against a decline in the value of the Fund's Investments not denominated in the applicable Class Currency resulting from currency devaluations or fluctuations, as detailed in the applicable Class Details, the AIFM may not always succeed in realizing hedges under acceptable conditions and consequently such Classes shall be subject to the risk of changes in relation to the Class Currency value of the currencies in which any of the Investments attributable to that Class are denominated. Changes in exchange rates can adversely affect affordability of the loan for the Borrower since revenues of the Borrower might be in a different currency than the loan. As a result, the Fund may receive less interest or principal payments than expected or it may receive no interest or principal at all. This will adversely impact the Net Asset Value.

The ability of Borrowers to repay their loans might also be affected by changes in the value of a currency. A decrease of the value of such currency in relation to the currency of the loan, i.e. either USD or EUR, granted to the Borrower could decrease the ability of the Borrower to meet its obligations under such loan, possibly causing defaults on such loans thus lowering the value of any Investment of the Fund in such loans, and, consequently, lowering the Net Asset Value. Currency controls imposed by governments could further increase the risk of the Borrower not being able to repay its loans, resulting in defaults and a lower Net Asset Value.

The currency exposure of the Fund's portfolio at 31 December 2023 is as follows:

(all amounts in USD)	Gross amount	Swap contract	2023	
			Net amount	% NAV
US Dollars	152,184,211	(39,301,048)	112,883,163	71.26
Euro	6,235,719	39,301,048	45,536,767	28.74
Total			158,419,930	100.00

The currency exposure of the Fund's portfolio at 31 December 2022 is as follows:

(all amounts in USD)	Gross amount	Swap contract	2022	
			Net amount	% NAV
US Dollars	145,610,456	(44,583,114)	101,027,342	66.26
Euro	6,864,774	44,583,114	51,447,888	33.74
Total			152,475,230	100.00

Class B-A, Class B-D, Class F, Class I-A and Class I-D are denominated in EUR, while the Fund and its loans are denominated in USD (loans may be denominated in EUR as well but as of December 31, 2023 that was not the case). Swaps are used to hedge the currency risk in Class B-A, Class B-D, Class F, Class I-A and Class I-D. The outstanding swaps contracts as of December 31, 2023 totalled USD 39,301,048 (2022: USD 44,583,114).

Interest rate risk

An investment in Units may involve the risk that subsequent changes in market interest rates may adversely affect the value of the Units. Changes in interest can both directly and indirectly affect the Net Asset Value. The value of loans may decrease if the market interest rate increases, while the ability of Borrowers to repay their loans might be affected by changes in interest rates.

The interest rate risk exposure of the Fund's portfolio at 31 December is as follows:

(all amounts in USD)	2023			Non-interest bearing	Total
	Less than 1 year	Between 1 and 5 years	Longer than 5 years		
Investments					
Loans	13,445,782	65,896,324	52,512,936	-	131,855,043
Swaps	-	-	-	(289,310)	(289,310)
Total investments	13,445,782	65,896,324	52,512,936	(289,310)	131,565,733

(all amounts in USD)	2022			Non-interest bearing	Total
	Less than 1 year	Between 1 and 5 years	Longer than 5 years		
Investments					
Loans	7,436,883	75,690,412	49,070,840	-	132,198,135
Swaps	-	-	-	233,073	233,073
Total investments	7,436,883	75,690,412	49,070,840	233,073	132,431,208

The effective interest rate type exposure of the Fund's portfolio at 31 December is as follows:

(all amounts in USD)	2023	2022
Interest rate type		
Fixed	47,223,287	53,855,240
Floating	84,631,756	78,342,895
Total as per 31 December	131,855,043	132,198,135

Credit risk

The Fund could lose money if the borrower of a loan or money market instrument, the counterparty or clearing house of a derivatives contract or repurchase agreement, a Depository or Prime Broker at which a deposit or other assets are held, or the counterparty in a securities lending agreement does not honour his obligations.

(all amounts in USD)	2023	2022
Credit rating		
BBB+	4,000,000	2,500,000
BBB	3,525,000	-
BBB-	13,294,118	8,782,353
BB+	8,914,322	12,936,914
BB	24,053,371	20,075,968
BB-	36,699,503	32,191,830
B+	13,464,885	19,127,888
B	13,683,289	10,752,503
B-	1,515,400	7,394,149
CCC	5,132,757	10,670,741
CCC-	-	900,000
CC	7,572,398	6,865,789
Total as per 31 December	131,855,043	132,198,135

The credit ratings of the portfolio are primarily based on the credit rating system used by the AIFM. The ratings from this system have been transferred to a Standard & Poor's equivalent which is shown in the table above. The credit rating used by FMO rates their investments from F1, which is the highest rating equal to Standard & Poor's AAA rating, to F20, equal to Standard & Poor's C rating.

As per 31 December 2023 the total provision amounts to USD 9,382,711 (2022: USD 9,169,091).

The Fund is also exposed to credit risk on its cash position held at ABN Amro Bank N.V. The Standard & Poor's credit rating for ABN AMRO Bank N.V. at 31 December 2023 is A (2022: A).

The amount that best represents the maximum credit risk of the Fund at 31 December 2023 is USD 158,970,897 (2022: USD 152,434,063).

Liquidity risk

Liquidity risk is the risk that the Fund is not able to meet the financial obligations associated with its financial instruments or redemptions by unitholders. Liquidity risk can, among others, occur from the inability to sell a financial asset in the short term for (an amount close to) its fair value.

The units of the fund are traded on a monthly basis. The fund invests in loans granted by FMO which cannot easily be transferred into liquid assets. The fund is therefore exposed to significant liquidity risk.

To mitigate liquidity risk, the Fund has the following measures in place:

Subject to certain terms and conditions Units can be redeemed monthly with 30 calendar days' notice prior to the relevant Settlement Date; and

- The AIFM can impose a gate of 2% of the Net Asset Value per Class per month in its sole discretion; and
- Most loans are amortizing, so payments are made by the borrowers on a regular and agreed basis.

Concentration risk

The Fund could be subject to significant losses if it holds a large position in a particular Investment that declines in value or is otherwise adversely affected. Lack of liquidity may aggravate such losses significantly. It may not always be possible to dispose of such Investments without incurring significant losses. Potential profits may not always be immediately realisable and may therefore be lost prior to realisation.

As the Fund will also primarily invest in loans granted by FMO, the Fund will also be reliant on the continuing services of FMO. If FMO for whatever reason would cease to be available for the provision and maintenance of the loans invested in by the Fund, this could materially affect the returns of the Fund.

Sustainability Risk

In each investment decision the relevant material sustainability risks are investigated using the following focus points:

- Policy and practices: Investigating if relevant sustainability risks to the investment are well covered by policies informs if all risks are sufficiently in scope and in control. If so, then the value of the investment may be less sensitive to the relevant sustainability risk than its peers.
- Incidents: If the sector or the investment experienced significant incidents regarding the relevant sustainability risk recently, this may inform the understanding of both the frequency of it occurring, as well as the investments readiness and quality of response. Better preparedness and a strong response mean the value of the investment may be less sensitive to the relevant sustainability risk than its peers.

This analysis will provide a low, average or high estimated sensitivity of the value of the investment to material sustainability risks. A high sensitivity does not automatically disqualify an investment from inclusion in the Fund, but this information will be included in the decision-making process.

Considering the sector focus of the Fund, the following sustainability risks are presumed to be likely material for the investments made by the Fund in the economic sector Financial Institutions, Energy, Agribusiness and Telecom as defined by SASB:

Commercial banks & Consumer Finance	Renewable Resources & Alternative Energy	Agricultural Products	Telecommunication Services
Data Privacy	Energy Management	GHG emissions	Energy Management
Data security	Water & Wastewater Management	Energy Management	Data Privacy
Access & Affordability	Product Design & Lifecycle management	Water & Wastewater Management	Data Security
Selling Practices & product Labeling	Materials Sourcing & Efficiency	Product quality & safety	Materials Sourcing & Efficiency
Product Design & Lifecycle management		Employee health & safety	Competitive behavior
Business ethics		Supply chain management	Systemic risk management
Systemic risk management		Materials Sourcing & Efficiency	

Monitoring of sustainability risks in the Fund

On a monthly basis, the predominant sustainability risks of the investments of the Fund are monitored. An update of the estimated sensitivity of the value of the investment to a sustainability risk might be triggered by a change in the policies and practices of the investment, or by a significant incident regarding the sustainability risk.

The material sustainability risk exposures and the concentration of high sensitivity investments in the Fund are part of the risk management policy of the Fund Manager.

Cross class risk

Notwithstanding that the units of the Fund may be issued in different classes, with separate accounting records, contributions, portfolio investments and investment results, the Fund is a single entity and the insolvency of the Fund would affect all issued units regardless of class, with the net assets attributable to each unit class available to satisfy the excess liabilities of another unit class.

Ongoing charges figure (OCF)

(all amounts in USD)	2023	2022
Average net asset value	156,461,762	152,415,037
Total ongoing expenses	1,831,493	1,726,863
Ongoing charges figure for the year	1.17%	1.13%

Turnover ratio's (TOR)

The turnover ratio for the Fund over the period 1 January 2023 until 31 December 2023 is 41 (2022: 36).

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 AIFM therefore qualify as related party transactions. The fees of the AIFM are disclosed in note 8.

The Privium Sustainable Impact Fund maintains an investment in Class A of the FMO Privium Impact Fund. Class A has been created to make sure that fund of funds managed by the AIFM (such as the Privium Sustainable Impact Fund) can invest in this Fund without Privium making money on both sides. The annual Management Fee for this separate share class will be 0.90 per cent. of the Net Asset Value of Class A, excluding (i.e. before deduction of) the accrued Management Fee, which will be paid in full by the AIFM to the Delegate, subject to any VAT (if applicable).

Class F Units will only be issued to persons that are employees of FMO and its subsidiaries and are living in the Netherlands at the time of such issue. Any such transactions will be at arm's length. In deviation other Share Classes of the Fund redemptions can only take place on a monthly with at least a six (6) months' notice period.

Core business and delegation

The following key tasks have been delegated 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 AIFM, the interim report and the financial statements of the Fund. For information on the fees of the Administrator refer to note 9.

Investment advisor/Delegate

FMO is the investment Management B.V. for the loan investments of FMO Privium Impact Fund. For information on the fees of the Investment Advisor/Delegate refer to note 8.

Related party transactions

FMO Investment Management B.V., the Investment Advisor/Delegate, is a subsidiary of FMO N.V. The fund is co-investing in loans that have been provided by FMO N.V. to its clients. The loans include senior and subordinated loans. FMO N.V. remains the lender of record. FMO Investment Management B.V. is making loan recommendations to the Fund Manager regarding which loans to include in the portfolio of the FMO Privium Impact Fund. FMO Investment Management B.V. has a clear allocation policy. This allocation policy provides a description of the allocation of FMO N.V. deal flow to investment funds, like the FMO Privium Impact Fund, to which FMO Investment Management B.V. provides investment advice.

Proposed appropriation of the result

The result for the period ended 31 December 2023 will be added to the Net asset value of the Fund.

Events after balance sheet date

As of the date of the completion of these Financial Statements FPIF's exposure to Ukraine is around 0.13% of NAV. The Fund has no exposure to Russia or Belarus. 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.

Next to that that developments in the Middle East are causing uncertainties too. Further escalation of the conflict is expected to dampen global growth. 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.

Other Information

Personal holdings of the Board of Directors of the AIFM

The Board of Directors of the AIFM had no interests or positions at 1 January 2023 and 31 December 2023 in investments the Fund held in portfolio at these dates.

Provisions on the appropriation of results

As referred to in Article 22 of the Terms & Conditions of the Fund, the AIFM may, as its sole discretion and at any time, decide to distribute any Net Proceeds. Distributions of Net Proceeds will be made in cash, in the Class Currency.

Independent Auditor's report

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

Independent auditor's report

Appendix I: Annex V Disclosure SFDR

Template periodic disclosure for the financial products referred to in Article 9, paragraphs 1 to 4a, of Regulation (EU) 2019/2088 and Article 5, first paragraph, of Regulation (EU) 2020/852

Product name: FMO Privium Impact Fund

Legal entity identifier: 724500QHNLXM39RBB475

Sustainable investment objective

Did this financial product have a sustainable investment objective?

Yes

No

It made **sustainable investments with an environmental objective: 37%**

in economic activities that qualify as environmentally sustainable under the EU Taxonomy

in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

It made **sustainable investments with a social objective: 85%**

It **promoted Environmental/Social (E/S) characteristics** and while it did not have as its objective a sustainable investment, it had a proportion of ___% of sustainable investments

with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy

with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

with a social objective

It promoted E/S characteristics, but **did not make any sustainable investments**

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852 establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.



To what extent was the sustainable investment objective of this financial product met?

Following FMO's impact strategy, the Fund aims to support the Sustainable Development Goals 8 (Decent Work and Economic Growth), 10 (Reduced Inequalities) and 13 (Climate Action). It does so by investing in loans to banks, businesses, and projects in emerging and frontier economies in the selected geographies and sectors. The Fund Manager, on behalf of the Fund, follows FMO's methodologies in how to evaluate and measure its contributions to the SDGs.

1: Decent Work and Economic Growth (SDG 8)

FMO deems all its investments in support of SDG 8 as all investments are based in emerging

economies, supporting both direct jobs as well as indirect jobs.

All of the Fund's loan investments therefore contribute to SDG 8 and to the Fund's social objective.

2: Reduced Inequalities (SDG 10)

A part of the loans also contributes to SDG 10 and receive a Reduced Inequalities label. SDG 10 addresses inequalities between countries (by supporting the Least Developed Countries or LDC's) and within countries (by supporting disadvantaged groups in the economy, such as small and medium sized enterprises, and is also connected to gender and equality of opportunity for women and men.




The Fund's target for investments contributing to this SDG and to the social objective is set at $\geq 30\%$ of the invested capital of the Fund.

3: Climate Action (SDG 13).

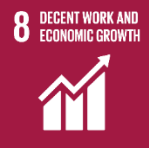


For Climate Action, FMO developed a green label. It is given to those investments that are aimed at reducing greenhouse gas emissions, increasing resource efficiency, preserving, and growing natural capital, and supporting climate adaptation. The "Green methodology" document, which is available on FMO's website, describes the Green criteria, eligible investments and the internal green labelling process.

The Fund's target for investments contributing to this SDG and to the environmental objective is set at $\geq 30\%$ of the invested capital of the Fund.

Specific impact targets have been defined per SDG and performance indicators have been attached in order to be able to measure and compare the defined targets. Please see the below table for additional information:

SDG	Target	Key Performance Indicator (KPI)	How is the impact being measured
	<p>Promoting economic growth that is a) sustained, b) inclusive and c) sustainable; and employment that is a) full, b) productive and c) decent.</p>	<p>The impact is being measured by the increased number of jobs supported (based on the Invested Capital of the Fund). All investments in our portfolio are considered to contribute to SDG 8.</p>	<p>This indicator comprises two components: 1) The number of employees (FTEs) working at the company – a figure that’s relatively easy to come by via the annual reports; 2) Indirect jobs created – this is based on an estimate based on the outcome of FMO’s Joint Impact Model (JIM). This is an input-output model in which the estimated impact of the investment on the chain is modelled. Together, these components form the outcome of the number of jobs supported.</p>
	<p>1) financing inclusive business that reduce inequalities within countries by expanding access to goods, services and/or increase livelihood opportunities on a commercially viable basis to people at the Base of the Pyramid by making them part of the companies' value chain of suppliers, distributors, retailers or customers; and 2) all investments made in low-income countries.</p>	<p>The impact is being measured by the percentage of inclusive businesses and by the percentage of low-income countries being supported (attributed to the Fund based on the invested capital of the Fund).</p>	<p>Investments which receive a Reduced Inequalities label (based on FMO's methodology) contribute positively towards SDG 10. Two tracks underlie the SDG 10 label: 1) investment in the poorest countries (reducing inequality among countries). This results in a 100% acknowledgement of the loan, and 2) investment in inclusive businesses (reducing inequality within countries) which may result in a percentage based on applicability of the underlying investment. These two tracks are combined in one target: a loan can acquire the Reduced Inequalities label by investing in a poorest country or in inclusive business.</p>
	<p>Providing finance to projects that reduce greenhouse gas emissions, increase resource efficiency, preserve and grow natural capital, support climate mitigation and climate adaptation in the region in which they operate.</p>	<p>The impact is being measured by increasing the percentage of the portfolio which has received a Green label, increasing the number of avoided CO₂ emissions and lowering the number of financed CO₂ emissions.</p>	<p>Investments which receive a Green label (based on FMO's methodology) contribute positively towards SDG 13. This includes finance to projects that reduce greenhouse gas emissions, increase resource efficiency, preserve and grow natural capital, support climate mitigation and climate adaptation.</p> <hr/> <p>Avoided CO₂ emissions: The greenhouses gas emissions avoided are calculated as the company’s or project’s anticipated CO₂ emissions compared against the most likely alternative. The required data is taken from independently verified documentation and is calculated as tons of CO₂ equivalents per year.</p> <hr/> <p>Financed CO₂ emissions: This number indicates the greenhouse gas emissions equivalent of tCO₂ and is measured for all investments in the portfolio according to the methodologies of the Partnership for Carbon Accounting Financials (PCAF).</p>

● **How did the sustainability indicators perform?**

	<p>Private business activity, investment and innovation are major drivers of productivity, inclusive economic growth and job creation.</p> <p>SDG 8 calls for promoting economic growth that is a) sustained, b) inclusive and c) sustainable; and employment that is a) full, b) productive and c) decent.</p> <p>All investments in our portfolio are considered to contribute to SDG 8. Impact is measured via the jobs supported indicator</p>	
<p>Percentage of invested capital supporting SDG 8</p>	<p>Key Performance Indicator Number of supported jobs</p>	
<p>100%</p>	<p>9,022</p>	
<p>2022 100%</p>	<p>2022 11,002</p>	
	<p>Investments which contribute to SDG 10 have received a Reducing Inequalities label. This label is applied via two tracks: 1) financing inclusive business that reduce inequalities within countries (e.g. investments made specifically in support of gender equality or smallholders) by expanding access to goods, services and/or increase livelihood opportunities on a commercially viable basis to people at the Base of the Pyramid by making them part of the companies' value chain of suppliers, distributors, retailers or customers; and 2) all investments made in low income countries.</p>	
<p>Percentage of invested capital supporting SDG 10</p>	<p>Key Performance Indicator Percentage of inclusive businesses</p>	<p>Key Performance Indicator Percentage of low-income countries</p>
<p>36%</p>	<p>24%</p>	<p>12%</p>
<p>2022 38%</p>	<p>2022 20%</p>	<p>2022 18%</p>
	<p>Investments which receive a Green label contribute positively towards SDG 13. This includes finance to projects that reduce greenhouse gas emissions, increase resource efficiency, preserve and grow natural capital, support climate mitigation and climate adaptation. Impact data is presented as avoided GHG emissions in eq of tons CO2 and emissions scope 3.</p>	
<p>Percentage of invested capital supporting SDG 13</p>	<p>Key Performance Indicator Avoided CO2 emissions (tCO2eq)</p>	<p>Key Performance Indicator Financed CO2 emissions (tCO2eq)</p>
<p>42%</p>	<p>29,928</p>	<p>90,521</p>
<p>2022 37%</p>	<p>2022 40,406</p>	<p>2022 91,268</p>

Sustainability indicators measure how the sustainable objectives of this financial product are attained.

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

● **...and compared to previous periods?**

See the table above

● **How did the sustainable investments not cause significant harm to any sustainable investment objective?**

The Fund considers principal adverse impacts of its investment decisions on sustainability factors as part of its investment due diligence process and procedures regarding the Fund. For sustainable investments this means ensuring that the investments do no significant harm to any environmental or social objective.

By mapping the Principal Adverse Impact from the SFDR legislation to FMO's extensive analysis of local and international environmental, social and human rights regulations, each investment is thoroughly screened on potential significant harm and excluded from FMO's portfolio and therefore the Fund's portfolio if the criteria are not met.

FMO requires, that all clients comply with applicable environmental, social and human rights laws in their home and host countries.

In addition, FMO upholds a number of (inter)national standards as included in FMO's Sustainability Policy and its Sustainability Policy Universe.

Subject to its applicability criteria, FMO also applies the Equator Principles which are based on the IFC Performance Standards. The IFC Performance Standards guide FMO's human rights due diligence with respect to clients. FMO requires clients to assess the likelihood and severity of impact on human rights as part of their assessment of social and environmental impact, and to implement mitigation measures in line with the IFC Performance Standards. As part of the Sustainability Policy Universe FMO has published several position statements including ones on Human Rights, and Gender which aim to further clarify FMO's views and actions

— **How were the indicators for adverse impacts on sustainability factors taken into account?**

By mapping the Principal Adverse Impact framework to FMO's extensive analysis of local and international environmental, social and human rights regulations, each investment is thoroughly screened on potential significant harm and excluded from FMO's portfolio and therefore the Fund's portfolio if the criteria are not met.

— **Were sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?**

With respect to the management of environmental and social impact, the primary standards that guide FMO's relationship with clients are the IFC Environmental

and Social Performance Standards and the associated World Bank Group Environmental Health and Safety Guidelines. They cover the larger part of the ESG requirements in the OECD Guidelines on Multinational Enterprises, which also reference the UN Guiding Principles on Business and Human Rights.

In addition, to complete the analysis on the Principal Adverse Impacts, each holding was investigated on breaches of the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights. No breaches were found per December 31, 2023



How did this financial product consider principal adverse impacts on sustainability factors?

The Fund considered principal adverse impacts of its investment decisions on sustainability factors as part of its investment due diligence process and procedures. For sustainable investments this means ensuring that the investments do no significant harm to any environmental or social objective. By mapping the Principal Adverse Impact framework to FMO's extensive analysis of local and international environmental, social and human rights regulations, each investment is thoroughly screened on potential significant harm and excluded from FMO's portfolio and therefore FPIF's portfolio if the criteria are not met. The Fund's PAI statement, available on its website, contains a detailed explanation of the PAIs considered, collected and reported on.



What were the top investments of this financial product?

These percentages are based on the average loan client exposures during the year 2023.

Largest investments	Sector	% Assets	Country
AK Lease	Financial	2.82%	Turkey
Banco de America Central	Financial	2.59%	Guatemala
Access Bank	Financial	2.58%	Nigeria
First City Monument Bank	Financial	2.57%	Nigeria
Financiera Finexpar	Financial	2.56%	Paraguay
Agrofertil	Agri, Food and	2.56%	Paraguay
JSC Bank of Georgia	Financial	2.45%	Georgia
Agri Commodities & Finance	Agri, Food and	2.42%	United Arabian Emirates
Capella Solar	Energy	2.40%	El Salvador
Polaris Energy	Energy	2.37%	Nicaragua
Al Husainiyah Power	Energy	2.35%	Jordan
LAAD Americas	Financial	2.35%	Curaçao
Ecom Agroindustrial	Agri, Food and	2.31%	Switzerland
Banco de la Produccion	Financial	2.29%	Ecuador
Transmission de Electricidad	Energy	2.25%	Guatemala

The list includes the investments constituting the greatest proportion of investments of the financial product during the reference period which is: January 1, 2023 – December 31, 2023

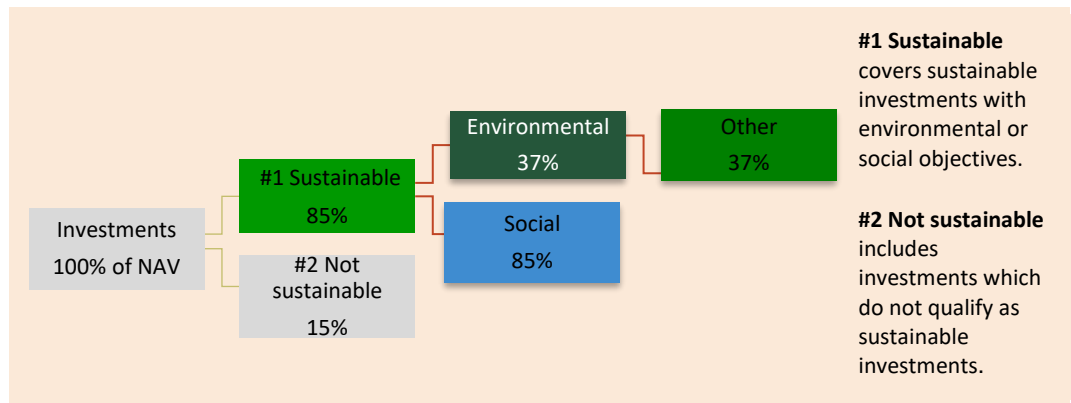


What was the proportion of sustainability-related investments?

● What was the asset allocation?

Of the Fund's Net Asset Value (NAV) per the end of 2023, 85% of its assets were sustainability-related. The remaining 15% was held in cash and currency hedges to facilitate efficient portfolio management. Therefore, 100% of the fund's invested capital was held in sustainable investments.

All of the 85% sustainable investments had a social focus while 37% also had an environmental focus. None of the environmentally focussed investments were taxonomy aligned.



● In which economic sectors were the investments made?

The Fund invested in three focus sectors of FMO, i.e. financial institutions, energy, agribusiness.



To what extent were sustainable investments with an environmental objective aligned with the EU Taxonomy?

In its investment selection, FPIF did not target a specific EU taxonomy alignment. As all of FMO's loans are made outside the EU and in emerging markets, none of its counterparties are currently reporting their Taxonomy eligibility or alignment. Therefore FMO, and subsequently the Fund currently reports that 0% of its investments are Taxonomy eligible.

● Did the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy¹?

Yes:

In fossil gas In nuclear energy

No

Asset allocation describes the share of investments in specific assets.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to fully renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective

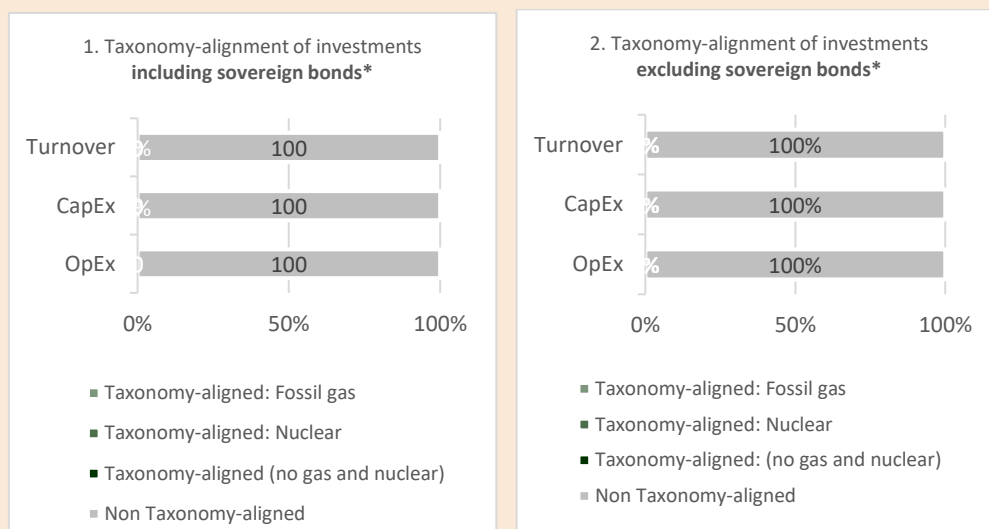
Transitional activities are economic activities for which low-carbon alternatives are not yet available and that have greenhouse gas emission levels corresponding to the best performance.

Taxonomy-aligned activities are expressed as a share of:


- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

¹ Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change (“climate change mitigation”) and do no significant harm to any EU Taxonomy objective – see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214

The graphs below show in green the percentage of investments that were aligned with the EU Taxonomy. As there is no appropriate methodology to determine the taxonomy-alignment of sovereign bonds, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.*



**For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures*

 are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

● **What was the share of investments made in transitional and enabling activities?**

In its investment selection, FPIF did not target a specific EU taxonomy alignment. The Fund did not make investment in transitional and enabling activities as defined by the EU Taxonomy.

● **How did the percentage of investments aligned with the EU Taxonomy compare with previous reference periods?**

Over 2022 as well as 2023, the Fund did not make any EU Taxonomy aligned investments.



What was the share of sustainable investments with an environmental objective that were not aligned with the EU Taxonomy?

100% of the Fund’s investments with an environmental objective per December 31, 2023 were not aligned with the EU Taxonomy

Reference benchmarks are indexes to measure whether the financial product attains the sustainable objective.



What was the share of socially sustainable investments?

100% of the Fund's sustainable investments have a social objective. Of the Fund's total NAV per December 31, 2023 that was 85%.



What investments were included under “not sustainable”, what was their purpose and were there any minimum environmental or social safeguards?

Investments included under #2 are Cash and currency hedging products. These are used only for efficient portfolio management purposes and are held at the Fund's clearing bank. Minimum safeguards are ensured by the fact that this is an internationally established and properly regulated entity with strong corporate policies on both environmental and social issues.



What actions have been taken to attain the sustainable investment objective during the reference period?

For each investment, FMO assesses the environmental, social and governance risks, and identifies where improvements can and should be made. If deemed necessary, an Environmental and Social Action Plan (ESAP) is agreed upon before contracting and becomes part of the financing conditions which are legally binding. Compliance with and material completion of the ESAP is considered by the Fund before making an investment decision.

FMO accepts that when it first starts working with a borrower, the ESG performance may be below standard. FMO does, however, expect performance to improve over time in line with agreed action plans. Most borrowers show good progress towards these plans. FMO works with these borrowers to address such gaps, in order to fully realize their positive impact potential. The Fund accepts new participations in FMO loans when progress has been demonstrated sufficiently on the most material PAIs and therefore does not do any significant harm to an environmental or social objective.

FMO is making progress towards gathering more data points which are also relevant for example for capturing climate risk and its path towards Paris alignment. If data is not directly available from the borrower, information may be modelled for example via the Joint Impact Model (JIM), or information may be gathered via third party providers. In section A of this document per PAI the data source is explained and reference, including weblinks, is made where necessary to underlying models, methodologies or third-party providers (when available).

The JIM measures indirect jobs supported of the investments and the footprint effects of such investments. It calculates how a capital investment is expected to influence production, economic growth, jobs and greenhouse gas emissions in a

country. The JIM uses macroeconomic and greenhouse gas emission databases, giving fair estimations – based on historic country averages –of the impact of FMO’s investments on the economy and GHG emissions levels of a country. The JIM is a portfolio-level tool that relies on modelling, using statistics reflecting sector and country averages. Impact results from the JIM can be considered robust at the portfolio level



How did this financial product perform compared to the reference sustainable benchmark?

The Fund does not compare its performance on sustainability to a benchmark.

Independent auditor's report

To: the Participants and the Fund Manager of FMO Privium Impact Fund

Report on the audit of the financial statements 2023 included in the annual report

Our opinion

We have audited the financial statements for the financial year ended 31 December 2023 of FMO Privium 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 FMO Privium Impact Fund as at 31 December 2023 and of its result for 2023 in accordance with Part 9 of Book 2 of the Dutch Civil Code.

The financial statements comprise:

- The balance sheet as at 31 December 2023
- The profit and loss statement for 2023
- 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 of FMO Privium Impact Fund (the Fund) in accordance with the Wet toezicht accountantsorganisaties (Wta, Audit firms supervision act), 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.

Information in support of our opinion

We designed our audit procedures in the context of our audit of the financial statements as a whole and in forming our opinion thereon. The following information in support of our opinion and any findings were addressed in this context, and we do not provide a separate opinion or conclusion on these matters.

Our focus on fraud and non-compliance with laws and regulations

Our responsibility

Although we are not responsible for preventing fraud or non-compliance and we cannot be expected to detect non-compliance with all laws and regulations, it is our responsibility to obtain reasonable assurance that the financial statements, taken as a whole, are free from material misstatement, whether caused by fraud or error.

Our audit response related to fraud risks

We identified and assessed the risks of material misstatements of the financial statements due to fraud. During our audit we obtained an understanding of the Fund and its environment and the components of the system of internal control, including the risk assessment process and management's process for responding to the risks of fraud and monitoring the system of internal control, as well as the outcomes. We refer to the section Risk management and willingness to take risks of the annual report for management's risk assessment after consideration of potential fraud risks.

We evaluated the design and relevant aspects of the system of internal control and in particular the fraud risk assessment. We evaluated the design and the implementation of internal controls designed to mitigate fraud risks.

As part of our process of identifying fraud risks, we evaluated fraud risk factors with respect to financial reporting fraud, misappropriation of assets and bribery and corruption. We evaluated whether these factors indicate that a risk of material misstatement due to fraud is present. We incorporated elements of unpredictability in our audit. We also considered the outcome of our other audit procedures and evaluated whether any findings were indicative of fraud or non-compliance.

We addressed the risks related to management override of controls, as this risk is present in all companies. For these risks we have performed procedures among other things to evaluate key accounting estimates for management bias that may represent a risk of material misstatement due to fraud, in particular relating to important judgment areas and significant accounting estimates as disclosed in the section Estimates and assumptions of the notes to the financial statements. We have also used data analysis to identify and address high-risk journal entries and evaluated the business rationale (or the lack thereof) of significant extraordinary transactions, including those with related parties. We did not identify a risk of fraud in revenue recognition, other than the risks related to management override of controls.

We considered available information and made enquiries of the Fund Manager and relevant employees of the Fund Manager and service provider.

The fraud risk(s) we identified, enquiries and other available information did not lead to specific indications for fraud or suspected fraud potentially materially impacting the view of the financial statements.

Our audit response related to risks of non-compliance with laws and regulations

We performed appropriate audit procedures regarding compliance with the provisions of those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. Furthermore, we assessed factors related to the risks of non-compliance with laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general industry experience, through discussions with the Fund Manager, reading minutes, and inspection of compliance reports, and performing substantive tests of details of classes of transactions, account balances or disclosures.

We have been informed by the Fund Manager that there was no correspondence with regulatory authorities and remained alert to any indication of (suspected) non-compliance throughout the audit. Finally, we obtained written representations that all known instances of non-compliance with laws and regulations have been disclosed to us.

Our audit response related to going concern

As disclosed in the section Going concern of the notes to the financial statements, the financial statements have been prepared on a going concern basis. When preparing the financial statements, the Fund Manager made a specific assessment of the Fund's ability to continue as a going concern and to continue its operations for the foreseeable future.

We discussed and evaluated the specific assessment with the Fund Manager exercising professional judgment and maintaining professional skepticism. We considered whether Fund Manager's going concern assessment, based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, contains all relevant events or conditions that may cast significant doubt on the Fund'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.

Based on our procedures performed, we did not identify material uncertainties about going concern. 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 Fund to cease to continue as a going concern.

Report on other information included in the annual report

The annual report contains other information in addition to the financial statements and our auditor's report thereon.

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 for the management report and the other 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 Fund Manager is responsible for the preparation of the other information, including the management 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 regarding the financial statements

Responsibilities of the Fund 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, the Fund Manager is responsible for assessing the Fund's ability to continue as a going concern. Based on the financial reporting framework mentioned, the Fund Manager should prepare the financial statements using the going concern basis of accounting unless the Fund Manager either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so. The Fund Manager should disclose events and circumstances that may cast significant doubt on the Fund'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. The Information in support of our opinion section above includes an informative summary of our responsibilities and the work performed as the basis for our opinion. 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 Fund's internal control
- Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Fund Manager
- 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

Communication

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.

Amsterdam, 14 June 2024

Ernst & Young Accountants LLP

signed by R.R.H. Gosen