The difference is the impact

ANNUAL REPORT

FMO Privium Impact Fund

Year ended 31 December 2021

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General information

Involved parties

Registered office
FMO Privium Impact Fund
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The Netherlands

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Privium Fund Management
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Gustav Mahlerplein 3
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Stichting Juridisch Eigendom
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Administrator
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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
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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	Privium 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 FPIFFEA 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 FPIFUAU 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		2021	2020	2019	2018
Net Asset Value at 31 December	USD	154,943,626	143,342,353	156,575,599	130,883,698
Number of outstanding units at 31 December		1,330,573.74	1,234,981.86	1,410,025.71	1,163,926.97
Investment result					
Direct result	USD	8,543,185	4,388,050	6,196,736	5,775,285
Revaluation	USD	-6,451,498	6,392,900	-5,814,769	-5,094,980
Other results	USD	1,437,407	-802,230	1,192,734	-152,206
Costs	USD	-1,855,351	-1,918,940	-1,854,401	-1,567,968
Total investment result for the period	**USD**	**1,673,743**	**8,059,780**	**-279,700**	**-1,039,869**
Investment result per unit[1]					
Direct result	USD	6.42	3.55	4.39	4.96
Revaluation	USD	-4.85	5.18	-4.12	-4.38
Other results	USD	1.08	-0.65	0.85	-0.13
Costs	USD	-1.39	-1.55	-1.32	-1.34
Total investment result per unit	**USD**	**1.26**	**6.53**	**-0.20**	**-0.89**
Total for the Fund – Impact [2]					
Number of jobs supported		7,896	11,377	27,198	22,953

1 The result per unit is calculated using the total number of outstanding units as per the end of the period.
2 For additional information on the new impact model, we refer to page 16. Please note that the 2020 impact numbers have been revised due to the introduction of the new impact model (Joint Impact Model). To allow investors to compare end of year impact results we have applied the revised methodology to the portfolio as per year end 2020 as well. The differences are due to changes in portfolio composition and regular updates of impact related data during the following year.

Greenhouse gas avoided (tCO2eq)	31,172	15,645	20,600	16,040
Financed emissions (tCO2eq)	62,491	70,925	-	-
SDG 8 - % of the portfolio	100%	100%	-	-
SDG 10 - % of the portfolio	39%	41%	-	-
SDG 13 - % of the portfolio	35%	30%	-	-
Number of SME loans	*Discontinued*	*Discontinued*	1,548	707
GWh electricity produced per annum	*Discontinued*	*Discontinued*	50.77	41.36
People served	*Discontinued*	*Discontinued*	64,171	41,946
General overview at 31 December				
Number of loans on the portfolio	69	70	70	56
Average exposure per loan (in USD)	1,932,015	1,842,957	1,909,292	2,247,459
Average maturity of the loans (years)	5.07	4.74	5.41	5.75
Average interest margin of the portfolio (bps)	450	481	485	486
Number of countries	32	32	31	26
Total number of loans in the portfolio, since launch	103	87	75	59
Total exposure in FMO loans	137,004,481	129,007,018	143,196,905	117,660,765
Total provision on the loans in the portfolio	5,595,443	9,234,697	4,250,000	1,250,000
Percentage of loans in the portfolio, denominated in USD	98%	100%	100%	100%

Key figures per class

		2021	2020	2019	2018
Class A (USD) - Issue date June, 2016					
Net Asset Value at 31 December	USD	88,587,613	66,649,864	54,240,992	44,895,436
Number of outstanding units at 31 December		*734,981.4043*	*578,652.8537*	*479,141.3374*	*409,586.9676*
Net Asset Value per unit at 31 December	USD	120.53	115.18	113.20	109.61
Performance for the year		4.64%	1.75%	3.28%	3.88%
Class B-A (EUR) - Issue date Nov, 2019					
Net Asset Value at 31 December	EUR	2,480,044	1,198,867	793,978	n/a
Net Asset Value at 31 December	USD	2,819,810	1,464,656	890,366	n/a
Number of outstanding units at 31 December		24,027.0239	12,056.3837	8,000.0000	n/a
Net Asset Value per unit at 31 December	EUR	103.22	99.44	99.25	n/a
Performance for the year		3.80%	0.19%	-0.75%	n/a
Class B-D (EUR) - Issue date July, 2016					
Net Asset Value at 31 December	EUR	40,639,391	47,255,952	55,419,681	56,335,841
Net Asset Value at 31 December	USD	46,206,987	57,732,597	62,147,630	64,611,576

Number of outstanding units at 31 December		*416,699.0000*	*492,958.0000*	*567,705.0000*	*567,489.0000*
Net Asset Value per unit at 31 December	EUR	97.53	95.86	97.62	99.27
Dividend distribution per unit	EUR	1.9561	1.9313	1.9963	2.0112
Performance for the year (incl. distribution)		3.78%	0.18%	0.35%	1.20%

Class F (EUR) – Issue date March, 2017					
Net Asset Value at 31 December	EUR	96,594	102,160	107,121	106,766
Net Asset Value at 31 December	USD	109,827	124,810	120,126	122,450
Number of outstanding units at 31 December		*898.4808*	*986.3910*	*1,036.2812*	*1,036.2812*
Net Asset Value per unit at 31 December	EUR	*107.51*	*103.57*	*103.37*	103.03
Performance for the year		3.80%	0.19%	0.33%	1.21%

		2021	2020	2019	2018
Class I-A (EUR) Issue date August, 2018					
Net Asset Value at 31 December	EUR	5,675,854	5,742,458	25,861,567	16,750,041
Net Asset Value at 31 December	USD	6,453,446	7,015,561	29,001,161	19,210,622
Number of outstanding units at 31 December		54,678.8551	57,366.5785	258,516.2868	167,785.6164
Net Asset Value per unit at 31 December	EUR	103.80	100.10	100.04	99.83
Performance for the year		3.70	0.06%	0.21%	-0.17%
Class I-D (EUR) Issue date August, 2018					
Net Asset Value at 31 December	EUR	5,449,800	5,588,214	6,248,224	1,781,859
Net Asset Value at 31 December	USD	6,196,422	6,827,121	7,006,759	2.043.614
Number of outstanding units at 31 December		56,331.0354	58,706.0795	64,370.9127	18,029.1044
Net Asset Value per unit at 31 December	EUR	96.75	95.19	97.07	98.83
Dividend distribution per unit	EUR	1.9413	1.9184	1.9859	0.9967
Performance for the year (incl. distribution)		3.67%	0.04%	0.22%	-0.17%
Class U-A (USD) - Issue date March, 2019					
Net Asset Value at 31 December	USD	3,269,658	2,922,617	1,943,846	n/a
Number of outstanding units at 31 December		30,204.2967	28,181.4967	19,025.6682	n/a
Net Asset Value per unit at 31 December	USD	108.25	103.71	102.17	n/a
Performance for the year		4.38%	1.50%	2.17%	n/a
Class U-D (USD) - Issue date March, 2019					
Net Asset Value at 31 December	USD	1,299,862	605,127	1,224,719	n/a
Number of outstanding units at 31 December		12,753.6453	6,074.0754	12,230.2316	n/a
Net Asset Value per unit at 31 December	USD	101.92	99.62	100.14	n/a
Dividend distribution per unit	USD	2.0407	2.0001	2.0310	n/a
Performance for the year (incl. distribution)		4.35%	1.48%	2.17%	n/a

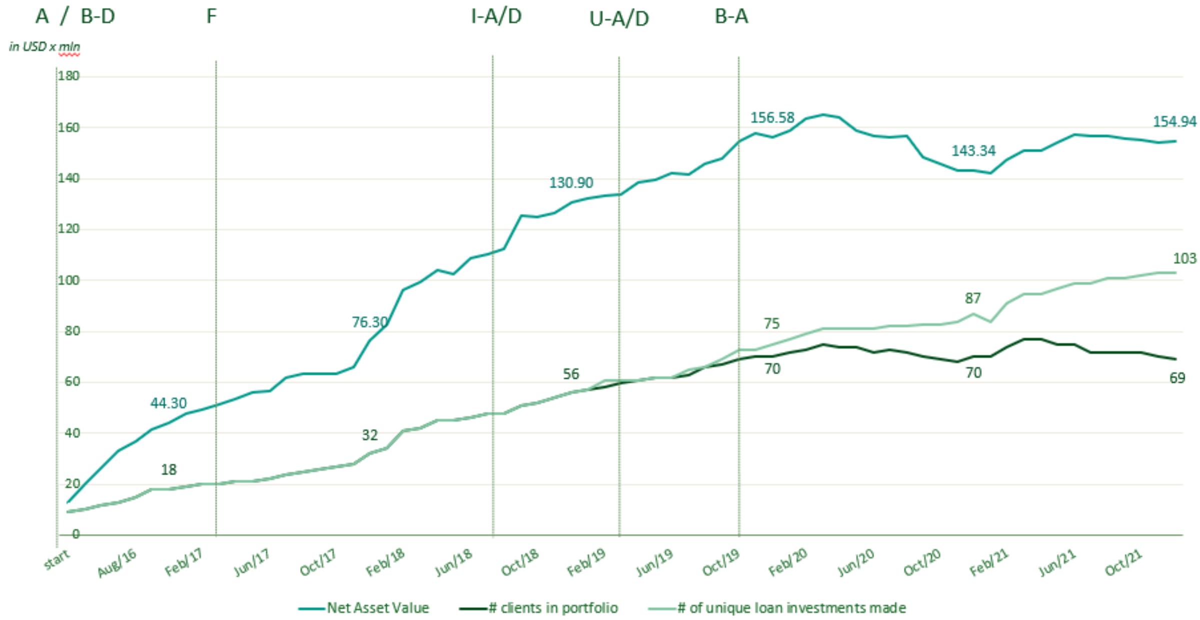
Report of the AIFM

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 contribute to the fight against climate change and support job creation in emerging and developing economies while targeting a financial return. It may invest in loans to financial institutions, renewable energy projects, agribusiness companies and telecom infrastructure projects.

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 increased from USD 143.3 million as of December 13, 2020 to USD 154.9 million at December 31, 2021. Thus, returning almost to the pre-COVID level of year-end 2019.



The year in summary

At the start of 2021 the Fund portfolio, which was made up of loans to 70 clients, had a combined value of USD 143.3 million. During the year, 18 new loan participations were made of which two were increases of existing participations and 7 were follow-on loans to existing clients. In 2021, six loans were prepaid ahead of schedule and three loans were repaid in full according to their schedules. One loan was fully written off.

Since early in 2020 the COVID-19 pandemic changed the world in which we live. FMO intensified portfolio monitoring and has supported existing clients where needed. Sourcing of new clients and projects proved difficult given the travel ban that continued for most of 2021 as well. The focus on existing clients and portfolio showed a relatively stable performance throughout 2021. As a prudent measure, in March 2020 FMO incorporated a 'crisis override' in the client rating methodology, effectively applying country ratings as rating caps. As a result of downgraded client ratings FMO increased the general provisioning, which approach we decided to follow for the Fund. The stable portfolio performance, based on quarterly client related information and audited 2020 financial figures, prompted the release of the 'crisis override' and subsequent release of the general COVID provisioning on the Fund's portfolio investments as per end of December 31, 2021. This resulted in a decrease of the total provisioning level. The total level of provisions per December 31, 2021 represents 5.6% of the NAV and concerns only the specific provisioning for non-performing Fund investments. Per the end of December 31, 2021 the portfolio consisted of 69 loan participations representing a total value of USD 154.9 million.

Following the implementation of a new impact model in 2020, the Joint Impact Model (JIM), the model continued to develop throughout 2021. The most significant change is the full alignment of JIM with the Partnership for Carbon Accounting Financials (PCAF) announced in November 2021. Due to this change, the impact figures in the 2020 Annual Report of the Fund are not comparable to those in the 2021 Annual Report of the Fund, while both represent the correct figures at that time of reporting, following the then applicable methodology. We refer to page 16 of this report for an explanation of the JIM.

On March 10, 2021, the EU Sustainable Finance Disclosure Regulation (SFDR) came into force. The SFDR is intended to increase transparency of sustainability reporting among financial institutions, such as the Fund, and market participants, such as the Unit Holders. The regulation consists of disclosure requirements on the organizational, service and product levels to standardize sustainability reporting and enable comparisons for sustainable investment decisions. The SFDR includes requirements on sustainability disclosures in the Prospectus. It is therefore that a supplement has been released via the Fund's website and via the Fund Manager's website. The Fund has been classified as Article 9, as it has as its objective to achieve long term capital growth with impact.

While the SFDR has now come into force, some aspects remain uncertain including aspects regarding reporting. The regulation will continue to develop over the coming years. Meanwhile FMO has set up a project team on the EU Sustainable Finance Regulations, covering the SFDR and Taxonomy to track these developments. FMO sees a risk that it could become harder to invest in emerging markets if institutions are not given the flexibility 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 is advocating to stakeholders that the regulations should be more inclusive towards companies operating in emerging markets. Even so the FMO Privium Impact Fund welcomes the concept of the SFDR as a standard for more and higher quality impact reporting.

The Fund continues to be registered in The Netherlands, Switzerland, the UK, Spain, France and Luxembourg. There are currently no plans to expand the registration beyond these domiciles.

Circle Partners, de administrator of The Fund, merged with AMS Financial Group and adopted a new name, Bolder Fund Services (Netherlands) B.V. The services and responsibilities of the administrator towards the Fund have not changed.

Outlook and events post-reporting date

COVID-19 appears to be mostly in the rear-view mirror as seen by economic activity in developing markets, and subsequently, loan origination is recovering. A new crisis has already developed in the form of the Ukraine-Russian conflict. Apart from a direct and devastating effect on the Ukrainian people, their economy and infrastructure, this could have long-lasting implications for food security in the surrounding region as Ukraine is one of the largest producers of agricultural products in the world. Developing countries will likely be hit disproportionally hard which could lead to political instability and migration.

In response to the Ukraine-Russian conflict, FMO increased its risk ratings and monitoring frequency in the region. An analysis of the updated sanctions list revealed no sanctioned parties involved with FPIF's holdings.

As per December 31, 2021 FPIF held one loan to a Ukrainian agricultural distributor, making up approximately 1% of the portfolio. In the first quarter of 2022, this loan was provisioned for 85% to reflect the temporary shutting down of company activities. This leaves FPIF's exposure to Ukraine at some 0.2% of NAV. The Fund has no exposure to Russia or Belarus.

Also in the first quarter of 2022, FMO repurchased a loan from the Fund at book value. The participation was terminated early as the underlying company did not manage to fulfil the requirements of FMO's updated KYC/AML analysis.

Portfolio performance in a nutshell

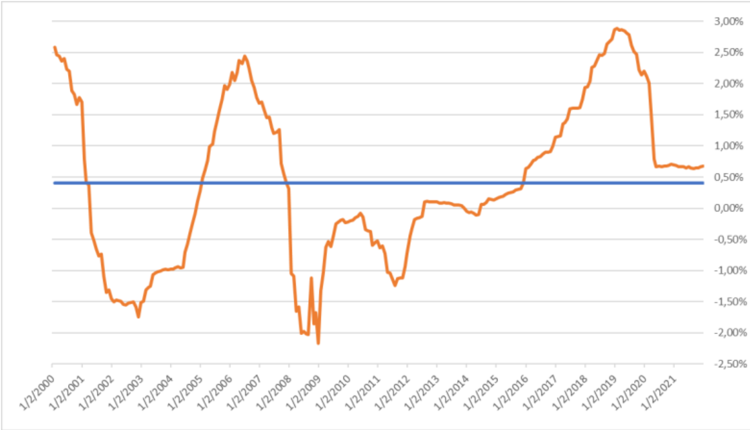
At year-end 2020 the portfolio was made up of loans to 70 clients. During 2021 18 new participations were taken, by the end of 2021 the Fund portfolio came out at 69 loans to FMO clients. Cumulatively over the life of the Fund, 103 unique loan investments have been made. The 18 new loan participations in 2021 have been made across ten financial institutions, six agribusiness companies and two renewable energy projects.

Per December 2021 the total number of provisioned loan participations stood at three, while one loan participation was fully written off and removed from the provision count. This is the first time that one of the Fund's participations has been written off. As per 31 December 2021 the total provision amounts to USD 5,595,443 (2020: USD 9,234,697). The total level of provisions represents 3.6% of the NAV. The loan participation that was written off is excluded from this calculation.

The general portfolio COVID provision, which was taken in March, 2020, was released step by step, based on new client related information such as audited financial figures. As per the end of 2021 the favorable developments at the Fund's investments were all significantly positive enough for FMO to decide to release the remaining part of the general COVID related provisioning which allowed the Fund Manager to follow this approach for the Fund as well. This has resulted in a significant decrease of the provisioning level as per end of December 31, 2021.

The current provisions are now entirely attributable to three individual provisions. The first loan, for which the Fund already took a provision in 2018, further deteriorated and the provisioning has been increased to 90%. Two other loans, for which the Fund had to take a provision during 2019, ended the year with 59% and 47% provisioning respectively. FMO continues to be in close consultation with these companies and other creditors. We are monitoring the progress closely and we will update investors of the developments.

During 2021, the portfolio continued to perform in a stable way, despite the challenges and risk levels due to the ongoing COVID-19 pandemic. The weighted average interest margin for the portfolio stood at 4.50% at year-end.



As all but one 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 2021 the USD appreciated over 7% vs the EUR.

The hedging expenses during 2021 were pretty much in line with the situation as of December 31, 2020. Interest rates are still lower in the Eurozone compared to the US. The Interest Rate Differential is effectively a cost component for the Fund. During the year 2021 direct foreign exchange exposures were hedged in full. Also during 2022 we anticipate to hedge direct foreign exchange exposures in full.

In 2021, the Net Asset Value of the fund increased from USD 143.3 million to USD 154.9 million.

From January 1, 2021 to December 31, 2021 the net returns for the various share classes were as follows (including dividends for Class B-D, Class I-D and Class U-D):

	2021	2020
Class A (USD)	+4.64%	+1.75%
Class B-A (EUR)	+3.80%	+0.19%
Class B-D (EUR)	+3.78%	+0.18%
Class F (EUR)	+3.80%	+0.19%
Class I-A (EUR)	+3.70%	+0.06%
Class I-D (EUR)	+3.67%	+0.04%
Class U-A (USD)	+4.38%	+1.50%
Class U-D (USD)	+4.35%	+1.48%

Following the implementation of a new impact model in 2020, the Joint Impact Model (JIM), used for impact reporting, the model continued to develop throughout 2021. The most significant change is the full alignment between the Partnership for Carbon Accounting Financials (PCAF) and the JIM announced in November 2021. While the collaboration is making the JIM available to all PCAF participating banks in developing countries, it did significantly increase the impact indicators outcomes. Where the JIM previous only took into account the impact data related the new financial instrument provided, the PCAF methodology requires to take into account also the previously existing impact. This adds in many cases a substantial number per indicator even if the actual investment is focused on e.g. financing a green line at a financial institution or used for a significant reduction in energy usage.

The JIM model is already being adopted by over 50 financial institutions and the number of participants of PCAF is >200. FMO implemented the amended aligned methodology at the end of the second quarter. Due to this change the impact figures of the 2020 Annual Report of the Fund are not comparable to those reported by the end of 2021 while both represent the correct figure at that time following the then applicable methodology. In the chapter Development Impact additional details are provided.

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 following four case studies have been published.

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

Q1 Access Bank Ghana, Ghana

FMO Privium IMPACT FUND

Invest with Impact

Being a bank is more than providing financial services

Stuck in the micro bubble
Located on the West Coast of Africa and bordering Benin, Togo, and Burkina Faso, Ghana was the first Sub-Saharan African country to regain its independence in 1957. Thanks to its steady increase in production of cocoa, oil, and gold, Ghana has been named the world's fastest-growing economy according to the International Monetary Fund. The country has around 30 million inhabitants and what makes Ghana remarkable is that it champions all other countries by having the highest percentage of female business owners at 46.4%. In fact, the women labor force participation rate is 96.1%, challenging the preconceptions many might have of African countries.

That said, it is not all good news. While Ghana's business ecosystem is indeed significantly powered by female entrepreneurs, it is estimated that around 80% of all the entrepreneurs in Ghana are unable to escape the "micro bubble". With limited access to credit options and financial technology, combined with lacking infrastructure, the possibility of growing their business beyond a micro enterprise remains limited for most entrepreneurs. Should a business prove to be successful, expanding from their own home or small kiosk is challenging, if not impossible. With interest rates sometimes as high as 50%, capitalizing on one's initial success remains a pipe dream for most MSME businesses.

Being the bank of choice
Access Bank Ghana is a subsidiary of Nigerian Access Bank Plc, a full-service commercial bank with over 500 branches across Nigeria and offices across Africa with whom FMO has partnered for over 15 years. They provide comprehensive banking and financial services on a personal, business, and corporate level. Access Bank Ghana offers tailored services to SME clients across the country. What makes Access Bank truly stand out is its "W-Initiative", which aims to position Access Bank Ghana as "the bank of choice for women". By offering both (digital) financial and non-financial services, particularly aimed towards women, the W-Initiative has helped Access Bank Ghana position itself as a "one-stop shop" providing invaluable solutions and expertise to an underserved market.

The FMO loan
Since Access Bank Ghana's launch in 2009, they have had a close relationship with FMO. The most recent loan was a USD 25mln senior loan facility, with the goal of strengthening the bank's loan book. Most noteworthy is that a portion of the facility was set aside exclusively for female-led SMEs, further solidifying Access Bank Ghana's efforts to better serve and reach the growing women entrepreneurship field.

Q2 Vistaar Financial Services, India

FMO Privium IMPACT FUND

Invest with Impact

A catalyst to the underserved for greater economic and social well-being

A real melting pot
Home to an estimated 1.35 billion people—roughly 1/6th of the globe's population—India is the 2nd most populous country in the world. While it is partly circled by the Indian Ocean and Arabian Sea, India shares borders with various countries, including Pakistan, China, Nepal, and Bangladesh. The country is home to many languages, ethnicities, cultures, and religions, making it a true melting pot in many respects. With a massive population boom—from 361 million in 1951 to 1.3 billion just 60 years later—the economy has become one of the fastest-growing in the world, with a strong reduction in poverty and an increase in per capita income leading to India becoming the world's 5th largest economy.

The Micro, Small, and Medium Enterprise (MSME) sector plays a crucial role for the Indian economy's socioeconomic development and evolution, and accounts for 30% of the GDP. Despite its importance, the MSME sector faces many challenges such as lack of credit, technology adaptation issues and capacity building. These issues, while prevalent across the entire country, can especially be harmful for smaller businesses in rural areas, limiting the (sustainable) growth and expansion of the sector.

The forgotten middle market
Vistaar Financial Services was the idea of two first-generation entrepreneurs who had witnessed first-hand the lack of both financial and non-financial support for smaller enterprises and businesses across the country. It was clear that a "one-size-fits-all" approach when it came to financing wasn't sustainable or practical in the long run; to truly help the local economy boom, customized products needed to be offered.

As a non-banking financial institution (NBFI), Vistaar exclusively targets the underserved "middle market" that is not properly reached by the country's financial system—often due to being too small and having insufficient documentation to be served by most banks. By providing loans and diversifying them across MSME sectors, Vistaar provides the support for those in most need. Their customers range from smaller general stores (kiranas) to home-based businesses, and much more. Today, with more than 175 branches across the country and more than 35,000 active customers, Vistaar's vision to be a catalyst to the underserved so that they can achieve greater economic and social well-being, has clearly already been successful.

The FMO loan
FMO has provided funding to Vistaar since 2013. FMO's most recent loan of USD 30 million is aimed at supporting Vistaar's loan portfolio expansion, as well as assist in the on-lending to microbusinesses and the smaller SMEs.

Q3 Capella Solar, El Salvador

FMO Privium IMPACT FUND

Invest with Impact

Increasing access to stable affordable renewable energy

El Salvador
is the smallest country in Central America and one of the most densely populated of the region with 6.4 million inhabitants. In the twentieth century the "Land of Volcanoes" suffered severe political turmoil and socioeconomic inequality that eventually led to the Salvadoran Civil War. Post-war progress did bring about economic reforms and increased access to international finance, although it was at times slowed down by drops in economic growth, natural disasters, and peaks in crime.

While its earlier rates of socioeconomic inequality have substantially declined—making it one of the most equal countries in Latin America and the Caribbean—economic growth averages at about 2.3% a year. COVID-19 however does play a role in limiting both poverty reduction and economic progress. El Salvador is the second most affected country by the pandemic in Latin America after Nicaragua.

El Salvador's energy sector plays a key role in the country's economic development, with a total installed capacity of 1.54 GW and an electrification rate of 98%. The energy industry is diversified across fossil fuels and renewable energy (such as hydropower, solar, wind and geothermal energy). To foster interest in renewable energy and minimize fossil fuel use, the government passed a decree in 2007 granting various tax incentives to companies developing renewable energy projects.

The project
Located in the Usulután province of El Salvador, roughly 100 kilometres to the southeast of the capital San Salvador, Capella Solar is a solar photovoltaic (PV) facility comprised of 2 plants: Albireo 1 and Albireo 2.

Each plant has a capacity of 50MW and was developed by French renewable power producer Neoen. This makes Capella Solar not only the largest solar plant in El Salvador, but also the facility supplying some of the cheapest energy into the market (~USD 49.55/MWh), thanks to purchase agreements with local distributors.

In addition to the solar plants, a 3MW storage battery was included in this project, meeting the country's minimum requirement of 3% primary reserve storage which applies to all energy producers in the country intended to absorb the intermittencies in the grid. Additional battery capacity is underway.

The loan
The loan to finance the construction of Capella Solar's power plant and battery system was co-arranged by IDB Invest and FMO. In this role FMO also facilitated a co-investment by Proparco, the French development finance institution. Each lender contributed almost equally, where FMO provided a USD 28 mln loan in which the fund is participating.

Q4 Gharo Solar, Pakistan

FMO Privium IMPACT FUND

Invest with Impact

Growth made possible through abundant renewable energy potential

Clean energy for growth
Due to its economic and population growth, Pakistan's energy needs are rapidly growing. Over the past decade, the country experienced a severe gap between energy demand and supply. This resulted in power shortages which have cost 2% of gross domestic product in recent years. Pakistan has seen its energy demand increase by over 5% annually in recent years, while it is still heavily dependent on fossil fuel imports. This makes it vulnerable to global oil price volatility. The Pakistan government underwrites the importance for access to a much more sustainable energy mix to meet energy demands.

Generally, there is a power shortage between 4GW and 6GW. The shortage for a substantial part, stems from a lack of investment in the infrastructure and has negatively impacted economic and social development in Pakistan. By end of 2019 some 65 million Pakistani had no access to electricity via a grid connection. At the same time the Pakistan government also sees the need to scale power production up with 24,000 Megawatts of additional capacity by 2030.

With tremendous potential to generate solar and wind energy and decreased technology costs, renewable energy presents a promising solution. Since 2018, the Pakistan Government is actively prioritizing and endorsing the potential for including clean, affordable and sustainable energy resources, to meet the energy needs in the country. Installed capacity of alternative and renewable energy sources in the power sector has already risen from 0.2% in 2013 to 5.2% of total installed capacity in 2018.

New technology for the market
In 2018 Gharo Solar (Pvt.) Limited (Gharo Solar) began the development and construction a 50 MW PV solar project.

The solar project makes use of innovative bi-facial solar panels, which increases the total energy generation. This is the first time that bi-facial solar panels are utilized in Pakistan. The project has been operational since 2019 and is able to serve power demands for around 190,000 Pakistanis.

As the project is situated in the south-eastern part of Pakistan in the province of Sindh, most of not all of the energy will be used in its provincial capital, Karachi. Karachi is not only the largest city of Pakistan, it is among the world's largest megacities.

The loan
In 2018, FMO provided USD 22.5 mln to Gharo Solar (Pvt.) Limited (Gharo Solar) for the development, construction and operation of a 50 MW PV solar project in Pakistan. Other loans were provided by two local commercial parties: Bank Alfalah and Bank of Punjab.

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 (apart from a period during 2020/2021 during which the Fund value temporarily dropped below USD 150 million, during which period the AIFM and Portfolio Manager decided to allocate smaller participations).

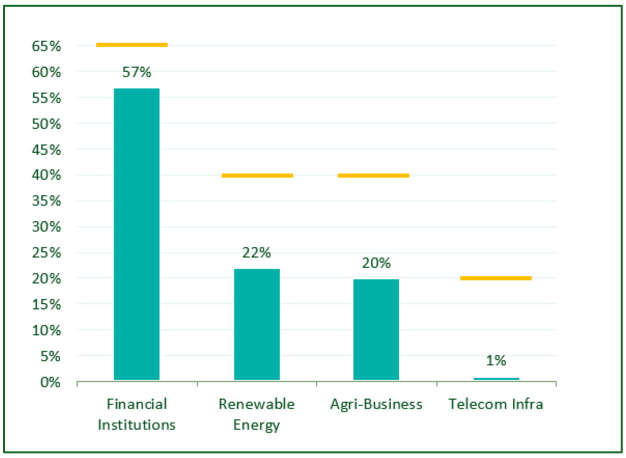
During the reporting year the Fund's Investment Committee decided positively on eighteen new FMO loans and increased exposure in two FMO loans where the Fund already held a participation. The average outstanding participation amount stood at USD 1.9 million as per year end. This is slightly higher than the average participation amount at year-end 2020 and a result of the increased maximum participation amount.

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

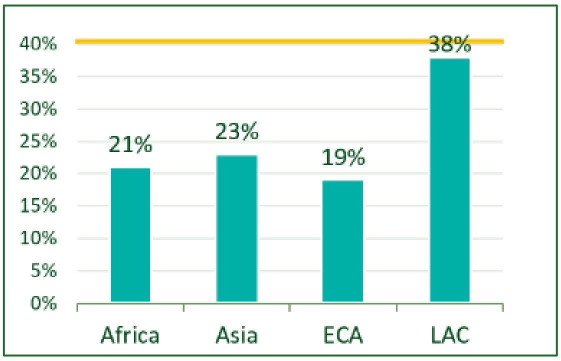
The Fund aims to maintain a diversified portfolio and thus continuously seeks to diversify across the eligible sectors – Financial Institutions, Renewable Energy, Agribusiness and Telecom Infrastructure. Since FMO adjusted its corporate strategy in 2017 to apply further focus towards its three core-sectors: Financial Institutions, Renewable Energy and Agribusiness, and Food & Water, no new investments are 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.

The Sector Diversification graph below shows the actual sector diversification as of December 31, 2021 versus the Fund's limits. Diversification is well within the limits and in 2022 we will look to further diversify the portfolio towards the relatively underrepresented sectors Renewable Energy and Agribusiness, Food & Water subject to FMO loans being available for participation.



Geographic diversification

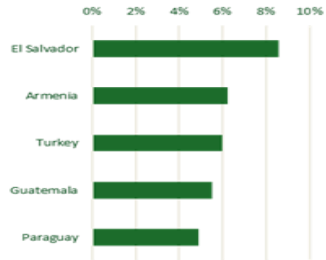
Since the inception of the Fund, the pipeline of available and eligible FMO loans contained a relatively large number of projects with attractive impact characteristics and good risk/return profiles in the Latin America & Caribbean (LAC) region. This continued to be the case for 2021 resulting in an increase from 35% to 38% exposure of the Fund to this region. Most notably were the increases in Europe & Central Asia (ECA) and the decrease in Africa. Our goal for 2022 will continue to be growing the portfolio in the three regions of Africa, Asia and ECA, but we acknowledge the fact that this is driven by available FMO deal flow.



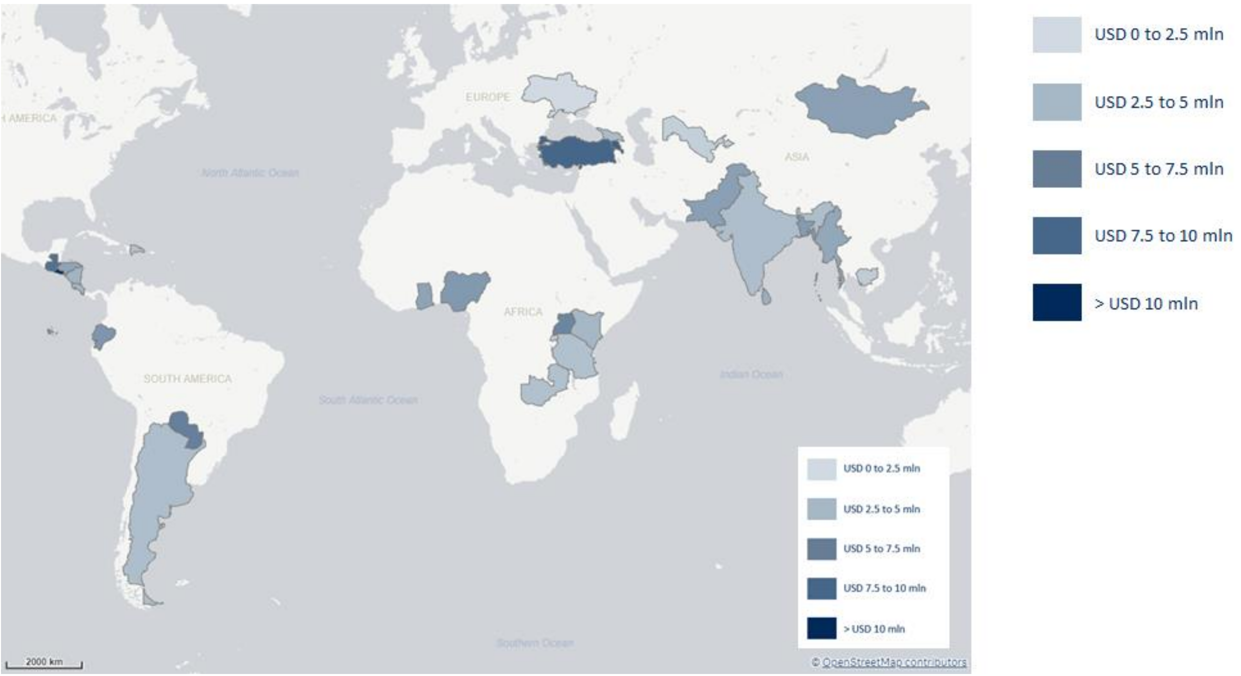
The graph shows the actual geographical diversification as of December 31, 2021 versus the Fund's limits of 40% per region.

Largest country exposures

Per December 31, 2021 the country with the largest exposure in the portfolio changed from Armenia to El Salvador.



The exposure of our Fund to the five largest countries combined amounts to USD 41.7 million and is spread across 16 customers together representing 27.0% of the Fund's portfolio. The portfolio is spread across 32 countries. These are shown on a world map in the Monthly and quarterly reports of the Fund. In the overview below this map is further enhanced to reflect the level of exposure per country.



Sustainable investment objective

Development impact

The Fund Manager reports on a quarterly and annual basis on the impact developments of the Fund for which 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. These SDGs can be applicable in all of its focus sectors: Decent Work and Economic Growth (SDG 8), Reduced Inequalities (SDG 10), and Climate Action (SDG 13). Meanwhile, the Fund also contributes to other SDGs by ensuring the investments comply with international ESG standards and policies. 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 in principle assigned at the start data collected 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.

Methodology developments

By 2020 a new 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. During the course of 2021 further improvements were implemented which affected the impact outcomes. The most significant change took place in the fourth quarter of 2021. Until that time JIM considered the standards created by the Platform Carbon Accounting Financials (PCAF), based on the GHG protocol, to enhance alignment on GHG reporting, but only took into account the portion of the impact which was attributable to the additional finance provided. It excluded the previously existing impact data. Although there were good reasons for focusing solely on the previously accounted for portion, it could be argued that it represented an incomplete picture of the impact supported by the portfolio, be it positive or negative. This further alignment with PCAF has also resulted in an official cooperation between PCAF and JIM, making the JIM available to all PCAF participating banks in developing countries. The PCAF model now has received commitments from over 200 financial institutions globally. The JIM is being adapted by a rapidly growing number of financial institutions as well.

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.

To allow investors to compare end of year impact results we have applied the revised methodology to the portfolio as per year end 2020 as well. The differences are due to changes in portfolio composition and regular updates of impact related data during the following year.

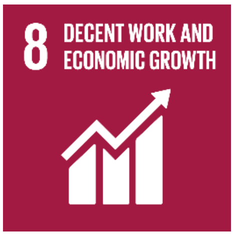
Comparing results

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.

Following further alignment between the JIM and PCAF during the fourth quarter of 2021, comparability between previously reported impact data and across years has become impossible. Yet, comparability across those parties which use the same methodology has increased. This will allow investors going forward to better compare impact across investments they may have in various funds or organizations.

At the same time we believe that the data provided at the time of reporting was correct according to the then valid reporting methodology. This is why you will still find the five impact indicators on which the Fund reported cumulatively until early 2020. Two of these indicators – "number of jobs supported" and "greenhouse gas emissions avoided" – are indicators that FMO also continues to use in its audited annual report. The other three indicators – "number of SMEs financed", "Gigawatt- hours of energy generated" and "Equivalent number of people served via power generation" – served to further illustrate the development goals and impact of the Fund. In 2020 FMO implemented the JIM which changed the basis of the impact report from 'expected impact' to 'what can be contributed to the outstanding amounts of each participation', thus showing the current status of the investments in the portfolio.

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.



100%

2020: 100%

Private business activity, investment and innovation are major drivers of productivity, inclusive economic growth and job creation.

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.

All investments in our portfolio are considered to contribute to SDG 8. Impact is measured e.g. via the jobs supported indicator as stated on the below.

39%

2020

41%

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.

34%

2020

30%

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 CO_2 and emissions scope 3.

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
8	Promoting economic growth that is a) sustained, b) inclusive and c) sustainable; and employment that is a) full, b) productive and c) decent.	The impact is being measured by the increased number of jobs supported (based on the Net Asset Value of the Fund). All investments in our portfolio are considered to contribute to SDG 8.	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.
13	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.	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.	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.
			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.
			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).

The below table provides the outcomes of the performance indicators during 2021 and 2020.

Number of Supported Jobs

2021

7,926

2020

11,377

Avoided CO2 emissions

2021

31,172

2020

15,645

Financed CO2 emissions

2021

62,491

2020

70,925

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.

Assessment of sustainable investments and portfolio allocation

The Fund's objective is to achieve long term capital growth with Impact. FMO's selection process ensures that each new loan contributes to at least one of the three key SDGs that have been defined: 1: Decent Work and Economic Growth (SDG 8), 2: Reduced Inequalities (SDG 10) and 3: Climate Action (SDG 13). The borrower is filtered through FMO's country, exclusion list and the viability of the project and/or the business is investigated. The financing is than checked for its 'additionality', meaning that FMO can provide resources and share best practices that are critical for sustainable development and otherwise would not have been available to the company or project.

The next step includes an Environmental and Social review to flag any serious risks or significant harm to stakeholders or the surrounding environment. These standards are based a.o. on the IFC Performance Standards and ILO labor standards. This includes freedom from forced and child labor, freedom from discrimination at work, freedom of association and the right to collective bargaining. Furthermore, a Know-Your-Customer assessment is completed to ensure that the borrower complies with anti-money laundering, anti-corruption, and anti-terrorist financing regulations. During this step of the investment process the governance structure of the borrower is also assessed.

FMO then performs an on-site visit, including visits to key stakeholders. ESG improvements are discussed with the borrower and a more detailed human rights risk assessment is conducted as informed by the results of earlier analysis. This includes on the-ground research and consultation with local civil society.

The resulting FMO portfolio provides FPIF with an investment pipeline that is fully aligned with its sustainable investment objective. Per December 31, 2021 the portfolio of the fund as allocated as follows:

Sustainable investments	88.4%
Other	11.6%

FPIF's holdings defined as 'Other' consist of cash and other assets held for foreign currency hedging purposes.

Adverse impact indicators

FPIFs investments may have a principal adverse impact on sustainability factors. Therefore, the Fund will consider these and start reporting on the principal adverse impacts regarding the year 2022 and any actions taken to mitigate them and report on it. However, the completeness of FPIFs reporting will depend 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 2021 informs the Fund's own alignment calculations. According to the 2021 Annual Report of FMO Bank N.V. 0% of its balance sheet is Taxonomy eligible based on current available information. From this, it follows that 0% of the holdings of the Fund are Taxonomy aligned.

As FMO's entire portfolio is not Taxonomy eligible, no strategy or weighing has yet been developed for the financing of Taxonomy-aligned activities. 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.

Portfolio overview

Below overview is sorted by size of exposure at the borrower level as stated at 31 December 2021.

Borrower	Sector	Country	Total amount in USD in Loan Participation(s)
ACCESS BANK PLC.	Financial Institutions	Nigeria	5,125,000.00
ECOM AGROINDUSTRIAL CORPORATION LTD	Agri, Food and Water	Switzerland	4,509,090.90
BRAC	Financial Institutions	Bangladesh	4,000,000.00
LAAD AMERICAS N.V.	Financial Institutions	Curaçao	4,000,000.00
SUDAMERIS BANK S.A.E.C.A.	Financial Institutions	Paraguay	4,000,000.00
TIRYAKI AGRO GIDA SANAYI VE TICARET	Agri, Food and Water	Turkey	4,000,000.00
CAPELLA SOLAR S.A. DE C.V.	Energy	El Salvador	3,897,213.75
TRANSMISION DE ELECTRICIDAD S.A.	Energy	Guatemala	3,882,904.56
BANCO PROMERICA S.A (GUATEMALA)	Financial Institutions	Guatemala	3,470,588.26
SIDIAN BANK LIMITED	Financial Institutions	Kenya	3,428,571.43
JSC BANK OF GEORGIA	Financial Institutions	Georgia	3,200,000.00
KILIC DENIZ URUNLERI URETIMI IHRACA	Agri, Food and Water	Turkey	3,100,909.09
ACCESS BANK GHANA PLC	Financial Institutions	Ghana	3,000,000.00
AGRI COMMODITIES AND FINANCE FZ-LLC	Agri, Food and Water	United Arabian Emirates	3,000,000.00
BANCO PICHINCHA C.A	Financial Institutions	Ecuador	3,000,000.00
VICENTIN S.A.I.C.	Agri, Food and Water	Argentina	3,000,000.00
VISTAAR FINANCIAL SERVICES PRIVATE	Financial Institutions	India	3,000,000.00
XACBANK LLC	Financial Institutions	Mongolia	3,000,000.00
ZEPHYR POWER (PRIVATE) LIMITED	Energy	Pakistan	2,940,912.17
BOSFORO LTDA DE C.V.	Energy	El Salvador	2,837,785.23
AFRICA EMS NYAMWAMBA LTD	Energy	Uganda	2,783,237.14
MONTECRISTI SOLAR FV, S.A.S.	Energy	Dominican Republic	2,711,700.00
YOMA STRATEGIC HOLDINGS LTD.	Agri, Food and Water	Singapore	2,670,000.00
CONTOURGLOBAL HYDRO CASCADE CJSC	Energy	Armenia	2,628,290.39
BANCO IMPROSA S.A	Financial Institutions	Costa Rica	2,625,000.00
AGROFERTIL SA	Agri, Food and Water	Paraguay	2,500,000.00
AMERIABANK CLOSED JOINT STOCK COMPA	Financial Institutions	Armenia	2,500,000.00
FEDERACION DE CAJAS DE CREDITO Y DE	Financial Institutions	El Salvador	2,500,000.00
PACIFIC SOLAR ENERGY S.A. DE C.V.	Energy	Honduras	2,500,000.00

Borrower	Sector	Country	Total amount in USD in Loan Participation(s)
EXIM BANK (TANZANIA) LIMITED	Financial Institutions	Tanzania	2,222,222.23
BANCO PROMERICA S.A (EL SALVADOR)	Financial Institutions	El Salvador	2,129,033.28
NATIONS TRUST BANK PLC	Financial Institutions	Sri Lanka	2,083,333.32
JSCB HAMKORBANK	Financial Institutions	Uzbekistan	2,000,000.00
NICARAGUA SUGAR ESTATES LIMITED S.A	Agri, Food and Water	Nicaragua	1,950,000.00
SATHAPANA BANK PLC	Financial Institutions	Cambodia	1,875,000.00
BUGOYE HYDRO LIMITED	Energy	Uganda	1,870,748.58
GHARO SOLAR LIMITED	Energy	Pakistan	1,775,400.00
KHAN BANK LLC	Financial Institutions	Mongolia	1,714,285.74
BANCO DE LA PRODUCCION - BANPRO	Financial Institutions	Nicaragua	1,625,000.00
IRRAWADDY TOWERS ASSET HOLDING PTE.	Telecom Infrastructure	Myanmar	1,609,644.50
ITEZHI TEZHI POWER CORPORATION LIMI	Energy	Zambia	1,590,000.00
DFCU BANK LIMITED	Financial Institutions	Uganda	1,553,571.44
ARMECONOMBANK OJSC	Financial Institutions	Armenia	1,547,619.00
CITIZENS DEVELOPMENT BUSINESS FINAN	Financial Institutions	Sri Lanka	1,500,000.00
NICHE COCOA INDUSTRY LIMITED	Agri, Food and Water	Ghana	1,500,000.00
VIENTOS DE ELECTROTECNIA S.A. DE C.	Energy	Honduras	1,493,641.62
NIBULON AGRICULTURAL LIMITED LIABIL	Agri, Food and Water	Ukraine	1,400,000.00
ARARATBANK OJSC	Financial Institutions	Armenia	1,285,714.28
BANCO BOLIVARIANO C.A.	Financial Institutions	Ecuador	1,250,000.02
FIRST NATIONAL BANK ZAMBIA LIMITED	Financial Institutions	Zambia	1,250,000.00
BANCO DE LA PRODUCCION S.A. PRODUBA	Financial Institutions	Ecuador	1,000,000.00
SUCAFINA HOLDING S.A.	Agri, Food and Water	Luxembourg	916,666.69
ECOBANK TRANSNATIONAL INCORPORATED	Financial Institutions	Togo	884,992.85
AK LEASE (AK FINANSAL KIRALAMA A.S.	Financial Institutions	Turkey	833,333.32
BANCO BAC SAN JOSE S.A	Financial Institutions	Costa Rica	750,000.00
ONE BANK LIMITED	Financial Institutions	Bangladesh	750,000.00
MOHAMMED ENTERPRISES (TANZANIA) LIM	Agri, Food and Water	Tanzania	625,000.00
SITIO 0 DE QUEQUEN S.A.	Agri, Food and Water	Argentina	600,000.00
BANCO FINANCIERA COMERCIAL HONDUREN	Financial Institutions	Honduras	454,545.43
INECOBANK CJSC	Financial Institutions	Armenia	333,333.32

Borrower	Sector	Country	Total amount in USD in Loan Participation(s)
AMRET PLC	Financial Institutions	Cambodia	312,500.02
NATIONAL DEVELOPMENT BANK PLC	Financial Institutions	Sri Lanka	307,692.35
EASTERN BANK LIMITED	Financial Institutions	Bangladesh	200,000.00
Total amount			**137,004,480.91**

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

Privium Fund Management B.V, Fund Manager of various funds, has a careful, controlled and sustainable remuneration policy which meets all the regulatory requirements as included in the Alternative Investment Fund Managers Directive (AIFMD), the guidelines on sound remuneration policies under the AIFMD (ESMA Guidelines) and the Sustainable Finance Disclosure Regulation. The remuneration policy is consistent with and contributes to a sound and effective risk management framework and does not encourage risk taking beyond what is acceptable for Privium Fund Management B.V.

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

Privium may reclaim all or part of the variable remuneration paid if (i) this payment was made on the basis of incorrect information, (ii) in the event of fraud by the employee, (iii) in the event of serious improper behaviour by the employee or serious negligence in the performance of his tasks, or (iv) in the event of behaviour that has resulted in considerable losses for the fund or Privium.

Remuneration policy 2021

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

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

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

Overview as December 31, 2020

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

Overview as December 31, 2021

	Identified staff in senior management roles	**Identified staff outside senior management roles**	**Total staff**
Number of staff	2	37	39
Total fixed remuneration	€ 167,492	€ 9,691,135	€ 9,858,627
Total variable remuneration	€ 42,500	€ 9,326,680	€ 9,369,180
Total remuneration	€ 209,992	€ 19,017,815	€ 19,227,807

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

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

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

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

Risk management and willingness to take risks

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

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

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

Sorts of risks	Risk hedged	Measures applied and expected effectiveness	Impact on 2021 NAV	Expected impact on 2022 NAV if risk materializes	Adjustments made or expected adjustments to risk management in 2021 or 2022
Price/Market Risk	No	The Fund 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 dur 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 +3.78% in 2021 (Class B-D). During 2021 some individual position provisions were increased in size and one position was written off in full. The general portfolio Covid provision was released step by step during 2021 due to an improved situation.	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.	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 but these are mostly floating rate positions. An additional explanation on interest rate risk can be found in the risk paragraph of the annual accounts.	This has been limited.	The value of loan participations 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.	No
Foreign Exchange risk	Yes	Direct FX risk will be hedged for the EUR denominated share classes of the Fund.	None. During 2021 all but one loan in the portfolio of FPIF were USD denominated. One loan is denominated in EUR. Currency risk is hedged on this position. The appreciation of the USD during the year 2021 had no impact on the EUR share classes since the increase in portfolio value, measured in EUR (but not reflected in the P&L), due to the appreciation 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 ideosyncratic events around the Fund´s investments.	No
Operational risk	No	This risk is mostly mitigated by having rigid operational procedures in place. Next to that duties and responsibilities are clearly divided between Privium employees. The same is applicable at the service providers of the several Privium Funds.	None	None	No
Counterparty Risk	No	This risk is mostly mitigated by selecting and maintaining relationships with top tier counterparties and service providers.	None	None	No

Leverage Risk	No	The Fund is not utilizing any borrowings to take positions. Because the Fund is hedging direct FX risk by using FX forwards, the fund is utilizing implied leverage. As of December 31, 2021 the leverage calculations according to the Gross method and Commitment method are as follows: Gross method: 127.75% and Commitment method: 100%.	None	None	No
Sustainability Risk	No	Sustainability risks are categorized into Environmental, Social or Governance (ESG) issues and may pose a material risk to the value of an investment. 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. 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.	None	None	No

Risk management

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

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

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

The risk management function performs the following roles:

- Implement effective risk management policies and procedures in order to identify, measure, manage and monitor risks;
- Ensure that the risk profile of an AIF is consistent with the risk limits set for the AIF;
- Monitor the liquidity profile of the AIF;
- Monitor sustainability risk levels;
- Monitor compliance with risk limits; and
- Provide regular updates to senior management concerning:

  1: The consistency of stated profile versus risk limits;

  2: The adequacy and effectiveness of the risk management process; and

  3: The current level of risk of each AIF and any actual or foreseeable breaches of risk limits.

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

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

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

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

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

The reoccurring risk tasks are:

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

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

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

Control Statement

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

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

Amsterdam, 17 June 2022

The AIFM

Privium Fund Management B.V.

Financial statements

Balance sheet as at 31 December

(all amounts in USD)	Notes	2021	2020
Assets			
Investments	1		
Loans		137,004,481	129,007,018
Forwards		334,855	2,008
Total of investments		137,339,336	129,009,026
Receivables	2		
Other receivables		2,531,413	2,625,161
Total of receivables		2,531,413	2,625,161
Other assets	3		
Cash		23,949,153	25,412,741
Total of other assets		23,949,153	25,412,741
Total assets		163,819,902	157,046,928

(all amounts in USD)	Notes	2021	2020
Liabilities			
Net asset value	4	154,943,626	143,342,353
Investments	1		
Forwards		20,112	398,156
Total of investments		20,112	398,156
Other liabilities			
Bank overdrafts	3	-	3,258,487
Subscriptions received in advance		3,073,700	655,331
Provision on loans	5	5,595,444	9,234,697
Other liabilities	6	187,020	157,904
Total other liabilities		8,856,164	13,306,419
Total liabilities		163,819,902	157,046,928

Profit and loss statement

(For the year ended 31 December)

(all amounts in USD)	Notes	2021	2020
Investment result			
Interest income		8,034,900	8,884,885
Movement in provisions on loans	5	508,285	(4,496,835)
Total investment result		8,543,185	4,388,050
Revaluation of investments	7		
Realized results		(7,162,389)	6,813,612
Unrealized results		710,891	(420,712)
Total changes in value		(6,451,498)	6,392,900
Other results			
Foreign currency translation	8	1,229,087	(1,132,884)
Interest on cash accounts		-	62,399
Other results		208,320	268,255
Total other results		1,437,407	(802,230)
Operating expenses			
Management fee	9	(1,504,275)	(1,545,612)
Administration fees	10	(72,787)	(73,046)
Depositary fees		(36,351)	(38,172)
Interest expenses		(26,375)	(43,178)
Brokerage fees and other transaction costs		(52,232)	(50,823)
Audit fees	11	(36,013)	(35,540)
Legal fees	12	(31,807)[3]	(373)
Supervision fees		(23,305)	(38,054)
Other expenses	13	(72,206)	(94,142)
Total operating expenses		(1,855,351)	(1,918,940)
Result for the year		1,673,743	8,059,780

3 The legal fee in 2021 was higher compared to 2020 due to one-off costs for legal purposes.

Statement of cash flows

(For the year ended 31 December)

(all amounts in USD)	Notes	2021	2020
Cash flow from operating activities			
Participations in FMO loans		(49,291,142)	(23,000,000)
Repayments from FMO loans		38,587,306	37,189,887
Proceeds from sales of investments		(7,162,389)	6,813,612
Interest received		7,684,438	8,742,749
Management fee paid		(1,495,757)	(1,557,846)
Interest paid		(27,043)	(43,178)
Operating expenses paid		(281,873)	(18,418)
Net cash flow from (used in) operating activities		(11,986,460)	28,126,806
Cash flow from financing activities			
Proceeds from subscriptions		24,180,680	24,608,660
Payments for redemption		(10,684,372)	(47,876,290)
Dividend paid		(1,150,409)	(1,282,530)
Net cash flow from financing activities		12,345,899	(24,550,160)
Net cash flow for the year		359,439	3,576,646
Cash at beginning of the year		22,154,254	19,710,492
Foreign currency translation of cash positions		1,435,460	(1,132,884)
Cash at the end of the year	3	23,949,153	22,154,254

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 17 June 2022.

Accounting policies

General

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.

Reporting period

The reporting period is from 1 January 2021 through 31 December 2021.

Measurement currency

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

Receivables

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

Investments

Recognition and basis of measurement

All investment securities are initially recognized at cost.

Valuation

Loan participations will be valued using an amortised cost minus provisions method. The Investment Advisor advises the AIFM on any FMO provisioning of a loan invested in by the Fund.

Deposits are valued at their cost, plus accrued interest.

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

Gains and losses

Gains and losses are treated as 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.

Dividend and interest income

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

Derivative financial instruments

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

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.

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

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.

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 2021 until 31 December 2021 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)	2021	2020
Loans		
Opening balance	129,007,018	143,196,905
Participations in FMO loans	49,291,142	23,000,000
Repayments from FMO loans	(38,587,306)	(37,189,887)
Loan written off	(2,500,000)	-
FX result	(206,373)	-
Balance as per 31 December	137,004,481	129,007,018

The fair value of the loans at 31 December 2021 equals USD 131,469,911 (2020: USD 124,206,370).

As per 31 December 2021 the total provision amounts to USD 5,595,443 (2020: USD 9,234,697).

(all amounts in USD)	2021	2020
Forwards		
Opening balance	(396,148)	24,564
Sales and expirations	7,162,389	(6,813,612)
Realised investment result	(7,162,389)	6,813,612
Unrealised investment result	710,891	(420,712)
Position as per 31 December	314,743	(396,148)

2. Other receivables

(all amounts in USD)	2021	2020
Interest receivable	2,531,064	2,603,250
Deferred organizational fees	-	20,801
Other receivables and prepayments	349	1,110
Position as per 31 December	2,531,413	2,625,161

3. Cash

(all amounts in USD)	2021	2020
Euro bank accounts	712,339	(3,122,960)
US Dollar bank accounts	23,236,814	25,277,214
Total cash	23,949,153	22,154,254

At 31 December 2021 and 31 December 2020, cash and cash equivalents are partly restricted due to the required margin on the FX forwards of the Fund.

A bank guarantee 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 2021 is as follows:

(all amounts in USD)	Opening balance	Subscriptions	Redemptions	Dividend paid	Result	Net Asset Value
Class A	66,649,864	18,180,000	-	-	3,757,749	88,587,613
Class B-A	1,464,656	1,434,897	-	-	(79,743)	2,819,810
Class B-D	57,732,597	662,903	(9,486,897)	(999,453)	(1,702,163)	46,206,987
Class F	124,810	-	(10,817)	-	(4,166)	109,827
Class I-A	7,015,561	30,510	(355,444)	-	(237,181)	6,453,446
Class I-D	6,827,121	184,001	(451,457)	(129,894)	(233,348)	6,196,423
Class U-A	2,922,617	210,000	-	-	137,041	3,269,658
Class U-D	605,127	1,060,000	(379,757)	(21,062)	35,554	1,299,862
Total	143,342,353	21,762,311	(10,684,372)	(1,150,409)	1,673,743	154,943,626

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 2021, 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 2,480,044, EUR 40,639,391, EUR 96,594, EUR 5,675,854 and EUR 5,449,800.

The movement in units of the individual Classes during the year ended 31 December 2021 is as follows:

(in number of units)	Opening balance	Subscriptions	Redemptions	Closing balance
Class A	578,653	156,328	-	734,981
Class B-A	12,056	11,971	-	24,027
Class B-D	492,958	5,887	(82,146)	416,699
Class F	986	-	(88)	898
Class I-A	57,367	259	(2,947)	54,679
Class I-D	58,706	1,606	(3,981)	56,331
Class U-A	28,182	2,022	-	30,204
Class U-D	6,074	10,470	(3,790)	12,754
Total	1,234,982	188,543	(92,952)	1,330,573

The movement of the individual Classes during the year ended 31 December 2020 is as follows:

(all amounts in USD)	Opening balance	Subscriptions	Redemptions	Dividend paid	Result	Net Asset Value
Class A	54,240,992	11,350,000	-	-	1,058,872	66,649,864
Class B-A	890,366	471,120	-	-	103,170	1,464,656
Class B-D	62,147,630	3,237,523	(11,305,670)	(1,113,397)	4,766,511	57,732,597
Class F	120,126	-	(5,993)	-	10,677	124,810
Class I-A	29,001,161	9,348,906	(32,725,254)	-	1,390,748	7,015,561
Class I-D	7,006,759	2,455,245	(3,162,849)	(156,984)	684,950	6,827,121
Class U-A	1,943,846	1,003,000	(61,524)	-	37,295	2,922,617
Class U-D	1,224,719	-	(615,000)	(12,149)	7,557	605,127
Total	156,575,599	27,865,794	(47,876,290)	(1,282,530)	8,059,780	143,342,353

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 2020, 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 1,198,867, EUR 47,255,952, EUR 102,160, EUR 5,742,458 and EUR 5,588,214.

The movement in units of the individual Classes during the year ended 31 December 2020 is as follows:

(in number of units)	Opening balance	Subscriptions	Redemptions	Closing balance
Class A	479,141	99,512	-	578,653
Class B-A	8,000	4,056	-	12,056
Class B-D	567,705	28,865	(103,612)	492,958
Class F	1,036	-	(50)	986
Class I-A	258,516	83,904	(285,053)	57,367
Class I-D	64,371	22,935	(28,600)	58,706
Class U-A	19,026	9,759	(603)	28,182
Class U-D	12,230	-	(6,156)	6,074
Total	1,410,025	249,031	(424,074)	1,234,982

5. Provision on loans

As of December 31, 2021 there are provisions outstanding on three individual loans. One loan has been fully written off, refer to the report of the AIFM for further details. The provisions totalled USD 5,595,443 (2020: USD 9,234,697).

(all amounts in USD)	2021	2020
Provisions	**Fair value**	**Fair value**
Opening balance	9,234,697	4,737,862
Mutation	(508,286)	4,496,835
Written-off	(3,130,968)	-
Closing balance	5,595,443	9,234,697

6. Other liabilities

(all amounts in USD)	2021	2020
Management fees payable	128,690	120,172
Interest payable	-	668
Audit fees payable	22,624	12,678
Administration fees payable	8,399	5,360
Depositary fees payable	27,307	-
Supervision fees payable	-	15,236
Distribution payable	-	3,790
Position as per 31 December	187,020	157,904

Notes to the statement of comprehensive income

7. Revaluation of investments

(all amounts in USD)	2021	2020
Net realized result on financial assets and liabilities at fair value through profit or loss		
Realized gains on forwards	2,690,534	10,800,654
Realized losses on forwards	(9,852,923)	(3,987,042)
Total realized result	(7,162,389)	6,813,612
Net unrealized result on financial assets and liabilities at fair value through profit or loss		
Unrealized gains on forwards	710,891	-
Unrealized losses on forwards	-	(420,712)
Total unrealized result	710,891	(420,712)
Total revaluation of investments	(6,451,498)	6,392,900

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

(all amounts in USD)					
Forwards 2021	**Currency amount bought**	**Currency**	**Currency amount sold**	**Settlement date**	**Fair value**
Currency sold					
USD	339,462	EUR	300,000	31-01-2022	(1,820)
USD	3,394,529	EUR	3,000,000	31-01-2022	(18,292)
Subtotal currency sold					(20,112)
Forwards 2021	**Currency amount sold**	**Currency**	**Currency amount bought**		**Fair value**
Currency bought					
USD	108,618	EUR	96,000	31-01-2022	591
USD	2,829,165	EUR	2,500,000	31-01-2022	14,853
USD	22,627,120	EUR	20,000,000	31-01-2022	125,020
USD	23,532,413	EUR	20,800,000	31-01-2022	129,813
USD	5,884,304	EUR	5,200,000	31-01-2022	31,252
USD	6,337,274	EUR	5,600,000	31-01-2022	33,326
Subtotal currency bought					334,855
Total					**314,743**

(all amounts in USD)					
Forwards 2020	**Currency amount sold**	**Currency**	**Currency amount bought**	**Settlement date**	**Fair value**
Currency sold					
USD	125,369	EUR	102,000	29-01-2021	(683)
USD	1,474,639	EUR	1,200,000	29-01-2021	(7,732)
USD	56,645,071	EUR	46,100,000	29-01-2021	(291,417)
USD	6,944,617	EUR	5,650,000	29-01-2021	(37,933)
USD	10,512,100	EUR	8,550,000	29-01-2021	(60,391)
Subtotal currency sold					(398,156)
Forwards 2020	**Currency amount bought**	**Currency**	**Currency amount sold**		**Fair value**
Currency bought					
USD	368,733	EUR	300,000	29-01-2021	2,008
Subtotal currency bought					2,008
Total					**(396,148)**

8. Foreign currency translation

(all amounts in USD)	2021	2020
Foreign currency translation results on cash accounts	1,229,087	(1,132,884)
Total foreign currency translation	1,229,087	(1,132,884)

The currency results consist of translation differences on foreign currency cash accounts. The increase in currency results in 2021 was caused by a decrease in the Euro cash accounts.

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

Showing the equivalent of 1 USD	2021	2020
Euro	0.8795	0.8185

9. 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 2021 amounts to USD 1,504,275 (2020: USD 1,545,612).

10. 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 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)	2021	2020
Administration fees	60,966	61,383
Reporting fees	7,262	7,172
FATCA fees	2,377	2,341
AIFMD fees	2,182	2,150
Total	72,787	73,046

11. 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 36,013 (2020: USD 35,540). The Independent Auditor will also be asked to provide assurance whenever there is an update of the Prospectus of the Fund.

12. 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.

13. Other expenses

(all amounts in USD)	2021	2020
Organisational fees	20,801	44,085
Legal owner fees	10,022	9,598
Miscellaneous fees	34,578	37,419
License fees	3,126	3,040
Register fees	3,679	-
	72,206	94,142

14. 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 at fair value through profit or loss. For further explanation of the investment objectives, policies and processes, refer to the General section of the notes to the financial statements.

Market risk

Market risk is the risk that the value of a security fluctuates as a result of changes in market prices whether those changes are caused by factors specific to the individual security or its issuer or factors affecting all securities traded in the market. 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 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 2021 is as follows:

			2021	
(all amounts in USD)	Gross amount	Forward contract	Net amount	% NAV
US Dollars	150,837,313	(57,868,752)	92,968,561	60.00
Euro	4,106,313	57,868,752	61,975,065	40.00
Total			154,943,626	100.00

The currency exposure of the Fund's portfolio at 31 December 2020 is as follows:

			2020	
(all amounts in USD)	Gross amount	Forward contract	Net amount	% NAV
US Dollars	147,415,374	(74,892,653)	72,522,721	50.59
Euro	(4,073,021)	74,892,653	70,819,632	49.41
Total			143,342,353	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, 2021 that was not the case). FX forwards 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 forward contracts as of December 31, 2021 totalled USD 57,868,752 (2020: USD 74,892,653).

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:

			2021		
(all amounts in USD)	Less than 1 year	Between 1 and 5 years	Longer than 5 years	Non-interest bearing	Total
Investments					
Loans	11,466,404	71,347,294	54,190,783	-	137,004,481
Forwards	-	-	-	314,743	314,743
Total investments	11,466,404	71,347,294	54,190,783	314,743	137,319,224

			2020		
(all amounts in USD)	Less than 1 year	Between 1 and 5 years	Longer than 5 years	Non-interest bearing	Total
Investments					
Loans	5,676,588	88,326,268	35,004,162	-	129,007,018
Forwards	-	-	-	(396,148)	(396,148)
Total investments	5,676,588	88,326,268	35,004,162	(396,148)	128,610,870

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)	2021	2020
Credit rating		
BBB	2,500,000	-
BBB-	10,670,588	2,125,000
BB+	16,412,026	1,500,000
BB	17,318,758	8,554,278
BB-	38,596,090	13,297,915
B+	23,608,916	44,291,478
B	9,866,931	25,471,832
B-	2,783,237	20,114,015
CCC	3,878,290	1,562,500
CCC-	1,609,645	-
CC+	-	2,500,000
CC	9,760,000	9,590,000
Total as per 31 December	137,004,481	129,007,018

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 F21, equal to Standard & Poor’s C rating.

As per 31 December 2021 the total provision amounts to USD 5,595,443 (2020: USD 9,234,697).

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. is A (2020: A).

The amount that best represents the maximum credit risk of the Fund at 31 December 2021 is USD 163,485,047 (2020: USD 153,786,433).

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 may, especially during its first year after establishment, hold relatively few, large investments in relation to the size of the Fund. 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

Sustainability risks are categorized into Environmental, Social or Governance (ESG) issues and may pose a material risk to the value of an investment.

Some examples of environmental risks are:

- Increased taxation on environmentally damaging activities
- Damage to production facilities due to global warming induced flooding
- Fines for mishandling of hazardous waste

Some examples of social sustainability risks are:

- Negative publicity and loss of contracts after poor handling of digital client data or security.
- Closer scrutiny of labor rights in the supply chain
- Dishonest marketing practices or product safety

Some examples of governance risks are:

- increasing scrutiny on livable wages and earnings dispersion within a company
- ethics bribery and corruption
- anti-competitive behaviour

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. Dependent 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.

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	

<u>Monitoring of sustainability risks in the Fund</u>

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)	2021	2020
Average net asset value	153,266,268	155,172,649
Total ongoing expenses	1,776,744	1,824,939
Ongoing charges figure for the year	1.16%	1.18%

Turnover ratio's (TOR)

The turnover ratio for the Fund over the period 1 January 2021 until 31 December 2021 is 35 (2020: 6).

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 9.

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 task 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 10.

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 9.

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 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 2021 will be added to the Net asset value of the Fund.

Events after balance sheet date

The Russian invasion in Ukraine has caused clear market volatility. Further escalation is expected to dampen global growth, especially in Europe. This might have an impact on the performance of the Fund as well. 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.

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 2021 and 31 December 2021 in investments the Fund held in portfolio at these dates.

Independent Auditor's report

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

Independent auditor's report

To: the management board of FMO Privium Impact Fund

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

Our opinion

We have audited the financial statements 2021 of 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 at 31 December 2021, and of its result for 2021 in accordance with Part 9 of Book 2 of the Dutch Civil Code.

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

Basis for our opinion

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

We are independent of FMO Privium Impact Fund in accordance with the Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore we have complied with the Verordening gedrags- en beroepsregels accountants (VGBA, Dutch Code of Ethics).

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

Report on other information included in the annual report

In addition to the financial statements and our auditor's report thereon, the annual report contains other information that consists of:
- General Information
- Key figures
- Fund Manager Report
- Other information as required by Part 9 of Book 2 of the Dutch Civil Code

Based on the following procedures performed, we conclude that the other information:
- Is consistent with the financial statements and does not contain material misstatements
- Contains the information as required by Part 9 of Book 2 of the Dutch Civil Code

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

Management 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 for the financial statements

Responsibilities of the manager for the financial statements

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

As part of the preparation of the financial statements, management is responsible for assessing the company’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 management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so. The Manager should disclose events and circumstances that may cast significant doubt on the company’s ability to continue as a going concern in the financial statements.

Our responsibilities for the audit of the financial statements

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

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

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

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

- Identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control

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

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

The Hague, 17 June 2022

Ernst & Young Accountants LLP

signed by R.J. Bleijs