

ANNEX III

Template pre-contractual 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: Privium Sustainable Impact Fund Legal entity identifier: 7245005GW2KB8L5LCM75

Sustainable investment objective

Does this financial product have a sustainable investment objective?

<div><div><div></div><div></div></div><div><div></div><div></div></div><div>Yes</div></div>	<div><div><div></div><div></div></div><div><div></div><div></div></div><div>No</div></div>
<div><div><div></div><div></div></div><div>It will make a minimum of sustainable investments with an environmental objective: 20 %</div><div><div><div></div><div></div></div><div>in economic activities that qualify as environmentally sustainable under the EU Taxonomy</div></div><div><div><div></div><div></div></div><div>in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</div></div></div>	<div><div><div></div><div></div></div><div>It promotes Environmental/Social (E/S) characteristics and while it does not have as its objective a sustainable investment, it will have a minimum proportion of ____% of sustainable investments</div><div><div><div></div><div></div></div><div>with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy</div></div><div><div><div></div><div></div></div><div>with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</div></div><div><div><div></div><div></div></div><div>with a social objective</div></div></div>
<div><div><div></div><div></div></div><div>It will make a minimum of sustainable investments with a social objective: 20 %</div></div>	<div><div><div></div><div></div></div><div>It promotes E/S characteristics, but will not make any sustainable investments</div></div>

The fund invests 100% of its Invested Capital in sustainable investments with either an environmental or a social objective.

There is no specific index designated as a reference benchmark to meet the Fund’s sustainable investment objective.



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






What is the sustainable investment objective of this financial product?






The objective of the Privium Sustainable Impact Fund (PSIF) is to achieve positive and measurable impact alongside long term capital growth by making sustainable impact investments. The Fund invests in a diversified portfolio of listed and unlisted Investment Funds, Investee Companies and fixed income instruments with the intent to contribute to measurable positive social, and environmental impact alongside financial returns.

● **What sustainability indicators are used to measure the attainment of the sustainable investment objective of this financial product?**

PSIF has a multi-thematic approach, meaning an investment is categorized under a main ESG theme. The ESG themes currently being targeted are: *Social Objectives* - Financial Inclusion, Education and Social Impact; *Environmental Objectives*-Renewable Energy and Natural Capital.

Each theme contributes to several UN Sustainable Development Goals (SDGs). The impact of the Fund is measured on each SDG using impact key performance indicators. The table below provides an overview of the SDG target, its Key Performance Indicator and the way the impact is measured.

Financial Inclusion (covering investments with a social objective)		
SDG	Target	Key Performance Indicator (KPI)
	Increase gender equality and empower women and girls by facilitating access to finance for women	The % loans to women (based on the Invested Capital of the Fund)
	Increase sustained, inclusive and sustainable economic growth, full and productive employment and decent work	The impact is being measured by the number of entrepreneurs financed (based on the Invested Capital of the Fund).
	Reduce the development gap between urban and rural communities in developing economies by increasing the number of loans to borrowers in rural areas	The % loans to borrowers in rural areas (based on the Invested Capital of the Fund)
Education (covering investments with a social objective)		
SDG	Target	Key Performance Indicator (KPI)
	Ensure inclusive and equitable quality education and promote lifelong learning opportunities by providing loans to underprivileged students Due to the fact that the related investment structure will mature over time as the loans will be paid off, the number of loans will decrease.	The number of loans being provided to students (based on the Invested Capital of the Fund)
	Reduce inequality within and among countries by increasing the number of students from developing economies that gaining access to education. Due to the fact that the related investment structure will mature over time as the loans will be paid off, the number of loans will decrease.	The % of loans being provided to students from non-high-income countries (based on the Invested Capital of the Fund)

Renewable Energy (covering investments with an environmental objective)		
SDG	Target	Key Performance Indicator (KPI)
	Ensure access to affordable, reliable, sustainable and modern energy by increasing the share of renewable energy in the global energy mix	The number of MWh (megawatt-hour) renewable energy generated or stored (based on the Invested Capital of the Fund)
	Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation by increasing the construction of renewable energy capacity and related infrastructure	The number of MW (megawatt) renewable energy generation or storage capacity installed (based on the Invested Capital of the Fund)
	Take urgent action to combat climate change and its impacts by avoiding CO ² emissions from fossil fuel by investing in renewable energy and CO ² -saving projects	The number of eCO ² emissions avoided (based on the Invested Capital of the Fund)
Natural Capital (covering investments with an environmental objective)		
SDG	Target	Key Performance Indicator (KPI)
	Ensure sustainable management of water and sanitation by responsibly managing waterways in invested natural capital projects.	Kilometres of sustainably managed watercourses. (based on the Invested Capital of the Fund)
	Take urgent action to combat climate change and its impacts by avoiding CO ² emissions by investing in natural capital projects	Portfolio sequestration of tonnes CO ² e. (based on the Invested Capital of the Fund)



Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss by investing natural capital projects

Number of hectares of sustainably managed land area (based on the Invested Capital of the Fund)

Social Impact (covering investments with a social objective)		
SDG	Target	Key Performance Indicator (KPI)
	Reduce inequalities on a local level by providing disadvantaged people with essential services	Number of people provided with essential services (based on the Invested Capital of the Fund)
	Make cities and settlements inclusive, safe, resilient and sustainable by providing safe, affordable housing and basic services to disadvantaged people.	Number of disadvantaged people provided with affordable, quality homes (based on the Invested Capital of the Fund)

How do sustainable investments not cause significant harm to any environmental or social sustainable investment objective?

How have the indicators for adverse impacts on sustainability factors been taken into account?

The investment process takes principal adverse impact on sustainability factors into account. PSIF is addressing the PAIs as follows:

- Negative screening/exclusions
- Positive screening/investment objective alignment/SDG alignment
- Quality investigation (of the manager's commitments, reporting, targets, policies)

Depending on the underlying investment and ESG theme, different aspects are considered. The table below is not exhaustive and may change over time.

<i>Principal adverse indicator</i>	<i>Investee companies / assets/ projects</i>	<i>Renewable energy and natural capital funds</i>	<i>Financial inclusion funds</i>	<i>Social impact funds</i>	<i>Education notes</i>
GHG emissions	<p>1. GHG Emissions</p> <p>2. Carbon footprint</p> <p>3. GHG intensity of investee companies</p> <p>4. Exposure to companies active in the fossil fuel sector</p> <p>5. Share of non-renewable energy consumption and production</p> <p>6. Energy consumption intensity per high impact climate sector</p>	<p>Exclusion: Non-taxonomy aligned fossil fuel energy generating assets.</p> <p>Positive screening: Share of renewable energy, energy efficiency and energy storage assets and other climate mitigation assets.</p> <p>Quality Investigation: Does the fund consider end-of-life in the investment process?</p> <p>This is indirectly considered through CO² avoided.</p> <p>Exclusion: Non-taxonomy aligned fossil fuel energy generating assets.</p> <p>Exclusion: Non-taxonomy aligned fossil fuel energy generating assets.</p> <p>Usually not applicable, as focus is on climate mitigating investments.</p>	<p>For Financial inclusion, where main aim is to reduce poverty, GHG emissions become of second-hand order. Nevertheless, some minimum safeguards need to be in place.</p> <p>Exclude: Non-taxonomy aligned fossil fuel generating assets.</p> <p>Quality Investigation: does the fund consider CO₂/GHG emissions related to e.g. agricultural lending or small & mid-size enterprises lending?</p>	Same as for Financial inclusion funds.	Not applicable: Education notes is about financing students' education, therefore deemed not to have any significant adverse impact on environment.
Biodiversity	7. Activities negatively affecting biodiversity-sensitive areas	<p>Quality investigation: biodiversity and waste.</p> <p>Is biodiversity assessed and/or</p>	Financial inclusion funds invest in financial institutions, which in turn may lend	Same as for renewable energy funds.	Same as above.

		verified by a third party.	to activities which impact biodiversity and waste, such as agriculture.		
Water	8. <i>Emissions to water</i>	Quality investigation: if applicable, does the fund include it in operations and can measure it.	Quality investigation: Does the fund consider biodiversity, water and waste?	Same as for renewable energy funds.	
Waste	9. <i>Hazardous waste ratio</i>	Quality investigation: Does the fund consider end-of-life in the investment process?		Same as for renewable energy funds.	
Social and employee matters	10. <i>Violations of UN Global Compact principles and OECD Guidelines for Multinational Enterprises</i>	Exclude: Non-UNPRI signatories Quality investigation: does the fund follow the OECD guidelines?	By nature, Financial Inclusion funds focus on lending to women ratio, urban/rural ratio and job creation in a fair manner. Exclude: Non-UNPRI signatories	Same as for renewable energy funds.	Student loans aim to lend to students without any other financing options. Therefore, it is deemed there will be no violations to these principles.
	11. <i>Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises</i>	Exclude: Non-UNPRI signatories Quality investigation: does the fund follow the OECD guidelines?	By nature, Financial Inclusion funds focus on lending to women ratio, urban/rural ratio and job creation in a fair manner. Exclude: Non-UNPRI signatories	Same as for renewable energy funds.	Same as above.
Social and employee matters	12. <i>Unadjusted gender pay gap</i>	Usually funds invest directly into an infrastructure asset. Gender pay gap is potentially relevant for the operations and maintenance contractor, but usually not for the fund. Engage when relevant.	Could be relevant when the financial inclusion fund is assessing the target lending institution. In principle, these are of secondary order to the aim to reduce poverty and create more jobs. However, poverty reduction and job creation	Social impact funds can invest in a diverse set of projects from social housing (real estate) to social outcome contracts. Many social impact investments aim to	Not applicable - While gender is an important factor, pay gap is not relevant for single students.

			<p>should come at no significant adverse impact on diversity. Therefore, PSIF requires funds to address these aspects into their investment process.</p> <p>Quality investigation: does the fund assess and incorporate gender pay gap and diversity into investment decisions?</p>	<p>support equality in society and help the exposed and in need (such as temporary housing for abused women). As a principle, the investments should not have any significant adverse impact on (gender) equality, where pay gap could be one of the aspects where relevant.</p> <p>Therefore, PSIF requires funds to have policies in place to address these aspects into their investment process.</p> <p>Quality investigation: does the fund assess and incorporate gender pay gap and diversity into investment decisions?</p>	
	13. Board gender diversity	Same as above.	Same as above.	Same as above.	Same as above.
	14. Exposure to controversial weapons (anti-personnel mines,	Exclusion: Controversial weapons	Exclusion: Controversial weapons	Same as financial inclusion.	Same as above.

	<i>cluster munitions, chemical weapons and biological weapons)</i>				
	Supranationals				
	15. GHG intensity	Not applicable. Potential instruments issued by supranationals expected to be used only for efficient portfolio management purposes.	Not applicable. Potential instruments issued by supranationals expected to be used only for efficient portfolio management purposes.	Not applicable: Social impact funds may invest alongside governments or supranational s, or into government initiated projects, but do in principle not invest directly into instruments issued by supranational s except for cash management and efficient portfolio management purposes.	Not applicable.
	16. Investee countries subject to social violations	Same as above.	Same as above.	Same as above.	Not applicable.
	Real estate assets				
	17. Exposure to fossil fuels through real estate assets	Not applicable, as real estate is out of investment scope for the funds.	Not applicable, as real estate is out of investment scope for the funds.	While primary aim of e.g. social housing is to provide housing to disadvantaged people it is nevertheless an investment in real estate assets. Quality investigation: does the fund consider measures for	Not applicable.

				sustainable housing where possible?	
	18. Exposure to energy-inefficient real estate assets	Same as above.	Same as above.	Same as above.	Not applicable.
	Optional				
	Investments in companies without carbon emission reduction initiatives	Quality Investigation: Is the investment manager TCFD signatory? Is the fund aligned with a net zero path?	Quality investigation: Are the fund holdings aligned with a net zero path?	Same as Financial Inclusion.	Same as Financial Inclusion.
	Excessive CEO pay ratio	Quality investigation: reporting on fair pay?	Same as Renewables	Same as Renewables	Same as Renewables

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

PSIF investigates the governance quality of the companies, organizations, vehicles, and funds managing the ultimate investments. This analysis is based on a combination of international standards from the UN Principles for Responsible investment (UNPRI), UN Global Compact, the OECD Guidelines for Multinational Enterprises, the UN Guiding Principles on Business and Human Rights and the Sustainability Accounting Standards Board (SASB). Focus points for the analysis conducted include employee engagement, diversity & inclusion; business ethics; operational and manager quality.



Does this financial product consider principal adverse impacts on sustainability factors?



Yes

The investments of the Fund may have a principal adverse impact on sustainability factors as defined in Regulation (EU) 2019/2088. Therefore, the Fund will consider and report on the principal adverse impacts ("PAI") and any actions taken to mitigate them in the Fund's PAI statement. The Fund aims to report on all mandatory principal adverse impacts as outlined in the Regulation. However, the completeness of the Fund's reporting will depend in part on the reporting of its underlying investments. In its reporting, the Fund will indicate any missing or incomplete indicators and its efforts to towards collecting them.



No

What investment strategy does this financial product follow?

The strategy of the Fund is to invest in a diversified portfolio of listed and unlisted Investment Funds, Investee Companies and fixed income instruments.

● *What are the binding elements of the investment strategy used to select the investments to attain the sustainable investment objective?*

The alignment with the impact investment objective of the Fund drives the initial screening of a potential investment. Investments that do not aim to significantly contribute to at least one SDG, are excluded from the investable universe. Then, PSIF's minimum criteria are applied:

- 1: For funds domiciled in the EU, funds must be classified as SFDR article 9.
- 2: Funds not falling under SFDR, such as funds domiciled outside the EU, can nevertheless have a sustainability objective. PSIF can invest in such funds if they 1) align with the sustainable investment objective, 2) match the definition of sustainable investment based on the Fund's sustainability due diligence.
- 3: All funds that PSIF invests in must be signatories of, or conform with, UNPRI. This can be at fund company level or investment manager level.
- 4: All investee funds must comply with the exclusion list of PSIF.
5. All investee funds must be able to fulfil the reporting requirements of PSIF.

● *What is the policy to assess good governance practices of the investee companies?*

PSIF investigates the governance quality of the companies, organizations, vehicles, and funds managing the ultimate investments. This analysis is based on a combination of international standards from the UN Principles for Responsible investment (UNPRI), UN Global Compact, the OECD Guidelines for Multinational Enterprises the UN Guiding Principles on Business and Human Rights and the Sustainability Accounting Standards Board (SASB). Focus points for the analyses conducted include employee engagement, diversity & inclusion; business ethics; operational and manager quality.

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.



The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.

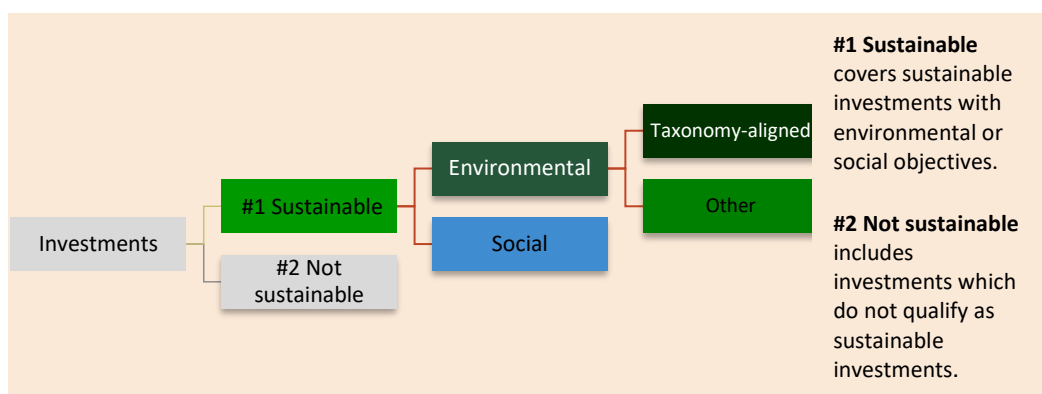


What is the asset allocation and the minimum share of sustainable investments?

100% of the Fund's Invested Capital is invested in sustainable investments, leading to a minimum of 75% of total assets. The remaining maximum of 25% of total assets are Cash or money market instruments and instruments for currency hedging purposes. The Fund targets environmentally and socially sustainable investments. A minimum of 20% of the invested capital of the Fund will contribute to an environmental objective and a minimum of 20% of the invested capital of the Fund will contribute to a social objective.

The Fund's planned asset allocation on Invested Capital and total asset level is:

Invested Capital level	Min - Max	Total NAV level	Min - Max
Sustainable investments	100% - 100%	Sustainable investments	75% - 100%
Environmental objective	20% - 80%	Other (including cash)	0% - 25%
Social objective	20% - 80%	Environmental objective	20% - 80%
		Social objective	20% - 80%



- **How does the use of derivatives attain the sustainable investment objective?**
Derivatives are only used for FX hedging and efficient portfolio management purposes.



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

The fund does not specifically target environmental investments that are taxonomy aligned as part of its investment policy, but its environmental investments may be Taxonomy aligned. The fund's minimum percentage of Taxonomy alignment is 0%

- **Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy¹¹?**

☐ Yes:

☐ In fossil gas ☐ In nuclear energy

☒ No

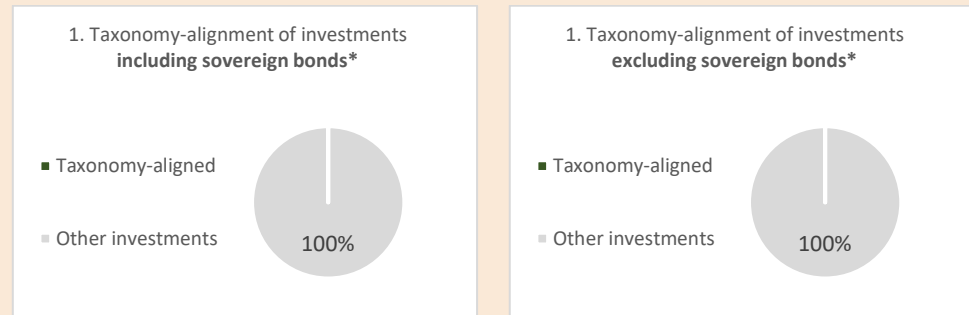
¹¹ Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do no significant harm to any EU Taxonomy objective – see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214

Asset allocation describes the share of investments in specific assets.

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.

The two graphs below show in green the minimum percentage of investments that are 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

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

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



● **What is the minimum share of investments in transitional and enabling activities?**

The fund does not specifically target environmental investments that are transitional or enabling as part of its investment policy, but its environmental investments may be transitional or enabling. Therefore, the fund's minimum percentage of investments in transitional or enabling activities can be considered to be 0%.

What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

The fund does not specifically target environmental investments that are taxonomy aligned as part of its investment policy, but its environmental investments may or may not be Taxonomy aligned. A minimum of 20% of the invested capital of the Fund will contribute to an environmental objective regardless of its Taxonomy alignment.



What is the minimum share of sustainable investments with a social objective?

The minimum percentage of investments with a social objective is 20% of invested capital.



What investments are included under “#2 Not sustainable”, what is their purpose and are there any minimum environmental or social safeguards?

Investments included under #2 Not sustainable are Cash and money market instruments and instruments for currency hedging purposes. These are only used for hedging and efficient portfolio management purposes and hedging direct FX risks. These are held at the Fund's bank/custodian. 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.



Where can I find more product specific information online?

More product-specific information can be found on the Fund's website: www.psif.nl and on the Fund Manager's website www.priviumfund.com

are environmentally sustainable investments that do not take into account the criteria for environmentally sustainable economic activities under the EU Taxonomy.