



Don't take any unnecessary risks.

Lower risk ← Typically lower rewards | Typically higher rewards → Higher risk

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Risk indicator

Read the Key Investor Information Document.

THIS IS A MANDATORY ANNOUNCEMENT

The year 2021 was a year of economic recovery and learning to live with a new global virus. The improved economic conditions and the accommodative monetary policy supported good investment results. The introduction of European legislation and regulations last year provided further clarification on what can and cannot be called a sustainable investment. Under this legislation, the Privium Sustainable Impact Fund will be a sustainable investment fund that meets the relevant requirements. The impact report of the Privium Sustainable Impact Fund (the Fund) discusses how the Fund has a positive effect in many areas.

Impact investing continued to grow in the past year as well. The Fund's equity rose sharply to EUR 654 million. New funds and impact themes were added to the portfolio. HydrogenOne and the Schrodgers Social Impact Fund are some of these new impact investment funds. One of the companies in the Schrodgers fund is combating the negative effects of increased energy prices which will be discussed in more detail in one of the case studies.

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

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

Impact results 2021



1,008 student loans



Renewable energy produced equivalent to 101,050 households



126,633 entrepreneurs financed



CO₂ emissions equal to 84,303* cars avoided

Most current data per December 2021

* Increase partially related to 2020 (Covid year) emission data in the calculation

An affordable and clean energy transition for all

More clean energy is needed to continue to meet our energy demand in a responsible manner. However, it has become clear in recent years that this is not just a matter of building more windmills and solar parks.

Not all countries can switch to renewable energy at the same pace. In addition, more sustainable energy is not by definition better for our energy infrastructure or industry and transport. A lot still needs to be done in the coming years to prevent these market segments from falling behind in the energy transition.

All these changes also bring fluctuations in the energy price and new rules for consumers. Another group that can fall behind if their situation is not considered.

The energy transition will bring about changes throughout the value chain, but with smart investments and good collaboration, these changes will ultimately result in a future-proof, affordable and clean energy mix for everyone.

The impact themes:

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

For the implementation of the indicators, the Fund uses information from the underlying funds. For example, within the education segment, the funds keep track of the percentage of students coming from countries with a low gross national product. By paying particular attention to students from these types of countries when providing student loans, SDG 10: Reducing Inequality is supported. Where the reporting date of a fund deviates, the most up-to-date data is used. An overview of the impact measurement process can be found on the last page of the report.



Financial inclusion

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



Education

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



Renewable energy

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



Social impact

By tackling challenges such as care, juvenile delinquency, unhealthy living environments, homelessness and energy poverty as directly as possible, persistent social inequalities can be reduced and a positive effect on people's lives and society can be achieved.

Active since Q4 2021 No data available yet



Natural capital

Our global natural capital, including geology, soil, air, water and all living things, is under pressure. Protecting and regenerating soil and water quality and areas with biodiversity contributes to reversing this trend.

Active since Q4 2021 No data available yet

Impact developments 2021

Thanks to the growing fund assets, the Fund was once again able to include several unique and innovative investments in its portfolio this year. In particular, the renewable energy theme has been expanded with projects in Europe, the US and Asia. In addition, an allocation to battery storage and hydrogen technology has been included. Two new impact themes were also added at the end of the year: Natural capital and Social impact. There was also a recovery in the financial inclusion funds as emerging economies reopen and corona measures ease.



Recovery in financial inclusion post-corona

The financial inclusion funds in the Fund have almost all been able to release their full corona provision and have seen applications for new loans pick up again.



Energy storage

New renewable energy funds focus on energy savings and efficiency. Greening existing infrastructure and adapting the energy grid gives renewable energy more opportunities.



Social impact

High energy prices in 2021 will have significant social impacts for low-income people. Projects against energy poverty are part of the new theme Social impact



Natural capital

We make use of a complex ecosystem. However, pollution and excessive use are taking their toll. In the theme Natural capital, investments are made that work on the management and conservation of land, forests, water and biodiversity.



Financial inclusion impact result 2021



68%

Female borrowers

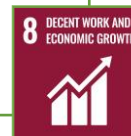


Entrepreneurship is an important route to financial independence and a better future. This certainly applies to women in emerging countries where only about 17% own their own company. Institutional limitations, but also a lack of knowledge and financing mean that female entrepreneurs experience major barriers when setting up and growing their own business. The underlying funds operating in the Financial Inclusion segment provided 68% of the loans made with the Fund's investment to women.

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

126,633

Loans to
entrepreneurs



Small entrepreneurs create jobs and support the economic development of their communities. In emerging countries, they provide 7 out of 10 jobs and 40% of the national income. But these entrepreneurs often find it difficult to obtain financing. There are an estimated 65 million medium and small companies in emerging countries that do not have enough capital to grow. With the investments of the Fund, the underlying funds provided loans to 126,633 entrepreneurs in emerging countries.

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

56%

Rural borrowers



Economic development in emerging countries is usually not smooth. Urban areas or regions with specific economic benefits are developing faster than rural areas. This can lead to large differences in prosperity. 56% of the loans provided by underlying funds operating in the Financial Inclusion segment were to borrowers in rural areas.

Goal 10: Reduce inequality within and between countries.

Case study



Affordable housing supports multiple impact goals

The Triodos Microfinance Fund (TMF) is one of the first and largest investments in the Fund and has built up an impressive impact history in its thirteen years of existence. TMF often leads the way in making financial products available to disadvantaged groups, achieving a combination of impact goals. Through a loan to La Hipotecaria, a low-income mortgage lender in El Salvador, a safe, high-quality and energy-efficient home becomes available for thousands of families.

Inadequate housing is a common problem in El Salvador's cities and towns. Continued migration to urban areas will exacerbate the situation and access to mortgages for certain groups is limited. La Hipotecaria tackles this challenge and focuses on the low- and lower middle-income population who are not or insufficiently served by the traditional mortgage lenders.

Home ownership is an important way to build wealth, especially among low-income households and minority groups. With responsible and sustainable mortgages, homeowners can stabilize their monthly housing costs and build up equity, but also give their families a safe and stable basis.

La Hipotecaria has agreements with construction companies to develop projects for its customer base and

to realize high-quality housing in and near urban areas.

Recently, La Hipotecaria financed its first residential project with 350 homes that use solar panels to provide each home with 30% of the energy it needs.

In addition to the financial impact result of stability, inclusiveness in financial services and security, a broader social and even environmental impact can be achieved by extending mortgage loans to disadvantaged groups.

Text courtesy of [Triodos Investment Management](#)

Picture courtesy of [La Hipotecaria](#)





Education impact result 2021

1,008

Student loans



Access to affordable and quality education is a prerequisite for participation in the economy and an indispensable link in the economic development in a country. However, there are many barriers to students including poverty, crisis and emergencies, high tuition fees, exclusive entrance exams, geographic mobility and institutional discrimination. In 2021, the underlying funds held 1,008 student loans attributable to the Fund's investment.

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

96%

Students from
developing countries



Lack of education contributes to maintaining and even increasing economic and social inequalities. In emerging countries, education is often not available or affordable for large parts of the population. Inequalities can be reduced by lending to students in these countries. 96% of student loans provided through the underlying funds went to students from developing countries¹.

Goal 10: Reduce inequality within and between countries.

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

Case study



Green hydrogen accelerates the energy transition

In addition to the production of more renewable energy, storage and efficient delivery to the energy grid is also an important condition for the success of the energy transition. Also, the necessary greening still needs to be done in industry, transport and other polluting sectors. The Fund invested in HydrogenOne Capital this year. This listed fund was launched in 2021 to develop clean hydrogen projects for energy storage and decarbonization of industry.

The endorsement of sustainable goals by governments and industries around the world, as well as the growing share of renewable energy sources in the energy mix, have led to an urgent need for energy storage.

Clean hydrogen helps with the volatility of renewable energy sources by converting electricity into a storable, usable gas that can be supplied back to the energy grid in times of underproduction. In addition, it can also replace fossil fuels and 'grey hydrogen', reduce greenhouse gas emissions and improve air quality through applications in industry and transport.

The combustion of hydrogen only releases water vapor, but the production process determines how sustainable the hydrogen really is. Hydrogen made from gas or coal is called gray or black hydrogen. This type of hydrogen

has been used for years but is very polluting because the CO₂ and CO released during the production process is not captured. Hydrogen in which the harmful substances are collected, and stored underground is called blue hydrogen.

However, both production processes are not fully sustainable because harmful substances are formed, and the raw material is a fossil fuel. Green hydrogen - also known as 'clean hydrogen' - is produced by using clean excess energy from renewable sources to split water into two hydrogen atoms and one oxygen atom through a process called electrolysis. Renewable energy that would otherwise be lost because there is no space on the energy grid can be stored and transported.

Many investments are still needed for the further development and application of green hydrogen and the required infrastructure. HydrogenOne selects promising companies and projects and helps them to scale up.

Text courtesy of [HydrogenOne Capital Growth](#)

Photo courtesy of [hpgruesen](#) via Pixabay



Renewable energy impact results 2021



278,899
MWh

Renewable energy
generated



More clean energy is needed to be able to continue to meet our energy demand in a responsible manner. In 2021 the underlying funds generated or discharged from storage 278,899 MWh of renewable energy that was attributable to the investments of the Fund. Based on the average Dutch electricity consumption¹, this is equal to the annual consumption of 101,050 homes.

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

246
MW

Renewable
generation and
storage capacity



The phasing out of fossil energy requires investments in sustainable generation capacity, new technology and energy infrastructure. To make our energy supply future-proof, more sustainable and cleaner, the amount of sustainable energy generation and storage capacity must be expanded. 246 MW of the renewable generation and storage capacity that the underlying investments were managing at the end of 2021 is attributable to the Fund.

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

125,732
tonnes

CO₂ emissions
avoided



The more CO₂ emissions that can be avoided, the more this contributes to limiting the effects of climate change. Based on the energy mix in the region where they operate, the underlying investments of the Fund determine how many tonnes of CO₂ emissions have been avoided thanks to their sustainable energy generation. More than 125,732 tonnes of this was attributable to the investments of the Fund in 2021. Based on the annual emissions of passenger cars on Dutch roads², this equates to 84,303 cars.

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

Case study



Energy poverty, the adverse impact of high energy prices

High energy prices are often good news for energy producers who sell their production on the free market. The downside of this is higher costs for consumers. For example, in the United Kingdom (UK) where approximately 3 million households are faced with energy poverty. A household in the UK is energy poor when its disposable income after deduction of energy costs falls below the poverty line.

to combat energy poverty, such as ECO (Energy Company Obligation, a scheme that obliges energy companies such as Shell and E.ON to upgrade a certain number of homes) and several other national and local schemes. With these funds, AgilityEco carries out various programs in collaboration with energy companies, suppliers and installers.

The Fund has an indirect interest in the share capital of the British company AgilityEco through the Schroders Big Society Capital Fund. This is a social enterprise with the mission to make a significant contribution to reducing energy poverty. AgilityEco is targeting anyone experiencing or at risk of energy poverty. This may include families with working parents, single elderly people with a low income or people with disabilities.

There are several factors that influence energy poverty, namely: income, energy efficiency and energy prices. This last part is of course very topical, given the sharply rising energy prices. Rising prices in the UK could add hundreds of thousands of households to the group experiencing energy poverty.

AgilityEco offers, among other things, free assistance to improve energy efficiency and reduce energy costs by making houses more energy efficient, help with choosing a cheaper electricity supplier, switching to more efficient appliances, improving energy use awareness and emergency assistance when heating systems stop working.

AgilityEco uses several state and local government funds

Picture courtesy of [fietzfotos](https://www.fietzfotos.com/) via Pixabay



The impact reporting process

1 Map the SDGs to the segments in which the Fund invests

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

2 Select indicators to measure the impact on each SDG

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

3 Determine the interest of the Fund in each underlying investment

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

4 Collect the necessary indicators from the underlying funds

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

5 Determine the total result of the Fund

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

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

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

Key facts Privium Sustainable Impact Fund

Investment Objective: The Fund invests in a diversified portfolio of listed and unlisted investment funds, companies and fixed income instruments. The goal is to make investments into companies, organizations, vehicles and funds with the intent to contribute to measurable positive social, economic and environmental impact alongside financial returns. The Fund is actively managed and does not have a benchmark index.

Management fee 0.30% per annum

Ongoing Charges Figure* 1.05% per annum

Minimum subscription EUR 100,-

Inception August 1, 2014

Fund manager Privium Fund Management B.V.

Investment Advisor ABN Amro Investment Solutions

Reference index Euribor + 2% per annum

Currency EUR

ISIN code NL0010763587

Website www.psif.nl

Administrator

Bolder Fund Services (Netherlands) B.V.

Custodian

ABN AMRO Clearing Bank N.V.

Depository

Darwin Depository Services B.V.

Auditor

EY - Ernst & Young LLP

Legal & Fiscal advisor

Van Campen Liem

Trading

Monthly

Subscription notice

Before the 25th of the prior month

Redemption notice

One month

* including underlying investments

Risk factors

The investments made by the Fund carry several risk factors. A limited number are listed below. See the prospectus for a more detailed overview of the risk factors.

- Illiquidity of the underlying investments
- Economic and political risk of emerging markets
- Counterparty risk
- Inflation risk

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Disclaimer:

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